

MARYLAND HIGHER EDUCATION COMMISSION

MEETING BOOKLET

Time: 1:00 PM
April 26, 2017

Place: Maryland Higher Education Commission
7th Floor Board Room
6 N. Liberty Street
Baltimore, MD 21201

Maryland Higher Education Commission

Anwer Hasan, Chairman

Sandra L. Jimenez, Vice-Chair

Vivian S. Boyd

John Holaday

Vera R. Jackson

Russell V. Kelley

Peri J. Kelsey, Student Commissioner

Ian MacFarlane

Donna M. Mitchell

Joel Packer

Rizwan A. Siddiqi

John W. Yaeger

James D. Fielder, Jr., Ph.D.
Secretary

Lawrence J. Hogan, Jr.
Governor

Boyd K. Rutherford
Lt. Governor



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Larry Hogan
 Governor

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 Lt. Governor

Anwer Hasan
 Chairperson

James D. Fielder, Jr., Ph. D.
 Secretary

**Maryland Higher Education Commission
 Meeting Agenda**

TIME: 1:00 p.m.-4:00 p.m.
 Wednesday
 April 26, 2017

PLACE: Maryland Higher Education Commission
 6 N. Liberty Street, 7th FL BR
 Baltimore, MD 21201

	Page	Action Item
Call to Order		
Commission Minutes Approval	1	*
• March 22, 2017		
Chairman’s and Secretary’s Remarks		
Faculty Advisory Council		
Student Advisory Council		
Commissioner Committee Updates		
Department of Finance and Administration – Geoff Newman		
• FY 2018 State Higher Education Operating Budget.....	7	
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• Proposed Adoption on Regulations		
o Student Loan Debt Relief Tax Credit under 13B.08.17.....	21	*
Department of Academic Affairs- Emily Dow		
• General Academic Affairs Update		
• Proposed Adoption on Regulations		
o For-profit Institutions under COMAR 13B.02.05	27	*
Adjournment		

Maryland Higher Education Commission

Regular Session
Meeting Minutes

March 22, 2017
1:00 p.m.

The Maryland Higher Education Commission (MHEC) met on Wednesday, March 22, 2017 at 6 N. Liberty Street, 7th Floor Board Room, Baltimore, MD 21201.

Commission members present:

Anwer Hasan, Chairman	Vivian S. Boyd, Ph.D.
John W. Holaday, Ph.D. (Phone- Arrived 1:35)	Russell V. Kelley, Ph.D. (Arrive 1:36 p.m.)
Peri Kelsey (Phone)	Joel C. Packer
Rizwan A. Siddiqi	John W. Yaeger, Ed.D

Commission members not present:

Sandra L. Jimenez, Vice Chairperson	Vera Jackson
Ian D. MacFarlane	Donna M. Mitchell

Staff members present:

James D. Fielder, Jr. Ph.D.	Dr. Emily Dow
Christine Wellons	Mark Blom
Donna Thomas	Monica Wheatley
Michael Kiphart	Glenda Abney
Maria Torres	

Call to Order

The meeting was called to order by **Chairman Hasan** at approximately 1:09 p.m. A meeting quorum was established at 1:36 p.m. with eight out of twelve members present.

Chairman’s Remarks

Chairman Hasan recognized **Commissioner DeMattos** for his service to the Commission. **Chairman Hasan** commended **Commissioner DeMattos** for his 5 years of service and his contributions during his term. **Chairman Hasan** welcomed Vera

Jackson to the Commission and congratulated **Commissioner Yaeger** for being reappointed to the Commission for another term.

Secretary's Remarks

Secretary Fielder thanked **Commissioner DeMattos** for his contribution to the Commission during his term. **Secretary Fielder** reported the legislative session is in its final weeks. Staff will continue to monitor legislative proceedings until the end of session.

Student Advisory Council- Information Item

Secretary Fielder recognized Ms. Glenda Abney. Ms. Abney introduced Henri Guimiot, Chair. Mr. Guimiot provided the Commission an update on the Student Advisory Council and provided the Commission with future plans to increase the effectiveness of the Council.

Faculty Advisory Council – Information Item

Chairman Hasan recognized Dr. Emily Dow. Dr. Dow reported the Faculty Advisory Council chair will provide an update at the next commission meeting.

Office of the Secretary – Commission Committee Updates –Information Item

Chairman Hasan requested brief updates from the commission committees. Committee members provided brief updates.

Outreach, Grants, and Financial Assistance: Commissioner Packer reported there were no new updates since last meeting. **Commissioner Packer** recognized Dr. Maria Torres for information on an upcoming campaign launch. Dr. Torres reported there would be an outreach campaign launch on Monday in the Governor's Reception Room. Dr. Torres further reported the Lt. Governor will be attending and invitations would be forthcoming.

Finance and Operations Committee: Commission Siddiqi reported there are no updates since the last meeting.

Program Review Committee: Commissioner Yaeger reported they are scheduled to meet next month. That meeting will focus on program approvals for veterans. **Commissioner Yaeger** further reported the committee will need to select a new committee chair.

Approval of Minutes – Action Item

There was a motion by **Commissioner Packer** and a second by **Commissioner Yaeger** for approval of the February 13, 2017 meeting minutes. The motion was approved unanimously.

Department of Finance and Administration – Final Adoption on Regulations – Fee Waivers for Victims of Human Trafficking under COMAR 13B.07.02.07– Action Item

Chairman Hasan recognized Christine M.H. Wellons. Ms. Wellons reported that the Commission already approved the publication of the proposed regulations. Ms. Wellons further reported there were no public comments received. The proposed regulations would permit boards of community colleges to exempt certain victims of human trafficking from paying out-of-county fees to the colleges.

Chairman Hasan motioned that the Commission approves for final adoption and publication in the Maryland Register the attached regulations regarding fee waivers for victims of human trafficking, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

Commissioner Boyd seconded the motion. The motion was approved unanimously.

Department of Academic Affairs – Final Adoption on Regulations – Religious Institutions under COMAR 13B.02.04.02– Action Item

Chairman Hasan recognized Dr. Emily Dow. Dr. Dow reported that the Commission already approved the publication of the proposed regulations. Dr. Dow further reported there were no public comments received. The proposed regulation would implement statutory changes passed in 2016 changing the criteria that a religious educational institution must meet to obtain an exemption from the requirement to obtain a certificate of approval (COA) from the Commission. Dr. Dow further reported the amendments would no longer restrict religious institutions from offering general education coursework.

Commissioner Yaeger motioned that the Commission approves for final adoption and publication in the Maryland Register the attached regulations regarding religious institutions, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Boyd** seconded the motion. The motion was approved unanimously.

Department of Academic Affairs – Final Adoption on Regulations – Transfer and Reverse Transfer of Credit under COMAR 13B.06.01.02, .02-1, .04--.08 – Action Item

Chairman Hasan recognized Dr. Emily Dow. Dr. Dow reported that the Commission already approved the publication of the proposed regulations. Dr. Dow further reported there were no public comments received. The proposed regulations reflect the following revisions:

- Transfer of either an Associate's Degree or 60 credits earned towards a degree at a community college to a public 4-year institution, as noted in the CCRCCA
- Reverse transfer definition, student eligibility, and process, as noted in the STAC report to the General Assembly
- Expanded and clarified definitions
- General and organizational edits to the current regulations for readability

Commissioner Siddiqi motioned that the Commission approves for final adoption and publication in the Maryland Register the attached regulations regarding transfer and reverse transfer, and authorizes MHEC's attorneys to approve non-substantive revisions

as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Yaeger** seconded the motion. The motion was approved unanimously.

Office of Student Financial Assistance – Proposed Adoption on Regulations- Maryland Dent-Care Loan Assistance Repayment Program under COMAR 13B.08.09; Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants under COMAR 13B.08.16; and the Workforce Shortage Student Assistance Grant Program under COMAR 13B.08.14– Action Item

Chairman Hasan recognized Donna Thomas. Ms. Thomas reported that the proposed regulations regarding the Maryland Dent-Care Loan Assistance Repayment Program; Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants; and the Workforce Shortage Student Assistance Grant Program is part of the Office of Student Financial Assistance (OSFA) ongoing process to convert all program guidelines into regulations.

Commissioner Packer motioned that the Commission approve for publication and public comment the attached proposed regulations for the Maryland Dent-Care Loan Assistance Repayment Program; Maryland Loan Assistance Repayment Program for Physicians and Physician Assistants; and the Workforce Shortage Student Assistance Grant Program, and authorizes MHEC’s attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Boyd** seconded the motion. The motion was approved unanimously.

Office of Student Financial Assistance – Final Adoption on Regulations- Edward T. and Mary A. Conroy Memoria Scholarship Program and Jean B. Cryor Memorial Scholarship under COMAR 13B.08.13- Action Item

Chairman Hasan recognized Ms. Donna Thomas. Ms. Thomas reported that the Commission previously approved the publication of proposed regulations 13B.08.13 to implement the Edward T. and Mary A. Conroy Memorial Scholarship Program and Jean B. Cryor Memorial Scholarship Program. Ms. Thomas further reported there were no public comments received. The proposed regulations regarding the Edward T. and Mary A. Conroy Memorial Scholarship Program and Jean B. Cryor Memorial Scholarship Program is part of the Office of Student Financial Assistance (OSFA) ongoing process to convert all program guidelines into regulations.

Commissioner Yaeger motioned that the Commission approves for final adoption and publication in the Maryland Register the attached regulations regarding the Edward T. and Mary A. Conroy Memorial Scholarship Program and Jean B. Cryor Memorial Scholarship Program, and authorizes MHEC’s attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents. **Commissioner Siddiqi** seconded the motion. The motion was approved unanimously.

State Plan Update- Information Item

Secretary Fielder provided the commission an update on the State Plan progress. **Secretary Fielder** reported a meeting is planned within the next 30 days for the three writing groups to come together and report on the progress of the individual groups. Dr. Dow added the plan is to have a final draft of the State Plan by June 1st for commission review and input.

