

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 364

(The President)(By Request - Department of Legislative
Services - Code Revision)

Education, Energy, and the Environment

**Code Revision - Higher Education - Janet L. Hoffman Loan Assistance
Repayment Program**

This bill primarily revises, restates, and recodifies the laws of the State related to the Janet L. Hoffman Loan Assistance Repayment Program (LARP) through a series of clarifications and technical and stylistic changes. However, the bill alters eligibility for lawyer, licensed clinical counselor, and teacher applicants to the Janet L. Hoffman LARP. Specifically, the bill (1) limits eligibility for lawyers to graduates of law schools located in the State, rather than graduates of any law school; (2) removes higher-education degree requirements for licensed clinical alcohol and drug counselors, licensed clinical marriage and family therapy counselors, and licensed clinical professional counselors; and (3) narrows eligibility for teachers by requiring all teacher applicants to qualify for the Nancy Grasmick Public School Professional Award. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Altering *eligibility* for the Janet L. Hoffman LARP does not affect program spending, though Maryland Higher Education Commission (MHEC) general fund expenditures likely minimally increase for one-time programming costs in FY 2027. Otherwise, the bill's provisions are nonsubstantive revisions, restatements, and recodifications resulting in no fiscal impact. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary/Current Law:

Janet L. Hoffman Loan Assistance Repayment Program

The Janet L. Hoffman LARP is administered by the Office of Student Financial Assistance within MHEC 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 the Maryland State Department of Education 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, registered nurses, physical and occupational therapists, social workers, speech pathologists, teachers, and certain school health professionals.

Specified licensed clinical counselors who practice in a high-need geographic area may also qualify. Chapters 387 and 388 of 2025 expanded the program to include veterinary practitioners and veterinary technicians who hold degrees from accredited veterinary programs and provide specified services.

Awards are based on reported educational debt and distributed annually over a three-year period, provided recipients maintain eligibility and submit required documentation each year.

Nancy Grasmick Teacher Award

Chapter 496 of 2012 established the Nancy Grasmick Teacher Award within Janet L. Hoffman LARP for Maryland. Chapter 627 of 2023 expanded eligibility to specified mental health professionals (renaming the program the Nancy Grasmick Public School Professional Award), and Chapters 250 and 251 of 2024 added public school nurses. The award is available to public school teachers, mental health professionals, and nurses who have worked in Maryland public schools for at least two years and who meet

specified criteria related to subject area, school eligibility (e.g., high free and reduced-priced meal participation or Title I status), and degree or certification requirements.

Teacher Eligibility Outside the Nancy Grasmick Public School Professional Award

A teacher may receive loan repayment assistance through the Janet L. Hoffman LARP by meeting the program's general eligibility requirements. Specifically, a teacher must be employed in eligible public service, meet applicable income limits, and hold a qualifying degree from a Maryland institution or a resident teacher certificate obtained through an approved alternative teaching preparation program. These requirements apply regardless of whether the teacher qualifies for a Nancy Grasmick Public School Professional Award.

By contrast, eligibility for a Nancy Grasmick Public School Professional Award requires a teacher, in addition to meeting the general Hoffman eligibility requirements, to have taught in a public school for at least two years in specified subject areas or high-poverty schools and to have received the highest available performance evaluation rating, as set forth in regulation.

Educational Requirements for Licensed Counselors

Licensed clinical alcohol and drug counselors, licensed clinical marriage and family therapists, and licensed clinical professional counselors must hold at least a master's degree (or higher) in a relevant counseling or therapy field from an accredited educational institution, with additional coursework and training requirements established by the State Board of Professional Counselors and Therapists.

Code Revision Provisions

Otherwise, the bill repeals, recodifies, and reorganizes Janet L. Hoffman LARP provisions, including correcting cross-references and making stylistic changes. The bill generally re-orders provisions relating to the Janet L. Hoffman LARP to more clearly delineate eligibility provisions for each of the LARP's categories of eligibility.

The bill authorizes the publisher of the Annotated Code of Maryland, in consultation with and subject to the approval of the Department of Legislative Services (DLS), to correct cross-references and terminology rendered incorrect by the bill or by any other Act of the General Assembly of 2026 that affects provisions enacted by the bill with no further action required by the General Assembly. The publisher must adequately describe any correction in an editor's note following the section affected.

State Expenditures: Overall, the bill does not result in a material change in general fund expenditures. Although the bill alters eligibility criteria for the Janet L. Hoffman LARP, these changes do not necessarily affect spending, as detailed below.

Altering eligibility does not *necessarily* require additional spending. To the extent the bill expands eligibility for the Janet L. Hoffman LARP in the aggregate – by expanding eligibility for licensed clinical counselors – and to the extent existing appropriated funds are insufficient to cover additional awards, an estimated \$5,300 per award is necessary to make *additional* awards based on fiscal 2025 awards data for the program. Otherwise, individuals can be added to the Janet L. Hoffman LARP waiting list with no additional resources. Any such impact is likely immaterial due to licensed clinical counselors requiring at least a master’s degree to be licensed in the State.

Conversely, to the extent the bill narrows eligibility in the aggregate – by narrowing eligibility for lawyers to just those who attended a law school in the State and teachers to only include teachers who meet the Nancy Grasmick Public School Professional Award requirements – overall spending likely remains unaffected as MHEC may instead make additional awards to applicants from other professions.

The fiscal 2027 budget as introduced includes \$4.1 million in funding for the program. The program also received \$4.1 million in fiscal 2026. Originally, \$7.1 million was allocated for the program in fiscal 2025; however, the fiscal 2026 budget includes a \$3.0 million reduction to the fiscal 2025 appropriation. In fiscal 2024, the program received \$6.4 million.

There may be additional indeterminate, but likely minimal, one-time costs associated with enhancing MHEC’s existing Maryland College Aid Processing System (better known as MDCAPS) to reflect changes in eligibility in fiscal 2027.

Additional Comments: While not part of the DLS formal code revision project, which was completed in 2016 with the reenactment of the Alcoholic Beverages Article, this revision was initiated by DLS under its statutory responsibility to maintain the clarity, simplicity, and consistency of style of statutory law.

Additional Information

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

Designated Cross File: HB 555 (The Speaker)(By Request - Department of Legislative Services - Code Revision) - Appropriations.

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

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caw/clb

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