

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 657

(Anne Arundel County Senators)

Education, Energy, and the Environment

Appropriations

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**Anne Arundel County - Student Loan Assistance Repayment Program for  
Educators - Established**

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This bill authorizes Anne Arundel County to establish a Student Loan Assistance Repayment Program for Educators employed by Anne Arundel County Public Schools (AACPS). The purpose of the program is to attract, recruit, and retain a diverse cadre of qualified educators in AACPS that reflects the student population within county schools. For purposes of the program, an “educator” includes classroom teachers, education support professionals, education-related service providers, and specialists eligible for certification from the Maryland State Department of Education (MSDE). The program must be administered by AACPS. Funds for the program must be as provided on an annual basis in the county budget in an appropriation separate from the county’s appropriation to the operating budget of the Anne Arundel County Board of Education. Funds for the program may be used to cover administrative expenses of the program.

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**Fiscal Summary**

**State Effect:** None. The bill is directed at Anne Arundel County.

**Local Effect:** Authorizing the governing body of Anne Arundel County to establish an educator loan assistance repayment program (LARP) does not affect local finances. However, implementing an educator LARP increases expenditures, as provided in the Anne Arundel County budget. Revenues are likely not materially affected, even if a program is implemented.

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** Anne Arundel County must assist in the repayment of higher education loans owed by an individual who (1) receives a graduate, professional, or undergraduate degree from an accredited college or university; (2) obtains employment as an educator in AACPS; (3) commits to serve in AACPS for at least five years; (4) receives an income that is less than the maximum eligible total income levels established by the county, including any additional sources of income the individual may earn; (5) is not in default on any student loan; and (6) satisfies any other criteria established by the county for the program. Loan assistance provided under the program must be in the amount and on the terms and conditions established by the county. An applicant for assistance in the repayment of a commercial loan must demonstrate to the county that the loan was used for tuition, educational expenses, or living expenses for graduate or undergraduate study. For purposes of the program, “higher education loan” means any loan for undergraduate or graduate study that is obtained for tuition, educational expenses, or living expenses from a variety of specified sources.

### **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 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 may receive assistance under the program.

For the Janet L. Hoffman LARP, awards are determined by an applicant's overall reported educational debt at the time of application. Award funds are distributed annually over a three-year period as long as the recipient remains eligible and continues to submit the required annual employment, lender, and tax documentation by the deadline.

### *Howard County Student Loan Assistance Repayment Program for Teachers*

Chapter 140 of 2018 authorized Howard County to establish a Student Loan Assistance Repayment Program for Teachers employed by the Howard County Public School System (HCPSS). The purpose of the program is to attract, recruit, and retain a diverse cadre of qualified teachers in HCPSS that reflects the student population within the county schools. The program must be administered by HCPSS. Funds for the program must be as provided on an annual basis in the county budget in an appropriation separate from the county's appropriation to the operating budget of the Howard County Board of Education. Funds for the program may be used to cover administrative expenses of the program.

Under the program, Howard County must assist in the repayment of higher education loans owed by an individual who (1) receives a graduate, professional, or undergraduate degree from an accredited college or university; (2) obtains employment as a full-time teacher in HCPSS; (3) commits to teach in HCPSS for at least five years; (4) receives an income that

is less than the maximum eligible total income levels established by the county, including any additional sources of income; (5) is not in default on any student loan; and (6) satisfies any other criteria established by the county for the program. Loan assistance provided under the program must be in the amount and on the terms and conditions established by the county. For purposes of the program, “higher education loan” means any loan for undergraduate or graduate study that is obtained for tuition, educational expenses, or living expenses from a variety of specified sources.

**Local Expenditures:** It is unknown whether Anne Arundel County will exercise the authorization under the bill to establish an educator LARP. Further, if it does establish a program, the program parameters are unclear – including the amount of funding it might provide the program, additional eligibility criteria it would establish, and whether there would be repayment provisions for incomplete service obligations. The bill specifies that funds appropriated for the program must be separate from the county’s appropriation to the operating budget of the Anne Arundel County Board of Education. The bill also specifies that funds for the program may be used to cover administrative expenses.

For context, in June 2023, the Howard County Council passed legislation to implement a substantially similar program of loan assistance repayment for teachers (in accordance with Chapter 140 as described above) and included \$300,000 in its fiscal 2024 budget to support the first year of awards.

For additional context at the State level, the fiscal 2025 budget as introduced includes approximately \$6.4 million in funding for the Janet L. Hoffman LARP, the same amount of funding that was allocated in fiscal 2024. In fiscal 2023, the program received \$1.3 million and had an average award amount of approximately \$6,500. For the 2023-2024 award cycle, OSFA set the award amounts for the Janet L. Hoffman LARP at the amounts shown in **Exhibit 1**. The Janet L. Hoffman LARP awards are determined by an applicant’s overall reported educational debt at the time of application, and they lock into an award level that contains set award amounts. Awards are distributed annually over a three-year period as long as the recipient remains eligible and continues to submit the required annual employment, lender, and tax documentation by the deadline.

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**Exhibit 1**  
**Janet L. Hoffman LARP Award Amounts Schedule**  
**2023-2024 Award Cycle**

<u>Total Debt</u>	<u>Overall Award Limit</u>	<u>Yearly Payment</u>
\$75,001 or More	\$30,000	\$10,000
\$40,001-\$75,000	18,000	6,000
\$15,001-\$40,000	9,000	3,000
\$15,000 or Less	4,500*	1,500*

LARP: loan assistance repayment program

\* *Payment amount cannot exceed total debt; amount will be adjusted.*

Source: Maryland Higher Education Commission

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**Additional Information**

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

**Designated Cross File:** HB 541 (Delegate Henson, *et al.*) - Appropriations.

**Information Source(s):** Anne Arundel County; Anne Arundel County Public Schools; Howard County; Department of Legislative Services

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