

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 186 (Delegate Rosenberg, *et al.*)
 Appropriations

Higher Education - Nancy Grasmick Teacher Award - Eligibility

This bill expands eligibility for the Nancy Grasmick Teacher Award under the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to a qualified public school teacher who has taught in Maryland for at least two years in a school that (1) had Title I status during the 2018-2019 school year; (2) lost Title I status after the 2018-2019 school year; and (3) participates in the U.S. Department of Agriculture Community Eligibility Provision (CEP) program. **The bill takes effect July 1, 2020.**

Fiscal Summary

State Effect: General fund expenditures increase by \$20,000 in FY 2021 for one-time contractual costs associated with updating the State scholarship system. Additional individuals can be added to the Janet L. Hoffman LARP waiting list at no additional cost. Alternatively, expanding eligibility for the grant may result in expenditures of approximately \$5,000 for each additional grant beginning in FY 2021. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	20,000	0	0	0	0
Net Effect	(\$20,000)	\$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

Bill Summary: As under current eligibility criteria for the Nancy Grasmick Teacher Award, to qualify a teacher must also have received the highest performance evaluation rating for the most recent year available.

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, 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, 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.

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. For the 2019-2020 award cycle, the Office of Student Financial Assistance within the Maryland Higher Education Commission (MHEC) set the award amounts for the Janet L. Hoffman LARP at the amounts shown in **Exhibit 1**.

Exhibit 1
Janet L. Hoffman LARP Award Amounts Schedule
2019-2020 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

The Governor’s proposed fiscal 2021 budget contains almost \$1.4 million for Janet L. Hoffman LARP, including \$65,000 in special funds from out-of-state attorney fees. In fiscal 2019, a total of 142 Janet L. Hoffman LARP awards were made, and the average award amount was \$5,020.

Background: Traditionally, students have been reported as low income by submitting a paper “application” form to the school to qualify for free or reduced-price breakfast or lunch (*i.e.*, below 185% of the federal poverty level). Under a more recent federal law, local educational agencies and schools with 40% or more of their students from low-income families can choose to join CEP, which provides free lunches and breakfasts to *all* students (who want them) with a combination of federal and State funds. Students at these schools are now recorded as being from low-income families by a process known as “direct certification” due to their participation in federal public assistance programs such as food stamps. Students from immigrant families are less likely to qualify for those public assistance programs, or even apply, but they may still be provided meals under CEP. Further, a school that no longer has at least 40% of its students *recorded* as being low income may *continue* to participate in CEP if it is part of a group of schools participating together that continues to meet the 40% threshold. There is no comparable group eligibility for Title 1 status; thus, over time, such a school might no longer qualify for Title I.

According to a preliminary analysis, under the bill, teachers in seven additional Baltimore City schools may qualify for the Nancy Grasmick Teacher Award: Gilmore Elementary; Roots and Branches; Monarch Academy Public Charter School; Banneker Blake Academy of Arts and Sciences; Northwood Applod Community Academy; John Ruhrah Elementary/Middle; and Francis Scott Key Elementary/Middle.

State Expenditures: General fund expenditures increase by \$20,000 in fiscal 2021 for one-time contractual costs associated with enhancements to MHEC's scholarship system, known as the Maryland College Aid Processing System, necessitated by the bill. MHEC advises that the scholarship system must be upgraded to allow this additional category of applicants to receive the award as required by the bill. To the extent this expense can be absorbed by existing resources, general fund expenditures are less.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Higher Education Commission; Maryland Department of Education; U.S. Department of Education; *Baltimore Sun*; Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2020
an/rhh

Analysis by: Caroline L. Boice

Direct Inquiries to:
(410) 946-5510
(301) 970-5510