

Aiden Wechsler Testimony for SB152 Bill (1).pdf

Uploaded by: Aiden Wechsler

Position: FAV



February 9, 2022

Committees: Environment and Transportation & Economic Matters

Testimony on: SB0152 – Transcripts Prohibition on Punitive Measures Related to Student Debts

Position: Favorable

RE: Testimony in support of SB0152

Chair Pinsky, Vice Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee

The University of Maryland – College Park, Student Government Association supports SB0152 that prohibits punitive measures by higher education institutions, specifically refusing transcript requests from students who owe debts to the institution. SB0152 will:

- Provide equal access to individuals facing difficult financial circumstances
- Enable equal opportunity for all members of a higher education institution
- Prevent higher education institutions from employing less favorable treatment to students in-debt

Right now, the University of Maryland can withhold transcripts to students or former students if they have unpaid room and board costs, tuition, or fees that have yet to be paid. It does not matter if the fine is big or small; the universities can withhold the transcript despite the problems that it can cause the student. The inability of students to receive their transcripts prevents them from finding work, transferring to other universities, or going on to graduate school. As a result, the policy makes it harder for students to pay their college debts and loans, and as time goes on, the debt owed to the university will grow and making the problem worse for the student.

This policy disproportionately affects low-income and working students who are kept in a cycle of debt as they need the transcript to find a job and then pay back what they owe. This bill will help end the cycle by giving students control over their college transcripts. As a result, all students, regardless of income, will be able use their education and transcripts to better their lives, whether that means attending graduate school or applying for a job. Students will be able to take ownership of their lives and make the choices that set themselves up for future success without worrying about unpaid fees derailing their plans. This bill recognizes that students are entitled to own their grades, that they worked for and earned.

We request a favorable vote on HB307.



Sincerely,

Aiden Wechsler

Student Government Association at the University of Maryland, College Park
awechl2@terpmail.umd.edu

2022.02.09 Written Testimony SB 152.pdf

Uploaded by: Amy Czulada

Position: FAV



**Written Testimony of Student Borrower Protection Center
at a Public Hearing before the
Senate Education, Health, and Environmental Affairs Committee
on SB 152**

**“Institutions of Higher Education - Transcripts - Prohibition on Punitive Measures Related
to Student Debt”**

IN SUPPORT

February 9, 2022

Good afternoon Chair Pinsky, Vice-Chair Kagan, and Members of the Committee.

My name is Amy Czulada and I am the Outreach and Advocacy Coordinator for the Student Borrower Protection Center, a national non-profit policy organization committed to ending the student debt crisis. I am testifying today in support of SB 152, which would end the practice of transcript withholding in Maryland.

Although transcript withholding is a common practice nationwide, it has unintended consequences that disproportionately harm low-income students by placing them in a limbo from which they cannot continue their education or professional advancements. Counter-intuitively, it also inhibits students’ ability to pay account balances while suppressing the local economy by preventing students from re-enrolling and graduates from obtaining gainful employment.

As recently as December of 2021, U.S. Secretary of Education Miguel Cardona emphasized the detrimental effect of transcript withholding policies on retention and completion.¹ Secretary Cardona stressed that this practice drives inequitable outcomes and called on schools to re-evaluate these long-standing policies. For this reason, more and more states and schools are eliminating transcript withholding policies. Now is the time for Maryland to support residents seeking to improve their education and employment opportunities, not to hold them back.

Although Common, Withholding Policies Are Ineffective and Harmful to Students.

Transcript withholding is a common practice that is coming under new scrutiny. Recent research revealed that so-called institutional debts—debts owed directly to schools, which may result

¹ Kirk Carapezza, *Education Secretary, college leaders want colleges to stop holding transcripts over unpaid balances*, W.G.B.H. (Dec. 21, 2021), <https://www.wgbh.org/news/education/2021/12/21/education-secretary-college-leaders-want-colleges-to-stop-holding-transcripts-over-unpaid-balances>.



from hidden fees or even parking tickets, in addition to tuition—total \$15 billion nationwide and affect an estimated 6.6 million individuals, but that the amount owed to trigger withholding can be as little as \$25 or less.² According to the researchers who have conducted the only major national study of these institutional debt practices, the average balance owed at community colleges is \$631.47.³ Although these balances represent only a fraction of schools’ revenues and operating budgets, for many students, they are insurmountable financial barriers.

Despite its frequent use—the same study found over 90 percent of institutions report using transcript withholding—transcript withholding is an ineffective collection tool. A study on institutional debt collection and transcript withholding in Ohio found that these accounts only yielded \$0.07 for every dollar owed.⁴ Withholding policies are even less cost effective once the facts that it prevents students from re-enrolling—thus reducing future tuition revenue—and graduates from obtaining higher salaries—which they would spend in the local economy—are factored in. This is especially true for community colleges, which stand to benefit from increased enrollment by students seeking to complete their education at a more affordable school, but who may be prevented from doing so by a transcript hold.

