

Support for SB927.pdf

Uploaded by: Carter Conway, Joan

Position: FAV

SUPPORT

Senate Bill 927 - Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student Exemption

I, Joan Carter Conway, offer written testimony in support of **Senate Bill 927 - Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student Exemption.**

SB927 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 any other incentive based on success in securing enrollment. This bill financially benefits historically black institutions of higher education. Resulting in reduced cost of air fare, housing and food accommodations.

It financially benefits historically black institutions because, by removing the prohibition under current law, it allows for the institutions not to have to incur the financial burden of funding sources for recruitment of international students, by not having to send a personal representative abroad. All higher education institutions should be afforded the opportunity to have the same international representation.

To date, there are approximately 16,000 commissioned international recruitment agents working around the world. AIRC, a standards Development Organization, which is recognized by the U.S. Department of Justice, offers HBCUs an opportunity to compete with other institutions for recruitment. The Department permits commissioned agents to represent U.S. institutions at its student recruitment events abroad.

I wholeheartedly support SB927, which will provide HBCU's to have access to an important recruiting tool necessary for recruiting international students abroad through commissioned agents.

Testimony for SB 927 submitted by Morgan State Uni

Uploaded by: Cypress, Michelle

Position: FAV



Morgan State University Testimony

in support of

Senate Bill 927

Submitted by Dr. David Wilson, President, Morgan State University

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.

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}).



Morgan State University Testimony

in support of

Senate Bill 927

Submitted by Dr. David Wilson, President, Morgan State University

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 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.

Morgan State University strongly supports Senate Bill 927.

SB 927 Written Testimony (Di Maria) 2021.03.09.pdf

Uploaded by: Di Maria, David

Position: FAV



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Senate Education, Health, and Environmental Affairs Committee

Senate Bill 927

Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student Exemption

March 9, 2021

My name is David Di Maria. I am the Associate Vice Provost for International Education at UMBC and a resident of Howard County. I have more than fifteen years of experience working as an international education administrator at public universities in four states. Maryland is the only state of which I am aware that has a legal prohibition on paying incentive payments for the recruitment of international students.

I appreciate 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 is important to Maryland as it enhances the capability of our state's higher education institutions, both public and private, to recruit international students in a manner that is in alignment with the best practices in higher education.

I submit this testimony as an industry expert having served as President of the American International Recruitment Council and a scholar whose research has focused on international students and the global engagement strategies of higher education institutions. Additionally, I am the author of [guidelines](#) for successful relationships with commission-based international recruiters.

Increased Competition for Global Talent

The global competition for talent is real and it is only going to further increase as many developed countries, including the United States, face demographic shifts resulting in fewer traditionally aged college students. While the share of international students studying in the U.S. has [steadily declined](#) – [from 28%](#) of the world's 2.1 million international students in 2001 to 21% of the world's 5.3 million international students in 2019 – other countries have made significant gains in attracting global talent due to [national strategies](#).

As one of the authors of a [recent study](#) focused on factors driving international enrollment growth and decline, I can attest that partnership with third-party recruiters is among the most

important tactics institutions can take to grow international enrollment. In fact, universities that work with such entities are 1.73 times more likely to experience growth.

Due to the complexities of operating in increasingly competitive international markets, universities around the world contract with third-party, commission-based counselors who have local knowledge and contacts. In fact, it is estimated that one in five international students engage the services of such a counselor prior to enrolling at an institution outside of their country. For some countries, this percentage is much higher.

Consider that [nearly 50%](#) of all international students studying in New Zealand are recruited through private counselors while in Australia that figure is closer to [75%](#). Meanwhile, an estimated [69% of Canadian institutions](#) utilize incentive-based recruitment strategies and [49% of U.S. higher education institutions](#) incorporate incentive-based recruitment into their international recruitment strategy.

The American Council on Education [reports](#) that the percentage of US higher education institutions working with commission-based recruiters rose from just 17% in 2011 to 45% in 2016 based on a national survey conducted every five years.

