

MARYLAND HIGHER EDUCATION COMMISSION

CODE OF MARYLAND REGULATIONS

13B.05.01

Fully Online Programs - Registration

As amended through
October 28, 2013

This document contains a chapter of the Code of Maryland Regulations and has been prepared by the Maryland Higher Education Commission for the convenience of those persons served by the Commission. The official regulations published by the Division of State Documents, Office of the Secretary of State, are found at <http://www.dsd.state.md.us/comar/>. The official regulations should be consulted and are controlling in the event of any conflict between those regulations and this document.

TITLE 13B
MARYLAND HIGHER EDUCATION COMMISSION
SUBTITLE 05 FULLY ONLINE PROGRAMS

Chapter 01 Registration

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TITLE 13B
MARYLAND HIGHER EDUCATION COMMISSION

SUBTITLE 05 FULLY ONLINE PROGRAMS

Chapter 01 Registration

13B.05.01.01

.01 Definitions.

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

B. Terms Defined.

(1) "Commission" means the Maryland Higher Education Commission.

(2) "Enroll" means to register a student, in any semester or other instructional period, in a course in an online program.

(3) "Institution" means an institution of higher education that enrolls one or more Maryland students in an online program.

(4) "Maryland student" means a student who is domiciled in Maryland on the date of enrollment at an institution.

(5) "Online program" has the same meaning as "fully online distance education program in the State" stated in Education Article, §11-202.2, Annotated Code of Maryland.

(6) "Secretary" means the Secretary of Higher Education.

(7) "State" means a state of the United States, American Samoa, the Commonwealth of Puerto Rico, the District of Columbia, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(8) "State authority" means the higher education certifying, approving, or regulatory authority of a state.

13B.05.01.02

.02 Scope.

This chapter does not apply to an online program that:

A. Is subject to program review by the Commission under COMAR 13B.02.03; or

B. Participates in the Southern Regional Education Board's Electronic Campus.

13B.05.01.03

.03 Delegation.

The Commission has delegated to the Secretary authority to act in its behalf on applications for registration filed by institutions under this chapter.

13B.05.01.04

.04 Registration Required.

An institution that enrolls a Maryland student in an online program:

A. Shall file an application for registration with the Commission before or within 3 months of enrolling the first Maryland student; and

B. Except as provided in Regulation .07B of this chapter, may not commence or continue enrollment of Maryland students without registering with the Commission before or within 3 months of enrolling the first Maryland student.

13B.05.01.05

.05 Accreditation Required.

An institution required to register under this chapter that is not accredited by an accrediting body recognized and approved by the U.S. Department of Education may not receive a registration from the Commission.

13B.05.01.06

.06 Registration Procedure.

A. An institution seeking registration with the Commission as required in Regulation .04 of this chapter shall submit to the Commission:

(1) An application for registration in the form required by the Secretary;

(2) An application fee in the amount of \$1,000;

(3) Information on the ownership of the institution;

(4) A list of all online programs that will be offered to Maryland students, including program tuition and fee costs for those programs;

(5) Documentation that the institution is:

(a) Accredited by and in good standing with an accrediting body recognized and approved by the U.S. Department of Education;

(b) In good business standing in the state in which the central administration of the institution is incorporated;

(c) If the state in which the central administration of the institution is located has a state authority, in good academic standing with that state authority;

(d) In compliance with the principles of good practice for distance education established by the Commission in COMAR 13B.02.03; and

(e) In compliance with the refund policies in Regulation .10 of this chapter;

(6) Documentation that the institution has a process for the filing and resolution of complaints by Maryland students, including informing students that the institution is subject to investigation of complaints by the Office of the Attorney General or the Commission;

(7) An affidavit from the President or Chief Executive Officer of the institution affirming that:

(a) The institution has not filed for bankruptcy protection under Title 11 of the U.S. Code during its existence; and

(b) The President or Chief Executive Officer will:

(i) Abide by the requirements of Education Article, §11-202.2, Annotated Code of Maryland, and this chapter; and

(ii) Notify the Commission in reference to the matters set forth in Regulation .11 of this chapter; and

(8) If the institution is or will be enrolling Maryland students before registration is issued, within 30 days of submitting the complete application, a financial guarantee as provided in Regulation .07 of this chapter.

B. In addition to the requirements of §A of this regulation, an institution shall submit a copy of the institution's most recent financial statement reviewed by an independent accountant retained by the institution with its first application for registration and with subsequent applications for registration every 2 years.

C. Following the first registration, with each subsequent application for registration, an institution shall submit all data reports on Maryland students required by the Maryland Longitudinal Data System in the form required by the Commission.

D. An application is complete as of the day on which an institution submits all documentation required in §A(1)—(7) of this regulation for the registration process as determined by the Secretary.

E. If the Secretary finds that the institution is in compliance with the applicable requirements of Education Article, Title 11, Annotated Code of Maryland, and this chapter, the Secretary shall issue registration to the institution.

F. Secretary's Denial of Registration.

(1) If the Secretary is not satisfied that an institution is in compliance with applicable requirements of Education Article, Title 11, Annotated Code of Maryland, and this chapter, the Secretary shall issue a notice of deficiencies and preliminarily deny registration to the institution.

