



Past-Due College Balance Amnesty Programs in the Midwest

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“Confronting Poverty among College Students”

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Presentation Outline

- Introductions
- Student Balances as a Barrier to Success
- Student Debt Balance Amnesty Programs
- Potential Applications
- Discussion “Return on Investment”
- Questions and Closing Thoughts



Student Balances as a Barrier to Success

- Student Debts owed to the institution (Parking, Library, Lab Fees, Unpaid Tuition)
- Federal Financial Aid cannot be applied to past-due debts, only current semester enrollment
- More than 30% of U.S. college students failed to settle their balances each year from 2013 to 2016 (National Association of College and University Business Officers).
- Registration Holds = Barriers to consecutive enrollment/re-enrollment
- Official Transcripts held “Hostage” = Unable to transfer credit into another college/university until balance is paid
- Potential damage to consumer credit rating for housing and employment when debt sent to Collections Agency

Student Balances as a Barrier to Success

Ohio Attorney General Student Loan Debt Advisory Group 2017
Sample Parking Fine/Library Fine Demand Letter

“The delinquent status of your parking fine has been brought to the attention of the Treasurer's Office for immediate action. You are in default and are required to pay the unpaid balance of _____.

Your failure to take the above action within the ten-day time period may result in our certifying your account to the Ohio Attorney General's Office pursuant to Ohio laws. **The Ohio Attorney General's Office may proceed with litigation to collect this debt, attach your wages, bank accounts, Ohio State tax refund and may place a lien on your real estate. Finally you will be held responsible for all collection costs associated with your delinquent account.”**



Student Debt Balance Amnesty Programs

- Henry Ford Community College (Dearborn, MI)
 - ✓ Approximately 30,000 students = \$16 million in student debt
 - ✓ 2013 HFCC Board approved 50% debt balance forgiveness for returning students
 - ✓ Spring 2012 balances or older are eligible
 - ✓ Debt Amnesty dates July 14 - August 14, 2013
 - ✓ Payment plans to pay down debt
 - ✓ Within a week 700 students contacted the college and 64 had already paid off their balance. Overall contributed to a \$8.5M reduction in student bad debt.
 - ✓ “We need some of these do-overs in life,” - HFCC President Stan Jensen

Student Debt Balance Amnesty Programs

- Wayne State University (Detroit, MI)
 - ✓ “Warrior Way Back” Program 2018
 - ✓ Addresses the “Widespread practice of account and transcript holds that have unnecessary punitive effects on low-income students and exacerbate racial education attainment disparities,” - Dawn Medley, WSU Associate Vice President for Enrollment Management
 - ✓ Students with less than \$1,500 in tuition owed to WSU, debt will be forgiven up to \$500 per each semester they are enrolled
 - ✓ “Warrior Way Back” program contributed to Detroit being named a Talent Hub by the Luminia Foundation and Kresge Foundation



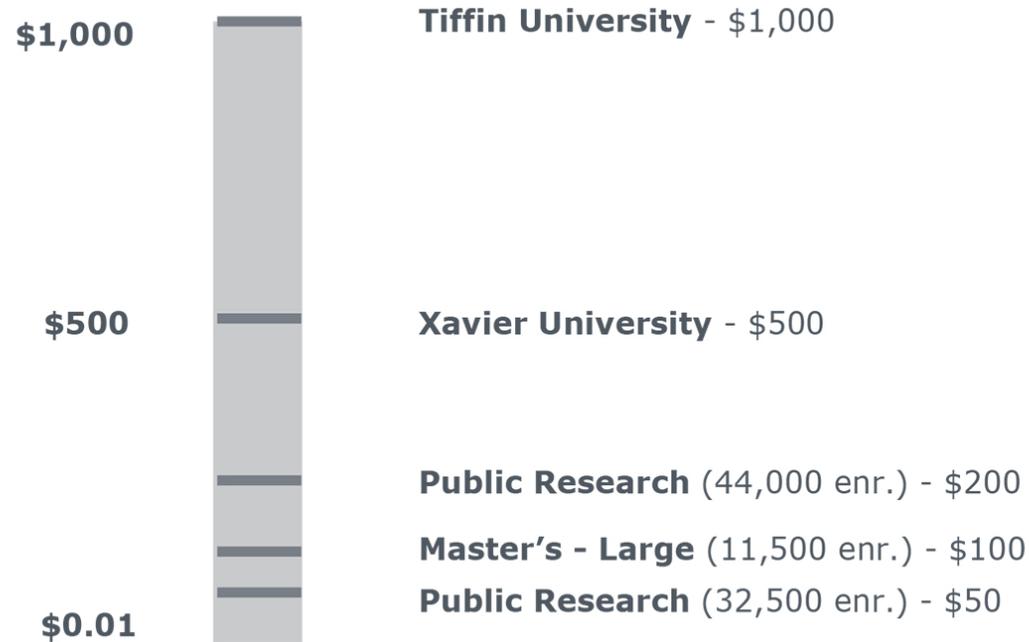
Georgia State University

- “Since the program’s inception in 2011, we have brought more than 7,300 students back into their classes via the program,” Renick says. He says the average grant has been \$900, and 88 percent of the students who receive grants have graduated or are still enrolled 12 months later.
- GSU calculated a 200 percent cumulative “return on investment” intuition and fee revenues over the life of its program, according to “Foiling the Drop-out Trap: Completion Grant Practices for Retaining and Graduating Students”



Alternate Solutions

- Student-friendly balance threshold



Discussion “Return on Investment”

- Re-engage Adult Learners in College Completion Initiatives
- Leverage Incumbent Worker access to tuition benefits, training and upskill opportunities to complete college-level credentials
- Improve State Share of Instruction (SSI) completion metrics and Success Points (Ohio)
- “Do No Harm” – remove barriers for students seeking to escape poverty through higher education and advanced training



Resources

- Enrollment Growth University Episode 47 with Dawn Medley <https://www.helixeducation.com/resources/enrollment-growth-university/debt-forgiveness-dawn-medley/>
- Mama's Day Bail Out <https://www.pretrial.org/mamas-day-bailout-2018/>
- Ohio Attorney General Student Loan Debt Advisory Group <https://www.ohioattorneygeneral.gov/Files/Publications-Files/Publications-for-Schools/Ohio-Attorney-General-s-Student-Loan-Debt-Collecti.aspx>
- Ohio Department of Development Home Energy Assistance Programs <https://dsas.cuyahogacounty.us/en-US/energy-assistance-programs.aspx>
- Forgiving students' unpaid balances boosts persistence and revenue <https://www.eab.com/research-and-insights/enrollment-management-forum/expert-insights/2016/building-a-balance-forgiveness-program>