

FAVORABLE

House Appropriations Committee
Senate Bill 927
Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student
Exemption
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On behalf of both the private nonprofit member institutions of the Maryland Independent College and University Association (MICUA) and the public constituent institutions of the University System of Maryland (USM), we thank you for the opportunity to offer testimony in support of [Senate Bill 927 \(Pinsky\) Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student Exemption](#). This bill exempts the recruitment of international students who reside in a foreign country and who are not eligible to receive federal student assistance from the prohibition against paying a commission, bonus, or other incentive based on success in securing enrollment.

During the 2019-2020 academic year, the 20,362 international students enrolled in Maryland's institutions of higher education contributed [\\$761.4 million](#) to the state economy and supported [8,725 jobs](#). These students also added to the cultural diversity on our campuses and supported the research endeavors of our institutions, all of which add to our capacity to offer world-class educational experiences to the people of Maryland and support the economic growth of our state.

How do these international students learn about opportunities for studying abroad and the processes they will need to follow to apply to schools in the U.S. and elsewhere? In countries without school-based counselors, commissioned agents often represent the main source of guidance. These agents' knowledge of the cultures, educational systems, and languages prevalent within specific countries enable them to serve as an important bridge between international students and U.S. institutions. Additionally, they provide a cost-effective way for U.S. institutions with limited recruitment budgets to develop a presence globally.

However, Maryland's postsecondary institutions are currently at a competitive disadvantage because our state has a legal prohibition barring institutions from paying a commission to international recruitment agents. SB 927 would lift that prohibition and bring Maryland into alignment with federal law.

Further, *federal law specifically exempts payments to international recruiting agents*, and, in fact, partnerships between institutions outside of Maryland and international recruitment agents are expanding. The Higher Education Act of 1965, as amended, states: "The institution will not provide any commission, bonus, or other incentive payment based directly or indirectly on success in securing enrollments or

financial aid to any persons or entities engaged in any student recruiting or admission activities or in making decisions regarding the award of student financial assistance, **except that this paragraph shall not apply to the recruitment of foreign students residing in foreign countries who are not eligible to receive Federal student assistance.**” (20 USC 6 § 1094[a]{20}).

There are an [estimated](#) 16,000 commissioned international recruitment agents operating around the world, and we understand the concerns expressed by some that not all of these agents are reputable. Both [AIRC](#), a Standards Development Organization recognized by the U.S. Department of Justice, and the [U.S. Department of Commerce](#) offer assistance to U.S. institutions wishing to partner with vetted commissioned agents in order to expand their student recruitment networks abroad. In 2018, the [U.S. Department of State recognized](#) AIRC’s agency certification process as a best practice in the field of international recruitment, and the Department permits commissioned agents to represent U.S. institutions at its student recruitment events abroad.

We believe that all institutions of higher education in the State of Maryland should have access to the same international recruitment tools as our counterparts in other states and nations. Therefore, we ask that you support SB 927, which will help to level the playing field in this highly competitive market by providing Maryland’s postsecondary institutions with the option to engage with commissioned agents in the recruitment of international students.

For all of these reasons, we appreciate your favorable consideration of SB 927.