



3300 Metzerott Road
Adelphi, MD 20783



140 South Street
Annapolis, MD 21401



60 West Street, Suite 200
Annapolis, MD 21401

Opposition

House Appropriations Committee *House Bill 920 – (Spiegel) Institutions of Postsecondary Education – Institutional Debt – Report*

Susan Lawrence, University System of Maryland, slawrence@usmd.edu
Matt Power, Maryland Independent College and University Association, mpower@micua.org
Brad Phillips, Maryland Association of Community Colleges, BPhillips@MDACC.org
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Thank you for the opportunity to provide testimony, respectfully, in opposition to [*House Bill 920 \(Spiegel\) Institutions of Postsecondary Education – Institutional Debt – Report*](#). We are writing on behalf of the University System of Maryland, Maryland Independent College and University Association (MICUA) institutions, and the Maryland Association of Community Colleges.

HB 920 fails to provide a purpose for collecting the data and an explanation as to how the information will be utilized. It is unclear how the annual report will help to achieve a certain goal or result. This bill requires compiling data that the institution does not routinely collect. Section C, beginning on page 3, line 22 through page 5 line 26 of the bill would be difficult for most postsecondary institutions to collect for the following reasons:

- Most institutions have a current Enterprise Resource Planning (ERP) system that does not have the level of sophistication to detail the types of charges by tuition, room and board, fees, etc.
- The current ERP system would require a considerable effort to manually identify the basis of the charge. An institution would need to install a new, appropriate system capable of distilling the information requested.
- Institutions would need to hire personnel to support the additional hours to compile the data and manage the annual request. Staff would spend additional time verifying the information for accuracy due to constantly updating and reviewing of the data.

- Institutions do not categorize outstanding debt by race, ethnicity, age, or gender as the student could omit the information. A report on an institution's outstanding debt based on those parameters is not currently available.
- The deadline to submit the report is extremely difficult since many departments are completing annual audits around October 1st, the report is due. This additional reporting requirement obligates institutions to examine data beyond the information they collect for business purposes.
- Several data points are not housed within a single department, rather there are many custodians of the information such as the admissions, financial aid, accounting, registrar, and residence life offices. Thus, it would be a tremendous strain on various departments to collect and compile the data.
- Engagement with third-party vendors to request the data may incur additional costs.

There is language in the bill that authorizes the Maryland Higher Education Commission (MHEC) to impose up to \$10,000 in civil penalties against an institution that fails to submit a report and knowingly provides inaccurate information in the report. As mentioned above, several reasons support an institution's inability to gather the information and provide a meaningful report to MHEC. Thus, it does not seem fair and just for MHEC to be permitted to issue sanctions on an institution that does not have system capability and staff support to collect and compile the data requested in HB 920.

For these reasons, we respectfully request an unfavorable committee report of HB 920.