

# SENATE BILL 364

F2, C7

2lr0655

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By: **Senator Ferguson**

Introduced and read first time: January 30, 2012

Assigned to: Education, Health, and Environmental Affairs

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 25, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Loan Assistance Repayment Program – Nancy Grasmick Teacher ~~Grant~~**  
3 **Scholars**

4 FOR the purpose of establishing the Nancy Grasmick Teacher ~~Grant~~ Award in the  
5 Janet L. Hoffman Loan Assistance Repayment Program ~~in the State; requiring~~  
6 ~~the Office of Student Financial Assistance to assist in the repayment of certain~~  
7 ~~higher education loans owed by certain individuals who receive certain degrees~~  
8 ~~from certain institutions of higher education in the State or out of the State;~~  
9 requiring the Office to assist in the repayment of the amount of any higher  
10 education loan owed by certain public school teachers in the State who teach  
11 certain subjects or teach in certain schools in Maryland for a certain amount of  
12 time; providing that a recipient of a Nancy Grasmick Teacher Award shall be  
13 known as a Nancy Grasmick Teacher Scholar; requiring that certain regulations  
14 establishing priority for participation in the Janet L. Hoffman Loan Assistance  
15 Repayment Program include, for teacher applicants only, an individual who  
16 qualifies for a Nancy Grasmick Teacher Award and meets other specified  
17 qualifications; prohibiting the Office from approving more than a certain  
18 percentage of awards for teacher applicants to Nancy Grasmick Teacher  
19 Scholars; ~~requiring certain funds to be used to implement this Act; making this~~  
20 Act subject to a certain contingency; providing for the application of this Act;  
21 and generally relating to the creation of the Nancy Grasmick Teacher ~~Grant~~  
22 Award in the Loan Assistance Repayment Program.

23 BY repealing and reenacting, without amendments,

24 Article – Education

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 18–1501, ~~18–1503~~, 18–1504, and 18–1505  
2 Annotated Code of Maryland  
3 (2008 Replacement Volume and 2011 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Article – Education  
6 Section 18–1502 and 18–1503  
7 Annotated Code of Maryland  
8 (2008 Replacement Volume and 2011 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
10 MARYLAND, That the Laws of Maryland read as follows:

11 **Article – Education**

12 18–1501.

13 (a) In this subtitle the following words have the meanings indicated.

14 (b) (1) “Eligible field of employment” means employment in the State by  
15 an organization, institution, association, society, or corporation that is exempt from  
16 taxation under § 501(c)(3) or (4) of the Internal Revenue Code of 1986.

17 (2) “Eligible field of employment” includes employment by the State or  
18 any local government in the State, but does not include being employed as a judicial  
19 clerk in any court.

20 (c) “Higher education loan” means any loan for undergraduate or graduate  
21 study that is obtained for tuition, educational expenses, or living expenses from:

22 (1) A college or university, government, or commercial source; or

23 (2) An organization, institution, association, society, or corporation  
24 that is exempt from taxation under § 501(c)(3) or (4) of the Internal Revenue Code of  
25 1986.

26 (d) “Program” means the Janet L. Hoffman Loan Assistance Repayment  
27 Program.

28 18–1502.

29 (a) There is a program of loan assistance repayment known as the Janet L.  
30 Hoffman Loan Assistance Repayment Program in the State.

31 (b) The Office of Student Financial Assistance shall assist in the repayment  
32 of the amount of any higher education loan owed by an individual who:

1 (1) (i) Receives a graduate, professional, or undergraduate degree  
2 from:

3 1. A college or university in the State of Maryland; ~~for~~

4 2. A school of law; ~~OR~~

5 ~~3. FOR A RECIPIENT OF THE NANCY GRASMICK~~  
6 ~~TEACHER GRANT, A PUBLIC OR PRIVATE NONPROFIT INSTITUTION OF HIGHER~~  
7 ~~EDUCATION IN THE STATE OR OUT OF THE STATE THAT POSSESSES A~~  
8 ~~CERTIFICATE OF APPROVAL FROM THE APPROPRIATE HIGHER EDUCATION~~  
9 ~~AUTHORITY IN THAT STATE; or~~

10 (ii) Receives a Resident Teacher Certificate (RTC) from the  
11 Department after completing an alternative teaching preparation program approved  
12 by the State Superintendent;

13 (2) Obtains eligible employment;

14 (3) Receives an income that is less than the maximum eligible total  
15 income levels established by the Office, including any additional sources of income;  
16 and

17 (4) Satisfies any other criteria established by the Office.

18 (C) SUBJECT TO THE PROVISIONS OF SUBSECTION (B) OF THIS  
19 SECTION, THE OFFICE SHALL ASSIST IN THE REPAYMENT OF THE AMOUNT OF  
20 ANY HIGHER EDUCATION LOAN OWED BY A PUBLIC SCHOOL TEACHER IN THE  
21 STATE WHO:

22 (1) HAS TAUGHT IN MARYLAND FOR AT LEAST 2 YEARS:

23 (I) IN SCIENCE, TECHNOLOGY, ENGINEERING, OR MATH  
24 SUBJECTS; OR

25 (II) IN A SCHOOL IN WHICH AT LEAST 75% OF THE  
26 STUDENTS ARE ENROLLED IN THE FREE AND REDUCED LUNCH PROGRAM IN  
27 THE STATE FOR 2 YEARS; AND

28 (2) HAS RECEIVED THE HIGHEST PERFORMANCE EVALUATION  
29 RATING FOR THE MOST RECENT YEAR AVAILABLE IN THE COUNTY IN WHICH THE  
30 TEACHER TAUGHT (THE GRANT TO BE KNOWN AS THE NANCY GRASMICK  
31 TEACHER ~~GRANT~~ AWARD).

