



Testimony on SB 424
Senate Education Committee
January 26, 2023

Chair Dembrow, Vice-Chair Weber, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission (HECC). Thank you for the opportunity to submit testimony on SB 424.

Concern about the adverse impact of withholding student transcripts is growing nationally, with several states either passing (CA, WA, LA, OH) or considering (NY, MA, MN) laws to mitigate it.

In October 2020, non-profit firm Ithaka S+R [published research](#) in which they estimated that 6.6 million people in the US owe a debt to a college or university they previously attended, and because of that, cannot access their transcripts or credentials. This form of student debt prevents them from using credits and credentials they've earned to continue their education or land a job that would help them pay down the debt. These debts vary, from fines and fees students owe institutions in small amounts, to debts to institutions related to direct lending for tuition and fees.

Some key research key findings from that brief include:

- Stranded credits disproportionately affect students of color and those from low socioeconomic backgrounds.
- Stranded credits impact students' academic and career trajectories, can mean the difference between stopping out and dropping out, affect financial aid eligibility, and have a detrimental impact on students' psychological well-being.
- Stranded credits prevent students from taking advantage of the financial and career opportunities that could help settle their institutional debt.
- Institutional bureaucracy sometimes contributes to the accumulation of institutional debt, particularly for first generation students who are unfamiliar with how to navigate the collegiate environment.
- Because there are restrictions on the use of federal aid and very few financing options, students usually have to settle their outstanding debt with personal funding.
- Payment plans to settle institutional debt are not necessarily helpful for students who are experiencing financial instability.
- Debt relief programs offer students an opportunity to address their institutional debt while also continuing their matriculation.

While ending debt-related transcript holds may result in fewer stranded credits, this type of hold must be distinguished from other academic or student-success holds often placed on student accounts.

The American Association of Collegiate Registrars and Admissions Officers (AACRAO) and The National Association of College and University Business Officers (NACUBO) issued a joint statement in June 2022 on the use of administrative-process and student success related holds.

The statement acknowledges that the ability to use holds to prompt a student to take an action is one of the few resources in an institution's toolkit that supports student success and addresses the administrative needs of an institution.

Student-success-related holds, which can be thought of as intrusive advising, are designed to motivate a student to take an action to help the student stay enrolled, to earn credential-applicable credits or to complete the educational credential sought. These holds typically keep students from registering until they meet with an academic advisor or another academic-success-focused person on campus.

Administrative-process holds are designed to motivate a student to complete a task, such as paying a bill, turning in missing documents or meeting other administrative requirements. Both student-success-related holds and administrative-process holds may stop registration, access to an official transcript or both simultaneously; this varies by institutional practice and policy. The statement includes some institutional practice and policy guidelines that generally focus on limiting the use of holds to the areas with proven success for the desired outcomes and limited adverse impact on students.

Other work by this legislature, through the Joint Task Force on Student Success for Underrepresented Students in Higher Education, suggests that using student data in a more proactive approach to student advising, potentially requiring the use of student-success holds, could have a positive benefit on students by bringing them face-to-face with advisors and counselors to address academic performance concerns before the student otherwise would have sought assistance on their own, which may increase rates of student achievement.

Thank you for your time today.