Transcript withholding also disproportionately impacts low-income and Black and Latino consumers, in particular college "non-completers" seeking to continue their education but who cannot do so without an official transcript. It places them in a “double-bind”: they cannot afford to pay their account balance because they cannot obtain gainful employment, but they cannot obtain gainful employment until they have completed their education and received their transcript.

For low-income students, these account balances may result from unknown fees, but are often due to a misalignment between schools’ withdrawal dates and federal financial aid refund deadlines that can result in students’ Pell Grants being recalled by the U.S. Department of Education and a balance suddenly due on students’ accounts. These balances may be a few thousand dollars, for which the student should never have been responsible. We regularly hear stories about students who must take several years off from their education working minimum wage jobs simply to save enough to pay their outstanding balance, receive their transcript, and transfer to a more affordable school where they can complete their education. These lost years help no one, and are deeply harmful to students.

² Julia Karon, James Dean Ward, Katherine Bond Hill & Martin Kurzweil, Ithaka S+R, Solving Stranded Credits (Oct. 5, 2020), <https://sr.ithaka.org/wp-content/uploads/2020/10/SR-Report-Solving-Stranded-Credits-100520.pdf>.

³ *Id.* at 12.

⁴ Rebecca Maurer, Withholding Transcripts: Policy, Possibilities, and Legal Recourse 29 (Dec. 2018), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3288837.



Schools and States Continue to End Their Withholding Policies.

There is growing national attention to withholding policies as a harmful practice.⁵ During COVID-19, it is particularly disastrous for those seeking to financially recover through education or new employment, but who are unable to obtain an official transcript to do so. Last year, Bunker Hill Community College of Boston, MA, voluntarily ended its practice of transcript withholding for institutional debt,⁶ and the City University of New York announced that it would temporarily suspend the practice of transcript withholding at the institution to lighten the burden of students who have been facing hardship during the COVID-19 pandemic.⁷

Some states, including California and Washington, have moved toward banning the practice of transcript withholding altogether.⁸ In California, schools cannot withhold academic transcripts for any reason.⁹ In Washington, where schools may continue to withhold transcripts in limited circumstances, most schools have chosen to completely eliminate the practice, which underscores that it is not an essential or productive means of collecting from students and graduates.¹⁰

New York is well on its way to ending the harmful practice of transcript withholding in the State. Last month, both the State University of New York and the City University of New York announced that each institution has permanently ended its practice of withholding transcripts

⁵ See, e.g., Kirk Carapezza, *More Than Half Of Public Colleges in Mass. Used COVID Relief Funds To Cover Unpaid Student Bills*, W.G.B.H. (Aug. 19, 2021), <https://www.wgbh.org/news/education/2021/08/19/more-than-half-of-public-colleges-in-mass-used-covid-relief-funds-to-cover-unpaid-student-bills>; Sara Weissman, *The “Human Cost” of Stranded Credits*, Inside Higher Ed (Aug. 20, 2021), <https://www.insidehighered.com/news/2021/08/20/report-stranded-credits-inequitable-impact-students>; Jon Marcus, *States Step in to Stop Colleges Holding Transcripts Ransom for Unpaid Bills*, N.P.R. (April 8, 2021), <https://www.npr.org/2021/04/03/982676353/states-step-in-to-stop-colleges-holding-transcripts-ransom-for-unpaid-bills>.

⁶ Sarah Butrymowicz, *City University of New York reverses its policy on withholding transcripts over unpaid bills*, Hechinger Report (Aug. 13, 2021), <https://hechingerreport.org/city-university-of-new-york-reverses-its-policy-on-withholding-transcripts-over-unpaid-bills/>.

⁷ City University of New York, *CUNY Will Stop Long-Held Practice of Holding Transcripts for Students with Outstanding Debt* (Aug. 11, 2021), <https://www1.cuny.edu/mu/forum/2021/08/11/cuny-will-stop-long-held-practice-of-holding-transcripts-for-students-with-outstanding-debt-will-lift-financial-holds-for-students-impacted-by-the-pandemic/>.

⁸ See, e.g., Am. Assoc. Of Collegiate Registrars and Admissions Officers, *California Transcript Legislation*, <https://www.aacrao.org/advocacy/issues/california-transcript-legislation>.

⁹ Cal. Civ. Code. 1788.90-93; Cal. Ed. Code 66022.

