

MD Catholic Conference_SB 882_FWA.pdf

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**MARYLAND
CATHOLIC
CONFERENCE**

March 4, 2026

SB 882

Income Tax - Credit for Student Loan Debt of Educators Working in Public Schools

Senate Budget & Taxation Committee

Position: FAVORABLE w/ Amendment

The Maryland Catholic Conference offers this testimony in support of Senate Bill 882, with amendment. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state's second largest social service provider network, behind only our state government. We also offer this testimony on behalf of the families of approximately 50,000 students served by over 150 PreK-12 Catholic schools in Maryland, as well as the one in every eight Maryland students educated in a nonpublic school, particularly those whose schools participate in the Federal School Breakfast Program and the National School Lunch Program.

Senate Bill 882 would provide a state tax credit against the State income tax for certain individuals who are employed full-time in a public primary or secondary school in the State and have outstanding student loan debt.

Student loan debt can be economically crippling, particularly to younger adults who are in prime expense years. Student loan debt often impedes or altogether hinders the ability to afford homes, provide adequate child care, procure reliable transportation and much more. Teachers are often underpaid altogether, particularly when considered with the level of graduate and post-graduate education their licensure requires and the imperative service they provide to the future of our state. Tax credits like that which Senate Bill 882 encourages would help to develop our state's teacher pipeline, a workforce that is in greater demand and has fallen short of our need.

The majority of nonpublic school teachers work for between 50% - 80% of their public school counterparts, particularly in our nonpublic schools that serve low-income students and often operate on very tight budgets. Therefore, the attached amendment to include nonpublic school teachers is well-warranted. It would appear particularly discriminatory to nonpublic school teachers, who provide the same important and noble service to Maryland as their public school counterparts, to not include them in this tax credit. It is for these reasons that the Maryland Catholic Conference asks for a favorable report for Senate Bill 882, with amendment.

Amendment to Senate Bill 882

Amendment No. 1

On Page 2, Line 10, after “PUBLIC”, insert “OR NONPUBLIC”.

Amendment No. 2

On Page 4, Line 10, after “PUBLIC”, insert “OR NONPUBLIC”.

SB882_MSEA_Lamb_FWA.pdf

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Position: FWA

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

Senate Budget & Taxation Committee
March 4, 2026

Lauren Lamb
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 \$55,800.¹ 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.² 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.

¹ 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>

² 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.