



**SB 628 - Institutions of Postsecondary Education - Institutional Debt - Report
Senate Education, Energy, and the Environment Committee**

March 11, 2026

SUPPORT

Chair Feldman, Vice-Chair, and members of the committee, thank you for the opportunity to submit testimony in support of Senate Bill 628. This bill would require an institution of postsecondary education in Maryland to annually report to the Maryland Higher Education Commission (MHEC) on its so-called “institutional debts”: debts owed to the school by its students.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program ‘VITA’, offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH’s tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

National data suggest that these debts disproportionately burden low-income students and communities of color, and that they create barriers to retention, completion, and employment. Maryland deserves to know exactly how these debts are burdening communities in the state. Critically, this bill does not affect schools’ ability to collect these debts or otherwise change school conduct. It is merely a sun lighting bill to permit policymakers and advocates to understand better the scope of institutional debts in Maryland.

SB 628 would require:

- Institutions of postsecondary education to annually report to MHEC on their institutional debt portfolios and collection practices, including the outstanding balance and number of affected students and associated demographic data; and
- MHEC to make these reports available to the General Assembly and public.

According to the national study, more than 125,000 current and former Maryland students may collectively owe their schools over \$332 million, for an average of more than \$2,600 per student.¹ These debts are not borne evenly across the enrolled student population, as they disproportionately impact low-income and communities of color. Through SB 628, Maryland lawmakers can obtain the data they need to determine whether policy interventions are necessary to create a more equitable system of higher education.

Thus, we encourage you to return a favorable report for SB 628.

¹ <https://sr.ithaka.org/blog/a-state-by-state-snapshot-of-stranded-credits-data-and-policy/>