¹⁰ See, e.g., Washington State Board Community and Technical Colleges, “Transcript Withholding and Limiting the Practice of Registration Holds as Debt Collection Practices,” (Dec. 1, 2020) (discussing a system-wide policy for all 34 colleges to release transcripts upon request regardless of account balance or debt type).



from students and graduates who owe account balances.¹¹ In her 2022 State of the State address, New York Governor Hochul committed to ending transcript withholding in New York,¹² noting in particular the harmful and counterintuitive fact that withholding inhibits students' ability to pay their debts because it creates a barrier to retention, completion, and employment, and has proposed legislation in her budget that would end the practice at all schools in New York.¹³

Schools Would Not Be Prohibited From Collecting Debts Owed By Students and Graduates.

SB 152 would not forgive any debts owed to schools or prevent schools from communicating with students or graduates about these debts or sending accounts to collection, as they currently do. The bill merely prohibits schools from withholding transcripts as a means of compelling payments because of the well-documented and harmful effect this practice has on students seeking to complete their education or obtain employment.

When a student or graduate seeks a transcript to complete their degree at another school or to secure employment upon graduating, withholding the document effectively places the student in limbo: they are unable to complete their degree and are unable to obtain the gainful employment needed to repay the account balance.

Rather than withholding documentation of students' academic credits, schools can continue their practice of seeking voluntary payment from students and graduates and sending accounts to collection, if necessary. It is important for the Committee to understand that any student who could pay for a withheld document would also be able to pay upon notice that the account is being sent to collection, whereas any student who cannot afford to settle their account wouldn't be able to do so when requesting documents anyway, and therefore would ultimately find their account with collections in any event. Therefore, the schools' ability to collect via collection is no different than its ability to collect using withholding, except that withholding has the perverse effect of putting low-income students and graduates in a worse-off position. It is worth noting,

¹¹ Press Release, State University of New York, *Governor Hochul Announces SUNY Board Ends Practice of Withholding Transcripts from Students with Outstanding Balances* (Jan. 25, 2022), <https://www.suny.edu/suny-news/press-releases/1-22/1-25-22/transcript-withholding-ends.html>; Press Release, City University of New York, *Governor Hochul Announces CUNY Formally Discontinues Practices of Withholding Transcripts from Students and Grads with Unpaid Balances* (Jan. 31, 2022), <https://www1.cuny.edu/mu/forum/2022/01/31/governor-hochul-announces-cuny-formally-discontinues-practice-of-withholding-transcripts-from-students-and-grads-with-unpaid-balances/>.

¹² New York Governor Kathy Hochul, *State of the State 2022: a New Era for New York* 82 (January 2022), <https://www.governor.ny.gov/sites/default/files/2022-01/2022StateoftheStateBook.pdf>.

¹³ Part I, *Education, Labor and Family Assistance Arti. VII Legislation* (FY 2023 New York State Proposed Executive Budget), <https://www.budget.ny.gov/pubs/archive/fy23/ex/artvii/elfa-bill.pdf>.



too, that document withholding is a passive practice: it is only triggered when students proactively approach the school.

These policies also disproportionately affect low-income students and graduates. When the outcome would be the same, there is no need to punish lower-income students by withholding their transcript in addition to sending them to collection. Indeed, nothing in SB 152 would prevent a school from providing a transcript and simultaneously informing the former student that if they do not pay their account, it will be sent to collection. Permitting the student or graduate to obtain these documents would actually increase low-income students' and graduates' ability to repay their debts by enabling them to complete their education and find employment.

Conclusion

Through SB 152, Maryland has an opportunity to join other states across the country in banning transcript withholding at academic institutions, allowing students to access documentation of their earned credits and move forward with their educations and careers. The bill would build on action in California and Washington, which have passed legislation that permanently prohibits transcript withholding, and the recent commitment by Governor Hochul in New York. Similar bills are pending or under consideration in other states, including in Maine, Colorado, and Virginia.¹⁴ There is a growing understanding that this practice is as harmful to students as it is ineffective for schools' budgets, and that it should be ended.

We urge the Committee to support SB 152 so that current and future students have the ability to continue their education and secure the employment that they had hoped a higher education would enable them to find at the outset of their college experience. Thank you. I would be happy to answer any questions.

Please contact Amy Czulada, Outreach and Advocacy Coordinator, at amy@protectborrowers.org, if you have any questions or would like to discuss this comment further.

¹⁴ See, e.g., Megan Pauly, *A Virginia legislator wants to ban a practice holding back students with college debt*, V.P.M. (Jan. 5, 2022), <https://vpm.org/news/articles/28616/a-virginia-legislator-wants-to-ban-a-practice-holding-back-students-with>.