1            **(D) A RECIPIENT OF A NANCY GRASMICK TEACHER AWARD SHALL BE**  
 2 **KNOWN AS A NANCY GRASMICK TEACHER SCHOLAR.**

3            ~~[(c)]~~ ~~(D)~~ **(E)** An applicant for assistance in the repayment of a commercial loan  
 4 shall demonstrate to the Office that the commercial loan was used for tuition,  
 5 educational expenses, or living expenses for graduate or undergraduate study.

6            ~~[(d)]~~ ~~(E)~~ **(F)** Assistance in the repayment of a loan from an entity set forth in §  
 7 18–1501(c)(2) of this subtitle shall require the approval of the Office.

8 18–1503.

9            (a) The Office of Student Financial Assistance shall adopt regulations to  
 10 establish:

11                    (1) The maximum starting income for eligibility in the Janet L.  
 12 Hoffman Loan Assistance Repayment Program;

13                    (2) The maximum total income for eligibility in the Janet L. Hoffman  
 14 Loan Assistance Repayment Program, including any additional sources of income;

15                    (3) That priority for participation in the Program shall be given to an  
 16 individual who:

17                            (i) Graduated from an institution of higher education in the  
 18 last 3 years;

19                            (ii) Is a resident of the State;

20                            (iii) Is employed on a full–time basis; and

21                            (iv) **1.** Provides, as the principal part of the individual’s  
 22 employment, legal services to low–income residents in the State who cannot afford  
 23 legal services, nursing services in nursing shortage areas in the State as defined in §  
 24 18–802 of this title, or other services in an eligible field of employment in which there  
 25 is a shortage of qualified practitioners to low–income or underserved residents or  
 26 areas of the State; **OR**

27                                    **2. FOR TEACHER APPLICANTS ONLY, QUALIFIES FOR**  
 28 **A NANCY GRASMICK TEACHER AWARD;**

29                    (4) A limit on the total amount of assistance provided by the Office of  
 30 Student Financial Assistance in repaying the loan of an eligible individual, based on  
 31 the individual’s total income and outstanding higher education loan balance;

1           (5) A procedure and schedule for the payment of the amount of loan  
2 assistance provided by the Office of Student Financial Assistance to the eligible  
3 individual; and

4           (6) An annual review of the eligibility of each individual participating  
5 in the Program.

6           **(B) THE OFFICE OF STUDENT FINANCIAL ASSISTANCE MAY NOT**  
7 **APPROVE MORE THAN 50% OF THE TOTAL NUMBER OF AWARDS FOR TEACHER**  
8 **APPLICANTS TO NANCY GRASMICK TEACHER SCHOLARS.**

9           ~~(B)~~ **(C)** The Office of Student Financial Assistance shall adopt any other  
10 regulations necessary to implement this subtitle.

11 18–1504.

12           (a) Funds for the Janet L. Hoffman Loan Assistance Repayment Program  
13 described in subsection (b)(2) of this section shall be allocated by the Commission to an  
14 individual who:

15           (1) Has received a graduate degree from a school of law; and

16           (2) Has submitted an application for the Janet L. Hoffman Loan  
17 Assistance Repayment Program that the Commission disapproved due to insufficient  
18 funds.

19           (b) Funds for the Janet L. Hoffman Loan Assistance Repayment Program  
20 shall:

21           (1) Be provided on an annual basis in the State budget; and

22           (2) Include money paid to the Program from the fee charged for a  
23 special admission of an out-of-state attorney under § 7–202(e) of the Courts Article.

24           (c) If a federal matching grant loan program furnishes professional services  
25 in an eligible field of employment to low-income or underserved residents of the State,  
26 the Office may apply not more than 50 percent of the funds provided in the State  
27 budget for the Janet L. Hoffman Loan Assistance Repayment Program to the State's  
28 participation in the federal program.

29 18–1505.

30           Subject to § 2–1246 of the State Government Article, the Office of Student  
31 Financial Assistance shall report to the General Assembly by January 1 of each year  
32 on the implementation of the Janet L. Hoffman Loan Assistance Repayment Program.

1       ~~SECTION 2. AND BE IT FURTHER ENACTED, That funds for this Act shall~~  
 2 ~~be provided from State revenues received from commercial gaming using table games,~~  
 3 ~~including baccarat, blackjack, craps, poker, and roulette.~~

4       ~~SECTION 3. AND BE IT FURTHER ENACTED, That this Act is contingent on~~  
 5 ~~the passage of legislation during the 2012 Session of the General Assembly and its~~  
 6 ~~ratification by the voters of the State that authorizes commercial gaming using table~~  
 7 ~~games, including baccarat, blackjack, craps, poker, and roulette. If legislation~~  
 8 ~~authorizing commercial gaming using table games is not passed or is not ratified by~~  
 9 ~~the voters of the State, this Act shall be null and void without the necessity of further~~  
 10 ~~action by the General Assembly.~~

11       ~~SECTION 4. AND BE IT FURTHER ENACTED, That, subject to the provisions~~  
 12 ~~of Section 3 of this Act, this Act shall take effect on the proclamation of the Governor~~  
 13 ~~that a constitutional amendment authorizing commercial gaming using table games as~~  
 14 ~~described in Section 3 of this Act, having received a majority of the votes cast at the~~  
 15 ~~general election, has been adopted by the people of Maryland, and shall be applicable~~  
 16 ~~beginning in the academic year following the proclamation.~~

17       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 18 July 1, 2012.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.