

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 545
 Appropriations

(Delegate Mireku-North)

Education, Energy, and the Environment

**Janet L. Hoffman Loan Assistance Repayment Program - Nancy Grasmick
 Public School Professional Award - Public School Nurses**

This bill expands eligibility for the Nancy Grasmick Public School Professional Award to public school nurses who (1) have two years of experience in providing health services in a public school and (2) are employed by a local school system or local health department (LHD) to provide health services through an agreement with a local board of education. Requirements for the Maryland Higher Education Commission (MHEC) to publicize the program are expanded to include eligible public school nurses in an effort to recruit and retain nurses working in public schools in the State. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: The FY 2025 budget, as passed by the General Assembly and contingent on this bill (or its cross file), appropriates \$750,000 in general funds to the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to encompass certain school nurses under the Nancy Grasmick Public School Professional Award. This analysis assumes additional Grasmick awards fully expend the general fund appropriation in FY 2025, as further discussed below. In addition, MHEC expenditures minimally increase for software upgrades and to alter program publicity as discussed below. Otherwise, expanding *eligibility* for the Grasmick award does not necessarily *require* additional spending in the out-years. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	753,000	-	-	-	-
Net Effect	(\$753,000)	(\$-)	(\$-)	(\$-)	(\$-)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None, but the bill may help mitigate nursing shortages in public schools.

Small Business Effect: None.

Analysis

Current Law:

Loan Assistance Repayment Program – Generally

LARP provides loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the State have sufficient numbers of primary care physicians, physician assistants, dentists, lawyers, and other professionals serving those areas or low-income families. LARP also provides loan repayment assistance in exchange for service commitments to serve as a police officer or probation agent anywhere in the State. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, the Maryland LARP for Physicians and Physician Assistants, and the Maryland LARP for Police Officers and Probation Agents. Individuals must have received a graduate, professional, or undergraduate degree from a college or university in the State or a school of law or have received a Resident Teacher Certificate from the Maryland State Department of Education (MSDE) after completing an approved alternative teaching preparation program. Except for the Maryland LARP for Police Officers and Probation Agents, they must also be employed full-time in State or local government or in a nonprofit organization that assists low-income, underserved residents or underserved areas in the State. For the Maryland LARP for Police Officers and Probation Agents, individuals must obtain employment as a police officer or probation agent in the State for at least two years and satisfy any other criteria the Office of Student Financial Assistance (OSFA) establishes.

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by OSFA to assist in the repayment of any higher education loan owed by an individual who:

- *either* (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, a law school, or, for mental health professionals only, any accredited college or university *or* (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching preparation program;
- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech

pathologists, and teachers. A licensed clinical alcohol and drug counselor, a licensed clinical marriage and family therapy counselor, or a licensed clinical professional counselor whose practice is located in a high-need geographic area of the State as determined by the Maryland Department of Health (MDH) may receive assistance under the program.

Nancy Grasmick Public School Professional Award

Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within Janet L. Hoffman LARP for Maryland. Chapter 627 of 2023 expanded eligibility to include mental health professionals (including school psychologists, resource psychologists, psychologist coordinators, social workers, social worker supervisors, school counselors, or mental health coordinators) and renamed the program the Nancy Grasmick Public School Professional Award.

Accordingly, the award is available to public school teachers and mental health professionals who have taught or provided mental health services in Maryland for at least two years. For teachers, this service must include teaching in (1) science, technology, engineering, or mathematics subjects or (2) a school in which at least 75% of the students are enrolled in the free and reduced-price meal program. For mental health professionals this may include time as an employee of either a local school system or an LHD through an agreement with a local board of education. A teacher must also have received a performance evaluation rating for the most recent year available. Eligible loans for repayment include the loans of an individual who (1) receives a graduate, professional, or undergraduate degree from a college or university in the State or a school of law; (2) for mental health professionals only, receives a graduate, professional, or undergraduate degree from any accredited college or university; or (3) receives a resident teacher certificate from MSDE after completing an alternative teaching preparation program approved by the State Superintendent of Schools.

State Expenditures: Expanding eligibility does not necessarily require additional spending; however, the fiscal 2025 budget as passed by the General Assembly includes a \$750,000 contingent appropriation for awards to school nurses under this bill or its cross file. This analysis assumes additional awards fully expend the contingent appropriation in fiscal 2025, with no additional spending *required* in fiscal 2026 and beyond. However, to make any awards beyond those covered by appropriated funds, including the contingent appropriation in fiscal 2025, an estimated \$6,500 per award is necessary as explained below.

In fiscal 2023, 103 awards totaling \$547,999 were made under the Janet L. Hoffman LARP. Thus, average awards were approximately \$5,300 per individual. However, MHEC advises that, although allocations across programs within the Janet L. Hoffman LARP are not

mandated in statute, the agency has worked with MDH to ensure funding levels for 15 full-time dentists each year under the Maryland Dent-Care Program. As a result of this allocation, the average award amount for non-Maryland Dent-Care LARP programs was \$6,500 for the past two fiscal years.

The fiscal 2025 budget as passed by the General Assembly includes approximately \$7.1 million in total funding for the Janet L. Hoffman LARP, which encompasses the \$750,000 general fund contingent appropriation effectuated by the bill (or its cross file). Approximately \$6.4 million was allocated in fiscal 2024. In fiscal 2023, the program received \$1.3 million.

The \$750,000 in funding effectuated by the bill is sufficient to cover awards for approximately 115 school nurses (based on an average award amount of \$6,500). Although this analysis assumes sufficient demand to fully expend that appropriation, to the extent Grasmick awards made to school nurses in fiscal 2025 total less than \$750,000, fiscal 2025 expenditures are reduced accordingly, with excess funds reverting to the general fund. Awards made beyond the 115 assumed to be covered by the contingent appropriation in fiscal 2025 and any *additional* awards made beginning in fiscal 2026 are assumed to increase expenditures by approximately \$6,500 per individual should existing appropriated funds be insufficient to cover them. Otherwise, individuals can be added to the Janet L. Hoffman LARP waiting list with no additional resources.

MHEC advises that enhancing the existing Maryland College Aid Processing System (MDCAPS) to include school nurses under the Nancy Grasmick Public School Professional Award requires approximately \$3,000 in one-time costs in fiscal 2025. MHEC may also incur additional minimal administrative costs to adapt existing information to target nurses as specified in the bill. However, given that MHEC already works to publicize the program, such costs are likely absorbable within existing resources.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 441 (Senator Beidle) - Education, Energy, and the Environment.

Information Source(s): Baltimore City Public Schools; Baltimore County Public Schools; Prince George's County Public Schools; Maryland State Department of Education; Maryland Higher Education Commission; Maryland Department of Health; Maryland Association of County Health Officers; Department of Legislative Services

Fiscal Note History:
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