



HOUSE APPROPRIATIONS COMMITTEE
Public Institutions of Higher Education - Transcript Requests by Students With
Unpaid Student Account Balances
Senate Bill 152
March 22, 2022
Favorable with Amendment

Chair McIntosh, Vice Chair Chang and committee members, thank you for the opportunity to share our thoughts on Senate Bill 152. The bill allows students with an unpaid balance on a student account of \$1,000 or less to request and receive a transcript.

The outstanding debt owed to an institution in the University System of Maryland (USM) can run into the tens of millions of dollars in any given term. Student loan default percentage rates can rise into high teens with a smaller average number of loans ultimately being transferred to Central Collections Unit (CCU).

The institutions of higher education within the USM work closely with students experiencing financial struggles to ensure that 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. 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 ability to withhold transcripts for students and former students who owe a debt is a 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 mandate the withholding transcripts if the federal loan is in default.

The argument is that 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 in the long run gets transferred to the Central Collection Unit.

The USM believes the amendment adopted by the Senate to allow a dollar amount threshold makes the bill more manageable for institutions if administrative action, such as withholding transcripts, must be initiated.



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.

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