



Testimony on Behalf of the University of Maine System by UMS Vice Chancellor for Finance and Administration/Treasurer Ryan Low Neither For Nor Against LD 1838, *An Act To Improve Student Access to Postsecondary School Transcripts and Diplomas*– Jan. 12, 2022

Senator Rafferty, Representative Brennan and distinguished members of the Joint Standing Committee on Education & Cultural Affairs: My name is Ryan Low and I am the Treasurer and Vice Chancellor for Administration and Finance for the University of Maine System. I am here today to share concern about the potential financial impact to our public institutions and ability to maintain affordability for Maine families and fulfill contractual commitments to our employees if LD 1838, *An Act To Improve Student Access to Postsecondary School Transcripts and Diplomas* passes as written.

A bachelor's degree is the surest path to social mobility and economic security. For example, as this Committee has heard from UMS before, working age alumni of the University of Maine earn more than double the state's average median income, and post-pandemic employment growth is greatest for jobs requiring a four-year or advanced degree. For these reasons, and consistent with our public mission, UMS promotes programs, policies and practices that foster equitable access, retention, completion and career attainment.

In part possible because of the modestly increasing State investment you have supported, UMS has become a national leader in college affordability, holding tuition flat for seven of the last 12 years; doubling, over the past decade, the amount of financial aid we make available to our neediest students; and reducing the debt load of our graduates to 15% lower than is average among New England public four-year institutions. We've also implemented innovative initiatives that allow Maine adults with stranded credit to come back to our universities to earn door-opening degrees, including an adult degree completion scholarship that provides up to \$4,000 annually and a small (\$2,500 or less) institutional debt forgiveness program. Finally, with thanks to your counterparts in Congress, since the start of the pandemic we have passed nearly \$50 million in relief aid to UMS students that they have had the choice to apply to their accounts (though the vast majority opted instead for direct payments).

Our System recognizes that there are increasing calls nationally for reforms to the process by which colleges and universities ensure students pay their bills. We also acknowledge that an individual is more likely to be able to pay their outstanding balance if they have the transcript and degree that enables them to secure a stable, good-paying job. For this reason, UMS universities not only seek to limit account balance by being affordable but also only place holds on the release of a student's records if repeated attempts to resolve their outstanding balance have gone ignored. For current or former students who are in communication with our institutions and working toward addressing at least a portion of their debt, our common practice is to release their records upon request, often directly to the employer or academic institution requiring it.

As a public institution, our primary revenue source is student tuition and State appropriation. All UMS students are required to review and agree to [financial terms and conditions](#) before enrolling. This binding legal agreement between students and UMS makes clear their financial obligations to the System and the progressive consequences of not fulfilling them, up-to-and-including State income tax refund withholding.

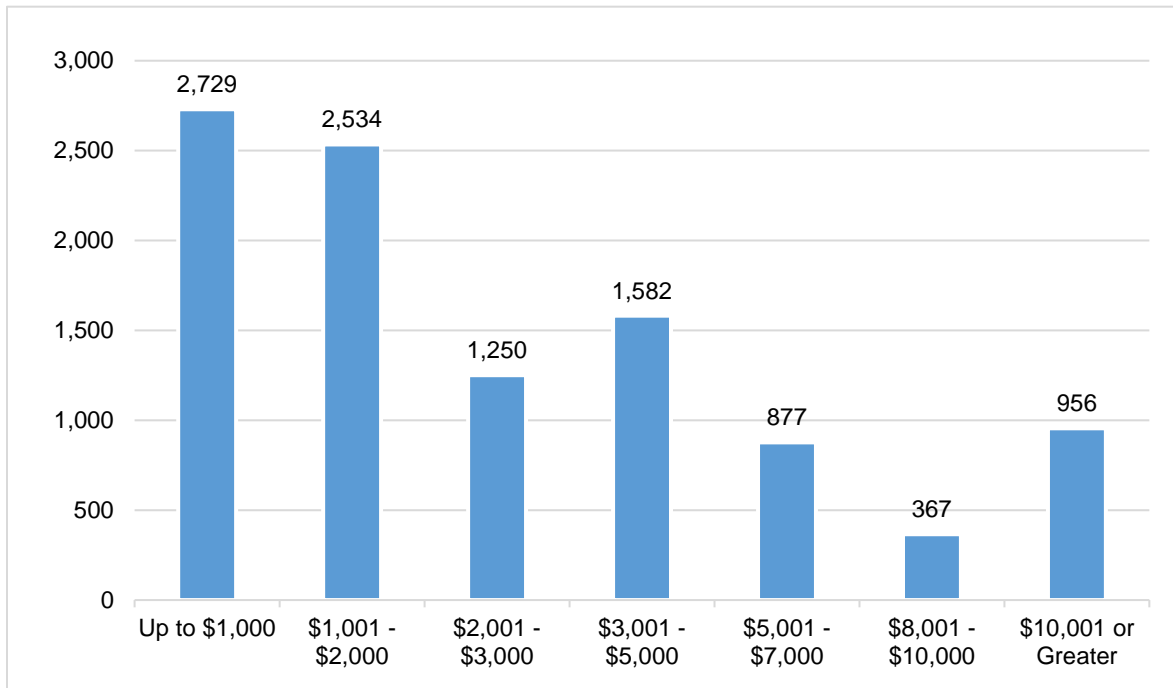
A hold on a student's account allows us to help them get back on track – whether or not that means completing their degree with us – and hopefully resolve the balance or establish a