Economic Impact

International students provide a significant economic boost as these students are ineligible for federal or state financial aid.

Consider that at the undergraduate level, [83.9% of international students](#) rely on personal and family income to pay for their education in the U.S. While it is more common for graduate students to receive financial support due to research or teaching assistantships, that fact is that [60.7% of international graduate students](#) rely primarily on funding from abroad.

When you subtract all funding from U.S. sources, international students [contributed \\$761.4 million to Maryland's economy](#) and [\\$38.7 billion to the U.S. economy](#) in 2019. These dollars supported 415,996 American jobs, including [8,725 jobs in Maryland](#).

55% of the dollars spent by international students supports the higher education sector, which in turn helps colleges [sustain high-tech academic programs](#) and [keep tuition lower](#) for resident students. Nonetheless, [18% of every dollar](#) spent by international students goes to apartment rentals and other forms of accommodation; 11% goes to restaurants, 9% to retail and the rest to other sectors of the economy.

Safeguarding the Interests of Students and Enrolling Institutions

While some have concerns about the use of incentives to recruit international students, there are many safeguards in place to protect students and institutions.

Several of the top sending countries, including China and India, have [regulatory frameworks](#) in place that govern the actions of commission-based recruiters.

Additionally, government agencies in many of the top destination countries, including Australia, Canada and the United Kingdom, have [ethical principles and standards](#) in place that govern the behaviors of commission-based recruiters sending students to those countries.

In the United States, safeguards also exist that serve to protect the interests of students and institutions.

The [American International Recruitment Council](#) (AIRC) is a 501(c)(3) non-profit membership association recognized by the U.S. Department of Justice and the Federal Trade Commission as a Standards Development Organization (SDO) for the field of international student recruitment. AIRC was founded in 2008 by senior U.S. education leaders to safeguard the interests of both international students and enrolling institutions through the promotion of ethical, standards-based international recruitment strategies. AIRC's robust certification program promotes quality assurance by enforcing transparency and high professional standards on the part of commissioned-based recruiters.

The National Association for College Admission Counseling also provides [guidelines](#) for its members to use in vetting, contracting and otherwise responsibly engaging commission-based international recruiters.

Finally, the U.S. Commercial Service's (a division of the U.S. Department of Commerce) [Global Education Training and Services Team](#) assists U.S. higher education institutions with vetting commission-based recruiters in various countries around the world.

Considering the increased competition for global talent and the need for the University System of Maryland to be in alignment with the practices of our competitor institutions, I appreciate your favorable consideration of SB 927.

SB 927_MICUA:USM_FAV.pdf

Uploaded by: Fidler, Sara

Position: FAV

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Senate Education, Health, and Environmental Affairs Committee
Senate Bill 927
Institutions of Higher Education – Prohibition Against Incentive Payments – Foreign Student Exemption
March 9, 2021

Sara Fidler
President
MICUA
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Patrick Hogan
Vice Chancellor for Government Relations
USM
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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.

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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}).

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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.

SB 927 - Institutions of Higher Education - Prohi

Uploaded by: Yates, Anna

Position: INFO

Senate Bill 927
Institutions of Higher Education – Prohibition Against Incentive Payments -
Foreign Student Exemption
Senate Education, Health, and Environmental Affairs Committee
March 9, 2021

Letter of Support

Chair Pinsky, Vice-Chair Kagan, and Members of the Committee,

Thank you for the opportunity to share our thoughts on Senate Bill 927. International students add an important richness to the campus community both inside and outside of the classroom. This richness is especially important as we prepare our students for an increasingly competitive and global economy. Providing incentives for the successful recruitment of international students who reside outside the United States has become a commonly accepted practice in the last decade. Outside of the United States, many families use agents, acting on behalf of institutions, for college counseling services. In order to increase the number of international students on their campuses, many institutions of higher education that do not have the resources to support internal off-shore international recruitment activities would benefit from the services provided by incentive-based organizations.

Thank you for your consideration and continued support of St. Mary's College of Maryland.



Tuajuanda C. Jordan, PhD
President

