

Transcript Holds at Minnesota Institutions Annual Report

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About the Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding more than \$210 million annually in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

About This Report

This is a legislative-mandated report. As requested by Minnesota Statutes, section 3.197, this report cost approximately \$17,355 to prepare, including staff time.

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Executive Summary

Withholding student transcripts for non-payment of a institutional debt is a common practice at postsecondary institutions. However, as a student may require an official transcript to transfer and complete their program or obtain employment, the practice is increasingly criticized as punitive, not financially effective, negatively impacting student success, and disproportionately affecting lower-income students, Black, Indigenous, and students of color.

Minnesota is one of 13 states to have considered and/or enacted legislation limiting or prohibiting institutions from withholding academic transcripts in response to an unpaid balance. As part of Minnesota’s new legislation, the Office of Higher Education (OHE) is mandated to collect data on transcript holds from institutions. The information collected includes institutional policies about financial holds, data on students owing an unpaid balance at the institution (referred to as “debt” for purposes of this report), demographics of students owing an unpaid balance, and resources used to pay off the unpaid balances. The new law requires approximately 217 institutions to report data and includes Minnesota State Colleges and Universities, the University of Minnesota, all Minnesota private institutions registered with the Office of Higher Education, all Minnesota private schools licensed with the Office of Education, and public and private out-of-state institutions registered with the Office of Higher Education if they enrolled one or more undergraduate Minnesota resident.

The data presented in this report is as submitted to the Office of Higher Education.

Findings

- Among the 130 institutions reporting data, 75 institutions (58%) reported they had a policy allowing them to withhold official academic transcripts for non-payment of balances owed to the institution.
 - This practice is prevalent among public institutions, private four-year institutions, and private graduate institutions; but not among certificate-granting schools, or out-of-state institutions registered or licensed in Minnesota.
- Prior to the 2021-2022 academic year,
 - 31% of the 75 institutions reporting data placed a transcript hold if \$1 or more was unpaid, and
 - an additional 49% of institutions placed a hold if \$30 or more was unpaid.
- Beginning in the 2021-2022 academic year,
 - 33% of the 75 institutions reporting place a hold if \$250 or more remains unpaid, and
 - an additional 51% of institutions place a hold only if \$500 was unpaid.
- 11% of undergraduate students (21,202 students) enrolled between July 1, 2021, and December 31, 2021, incurred an unpaid balance.
 - For these students, unpaid balances totaled \$35.9 million and averaged \$1,694 per student
 - 25% of these students owed less than \$250 (\$91 average balance; \$523,000 total)

- 75% of these students owed \$250 or more (\$2,286 average balance; \$35.4 million total)
- The change in state law and the simultaneous revisions to Minnesota State College and University policy impacted 14,464 students (68% of students with an unpaid balance).
- Analysis of student demographics of students owing an unpaid balance shows over-representation by Black, Indigenous, and students of color, female students, and students who completed the FAFSA but did not receive a Pell Grant.
 - 13.3% of American Indian and Alaska Native students enrolled owe an unpaid balance
 - 12.9% of Black or African American students enrolled owe an unpaid balance
 - 10.4% of Hispanic or Latino students enrolled owe an unpaid balance
 - 10.5% of female students enrolled owe an unpaid balance
 - 10.4% of students who completed a FAFSA but did not receive a Pell Grant owe an unpaid balance
- The survey also requested information from institutions about the use of any state, institutional, or federal COVID funds used to pay for transcript holds for the prior academic year of July 1, 2020 - June 30, 2021. The majority of institutions were unable to provide this level of detailed data retrospectively.

Institutions raised three main concerns with capturing data related to transcript holds.

- The count of which students have an unpaid balance and the total unpaid balances changes daily – it is a dynamic process. In addition, Minnesota schools, colleges, and universities vary in programming and size. These ongoing changes and differences in institutional makeup make it difficult to report and use the data reported.
- Institutions may not have a standardized process or timeline by which student finance data is joined to student enrollment, financial aid, and demographic data in a manner accessible to finance/business office staff in order to analyze and understand trends, outcomes, and impact of transcript and/or financial holds on their student equity and success.
- Resolution of unpaid balances using internal institutional resources or state and federal resources is a rare practice unless specific allowances are made in federal or state law, special programs are set up, or the institution is able to access foundation resources for that specific purpose.

Given the over-representation of Black and African American students, Hispanic and Latino students, women, and students applying for financial aid, institutions should:

- Determine if the use of a transcript hold is the best solution for student success,
- Routinely examine the use and impact of holds to understand the students impacted,
- Document if holds are resolved, the percent of holds resolved, and the reasons why some holds are not resolved, and
- Assess the value of an unpaid balance compared to how much the student has already spent at the institution.

This information is critical in understanding the issue within the context of student success.

Future actions recommended by national experts also include:

- Establish an institutional debt forgiveness program for nominal debts. This is an area where the state could provide incentives or seed funding for institutions.
- The recommendation of the American Association of Collegiate Registrars and Admissions Officers (AACRAO, Kilgore, 2022) is to set the dollar threshold at which a transcript is held equal to tuition and fees for three semester credits, which aligns with Minnesota State’s policy for two-year colleges and the pilot programs at Minnesota State University, Mankato and Minnesota State University Moorhead.

Reconsider the time-limited nature of Minnesota law as there is a concern about institutions reverting to the more penalizing practices once the law expires on June 30, 2023. Furthermore, the dollar threshold in Minnesota law is set to \$250 as compared to the recommendation of the American Association of Collegiate Registrars and Admissions Officers (AACRAO, Kilgore, 2022), setting the threshold to a value equal to 3 semester credits of tuition and fees:

- Minnesota public two-year college FY2023 \$182.37 average per credit * 3 credits = \$547;
- Minnesota State University FY2023 \$306.31 average per credit * 3 credits = \$919;
- University of Minnesota FY2023 \$475.36 average per credit * 3 credits = \$1,426).

This recommendation aligns with Minnesota State’s policy for two-year colleges and the pilot programs at Minnesota State University, Mankato and Minnesota State University Moorhead. Given the data provided and the evolving nature of transcript hold policies nationally, further work should be undertaken to ensure the standard policies and practices of Minnesota colleges and universities seek to maximize student success.

Unpaid Balances Resulting in Transcript Holds

As part of the new legislation, the Office of Higher Education (OHE) is mandated to collect data on transcript holds from institutions by April 2022 and issue a report to the Legislature in October of 2022 and 2023. Instructions are below for institutions submitting data to OHE.

Institutions submitted data in six component areas:

1. Institution contact information
2. Institutional policies about financial holds
3. Data on students owing an unpaid balance
4. Demographics of students owing an unpaid balance
5. Resources used to pay off a financial hold
6. Other comments

Reporting Requirements

Minnesota Laws 2021, required institutions submit data related to transcript holds to the Minnesota Office of Higher Education by April 15, 2022 (Minnesota Laws 2021, 1st Special Session, Chapter 2, Article 2, Sec. 44. TRANSCRIPT ACCESS). These reporting requirements accompanied legislation restricting the institution's ability to withhold official academic transcripts due to a student financial hold. The intent of the reporting requirements within the new law is to gather data to inform the extent to which institutions withhold official academic transcripts as a means of debt collection, the impact of Minnesota's new law allowing colleges to only withhold official academic transcripts if debt levels exceed \$250 under specific situations, and the extent to which financial holds impact the ability of students to persist and complete college.

Given the report deadline, OHE issued instructions for institutions to report data undergraduates enrolled for the period of July 1, 2021 - Dec 31, 2021. Institutions were unable provide data for prior fiscal years given the dynamic nature of the accounting transactions analyzed for this report.