reasonable payment plan before it impacts their credit and future opportunity. If the Legislature removes entirely this essential tool for getting individuals to make contact with us so we can work together to develop a path forward, it also threatens our ability as a system of public universities to maintain affordability for all students, and to honor the collectively bargained compensation for our employees that is dependent upon that revenue. This is not hyperbole. Currently, there is \$38.25 million past due from the 10,565 accounts on which there are transcript holds. The average current balance is \$3,620. While a quarter of accounts have a current balance of \$1,000 or less, nearly one-tenth have current balances greater than \$10,000.

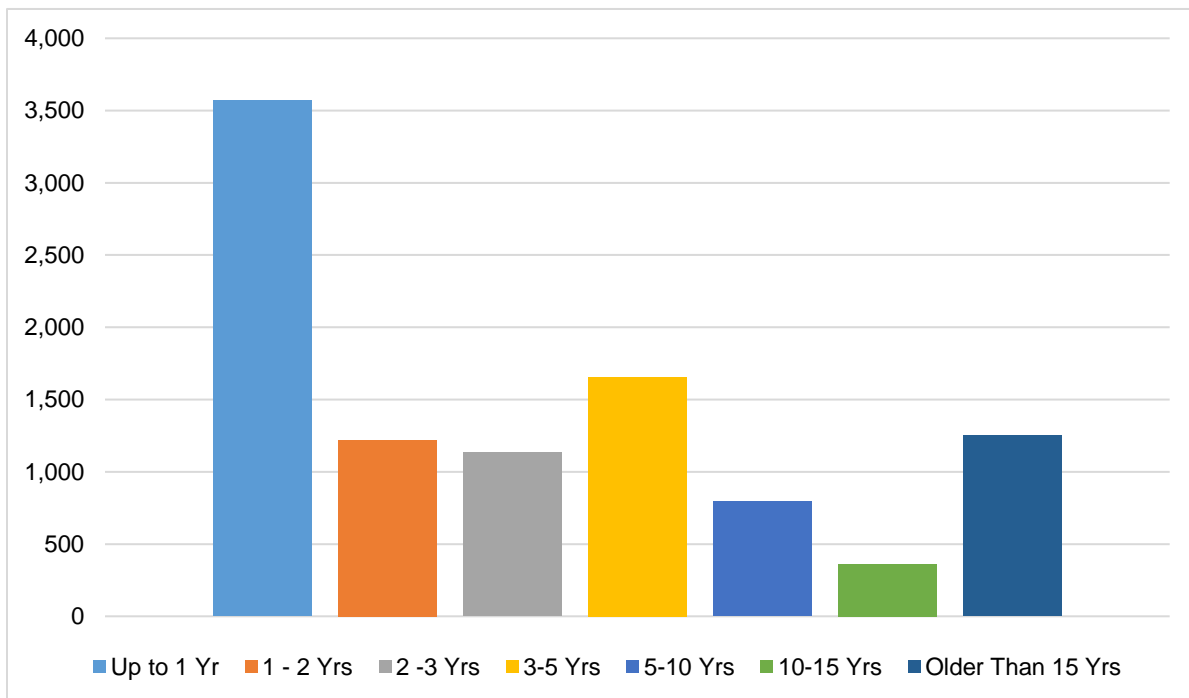
Like the sponsors and supporters of this bill, we recognize that a college credential has never been more important and we want nothing more than for more Mainers to fully realize the proven power of postsecondary education. UMS looks forward to working with them and this Committee to develop this proposal in a way that best positions our institutions and all the students they serve for success. At a minimum, individuals should be required to enter into an agreement with the university to discharge their debt before their records are released.

I thank you for the opportunity to testify today and for your ongoing support of Maine's public universities and welcome your questions.

Number of UMS Student Accounts With Holds Due By Current Past Due Balance



Number of UMS Student Accounts With Holds By Age of Past Due Balance



Note: Balances may have been higher when hold was initially placed but have since been paid down. Additionally, this data does not reflect some balances that have been referred to collections.