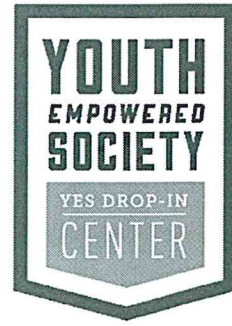


February 03, 2020



Testimony to the House Appropriations Committee
HB 593 : Higher Education - Annual Revenues of For-Profit Institutions - Limitation on Enrollment
(Veterans' Education Protection Act)
Position: Favorable

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
Room 121, HOB
Annapolis, MD 21401
cc: Members, Appropriations Committee

Honorable Chair McIntosh and Members of the Committee:

I am writing as the Workforce Development Coordinator at the Youth Empowered Society, Y.E.S. Drop-In Center. Founded by formerly homeless youth and their allies, the YES Drop-In Center meets the immediate needs (temporary shelter from the elements and streets, food, clothing, storage, laundry) of youth, between the ages of 14 and 25, who are homeless or at-risk of homelessness. Guided by near-peer youth counselors, youth make and sustain connections to resources, such as stable housing, public benefits, education, employment, workforce development opportunities, primary healthcare, mental healthcare, substance abuse services, and legal assistance. YES is a program of Strong City Baltimore, a nonprofit organization.

We are writing today in support of bill HB 593 which will change current Maryland law by clarifying that ten percent of a for-profit college's revenue cannot come from any federal funds.

As a Workforce Development Coordinator, I work with youth and young adults experiencing homelessness, assisting them in finding employment and reaching their educational goals. Many of the youth and young adults in our program have fallen victim to the predatory practices of for-profit institutions that have left them in debt, often without an accredited degree, and unable to enroll in other higher education opportunities. At Y.E.S. we serve more than three hundred youth, annually, more than 50% of whom at one point in time were in the foster care system.

Low-income students, students-of-color, and veterans in Maryland are aggressively targeted by bad actors in the for-profit school industry because these populations have the greatest access to the federal monies on which these institutions rely.

In 1992, with bipartisan support, the federal government created an 85/15 rule to protect students, which said that a for-profit school could use federal student loans to fund up to 85% of their institution. Since then, the rule has been changed by the federal government to a 90-10 rule, which includes a loophole that allows the last 10% of funding to be comprised of dollars the government offers to veterans, service members, their families, and foster youth to use for higher education. HB 593 helps protect Maryland students, veterans, foster youth, and taxpayers by closing the loophole that enabled the exploitation of veterans.

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A strong rule is crucial to educational integrity because for-profit colleges should not be funded solely by federal taxpayers, and federal taxpayers should not be responsible for keeping failing for-profit schools open. If a college offers a quality education at a competitive price, someone other than the federal government – such as employers, scholarship providers or students – will be willing to pay for attendance at the school.

The for-profit school industry's poor behavior in Maryland and beyond demonstrates a need to put clear guardrails in place to ensure that students and taxpayers are protected.

We hope you take this opportunity to protect all the students mentioned above – in addition to Maryland taxpayers – from high-cost, low-return for-profit colleges and private career schools. We urge you to move favorably on HB 593.

Best,

Nick Brooks, Workforce Development Coordinator
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