



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE BILL 237 – UNIVERSITY SYSTEM OF MARYLAND – PAY IT FORWARD PILOT PROGRAM AND TUITION FREEZE - STUDIES

**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 hundreds of 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 60-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 Senate Bill 237 – University System of Maryland – 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 5 percent over the past 5 years – one of the lowest increases in the nation.

Unfortunately, 59% of all Maryland students who graduated with a college degree in 2013 had debt, incurring an average debt load of more than \$26,000 per person – just below the national average of \$28,400. Nationally, student loan debt continues to swell, skyrocketing to a record high \$1.2 trillion, an increase of 84% since the recession.

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.

Senate Bill 237 seeks to begin the process of examining how Maryland can achieve an educational system that is accessible to more people rather than fewer while not placing an undue burden on students.

Through this legislation, the University System of Maryland's Board of Regents would study the feasibility of a "Pay it Forward" pilot program. Under this proposed program, Maryland residents who qualify for admission to a state school would 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. The legislation also asks the Board of Regents to study whether Maryland's higher education institutions could implement a program to guarantee a constant tuition rate for undergraduate students throughout their four years of study.

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. While acknowledging that there are significant fiscal challenges associated with implementing a program of this nature, it would be beneficial to know the potential costs and feasibility of such programs. These programs appear 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 feasibility study as proposed 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 Senate Bill 237.**

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • info@gbc.org