

Department of Legislative Services  
Maryland General Assembly  
2014 Session

FISCAL AND POLICY NOTE  
Revised

Senate Bill 784

(Senator Montgomery, *et al.*)

Education, Health, and Environmental Affairs

Ways and Means

---

Higher Education - Loan Assistance - Licensed Clinical Counselors

---

This bill expands eligibility for the Janet L. Hoffman Loan Assistance Repayment Program (LARP), to include 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 Department of Health and Mental Hygiene (DHMH) if the individual is employed 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.

This bill takes effect July 1, 2014.

---

Fiscal Summary

**State Effect:** Expanding *eligibility* for LARP does not require additional spending. However, in order for *awards* to be made to all applicants currently on the wait list and newly eligible applicants, general fund expenditures need to increase beginning in FY 2015.

**Local Effect:** None.

**Small Business Effect:** None.

---

Analysis

**Current Law:** 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, dentists, and professionals serving underserved areas of the State or low-income families. The program is subdivided into LARP, Maryland Dent

Care Loan Assistance Repayment Program, and Maryland Loan Assistance Repayment Program for Physicians (MLARP). Individuals must 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.

### *LARP*

Eligible employment fields include lawyers, nurses, nurse faculty members, physical and occupational therapists, social workers, speech pathologists, physician assistants, and specified teachers.

According to statute, the Office of Student Financial Assistance (OSFA) may adopt regulations to establish the maximum starting income for eligibility, the maximum total income for eligibility, and the limit on the total amount of assistance provided.

Priority is given to individuals who have graduated from an institution of higher education in the last three years. Priority employment fields established by law are legal services and nursing. Priority for awarding is also given to applicants who are employed as nurse faculty members or applicants who teach in schools designated as federal Title I, schools identified for improvement by Maryland State Department of Education, or who teach in designated critical shortage subject fields. Awards are capped at \$10,000 per year.

Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within LARP for Maryland public school teachers who have taught in Maryland for at least two years in (1) science, technology, engineering, or math subjects or (2) a school in which at least 75% of the students are enrolled in the free and reduced-price meal program. A teacher must also have received the highest performance evaluation rating for the most recent year available.

**Background:** The State Board of Professional Counselors and Therapists licenses and certifies professional counselors, alcohol and drug counselors, marriage and family therapists, and art therapists. In fiscal 2013, the board regulated a total of 5,712 individuals, issuing 408 initial licenses and 156 initial certificates.

The Governor's proposed fiscal 2015 budget includes \$1.5 million in general funds for LARP. MHEC reports that, in fiscal 2013, 124 awards were made, and the average award amount was \$6,143. In fiscal 2013, 164 applicants were placed on the wait list due to lack of funds.

## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Higher Education Commission, Department of Health and Mental Hygiene, Comptroller's Office, Department of Legislative Services

**Fiscal Note History:** First Reader - March 4, 2014  
mm/rhh Revised - Senate Third Reader - March 24, 2014

---

Analysis by: Caroline L. Boice

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