Adjournment

The meeting adjourned at approximately 2:10 p.m.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairman

James D. Fielder, Jr., Ph.D.
Secretary

MEMORANDUM

DATE: April 26, 2017
TO: Maryland Higher Education Commission
STAFF: Geoffrey Newman
SUBJECT: Fiscal 2018 State Higher Education Operating Budget

Fiscal 2015 Operating Budget Overview

The appropriations for State funds to higher education provide a total of \$2.0 billion in fiscal 2018 State support, an increase of \$39.7 million, or 2.0 percent from the fiscal 2017 appropriation. Tables 1 through 5 provide detail of how this funding is allocated.

The University System of Maryland

The University System of Maryland (USM) receives a total appropriation of \$1.36 billion, an increase of \$19.2 million, or 1.4 percent. Table 1 provides detail for the University System of Maryland.

Morgan State University

The fiscal 2018 appropriation for Morgan State University is \$93.8 million, or 1.3 million, or 2.4 percent, greater than the fiscal 2017 appropriation. Table 1 also provides detail for the Morgan State University funds.

St. Mary's College of Maryland

Fiscal 2018 State funding for St. Mary's College is \$25.0 million. (Table 1)

Aid to the Independent Institutions

The fiscal 2018 appropriation is \$51 million, or a \$4.2 million increase over the fiscal 2017 appropriation. Detail for the Sellinger funds is provided in Table 2.

Baltimore City Community College

The fiscal 2018 appropriation for Baltimore City Community College (BCCC) is \$40.0 million. (Table 1)

Community Colleges

State funding for local community colleges in fiscal 2018 totals \$319.6 million, \$5.2 million, or 1.8 percent, higher than funding provided in fiscal 2017. Funding provided through the John A. Cade Aid to Community Colleges program is \$235.2 million.

The community colleges received \$4 million outside the Cade Aid formula to help maintain maximum increases in in-county tuition to 2 percent. All colleges maintaining an increase in their in-county tuition levels qualify for a share of the funds based upon their proportionate share level of Cade eligible FTE enrollments.

Maryland Higher Education Commission

General Administration

The fiscal 2018 appropriation provides \$5.6 million, or relatively level funding, for the agency operating budget.

Grants

State funds in the fiscal 2018 appropriation for the Commission's Educational Grants programs within total \$14.4 million and includes \$5.3 million for the Maryland 529 Plans; our State college savings plan programs. Detail is provided in Table 4.

Financial Aid

State fund appropriations for fiscal 2018 provide \$108.1 million in State funds for financial aid programs. The breakout of these funds is provided in Table 5.

Recommendation: This item is for information only.

**Table 1. Maryland Higher Education
State Funds: FY 2016 - 2018**

Program	FY 2016		FY 2017		FY 2018
	Actual	Appropriation	Appropriation	Appropriation	Legislative Appropriation
Bowie State University	\$ 41,525,890	\$ 43,931,255	\$	\$	44,325,797
Coppin State University	44,755,130	46,672,062			46,852,457
Frostburg State University	38,470,741	41,497,121			42,161,189
Salisbury University	47,533,057	51,857,269			55,165,785
Towson University	107,050,342	118,599,060			120,848,875
University of Baltimore	34,639,444	37,517,677			37,717,981
UM, Baltimore	215,405,339	227,354,952			234,662,223
UM Baltimore County	111,151,119	118,852,967			123,952,324
UM Center for Environmental Science	22,353,347	23,114,037			22,830,863
UM, College Park	480,925,509	521,030,633			523,524,915
UM Eastern Shore	38,083,911	40,636,604			40,730,771
UM University College	38,596,667	41,913,868			43,609,827
USM Office	23,567,555	31,129,479			26,926,136
USM Total	\$ 1,244,058,051	\$ 1,344,106,984	\$	\$	1,363,309,143
St. Mary's College of Maryland	\$ 23,504,174	\$ 25,159,549			24,964,954
Morgan State University	86,134,601	92,551,602			93,836,292
Baltimore City Community College	40,775,643	40,814,442			40,002,171
Public Total	\$ 1,394,472,469	\$ 1,502,632,577	\$	\$	1,522,112,560
Maryland Higher Education Commission					
Administration	\$ 5,218,737	\$ 5,375,779			5,572,435
Grants	8,510,250	8,754,012			14,391,767
Student Financial Assistance	101,089,172	103,143,000			108,080,338
Aid to Community Colleges	296,129,133	314,335,016			319,553,230
Aid to Independents	42,822,240	46,817,334			51,000,000
MHEC Total	\$ 453,769,532	\$ 478,425,141	\$	\$	498,597,770
Higher Education Total	\$ 1,848,242,001	\$ 1,981,057,718	\$	\$	2,020,710,330

Notes:
Appropriations include Higher Education Investment Funds
Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 2. Joseph A. Sellinger Program of State Aid to Non-Public Institutions
FY 2016 - 2018**

Eligible Institutions	FY 2016		FY 2017		FY 2018	
	Fall 2014 FTEs	Actual	Fall 2015 FTEs	Appropriation	Fall 2016 FTEs	Legislative Appropriation
Capitol Technology University	489.40	\$ 486,875	492.13	\$ 532,965	492.13	\$ 578,886
Goucher College	1,741.33	1,732,344	1,741.73	1,890,858	1,751.20	2,059,912
Hood College	1,635.17	1,626,732	1,552.67	1,726,825	1,470.20	1,729,376
Johns Hopkins University	19,411.93	19,311,755	20,184.13	21,530,502	20,551.60	24,174,555
Loyola University Maryland	5,130.47	5,103,994	5,104.60	5,555,109	5,145.17	6,052,190
Maryland Institute College of Art	2,227.07	2,215,577	2,154.33	2,375,213	2,066.97	2,431,347
McDaniel College	2,318.00	2,306,038	2,211.90	2,454,313	2,098.43	2,468,353
Mount St. Mary's University	1,918.50	1,908,600	1,916.97	2,082,082	1,832.10	2,155,073
Notre Dame of Maryland University	1,496.73	1,489,006	1,411.63	1,574,986	1,346.27	1,583,599
St. John's College	562.40	559,498	533.80	593,791	569.27	669,624
Stevenson University	3,782.50	3,762,980	3,691.83	4,053,449	3,603.67	4,238,946
Washington Adventist University	758.60	754,685	762.00	825,638	821.47	966,283
Washington College	1,572.27	1,564,156	1,427.00	1,621,603	1,608.33	1,891,856
TOTAL	43,044.37	\$ 42,822,240	43,184.72	\$ 46,817,334	43,356.81	\$ 51,000,000
GRANT PER FTE		\$ 994.84		\$ 1,084		\$ 1,176

Notes:

Appropriations include Higher Education Investment Funds

Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 3. Maryland Higher Education Commission
Aid to Community Colleges: FY 2016 - 2018**

	FY 2016	FY 2017	FY 2018 Legislative
	Appropriation	Appropriation	Appropriation
Formula Aid:			
Allegany College	\$ 4,850,443	\$ 4,850,658	\$ 4,855,584
Anne Arundel Community College	28,715,483	28,800,003	28,800,003
Community College of Baltimore County	38,637,669	40,413,996	40,413,996
Carroll Community College	7,345,653	7,612,538	7,612,538
Cecil Community College	5,108,064	5,244,580	5,244,580
College of Southern Maryland	13,017,885	13,805,709	13,805,709
Chesapeake College	6,142,473	6,142,473	6,142,473
Frederick Community College	8,975,284	9,643,621	9,848,194
Garrett College	2,561,002	2,734,062	2,767,275
Hagerstown Community College	7,620,412	8,128,628	8,128,628
Harford Community College	10,865,634	11,475,320	11,475,320
Howard Community College	15,723,055	17,411,556	17,661,176
Montgomery College	40,000,786	42,264,375	42,511,578
Prince George's Community College	26,072,537	28,500,296	28,500,296
Wor-Wic Community College	7,108,241	7,347,375	7,387,391
Total Cade Funding Formula Aid	\$ 222,744,620	\$ 234,375,190	\$ 235,154,741
Grants:			
Small Community College/Appalachian Grants	\$ 4,599,774	\$ 4,678,377	\$ 4,705,898
Statewide and Health Manpower	6,000,000	6,000,000	6,000,000
Garrett/WVa Reciprocity Grant	66,540	56,945	48,909
ESOL Grants	5,624,762	5,523,778	5,500,075
Somerset Grant	355,157	369,053	355,583
Keeping Maryland Community Colleges Affordable	-	-	4,000,000
Total Grants	\$ 16,646,233	\$ 16,628,153	\$ 20,610,465
Subtotal Cade and Grants	\$ 239,390,853	\$ 251,003,343	\$ 255,765,206
Fringe Benefits:			
Optional Retirement	14,730,000	16,873,000	17,328,000
Teachers Retirement	42,008,280	46,458,673	46,163,619
Total Fringe Benefits	\$ 56,738,280	\$ 63,331,673	\$ 63,491,619
Total State Aid	\$ 296,129,133	\$ 314,335,016	\$ 319,256,825

Notes:

Appropriations include Higher Education Investment Funds
Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services

Table 4. Maryland Higher Education Commission
Educational Grants - All Funds: FY 2016 - 2018