Definitions

For purposes of this report, the following definitions are used:

- "Institution" – An entity offering one or more postsecondary instructional programs or courses made available to a Minnesota resident and is operated:
 - By the state (Minnesota State Colleges and Universities),
 - By the Board of Regents of the University of Minnesota, or
 - Privately and is licensed or registered as a postsecondary institution by the Office of Higher Education.

- "Transcript hold" – A hold placed on the student record that results in a student being denied receipt of an official academic transcript due to non-payment of a unpaid balance to the institution. Note: The Office of Higher Education recognizes that a hold for non-payment may result in other access being denied (e.g., the ability to enroll in subsequent courses).
- "Debt"- defined in Minnesota law - Any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student that appears on the student account. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.
- "Entered a payment plan" - An agreement between a student who is delinquent paying the debt owed and the institution for the student to pay an agreed to amount towards the debt over an agreed time period.
- "Compliance with payment plan" - Compliance with the payment plan is to be defined by the institution.
- "Funds collected" – Funds collected include payments to institutions, payments made during the collections process, and revenue recapture.

Data Suppression

Each institution reporting supplied summary level data without suppression of counts fewer than 10 students to the Office of Higher Education. For this report, the Office of Higher Education suppressed student counts at the institution and sector level, but not the state level, for fewer than 10 students.

Background

Withholding student transcripts for non-payment of a unpaid balance owed to the institution is a common practice at Minnesota institutions. However, a student may require an official transcript to transfer and complete their program or to obtain employment. Research has shown that the practice is punitive, may not be financially effective at collecting past due debts, and likely has a negative impact on student success as it impedes completion and disproportionately impacts lower-income students.

Colleges have a variety of debt collection practices outside of withholding academic transcripts, which can be utilized to recover unpaid expenses. Currently, when a student incurs an unpaid balance from tuition, library fines, parking fines, or other institution fees, the college can:

- Drop the student from currently enrolled classes (during drop/add period only),
- Restrict or prevent the use of college services,
- Have residence hall dining privileges denied,
- Prevent the student from enrolling in classes in future terms,
- Prevent the student from graduating or obtaining their diploma,
- Assess late payment fees (one-time or repeatedly per billing cycle),
- Refer the unpaid balance to a collection agency, or
- Refer the unpaid balance to the Minnesota Department of Revenue for the recapture of tax or other refunds (public institutions only).

Once enacted, the only way for a student to obtain their official academic transcript is to pay the balance in full (including fees assessed), enter into a payment plan by the college (if allowed), or declare bankruptcy. If not discharged during bankruptcy, the unpaid balance also has no time limit, and the college can maintain the financial hold indefinitely. The options available to the college for collecting the debt far outweighs the options available to the student for what may have been an unanticipated financial situation.

One of the reasons universities engage in this practice is to achieve the highest likelihood of repayment by using all available means to collect the debt owed. Analysis of unpaid student account data from the Ohio Attorney General's Office showed average account balances by institutions ranging from \$647 to \$26,000 (medical school). Annually the Ohio Attorney General collects on unpaid balances at a rate of seven cents per dollar unpaid or \$127 per unpaid account (Maurer, 2018). Given all the debt collection options available to colleges, it seems unlikely that constraining the use of transcript holds will significantly diminish the funds collected.

A second reason colleges engage in the practice is to maintain communication with the student. By preventing registration or transcript access, the college is prompting the student to act to remedy the situation. While the intent is positive, the messaging to the student can be perceived as negative and threatening (e.g., "you have violated your financial responsibility; non-payment has serious consequences"). Since the passage of

Minnesota’s legislation, the majority of college websites surveyed by the Office of Higher Education have moderated the tone and messaging to students. Sample website language can be found in Appendix 3.

Nationally, innovative colleges are adopting proactive positive outreach programs that contact students with an unpaid balance mid-term to try and prevent academic and financial holds. Such programs actively assist students in applying for microgrants or taking advantage of small balance forgiveness policies. These programs seek to ensure that students impacted can continue to enroll, access services, and graduate.

At Wayne State University in Michigan, the Warrior Way Back program reengages stopped-out students through debt forgiveness. The program waives a student’s financial hold (up to \$1,500) over three consecutive semesters of enrollment or at graduation. Wayne State noted that the practice of maintaining academic and financial holds on students due to unpaid balances was creating “a prohibitive hurdle on the path to a degree for stopped out students—it was just another reason to dissuade these students from returning and completing what they started.” Since July 2018, Wayne State University re-enrolled 209 students generating \$750,000 in additional net revenue (Financial Health Network, 2020).

The Georgia State Panther Retention Grants program provides microgrants to students each semester to help cover modest financial shortfalls affecting their ability to pay tuition and fees and prevent them from stopping their studies or dropping out. With more than 12,000 grants awarded over the past six years, staff note that the Panther Retention Grant program has prevented thousands of students from dropping out of Georgia State. Since the start of the program, more than 86 percent of grant recipients have gone on to graduate, most within two semesters (Georgia State University, 2020).

While the Office of Higher Education would like to see all Minnesota colleges adopting more proactive outreach strategies to maximize student retention and completion, one initial step is to limit transcript holds to extreme circumstances and establish consistency in transcript hold policies across Minnesota colleges.

Legislative Developments in Other States

The Minnesota language enacted is a less restrictive version of the language enacted by the California Legislature¹ in October 2019. California prohibits institutions from withholding a transcript for any amount of unpaid balance owed. Since Minnesota passed its Transcript Access legislation in the 2021 Legislative Session, other states have pursued similar policies. In addition to California and Minnesota, legislation was passed in New York, Illinois, Colorado, Ohio, Oregon, Washington, and Louisiana. Legislation was also introduced in Massachusetts, Virginia, Rhode Island, and Connecticut.

A 2020 report by the consulting firm Ithaka S+R estimated that roughly 6.6 million college students had credits “stranded” by institutional policies on unpaid debt (Jones & Andrews, 2021). This practice has garnered national attention. U.S. Education Secretary Miguel Cardona has spoken out against transcript holds (Draeger, 2022).

¹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1313

Finally, the American Council on Education (2022) and 21 other college-related organizations issued a statement calling for an end to the practice.

In September 2022, the Consumer Financial Protection Bureau directed college leaders to stop the practice of withholding transcripts in response to past due institutional loans (Consumer Financial Protection Bureau, 2022). The bureau called blanket policies to withhold transcripts “abusive under the Consumer Financial Protection Act.”

“Examiners found that institutions took unreasonable advantage of the critical importance of official transcripts and institutions’ relationship with consumers. Since many students will need official transcripts at some point to pursue employment or future higher education opportunities, the consequences of withheld transcripts are often disproportionate to the underlying debt amount...This heightened pressure to produce transcripts leaves consumers with little-to-no bargaining power while academic achievement and professional advancements depend on the actions of a single academic institution....Consumers do not have a reasonable opportunity to protect themselves in these circumstances.” (Consumer Financial Protection Bureau, 2022, p.8-9).

While directed primarily at institutional loan collection practices, the practices described in the report as abusive are the same practices used by institutions when collecting other forms of past due debt.

Institutions Reporting Data

Institutions subject to reporting under the new law include Minnesota State Colleges and Universities, the University of Minnesota, all Minnesota private institutions registered with the Office of Higher Education, all Minnesota private schools licensed with the Office of Education, and public and private out-of-state institutions registered with the Office of Higher Education if they enrolled one or more undergraduate Minnesota resident students between July 1, 2021, and December 31, 2021. In total, 217 institutions were contacted. Among the 217 institutions contacted, 130 institutions provided data. Of the institutions not providing data, 30 did not withhold transcripts ever, 8 enrolled no undergraduate students between July 1, 2021, and December 31, 2021, and 49 training providers did not respond.