(2) Within 20 days of receipt of a notice of deficiencies, the institution denied registration may request a hearing before the Commission.

(3) If the institution does not file a timely request for a hearing on the notice of deficiencies, the Secretary's decision becomes final.

G. Secretary's Failure to Issue or Deny Registration.

(1) If the Secretary fails to issue a registration or a written notice of deficiencies within 6 months of the completed application, the institution may request a hearing before the Commission to determine whether the registration should be issued.

(2) The request shall be made within 20 days of the expiration of the 6-month period.

H. Hearing by Commission.

(1) The Commission may refer a request for hearing under §F or G of this regulation to the Office of Administrative Hearings.

(2) A hearing before the Commission shall be held within 60 days after receipt of the request for hearing.

(3) The hearing before the Commission shall be conducted in accordance with the Administrative Procedure Act, State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland, and COMAR 13B.04.01.

(4) Within 30 days of the hearing, the Commission shall render a decision.

(5) The Commission may take the following action:

(a) Issue registration;

(b) Deny registration; or

(c) Remand the case to the Secretary for further action as directed by the Commission.

I. Judicial Review.

(1) An institution that is denied registration by the Commission after a hearing under §H of this regulation has the right to judicial review provided by State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

(2) The decision of the Commission is presumed correct and the institution has the burden of proving otherwise.

(3) The Commission shall be a party to the proceeding.

13B.05.01.07

.07 Financial Guarantee.

A. If a Maryland student is enrolled before an institution is registered or when an institution's registration expires, the institution must file an application for registration as required in Regulation .04A of this chapter and provide a financial guarantee to the Commission in order to commence or continue enrollment of Maryland students.

B. An institution that files an application and provides a financial guarantee under this regulation may continue to operate without a registration while the Commission considers the institution's application, conducts a hearing concerning the institution's application, or participates in judicial review regarding the institution's application.

C. The financial guarantee shall be in the form required by the Secretary and conditioned that, if the institution is denied registration, the institution will provide 100 percent refunds of tuition and fees paid to the institution by all Maryland students.

D. The amount of the financial guarantee shall be 5 times the average annual total program tuition and fee costs payable by an individual Maryland student enrolled at the institution.

E. While the financial guarantee is active, if the institution's tuition and fee liability to all Maryland students enrolled at the institution exceeds the amount of the financial guarantee, the Secretary may require that the amount of the guarantee be increased to a level to cover 100 percent refunds of tuition and fees paid to the institution by all Maryland students.

13B.05.01.08.

.08 Effect of Registration Denial.

If an institution is denied registration, the institution shall:

A. Immediately notify all Maryland students that their enrollment is terminated as of the date that registration is finally denied;

B. Within 60 days of the date that registration is finally denied, refund to each Maryland student 100 percent of tuition and fees paid to the institution; and

C. Provide documentation to the Commission that all refunds due to Maryland students have been timely made.

13B.05.01.09

.09 Duration of Registration.

A. A registration is valid during 1 fiscal year from July 1 through June 30.

B. A registration issued at any time during a fiscal year expires on June 30 of that fiscal year.

C. An institution seeking registration for the next fiscal year following its current registration shall file an application for registration in accordance with Regulation .06 of this chapter.

13B.05.01.10

.10 Refund Policy.

A. Except as provided in §B of this regulation, an institution's refund policy shall conform to this regulation and the institution shall provide for refunds of tuition to Maryland students as provided in this regulation.

B. If an institution's refund policy is more beneficial to Maryland students, the institution shall follow its refund policy and provide for refunds of tuition to Maryland students as provided in that policy.

C. Minimum Refund.

(1) The minimum refund that an institution shall pay to a Maryland student who withdraws or is terminated after completing only a portion of a course, program, or term within the applicable billing period is as follows:

Proportion of Total Course, Program, or Term Completed as of Date of Withdrawal or Termination	Tuition Refund
Less than 10%	90% refund
10% up to but not including 20%	80% refund
20% up to but not including 30%	60% refund
30% up to but not including 40%	40% refund
40% up to but not including 60%	20% refund
More than 60%	No refund

(2) A refund due to a Maryland student shall be based on the date of withdrawal or termination and paid within 60 days from the date of withdrawal or termination.

D. An institution's refund policy for Maryland students shall be clearly disclosed to and acknowledged by students at enrollment.

E. An institution shall maintain documentation to verify that a refund has been made.

13B.05.01.11

.11 Institutional Operations.

An institution that is registered under this chapter shall:

A. Promptly notify the Commission of:

(1) A change in ownership or a change in majority control;

(2) A material change in the institution's financial status;

(3) A filing for bankruptcy protection under Title 11 of the U.S. Code;

(4) A change in the institution's business standing in the state in which the central administration of the institution is incorporated;

(5) Any communication received from the state authority that regulates the institution regarding institutional or program status with regard to online programs in which Maryland students are enrolled; and

(6) Any communication from the institution's accrediting body that may impact the institution's status with the accrediting body;

B. Comply with the principles of good practice for distance education in COMAR 13B.02.03;

C. Make refunds to Maryland students as required by Regulation .10 of this chapter; and

D. Make public and post on its website:

(1) Information on its registration with the Commission; and

(2) The process for Maryland students to make complaints about the institution.