SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Education

Subtitle 3. [General State Scholarship] FREE STATE GRANT EDUCATIONAL EXCELLENCE AWARD Program

18 - 301.

- (A) There is a program of [general State scholarships] FREE STATE EDUCATIONAL EXCELLENCE AWARDS in this State that are awarded under this subtitle.
- (B) THE PROGRAM SHALL CONSIST OF THE FOLLOWING TYPES OF AWARDS:
- (1) GUARANTEED ACCESS GRANTS THAT ARE AWARDED TO THE NEEDIEST STUDENTS TO ENSURE THAT 100 PERCENT OF EDUCATIONAL COSTS, AS DEFINED BY REGULATIONS ADOPTED BY THE COMMISSION, ARE PAID; AND
- (2) EDUCATIONAL ASSISTANCE GRANTS THAT ARE AWARDED TO LOW AND MODERATE INCOME STUDENTS TO ASSIST IN PAYING EDUCATIONAL COSTS, AS DEFINED BY REGULATIONS ADOPTED BY THE COMMISSION.

18-301.1.

The State Scholarship Administration shall publicize the availability of [general State scholarships] FREE STATE EDUCATIONAL EXCELLENCE AWARDS. 18–302.

- (a) Except for a distinguished scholar award under § 18-1101 of this article, the recipient of a [general State scholarship] FREE STATE AN EDUCATIONAL EXCELLENCE AWARD may not hold any other scholarship awarded under this title.
 - (b) [(1) Each applicant for a general State scholarship shall:
- (i) Take a competitive examination administered by the State Scholarship Administration; and
- (ii)] EACH RECIPIENT OF A FREE STATE AN EDUCATIONAL EXCELLENCE AWARD SHALL:
- (1) Be accepted for admission in the regular undergraduate program at an eligible institution or be enrolled in a two-year [terminal certificate] ASSOCIATE DEGREE program in which the course work is acceptable for transfer credit for an accredited baccalaureate program in an eligible institution[.];
 - [(2) An applicant is exempt from the examination if the applicant: