



HB 419 - Higher Education - Report on Collection Practices for Unpaid Fees and Services
February 11th, 2020
SUPPORT

Chairwomen McIntosh, Vice-Chair and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 419. This bill would require higher education institutions to report information to the Higher Education Commission in regards to fees owed by 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.

Higher education is a necessary investment for many people to ensure future financial stability. The cost of higher education is increasingly becoming a barrier for more people to begin to receive an education. Once they are in a school, they still have many financial barriers to contend with to graduate. One of those barriers are the numerous fees that universities can apply to students accounts. If these fees go unpaid, students can face numerous consequences like not being able to graduate, the schools not releasing their transcripts, or not being able to register for classes next semester.

Each university has a different fee structure and notification system. Fees can also range in amount. Some fees can be over \$200, or they can be as low as \$25. The different categories of fees include type, amount, and options to pay. Many universities also have an additional late fee for overdue fees. There is also a category for Special Fees. These can consist of library, parking, transcript and other fees.

It is difficult to know the impact and the amount of students affected by university fees, because there is no structure for universities to report these numbers.

House Bill 419 will improve transparency by requiring each institution of higher education to collect data on:

- The number of students who have unpaid fees
- The average amount of unpaid fees and the common categories for which fees are owed
- The number of academic documents withheld because of unpaid fees and the threshold triggering the withholding of certain information
- Any payments plans offered

The required data would be submitted to the Maryland Higher Education Commission, and the commission would report to the General Assembly each year for 3 years.

This transparency will encourage higher education institutions to have fair fee structures and appropriate consequences. *Due to this, we encourage you to return a favorable report of House Bill 419.*