SB 152 Student Fees.pdf

Uploaded by: Denise Riley

Position: FAV



A Union of Professionals
AFT-Maryland

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Marietta English
PRESIDENT

Kenya Campbell
SECRETARY-TREASURER

**Written Testimony before the Maryland Senate Education, Health,
and Environmental Affairs Committee
SB 152 - Institutions of Higher Education - Transcripts –
Prohibition on Punitive Measures Related to Student Debt
February 9, 2022**

SUPPORT

Chair Pinsky and members of the committee. On behalf of the 20,000 members of the American Federation of Teachers – Maryland (AFT-Maryland), we ask for a favorable report on SB 152 - Institutions of Higher Education - Transcripts – Prohibition on Punitive Measures Related to Student Debt, which will require Maryland institutions of higher education to report on the withholding of transcripts and other information due to a student’s unpaid fees and services.

Colleges use students’ academic transcripts and diplomas as a debt collection tool to fulfill their financial obligations to the university. These financial obligations include unpaid library fines, parking tickets, and tuition and fees. Many of these fines are for small amounts.

When a school prevents a student from accessing their academic transcripts, they are also preventing a student from accessing financial aid, scholarships, internships, and job opportunities.

Rather than prohibiting this practice SB 152 seeks to understand the scope of the problem. It requires colleges and universities to collect information on the number of transcripts withheld and the amount owed by the college student. With this data, policymakers can then consider appropriate measures to remedy the situation.

For all these reasons, we urge you to move favorably on SB 152. Thank you.

Kenya Campbell
President

Testimony SB0152 - Kislay.pdf

Uploaded by: Kislay Parashar

Position: FAV

February 9, 2022

Committees: Environment and Transportation & Economic Matters

Testimony on: SB0152 – Transcripts Prohibition on Punitive Measures Related to Student Debts

Position: Favorable

RE: Testimony in support of SB0152

Chair Pinsky, Vice Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee

The University of Maryland – College Park, Student Government Association supports SB0152 that prohibits punitive measures by higher education institutions, specifically refusing transcript requests from students who owe debts to the institution. SB0152 will:

- Provide equal access to individuals facing difficult financial circumstances
- Enable equal opportunity for all members of a higher education institution
- Prevent higher education institutions from employing less favorable treatment to students in-debt

I support this bill because every student, present or past, deserves the right to their official transcript. Transcripts are often required as part of the application process for jobs and post-graduate programs. These programs are often a necessary next step for students to earn the money they need to pay off student loans and begin their professional careers. By holding student transcripts hostage from current students and alumni who owe a debt to the university, you are preventing those students from being able to quickly and comfortably pay back the money that they owe.

As a student applying for entry-level jobs and post-graduate programs, I have recently experienced how important it is to have the ability to send your official transcript to prospective employers. Without the ability to send my official transcript, or without the financial means to pay the fees required to send the official documentation, particularly at a higher price, it would have been nearly impossible to find a next step for myself following graduation this spring. The role of higher-education institutions is to provide students with the tools they need to successfully pursue a career. By withholding official transcripts from students and alumni, these institutions are actively harming the professional growth of those they are meant to help. They are directly preventing the debt from being repaid in a way that is safe for the students they were built to aid.

We the students of University of Maryland, College Park request a favorable vote on HB307.

Sincerely,

Kislay Parashar

Student Body President of University of Maryland, College Park

kislay.parashar2000@gmail.com

Testimony, Lily-Max Cooke, SB152.pdf

Uploaded by: Lily-Max Cooke

Position: FAV



February 9, 2022

Committees: Environment and Transportation & Economic Matters

Testimony on: SB0152 – Transcripts Prohibition on Punitive Measures Related to Student Debts

Position: Favorable

RE: Testimony in support of SB0152

Chair Pinsky, Vice Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee

The University of Maryland – College Park, Student Government Association supports SB0152 that prohibits punitive measures by higher education institutions, specifically refusing transcript requests from students who owe debts to the institution. SB0152 will:

- Provide equal access to individuals facing difficult financial circumstances
- Enable equal opportunity for all members of a higher education institution
- Prevent higher education institutions from employing less favorable treatment to students in-debt

To the members of the Education, Health, and Environmental Affairs Committee, thank you for the opportunity to testify today. My name is Lily-Max Cooke, and I am the Director of Government Affairs within University of Maryland's Student Government Association. On behalf of our SGA, I respectfully request a favorable report of Senate Bill 152 to ensure students in-debt to institutions of higher education are not refused transcript requests.

This legislation expands equal opportunity for individuals in precarious financial situations. With the rising cost of attending institutions of higher education, and the average student debt in our residing at \$37,000 per student,¹ the need to ensure open access of educational materials is imperative.