Program	Program Description	FY 2016	FY 2017	FY 2018
		Appropriation	Appropriation	Legislative Appropriation
10007	<i>Educational Grants</i>			
	Complete College Maryland	\$ 250,000	\$ 250,000	\$ 250,000
	Complete College America Grant	-	-	500,000
	Credit When It's Due	-	-	-
	Improving Teacher Quality	1,000,000	975,000	-
	Henry C. Welcome Grants	-	-	-
	Diversity Grants	-	-	-
	HBCU Enhancement Fund	4,900,000	4,900,000	4,900,000
	Doctoral Scholars Program	-	-	-
	Washington Center for Internships & Academic Seminars	175,000	175,000	175,000
	Interstate Educational Compacts in Optometry	-	-	-
	Regional Higher Education Centers	2,150,000	2,150,000	2,412,047
	UMBI, Maryland - Israeli Partnership	-	-	-
	Higher Education Heritage Action Committee (IMPART)	-	-	-
	UMB - Wellmobile	285,250	285,000	285,000
	Aging Studies at UMBC	-	-	-
	Academy of Leadership	-	-	-
	Maryland Go for It! Outreach	-	-	-
	First-Year Experience Program	-	-	-
	Community College Learning Disabilities Initiative	-	-	-
	Maryland Industrial Partnerships	-	-	-
	Professional Development Schools	-	-	-
	Harry Hughes Center for Agro-Ecology	-	-	-
	Higher Education Investment Fund Workforce Initiatives	-	-	-
	College Access Challenge Grant Program	1,200,000	1,000,000	500,000
	John R. Justice Grant	30,000	25,000	30,000
	Miscellaneous Adjustment	-	-	-
	St. Mary's College of Maryland Grant	-	1,133,000	-
	Frederick CREST Center	-	244,012	-
	Maryland 529 Plan Match	-	-	5,000,000
	Maryland 529 Plan Match Administrative	-	-	100,000
	Maryland 529 Achieving a Better Life Experience	-	-	194,500
	Program 7 Total	\$ 9,990,250	\$ 11,137,012	\$ 9,052,047
	General Funds	7,760,250	9,137,012	13,316,547
	Special Funds	-	-	-
	Federal Funds	2,230,000	2,000,000	1,030,000
	Reimbursable Funds	-	-	-
	Program 7 Total	\$ 9,990,250	\$ 11,137,012	\$ 14,346,547
	<i>Other</i>			
	Early Intervention/College Preparation Grants	750,000	750,000	750,000
	Nurse Support Program II	6,521,590	18,741,171	20,165,830
	Health Personnel Shortage Incentive Grant Program	750,000	750,000	750,000
	Maryland Higher Education Outreach and College Access Pilot Program	-	-	250,000
	Programs 2, 38, 39 and 43 Total	\$ 8,021,590	\$ 20,241,171	\$ 21,915,830
	General Funds	8,510,250	9,887,012	14,391,767
	Special Funds	7,271,590	19,491,171	20,086,045
	Federal Funds	2,230,000	2,000,000	1,784,565
	Reimbursable Funds	-	-	-
	All Total	\$ 18,011,840	\$ 31,378,183	\$ 36,262,377

Notes:
Appropriations include Higher Education Investment Funds
Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services

**Table 5. Maryland Higher Education Commission
Student Financial Assistance - All Funds: FY 2016 - 2018**

Scholarship Program	FY 2016		FY 2017		FY 2018	
	Appropriation	Appropriation	Appropriation	Appropriation	Legislative Appropriation	Appropriation
2+2 Transfer Scholarship	\$ 200,000	\$ 400,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ 200,000
Educational Excellence Awards *	78,345,525	80,011,525	78,345,525	80,011,525	82,764,420	82,764,420
Senatorial	6,486,000	6,486,000	6,486,000	6,486,000	6,486,000	6,486,000
Edward T. Conroy	570,474	570,474	570,474	570,474	570,474	570,474
Delegate	5,906,250	6,319,000	5,906,250	6,319,000	6,466,865	6,466,865
Charles W. Riley Fire Rescue Tuition Reimbursement	358,000	358,000	358,000	358,000	358,000	358,000
Graduate and Professional Scholarship	1,174,473	1,174,473	1,174,473	1,174,473	1,174,473	1,174,473
Distinguished Scholar	-	-	-	-	771,000	771,000
Tolbert Memorial Grant	200,000	200,000	200,000	200,000	200,000	200,000
HOPE Scholarships ¹	-	-	-	-	-	-
Distinguished Scholar Teacher ²	-	-	-	-	-	-
Janet L. Hoffman Loan Assistance Repayment Pgm ¹	1,388,895	1,388,895	1,388,895	1,388,895	1,380,000	1,380,000
MLARP for Foster Care Recipients	-	-	-	-	100,000	100,000
MLARP for Physicians and Physician Assistants	1,432,282	1,032,282	1,432,282	1,032,282	1,032,282	1,032,282
Child Care Providers ²	-	-	-	-	-	-
Developmental Disabilities and Mental Health ²	-	-	-	-	-	-
Part-Time Grants	5,087,780	5,087,780	5,087,780	5,087,780	6,753,062	6,753,062
William Donald Schaefer Scholarship ²	-	-	-	-	-	-
Workforce Shortage Assistance Grants	1,254,775	1,229,853	1,254,775	1,229,853	1,229,853	1,229,853
Veterans of the Afghanistan and Iraq Conflicts	750,000	750,000	750,000	750,000	2,415,282	2,415,282
Programs Total	\$ 103,154,454	\$ 105,008,282	\$ 103,154,454	\$ 105,008,282	\$ 113,076,184	\$ 113,076,184
General Funds	\$ 101,089,172	\$ 103,143,000	\$ 101,089,172	\$ 103,143,000	\$ 108,080,338	\$ 108,080,338
Special Funds	1,665,282	1,865,282	1,665,282	1,865,282	4,995,846	4,995,846
Federal Funds	-	-	-	-	-	-
Reimbursable Funds	400,000	-	400,000	-	-	-
Funds Total	\$ 103,154,454	\$ 105,008,282	\$ 103,154,454	\$ 105,008,282	\$ 113,076,184	\$ 113,076,184

Notes:
Appropriations include Higher Education Investment Funds
Fiscal 2018 Budget Bill; Department of Budget and Management; Department of Legislative Services



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph.D.
Secretary

MEMORANDUM

DATE: April 26, 2017
TO: Maryland Higher Education Commission
STAFF: Geoffrey Newman
SUBJECT: FY 2018 State Higher Education Capital Budget

SUMMARY: The Maryland Capital Budget for fiscal 2018 authorizes \$356.1 million in General Obligation (GO) Bonds for higher education capital projects. Tables 1 through 4 provide a summary of capital projects authorized.

University System of Maryland

The fiscal 2018 authorization for the University System of Maryland (USM) is \$ 268.7 million. The capital authorization provides funding for 17 projects at 8 institutions. These projects are listed in Table 2.

Morgan State University

Morgan State University's fiscal 2018 capital budget authorization totals \$10.4 million and provides funding for 2 projects, as listed in Table 2.

St. Mary's College of Maryland

St. Mary's College of Maryland receives a fiscal 2018 capital budget authorization of \$9.8 a new academic building and auditorium and for campus infrastructure improvements.

Maryland Independent Colleges and Universities Capital Funding

The Maryland Independent College and University Association (MICUA) receives a fiscal 2018 capital grant authorization of \$9.7 million on behalf of three of its member institutions, as follows and as shown in Table 3:

Goucher College receives \$4 million for an addition to the Science Building.

McDaniel College receives \$3 million for renovations to the Gill Physical Education Learning Center.

St. John's College receives \$2.7 million for a renovation to McDowell Hall.

Baltimore City Community College

BCCC has no capital projects funded in the fiscal 2018 authorization..

Maryland Higher Education Commission Community College Facilities Grant Program

The authorization for the Community College Facilities Grant Program is 57.6 million in fiscal 2018. It includes 17 projects at 10 institutions. The detail of the funding by project is provided in Table 2.

RECOMMENDATION: This item is for informational purposes only.

**Table 1. Maryland Higher Education Commission
Summary of the FY 2018 Higher Education Capital Budget**

Institution	State GO Funds
Bowie State University	-
Coppin State University	\$ 1,336,000
Frostburg State University	1,000,000
Salisbury University	-
Towson University	23,300,000
University of Baltimore	3,750,000
University of Maryland, Baltimore	6,490,000
University of Maryland, Baltimore County	40,249,000
University of Maryland Center for Environmental Science	-
University of Maryland, College Park	100,872,000
University of Maryland Eastern Shore	3,048,000
University System of Maryland Office & USG	88,651,000
	USM Subtotal \$ 268,696,000
Morgan State University	10,360,000
St. Mary's College of Maryland	9,832,000
Independent Institutions (MICUA)	9,700,000
	4-Year Subtotal \$ 298,588,000
Baltimore City Community College	-
Community Colleges	57,552,000
	2-Year Subtotal \$ 57,552,000
Southern Maryland Higher Education Center (See USMO Bldg III)	-
Regional Higher Ed Center Subtotal \$	-
Higher Education Total GO Bond Request	\$ 356,140,000

Source: Maryland Consolidated Capital Bond Loan of 2017

**Table 2. Maryland Higher Education Commission
Public Four-Year Colleges and Universities - Capital Budget Authorizations: FY 2018**

Institution	Project	Phase	June 30, 2016 Request	MHEC Recommendation	FY 2018 Authorization	CBIS Total Estimated Cost
Bowie State University						
	Bowie Total		-	-	-	-
Coppin State University	Renovate Julian Science, Sehl of Mgmt Sci & Econ Coppin Total	P	1,300,000 1,300,000	1,300,000 1,300,000	1,336,000 1,336,000	41,381,000 41,381,000
Frostburg State University	Education Professions & Hlth Sciences Ctr Frostburg State Total	P	3,400,000 3,400,000	3,400,000 3,400,000	1,000,000 1,000,000	85,795,000 85,795,000
Salisbury University						
	Salisbury Total		-	-	-	-
Towson University	New Science Facility Practice Field Improvements	PC PC	36,000,000 36,000,000	36,000,000 36,000,000	23,000,000 23,300,000	183,819,000 183,819,000
University of Baltimore	Renovate Langsdale Library UB Total	CE	3,750,000 3,750,000	3,750,000 3,750,000	3,750,000 3,750,000	23,825,000 23,825,000
University of Maryland, Baltimore	New Health Sciences Research Facility III Central Electric Substation and Redundancy UMB Total	CE P	3,600,000 2,890,000 6,490,000	3,600,000 2,890,000 6,490,000	3,600,000 2,890,000 6,490,000	305,392,000 79,412,000 384,804,000
University of Maryland, Baltimore County	New Interdisciplinary Life Sciences Building UMBC Total	CE	60,000,000 60,000,000	60,000,000 60,000,000	40,249,000 40,249,000	125,688,000 125,688,000
University of Maryland Center for Environmental Science	Chesapeake Analytics Collaborative Building UMCES Total	P	1,071,000 1,071,000	1,071,000 1,071,000	- -	15,075,000 15,075,000
University of Maryland, College Park	New Brendan Irbe Ctr for Comp. Science & Innovation New School of Public Policy New Cole Field House (New/Rem Human Perf & Academic New James Clark Bioengineering Bldg. Campuswide Bldg System & Infra. Improvements UMCP Total	CE PC PCE CE C	67,550,000 3,000,000 12,185,000 25,452,000 10,000,000 118,187,000	67,550,000 3,000,000 12,185,000 25,452,000 10,000,000 118,187,000	63,650,000 3,000,000 8,770,000 25,452,000 -	142,550,000 45,000,000 155,000,000 168,475,000 135,000,000 646,025,000
University of Maryland Eastern Shore	New School of Pharmacy & Health Professions UMES Total	P	3,600,000 3,600,000	3,600,000 3,600,000	3,048,000 3,048,000	85,500,000 85,500,000
University System of Maryland Office	Capital Facilities Renewal Program USG - New Biomedical Sciences Education Facility Southern Maryland RHEC, New Academic Building III USMO Total	C PCE	88,000,000 88,000,000	88,000,000 88,000,000	88,651,000 88,651,000	122,672,000 163,648,000
Total USM Request - GO Bonds			\$ 321,798,000	\$ 321,798,000	\$ 268,696,000	\$ 1,878,232,000
Morgan State University	New Behavioral & Social Sciences Ctr (P) New Student Services Support Building New Hlth & Human Svcs Bldg; Demo; Turner Armory Pha West Campus Site Improvements MSU Total	CE PC P P	2,800,000 15,000,000 379,000 479,000 18,658,000	2,800,000 15,000,000 379,000 479,000 18,658,000	2,105,000 8,255,000 -	79,400,000 81,000,000 4,400,000 4,600,000 169,400,000
St. Mary's College of Maryland	New Academic Building & Auditorium Campus Infrastructure Improvements - Phase I SMCM Total	PCE PC	10,600,000 2,400,000 13,000,000	10,600,000 2,400,000 13,000,000	9,832,000 -	75,700,000 15,400,000 91,100,000

