

Oppose**House Appropriations Committee*****HB 1404 – Institutions of Postsecondary Education – Provision of Information
Relating to the Cost of Higher Education*****March 8, 2018**

On behalf of Maryland's independent colleges and universities, I write in opposition to House Bill 1404 – *Institutions of Postsecondary Education – Provision of Information Relating to the Cost of Higher Education*. This legislation would require every institution of higher education in the State of Maryland to provide each prospective student with an extensive list of information, including:

- Cost of attendance;
- Additional costs disclosed by the student;
- Financial assistance awarded, including:
 - Institutional grants and scholarships;
 - State financial aid;
 - Federal financial aid;
 - Subsidized and unsubsidized federal loans;
 - Parent Plus loans;
 - Expected family contribution;
 - Additional grants and scholarships;
- Total debt at the time of graduation and monthly loan repayments over a term of years;
- Graduation rates at the institution;
- Expected annual salary for recent graduates disaggregated by program; and
- Estimated post-graduate expenses, including:
 - Rent or mortgage payments;
 - Car payments;
 - Child care expenses; and
 - Utilities.

The information must be provided to prospective students before the student signs an enrollment agreement, completes registration, or makes a financial commitment to the institution. As a result, Maryland's colleges and universities would be required to provide this data to hundreds of thousands of students – the vast majority of whom will never enroll at the institution. One in five students apply to nine institutions, and half apply to at least five institutions.

Based on federal and State laws and procedures, colleges and universities do not have access to any of the financial aid information required to be disclosed at the time specified in the legislation. Federal and State financial aid is awarded much later in the process. Moreover, colleges and universities do not have access to information on State and federal financial aid for students who are not enrolled and never have access to private student loans or Parent Plus loans.

Colleges and universities cannot disclose how much a student will owe at the time of repayment, because the institutions do not know how much a student will elect to borrow from federal or private sources. Institutions of higher education have no control over how much money students borrow for their education. By federal law, institutions of higher education must confirm to a lender (including the federal government) if a student is enrolled and cannot deny a federal or private student loan even if the student does not need the money to pay for college. In addition, colleges and universities do not know what external support students will receive to pay for college, such as contributions from relatives, internships, and/or evening and summer employment.

Most undergraduate students do not elect an academic program at the time of application. In fact, many students do not select a major, minor, or academic program until the student is a rising junior. Therefore, the only way to comply with the salary disclosures by program would be to disclose the average salaries for all academic programs.

Information on future expenditures for rent, mortgage payments, car payments, child care expenses, and utilities will depend heavily on the major life decisions students make about where to live and work as well as housing, family, transportation, and lifestyle choices. Any data disclosed to students about future expenditures would be purely conjecture, grossly misleading, and more likely wrong than right.

Even if colleges and universities could disclose the information in this bill, which they cannot, the costs of compliance would be substantial. Colleges would need to hire additional financial aid staff and economists to develop projections. In our opinion, these expenses would be wasteful, because the data provided would be of little value to students.

Institutions of higher education already provide extensive information to students and families on college costs and student debt. Maryland's colleges and universities are required by State and federal laws to provide first-time, full-time undergraduate students with the costs of higher education on a form known as the Financial Aid Shopping Sheet, must make a net price calculator publicly available on their Web sites, and must annually disclose information on student borrowing and debt repayment to every enrolled student.

We believe these current disclosure requirements provide value to students and families. The additional disclosures required by this legislation would be misleading and confusing.

For the reasons stated above, MICUA urges the Committee to give House Bill 1404 an unfavorable Committee report.