

**FAVORABLE WITH AMENDMENTS**  
**Senate Bill 882**  
**Income Tax - Credit for Student Loan Debt of Educators Working in Public Schools**

**Senate Budget & Taxation Committee**  
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**Government Relations**

The Maryland State Education Association supports, with amendments, Senate Bill 882, which would authorize a credit against the State income tax for eligible employees who are working full-time in a public primary or secondary school in the State and have outstanding student loan debt.

MSEA represents 75,000 educators and school employees who work in Maryland's public schools, teaching and preparing our almost 900,000 students so they can pursue their dreams. MSEA also represents 44 local affiliates in every county across the state of Maryland, and our parent affiliate is the 3-million-member National Education Association (NEA).

According to a 2020 survey of educators working in Pre-K-12 and higher education settings, 45% of educators report having taken out student loans at an average overall amount of \$55,800.<sup>1</sup> Increasing tuition prices compound the effects for educators under 35 years old: 42% of young educators took out at least \$65,000 in loans to fund their own education.<sup>2</sup> We appreciate that this bill seeks to relieve some of this burden for Maryland's public school educators, and we believe the following amendments would strengthen the bill:

**1. Expand eligibility to include all public school employees**

As written, the bill would only apply to full-time public school employees who participate in the Career Ladder. We request that this definition is expanded to include all PreK-12 public school employees, including prekindergarten educators, education support professionals, and other specialized support personnel.

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<sup>1</sup> Student Loan Debt Among Educators: A National Crisis. National Education Association (2021).

<https://www.nea.org/sites/default/files/2021-07/Student%20Loan%20Debt%20among%20Educators.pdf>

<sup>2</sup> Ibid.

**2. Clarify how this would interact with the Student Loan Debt Relief Tax Credit**

This program overlaps in eligibility with the Student Loan Debt Relief Tax Credit. We request clarifying language outlining how these programs would interact and how these differences would be communicated to educators, especially if use of the programs remains mutually exclusive.

**3. Require that loan debt is from schools that are regionally accredited**

This would exclude debt from most for-profit institutions, whose credits may not be transferable to other public or private institutions.

**4. Streamline reporting requirements so that educators are not required to annually recertify eligibility**

Simplify and consolidate reporting requirements for recipients of the tax credit to minimize the administrative burden on educators.

This effort could have a positive effect on teacher retention, and we appreciate the sponsor's willingness to consider amendments. We look forward to the opportunity to collaborate on a strategy to retain public school educators who are paying off student loan debt.