Source: Maryland Consolidated Capital Bond Loan of 2017

**Table 3. Maryland Higher Education Commission
2018 Capital Budget Appropriation & FY 2019-2020 Preauthorizations**

	Community College	Project	FY 2018 Appropriation	FY 2019 Preauthorization	FY 2020 Preauthorization
*	Community College of Baltimore County	Essex Health Careers & Tech. Bldg.	\$ 5,000,000	\$ 9,300,000	\$ 9,100,000
*	Montgomery College	Rockville Student Center	8,870,000	9,897,000	-
1	Prince George's Community College	Queen Anne	12,313,000	9,000,000	-
2	Allegany College of Maryland	Technology Building Upgrade	2,487,000	-	-
3	Howard Community College	N and ST Renovations	9,592,000	9,560,000	-
4	Hagerstown Community College	Smart House	1,088,000	-	-
5	Frederick Community College	Monroe Center	1,787,000	-	-
6	Anne Arundel Community College	Health Professionals Building	6,843,000	-	-
7	Chesapeake College	Chiller and Roof Replacement	646,000	-	-
8	Montgomery College	Math and Science Center	3,397,000	2,097,000	-
9	Community College of Baltimore County	Wellness Center Reno.	230,000	-	-
10	College of Southern Maryland	Health Science Center	1,671,000	-	-
11	Montgomery College	Germantown Science	2,456,000	-	-
12	Harford Community College	Fallston Hall	309,000	-	-
13	Hagerstown Community College	Student Center Parking Lot	448,000	-	-
14	Community College of Baltimore County	Multi-Roof Replacement	350,000	-	-
15	Prince George's Community College	Marlboro Hall	2,065,000	2,065,000	-
	MHEC	Program Balance	\$ (2,000,000)	\$ -	\$ -
	Total		\$ 57,552,000	\$ 41,919,000	\$ 9,100,000

Source: Maryland Consolidated Capital Bond Loan of 2017

**Table 4. Maryland Higher Education Commission
MICUA Capital Grant: FY 2018**

Institution	Project	Requested Funding	Total Estimated Cost
Goucher College	Science Building Addition	\$ 4,000,000	\$ 27,400,000
McDaniel College	Gill Physical Education Learning Center Renovations	3,000,000	6,600,000
St. John's College	McDowell Hall Renovation	\$ 2,700,000	\$ 5,900,000
Total		\$ 9,700,000	\$ 39,900,000

Source: Maryland Consolidated Capital Bond Loan of 2017



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

MEMORANDUM

DATE: April 26, 2017

TO: Maryland Higher Education Commission

FROM: Geoffrey Newman
Assistant Secretary for Finance and Administration

SUBJECT: Proposed Regulations–Student Loan Debt Relief Tax Credit

SUMMARY: The purpose of this memorandum is to request approval to publish for comment program regulations for the Student Loan Debt Relief Tax Credit within the regulations for financial aid programs in the Office of Student Financial Assistance (OSFA).

The Commission was charged with developing the Student Loan Debt Relief Tax Credit program under the College Affordability Act of 2016, Chapter 690, and 2016 Laws of Maryland.

These regulations are necessary for MHEC to administer a Tax Credit Program whereby qualified Maryland taxpayers will be able to receive a tax credit of \$5,000. MHEC will be able to issue credits to qualified taxpayers totaling \$5,000,000 annually.

To qualify for the credit, qualified taxpayers must have incurred at least \$20,000 in undergraduate student loan debt and have at least \$5,000 in outstanding undergraduate student loan debt when submitting an application.

Qualified taxpayers will be able to claim a credit against the state income tax for the taxable year in which MHEC certifies a tax credit. Individuals will be required to submit applications to MHEC by September 15 of each year.

Each applicant must submit with the application an assurance that the individual will use any credit claimed and awarded for the repayment of the individual's undergraduate student loan debt within 2 years of receiving the credit. If this requirement is not met, the total amount of the credit claimed under this section will be recaptured through repayment by the credit recipient.

To be eligible to receive the credits, the criteria to prioritize tax credit recipients and amounts of awards for qualified taxpayers include the following: the qualified taxpayer graduated from an institution of higher education located in the state; the qualified taxpayer did not receive a tax credit in a prior year; the qualified taxpayer was eligible for in-state tuition; or the qualified taxpayer's student debt to income ratio.

If approved for publication by the Commission, these regulations will be formatted and submitted to the Administrative, Executive and Legislative Review (AELR) Committee for review for at least fifteen (15) days before they are submitted to the Maryland Register for publication. The regulations will undergo a thirty day comment period and will return to the Commission for amendment or final adoption at the June 28, 2017 Commission meeting.

RECOMMENDATION: It is recommended that the Maryland Higher Education Commission approve for publication and public comment the attached proposed regulations for the Student Loan Debt Relief Tax Credit, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

Title 13B

MARYLAND HIGHER EDUCATION COMMISSION

Subtitle 08 FINANCIAL AID

Chapter 17 Student Loan Debt Relief Tax Credit

Authority: Education Article, §§10-737 and 11-105(u); Annotated Code of Maryland

.01 Purpose.

The purpose of the Student Loan Debt Relief Tax Credit is to assist students who have incurred a certain amount of loan debt in attending undergraduate school by providing a tax credit on their Maryland State income tax.

.02 DEFINITIONS.

- A. In this Chapter, the following terms have the meaning indicated.
- B. "Commission" means the Maryland Higher Education Commission.
- C. "Comptroller" means the Comptroller of Maryland.
- D. "Debt burden" means the monthly amount a qualified taxpayer is currently obligated to pay for student loan debt.
- E. "Income" means the adjusted gross income reported by a qualified taxpayer on their federal tax return in the tax year immediately preceding the year the taxpayer applies for a Student Loan Debt Relief Tax Credit.
- F. "Lender" means an entity, institution, or government that lends funds to a student, or on behalf of a student, to pay for charges for tuition or fees. "Lender" shall be limited to:
 - (a) A bank, mutual savings bank, savings and loan association, or credit union that is subject to examination and supervision in its capacity as a lender by an agency of the United States or of the state in which its principal place of operation is located;
 - (b) A pension fund that is subject to examination and supervision by an agency of the United States or a state;
 - (c) An insurance company that is subject to examination and supervision by an agency of the United States or a state;
 - (d) In any state, a single agency of the state or a single private nonprofit agency designated by the state to lend funds to a student or manage student loan debt;
 - (e) For purposes of purchasing and holding loans made by other lenders, a student loan marketing association or an agency of any state or the federal government functioning as a secondary market; and
 - (f) The United States Department of Education, federal Department of Veterans Affairs, federal Department of Defense, and any other federal agency.
- G. "Secretary" means the Secretary of Higher Education.
- H. "Student loan debt" means an individual's obligation to repay a lender for monies borrowed by the individual to attend an undergraduate institution.
- I. "Student Loan Debt Relief Tax Credit" means the tax credit authorized under §10-737 of the Education Article of the Annotated Code.
- J. "Qualified taxpayer" means an individual who has:
 - (1) Incurred at least \$20,000 in undergraduate student loan debt; and
 - (2) At least \$5,000 in outstanding undergraduate student loan debt when submitting an application under Regulation XX of this Chapter.
- K. "Undergraduate institution" means an institution of higher education that offers undergraduate degrees and is accredited by an accrediting body recognized by the United States Department of Education.

.03 TAX CREDIT.

A. Subject to the provisions of § 10-737 of the Education Article of the Annotated Code and the provisions of this Chapter, a qualified taxpayer may claim a credit against the State income tax for the taxable year in which the Commission certifies a tax credit under this Chapter.

B. The Commission shall certify a tax credit to a qualified taxpayer as provided in this Chapter.

C. A qualified taxpayer that receives a certification of a tax credit from the Commission shall be responsible for timely and appropriately incorporating the Commission's certification into the taxpayer's tax filings with the Comptroller's office. A qualified taxpayer shall attach a copy of the Commission's certification of the approved credit amount to the taxpayer's income tax return.

D. The total amount of a Student Loan Debt Relief Tax Credit claimed under a qualified taxpayer's income tax return and approved by the Comptroller pursuant to §F of this Regulation shall be recaptured if the qualified taxpayer does not use an approved credit for the repayment of the qualified taxpayer's undergraduate student loan debt within 2 years from the close of the taxable year in which the credit is approved. The qualified taxpayer who claimed the approved tax credit shall pay the total amount of the credit claimed as taxes payable to the State of Maryland for the taxable year in which the event requiring recapture of the credit occurs.

E. If a Student Loan Debt Relief Tax Credit claimed under a qualified taxpayer's income tax return and approved by the Comptroller pursuant to §F of this Regulation in any taxable year exceeds the total tax otherwise payable by the qualified taxpayer for that taxable year, the qualified taxpayer may claim a refund in the amount of the excess.

F. The Comptroller shall make the final determination on a qualified taxpayer's eligibility for a Student Loan Debt Relief Tax Credit pursuant to the Tax-General Article of the Annotated Code.

.04 APPLYING TO THE COMMISSION FOR CERTIFICATION OF A TAX CREDIT.

A. A qualified taxpayer desiring to request that the Commission certify a tax credit shall apply to the Commission as provided in this Regulation.

B. A qualified taxpayer shall submit a signed application, on a form prepared by the Commission in accordance with §C of this Regulation, for a Student Loan Debt Relief Tax Credit by September 15 of the tax year in which the taxpayer seeks to apply a Student Loan Debt Relief Tax Credit to the taxpayer's income tax return.

C. The Student Loan Debt Relief Tax Credit application shall require a qualified taxpayer to submit, in a form prescribed by the Secretary, information required by the Secretary to determine the taxpayer's eligibility for certification, including but not limited to:

(1) The qualified taxpayer's full legal name, date of birth, gender, residency address, email address, phone number, and social security number;

(2) The name of the undergraduate institution(s) attended and dates of attendance attributable to the qualified taxpayer's undergraduate student loan debt;

(3) A statement attesting that the qualified taxpayer has:

(a) Incurred at least \$20,000 in undergraduate student loan debt; and

(b) At least \$5,000 in outstanding student loan debt at the time the application is submitted;

(4) For each student loan debt that contributes to the amount of student loan debt attested to pursuant to paragraph (3) of this Section the:

(i) Name, address, and phone number of the entity that provided the student loan debt;

(ii) Account number(s) associated with the student loan debt;

(iii) Full names of all person(s) legally responsible for repaying the student loan debt;

(iv) Original amount of the student loan debt;

(v) Total amount of debt that the qualified taxpayer has incurred under the student loan debt; and

(vi) Total amount of the student loan debt currently outstanding at the time the Student Loan Debt Relief Tax Credit application is submitted;

(5) Information that the Secretary deems necessary in order to allow the Commission to determine the qualified taxpayer's debt burden;

(6) Information that the Secretary deems necessary in order to allow the Commission to determine the qualified taxpayer's income;

(7) A signed and notarized statement by the qualified taxpayer under penalty of perjury attesting that the information submitted in the application is true and correct to the knowledge and belief of the qualified taxpayer;

(8) A signed and notarized statement by the qualified taxpayer authorizing a lender or educational institution to release personal academic or financial information as may be requested by the Commission in processing the qualified taxpayer's application; and

(9) A signed and notarized statement of assurance by the qualified taxpayer that the individual shall use any credit approved by the Commission and accepted by the Comptroller for the repayment of the individual's undergraduate student loan debt as soon as practicable and not later than 2 years after the taxable year in which the credit is claimed.

D. By December 15 of the year in which a qualified taxpayer has submitted an application under §B of this Regulation, the Commission shall certify to the individual the amount of any tax credit approved by the Commission as provided in Regulation .06.

.06 COMMISSION ACTION ON AN APPLICATION.

A. Upon the filing of a timely and complete application for a Student Loan Debt Relief Tax Credit by a qualified taxpayer, the Commission shall review the application and certify to the individual the amount of any tax credit approved by the Commission.

B. The Commission's certification under §A of this Regulation shall be issued by December 15 of the year in which the qualified taxpayer submitted an application.

C. The amount of the tax credit approved by the Commission:

(1) May not exceed \$5,000; and

(2) May be \$0.00.

D. The Commission shall prioritize tax credit recipients and amounts credited to each recipient in the following order:

(1) Qualified taxpayers who did not receive a tax credit in the prior year and who were eligible for in-State tuition;

(2) Qualified taxpayers who did not receive a tax credit in the prior year and who graduated from an institution of higher education located in the State;

(3) Qualified taxpayers who did receive a tax credit in the prior year and who were eligible for in-State tuition;

(4) Qualified taxpayers who did receive a tax credit in the prior year and who graduated from an institution of higher education located in the State; and

(5) Qualified taxpayers who have higher debt burden-to-income ratios.

E. In certifying amounts to qualified taxpayers, the Commission shall consider allocations that maximize the number of qualified taxpayers that receive a certification.

F. For any taxable year, the Commission may not certify more than \$5,000,000 in tax credits.

.07 DELEGATION TO SECRETARY.

The Commission delegates to the Secretary the responsibility and authority to act on its behalf in administering the Student Loan Debt Relief Tax Credit program, including the authority to certify or deny a Student Loan Debt Relief Tax Credit application.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph. D.
Secretary

MEMORANDUM

DATE: April 26, 2017

TO: Maryland Higher Education Commission

FROM: Emily A.A. Dow, Ph.D.

SUBJECT: Proposed Approval of Regulations Regarding a Guaranty Fund for For-profit Institutions

This memorandum requests approval to publish for public comment proposed new regulations of the Code of Maryland Regulations, which governs the operations of for-profit institutions operating in Maryland.

The proposed new regulations implement Senate Bill 427 and House Bill 741 passed in the 2016 General Assembly (Chapter 552). The regulations create a new guaranty fund to be used to refund tuition to Maryland students who attend a for-profit college or university that closes. Currently, MHEC oversees a guaranty fund for Private Career Schools.

There are six for-profit institutions operating in Maryland: Lincoln Tech, Stratford, Kaplan, Strayer, Fortis and Brightwood (formerly TESST; 3 locations). University of Phoenix is currently completing a teach-out with a certificate of approval that expires August, 2020.

The for-profit guaranty fund is capitalized by a 3-year phase-in of assessments charged to each for-profit school operating in Maryland. Institutions have the option to either pay an assessment or provide a performance bond. The fund will be used to reimburse tuition. The fund will not provide tuition reimbursement for students whose debt is eligible for discharge by the U.S. Department of Education. The fund will reimburse only the tuition the student paid in the semester that the school closes. The fund will not reimburse prior years' tuition.

The for-profit guaranty fund also utilizes a refundable performance bond as security for a school's obligation to provide MHEC with timely notice of a closure and to deliver original student records to MHEC.

These regulations have been reviewed by the Governor's office with recommendation to move forward to the Administrative, Executive, and Legislative Review (AELR) Committee. If the Commission approves the proposed new regulations for publication, the regulations will be reviewed by the AELR Committee. The regulations then will be published in the Maryland Register for a 30-day comment period, and will return to the Commission for final adoption.

RECOMMENDATION: It is recommended that the Commission approves for publication the attached regulations regarding a guaranty fund for for-profit institutions operating in Maryland, and authorizes MHEC's attorneys to approve non-substantive revisions as necessary to conform the proposed regulations to the stylistic and formatting requirements of AELR and of the Division of State Documents.

Title 13B

MARYLAND HIGHER EDUCATION COMMISSION

Subtitle 02 ACADEMIC REGULATIONS

Chapter 06 Financial Guarantees and the Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education.

Authority: Education Article, §§11-105(u) and 11-203; Annotated Code of Maryland

.01 Purpose.

The purpose of this chapter is to:

- A. *Provide for the assessment of fees on for-profit institutions of higher education under § 11-203 of the Education Article of the Annotated Code of Maryland;*
- B. *Provide for the filing of certain financial guarantees by for-profit institutions of higher education under § 11-203 of the Education Article of the Annotated Code of Maryland;*
- C. *Provide for the creation and administration of the Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education; and*
- C. *Set forth standards and procedures for processing claims filed by students of for-profit institutions of higher education under § 11-203 of the Education Article of the Annotated Code of Maryland.*

.02 Definitions.

A. *In this chapter, the following terms have the meanings indicated.*

B. *Terms Defined.*

- (1) *"Adjusted gross tuition and fees" means all revenues received on a cash or accrual accounting basis, less any refunds paid to students, for tuition and fees for all instructional programs or courses enrolled in by students, except for charges for materials, supplies, and books that have been purchased by, and are the property of, a student.*
- (2) *"Assessment year" means a 12-month period from July 1 through June 30 in which the Secretary may levy assessments on for-profit institutions of higher education as provided in this chapter.*
- (3) *"Commission" means the Maryland Higher Education Commission.*
- (4) *"Discharge" means the release of a borrower from the obligation to repay his or her loan for any reason. "Discharge" includes, but is not limited to:*
 - (a) *Loan forgiveness;*
 - (b) *A discharge through the Closed School Discharge program or the Borrower Defense to Repayment program of the USED; and*
 - (c) *Loan forgiveness or discharge through the federal Department of Veterans Affairs, federal Department of Defense, or any other federal agency.*
- (5) *"Financial guarantee" means a performance bond, or irrevocable letter of credit, in the form and amount the Secretary requires.*
- (6) *"For-profit institution of higher education" has the meaning stated in §10-101 of the Education Article of the Annotated Code of Maryland.*
- (7) *"Fund" means the Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education.*
- (8) *"Lender" means an entity, institution, or government that lends funds to a student, or on behalf of a student, to pay for charges for tuition or fees. "Lender" includes:*
 - (a) *A bank, mutual savings bank, savings and loan association, or credit union that is subject to examination and supervision in its capacity as a lender by an agency of the United States or of the state in which its principal place of operation is located;*
 - (b) *A pension fund that is subject to examination and supervision by an agency of the United States or a state;*
 - (c) *An insurance company that is subject to examination and supervision by an agency of the United States or a state;*
 - (d) *In any state, a single agency of the state or a single private nonprofit agency designated by the state;*
 - (e) *For purposes of purchasing and holding loans made by other lenders, a student loan marketing association or an agency of any state or the federal government functioning as a secondary market; or*
 - (f) *The USED, federal Department of Veterans Affairs, federal Department of Defense, and any other federal agency.*
- (9) *"Loan servicer" means an entity that collects payments, responds to customer service inquiries, and performs other administrative tasks associated with maintaining a student loan on behalf of a lender.*
- (10) *"Non-Title IV adjusted gross tuition and fees" means a school's adjusted gross tuition and fees minus the amount of Title IV federal financial aid received by the school on behalf of its students.*
- (11) *"School" means a for-profit institution of higher education that has received a certificate of approval from the Commission.*

(12) "Secretary" means the Maryland Secretary of Higher Education.

