

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1180
Ways and Means

(Howard County Delegation)

Education, Health, and Environmental Affairs

Howard County Student Loan Assistance Repayment Program for Teachers Ho.
Co. 14-18

This bill authorizes Howard County to establish a Student Loan Assistance Repayment Program for Teachers employed by the Howard County Public School System (HCPSS). The purpose of the program is to attract, recruit, and retain a diverse cadre of qualified teachers in HCPSS that reflects the student population within the county schools. The program must be administered by HCPSS. Funds for the program must be as provided on an annual basis in the county budget in an appropriation separate from the county's appropriation to the operating budget of the Howard County Board of Education. Funds for the program may be used to cover administrative expenses of the program.

Fiscal Summary

State Effect: None.

Local Effect: *Authorizing* the governing body of Howard County to establish a teacher loan assistance repayment program (LARP) does not affect local finances. However, *implementing* a teacher LARP increases expenditures, as provided in the Howard County budget. Revenues are likely not materially affected, even if a program is implemented.

Small Business Effect: None.

Analysis

Bill Summary: Howard County must assist in the repayment of higher education loans owed by an individual who (1) receives a graduate, professional, or undergraduate degree from an accredited college or university; (2) obtains employment as a full-time teacher in

HCPSS; (3) commits to teach in HCPSS for at least five years; (4) receives an income that is less than the maximum eligible total income levels established by the county, including any additional sources of income; (5) is not in default on any student loan; and (6) satisfies any other criteria established by the county for the program. Loan assistance provided under the program must be in the amount and on the terms and conditions established by the county. For purposes of the program, “higher education loan” means any loan for undergraduate or graduate study that is obtained for tuition, educational expenses, or living expenses from a variety of specified sources.

Current Law/Background:

Loan Assistance Repayment Program

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 underserved areas of the State or low-income families. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, and the Maryland LARP for Physicians and Physician Assistants. 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 after completing an approved alternative teaching preparation program. 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.

Janet L. Hoffman Loan Assistance Repayment Program

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, and teachers. Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within Janet L. Hoffman 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.

The Governor’s proposed fiscal 2019 budget contains \$1.5 million for the Janet L. Hoffman LARP, including \$199,089 in special funds from out-of-state attorney fees. In fiscal 2017, a total of 151 Janet L. Hoffman LARP awards were made, and the average award amount was \$5,961. Sixty applicants were placed on the waiting list.

Local Fiscal Effect: It is unknown whether Howard County will exercise the authorization under the bill to establish a teacher LARP. Further, if it does establish a program, the program parameters are unclear – including the amount of funding it might provide the program, additional eligibility criteria it would establish, and whether there would be repayment provisions for incomplete service obligations.

The bill specifies that funds appropriated for the program must be separate from the county’s appropriation to the operating budget of the Howard County Board of Education. The bill also specifies that funds for the program may be used to cover administrative expenses.

For informational purposes, for the 2017-2018 award cycle, the Office of Student Financial Assistance set the award amounts for the Janet L. Hoffman LARP at the amounts shown in **Exhibit 1**. The Janet L. Hoffman LARP awards are determined by an applicant’s overall reported educational debt at the time of application, and they lock in to an award level that contains set award amounts. Awards 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.

Exhibit 1
Janet L. Hoffman LARP Award Amounts Schedule
2017-2018 Award Cycle

<u>Total Debt</u>	<u>Overall Award Limit</u>	<u>Yearly Payment</u>
\$75,001 or More	\$30,000	\$10,000
\$40,001-\$75,000	\$18,000	\$6,000
\$15,001-\$40,000	\$9,000	\$3,000
\$15,000 or Less	\$4,500*	\$1,500*

** Payment amount cannot exceed total debt; amount will be adjusted*

Source: Maryland Higher Education Commission

Additional Information

Prior Introductions: None.

Cross File: None.

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

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