

HOUSE BILL 1132

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8lr1315

By: **Delegate Rosenberg**

Introduced and read first time: February 7, 2008

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Janet L. Hoffman Loan Assistance Repayment Program –**
3 **Eligibility and Administration**

4 FOR the purpose of expanding eligibility for the Janet L. Hoffman Loan Repayment
5 Assistance Program to individuals employed on a part–time basis; requiring
6 certain factors to be used in determining the amount of financial assistance
7 provided by the Office of Student Financial Assistance of the Maryland Higher
8 Education Commission to an individual participating in the Program; requiring
9 the Office to adopt regulations to establish a procedure to calculate the amount
10 of assistance provided to an eligible individual employed on a part–time basis
11 based on certain criteria; requiring the Office to adopt regulations to establish
12 an annual review of the maximum total income for eligibility in the Program;
13 and generally relating to the Janet L. Hoffman Loan Assistance Repayment
14 Program.

15 BY repealing and reenacting, with amendments,
16 Article – Education
17 Section 18–1502 and 18–1503
18 Annotated Code of Maryland
19 (2006 Replacement Volume and 2007 Supplement)

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

22 **Article – Education**

23 18–1502.

24 (a) There is a program of loan assistance repayment known as the Janet L.
25 Hoffman Loan Assistance Repayment Program in the State.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) Subject to the provisions of subsection (c) of this section, the Office of
2 Student Financial Assistance shall assist in the repayment of the amount of any
3 higher education loan owed by an individual who:

4 (1) (i) Receives a graduate, professional, or undergraduate degree
5 from:

6 1. A college or university in the State of Maryland;

7 2. A school of medicine; or

8 3. A school of law; or

9 (ii) Receives a Resident Teacher Certificate (RTC) from the
10 Department after completing an alternative teaching preparation program approved
11 by the State Superintendent;

12 (2) Obtains eligible employment, **INCLUDING EMPLOYMENT ON A**
13 **PART-TIME BASIS;**

14 (3) Receives an income that is less than the maximum eligible total
15 income levels established by the Office, including any additional sources of income;
16 and

17 (4) Satisfies any other criteria established by the Office.

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

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

28 (3) Any unspent portions of the money that is transferred to the Office
29 for use under this section from the Board of Physicians Fund may not be transferred to
30 or revert to the General Fund of the State, but shall remain in the Fund maintained
31 by the Office to administer these programs to assist physicians engaged in primary
32 care as specified in paragraph (1) of this subsection.

33 (d) An applicant for assistance in the repayment of a commercial loan shall
34 demonstrate to the Office that the commercial loan was used for tuition, educational
35 expenses, or living expenses for graduate or undergraduate study.

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

3 (f) The Department shall employ not more than one staff member to
4 administer the Department's portion of the Program established under this section.

5 18-1503.

6 (a) The Office of Student Financial Assistance shall adopt regulations to
7 establish:

8 (1) The maximum starting income for eligibility in the Janet L.
9 Hoffman Loan Assistance Repayment Program;

10 (2) The maximum total income for eligibility in the Janet L. Hoffman
11 Loan Assistance Repayment Program, including any additional sources of income;

12 (3) **THAT SPOUSAL ACADEMIC DEBT AND FAMILY SIZE SHALL BE**
13 **FACTORS USED IN DETERMINING THE AMOUNT OF FINANCIAL ASSISTANCE**
14 **PROVIDED BY THE OFFICE OF STUDENT FINANCIAL ASSISTANCE TO AN**
15 **INDIVIDUAL PARTICIPATING IN THE PROGRAM;**

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

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

20 (ii)] Is a resident of the State;

21 [(iii)](II) Is employed on a full-time basis; and

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

28 [(4)] (5) A limit on the total amount of assistance provided by the
29 Office of Student Financial Assistance in repaying the loan of an eligible individual,
30 based on the individual's total income and outstanding higher education loan balance;

31 (6) **A PROCEDURE FOR THE CALCULATION OF THE TOTAL**
32 **AMOUNT OF ASSISTANCE PROVIDED BY THE OFFICE OF STUDENT FINANCIAL**

1 **ASSISTANCE IN REPAYING THE LOAN OF AN ELIGIBLE INDIVIDUAL WHO IS**
2 **EMPLOYED ON A PART-TIME BASIS, PRORATED ACCORDING TO THE NUMBER OF**
3 **HOURS WORKED BY THE INDIVIDUAL;**

4 ~~[(5)]~~**(7)** A procedure and schedule for the payment of the amount of
5 loan assistance provided by the Office of Student Financial Assistance to the eligible
6 individual; ~~[and]~~

7 **(8) AN ANNUAL REVIEW OF THE MAXIMUM TOTAL INCOME FOR**
8 **ELIGIBILITY IN THE PROGRAM; AND**

9 ~~[(6)]~~**(9)** An annual review of the eligibility of each individual
10 participating in the Program.

11 (b) The Office of Student Financial Assistance shall adopt any other
12 regulations necessary to implement this subtitle.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 October 1, 2008.