This legislation would ease the burden and worries of students who are working hard to further their academic and professional careers. Whether that be through internship application processes, post-graduate school endeavors, and the first career opportunities at hand, ensuring students have access to transcript materials is essential. As a graduating senior myself, quick

¹ Hanson, Melanie. Average Student Loan Debt. Education Data Initiative. <https://educationdata.org/average-student-loan-debt>



access to my transcript has been vital in securing employment, expanding my professional career, and preparing for financial independence as I prepare to graduate this May. Through the punitive nature of withholding transcripts, students who are actively seeking post-graduate work opportunities to begin paying off excessive student loans, are unable to do so without access to these materials.

On behalf of the students at the University of Maryland, we believe this legislation rectifies the undue burden at hand, and kindly request a favorable report on SB152.

Sincerely,

Lily-Max Cooke

Student Government Association at the University of Maryland, College Park

Licooke22@gmail.com

SB 152 MCRC Testimony .pdf

Uploaded by: Marceline White

Position: FAV

Testimony to the Senate Finance Committee
SB 152: Institutions of Higher Education – Transcripts – Prohibition on Punitive 3 Measures
Related to Student Debt
Position: Favorable

February 9, 2022

The Honorable Paul Pinsky, Chair
Education, Health, and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21401
Cc: Members, Senate Finance Committee

Honorable Chair Pinsky and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

For the past several years, MCRC has been engaged in research, awareness-raising, and advocacy on student issues including for-profit colleges, food and housing insecure college students, homeless and formerly foster youth tuition waivers, and supporting college students needs in March 2020 when campuses closed suddenly due to the COVID-19 pandemic.

Withholding college transcripts due to students' debts is simply wrong. After speaking to students we heard stories of transcripts being held because of tickets, library fines, or other debts under \$1000. This practice penalizes low-income students and harms their ability to obtain employment in the field that they trained and studied for while at the college. Transcript withholding is an action that is punitive and disproportionate to the action that led to the withholding. This practice disproportionately harms Black and Brown college students, first generation college students, and students from immigrant and low-income backgrounds.

SB 152 addresses this issue and prohibits this practice that has no place within higher education. For all of these reasons, we support SB 152 and urge a favorable report.

Best,

Marceline White
Executive Director

SB 152 - CPD - Favorable.pdf

Uploaded by: Philip Ziperman

Position: FAV

BRIAN E. FROSH
Attorney General

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General



WILLIAM D. GRUHN
Chief
Consumer Protection Division

Writer's Fax No.

STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

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(410) 576-6417

February 9, 2022

TO: The Honorable Paul G. Pinsky
Chair, Education, Health & Environmental Affairs Committee

FROM: Philip Ziperman, Deputy Chief - Consumer Protection Division

RE: SB 152 – Institutions of Higher Education – Transcripts – Prohibition on Punitive Measures Related to Student Debt

(SUPPORT BILL)

The Consumer Protection Division of the Office of the Attorney General (the “Division”) supports SB 152 sponsored by Senator Kramer, which prohibits higher education institutions from refusing to provide current or former students with their transcripts or taking other punitive measures regarding a student’s transcript request because the student owes a debt to the institution. Limiting students’ access to their transcripts when they either transfer to another institution or are seeking employment is unduly punitive, an ineffective means of collecting a debt, and is a practice that likely is unfair and abusive and prohibited by the Consumer Protection Act.

It has been reported as many as 6.6 million students may have what experts call “stranded credits” because they have been denied access to their transcripts or are being surcharged in order to get copies of their transcripts because of debts they may owe to a higher education institution.¹ In a 2020 survey, the National Association of Collegiate Registrars and Admissions Officers reported that 64% of the survey participants had limited student access to transcripts for debts owed of less than \$25.² Withholding access to transcripts as a debt collection method is questionable, at best, as it interferes with the students’ ability in many instances to secure employment.

Moreover, whether these academic institutions have the legal right to deny students access to their transcripts as a debt collection method is legally questionable. Academic institutions are not secured creditors and do not have the right to withhold promised goods or services as a method

¹ Julia Karon *et al.*, *Solving Stranded Credits: Assessing the Scope and Effects of Transcript Withholding on Students, States, and Institutions*, Ithaka S+R (Oct. 5, 2020) (online at <https://sr.ithaka.org/publications/solvingstranded-credits/>).

² Wendy Kilgore, *Stranded Credits: Another Perspective on the Lost Credits Story*, AACRAO, (October 5, 2020)

of debt collection. This practice is already a specifically prohibited method of debt collection in Minnesota and California³ and the Division submits that it is likely it would be considered an unfair or abusive trade practice in Maryland prohibited by the Consumer Protection Act. Notwithstanding the likely illegality of the practice of withholding student transcripts, the Division supports SB 152 because it will place higher education institutions on notice of the illegality of this practice and hopefully put a stop to it being used by Maryland institutions.