(13) "Student" means an individual who resided in Maryland at the time the individual was enrolled in a school.

(14) "Student records" means:

(a) A student's academic record;

(b) A student's account ledger;

(c) Evidence of compliance with the school's admissions requirements;

(d) Credit granted for previous academic work;

(e) Date of admission, start dates, and withdrawal or completion dates;

(f) Reasons for withdrawals, when known;

(g) Student transcripts indicating achievements;

(h) Tuition and financial aid records, when applicable; and

(i) Any other information usually required by institutions of postsecondary education when considering a student for transfer, acceptance of credit, or advanced study.

(15) "Tuition and fees" means all funds paid by or on behalf of a student for charges assessed by a school for providing an instructional program or course.

(a) "Tuition and fees" includes charges assessed for the use of equipment, materials, or supplies that are assessed against all students in the same course or program.

(b) "Tuition and fees" does not include charges for materials, supplies, or books that have been purchased by, and are the property of, the student.

(16) "USED" means the United States Department of Education.

.03 Fund Established.

There is a Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education.

.04 Uses of the Fund.

A. The fund shall be used:

(1) In the event of a school closure, to provide a full refund of tuition and fees incurred by a student that have not been reimbursed or discharged;

(2) Subject to §B of this Regulation, to provide a refund, as determined by the Secretary, of tuition and fees incurred by a student that have not been reimbursed or discharged, if the school fails to:

(a) Perform faithfully any enrollment agreement or contract with the student; or

(b) Comply with any provision of the Education Article of the Annotated Code of Maryland; and

(3) For any other reason directly related to the original purpose of the fund deemed appropriate by the Secretary.

B. Prior to making a claim under §A(2) of this Regulation, a student shall follow the complaint process of the school. If the school does not respond within 30 days after its receipt of a complaint, the student may file a claim under Regulation .07 of this chapter.

.05 Financial Guarantee or Alternative Fund Payment, and Potential Additional Assessment.

A. Each school shall:

(1) As prescribed by regulation .06, either provide a financial guarantee to the Commission, or make an alternative fund payment; and

(2) As prescribed by regulation .07, pay an assessment, if one is levied by the Secretary, into the fund.

B. The Secretary may not issue a certificate of approval to, and may revoke any certificate of approval previously issued to, a school that fails to comply with the requirements of § A.

.06 Requirements for the Financial Guarantee or Alternative Fund Payment

A. Subject to § F, each school annually shall elect to:

(1) Provide a financial guarantee described in §§ B – D; or

(2) Make an alternative fund payment described in § E.

B. A financial guarantee:

(1) Shall be in the form and amount the Secretary requires; and

(2) Shall be made under the terms and conditions determined by the Secretary, including the conditions that the institution will:

(a) Perform faithfully all agreements or contracts it makes with its students; and

(b) Comply with the Education Article of the Annotated Code of Maryland.

C. Amount of Guarantee for Approved Schools.

(1) By October 1, 2017, a school that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to either:

(a) 25 percent of the school's adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016;

or

(b) The school's non-Title IV adjusted gross tuition and fees for the year July 1, 2015 through June 30, 2016.

(2) By October 1, 2018, and each subsequent October 1, a school that received its certificate of approval from the Commission prior to July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(3) The Secretary may require a school to increase the amount of the school's financial guarantee pursuant to § 11-203 of the Education Article of the Annotated Code of Maryland.

D. Amount of Guarantee for New Schools.

(1) A school that receives a certificate of approval from the Commission on or after July 1, 2016, and that elects to provide a financial guarantee under this regulation, shall provide to the Commission a financial guarantee in an amount equal to \$500,000 for the school's first year of operation in the State.

(2) For the school's second year of operation in the State, the school shall provide, by the expiration of its first year of operation in the State, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(3) For the school's third and subsequent years of operation in the State, the school shall provide, by October 1 of each year, a financial guarantee in an amount equal to the school's non-Title IV adjusted gross tuition and fees for the prior July 1 through June 30.

(4) The Secretary may require a school to increase the amount of the school's financial guarantee pursuant to § 11-203 of the Education Article of the Annotated Code of Maryland.

E. Alternative Fund Payment.

(1) If a school elects to make an alternative fund payment in lieu of providing a financial guarantee, the school shall pay into the fund an amount equal to the amount that would have been required for the school's financial guarantee under §§ B – D of this regulation.

(2) The alternative fund payment shall be a one-time payment, except that the Secretary annually may require a school to make an additional payment in the amount of any increase in the school's non-Title IV gross tuition and fees, as reflected in the school's annual Financial Reporting Form under regulation .11 of this chapter.

F. A school is not required to provide a financial guarantee or to make an alternative fund payment under this regulation if the Secretary suspends those options and determines that the fund shall be funded solely by assessments levied pursuant to regulation .07 of this chapter.

.07 Fund Accounting, Annual Assessment, and Special Assessment.

A. The Secretary may make an accounting of the fund as appropriate.

B. Notwithstanding any other provision of this chapter, the Secretary may issue an annual assessment to each school. An annual assessment shall be based on a percentage of a school's tuition and fees, for a school year determined by the Secretary, and shall be paid to the Commission by the date determined by the Secretary.

C. If the monies in the fund are insufficient to pay pending claims, the Secretary may issue a special assessment, in addition to any annual assessment, and each school shall pay the special assessment amount as determined by the Secretary.

.08 Filing Claims.

A. A student shall file a claim within three years of the date the student knew, or reasonably should have known, of facts that might entitle the student to an award under §A of Regulation .04 of this chapter. Claims filed after that date may not be considered, unless the Secretary determines that there are extenuating circumstances that justify or excuse the late filing. In the event of a school closure, claims shall be filed within three years of the date of the school's closure, unless the Secretary determines that there are extenuating circumstances that justify or excuse a late filing.

B. A student making a claim against the fund shall submit a First Report of Claim Form, prepared by the Secretary and published on the Commission's website, which shall require the student to submit, at a minimum, the following information:

(1) The student's:

- (a) Complete name at the time of enrollment and, if different, the student's current name;
- (b) Date of birth;
- (c) Current home address;
- (d) Current mailing address;
- (e) Telephone number(s);
- (f) Current email address;
- (g) Social Security number;
- (g) Program of study;
- (i) Degree, certificate, or other award obtained or sought; and
- (j) Dates of enrollment at the school;

(2) The name and campus location of the school against which the claim is made;

(3) The basis for the claim, specifying if the claim is based on the:

- (a) School's closure;
- (b) School's failure to perform faithfully an enrollment agreement or contract with the student; or
- (c) School's failure to comply with a provision of the Education Article of the Annotated Code of Maryland;

(4) A statement detailing the student's effort to resolve the claim with the school, including any relevant documentation;

(5) A statement of the remedy requested; and

(6) A signed statement, compliant with State and federal privacy laws, that the student authorizes representatives of the school, lenders, the USED, and loan servicers to release any and all records, including educational and financial records, to the Secretary in the course of the Secretary's investigation of the claim.

C. A student who has submitted a claim shall update the Secretary of any change in name, mailing address, email address, or phone number.

D. Loan Discharge Request.

(1) A student shall request that the USED and, if applicable, its loan servicer, discharge all or part of the student's loan if:

(a) The student's claim is based on a school's closure; and

(b) The student is indebted to the USED for monies used to pay tuition and fees to the school.

(2) A student's claim against the fund for tuition and fees that are subject to discharge may not be processed until the student provides the Secretary with evidence from the USED or loan servicer, as applicable, of a final decision on the student's loan discharge request.

(3) The Secretary may require that a student request a loan discharge in other circumstances prior to adjudicating the claim.

E. The Secretary may seek information needed to process a claim directly from a school, lender, loan servicer, or the USED.

F. Notwithstanding any other provision, a student's failure to comply with this Regulation or to supply any information requested by the Secretary during an investigation or adjudication of a claim may result in a partial or complete denial of a claim.

G. The Secretary may require that a student submit information in addition to the First Report of Claim Form, including but not limited to:

(1) Facts and documents that support the claim;

(2) An explanation of how the school's actions injured or damaged the student;

(3) The student's complete transcript, reflecting any degrees, certificates, or other awards received;

(4) The student's financial statement of account with the school, or other documents that indicate charges and payments for tuition and fees;

(5) A copy of the student's request that the USED or loan servicer discharge all or a portion of the student's loans; and

(6) The names of all lenders or loan servicer to whom the Student is indebted for tuition assistance, and the account and current contact information for each.

.09 Claim Adjudication.

A. The Secretary may determine the scope of investigation necessary to adjudicate a claim.

B. The Secretary may request information and records from the student, school, lenders, loan servicers, the USED, and others as needed in the Secretary's judgment.

C. The Secretary shall determine whether to approve or deny a claim.

D. If a claim is approved, the Secretary shall determine the:

(1) Amount to be awarded;

(2) Time, place, and manner of payment;

(3) Conditions upon which payment shall be made; and

(4) Order in which payments shall be made.

E. In determining whether to grant or deny a claim and the amount to be awarded for an approved claim, the Secretary may consider the:

(1) Basis of the claim;

(2) Evidence obtained in the investigation;

(3) Damages or injuries sustained by the student as a result of the school's actions;

(4) Student's participation in a transfer program or teach-out;

(5) Student's progress toward or receipt of a degree, certificate, or other terminal award;

(6) Length of any break in the student's attendance and the reason;

(7) School's efforts to resolve the claim;

(8) Amount available and likely to become available to the fund for payments of claims;

(9) Size and number of claims filed or likely to be filed against the school; and

(10) Past decisions on similar claims.

