

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 127

(Senator Ellis)

Education, Energy, and the Environment

Ways and Means

Maryland Longitudinal Data System Center - Student FAFSA Data - Reporting Requirement

This bill alters a reporting requirement to require the Maryland Longitudinal Data System (MLDS) Center to report specified student Free Application for Federal Student Aid (FAFSA) data to specified committees of the General Assembly by December 15 each year beginning in 2023 and ending in 2028. The MLDS Center must disaggregate the information by county and other student subgroups. The Maryland Higher Education Commission (MHEC) must provide the MLDS Center with access to student FAFSA data as specified. The requirements related to a local board of education reporting FAFSA data are repealed. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: Altering the method of reporting data on FAFSA completion data is not anticipated to have a material impact on State finances, as explained below. Revenues are not affected.

Local Effect: Local school system expenditures may decrease minimally due to the elimination of the FAFSA reporting requirements. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: The [FAFSA](#) is the official application for financial assistance for postsecondary education from the federal government. States, individual colleges and

universities, and private scholarship programs use this information as well. Financial aid includes grants, educational loans, and work-study programs.

Chapter 577 of 2021 requires each local board of education to encourage and assist as many high school seniors as possible in completing and submitting a FAFSA, or a Maryland State Financial Aid Application if ineligible to complete a FAFSA, by the deadline for eligibility for State financial aid set by MHEC. To achieve that objective, each local board of education must develop an outreach plan with specific elements and submit a copy to specific entities by October 1 each year beginning in 2022.

Chapter 577 also requires additional reporting. By July 1 each year, beginning in 2023 and ending in 2028, each local board must submit a report to MLDS with the following information, disaggregated by high school:

- the number of students who completed and submitted the FAFSA in the immediately preceding school year;
- the number of students who did not complete and submit the FAFSA in the immediately preceding school year; and
- the number of students who completed the FAFSA by the deadline for eligibility for State financial aid.

By October 1 each year, beginning in 2023 and ending in 2028, MLDS must report on the data submitted by the local boards, disaggregated by high school.

State/Local Fiscal Effect: The method of reporting FAFSA completion data to produce reports under Chapter 577 does not align with the operation of the MLDS Center. Generally, MLDS Center data comes directly from another State agency. The bill aligns the reporting of FAFSA data to produce reports with the operation of the MLDS Center by requiring MHEC to provide the MLDS Center access to already available data rather than requiring local boards of education to collect and submit additional data.

The MLDS Center can produce the required report using existing resources. The MLDS Center advises that, under the bill, it can incorporate FAFSA completion data into MLDS and match those data against student data already submitted to the center by the Maryland State Department of Education. MHEC advises it can provide the data access required using existing resources as it routinely imports Maryland resident Institutional Student Information Records into its student financial aid system. In addition, the MLDS Center advises that the reporting method established under the bill allows for more in-depth analysis of FAFSA completion data than can be completed under current law.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Longitudinal Data System Center; Maryland Higher Education Commission; Montgomery County Public Schools; Department of Legislative Services

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