Oppose

Senate Education, Health, and Environmental Affairs Committee

*Senate Bill 152 (Kramer) Institutions of Higher Education – Transcripts – Prohibition on
Punitive Measures Related to Student Debt*
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Senate Bill 152 (Kramer) Institutions of Higher Education – Transcripts – Prohibition on Punitive Measures Related to Student Debt would prevent Capitol Technology University, and all of the other institutions of higher education in Maryland, from withholding a transcript from a student in the instance of unpaid student debt. **We respectfully oppose this bill due to the negative impact it would have on both students and our institution.**

Financial Aid teams work closely with students and their families to ensure they are knowledgeable about the cost of attendance, the aid or support available, and the portion for which the student will be responsible for paying personally. At Capitol Technology University, a student is offered **a line of credit at the beginning of each semester without evaluating the student for credit-worthiness**. This line of credit is offered in anticipation of receipt of State and federal financial aid, scholarship funds from outside funders, and the student's promise of future payment. At Capitol, this credit may include paying for **university housing,** which does not require first or last month's rent prior to moving in. For other institutions, this credit often extends to **providing meal plans prior to receiving payment**.

We make every effort to recover student debt without sending students to collections and prior to withholding transcripts, including offering those with outstanding balances **interest free low monthly payments**. If a student demonstrates good faith by making a **minimum $25 payment each month, the university will release the student's transcript directly to employers and scholarship funders**. In addition, Capitol makes every effort to avoid sending students to collections because we believe the impact of sending individuals to debt collection are substantially more detrimental to the student than withholding transcripts. Since **March 2020, the university has sent less than 1% of undergraduate students to collections** while instead working with them to make certain they take advantage of the relief aid available to them.

As a private institution, we are reliant on the collection of tuition and fees, with **80% of our operations funded from that source**. The university uses 23% of its budget to provide

institutional scholarship support to ensure that students are able to access and pursue a degree at our institution. Currently, the university has $**500,000 of student debt that is more than 120 days overdue** and has not been sent to collections. **This is equivalent to 3% of our operations budget, 18% of our scholarship budget, and 180% of the funds we use for student employment**.

Capitol Technology is a small private institution focused on educating students to meet workforce needs in STEM fields. We agree that relatively low balances for which students are making a good faith effort to resolve should not interfere with a student's ability to obtain employment or further education. Therefore, we have implemented practices which mitigate these risks. Without the ability to withhold transcripts, the university would be more reliant on debt collection practices, such as referring the debt to collection agencies. This strategy would impact the student's ability to obtain credit and may have a negative impact on employment – especially in the technology sector. This would also subject the student to mounding/compounding debt without a clear path out of it.

The university does not send students to debt collection until their balance is more than 365 days overdue. Currently, of our former students in collections, the average outstanding balance originally due to the university was $6,600 and individual original balances range from $625 to $26,000. Nonpayment of debt impacts the entire student population in the form of reduced student services, reduced funding for merit and need-based scholarship support, and increased tuition and fees. Withholding transcripts is an effective way for the university to collect this debt to minimize the impact of uncollected tuition and fees on the entire student body while causing relatively minimal harm to the indebted student.

We thank the sponsor for bringing attention to the issue of unpaid student debt; however, we do not believe that prohibiting the withholding of a student's transcript is the best way to address the problem. ***Therefore, we urge the Committee to give Senate Bill 152 an unfavorable report.***

CAPITOL
Technology University

As Washington D.C. 's premier STEM University, Capitol Technology University graduates are highly sought-after by America's most technologically advanced government agencies and their private sector partners. With "hands on" curricula focused purely on STEM careers, Capitol Technology University positions its students for top roles in the region's booming tech hub.

Student Financial Assistance
90% of FY20 Sellinger funds were awarded to Capitol students as financial aid. Capitol Technology has also contributed $4.5 million toward student scholarships.

Pipeline to Maryland Workforce
Over 86% of Capitol's B.S. graduates receive a job offer with a competitive salary in STEM fields within 90 days of graduation.
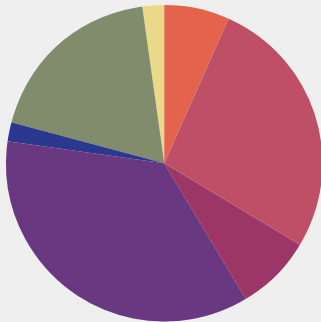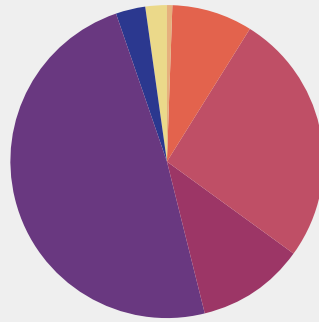
Diverse Student Body
76% of Capitol's undergraduate population is from Maryland. 66% of Capitol's undergraduate population is from underrepresented student populations.
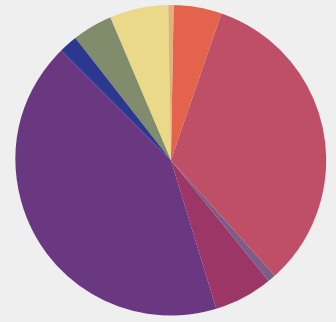
RACIAL & ETHNIC DEMOGRAPHICS

Bachelors's Fall 2021

Master's Fall 2021

Doctoral Fall 2021

- CAUCASIAN
- BLACK / AFRICAN AMERICAN
- HISPANIC
- ASIAN
- NON-RESIDENT
- MIXED ETHNICITY
- UNREPORTED
- NATIVE
- PACIFIC ISLANDER

THE CAPITOL COMMITMENT
» Students will receive a job offer within 6 months of graduation or we'll provide up to 36 additional undergraduate credits for FREE.

SERVING MILITARY
Over 14% of Capitol's students are veterans, active-duty military, or national guard members.

MEETING STUDENT NEEDS
67% of the undergraduate population received some type of federal financial aid and over half (55%) are Pell Grant eligible.

Capitol Technology University was a finalist for SC Media's **Best Cybersecurity Higher Education Program** in 2021.

Our students have launched 5 payloads **into space** in the last 5 years!

Capitol Technology University Leadership

(BOARD OF TRUSTEES)
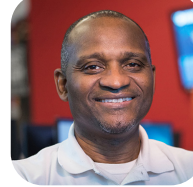
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Vacant
Assistant VP of Finance

RETURN ON INVESTMENT | *High Net Present Value (NPV) Rankings*

Interested in knowing more about the value of your Capitol Tech education? We're among the best in the nation! Capitol ranked #213 out of 4,500 schools for return on investment with a 20 year NPV in Georgetown University's report, "A First Try at ROI: Ranking 4,500 Colleges." We also ranked #141 out of 4,500 after a 30 year NPV, and #120 out of 4,500 over a 40-year lifetime of work. With numbers like those, Capitol Tech is worth it for a bright future.

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