F. Claim Based on School Closure.

(1) If a claim is based on a school's closure, the student shall be presumed to have incurred no damages or injuries for tuition and fees if the:

(a) Student was awarded the degree, certificate, or other award that the student sought;

(b) Student participates in a teach-out or transfer program as approved by the Secretary;

(c) Student's loan is discharged or eligible for discharge; or
(d) Claim is for tuition and fees applicable to a semester or term other than the one in which the school closed.

(2) A student may overcome the presumption in subsection (1) of this section by providing proof of damages or injuries notwithstanding the receipt of an award, successful participation in a teach-out or transfer program, or loan discharge.

G. Notwithstanding any other provision of this chapter, a student may not receive an award for loan amounts that have been or are eligible for discharge.

H. Payment due to School Closure.

(1) If the Secretary awards payment to a student because of a school closure, the payment shall first be made to a lender or loan servicer, as applicable, as repayment of the student's debt to the lender for that portion of the indebtedness that pertains to tuition and fees.

(2) As a condition of payment, the lender or loan servicer shall update the student's credit reports to reflect full or partial satisfaction of the debt, as applicable, and forward confirmation of the update to the Secretary.

(3) Upon the request and written authorization of the student, the Secretary may attempt to have the lender or loan servicer discharge all or a portion of the student's debt.

I. The Secretary's decision on a claim shall be in writing and mailed to the student and school and shall become final 30 days after the date of the Secretary's determination unless the student, within the 30-day period, files with the Secretary a written request for reconsideration. The written request shall contain evidence that supports a request for reconsideration. The Secretary's decision on reconsideration is final.

J. A claimant or other person does not have any right in the fund as beneficiary or otherwise.

.10 Administration of the Fund.

A. The Secretary shall administer the fund as follows:

(1) Monetary payments into the fund shall be made in the form of a check made payable to the Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education;

(2) Monetary payments into the fund shall be maintained by the State Comptroller who shall deposit and invest the assets of the fund. All interest or other return on the fund shall be credited to the fund;

(3) A penalty assessed against a school shall be deposited into the fund;

(4) The assets of the fund may not be expended for any purpose other than those specified under §A of Regulation .04 of this chapter; and

(5) The fund shall be a continuing, nonlapsing fund. Any unspent portion of the fund may not be transferred or revert to the General Fund of the State, but shall remain in the fund to be used for the purposes specified in §A of Regulation .04 of this chapter.

B. The Commission is subrogated to and may enforce the claim of any student to the extent of any actual or authorized reimbursement from the fund.

C. When a claim is approved, the Secretary, as agent for the fund, shall be subrogated in writing to the amount of the claim. The Secretary is authorized to take all steps necessary to perfect the subrogation rights before the claim is paid. If payment of a school's obligation is made from the fund, the Secretary may seek repayment of the sums from the school or such other persons or entities as may be responsible for the school's obligations. This provision is enforced through the Office of the Attorney General.

D. The Secretary may appoint an advisory council to whom the Secretary may refer matters pertaining to the fund.

.11 Reporting.

A. Each school shall file with the Secretary by September 1 of each year:

(1) A copy of the school's most recent audited financial statement;

(2) A copy of the school's most recent pro-forma statement; and

(3) A Financial Reporting Form, as prescribed by the Secretary, that requires, at a minimum, the following information for the most recent year beginning July 1 and ending June 30:

(a) The total number of students enrolled in the school;

(b) The total amount of adjusted tuition and fees;

(c) The total amount of non-Title IV adjusted gross tuition and fees; and

(d) A declaration signed and dated by the chief executive officer of the school under penalty of perjury that the information in the Financial Reporting Form and any attachments are true and correct.

B. The timely filing of the reports in §A is a condition of a school's continued approval to operate.

.12 Notice to Students.

Each school shall include the following statement in its student contract, enrollment agreement, and course catalog: "A student may be entitled to make a claim against the Maryland Guaranty Student Tuition Fund for For-profit Institutions of Higher Education ("Student Tuition Fund") in the case of certain events, including a school closure. The Student Tuition Fund is administered by the Maryland Higher Education Commission. Information about the Student Tuition Fund and instructions for filing a claim may found in Regulations 13B.02.06.01 through .12 of the Code of Maryland Regulations or by contacting the Maryland Higher Education Commission."

.13 Orderly Closure and Teach-Outs.

A. Financial Guarantee.

(1) *In addition to the requirements of Regulation .05 of this chapter, a school shall provide to the Commission a financial guarantee in the amount of \$100,000 as security for its performance of duties and responsibilities under this Regulation.*

(2) *The Secretary may not issue a certificate of approval, and may revoke any certificate of approval previously issued, to a school that fails to provide a financial guarantee as required in this Regulation.*

(3) *If a school does not comply with the provisions of this Regulation, the Secretary may utilize the school's financial guarantee to defray the costs and expenses incurred as a result.*

(4) *If a school fully and timely complies with the provisions of this Regulation, as determined solely by the Secretary, the Secretary shall return the financial guarantee in full.*

B. *A school that decides to close shall immediately, and in any event within 3 business days of its decision to close, notify the Commission in writing of its intention to close and provide an initial closure plan. The initial closure plan shall include:*

(1) *The exact date the school will close and reason for the closure;*

(2) *The last date of instruction for each educational service or program;*

(3) *Notice of whether branch campuses of the institution will close or remain open;*

(4) *If known, notice of whether the school will provide teach-out arrangements; and*

(5) *A list of all students who were enrolled at any time during the 120 days prior to the date of the decision to close.*

C. *A school that decides to close shall, within 10 business days of its decision to close, provide to the Commission a final closure plan that includes:*

(1) *A timeline for the transfer of all student records to the Commission;*

(2) *A list of all students who were enrolled at any time during the 120 days prior to the date of the decision to close that includes:*

(a) *The student's full name at the time of enrollment and any name changes submitted by the student;*

(b) *The student's current enrollment status; and*

(c) *The student's last known mailing address, email address, and phone numbers;*

(3) *An explanation of how and when the school will notify all students of their rights and options under federal student financial aid programs and this Regulation; and*

(4) *For any student who will not be provided a complete educational program:*

(a) *A plan for providing teach-outs or transfers, including details and documentation of any agreements with other institutions; or*

(b) *If no teach-out is contemplated, or for students who do not wish to participate in a teach-out, a plan for making applicable refunds to students within 45 days from the date of closure.*

D. *If a school closes, prior to the date of closure it shall deliver to the Secretary electronic copies, if available, of the student records for all current and former students. If electronic copies do not exist, the school shall deliver the originals or paper copies of the records.*

Chapter 552

(Senate Bill 427)

AN ACT concerning

Higher Education – Institutions of Postsecondary Education – Consumer Protection Provisions

FOR the purpose of prohibiting certain private career schools and certain for-profit institutions of higher education from enrolling certain students in certain programs under certain circumstances; requiring the Maryland Higher Education Commission to create certain guaranty funds; specifying the uses of certain guaranty funds; ~~including a certain occurrence as grounds for reimbursement of certain students from certain guaranty funds;~~ requiring certain students to follow certain complaint procedures of certain institutions before making a claim to certain guaranty funds; authorizing certain students to make a certain claim to certain guaranty funds under certain circumstances; requiring a certain report to include certain information; requiring certain institutions of postsecondary education to ensure that a net price calculator is posted on its Web site in a certain location; requiring certain institutions to provide certain information to certain students under certain circumstances; providing for the application of a certain provision of this Act; and generally relating to consumer protection provisions that impact institutions of postsecondary education.

BY adding to

Article – Commercial Law

Section 13–320

Annotated Code of Maryland

(2013 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, without amendments,

Article – Education

Section 10–101(i) and (j)

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 11–203(d) and (e) and 15–118

Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Commercial Law

13-320.

A PRIVATE CAREER SCHOOL OR FOR-PROFIT INSTITUTION OF HIGHER EDUCATION, AS DEFINED UNDER § ~~10-101(j)~~ 10-101 OF THE EDUCATION ARTICLE, MAY NOT ENROLL A STUDENT IN A PROGRAM THAT IS INTENDED TO LEAD TO EMPLOYMENT IN A FIELD THAT REQUIRES LICENSURE OR CERTIFICATION IN THE STATE IF:

(1) SUCCESSFUL COMPLETION OF THE EDUCATIONAL COURSE OFFERINGS IN THE PROGRAM AT THE PRIVATE CAREER SCHOOL OR FOR-PROFIT INSTITUTION OF HIGHER EDUCATION WILL NOT MEET THE STATE EDUCATIONAL REQUIREMENTS FOR LICENSURE OR CERTIFICATION;

~~(2) THE PRIVATE CAREER SCHOOL DOES NOT HOLD THE APPROPRIATE ACCREDITATION RECOGNIZED BY THE LICENSING ENTITY OF THE STATE; OR~~

(2) THE STATE ENTITY THAT LICENSES OR CERTIFIES INDIVIDUALS IN THE FIELD REQUIRES AS A CONDITION OF LICENSURE OR CERTIFICATION THAT THE PRIVATE CAREER SCHOOL OR FOR-PROFIT INSTITUTION OF HIGHER EDUCATION ATTENDED BY THE INDIVIDUAL SATISFIES A STATUTORY OR REGULATORY REQUIREMENT, AND THE SCHOOL DOES NOT SATISFY THE REQUIREMENT; OR

(3) THE PRIVATE CAREER SCHOOL OR FOR-PROFIT INSTITUTION OF HIGHER EDUCATION IS AWARE OR REASONABLY SHOULD HAVE BEEN AWARE OF ANY OTHER CHARACTERISTICS OF THE STUDENT OR OF THE PROGRAM FACTORS THAT WOULD MAY LEAD TO THE INELIGIBILITY OF THE STUDENT TO SEEK PURSUE OR OBTAIN LICENSURE OR CERTIFICATION IN THE STATE.

Article – Education

10-101.

(i) (1) “Institution of postsecondary education” means a school or other institution that offers an educational program in the State for individuals who are at least 16 years old and who have graduated from or left elementary or secondary school.

(2) “Institution of postsecondary education” does not include:

(i) Any adult education, evening high school, or high school equivalence program conducted by a public school system of the State; or

(ii) Any apprenticeship or on-the-job training program subject to approval by the Apprenticeship and Training Council.

