

Department of Legislative Services
 Maryland General Assembly
 2023 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 488 (Delegate Vogel, *et al.*)
 Ways and Means and Appropriations

Janet L. Hoffman Loan Assistance Repayment Program - Mental Health
 Professionals in Public Schools

This bill expands eligibility for the Janet L Hoffman Loan Assistance Repayment Program (LARP) to include mental health professionals who have (1) received a graduate, professional, or undergraduate degree from any accredited college or university; (2) been employed in a public school in the State for at least one year; and (3) otherwise meet the eligibility criteria of the program. The bill requires that the Maryland Higher Education Commission (MHEC) Office of Student Financial Aid (OSFA) publicize the program to eligible mental health professionals. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: General fund expenditures increase by \$11,400 in fiscal 2024 for one-time contractual costs. OSFA can promote the program with existing resources. Expanding *eligibility* for the Janet L. Hoffman LARP does not require additional spending, as discussed below. Revenues are not affected.

(in dollars)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	11,400	0	0	0	0
Net Effect	(\$11,400)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Loan Assistance Repayment Program – Generally

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, police officers, and other professionals serving those areas or low-income families. The program is subdivided into the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, the Maryland LARP for Physicians and Physician Assistants, and the Maryland LARP for Police Officers. 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 (MSDE) after completing an approved alternative teaching preparation program. Except for the Maryland LARP for Police Officers, 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. For the Maryland LARP for Police Officers, individuals must obtain eligible employment as a police officer in the State for at least two years and satisfy any other criteria established by OSFA.

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by OSFA to assist in the repayment of any higher education loan owed by an individual who:

- (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, or a law school or (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching program;
- obtains eligible employment;
- receives an income less than the maximum eligible total income levels established by the office, including any additional sources of income; and
- satisfies any other criteria established.

Eligible employment fields include lawyers, degree- or diploma-holding registered nurses, licensed clinical therapists, physical and occupational therapists, social workers, speech pathologists, and teachers. 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 MDH may receive assistance under the program.

For the Janet L. Hoffman LARP, awards are determined by an applicant's overall reported educational debt at the time of application and they lock into an award level that contains set award amounts. Award funds 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.

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.

State Expenditures: MHEC general fund expenditures increase by \$11,440 in fiscal 2024 for one-time contractual costs to update the Maryland College Aid Processing System. However, expanding eligibility does not necessarily require additional spending. In fiscal 2022, 130 awards totaling \$847,910 were made under the Janet L. Hoffman LARP. The fiscal 2024 budget as introduced includes approximately \$1.4 million in funding for the program. Any additional grants made beginning in fiscal 2024 may increase expenditures by approximately \$6,500 per individual to the extent existing appropriated funds are insufficient to cover additional awards. Otherwise, individuals can be added to the Janet L. Hoffman LARP waiting list with no additional resources.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 482 (Senator Lewis Young, *et al.*) - Education, Energy, and the Environment.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Department of Budget and Management; Department of Legislative Services

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