Department of Legislative Services

Maryland General Assembly 2025 Session

FISCAL AND POLICY NOTE First Reader

Senate Bill 713 (Senator Brooks)

Education, Energy, and the Environment

Institutions of Higher Education - Mandatory Disclosures for New and Prospective Students (Informed Enrollment Act)

This bill requires each institution of higher education that admits first-time undergraduate students to prominently display, by July 1, 2026, a link to the U.S. Department of Education's (ED) College Scorecard website on its publicly accessible prospective student webpage. Institutions must explain the College Scorecard's key information, such as cost of attendance and graduation rates. They must also share this information and its location on their website during orientation, recruitment events, and regularly with specified groups, including students, parents, and advisors. If ED discontinues the College Scorecard, the Maryland Higher Education Commission (MHEC) must provide the required data to institutions. MHEC must compile this data in collaboration with institutions, using the Maryland Longitudinal Data System (MLDS) and other sources. **This bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: No immediate effect on general fund expenditures. However, if ED discontinues the College Scorecard, general fund expenditures increase by at least \$300,000 annually. If the Integrated Postsecondary Education Data System (IPEDS) is also discontinued, costs rise further, as discussed below. General fund expenditures may be incurred as early as FY 2026. Otherwise, public four-year institutions and Baltimore City Community College can post the required College Scorecard links using existing resources. Revenues are not affected.

Local Effect: Local community colleges can post the required links to the College Scorecard using existing resources. Revenues are not affected.

Small Business Effect: None.

Analysis

Current Law: The College Scorecard, run by ED, presents information about colleges and their students, including salary after completing a degree. The salary information is the median annual earnings of former students one year after graduation. Only students who received federal financial aid are included in the calculation. Data is suppressed for majors with few graduates who received financial aid. The College Scorecard also presents data about the number of graduates in the major and median total debt for students who graduated with each major.

<u>IPEDS</u> is a system of 12 interrelated surveys conducted annually by ED's National Center for Education Statistics. IPEDS gathers information from every college, university, and technical and vocational institution that participates in the federal student financial aid programs. The Higher Education Act of 1965, as amended, requires that institutions that participate in federal student aid programs report data on enrollments, program completions, graduation rates, faculty and staff, finances, institutional prices, and student financial aid. The data collections occur in fall, winter, and spring. This data is made available to students and parents through the <u>College Navigator</u> college search website and to researchers and others through the <u>IPEDS Data Center</u>.

State/Local Expenditures: Public four-year institutions of higher education, State-funded Baltimore City Community College, and local community colleges can share the required information and post the required links to the College Scorecard using existing resources.

However, if ED discontinues the College Scorecard, MHEC advises that it requires three additional permanent staff positions to provide similar data for Maryland institutions to make the requisite information publicly available. These positions include a data analyst, a data visualization specialist, and an information technology technical support specialist. Under that scenario, general fund expenditures increase by at least \$300,000 annually, which accounts for three full-time regular staff and related operating expenses. To the extent that efficiencies are found, costs may be less. Costs could begin as early as fiscal 2026 if ED discontinues the College Scorecard prior to July 1, 2026. It is unknown if or when the College Scorecard will be discontinued.

The College Scorecard reports data across seven broad categories, such as field of study, costs, and campus diversity, with each category containing multiple metrics and filters. MHEC estimates that the College Scorecard includes at least 150 measures per institution, which would need to be replicated for students and families to access meaningful comparisons. MHEC can use existing IPEDS survey data to fulfill most reporting requirements, assuming IPEDS remains operational.

MLDS advises that it can provide the workforce outcomes data, such as employment rates and salary outcomes for graduates, that are not available from IPEDS. As MLDS is finalizing an online reporting tool that will allow colleges to generate workforce outcome reports, this functionality can be accommodated using existing resources.

However, even with data from MLDS, MHEC and MLDS have not yet determined how to reproduce certain data or the associated costs of doing so. Specifically, student debt and loan repayment metrics (*e.g.*, average federal loan debt per borrower, repayment success rates) are not fully represented in State data collections. Thus, general fund expenditures may increase further to reproduce these data; however, such costs cannot be reliability estimated without additional research.

Accordingly, if both the College Scorecard and IPEDS were to be discontinued, MHEC would need to establish an alternative data collection process. This could involve either replicating IPEDS aggregate reporting using existing IPEDS parameters and definitions or developing a unit record data collection system. Either approach would require additional staffing to manage data submissions and validation, as Maryland institutions submit multiple surveys per year. These additional costs cannot be estimated at this time; however, they could be significant.

This estimate assumes that institutions continue submitting data to IPEDS or to a State entity, such as MHEC or MLDS, if IPEDS is discontinued. It does not account for any additional higher education expenditures that may arise from submitting data to a State entity instead of IPEDS.

Additional Comments: Private institutions of higher education can likely post the required links to the College Scorecard using existing resources. This estimate assumes that institutions continue submitting data to IPEDs or to a State entity such as MHEC or MLDS, if IPEDS is discontinued.

Additional Information

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

Designated Cross File: HB 611 (Delegate Wolek, *et al.*) - Appropriations.

Information Source(s): Maryland Longitudinal Data System Center; Maryland Higher Education Commission; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Legislative Services

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Analysis by: Caroline L. Boice Direct Inquiries to:

(410) 946-5510 (301) 970-5510