

SENATE BILL 462

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2001 Regular Session
1r2505
CF HB 143

By: **Senators Hoffman and Blount**

Introduced and read first time: February 2, 2001

Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Janet L. Hoffman Loan Assistance Repayment Program**

3 FOR the purpose of renaming the Loan Assistance Repayment Program administered
4 by the State Scholarship Administration to be the Janet L. Hoffman Loan
5 Assistance Repayment Program.

6 BY repealing and reenacting, with amendments,
7 Article - Education
8 Section 18-1501 through 18-1505 to be under the amended subtitle "Subtitle
9 15. Janet L. Hoffman Loan Assistance Repayment Program"
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2000 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - Health Occupations
14 Section 14-207(c)
15 Annotated Code of Maryland
16 (2000 Replacement Volume)

17 **Preamble**

18 WHEREAS, Janet L. Hoffman was the first and longest-serving lobbyist for
19 Baltimore City in Annapolis, who served full-time in her position for 33 years and
20 another 10 years as a consultant, retiring in 1996 at the age of 77; and

21 WHEREAS, The Baltimore Sun called Ms. Hoffman "a strategist as well as a
22 master of government finance" who used Baltimore's diminishing power in the
23 General Assembly "with pre-eminent efficiency, building coalitions and making
24 friends in high places"; and

25 WHEREAS, Ms. Hoffman began her government career in 1949 as the first staff
26 person employed by the General Assembly's Fiscal Research Bureau; and

27 WHEREAS, By the peak of her career as a lobbyist for the city, Ms. Hoffman was
28 so effective in her work that she was known as Maryland's forty-eighth senator; and

1 WHEREAS, Ms. Hoffman's financial acuity helped her to create complicated
2 financial formulas that helped the struggling city and other local jurisdictions pay for
3 various spiraling expenses, including maintaining local welfare programs and quality
4 school systems; and

5 WHEREAS, State Comptroller and former Governor William Donald Schaefer
6 recalls that Ms. Hoffman "never misled anybody" and was "the smartest woman I ever
7 met in the area of finance"; and

8 WHEREAS, Former Governor Marvin Mandel remembers Ms. Hoffman as "one
9 of the most knowledgeable persons in Annapolis" who "had a passion for the city that
10 drove her"; and

11 WHEREAS, U.S. Congressman Benjamin L. Cardin recalls Ms. Hoffman as "the
12 most effective governmental lobbyist in the history of the State," and a person to
13 whom he "owes his sensitivity toward fiscal matters"; and

14 WHEREAS, In his eulogy, U. S. Senator Paul S. Sarbanes said of Ms. Hoffman,
15 "First and foremost, Janet Hoffman was a distinguished public servant who fervently
16 believed that governance in a democracy is a serious and noble enterprise"; and

17 WHEREAS, The Maryland Chapter of the American Society for Public
18 Administration recognizes individuals who have made an outstanding contribution to
19 local government by awarding them the chapter's Janet L. Hoffman Award; and

20 WHEREAS, With Ms. Hoffman's death on December 30, 2000, the State was left
21 bereft of one of its wisest and ablest public servants; and

22 WHEREAS, Janet Hoffman is deserving of a lasting memorial to her exemplary
23 career; and

24 WHEREAS, Ms. Hoffman can most appropriately be memorialized by naming
25 after her the State fund that provides financial assistance to graduates who choose to
26 work in the public or the nonprofit sector; now, therefore,

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
28 MARYLAND, That the Laws of Maryland read as follows:

29 **Article - Education**

30 Subtitle 15. JANET L. HOFFMAN Loan Assistance Repayment Program.

31 18-1501.

32 (a) In this subtitle the following words have the meanings indicated.

33 (b) (1) "Eligible field of employment" means employment in the State by an
34 organization, institution, association, society, or corporation that is exempt from
35 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

1 (2) "Eligible field of employment" includes employment by the State or
2 any local government in the State, but does not include being employed as a judicial
3 clerk in any court.

4 (c) "Higher education loan" means any loan for undergraduate or graduate
5 study that is obtained for tuition, educational expenses or living expenses from:

6 (1) A college or university, government, or commercial source; or

7 (2) An organization, institution, association, society, or corporation that
8 is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

9 (D) "PROGRAM" MEANS THE JANET L. HOFFMAN LOAN ASSISTANCE
10 REPAYMENT PROGRAM.

11 18-1502.

12 (a) There is a program of loan assistance repayment KNOWN AS THE JANET L.
13 HOFFMAN LOAN ASSISTANCE REPAYMENT PROGRAM in the State.

