



Maryland General Assembly Members:

I am writing to share comments on several legislative proposals impacting postsecondary education that are under consideration in the Senate and House Appropriations Committee and/or Education, Health and Environmental Affairs Committee.

PAPSA ([www.papsa.org](http://www.papsa.org)), represents over 100 technical colleges and career schools in several Mid-Atlantic states. Although originated and headquartered in Pennsylvania, we are currently working with several Maryland-based institutions of higher education and are in the process of establishing a Maryland Chapter of the association. It is also relevant to state for the purposes of the legislation being considered, that our member schools include both for-profit and non-profit institutions for tax purposes.

#### **Legislation Supported**

First, there are several bills under consideration that we would support. These include; [SB 280](#) and [HB 349](#) (Occupational Licensing Reciprocity for Service Members and Spouses) and [SB 318](#), [HB 506](#), and [HB 597](#) (Higher Education Non-Resident Tuition Exemptions For Spouses and Dependents Military).

#### **Legislation Supported with Additional Comments**

Second, there is an additional bill being considered that we conceptually support, but would like to add additional comments on. [HB 469](#) would help provide the state with additional powers and enforcement mechanisms to curtail disorderly school closures. This is a very important topic.

Closures of schools happen occasionally for various reasons. Most schools close the proper way, which includes taking steps like providing significant notice to students and other stakeholders, full notice and transparency with federal and state regulators and accreditors, properly teaching-out programs through for every student, providing transfer options to students, providing full account and security of student records, and other actions to make sure the school is closed the right way.

However, sometimes a school does not take these necessary measures. These situations – when they occur – are very problematic for students, employees, communities. The Maryland Higher Education Commission (MHEC) and other state entities need tools to help prevent these from occurring, so we support [HB 469](#) in concept. However, our association has asked our Maryland member institutions to review the specific provisions in the proposal and some schools may offer some potential changes or concerns to specific provisions.

### **Legislation Opposed or with Significant Concern**

[HB 593](#) and [SB 294](#) (Cross-filed bills)

These proposals are built off an existing federal rule commonly referred to as “90/10,” This federal rule is counterproductive to students, schools, and the labor force. The current proposed state expansion of this rule under [HB 593](#) and [SB 294](#) introduced in Maryland doubles down on this counterproductive federal policy and will negatively impact students, along with veteran students. Here is why.

The federal 90/10 Metric is simply a government-created math calculation of the percentage a student must use in federal aid to pay for their postsecondary education. Thus, schools that educate a higher percentage of low-income students who qualify and draw down more financial aid, have a tougher time passing this metric. Absolutely no part of this metric includes any measurement of academics, school quality, or student outcomes. It is important to repeat that fact: **No part of this metric includes any measurement of academics, school quality, or student outcomes. It is simply a measurement of the income-level of a school’s student population and how much student aid they need to attend college.**

A school could be producing great results and have excellent student outcomes (i.e. graduation rates, job placement rates, licensure pass rates, employer satisfaction of graduates, etc...), but if they are successfully educating a high proportion of low-income students, then the school may fail the 90/10 rule. This federal policy is counterproductive to advancing low-income populations and providing them socio-economic mobility to get educated or trained in a career field, get a better job, and raise their financial situation.

The US Senate Health Education Labor and Pension Committee (H.E.L.P.) Committee released a report last year discussing multiple federal policies, including 90/10 ([US Senate Education \(HELP\) Committee Report](#)). This report is critical of 90/10 for several reasons, including the statement “*What 90/10 really measures is the socioeconomic status of students enrolled at the school, not the quality of the institution.*” I couldn’t agree more with this statement as it sums up the counterproductivity of 90/10.

This federal regulation penalizes schools that educate higher populations of lower-income students, regardless of the academic and education outcomes of the school. Thus, it makes no sense for Maryland – or any other state – to double down on this policy and expand it. Why either the federal government or a state would implement policies that harm institutions that educate lower-income populations makes no policy sense and is why we have advocated against this concept in front of multiple state and federal entities.

In addition to the general concerns over 90/10 and its impact on schools that educate low-income populations, the Maryland legislation would go further and likely be counterproductive to veteran students. Although the legislation is intended to help veterans, the reality is it will have an opposite effect. I have personally visited and toured over 100 career and technical colleges and schools in multiple states, including Maryland, and I have personally met with many hundreds of veteran students at these institutions. What I have heard over and over again from hundreds of veterans is they often prefer career and technical schools – over traditional liberal arts colleges and universities – for several reasons, including but not limited;

- They like the “hands-on” education provided by a private career school, particularly because many of the veterans are used to applying hands-on experiences in their military roles.
- They prefer the shorter programs of an Associate, Diploma or Certificate program that are typically 2 years or less compared to Bachelors that take 4 years or more.
- It is easier to raise a family while attending a local trade school compared with going away to a traditional college.
- They know there is a greater chance of getting a job upon graduation in their direct field of study learning a trade compared to generalized liberal arts education.
- They like career schools that focus heavily on student services and personalized education.
- And finally, what many of them have personally told me is leaving the service in their late 20s or early 30s, they simply don’t want to spend another 4 years living in dormitories with teenagers.

Veterans attending technical colleges and trade schools generally make the personal choice to do so because it is the best option for them at that stage of their life. However, the proposed expansion of 90/10 in [HB 593](#) and [SB 294](#) would likely negatively impact these choices. Schools would be put in the impossible situation of having to choose to either limit enrollments from low-income veteran students interested in the school, just to satisfy a government-mandated formula – OR – the school could continue to accept low-income veteran students and risk failing the government metric, which would end enrollments at the school and ultimately force the school to close its doors. In either scenario, veterans lose their opportunity to attend the school and career education program of their choice.

## [HB 470](#)

This legislation requires at least 50% of revenue at a for-profit institution or private career school to be spent on instruction. Although a well-intended proposal and certainly should be a goal of many institutions, there are several significant concerns that need considered.

First, the definition in the bill would use the federal Integrated Postsecondary Education Data System's (IPEDS) definition for instructional spending. It is unclear under this definition how some specific expenditures that are helpful to students and necessary in the operation of a school would be counted.

Schools have many wrap-around and other services that directly benefit students, but may or may not be considered "instructional." Just for some examples, most schools have a Career and Student Service Office, which work with students and employers to make sure they are placed in jobs upon graduation, receive externships, work with the employer-community on future needs and aligning curriculum to industry-standards. They also serve to address other personalized issues to help students.

Other examples may include, but not limited to: computer labs, libraries and resource centers, counseling services, special accommodations, financial aid staff, financial literacy, and more examples. In addition to the various services provided to students, there are inherent costs that any school – let alone any business – must pay, including but not limited to: building construction and/or lease costs, equipment, perishable goods, taxes, administrative costs, legal and regulatory compliance, and much more. All of these various costs are part of what it takes to run a high-quality school, but depending on the definition and interpretation used, may not be considered a direct "instructional cost."

Finally, this legislation is only applicable to specific kinds of institutions – for-profit and private career schools. If this is good policy, then why not apply it to all higher education institutions in Maryland? This is somewhat of a rhetorical question as it is likely that many traditional 4-year liberal arts colleges and universities would not pass this same standard. With large dormitories and residence halls, cafeterias, sports stadiums and facilities, research centers, and many other extracurricular costs, the amount spent on direct "instruction" would likely be less than 50%.

Thank you for your consideration of these comments.

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