In order to answer questions related to the count of enrolled undergraduate students owing financial balances to an institution and the total amount of unpaid balance owed, each institution was asked to create a freeze file of student transcript hold data between December 15, 2021, and April 1, 2022. This freeze file represents a snapshot of student unpaid balance status on a given date and is referred to as “the 2021-2022 data freeze date”. Freeze dates vary by institution but generally represent the unpaid balance status of an institution’s undergraduate population mid-way through the 2021-2022 academic year. The majority of institutions created their freeze file at the end of fall term and before billing for spring term.

Dollar Threshold Incurring a Transcript Hold	Prior to 2021	Prior to 2021	After State Law Change	After State Law Change
	Number of Institutions	Percent of Institutions	Number of Institutions	Percent of Institutions
\$50	2	3%	0	0%
\$100	1	1%	0	0%
\$200	1	1%	0	0%
\$250	6	8%	25	33%
\$251	0	0%	1	1%
\$500	3	4%	38	51%
\$510	0	0%	1	1%
\$1,000	0	0%	2	3%
Total	75	100%	75	100%

* As of January 2022, these institutions were in the process of adopting a new transcript hold policy in response to the new state law.

Table 5. Of Students Owning an Unpaid Balance, Total and Average Unpaid Balance Owed, Fall 2021

System	Number of Students Owing an Unpaid Balance	Total Unpaid Balance	Average Unpaid Balance
Minnesota State College	4,815	\$8,309,047	\$1,726
Minnesota State University	1,882	\$587,838	\$312
University of Minnesota	4,177	\$6,534,380	\$1,564
Private Non-Profit 2-Year or Less	32	\$24,214	\$757
Private Non-Profit 4-Year or Graduate	6,591	\$13,882,450	\$2,106
Private For-Profit 2-Year or Less	25	\$89,514	\$3,581
Private For-Profit 4-Year or Graduate	3,669	\$6,410,035	\$1,747
Out-of-State Institution	11	\$88,591	\$8,054
Total	21,202	\$35,926,069	\$1,694

Students owing a unpaid balance of less than \$250

Table 6. Of Students Owning an Unpaid Balance Less than \$250, Number and Percent with a Payment Plan and In Compliance with the Payment Plan, Fall 2021

System	Number of Students Owing Less Than \$250	Number with a Payment Plan**	Percent with a Payment Plan**	Number in Compliance with Payment Plan**	Percent in Compliance with Payment Plan**
Minnesota State College	131	0	0%	0	n/a
Minnesota State University	*	*	*	*	*
University of Minnesota	2,770	n/a	n/a	n/a	n/a
Private Non-Profit 2-Year or Less	13	0	0%	0	n/a
Private Non-Profit 4-Year or Graduate	2,512	42	2%	40	95%
Private For-Profit 2-Year or Less	*	n/a	n/a	n/a	n/a
Private For-Profit 4-Year or Graduate	287	*	*	*	*
Out-of-State Institution	*	*	*	*	*
Total	5,724	52	1%	49	94%

*Data is not shown where the count of students is less than 10.

** Table 6 calculations excludes students enrolled at institutions that did not have the capacity to report payment plan compliance at the time of the survey.

Note: Not all institutions offer payment plans to students with outstanding financial obligations.

Table 7. Of Students Owning an Unpaid Balance Less than \$250, Total and Average Unpaid Balance Owed, Fall 2021

System	Number of Students Owning an Unpaid Balance of Less than \$250	Total Unpaid Balances**	Average Unpaid Balance**
Minnesota State College	131	\$100,061	\$764
Minnesota State University	*	*	*
University of Minnesota	2,770	\$185,977	\$67
Private Non-Profit 2-Year or Less	13	\$1,240	\$95
Private Non-Profit 4-Year or Graduate	2,512	\$177,079	\$70
Private For-Profit 2-Year or Less	*	*	*
Private For-Profit 4-Year or Graduate	287	\$37,543	\$131
Out-of-State Institution	*	*	*
Total	5,724	\$523,106	\$91

*Data is not shown where the count of students is less than 10.

** Students owed less than \$250 as of the initial date that data was pulled for this survey, but may have owed more than \$250 at the time the institution calculated total unpaid balance owed for reporting to OHE.

Students owing a unpaid balance of \$250 or more

Table 8. Of Students Owning an Unpaid Balance of \$250 or More, Number and Percent with a Payment Plan and In Compliance with the Payment Plan, Fall 2021

System	Number of Students Owning \$250 or More	Number with a Payment Plan**	Percent with a Payment Plan**	Number in Compliance with Payment Plan**	Percent in Compliance with Payment Plan**
Minnesota State College	4,684	791	17%	75	9%
Minnesota State University	1,874	787	42%	784	99.6%
University of Minnesota	1,407	n/a	n/a	n/a	n/a
Private Non-Profit 2-Year or Less	19	*	*	*	*
Private Non-Profit 4-Year or Graduate	4,079	692	23%	641	93%
Private For-Profit 2-Year or Less	24	*	*	*	*
Private For-Profit 4-Year or Graduate	3,382	0	0%	0	n/a
Out-of-State Institution	*	*	*	*	*
Total	15,478	2,284	17%	1,502	66%

*Data is not shown where the count of students is less than 10.

** Table 8 calculations excludes students enrolled at institutions that did not have the capacity to report payment plan compliance at the time of the survey.

Note: Not all institutions offer payment plans to students with outstanding financial obligations.

**Table 9. Of Students Owing an Unpaid Balance of \$250 or More,
Total and Average Balance Owed, Fall 2021**

System	Number of Students Owing an Unpaid Balance of \$250 or More	Total Unpaid Balances**	Average Unpaid Balance**
Minnesota State College	4,684	\$8,208,986	\$1,753
Minnesota State University	1,874	\$578,383	\$309
University of Minnesota	1,407	\$6,348,403	\$4,512
Private Non-Profit 2-Year or Less	*	*	*
Private Non-Profit 4-Year or Graduate	4,079	\$13,688,625	\$3,356
Private For-Profit 2-Year or Less	24	\$89,461	\$3,728
Private For-Profit 4-Year or Graduate	3,382	\$6,372,492	\$1,884
Out-of-State Institution	*	*	*
Total	15,478	\$35,386,218	\$2,286

*Data is not shown where the count of students is less than 10.

** Students owed \$250 or more as of the initial date that data was pulled for this survey, but may have owed less than \$250 at the time the institution calculated total unpaid balance owed for reporting to OHE.

Students Impacted by Law Change

Approximately 68% of students with an unpaid balance (14,464, Table 10) are now able to access their academic transcripts due to the new state law, and Minnesota State’s system policy change as compared to prior institutional policies.

Table 10. Of Students Owning an Unpaid Balance, Number and Percent Able to Access Transcripts

System	Number of Students Owning Any Unpaid Balance	Students Owning Any Unpaid Balance Able to Access Transcripts	Percent of Students Owning Any Unpaid Balance Able to Access Transcripts
Minnesota State College	4,815	4,755	99%
Minnesota State University	1,882	1,880	100%
University of Minnesota	4,177	1,456	35%
Private Non-Profit 2-Year or Less	32	*	*
Private Non-Profit 4-Year or Graduate	6,591	4,623	70%
Private For-Profit 2-Year or Less	25	*	*
Private For-Profit 4-Year or Graduate	3,669	1,701	46%
Out-of-State Institution	11	*	*
Total	21,202	14,464	68%

*Data is not shown where the count of students is less than 10.

