



**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.

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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.

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