



POSITION STATEMENT

TESTIMONY PRESENTED TO THE HOUSE OF DELEGATES COMMITTEE ON APPROPRIATIONS

HOUSE BILL 853 – UNIVERSITY SYSTEM OF MARYLAND – PAY IT FORWARD PILOT PROGRAM AND TUITION FREEZE – STUDIES *Also SB 626 to Budget and Taxation Committee*

DONALD C. FRY
PRESIDENT & CEO, GREATER BALTIMORE COMMITTEE

POSITION: Support

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of more than 500 businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford and Howard counties as well as Baltimore City. The GBC is a 59-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability. It is an organization that prides itself on advocating for changes in public policies that strengthen the business climate while improving the quality of life.

The Greater Baltimore Committee supports House Bill 853 – Pay It Forward Pilot Program and Tuition Freeze - Studies

One of the most important investments a state can make is in the education and training of its children. In Maryland, we have made that investment. After a four-year tuition freeze at all state colleges and universities, in-state tuition has risen only 8 percent over the past 5 years – the second lowest increase in the nation.

Unfortunately, 58% of all Maryland students who graduated with a college degree in 2012 had debt, incurring an average debt load of nearly \$26,000 per person, just below the national average of \$29,400. Nationally, as unemployment skyrocketed and incomes declined between 2008 and 2012, student loan debt rose at an average rate of 6 percent per year.

Having a highly-educated workforce that meets business needs is one of the eight core pillars for economic prosperity outlined in the GBC's report, "Gaining a Competitive Edge." As our economy continues to evolve, so does the demand for a highly-educated, highly-trained workforce capable of taking on the many challenges that come with a growing, modern economy.

House Bill 853 seeks to begin the process of finding out exactly how Maryland can achieve an educational system that is accessible to more people rather than fewer and does not place an undue burden on graduates who are struggling to make ends meet.

Through this legislation, the University System of Maryland's Board of Regents would study the feasibility of a "Pay it Forward" pilot program, under which Maryland residents who qualify for admission to a state school would be able to attend without paying tuition or fees but instead would sign a contract agreeing to pay the state or school a percentage of their annual adjusted gross income after graduation.

If Maryland is going to be competitive in the 21st century economy, the dream of a college education should be available to all who want to pursue it. This program appears to be an innovative way to allow more Marylanders the opportunity of a college education without taking on an unmanageable financial burden after graduation. A study on its feasibility would be a good way to start the discussion on how to best expand opportunity in our state.

For the reasons stated above, the Greater Baltimore Committee **urges a favorable report on House Bill 853.**

GREATER BALTIMORE COMMITTEE

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