The Division supports SB 152 because it should help stop higher education institutions from harming former students by withholding student access to their transcripts in order to collect an outstanding debt.

cc: Members, Education, Health & Environmental Affairs Committee
Honorable Benjamin F. Kramer

³ See MINN. STAT. 136A.828, subd. 6(g) (2021) and California Educational Debt Collection Practices Act, CAL CIV. CODE 1.6C7 §§ 1788.90 -1788.93/.

Favorable with Amendments Testimony

Uploaded by: Dr. David Wilson

Position: FWA



Office of the President

**Morgan State University Testimony
Dr. David Wilson, President**

Senate Bill 152
Committee: Education, Health, and Environmental Affairs
February 9, 2022

Favorable with Amendments

Chair Pinsky, Vice Chair Kagan, and members of the Education, Health, and Environmental Affairs Committee. We, at Morgan, thank you for the opportunity to share our position on Senate Bill 152. The summary of the Bill states the following: *Prohibiting an institution of higher education from refusing to provide a current or former student with a transcript because the student owes a debt to the institution of higher education; and prohibiting an institution of higher education from charging a higher fee to obtain a transcript if the student owes a debt, provide less favorable treatment of a transcript request when the student owes a debt, or use a transcript issuance as a tool for debt collection.*

Morgan State University is the premier public urban research university in Maryland, known for its excellence in teaching, intensive research, effective public service and community engagement. Morgan prepares diverse and competitive graduates for success in a global interdependent society.

Over the decades, Morgan State University has made student success a top priority, and our recent successes have enabled the University to win several national awards for college completion. With that said, we annually reinvest approximately \$23M of our resources in student scholarships and institutional-based aid – a higher percentage than any institution in Maryland. Morgan works quite assiduously to ensure that we assist as many students financially as our resources will allow.

Morgan State University supports SB152 in spirit. We offer two major caveats: we would suggest a cap on forgiveness of up to \$500; and we would offer full support of the Bill if the Legislature would further amend it to reimburse Universities for losses. Morgan currently has \$2.4M of student receivables on its financial statements. Without amendments, like the ones we suggest, the Bill would reduce the University's ability to collect these critically needed resources, resulting in money lost to the University. Additionally, this might have an impact on whether new students will not want to pay for college because they know this Bill protects them.

We appreciate the opportunity to work with the State in reaching a solution to support our students as we continue to grow the future and lead the world.

SB152_USM_FWA.pdf

Uploaded by: Patrick Hogan

Position: FWA



SENATE EDUCATION, HEALTH & ENVIRONMENTAL AFFAIRS COMMITTEE
Senate Bill 152
Institutions of Higher Education – Transcripts – Prohibition on Punitive Measures
Related to Student Debt
February 9, 2022

Favorable with Amendment

Chair Pinsky, Vice Chair Kagan and committee members, thank you for the opportunity to share our position on Senate Bill 152. This bill would prohibit an institution of higher education from refusing to provide a current or former student with a transcript because the student owes a debt to the institution of higher education. Additionally, the bill prohibits an institution of higher education from charging a higher fee to obtain a transcript if the student owes a debt, providing less favorable treatment of a transcript request when the student owes a debt, or using a transcript issuance as a tool for debt collection.

The institutions of higher education within the University System of Maryland (USM) work closely with students experiencing financial struggles to ensure they are able to continue and complete their studies. In particular, campus financial aid specialists and student affairs staff are adept in working on an individual basis with students who have debts with the institution.

The USM supports the intent of Senate Bill 152 in providing transcripts to students who owe debt to allow access to transcripts for purposes of transfer to another institution, application to graduate school, or application for employment. Current statutory language related to student debt and class registration provides a \$250 threshold to allow registration for students with smaller debt. Debt amounts over \$250 either need to be settled prior to the end of the semester or the student must enter into a payment plan in order to register. The USM respectfully requests an amendment to Senate Bill 152 to adopt provisions in existing law in Section 15-120 of the Education Article to make these references consistent.

The ability to withhold transcripts for students and former students who owe a debt is an important tool for collecting delinquent student account debt and a common practice throughout higher education. For individuals who may have overlooked their student account debt, the hold on transcripts is a reminder of the outstanding debt and is quickly remedied with payment for transcript release. For those with a transcript hold and without the ability to pay, requests for transcript release are reviewed on a case-by-case basis and typically released for purposes of employment.

The University System of Maryland (USM) Board of Regents policy on academic transcripts allows an institution to withhold transcripts if a student is delinquent in his or her financial obligations. Also, the US Department of Education's Stafford and Perkins loan programs encourage the withholding of transcripts if the federal loan is in default. Once a transcript is released to a student there is no reason for the student to pay any unpaid balance to the institution. Moreover, if a student with an outstanding debt at one institution was able to secure an official transcript and apply and be admitted to another school that student would certainly be at a high risk for non-payment and accrue even more debt. This would not be good for the student as they would now owe two institutions.