Table 11. Of Students Owning an Unpaid Balance Less than \$250, Number and Percent Able to Access Transcripts

System	Number of Students Owning an Unpaid Balance of Less than \$250	Number of Students Owning Less than \$250 Able to Access Transcripts	Percent of Students Owning Less than \$250 Able to Access Transcripts
Minnesota State College	131	102	78%
Minnesota State University	*	*	*
University of Minnesota	2,770	49	2%
Private Non-Profit 2-Year or Less	13	13	100%
Private Non-Profit 4-Year or Graduate	2,512	1,963	78%
Private For-Profit 2-Year or Less	*	*	*
Private For-Profit 4-Year or Graduate	287	77	27%
Out-of-State Institution	*	*	*
Total	5,724	2,211	39%

*Data is not shown where the count of students is less than 10.

**Table 12. Of Students Owing an Unpaid Balance of \$250 or More,
Number and Percent Able to Access Transcripts**

System	Number of Students Owing an Unpaid Balance of \$250 or More	Number of Students Owing \$250 or More Able to Access Transcripts	Percent of Students Owing \$250 or More Able to Access Transcripts
Minnesota State College	4,684	4,653	99.3%
Minnesota State University	1,874	1,874	100%
University of Minnesota	1,407	1,407	100%
Private Non-Profit 2-Year or Less	*	*	*
Private Non-Profit 4-Year or Graduate	4,079	2,660	65%
Private For-Profit 2-Year or Less	24	7	29%
Private For-Profit 4-Year or Graduate	3,382	1,624	48%
Out-of-State Institution	*	*	*
Total	15,478	12,253	79%

*Data is not shown where the count of students is less than 10.

Demographics of Students Owing a Unpaid Balance

Transcript hold policies, as well as the more comprehensive financial hold policies which generally prevent course registration and access to other services, are an equity issue as they disproportionately impact students of color, women, and lower-income students.

Race and Ethnicity of Students Owing a Unpaid Balance

Fifty-three institutions reported race and ethnicity information. Among students owing any unpaid balance to the institution at the end of fall term 2021, Black, indigenous, and persons of color (BIPOC) are over-represented. Specifically, American Indian and Alaska Native students, Black or African American students, and Hispanic or Latino students have the highest rates among unpaid balance holders.

Among students owing a balance:

- 13.3% of American Indian and Alaska Native students enrolled owe an unpaid balance,
- 12.9% of Black or African American students enrolled owe an unpaid balance,
- 10.4% of Hispanic or Latino students enrolled owe an unpaid balance, and
- 6.3% of White students enrolled owe an unpaid balance.

Figure 2. Percent of Students by Race and Ethnicity Owing Any Unpaid Balance

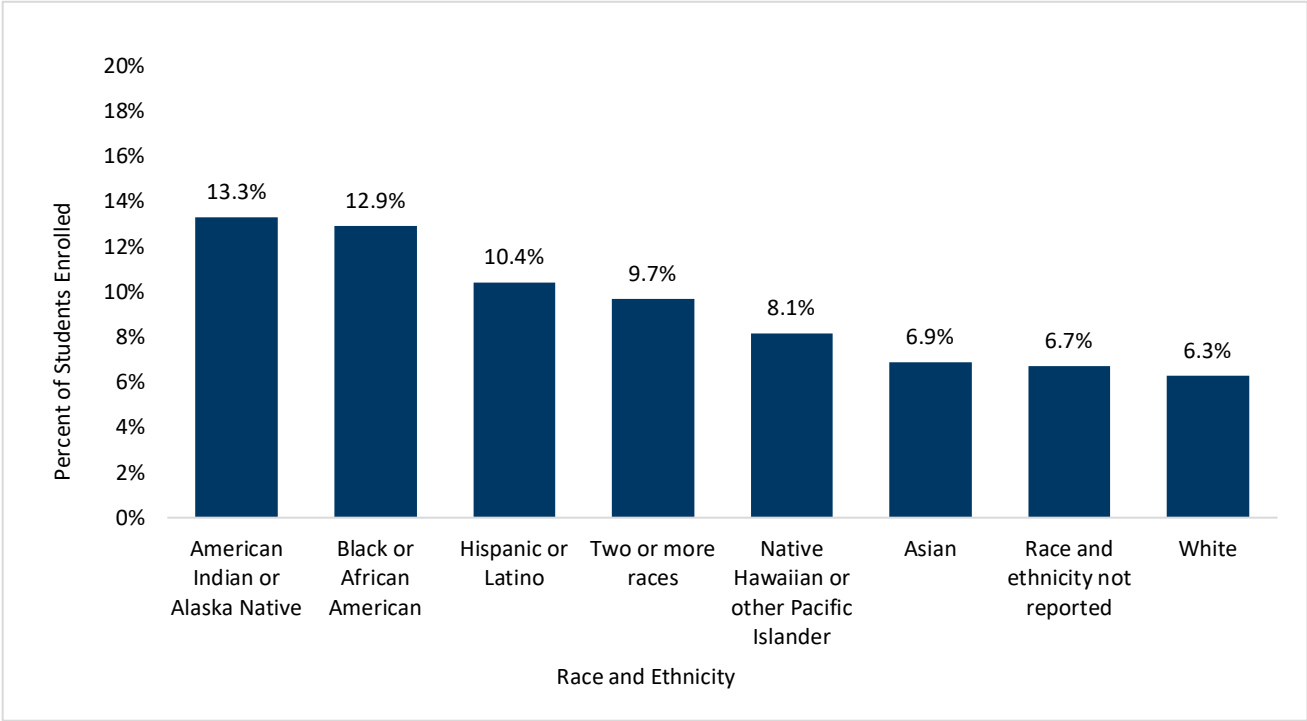


Table 13. Percent of Students by Race and Ethnicity Owing Any Unpaid Balance

Race and Ethnicity	Number of Undergraduates Enrolled, Fall 2021	Number of 2021-2022 Students Owing Any Debt	Percent of 2021-2022 Students Owing Any Debt
Black or African American	17,261	2,229	12.9%
American Indian or Alaska Native	1,022	136	13.3%
Asian	9,289	640	6.9%
Hispanic or Latino	10,867	1,131	10.4%
White	93,175	5,850	6.3%
Native Hawaiian or other Pacific Islander	135	11	8.1%
Two or more races	5,905	571	9.7%
Race and ethnicity not reported	3,288	221	6.7%
Other, includes international students	5,069	727	14.3%
Total	146,011	11,516	7.9%
BIPOC	44,479	4,718	10.6%

*Data is not shown where the count of students is less than 10.

