



**SB 248- Institutions of Higher Education - Transcripts - Prohibition on Punitive Measures
Related to Student Debt**

Senate Education, Energy, and the Environment Committee

February 8th, 2023

SUPPORT

Chairman Feldman, Vice-Chair and members of the committee thank you for the opportunity to submit testimony in support of Senate Bill 248. This bill will prevent higher education institutions from holding students' transcripts due to institutional debt.

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.**

Higher education is a necessary investment for many people to ensure future financial stability. According to the Harvard Business Review, more jobs require higher educational levels, particularly 4-year degrees, now more than any other time. This is known as degree inflation¹. This means that for people to obtain jobs that are substantial enough to provide a living, they have to pursue education after high school. Seeking forms of higher education put excessive strain on the financial well-being of low-income students. However, they face limited job aspects if they do not have some sort of postsecondary education.

The cost of higher education is increasingly becoming a barrier for people receiving an education. One of those barriers is the numerous fees that universities can apply to student's accounts. If these fees go unpaid, students can face consequences like not being able to graduate, or not being able to access their transcripts. This means that low-income students are left without an education, in debt, and scrambling to figure out future career goals. This leaves them in a situation that makes it difficult for them to achieve financial stability, and it exposes a person to food insecurity, homelessness, and overall financial hardship.

SB 248 will allow for students to continue their educational and career goals, which in turn will put them in a better position to pay their debts. Punitive actions on student facing financial hardships will limit not only the student's potential to pay their debts, but it will also limit the institutions ability to collect.

Thus, we encourage you to return a favorable report for SB 248.

¹ Dismissed by Degrees (2017)