

Chapter 496

(House Bill 613)

AN ACT concerning

Loan Assistance Repayment Program – Nancy Grasmick Teacher Scholars

FOR the purpose of establishing the Nancy Grasmick Teacher ~~Grant~~ Award in the Janet L. Hoffman Loan Assistance Repayment Program; ~~requiring the Office of Student Financial Assistance to assist in the repayment of certain higher education loans owed by certain individuals who receive certain degrees from certain institutions of higher education in the State or out of the State;~~ requiring the Office to assist in the repayment of the amount of any higher education loan owed by certain public school teachers in the State who teach certain subjects or teach in certain schools in Maryland for a certain amount of time; providing that a recipient of a Nancy Grasmick Teacher ~~Grant~~ Award shall be known as a Nancy Grasmick Teacher Scholar; requiring that certain regulations establishing priority for participation in the Janet L. Hoffman Loan Assistance Repayment Program include, for teacher applicants only, an individual who qualifies for a Nancy Grasmick Teacher ~~Grant~~ Award and meets other specified qualifications; prohibiting the Office from approving more than a certain percentage of awards for teacher applicants to Nancy Grasmick Teacher Scholars; and generally relating to the creation of the Nancy Grasmick Teacher ~~Grant~~ Award in the Loan Assistance Repayment Program.

BY repealing and reenacting, without amendments,
 Article – Education
 Section 18–1501, 18–1504, and 18–1505
 Annotated Code of Maryland
 (2008 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
 Article – Education
 Section 18–1502 and 18–1503
 Annotated Code of Maryland
 (2008 Replacement Volume and 2011 Supplement)

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

Article – Education

18–1501.

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

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

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

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

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

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

(d) “Program” means the Janet L. Hoffman Loan Assistance Repayment Program.

18–1502.

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

(b) The Office of Student Financial Assistance shall assist in the repayment of the amount of any higher education loan owed by an individual who:

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

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

2. A school of law; or

~~3. FOR A RECIPIENT OF THE NANCY GRASMICK TEACHER GRANT, A PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION IN THE STATE OR OUT OF THE STATE THAT POSSESSES A CERTIFICATE OF APPROVAL FROM THE APPROPRIATE HIGHER EDUCATION AUTHORITY IN THAT STATE; OR~~

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

- (2) Obtains eligible employment;
- (3) Receives an income that is less than the maximum eligible total income levels established by the Office, including any additional sources of income; and
- (4) Satisfies any other criteria established by the Office.

(C) SUBJECT TO THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION, THE OFFICE SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT OF ANY HIGHER EDUCATION LOAN OWED BY A PUBLIC SCHOOL TEACHER IN THE STATE WHO:

- (1) HAS TAUGHT IN MARYLAND FOR AT LEAST 2 YEARS:**
 - (I) IN SCIENCE, TECHNOLOGY, ENGINEERING, OR MATH SUBJECTS; OR**
 - (II) IN A SCHOOL IN WHICH AT LEAST 75% OF THE STUDENTS ARE ENROLLED IN THE FREE AND REDUCED LUNCH PROGRAM IN THE STATE FOR 2 YEARS; AND**
- (2) HAS RECEIVED THE HIGHEST PERFORMANCE EVALUATION RATING FOR THE MOST RECENT YEAR AVAILABLE IN THE COUNTY IN WHICH THE TEACHER TAUGHT (THE GRANT TO BE KNOWN AS THE NANCY GRASMICK TEACHER ~~GRANT~~ AWARD).**

(D) A RECIPIENT OF A NANCY GRASMICK TEACHER ~~GRANT~~ AWARD SHALL BE KNOWN AS A NANCY GRASMICK TEACHER SCHOLAR.

[(c)] (E) An applicant for assistance in the repayment of a commercial loan shall demonstrate to the Office that the commercial loan was used for tuition, educational expenses, or living expenses for graduate or undergraduate study.

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

18-1503.

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

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

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

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

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

(ii) Is a resident of the State;

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

(iv) **1.** Provides, as the principal part of the individual's employment, legal services to low-income residents in the State who cannot afford legal services, nursing services in nursing shortage areas in the State as defined in § 18-802 of this title, or other services in an eligible field of employment in which there is a shortage of qualified practitioners to low-income or underserved residents or areas of the State; **OR**

2. ~~QUALIFIES~~ QUALIFIES FOR TEACHER APPLICANTS ONLY, QUALIFIES FOR A NANCY GRASMICK TEACHER ~~GRANT~~ AWARD;

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

(5) A procedure and schedule for the payment of the amount of loan assistance provided by the Office of Student Financial Assistance to the eligible individual; and

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

(B) THE OFFICE OF STUDENT FINANCIAL ASSISTANCE MAY NOT APPROVE MORE THAN 50% OF THE TOTAL NUMBER OF AWARDS FOR TEACHER APPLICANTS TO NANCY GRASMICK TEACHER SCHOLARS.

~~(B)~~ **(C)** The Office of Student Financial Assistance shall adopt any other regulations necessary to implement this subtitle.

18-1504.

(a) Funds for the Janet L. Hoffman Loan Assistance Repayment Program described in subsection (b)(2) of this section shall be allocated by the Commission to an individual who:

(1) Has received a graduate degree from a school of law; and

(2) Has submitted an application for the Janet L. Hoffman Loan Assistance Repayment Program that the Commission disapproved due to insufficient funds.

(b) Funds for the Janet L. Hoffman Loan Assistance Repayment Program shall:

(1) Be provided on an annual basis in the State budget; and

(2) Include money paid to the Program from the fee charged for a special admission of an out-of-state attorney under § 7-202(e) of the Courts Article.

(c) If a federal matching grant loan program furnishes professional services in an eligible field of employment to low-income or underserved residents of the State, the Office may apply not more than 50 percent of the funds provided in the State budget for the Janet L. Hoffman Loan Assistance Repayment Program to the State's participation in the federal program.

18-1505.

Subject to § 2-1246 of the State Government Article, the Office of Student Financial Assistance shall report to the General Assembly by January 1 of each year on the implementation of the Janet L. Hoffman Loan Assistance Repayment Program.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2012.

Approved by the Governor, May 22, 2012.