

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 318

(Senator Lewis Young, *et al.*)

Education, Energy, and the Environment

Appropriations

Higher Education - Janet L. Hoffman Loan Assistance Repayment Program -
Eligibility

This bill expands eligibility for the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to include veterinary practitioners and veterinary technicians who received a graduate, professional, or undergraduate degree from any accredited veterinary college or university. Veterinary practitioners and technicians must also have provided veterinary services (or veterinary technician services) as an employee in the State for a period not less than five years or as a volunteer for a minimum of 100 hours per year for a period not less than three years at an animal shelter that is owned by (1) a local government; (2) an organization contracted to perform animal control services for a local government; or (3) an organization that shelters animals and was a recipient of the Maryland Spay and Neuter Grants Program during the prior year. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Expanding *eligibility* for the Janet L. Hoffman LARP does not require additional spending, as discussed below. Maryland Higher Education Commission (MHEC) expenditures increase minimally for software upgrades and to alter program publicity as discussed below. Revenues are not affected.

Local Effect: None. However, the bill may encourage additional veterinarians and veterinary technicians to work or volunteer in local shelters.

Small Business Effect: None.

Analysis

Current Law:

Loan Assistance Repayment Program – Generally

The LARPs operated by the State of Maryland provide loan repayment assistance in exchange for specific service commitments – mostly to ensure underserved areas and populations in the State have access to essential professionals. These programs include the Janet L. Hoffman LARP, Maryland Dent-Care LARP, Maryland LARP for Physicians and Physician Assistants, Maryland LARP for Nurses and Nursing Support Staff, and Maryland LARP for Police Officers and Probation Agents. There is also a program for farmers that has not received funding.

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 and Probation Agents and the Maryland LARP for Farmers, they must also be employed in State or local government or in a nonprofit organization. For the Janet L. Hoffman LARP, the Maryland Dent-Care LARP, and the Maryland LARP for Physicians and Physician Assistants, employment must also assist low-income, underserved residents or underserved areas in the State. For the Maryland LARP for Police Officers and Probation Agents, individuals must obtain employment as a police officer or probation agent in the State for at least 2 years. For the Maryland LARP for Farmers, individuals must have been a farmer for at least 5 years, but not more than 10 years since obtaining the degree.

The State's LARP for Foster Care Recipients provides loan assistance repayment that is not based on any specific professional designation. Instead, the program assists in the repayment of higher education loans owed by foster care recipients with the goal of increasing higher education access.

Janet L. Hoffman Loan Assistance Repayment Program

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

- *either* (1) receives a graduate, professional, or undergraduate degree from a college or university in the State, a law school, or, for mental health professionals only, any accredited college or university *or* (2) receives a Resident Teacher Certificate from MSDE after completing an approved alternative teaching preparation 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, teachers, and specified school health professionals. 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 Maryland Department of Health 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. 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.

Spay and Neuter Grants Program

Chapters 561 and 562 of 2013 established and Chapter 92 of 2022 subsequently extended the Spay/Neuter Fund through September 30, 2032. The fund has the purpose of reducing animal shelter overpopulation and cat and dog euthanasia rates by financing grants to local governments and animal welfare organizations for programs that most efficiently facilitate and promote the provision of spay and neuter services for cats and dogs in the State. The fund receives revenue from a fee imposed on each registered brand name or product name of dog or cat food. The current fee, which will remain in effect until the fund's termination date, is \$100. Fees are paid by the person registering the pet food, in accordance with Maryland Department of Agriculture guidelines.

State Expenditures: Expanding eligibility does not necessarily require additional spending; however, to make additional awards, an estimated \$5,800 per award is necessary. In fiscal 2024, 85 awards totaling \$493,500 were made under the Janet L. Hoffman LARP. Thus, average awards were approximately \$5,800 per individual.

The fiscal 2026 budget as passed by the General Assembly includes approximately \$4.1 million in funding for the program. Originally, \$7.1 million was allocated for the program in fiscal 2025; however, the fiscal 2026 budget as passed by the General Assembly includes a \$3.0 million reduction to the fiscal 2025 appropriation. In fiscal 2024, the program received \$6.4 million. Any additional grants made beginning in fiscal 2026 may increase expenditures by approximately \$5,800 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.

MHEC advises enhancing the existing Maryland College Aid Processing System (MDCAPS) to include veterinarians under the Janet L. Hoffman LARP requires approximately \$8,000 in one-time costs in fiscal 2026 to enhance MDCAPS.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 900 and HB 1398 of 2024.

Designated Cross File: HB 643 (Delegate Guyton, *et al.*) - Appropriations.

Information Source(s): Maryland Higher Education Commission; Maryland Department of Agriculture; University System of Maryland; Maryland Association of Counties; Maryland Municipal League; Baltimore, Charles, and Garrett counties; City of Laurel; Town of La Plata; Department of Legislative Services

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