

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 101 (Senator Bailey, *et al.*)

Judicial Proceedings and Education, Energy,
and the Environment

Appropriations

Higher Education - Loan Repayment and Scholarships for Correctional Officers

This bill expands eligibility for the Maryland Police Officers and Probation Agents Scholarship Program and the Maryland Loan Assistance Repayment Program (LARP) for Police Officers and Probation Agents to include correctional officers and renames the programs accordingly. Correctional officers are subject to the same eligibility requirements and service obligation requirements established under current law for police officers and probation agents. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Expanding *eligibility* for the Maryland Police Officers and Probation Agents Scholarship and the Maryland LARP for Police Officers and Probation Agents has no effect on award spending. Maryland Higher Education Commission (MHEC) general fund expenditures increase by \$20,000 in FY 2027 for system enhancements to the Maryland College Aid Processing System (MDCAPS). Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law:

Maryland Police Officers and Probation Agents Scholarship Program

Chapter 59 of 2021, the Maryland Police Accountability Act of 2021, established the Maryland Police Officers Scholarship Program, which was subsequently expanded (and

renamed) by Chapter 100 of 2023 to include probation agents. The Maryland Police Officers and Probation Agents Scholarship Program provides tuition assistance for students (1) attending a degree program at an “eligible institution” that would further their intent to be a police officer or probation agent after graduation or (2) who are currently police officers or probation agents attending a degree program at an “eligible institution” that would further their career. The Office of Student Financial Assistance (OSFA) in MHEC must (1) publicize the availability of the scholarship; (2) annually select eligible students and offer a scholarship to each student selected to be used at an eligible institution of the student’s choice; and (3) to the extent practicable, award scholarships under the program in a manner that reflects ethnic, gender, racial, and geographic diversity.

A recipient of a scholarship must (1) be a Maryland resident or have graduated from a Maryland high school; (2) be accepted for admission or currently enrolled at an eligible institution as a full-time or part-time undergraduate or graduate student, as specified; (3) sign a letter of intent to perform the service obligation on completion of the recipient’s required studies; and (4) satisfy any additional criteria MHEC may establish. A current police officer or probation agent that meets the eligibility criteria is also eligible for a scholarship. A recipient of a scholarship must repay MHEC the funds received if the recipient does not (1) satisfy the degree requirements of the course of study or program or fulfill other specified requirements or (2) perform the service obligation to work as a police officer or probation agent for at least five years during the eight-year period after graduation.

The annual scholarship award must be 50% of the equivalent annual tuition and mandatory fees of a resident undergraduate student at the eligible institution. The Governor must annually include in the budget bill an appropriation of at least \$2.0 million to MHEC to award scholarships.

For the Maryland Police Officers and Probation Agents Scholarship Program, “eligible institution” means a public senior (four-year) higher education institution or community college in the State.

Maryland Loan Assistance Repayment Program for Police Officers

Chapter 59 also established the Maryland Loan Assistance Repayment Program for Police Officers to assist in the repayment of a higher education loan owed by a police officer who meets specified requirements. Chapter 100 expanded the program to also include probation agents and renamed the program accordingly. OSFA must distribute funds from the program to assist in the repayment of a “higher education loan” owed by a police officer or probation agent who (1) receives a graduate, professional, or undergraduate degree from a public college or university in the State; (2) obtains “eligible employment”; and

(3) satisfies any other criteria established by the office. The Governor must include an annual appropriation of at least \$2.0 million in the State budget for the program.

State Expenditures: Expanding eligibility for the Maryland Police Officers and Probation Agents Scholarship Program does not necessarily require additional spending; however, to make additional scholarship awards, an estimated \$3,400 per award is necessary. In fiscal 2025, 42 awards totaling \$143,723 were made under the Maryland Police Officers and Probation Agents Scholarship. Thus, average awards were approximately \$3,400 per individual. Similarly, expanding eligibility for the Maryland Police Officers and Probation Agents LARP does not necessarily require additional spending. Since the LARP's creation, two LARP awards were made in fiscal 2023 totaling \$15,250, two LARP awards were made in fiscal 2024 totaling \$33,510, and no awards were made in fiscal 2025. Assuming the fiscal 2024 awards are representative of future LARP awards, an additional \$16,755 per LARP award is necessary.

The fiscal 2027 budget as introduced includes \$2.0 million for the Maryland Police Officers and Probation Agents Scholarship Program and \$2.0 million for the Maryland Police Officers and Probation Agents LARP. The introduced budget also includes contingent reductions of \$1.5 million for the scholarship program and \$1.5 million for the LARP, which, if implemented, would reduce fiscal 2027 funding for each program to \$500,000. The fiscal 2026 budget as enacted included \$2.0 million in funding for the scholarship program and \$2.0 million for the LARP; however, the fiscal 2027 budget introduced reflects additional reductions of \$1.5 million for the scholarship program and \$1.9 million for the LARP in fiscal 2026, which would reduce fiscal 2026 funding to \$500,000 and \$100,000, respectively. By comparison, the programs each received \$500,000 in fiscal 2025 and \$5.0 million in fiscal 2024.

The additional number of scholarships and LARP awards under the bill cannot be reliably estimated at this time. However, given the small number of awards made to police officers and probation agents under the existing programs, the effect of adding correctional officers to the program is likely minimal. Nevertheless, to the extent existing appropriations are insufficient to cover the cost of additional awards to correctional officers, individuals can be added to the Maryland Police Officers and Probation Agents Scholarship and Maryland Police Officers and Probation Agents LARP waiting lists with no additional resources.

MHEC advises that enhancing MDCAPS to include correctional officers under the Maryland Police Officers and Probation Agents Scholarship requires approximately \$20,000 in one-time costs in fiscal 2027.

MHEC advises that the agency is operating without additional administrative capacity to handle the new responsibilities presented by expanded scholarship and LARP programs. MHEC therefore advises that the agency requires one new full-time administrative

specialist to handle tasks such as eligibility verification, loan documentation review, service tracking, payment processing, interagency coordination, and annual reporting. MHEC also advises that the agency did not receive additional staffing following the initial creation of the scholarship and LARP. While the Department of Legislative Services (DLS) acknowledges that expansion of the program entails additional operational and administrative impacts to MHEC, DLS advises that the bill merely expands existing programs, rather than establishing novel responsibilities for MHEC. DLS therefore advises that the bill itself does not necessitate additional staffing.

Additional Information

Recent Prior Introductions: Similar legislation has been introduced within the last three years. See SB 690 of 2025.

Designated Cross File: HB 1505 (Delegate Simmons) - Appropriations.

Information Source(s): Department of Juvenile Services; Department of Public Safety and Correctional Services; Maryland Higher Education Commission; Maryland Municipal League; Department of Legislative Services

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