



Testimony On House Bill 1130

The Mid-Atlantic Association of Career Schools (MAACS) is a brand new regional association representing approximately 100 postsecondary institutions in the Mid-Atlantic region that specialize in career and technical education. Formerly called PAPSA (www.papsa.org) which was formed over 70 years ago and based out of Pennsylvania, approximately a dozen schools from Maryland joined the association, so we are in the process of transitioning to the new regional association representing both states and under the new name.

It is important for the discussions today to note our member institutions in MAACS include both “Non-profit” and “For-profit” schools. Regardless of their tax status, these institutions are all accredited, sometimes through multiple institutional and programmatic accrediting bodies. Outcomes and accountability are very important to our members and our association. Not only do we advocate for strong outcomes, but our association also provides professional development, training, and other resources to help schools achieve strong outcomes.

MAACS Supports HB 1130. We support the bill for two primary reasons:

- 1) We have significant concerns for the existing provision of Maryland Law, which was enacted in 2020 through SB 294. This law authorized Maryland to create its own state-based formula similar to the federal “90/10 calculation” on schools registered as “for-profit.” To our knowledge, Maryland is the only state in the country to pass a state law that expands on this federal provision.
- 2) HB 1130 of 2021 proposes improvements to the existing law that help assure schools are accountable and producing great student outcomes.

Issue #1: Concerns With Existing Law

We strongly believe the federal “90/10 Rule” is poor public policy.

- We support strong outcome measures, but believe any outcome measure that is good should be applied to all sectors of higher education. 90/10 is only applied to for-profit schools. Significant research shows many public and non-profit schools would fail this same metric if it were applied to them. We do not believe 90/10 is good policy, but if it were to make sense, then why not apply it across the board to all institutions? Why only single out one sub-set of institutions?
- 90/10 is not an outcomes measurement at all. Nothing in the calculation has anything to do with either the academics delivered at a school, nor the outcomes of the student while at the school, nor does it have any relationship to the post-education job placement or career the student will enter when done with the program.
- 90/10 is an input calculation based off of two financial factors:
 - o How many low income students your school educates and/or other students with high financial aid need. The more low-income students a school educates, the more likely the school will fail 90/10.
 - o How low (or high) your tuition is. The lower your tuition is, the more likely a school will fail 90/10.
- There is so much discussion in higher education about the importance of “access” and “equity” and making sure options are available at reasonable prices for all students at various socio-economic backgrounds. Why the federal government (and Maryland now) continues to have a metric in place that punishes schools that serve a larger share of low-income populations and/or punishes schools that have lower tuitions, seems very counterproductive to access and equity.
- Finally, a sub-issue that has often recently been discussed with 90/10 is how federal veterans funding is included in the calculation. Maryland’s current law includes these funds into the calculation and the federal law may do the same in a few years. Most “for-profit” schools are technical and trade schools focused on specific “hands-on” vocations. These institutions are extremely popular for many veterans because they are shorter than traditional 4-year programs, they are hands-on, focused on a specific career the veteran wants to pursue, and are designed usually towards educating working adults.

A recent study by a non-partisan veterans organization – Veterans Education Project – examined 90/10 and its impact on veterans and concluded this policy is counterproductive because it reduces veterans’ choices and it would actually push some veterans into programs with worse outcomes. The report is linked below and it includes a link to the specific data sets used for the report: <https://veteranseducationproject.org/2021/02/09/changes-to-90-10-harm-veterans/>

Issue #2: Why HB 1130 Makes Improvements

Although we have significant concerns for the base policy around 90/10, we support HB 1130 because it will make improvements to the base policy. When SB 294 passed in 2020, many of the concepts in HB 1130 were being discussed with legislators at that time. However, due to COVID and timing of the legislative session requiring bills to move very quickly before the state closed down due to COVID, none of these ideas got into the bill before passage.

Unlike 90/10, which is simply an “input” calculation measure based on finances, the provisions included in HB 1130 are real “outcome” measurements. They actually measure how good a school has done to educate a student into a career, complete their programs and get them a job. These metrics are also already measured by accrediting bodies and other entities, so it is not “recreating the wheel” and these measurements can be easily found. Here are the measurements we support in the bill:

- Retention rates
- Graduation rates
- Job placement rates
- Occupational licensure and/or other credentialing rates

If a for-profit school can show 70% or above in these measurements, which many public institutions and non-profits could not meet these thresholds, then there is no reason for a school to have to do an enhanced state-based 90/10 calculation. This is especially true if you consider schools that have problems with 90/10 are usually educating a high number of low-income students. Maryland should be celebrating institutions educating low-income populations and showing great results in outcomes by getting those populations educated, graduated, and employed. HB 1130 helps to recognize and support these institutions providing great results to your constituents.

Thank you for the opportunity to provide this testimony.

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