The current practice has assisted in collecting lost revenue. The likely impact of restricting this practice is simply more outstanding debt with the institution that eventually is transferred to the Central Collection Unit.

The USM looks forward to working with the sponsor and the committee to craft a solution that respects both the needs of borrowers and those of the institutions. Thank you for allowing the USM to share our position on Senate Bill 152 and for your consideration of our proposed amendment.

AMENDMENT TO SENATE BILL 152

First Reading File Bill

AMENDMENT NO. 1

§15-134.

Page 2

Strike lines 14 through 22 and replace:

(a) A public institution of higher education shall allow an individual with an unpaid balance of \$250 or less on a student account to request and receive a transcript.

(b) (1) A public institution of higher education shall allow an individual with an unpaid balance of more than \$250 on a student account to request and receive a transcript if the student enters into an installment payment plan within 90 days of the request.

(2) The installment payment plan under paragraph (1) of this subsection shall require the individual to make payments to settle the unpaid balance on the student account by the agreed on date.



About the University System of Maryland

The University System of Maryland (USM)—one system made up of 12 institutions, three regional centers, and a central office—awards 8 out of every 10 bachelor’s degrees in the State of Maryland. The USM is governed by a Board of Regents, comprised of 21 members from diverse professional and personal backgrounds. The chancellor, Dr. Jay Perman, oversees and manages the operations of USM. However, each constituent institution is run by its own president who has authority over that university. Each of USM’s 12 institutions has a distinct and unique approach to the mission of educating students and promoting the economic, intellectual, and cultural growth of its surrounding community. These institutions are located throughout the state, from western Maryland to the Eastern Shore, with the flagship campus in the Washington suburbs. The USM includes Historically Black Colleges and Universities, comprehensive institutions, research universities, and the country’s largest public online institution.

USM Office of Government Relations - Patrick Hogan: phogan@usmd.edu

SB 152 Withhold Transcripts CapTechU testimony.pdf

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Position: UNF



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

Melinda A. Bunnell-Rhyne, Vice President, University Development and Student Engagement
Mabunnell-rhyne@captechu.edu

February 9, 2022

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.*

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.

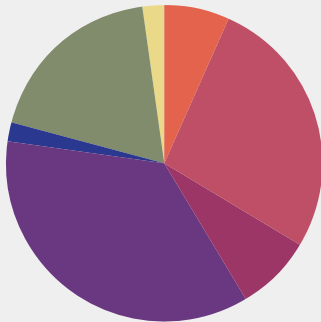


Diverse Student Body

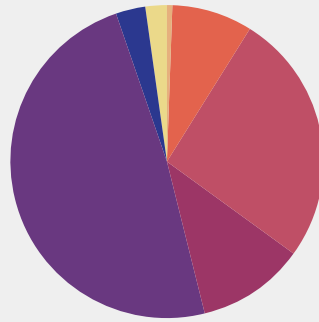
76% of Capitol's undergraduate population is from Maryland. 66% of Capitol's undergraduate population is from underrepresented student populations.

RACIAL & ETHNIC DEMOGRAPHICS

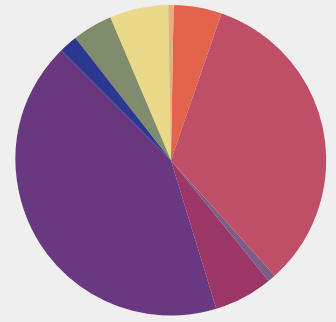
Bachelor's Fall 2021



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)



Bradford L. Sims, PhD
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Melinda Bunnell-Rhyne
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Terrell Moore
Assistant VP of Information
Technology



Jacky Wershbae
Assistant VP of Development &
Donor Engagement



Natasha Miller, PhD
Assistant VP of Learning
Assessment



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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Mil Corp
Millennium Space Systems
Motorola Solutions
NASA - Goddard

Northrop Grumman
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Position: UNF

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*

Sara C. Fidler, President

sfidler@micua.org

February 9, 2022

On behalf of Maryland's 13 state-aided private nonprofit colleges and universities and the 58,000 students that we serve, I thank you for the opportunity to provide this testimony, respectfully, **in opposition** to [*Senate Bill 152 \(Kramer\) Institutions of Higher Education – Transcripts – Prohibition on Punitive Measures Related to Student Debt*](#). This bill prohibits all institutions of higher education from refusing to provide a transcript to a student because the student owes a debt. The bill does not specify a threshold for this debt. The bill also prohibits the institution from using transcript issuance as a tool for debt collection.