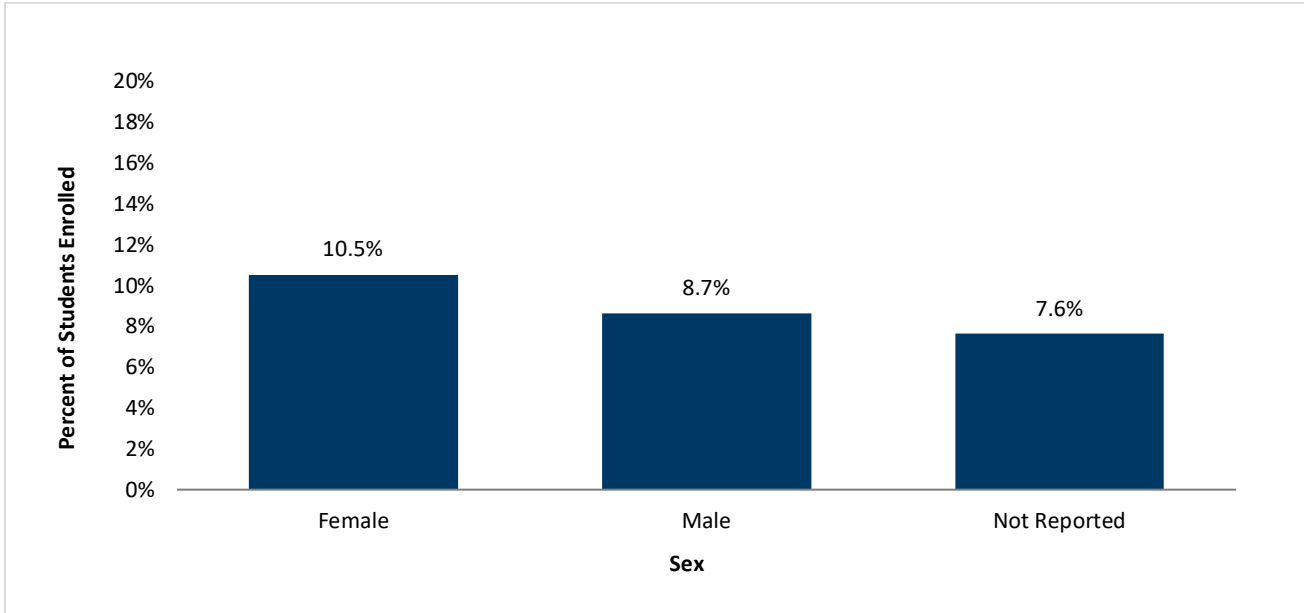
Sex of Students Owing a Unpaid Balance

Fifty-five institutions reported sex information for 14,231 students. Among students owing any unpaid balance to the institution at the end of fall term 2021, female students are over-represented among those with an unpaid balance.

Among students owing a balance:

- 10.5% of female students enrolled owe an unpaid balance,
- 8.7% of male students enrolled owe an unpaid balance, and
- 7.6% of students with gender not reported enrolled owe an unpaid balance.

Figure 3. Percent of Students by Sex Owing Any Unpaid Balance



Note: Not Reported includes enrolled students indicated a gender other than male or female; however, survey options did not allow transcript hold data for other gender options to be reported.

Table 14. Percent of Students by Sex Owing Any Unpaid Balance

Sex	Number of Undergraduates Enrolled, Fall 2021	Number of 2021-2022 Students Owing Any Debt	Percent of 2021-2022 Students Owing Any Debt
Female	85,377	8,990	10.5%
Male	60,044	5,196	8.7%
Not Reported	590	45	7.6%
Total	146,011	14,231	9.7%

Note: Not Reported includes enrolled students indicated a gender other than male or female; however, survey options did not allow transcript hold data for other gender options to be reported.

Financial Aid Status of Students Owing a Unpaid Balance

Fifty-four institutions reported financial aid status information for 11,738 students.

Students who completed a FAFSA but did not receive a Pell Grant are over-represented among students owing an unpaid balance at the end of fall term 2021. This group would include students whose family incomes are lower-middle and middle income (\$40,000-\$100,000 adjusted gross income).

Among students owing a balance:

- 10.4% of Students who completed a FAFSA but did not receive a Pell Grant owe an unpaid balance,
- 8.2% of Pell Grant students enrolled owe an unpaid balance, and
- 5.9% of students enrolled and not filing a FAFSA owe an unpaid balance.

Figure 4. Percent of Students by Financial Aid Status Owing Any Unpaid Balance

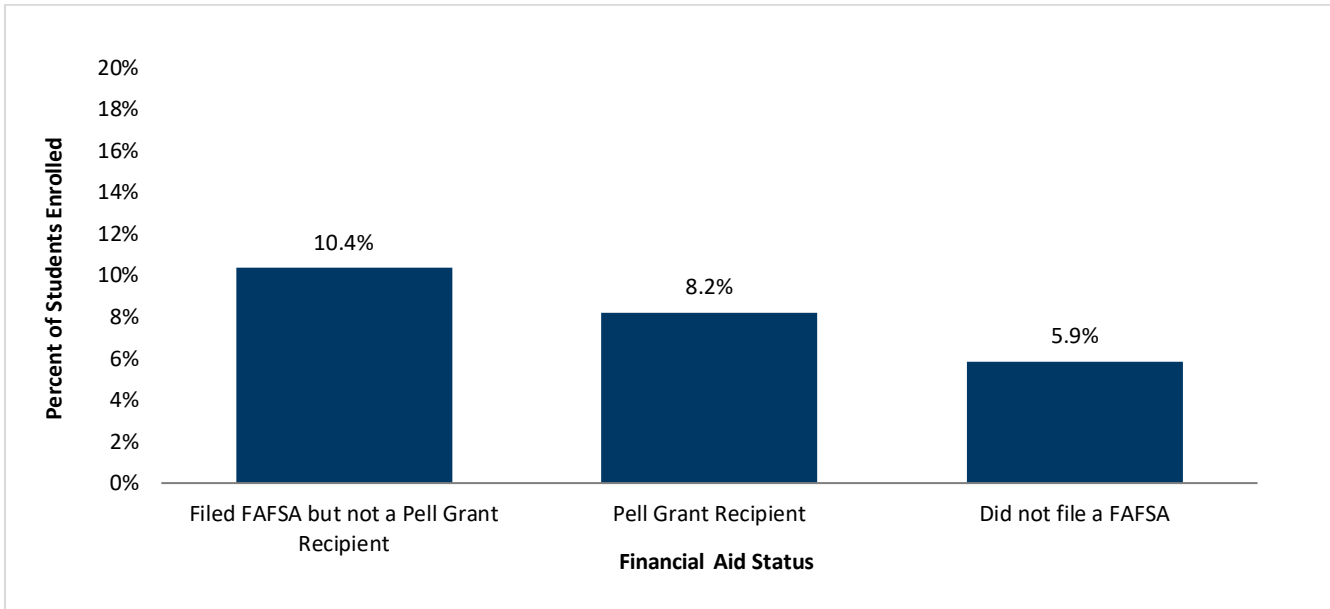


Table 15. Percent of Students by Financial Aid Status Owing Any Unpaid Balance

Financial Aid Status	Number of Undergraduates Enrolled, Fall 2021	Number of 2021-2022 Students Owing Any Debt	Percent of 2021-2022 Students Owing Any Debt
Pell Grant Recipient	52,697	4,325	8.2%
Filed FAFSA but not a Pell Grant Recipient	43,244	4,481	10.4%
Did not file a FAFSA	50,070	2,932	5.9%
Total	146,011	11,738	8.0%

Resources Used to Pay Off Unpaid Balances

The survey requested information from institutions about the use of any state, institutional, or federal COVID funds used to pay for transcript holds for the period July 1, 2020 - June 30, 2021. Most institutions were unable to provide this data retrospectively. Without having survey instructions available prior to institutions providing funding, the majority of institutions did not track the information at a level of detail requested for this survey. Several institutions reported that they could not separate the use of funds at a student level between emergency grants and funds used to pay off incurred balances, given that the transactions had occurred two years prior to the request for data.

Resolution of transcript and other financial holds using internal resources or state and federal resources is a rare practice in Minnesota. The Higher Education Emergency Relief Fund (HEERF), as part of the national CARES Act enacted on March 27, 2020, allowed unpaid balances to be resolved. Approximately \$14 billion was made available to institutions during the COVID-19 pandemic. The money received sought to provide emergency financial grants to students for expenses resulting from the disruption of campus operations and services. As a second example, the former MN Reconnect program allowed participating institutions to use state funds up to the maximum allowed in law to pay off unpaid balances for students seeking to re-enroll after a two-year absence. Finally, if the institution has a related foundation or partnership with a foundation, foundation-provided funds may be used to pay off unpaid balances for selected students.