14 (b) Subject to the provisions of subsection (c) of this section, the State
15 Scholarship Administration shall assist in the repayment of the amount of any higher
16 education loan owed by an individual who:

17 (1) Receives a graduate, professional, or undergraduate degree from:

18 (i) A college or university in the State of Maryland; or

19 (ii) A school of medicine;

20 (2) Obtains eligible employment;

21 (3) Receives an income that is less than the maximum eligible total
22 income levels established by the Administration, including any additional sources of
23 income; and

24 (4) Satisfies any other criteria established by the Administration.

25 (c) (1) Notwithstanding the provisions of subsection (b) of this section, the
26 Administration shall assist in the repayment of the amount of any higher education
27 loan owed by a physician who engages in primary care in the State or by a medical
28 resident specializing in primary care who agrees to practice for at least 2 years as a
29 primary care physician in a geographic area of the State that has been designated by
30 the Secretary of Health and Mental Hygiene as being medically underserved with the
31 funds transferred to the Administration by the Comptroller under § 14-207(c)(2)(i) of
32 the Health Occupations Article.

33 (2) A physician who engages in primary care is not precluded from
34 receiving assistance from the Administration under subsection (b) of this section.

1 (3) Any unspent portions of the money that is transferred to the
2 Administration for use under this section from the Physician Quality Assurance Fund
3 may not be transferred to or revert to the General Fund of the State, but shall remain
4 in the Fund maintained by the Administration to administer these programs to assist
5 physicians engaged in primary care as specified in paragraph (1) of this subsection.

6 (d) An applicant for assistance in the repayment of a commercial loan shall
7 demonstrate to the Administration that the commercial loan was used for tuition,
8 educational expenses, or living expenses for graduate or undergraduate study.

9 (e) Assistance in the repayment of a loan from an entity set forth in §
10 18-1501(c)(2) of this subtitle shall require the approval of the Administration.

11 18-1503.

12 (a) The State Scholarship Administration shall adopt regulations to establish:

13 (1) The maximum starting income for eligibility in the JANET L.
14 HOFFMAN Loan Assistance Repayment Program;

15 (2) The maximum total income for eligibility in the JANET L. HOFFMAN
16 Loan Assistance Repayment Program, including any additional sources of income;

17 (3) That priority for participation in the Program shall be given to an
18 individual who:

19 (i) Graduated from an institution of higher education in the last 3
20 years;

21 (ii) Is a resident of the State;

22 (iii) Is employed on a full-time basis; and

23 (iv) Provides, as the principal part of the individual's employment,
24 legal services to low income residents in the State who cannot afford legal services,
25 nursing services in nursing shortage areas in the State as defined in § 18-802 of this
26 article, or other services in an eligible field of employment in which there is a
27 shortage of qualified practitioners to low income or underserved residents or areas of
28 the State;

29 (4) A limit on the total amount of assistance provided by the State
30 Scholarship Administration in repaying the loan of an eligible individual, based on
31 the individual's total income and outstanding higher education loan balance;

32 (5) A procedure and schedule for the payment of the amount of loan
33 assistance provided by the State Scholarship Administration to the eligible
34 individual; and

35 (6) An annual review of the eligibility of each individual participating in
36 the Program.

1 (b) The State Scholarship Administration shall adopt any other regulations
2 necessary to implement this subtitle.

3 18-1504.

4 (a) Funds for the JANET L. HOFFMAN Loan Assistance Repayment Program
5 shall be provided on an annual basis in the State budget.

6 (b) If a federal matching grant loan program furnishes professional services in
7 an eligible field of employment to low income or underserved residents of the State,
8 the Administration may apply not more than 50 percent of the funds provided in the
9 State budget for the JANET L. HOFFMAN Loan Assistance Repayment Program to the
10 State's participation in the federal program.

11 18-1505.

12 Subject to § 2-1246 of the State Government Article, the State Scholarship
13 Administration shall report to the General Assembly by January 1 of each year on the
14 implementation of the JANET L. HOFFMAN Loan Assistance Repayment Program.

15 **Article - Health Occupations**

16 14-207.

17 (c) (1) Except for fees assessed in accordance with the provisions of §
18 14-402(e) of this title, the Board shall pay all fees collected under the provisions of
19 this title to the Comptroller of the State.

20 (2) The Comptroller shall distribute:

21 (i) 14 percent of the fees received from the Board to the State
22 Scholarship Administration to be used as follows:

23 1. One-half to make grants under the Health Manpower
24 Shortage Incentive Grant Program under § 18-803 of the Education Article; and

25 2. One-half to make grants under the JANET L. HOFFMAN
26 Loan Assistance Repayment Program under § 18-1502(c) of the Education Article to
27 physicians engaged in primary care or to medical residents specializing in primary
28 care who agree to practice for at least 2 years as primary care physicians in a
29 geographic area of the State that has been designated by the Secretary of Health and
30 Mental Hygiene as being medically underserved; and

31 (ii) The balance of the fees to the Board of Physician Quality
32 Assurance Fund.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 October 1, 2001.