

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
First Reader - Revised

House Bill 1398
Appropriations

(Delegate Chang, *et al.*)

Higher Education – Janet L. Hoffman Loan Assistance Repayment Program –
Eligibility

This bill expands eligibility for the Nancy Grasmick Public School Professional Award within the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to include veterinary practitioners who received a graduate, professional, or undergraduate degree from any accredited veterinary college or university. Veterinary practitioners must also have provided veterinary services as an employee for a minimum of 20 hours per week or as a volunteer for a minimum of 15 hours per week at an animal shelter that is owned by (1) a local government; (2) an organization contracted to perform animal control services for a local government; or (3) an organization that shelters animals and was a recipient of the Maryland Spay and Neuter Grants Program during the prior year. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: Expanding *eligibility* for the Nancy Grasmick Public School Professional Award does not require additional spending, as discussed below. Maryland Higher Education Commission (MHEC) expenditures increase minimally for software upgrades and to alter program publicity as discussed below. Revenues are not affected.

Local Effect: None. However, the bill may encourage additional veterinarians to work or volunteer in local shelters.

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.

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.

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 a local health department 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.

Spay and Neuter Grants Program

Chapters 561 and 562 of 2013 established and Chapter 92 of 2022 subsequently extended the Spay/Neuter Fund through September 30, 2032. The fund has the purpose of reducing animal shelter overpopulation and cat and dog euthanasia rates by financing grants to local governments and animal welfare organizations for programs that most efficiently facilitate and promote the provision of spay and neuter services for cats and dogs in the State. The

fund receives revenue from a fee imposed on each registered brand name or product name of dog or cat food. The current fee, which will remain in effect until the fund's termination date, is \$100. Fees are paid by the person registering the pet food, in accordance with Maryland Department of Agriculture guidelines.

State Expenditures: Expanding eligibility does not necessarily require additional spending; however, to make additional awards, 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 the 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 nonMaryland Dent-Care LARP programs was \$6,500 for the past two fiscal years.

The fiscal 2025 budget as introduced includes approximately \$6.4 million in funding for the program, the same amount of funding that was allocated in fiscal 2024. In fiscal 2023, the program received \$1.3 million. Any additional grants made beginning in fiscal 2025 may increase expenditures by approximately \$6,500 per individual to the extent existing appropriated funds are insufficient to cover additional awards. Otherwise, individuals can be added to the Janet L. Hoffman LARP waiting list with no additional resources.

MHEC advises enhancing the existing Maryland College Aid Processing System (MDCAPS) to include veterinarians under the Nancy Grasmick Public School Professional Award requires approximately \$4,500 in one-time costs in fiscal 2025 to enhance MDCAPS.

Additional Comments: As drafted, the bill expands the Nancy Gramick *Public School Professional Award* to include a profession entirely outside the realm of public education. Absent an amendment to change the statutory definition of the Grasmick Public School Professional Award or instead add veterinarians to the larger umbrella Janet L. Hoffman LARP, veterinary recipients of a Janet L. Hoffman LARP must be known as a Nancy Grasmick Public School Professional Scholar. This analysis assumes that the distinction between allowing specified veterinarians to receive a Nancy Grasmick Public School Professional Award instead of a Janet L. Hoffman LARP award, while at odds with terminology used in statute, has no fiscally meaningful bearing on the effect of the bill. The Nancy Grasmick Public School Professional Award is a subset of awards under the Janet L. Hoffman LARP, and both awards are subject to maximum funding as provided on an annual basis in the State budget.

Additional Information

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

Designated Cross File: SB 900 (Senator Corderman) - Education, Energy, and the Environment.

Information Source(s): Maryland Higher Education Commission; Maryland Department of Agriculture; Department of Legislative Services

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Analysis by: Michael E. Sousane

Direct Inquiries to:
(410) 946-5510
(301) 970-5510