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## Opposition

### Senate Education, Energy, and the Environment Committee *Senate Bill 628– (Kramer) Institutions of Postsecondary Education – Institutional Debt – Report*

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March 11, 2026

Thank you for the opportunity to provide testimony, respectfully, in opposition to [\*Senate Bill 628 \(Kramer\) 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.

In recent months, higher education has faced an unprecedented wave of regulatory changes. Notable examples include the implementation of the One Big Beautiful Bill Act (OBBA) affecting Pell Grants and student loan proration, the elimination of Graduate PLUS loans, the conclusion of FAFSA simplification with the A1-3 audit, and the decentralization—and possible recentralization—of the Maryland Guaranteed Access Grant. The landscape of student aid is being fundamentally reshaped.

Federal and State legislative changes are converging with a rapid cycle of regulatory transformation and ongoing strategic commitments by institutions, resulting in significant, far-reaching consequences for higher education. Each new reporting requirement adds layers of operational complexity, compounding the challenges for compliance, systems, and staffing—as detailed below.

SB 628 fails to provide a purpose for collecting the data, an explanation as to how the information will be utilized or the value added that could come from the burdensome reporting requirements in the bill. It is unclear how the annual report will accomplish anything other than the creation of another report. This bill requires compiling data that the institution does not routinely collect. Section C, beginning on page 3, line 23 through page 5 line 25 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 needed 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 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 for submitting the report is extremely difficult since many departments are completing annual audits around October 1st, the due date for the report. 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 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 who manage payment plans would be required to request the data, and they could pass additional costs to the institution.

The bill includes language authorizing the Maryland Higher Education Commission (MHEC) to impose up to \$10,000 in civil penalties against an institution that fails to submit a report or knowingly provides inaccurate information in the report. No other higher education reporting requirements carry such a punitive penalty and if fundamentally, and detrimentally shifts the relationship between MHEC and institutions. The data sets outlined in the bill are constantly changing, which could subject an institution to a fine even when it acts in good faith to comply.

As previously discussed, multiple factors can prevent institutions from gathering the required data and producing meaningful reports for MHEC. Therefore, it is neither reasonable nor equitable for MHEC to sanction institutions that lack the necessary system capabilities or staffing to comply with SB 628's extensive data requests.

SB 628 should not be viewed as a single report in isolation but rather the continued addition of reporting mandates without corresponding consideration of operational capacity, system constraints, or workforce resources. The possible implications are institutional effectiveness, student service delivery, and long-term sustainability.

***For these reasons, we respectfully request an unfavorable committee report of SB 628.***