



# The Bell Policy Center

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## **Prohibiting Transcript & Diploma Withholding (HB 22-1049)** **Testimony to Senate Education Committee**

Laura Valle Gutierrez, Senior Policy Analyst • March 17, 2022

Members of the education committee, thank you for this opportunity to provide written testimony on behalf of HB-1049. My name is Laura Valle Gutierrez, and I am the senior policy analyst at the Bell Policy Center.

Colorado faces unique challenges to building a robust workforce. We are the 2nd fastest aging state in the nation, which means that helping current adults gain credentials is critical to building up our workforce. Further, by 2050 Latinx Coloradans will make up more than 1 in 3 workers according to data from the state demographers office. And yet, that same group has a postsecondary attainment rate of only [25 percent](#). Reducing barriers to successfully gaining a credential and using that credential to gain a good job is essential for building a robust talent pipeline in our state as, according to the CWDC, 3 in 4 jobs require a postsecondary credential. Passing HB-1049 would help improve equity in our postsecondary education system and strengthen our workforce in two key ways.

First, it helps students complete their education by reducing the prevalence of “[stranded credits](#),” which are postsecondary credits that a student has earned but cannot use due to an outstanding debt. We know that a completed postsecondary credential is one of the best ways to improve economic outcomes. Yet, placing a hold on a student’s transcript, which may limit their ability to transfer or complete a credential, means that small fees are producing a significant barrier to a student’s education.

Second, it helps reduce barriers to gaining employment by enabling students to provide their transcript upon employers’ requests. If a student is unable to pay an outstanding debt, it is likely that it is because they don’t have the ability to do so. It is true that our state needs more mechanisms, such as a small-dollar loan fund, to help people pay nominal, unexpected expenses. It is also true that postsecondary institutions have needed to increasingly rely on student tuition and fees as the state has reduced public investment over time. This is a significant problem that the legislature must address. But an outsized reliance on fees should not prevent institutions from helping students get into the workforce. The clear priority for higher education should be getting more Coloradans into the workforce with relevant credentials, but the practice of transcript withholding due to debt is forcing a false choice.

It is essential to note that this bill itself does not cancel student debts, nor does it prohibit institutions from using other mechanisms to seek debt collection. Thus, institutions will still have the means to recover debts without derailing the career trajectories of students and shouldn’t affect their bottom-line, while helping students be better able to pay back their debts.

Prohibiting transcript and diploma withholding for unpaid fees to institutions is a commonsense way for us to improve equity in our postsecondary education system and our workforce. These students have done the work and need the documentation to earn good jobs. While passing this bill wouldn't preclude the need for increasing funding to our postsecondary education institutions to improve affordability, access, and reducing inequities, it is one easy step towards helping Coloradans gain recognition for the work they've done.

We need to use every tool at our disposal to strengthen our workforce and close equity gaps in our state. Your support for HB22-1049 would help concretely address inequities in our system, at no cost, and help serve all Coloradans better.

Thank you for your consideration,  
Laura