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February 24, 2026

The Honorable Ben Barnes,
Chair, Appropriations Committee
120 Taylor House Office Building
Annapolis, Maryland 21401

Chair Barnes, Vice Chair Kaiser, and members of the Appropriations Committee,

The Maryland Higher Education Commission (MHEC) respectfully requests a **favorable report with amendments** on House Bill 877 – *Institutions of Postsecondary Education – Institutional Debt – Report*.

MHEC supports the intent of House Bill 877 and the General Assembly's commitment to improving transparency surrounding institutional debt. Institutional debt can present significant barriers to reenrollment, degree completion, transcript access, and workforce participation. A thoughtful, statewide reporting framework will provide policymakers with valuable insight into how institutional debt affects Maryland students and where targeted solutions may be appropriate.

To ensure consistent statewide implementation and an administratively feasible level of oversight, MHEC respectfully requests the following amendments.

1. The reporting elements required are highly technical. MHEC requests an amendment to strike the current definitions in Section (A) of the bill. In their place, MHEC requests a requirement for the Commission to develop and publish a standardized data dictionary prior to the first reporting cycle. This ensures that definitions for demographic categories and debt classifications are consistent and accurately aggregated across all sectors.
2. The bill authorizes the Commission to impose civil penalties of up to \$10,000 for failure to submit a report or knowingly including inaccurate information.

MHEC respectfully requests the removal of the civil penalty provision. The Commission's role under this legislation is to collect and analyze data to inform policy, not to impose punitive sanctions. Given the complexity of the reporting requirements, discrepancies may arise from definitional interpretation or data system limitations rather than intentional misconduct.

MARYLAND HIGHER EDUCATION COMMISSION

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MHEC believes compliance can be achieved through technical assistance, written notice of deficiencies, and corrective processes without the need for a new civil penalty framework.

3. MHEC requests that the initial reporting deadline be changed from October 1, 2027, to **August 1, 2027**.

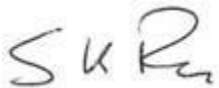
This adjustment is necessary to allow sufficient time for the development of the data dictionary, issuance of guidance, institutional system updates, stakeholder consultation, and implementation planning. Given the scope of required data elements, institutions will require adequate lead time to ensure accurate and compliant reporting.

4. MHEC requests that the reporting frequency be changed from an annual requirement to a biennial requirement (every two years). This adjustment will allow for a more thorough analysis of longitudinal data trends while reducing the recurring administrative and data-collection burden on the State's postsecondary institutions.
5. Finally, to operationalize this work and fulfill the legislative mandate of providing actionable insights, MHEC will require at least one dedicated staff member to complete the comprehensive analysis of the reporting data. The synthesis of data from over 200 institutions into a coherent statewide report is a highly technical task that cannot be absorbed by existing personnel.

House Bill 877 advances an important policy discussion regarding institutional debt and its impact on Maryland students. With the amendments outlined above, the bill can be implemented in a manner that promotes transparency while ensuring administrative clarity, fairness, and statewide consistency.

For these reasons, the Maryland Higher Education Commission respectfully requests a **favorable with amendments** report on House Bill 877. If you have any questions or concerns, please contact Meghan Music, Executive Director of External and Legislative Relations.

Yours in Service,



Sanjay Rai

Secretary, Maryland Higher Education Commission

Amendments:

AMENDMENT 1 – STRIKE DEFINITIONS AND REQUIRE DATA DICTIONARY

On page 2, strike lines 19 through 30; and on page 3, strike lines 1 through 11 in their entirety. (Strikes existing definitions of “Administrative Hold”, “Charge Off”, “Demographic Categories”, “Institutional Debt”, and “Nonjudicial Collection”).

Substitute: “BEFORE THE FIRST REPORTING DEADLINE ESTABLISHED UNDER THIS SECTION, THE COMMISSION SHALL DEVELOP AND PUBLISH A DATA DICTIONARY THAT DEFINES THE TERMS, DATA ELEMENTS, CLASSIFICATIONS, AND REPORTING CATEGORIES REQUIRED UNDER THIS SECTION. EACH INSTITUTION SHALL SUBMIT ITS REPORT IN ACCORDANCE WITH THE STANDARDS ESTABLISHED BY THE COMMISSION’S DATA DICTIONARY.”

AMENDMENT 2 – BIENNIAL REPORTING

ON PAGE, IN LINE, STRIKE “EACH YEAR” AND SUBSTITUTE “EVERY TWO YEARS”. (CONFORM ALL SUBSEQUENT REFERENCES TO ENSURE AN EVERY-OTHER-YEAR REPORTING CYCLE.)

AMENDMENT 3 – REMOVAL OF CIVIL PENALTY PROVISION

On page 6, strike lines 1-27 in their entirety.

(Strike the subsection authorizing the Commission to impose a civil penalty of up to \$10,000.)

If the bill currently reads:

“THE COMMISSION MAY IMPOSE A CIVIL PENALTY NOT EXCEEDING \$10,000...”

Strike that language in its entirety, including all related hearing and penalty enforcement provisions.

(Strike all references to civil penalties, hearings related to civil penalties, and penalty enforcement authority.)

AMENDMENT 4 – CHANGE INITIAL REPORTING DATE

On page 3, in line 14, strike “OCTOBER 1, 2027” and substitute “AUGUST 1, 2027”.