Unpaid student debt is a daunting problem, and we understand that withholding a transcript as a tool to address unpaid student debt can be perceived as a barrier to completion of a degree or obtaining of employment. We are aware that unpaid student debt may be most detrimental to individuals from lower-income backgrounds. However, we note the following counter-points for your consideration:

- The collection of unpaid student debt is an individualized process and is handled by an institution on a case-by-case basis in order to determine the best path forward *for that student*. **Debt collection is not a one-size-fits-all process.**
- Individual unpaid student debt **impacts the entire student body**. When the institution is unable to recoup funds, expenses must be borne by other students at the institution via increases in tuition or reduction in student services (for example).
- **Students are offered multiple options and pathways to alleviate unpaid debt** before an institution turns the debt to a collection agency. Withholding a transcript is one of these tools, and often the tool of last resort.
- This **bill could compound a student's debt** by enabling a student with debt to continue to accrue more debt without immediate/any consequences.
- Institutions communicate directly with other institutions or employers regarding a degree conferred or other necessary information. In this way, our **institutions**

eliminate barriers to completion and employment even in the instance of unpaid debt.

- **An institution turns unpaid debt to a collection agency only in the most egregious circumstances** when a student is completely nonresponsive and numerous attempts at compromise have failed.
- If the option to withhold a transcript in the instance of unpaid student debt is removed, **unpaid debt may be turned over to a collection agency sooner** in the process, thereby damaging the student's credit – a much more dire consequence.

During the fall 2021 semester, as students continued to struggle with the economic hardships created by the ongoing pandemic, at least one MICUA institution increased student debt limit allowances. The long-term consequences of this action are, as yet, unknown; however, having this flexibility to help students in need has been invaluable.

MICUA would welcome the chance to discuss further the challenges of collecting unpaid student debt and other financial-related issues that impede a student's successful pursuit of higher education. Particularly at our smaller institutions, this bill could jeopardize our ability to serve faithfully our students and the State of Maryland.

For all of these reasons, **MICUA respectfully urges the Committee to give Senate Bill 152 an unfavorable report.** We thank the sponsor for calling attention to this important issue and we look forward to working with him and the Committee to craft a solution that will work best for everyone.

SB 152 MHEC Letter of Information 02092022.pdf

Uploaded by: Lee Towers

Position: INFO



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Mary Pat Seurkamp, Ph.D.
Chair

James D. Fielder, Jr., Ph. D.
Secretary

Bill Number: Senate Bill 152

Position: Letter of Information

Title: Institutions of Higher Education - Transcripts - Prohibition on Punitive Measures Related to Student Debt

Committee: Senate Education, Health & Environmental Affairs Committee

Hearing Date: February 9, 2022

Bill Summary:

Senate Bill 152 would prohibit an institution of higher education from refusing to provide a current or former student with a transcript because the student owes a debt to the institution of higher education. It will prohibit an institution of higher education from charging a higher fee to obtain a transcript if the student owes a debt, provide less favorable treatment of a transcript request when the student owes a debt, or use a transcript issuance as a tool for debt collection.

Information:

The Maryland Higher Education Commission (MHEC) provides this letter of information to ensure that the legislature is aware of important language distinctions as it applies to the different types of institutions that operate in Maryland.

Senate Bill 152 uses the term “institution of higher education.” Per Education Article §10–101, “Institution of higher education” means an institution of postsecondary education that generally limits enrollment to graduates of secondary schools, and awards degrees at either the associate, baccalaureate, or graduate level... and includes public, private nonprofit, and for–profit institutions of higher education. This term does not include non-degree granting institutions, such as our private career schools. A more inclusive term to use would be “Institution of postsecondary education,” which means a school or other institution that offers an educational program in the State for individuals who are at least 16 years old and who have graduated from or left elementary or secondary school (per Education Article §10–101). The proposed legislation (without amendments) leaves out any consideration for private career schools that operate in Maryland.

Additionally, MHEC generally regulates both institutions that have their primary location in Maryland (in-state institutions) and institutions that are primarily located outside of Maryland but seek to operate in Maryland (out-of-state institutions). It may be helpful to clarify if the proposed legislation would include out-of-state institutions that physically

operate in Maryland (e.g., “institutions of postsecondary education that operate in Maryland”). However, this would not include out-of-state institutions that provide distance education to Maryland residents, regardless of the institution’s participation in NC-SARA¹.

For additional information, please contact Dr. Emily A. A. Dow, Assistant Secretary for Academic Affairs at emily.dow@maryland.gov, for more information.

¹ NC-SARA is an agreement among member states, districts, and territories that establishes comparable national standards for interstate postsecondary distance education. More information can be found here: <https://nc-sara.org/>.