Based on national survey data (Kilgore, 2022), 67% of institutions surveyed used HEERF funds to forgive student debt associated with unpaid balances at their institution. Depending on the institution, the institution may have forgiven all outstanding unpaid balance accrued during pandemic terms. Other institutions set a maximum on the grant dollars available or only forgave unpaid balances for those with demonstrated need.

Of the 75 Minnesota institutions providing data, six institutions reported they used state, institutional, federal, or COVID funds to pay for transcript holds for the period July 1, 2020 - June 30, 2021. However, only four private non-profit four-year institutions were able to provide total funds used by source (Table 16). Just over \$2 million were used to pay off financial holds, with the majority of funds (69%) provided by the institution. However, given the limited nature of the data reported, this trend is not generalizable.

Table 16. Funds to Pay for Unpaid Balances Incurred by Students Enrolled July 1, 2020-June 30, 2021

Source of Funds used to Pay Off Unpaid Balances	Number of Institutions Reporting	Total Funds
State	4	\$140,782
Institutional	4	\$1,468,814
Federal	4	\$426,441
COVID Funds	4	\$100,977
Total	4	\$2,137,014

Discussion

The data presented in this report is as submitted to the Office of Higher Education. Comments and questions from institutions indicated three main concerns with capturing financial hold data related to transcripts, including concern with data and reporting, demographics and financial aid status of students with a transcript hold, and institutional access to funds to resolve transcript holds.

Data and Reporting

Transcript holds result when charges against a student's account go unpaid past deadlines established by the institution. Transcript holds can result from numerous institutional services, including but not limited to tuition and fees, housing, meals, library, and parking. These charges can occur on any given day during the academic year, as can student payments, which means that student account balances can change on a daily basis. Thus, the count of which students have an unpaid balance and the total unpaid balances will change daily – it is a dynamic system. To resolve this issue, the Office of Higher Education asked institutions to “freeze” the data on a date of their choosing, between the end fall 2021 term and the beginning of the subsequent term.

In addition, as Minnesota schools, colleges, and universities vary in programming and size, the Office of Higher Education asked institutions to only include undergraduate students enrolled at their institution between July 1, 2021 and December 31, 2021. This approach standardized the data reported in order to assess the prevalence and scope of transcript holds incurred, yet many institutions struggled with fulfilling the request.

The Demographics and Financial Status of Students with Unpaid Balances

The survey also asks institutions to report the demographics and financial aid status of students with unpaid balances. This request requires the freeze file of student finance data to be joined to enrollment, financial aid, and demographic data that may or may not be accessible to finance/business office staff. The results for Minnesota institutions mirror those of institutions nationally. A report from the American Association of Collegiate Registrars and Admissions Officers (AACRAO) noted that only 29% of institutions surveyed could calculate the percentage of students with transcript or registration holds for a given student population (gender, race, ethnicity, age group, socioeconomic status, student-athlete, etc., Kilgore, 2022). The ability of institutions to assess the characteristics of students owing an unpaid balance is needed to assess the impact of financial practices and policies on equity and student success. OHE anticipates further difficulty when staff are asked to report student outcome data, including the retention and graduation status of students with transcript holds.

Funds to Pay Off Unpaid Balances

The final questions on the survey requested institutions report if any student unpaid balances have been resolved using institutional, state, federal, or COVID funds for the prior academic year (2020-2021). As shown in the report, the majority of institutions could not report the source of the funds if used to pay off transcript holds or the total funds used. Several institutions reported that they could not separate the use of funds at a student level between emergency grants and funds used to pay off incurred balances, given that the transactions had

occurred two years prior to the request for data. That said, resolution of transcript and other financial holds using internal resources or state and federal resources is a rare practice unless specific allowances are made in federal or state law, special programs are set up, or the institution is able to access foundation resources for that specific purpose.

Conclusion

The data provided, though limited, provides a basis for exploring changes in policies related to transcript holds as well as the related practices. Given the over-representation of Black and African American students, Hispanic and Latino students, women, and students applying for financial aid, institutions should determine if the use of a transcript hold is the best solution for student success. At a minimum, institutions should routinely examine the use and impact of holds to understand the students impacted, which aligns with the intent of the Minnesota law. In addition, institutions should also examine if holds are resolved, the percent of holds resolved, and the reasons why some holds are not resolved. This information is critical to understanding the issue within the context of student success. This point also emphasizes the need for assessing the timing of hold placement, how holds are communicated to students, the effectiveness of that communication, and the processes by which institutions assist students in resolving holds (Kilgore, 2022; Ithaka, 2020).

In addition, Kilgore (2022) recommends, “Examine the value of debt holds compared to how much the student has already spent at your institution. Calculate the number of credits stranded due to the use of transcript holds as a means to understand the magnitude of the impact on students of the use of holds.... Establish a debt forgiveness program for nominal debts.” Institutions with debt forgiveness programs have provided evidence of their effectiveness. This is an area where the state could provide incentives for institutions.

The time-limited nature of Minnesota’s law does cause concern about whether institutions will revert to the more penalizing practices once the law expires on June 30, 2023. The dollar threshold in Minnesota law is set to \$250 as compared to the recommendation of the American Association of Collegiate Registrars and Admissions Officers (AACRAO, Kilgore, 2022), setting the threshold to a value equal to 3 semester credits of tuition and fees (Minnesota public two-year college FY2023 \$182.37 average per credit * 3 credits = \$547; Minnesota State University FY2023 \$306.31 average per credit * 3 credits = \$919; University of Minnesota FY2023 \$475.36 average per credit * 3 credits = \$1,426). This recommendation aligns with Minnesota State’s policy for two-year colleges and the pilot programs at Minnesota State University, Mankato and Minnesota State University Moorhead.

Given the data provided and the evolving nature of transcript hold policies nationally, further work should be undertaken to ensure the standard policies and practices of Minnesota colleges and universities seek to maximize student success. The next report on transcript holds at Minnesota institutions is due to the Legislature by October 15, 2023.

Appendix A. Transcript Hold Policies by Institution

Table A1. Transcript Hold Policies by Institution

Institution System or Type	State	Institution Name	Does the Institution Withhold Academic Transcripts for Non-Payment?
Minnesota State College	MN	Alexandria Technical & Community College	Yes
Minnesota State College	MN	Anoka Technical College	Yes
Minnesota State College	MN	Anoka-Ramsey Community College	Yes
Minnesota State College	MN	Central Lakes College	Yes
Minnesota State College	MN	Century College	Yes
Minnesota State College	MN	Dakota County Technical College	Yes
Minnesota State College	MN	Fond du Lac Tribal & Community College	Yes
Minnesota State College	MN	Hennepin Technical College	Yes
Minnesota State College	MN	Hibbing Community College	Yes
Minnesota State College	MN	Inver Hills Community College	Yes
Minnesota State College	MN	Itasca Community College	Yes
Minnesota State College	MN	Lake Superior College	Yes
Minnesota State College	MN	Mesabi Range College	Yes
Minnesota State College	MN	Minneapolis Community & Technical College	Yes
Minnesota State College	MN	Minnesota State College Southeast	Yes
Minnesota State College	MN	Minnesota State Community & Technical College	Yes
Minnesota State College	MN	Minnesota West Community & Technical College	Yes
Minnesota State College	MN	Normandale Community College	Yes
Minnesota State College	MN	North Hennepin Community College	Yes
Minnesota State College	MN	Northland Community & Technical College	Yes
Minnesota State College	MN	Northwest Technical College	Yes
Minnesota State College	MN	Pine Technical & Community College	Yes
Minnesota State College	MN	Rainy River Community College	Yes
Minnesota State College	MN	Ridgewater College	Yes
Minnesota State College	MN	Riverland Community College	Yes
Minnesota State College	MN	Rochester Community and Technical College	Yes
Minnesota State College	MN	Saint Paul College	Yes
Minnesota State College	MN	South Central College	Yes
Minnesota State College	MN	St. Cloud Technical & Community College	Yes
Minnesota State College	MN	Vermilion Community College	Yes
Minnesota State University	MN	Bemidji State University	Yes