(j) "Private career school" means a privately owned and privately operated institution of postsecondary education other than an institution of higher education that furnishes or offers to furnish programs, whether or not requiring a payment of tuition or fee, for the purpose of training, retraining, or upgrading individuals for gainful employment as skilled or semiskilled workers or technicians in recognized occupations or in new and emerging occupations.

11-203.

(d) (1) By [rule and] regulation, the Commission [may]:

(I) SHALL create and provide for the operation of [three] TWO separate guaranty funds for:

[(i)] 1. For-profit institutions of higher education; AND

[(ii)] 2. Private career schools; and

[(iii)] (II) [Institutions] MAY CREATE AND PROVIDE FOR THE OPERATION OF A GUARANTY FUND FOR INSTITUTIONS of higher education that are required to register under § 11-202.2 of this subtitle.

~~(2) (i) [The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE private career school fund shall be used:~~

~~1. To [reimburse] PROVIDE A FULL REIMBURSEMENT TO any student at a private career school who is entitled to a refund of tuition and fees because the institution has failed to perform faithfully any agreement or contract with the student, INCLUDING CLOSURE OF THE SCHOOL, or failed to comply with any provision of this article; or~~

~~2. For any other function directly related to the original purpose of the fund deemed appropriate by the Secretary.~~

~~(ii) [The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE for-profit institution of higher education fund shall be used to [reimburse] PROVIDE A FULL REIMBURSEMENT TO any student at a for-profit institution of higher education who is entitled to a refund of tuition and fees because the institution has failed to perform faithfully any agreement or contract with the student, INCLUDING CLOSURE OF THE SCHOOL, or failed to comply with any provision of this article.~~

(2) (i) THE FOR-PROFIT INSTITUTIONS OF HIGHER EDUCATION FUND AND THE PRIVATE CAREER SCHOOL FUND SHALL BE USED:

1. IN THE EVENT OF A SCHOOL CLOSURE BY A FOR-PROFIT INSTITUTION OF HIGHER EDUCATION OR A PRIVATE CAREER SCHOOL, TO PROVIDE A FULL REFUND OF TUITION AND FEES INCURRED BY A STUDENT THAT HAVE NOT BEEN REIMBURSED OR DISCHARGED;

2. SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, TO PROVIDE A REFUND, AS DETERMINED BY THE SECRETARY, OF TUITION AND FEES INCURRED BY A STUDENT THAT HAVE NOT BEEN REIMBURSED OR DISCHARGED, IF A FOR-PROFIT INSTITUTION OF HIGHER EDUCATION OR A PRIVATE CAREER SCHOOL FAILS TO:

A. PERFORM FAITHFULLY ANY ENROLLMENT AGREEMENT OR CONTRACT WITH THE STUDENT; OR

B. COMPLY WITH ANY PROVISIONS OF THIS ARTICLE; OR

3. FOR ANY OTHER REASON DIRECTLY RELATED TO THE ORIGINAL PURPOSE OF THE FUND DEEMED APPROPRIATE BY THE SECRETARY.

~~(iii)~~ **(II)** 1. The fund for institutions of higher education that are required to register under § 11-202.2 of this subtitle shall be used to reimburse any student at any of these institutions who is entitled to a refund of tuition and fees because the institution has failed to perform faithfully any agreement or contract with the student or failed to comply with any provision of this article.

2. A. After 3 years of claims history during which no claim against the fund has been sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by an institution registered under § 11-202.2 of this subtitle, the Commission shall exempt that institution from the requirement to contribute to the fund.

B. Notwithstanding subsubsubparagraph A of this subsubparagraph, an institution shall be required to contribute to the fund following a claim against the fund being sustained on behalf of a Maryland student participating in a fully online distance education program offered in the State by the institution.

3. Notwithstanding subsubparagraph 2 of this subparagraph, a student who takes courses from an institution exempted from contribution to the fund under subsubparagraph 2 of this subparagraph may make a claim against the fund in accordance with subsubparagraph 1 of this subparagraph.

~~(iv)~~ **(III)** 1. The funds shall be continuing, nonlapsing funds, not subject to § 7–302 of the State Finance and Procurement Article.

2. Any unspent portions of the funds may not be transferred or revert to the General Fund of the State, but shall remain in the funds to be used for the purposes specified in this subsection.

3. No other State money may be used to support the funds.

~~(v)~~ **(IV)** The Commission shall be subrogated to and may enforce the claim of any student to the extent of any actual or authorized reimbursement from the funds.

(3) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, A STUDENT SHALL FOLLOW THE COMPLAINT PROCESS OF THE INSTITUTION BEFORE MAKING A CLAIM UNDER PARAGRAPH (2)(I)2 ~~PARAGRAPH (2)(I)2~~ OF THIS SUBSECTION TO A GUARANTY FUND ESTABLISHED UNDER THIS SECTION.

(II) IF AN INSTITUTION DOES NOT RESPOND WITHIN 30 DAYS AFTER THE RECEIPT OF A COMPLAINT FILED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE STUDENT MAY MAKE A CLAIM TO A GUARANTY FUND ESTABLISHED UNDER THIS SECTION.

~~[(3)]~~ **(4)** (i) Each for–profit institution of higher education or private career school that is required to obtain a certificate of approval and, subject to paragraph (2)(iii)2 of this subsection, each institution of higher education required to register under § 11–202.2 of this subtitle shall pay an annual fee into the appropriate fund.

(ii) The Commission shall determine the amount of the fee based on the probable amount of money needed for the funds for each fiscal year. If the moneys in the guaranty funds are insufficient to satisfy duly authorized claims, the participating institutions may be reassessed and shall pay the additional amounts required.

(iii) The Commission may not issue a certificate of approval or registration to, and shall revoke any certificate of approval or registration previously issued to, an institution that fails to pay any annual fee or reassessment.

(iv) The Commission shall deposit into the appropriate fund any penalty assessed against a for–profit institution of higher education, institution of higher education required to register under § 11–202.2 of this subtitle, or private career school, respectively, under the terms of § 11–204 of this subtitle.

~~[(4)]~~ **(5)** (i) The funds shall be maintained by the State Comptroller who may deposit the assets of the funds in any manner that is consistent with the purposes of the funds.

(ii) All interest or other return on fund investments shall be credited to the funds.

[(5)] (6) The Commission, through the Attorney General, may enforce any claim to which the Commission has been subrogated under this subsection.

(e) On or before December 1 each year, the Commission shall report to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly, regarding:

(1) The number of claims made against each guaranty fund established under this section;

(2) The type, size, and program of the institutions against which the claims are made;

(3) THE REASON FOR THE CLAIM, INCLUDING WHETHER THE PRIVATE CAREER SCHOOL OR FOR-PROFIT INSTITUTION OF HIGHER EDUCATION CLOSED AND, IF SO, WHETHER SOME STUDENTS WERE ABLE TO FINISH THEIR PROGRAM DESPITE THE CLOSURE AND, IF SO, HOW MANY;

[(3)] (4) The number of claims that are approved and the associated payouts from the funds; and

[(4)] (5) The number of claims that are denied.

[15–118.] 11–408.

[(a)] This section applies to a public senior higher education institution and a community college in the State.]

(A) EACH INSTITUTION OF POSTSECONDARY EDUCATION THAT OPERATES IN THE STATE AND THAT IS REQUIRED TO MAKE A NET PRICE CALCULATOR PUBLICLY AVAILABLE ON ITS WEB SITE UNDER THE FEDERAL HIGHER EDUCATION OPPORTUNITY ACT OF 2008, 20 U.S.C.A. § 1015A, SHALL ENSURE THAT THE NET PRICE CALCULATOR IS POSTED ON ITS WEB SITE IN A CONSPICUOUS LOCATION.

(b) (1) [Beginning in the 2014–2015 academic year, for] **FOR** all first–time, full–time undergraduate [freshmen, an institution of higher education] **STUDENTS AT AN INSTITUTION OF POSTSECONDARY EDUCATION THAT OPERATES IN THE STATE, THE INSTITUTION** shall provide to the student information on the cost of higher education at the institution by completing and mailing or providing electronically, at a minimum, the

information contained on the form known as the Financial Aid Shopping Sheet, as promulgated by the U.S. Department of Education.

(2) The Financial Aid Shopping Sheet or the information contained on the Financial Aid Shopping Sheet shall be mailed or provided electronically to the student at the same time that an award of federal financial aid is mailed or provided electronically to the student.

SECTION 2. AND BE IT FURTHER ENACTED, That § 11-203(d)(2)(i)1 of the Education Article, as enacted by Section 1 of this Act, does not apply to a for-profit institution of higher education that underwent an orderly closure on or before October 1, 2016, that included a ~~teachout that was finalized on or before January 1, 2016~~ *teach-out plan*:

(1) *to teach-out the students enrolled in the for-profit institution of higher education at the time of closure;*

(2) *that requires a teach-out to be conducted by the for-profit institution of higher education;*

(3) *that requires a teach-out to be provided to the students using the same method of instructional delivery that was provided to the students on or before October 1, 2016; and*

(4) *that requires completion on or before December 31, 2017.*

SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2016.

Approved by the Governor, May 19, 2016.



Larry Hogan
Governor

Boyd K. Rutherford
Lt. Governor

Anwer Hasan
Chairperson

James D. Fielder, Jr., Ph.D.
Secretary

Maryland Higher Education Commission 2017 Meeting Dates

The Maryland Higher Education Commission (MHEC) is Maryland's higher education coordinating board responsible for the management of statewide financial aid programs and the establishment of statewide policies for public and private colleges and career schools to support students' postsecondary pursuits.

Meeting Dates and Locations

January 25, 2017 Cancelled	June 28, 2017
February 13, 2017 *Please note date change*	September 27, 2017 9:30am to 3:30pm
March 22, 2017	October 25, 2017
April 26, 2017	November 15, 2017 *Please note date change*
May 24, 2017	December 13, 2017 *Please note date change*

All Commission Meetings will be held on the 4th Wednesday of Each Month from 1:00pm to 4:00pm at the Maryland Higher Education Commission in the 7th Floor Board Room located at 6 N. Liberty Street, Baltimore, MD 21201 unless otherwise noted.

Dates and Times Subject to Change

<http://www.mhec.state.md.us/higherEd/about/Meetings/mtgsched.asp>