

HOUSE BILL 19

F2, P4

6lr1621

(PRE-FILED)

By: Delegate Toles

Requested: October 31, 2025

Introduced and read first time: January 14, 2026

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Higher Education – Maryland Public Service Loan Forgiveness Program –**
3 **Establishment**

4 FOR the purpose of establishing the Maryland Public Service Loan Forgiveness Program
5 to assist in the repayment of higher education loans owed by State employees in
6 order to attract, recruit, and retain these employees; requiring the Office of Student
7 Financial Assistance within the Maryland Higher Education Commission to
8 administer the Program; and generally relating to the establishment of the
9 Maryland Public Service Loan Forgiveness Program for State employees.

10 BY adding to

11 Article – Education

12 Section 18-4201 through 18-4206 to be under the new subtitle “Subtitle 42.
13 Maryland Public Service Loan Forgiveness Program”

14 Annotated Code of Maryland

15 (2022 Replacement Volume and 2025 Supplement)

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

18 **Article – Education**

19 **SUBTITLE 42. MARYLAND PUBLIC SERVICE LOAN FORGIVENESS PROGRAM.**

20 **18-4201.**

21 **(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
22 INDICATED.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (B) "ELIGIBLE EMPLOYEE" MEANS AN INDIVIDUAL EMPLOYED BY THE
2 STATE IN THE EXECUTIVE, LEGISLATIVE, OR JUDICIAL BRANCH.

3 (C) "HIGHER EDUCATION LOAN" MEANS ANY LOAN FOR UNDERGRADUATE
4 OR GRADUATE STUDY THAT IS OBTAINED FOR TUITION, EDUCATIONAL EXPENSES,
5 OR LIVING EXPENSES FROM:

6 (1) A COLLEGE OR UNIVERSITY, GOVERNMENT, OR COMMERCIAL
7 SOURCE; OR

8 (2) AN ORGANIZATION, AN INSTITUTION, AN ASSOCIATION, A
9 SOCIETY, OR A CORPORATION THAT IS EXEMPT FROM TAXATION UNDER § 501(C)(3)
10 OR (4) OF THE INTERNAL REVENUE CODE OF 1986.

11 (D) "PROGRAM" MEANS THE MARYLAND PUBLIC SERVICE LOAN
12 FORGIVENESS PROGRAM.

13 18-4202.

14 (A) THERE IS A MARYLAND PUBLIC SERVICE LOAN FORGIVENESS
15 PROGRAM.

16 (B) THE PURPOSE OF THE PROGRAM IS TO ATTRACT, RECRUIT, AND RETAIN
17 STATE EMPLOYEES.

18 (C) THE OFFICE SHALL DISTRIBUTE FUNDS FROM THE PROGRAM TO ASSIST
19 IN THE REPAYMENT OF HIGHER EDUCATION LOANS OWED BY AN ELIGIBLE
20 EMPLOYEE WHO:

21 (1) RECEIVED AN UNDERGRADUATE, GRADUATE, OR PROFESSIONAL
22 DEGREE FROM AN ACCREDITED COLLEGE OR UNIVERSITY IN THE STATE;

23 (2) HAS BEEN EMPLOYED BY THE STATE FOR AT LEAST 10
24 CUMULATIVE YEARS; AND

25 (3) SATISFIES ANY OTHER CRITERIA ESTABLISHED BY THE OFFICE.

26 18-4203.

27 (A) SUBJECT TO THE AVAILABILITY OF FUNDS, THE AWARD AMOUNT UNDER
28 THE PROGRAM SHALL BE 100% OF THE ELIGIBLE EMPLOYEE'S REMAINING TOTAL
29 HIGHER EDUCATION LOAN DEBT.

1 (B) AN AWARD UNDER THE PROGRAM SHALL BE USED ONLY FOR
2 REPAYMENT OF HIGHER EDUCATION LOANS OWED BY THE ELIGIBLE EMPLOYEE.

3 18-4204.

4 THE DEPARTMENT OF BUDGET AND MANAGEMENT SHALL PROVIDE
5 INFORMATION ABOUT THE PROGRAM TO STATE EMPLOYEES.

6 18-4205.

7 (A) THE OFFICE SHALL ADOPT REGULATIONS TO CARRY OUT THIS
8 SUBTITLE.

9 (B) THE REGULATIONS SHALL ESTABLISH THAT PRIORITY FOR
10 PARTICIPATION IN THE PROGRAM SHALL BE GIVEN TO AN ELIGIBLE EMPLOYEE WHO
11 GRADUATED FROM:

12 (1) AN INSTITUTION WITHIN THE UNIVERSITY SYSTEM OF
13 MARYLAND; OR

14 (2) AN INSTITUTION OF HIGHER EDUCATION WHERE AT LEAST 40%
15 OF THE ENROLLED STUDENTS ARE ELIGIBLE TO RECEIVE FEDERAL PELL GRANTS.

16 18-4206.

17 SUBJECT TO § 2-1257 OF THE STATE GOVERNMENT ARTICLE, THE OFFICE
18 SHALL REPORT TO THE GENERAL ASSEMBLY ON OR BEFORE JANUARY 1 EACH YEAR
19 ON:

20 (1) THE IMPLEMENTATION OF THE PROGRAM; AND

21 (2) ANY EFFECTS THE PROGRAM HAS ON STATE EMPLOYEE
22 RECRUITMENT OR RETENTION.

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2026.