Institution System or Type	State	Institution Name	Does the Institution Withhold Academic Transcripts for Non-Payment?
Minnesota State University	MN	Metropolitan State University	Yes
Minnesota State University	MN	Minnesota State University Moorhead	Yes
Minnesota State University	MN	Minnesota State University, Mankato	Yes
Minnesota State University	MN	Southwest Minnesota State University	Yes
Minnesota State University	MN	St. Cloud State University	Yes
Minnesota State University	MN	Winona State University	Yes
University of Minnesota	MN	University of Minnesota Crookston	Yes
University of Minnesota	MN	University of Minnesota Duluth	Yes
University of Minnesota	MN	University of Minnesota Morris	Yes
University of Minnesota	MN	University of Minnesota Twin Cities	Yes
Private Non-Profit 2-Year or Less	MN	All Braids & Hair Company	No
Private Non-Profit 2-Year or Less	MN	Goodwill Industries	No
Private Non-Profit 2-Year or Less	MN	Hennepin Healthcare School of Laboratory Science	No
Private Non-Profit 2-Year or Less	MN	Institute of Floristry	No
Private Non-Profit 2-Year or Less	MN	Northwestern Academy of Homeopathy	No
Private Non-Profit 2-Year or Less	MN	Takoda Institute of Higher Education	No
Private Non-Profit 2-Year or Less	MN	White Earth Tribal & Community College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Augsburg University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Bethany Lutheran College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Bethel University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Bethlehem College and Seminary	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Cardinal Stritch University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Carleton College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	College of St. Scholastica, The	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Concordia College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Concordia University-St. Paul	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Crown College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Gustavus Adolphus College	Yes

Institution System or Type	State	Institution Name	Does the Institution Withhold Academic Transcripts for Non-Payment?
Private Non-Profit 4-Year or Graduate Institution	MN	Hamline University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Herzing University	No
Private Non-Profit 4-Year or Graduate Institution	MN	Macalester College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Martin Luther College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Minneapolis College of Art and Design	No
Private Non-Profit 4-Year or Graduate Institution	MN	Mitchell Hamline School of Law	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Montessori Training Center of Minnesota	No
Private Non-Profit 4-Year or Graduate Institution	MN	North Central University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Northwestern Health Sciences University	No
Private Non-Profit 4-Year or Graduate Institution	MN	Oak Hills Christian College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	Saint Mary's University of Minnesota	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	St. Catherine University	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	St. Olaf College	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	United Theological Seminary of the Twin Cities	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	University of Northwestern - St. Paul	Yes
Private Non-Profit 4-Year or Graduate Institution	MN	University of St. Thomas	Yes
Private For-Profit 2-Year or Less	MN	Aesthetics Academy by Radiance	No
Private For-Profit 2-Year or Less	MN	American Institute of Non-Destructive Testing	No
Private For-Profit 2-Year or Less	MN	ARCH Language Network	No
Private For-Profit 2-Year or Less	MN	Avalon School of Cosmetology	Yes
Private For-Profit 2-Year or Less	MN	Aveda Institute Rochester	No
Private For-Profit 2-Year or Less	MN	Club Pilates - Edina	No
Private For-Profit 2-Year or Less	MN	CompTIA Tech Career Academy	Yes
Private For-Profit 2-Year or Less	MN	Empire Beauty School Bloomington	No

Institution System or Type	State	Institution Name	Does the Institution Withhold Academic Transcripts for Non-Payment?
Private For-Profit 2-Year or Less	MN	Empire Beauty School Spring Lake Park	No
Private For-Profit 2-Year or Less	MN	Faces Etc Makeup Artist School of Minnesota	No
Private For-Profit 2-Year or Less	MN	Green Lotus Yoga	No
Private For-Profit 2-Year or Less	MN	Hastings Beauty School Inc.	No
Private For-Profit 2-Year or Less	MN	Institute of Production & Recording	No
Private For-Profit 2-Year or Less	MN	Minnesota School of Barbering	No
Private For-Profit 2-Year or Less	MN	Minnesota School of Bartending	No
Private For-Profit 2-Year or Less	MN	Minnesota School of Beauty	No
Private For-Profit 2-Year or Less	MN	Minnesota School of Cosmetology	No
Private For-Profit 2-Year or Less	MN	National Able Network, Inc	No
Private For-Profit 2-Year or Less	MN	Nova Academy of Cosmetology	No
Private For-Profit 2-Year or Less	MN	Nova Academy of Cosmetology	No
Private For-Profit 2-Year or Less	MN	Paragon Pilates & Physical Therapy	No
Private For-Profit 2-Year or Less	MN	PCI Academy	Yes
Private For-Profit 2-Year or Less	MN	Phlebotomy Training Specialists	Yes
Private For-Profit 2-Year or Less	MN	Pilates MN	No
Private For-Profit 2-Year or Less	MN	Savant Aesthetics Institute	No
Private For-Profit 2-Year or Less	MN	Software Guild	No
Private For-Profit 2-Year or Less	MN	The Institute of Advanced Aesthetics	No
Private For-Profit 2-Year or Less	MN	Townsend Barber Institute	No
Private For-Profit 2-Year or Less	MN	Upward Facing Dawn	No
Private For-Profit 2-Year or Less	MN	Virginia Montessori Teacher Education Center	No
Private For-Profit 2-Year or Less	MN	Washington Technical Institute	Yes
Private For-Profit 4-Year or Graduate Institution	MN	Capella University	No
Private For-Profit 4-Year or Graduate Institution	MN	Rasmussen University	Yes
Private For-Profit 4-Year or Graduate Institution	MN	Walden University	Yes
Out of State Institution	CA	Academy of Art University	No
Out of State Institution	IL	Adler University	Yes
Out of State Institution	CA	Animal Behavior School	No
Out of State Institution	OH	Antioch University	No
Out of State Institution	CO	At-Home Professions	No
Out of State Institution	CA	Brandman University	No
Out of State Institution	CA	California State University - Northridge	No
Out of State Institution	IL	DeVry University - Online	No

Institution System or Type	State	Institution Name	Does the Institution Withhold Academic Transcripts for Non-Payment?
Out of State Institution	CA	Hope International University	No
Out of State Institution	CA	Los Angeles Film School	No
Out of State Institution	CA	Pacific College of Health & Science	No
Out of State Institution	CA	San Jose State University	No
Out of State Institution	GA	South University-Online	Yes
Out of State Institution	FL	Southeastern University	Yes
Out of State Institution	TX	The Chicago School of Professional Psychology	No
Out of State Institution	CA	The University of Arizona Global Campus	No
Out of State Institution	FL	Ultimate Medical Academy	No
Out of State Institution	CA	University of California - Davis	No
Out of State Institution	CA	University of Southern California	No

Appendix B. Minnesota Laws

Minnesota Laws 2021 1st Special Session Chapter 2 Article 2

Sec. 44. TRANSCRIPT ACCESS.

Subdivision 1. Definitions.

(a) The terms defined in this subdivision apply to this section.

(b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student that appears on the student account. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

(c) "School" means any public institution governed by the Board of Trustees of the Minnesota State Colleges and Universities, private postsecondary educational institution as defined under section 136A.62 or 136A.821, or public or private entity responsible for providing transcripts to current or former students of an educational institution. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(d) "Transcript" means the statement of an individual's academic record, including an official transcript or the certified statement of an individual's academic record provided by a school and an unofficial transcript or the uncertified statement of an individual's academic record provided by a school.

Subd. 2. Prohibited practices.

A school must not:

(1) refuse to provide a transcript for a current or former student because the student owes a debt to the school if:

(i) the debt owed is less than \$250;

(ii) the student has entered into and, as determined by the institution, is in compliance with a payment plan with the school;

(iii) the transcript request is made by a prospective employer for the student; or

(iv) the school has sent the debt for repayment to the Department of Revenue or to a collection agency, as defined in section 332.31, subdivision 3, external to the institution; or

(2) charge an additional or a higher fee for obtaining a transcript or provide less favorable treatment of a transcript request because a student owes a debt to the originating school.

Subd. 3. Institutional policy.

(a) Institutions that use transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the institution collects on debts owed to the institution.

(b) Institutions shall seek to use transcript issuance as a tool for debt collection for the fewest number of cases possible.

Subd. 4. Report required.

(a) By April 15, 2022, and April 15, 2023, a school subject to this section must provide the Office of Higher Education a report that includes the following information for the most recently completed academic year:

- (1) the school's current policy on transcript holds due to debt owed to the school and the school's same policy prior to the enactment of this section;
- (2) the number of students who owe a debt of less than \$250 to the school;
- (3) the number of students who owe a debt of more than \$250 to the school;
- (4) the number of students who have had their transcripts withheld for non-payment of a debt;
- (5) the number of students who entered a payment plan after the hold is placed;
- (6) what percentage of funds owed by students are collected; and
- (7) the number of students with debt who were able to obtain transcripts due to this provision, whether the debt was paid, and whether the students whose transcript hold was waived reenrolled. The information under this clause is required only to the extent the office is able to obtain the information.

Reports submitted for the first year should include the most recently completed academic year and the two prior years. The report must also include information on any state, institutional, or federal COVID funds used to pay for transcript holds.

(b) By October 15, 2022, and October 15, 2023, the commissioner shall compile the data submitted under paragraph (a) and report to the legislature as provided in Minnesota Statutes, section 3.195, and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the impact of this section.

Appendix C. Sample Language about Unpaid Balances

Example from the University of Minnesota

Late payment consequences

Financial responsibility

By registering for classes, you entered into a legally-binding contract to pay all tuition and fees, including any non-refundable fees. If your account is in collection status and you cannot pay the balance due in full, please contact Student Account Assistance (612-625-8007) as early as possible so that we can help.

If you do not pay on time

If you are an admitted student and the University does not receive the amount due on your student account by your billing due date, the following will happen:

- You will be charged a late payment fee of \$40.00 for each billing cycle that your bill is not paid.
- We will place a hold on your student record. Holds due to non-payment may have the following consequences:
- Your current registration may be canceled including classes you are already attending.
- You may be prevented from registering in the future, ordering a transcript, and/or being issued your diploma.
- You may be unable to make bookstore charges to your student account.
- You may become ineligible for current or future financial aid.

Pay in full to avoid collections

Your payment in full must be received by the third billing due date (or first billing due date for May/summer term) or your past-due account will be referred to collections.

Find billing and payment due dates on the academic calendar.

If you pay a past due account with a personal check or e-payment, there could be a 15-business day waiting period before transcripts or diplomas will be released or further registration will be allowed.

Registration cancellation policy

According to University policy, you must pay in full all past due balances or your current and/or future registration will be canceled. Your payment must be received, not postmarked, before the current due date to avoid cancellation of classes.

If payment in full is not received by the fourth payment due date (or the second payment due date for May/summer term), your registration for future terms may be canceled.

If your registration is canceled for non-payment, you will not be allowed to register again until payment in full has been posted to your student account. Please be aware that there is no guarantee that the same classes will be available.

Non-degree enrollment late payment policy

If you are a non-degree student, you are required to pay your student account balance in full by the University's first payment date for the current term. If you do not meet this requirement, your registration for the current term may be canceled. If your enrollment is canceled, you must contact One Stop to re-register. Please be aware that there is no guarantee that the same classes will be available.

Collections and fees

Seriously delinquent accounts may be referred to the Minnesota Department of Revenue and/or a collection agency. Any charges incurred from this action will be assessed to you.

You are responsible for any and all fees necessary for the collection of any amount not paid when due. If you fail to pay your account, you will be subject to a late payment fee of \$40.00 each billing cycle.

Past due accounts may be subject to additional charges, including collection fees and collection agency commissions, which can be as high as 40%. Collection could include court action and referral to outside collection agencies. You are responsible for any and all fees necessary for the collection of any amount not paid to the University or contracted Collection Agency.

Any check or e-payment returned by the bank as unpaid will be assessed a \$20.00 returned check charge and could result in your current and/or future registration being canceled.

Call to make a payment arrangement

If your account is in collection status and you cannot pay the balance due in full, please contact Student Account Assistance (612-625-8007) as early as possible so that we can help. The sooner you contact us, the better. We will work with you to set up a payment arrangement. The payment arrangement timeline will be the shortest possible period based on the balance due.

Additional terms

- No penalty for prepayment.
- You can pay more than the monthly amount due or pay your bill in full at any time.
- If you pay more than the monthly amount due without paying your bill in full, it will not lower next month's payment amount. You can pay more at any time, but will still need to pay the amount due each month.

Once you have a payment arrangement with Student Account Assistance, you must make payments as arranged.

Accounts in default

If you make payments for less than the agreed upon amount without prior approval, you will be considered in default of your payment arrangement. Default means that you have stopped making monthly payments on time per your agreement with the University. Missing one payment could result in default. Any fees that were waived will be reinstated. Your account could be sent to an outside collection agency and credit reporting agencies notified of your default status.

<https://onestop.umn.edu/finances/billing-and-payment/late-payment-consequences>

Example State University

Unpaid Balance Hold

Semester Due Date

The Semester Due Date each semester is the 25th business day of the term which requires one of the following:

- Payment in full
- Enrollment in a Nelnet/FACTS payment plan

Past Due Account Balances

Unpaid account balances will be reviewed three weeks after the Semester Due Date. These balances are considered past due. Accounts with remaining balances of \$1,000 or more not covered by a Nelnet/FACTS payment plan will be subject to an Unpaid Balance Hold. The Unpaid Balance Hold prevents future registration transactions, the ability to receive official transcripts, and the ability to receive a diploma. Additionally, a Late Fee will be added to past due accounts. The Unpaid Balance Hold remains in place until the account is paid in full.

Unpaid Balance Holds

Unpaid Balance Holds are recognized system-wide; a hold placed by one college or university within the Minnesota State Colleges and Universities' (MinnState) system will be honored by other Minnesota State colleges and universities.

<https://www.mnsu.edu/university-life/campus-services/campus-hub/bills-payment/unpaid-balance-hold/>

Example 2-Year College

Holds

A hold on your record will prevent you from registering for classes, setting up payment plans or graduating and will prevent Lake Superior College from sending out a transcript for you. No matter what the hold type is, you must contact the office that placed the hold to resolve the issue before you can proceed.

Contact the appropriate office to resolve your hold

Code	Hold Description	Contact
0002	Academic Suspension	Records Office
0006	Assessment Test	Assessment Test Administrator
0010	Incorrect Address	Records Office
0013	Did Not Attend Orientation	Advising
0015	Past Due Balance	Student Payment Office
0031	Unpaid Balance	Student Payment Office
0032	Admissions	Admissions
0073	Write Off	Student Payment Office
0088	Collection Agency Hold	Student Payment Office
0096	Academic Success Plan	Counseling or Student Services Center Reception

Don't let "holds" hold you back!

You can find and add classes to your “plan” in e-services now. When the hold on your account is lifted, return to complete registration. See registration instructions.

<https://www.lsc.edu/current-students/course-info/holds/>

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