F2 5lr0425 (PRE-FILED) CF HB 10

By: Senators Conway and Pinsky

Requested: October 1, 2014

Introduced and read first time: January 14, 2015

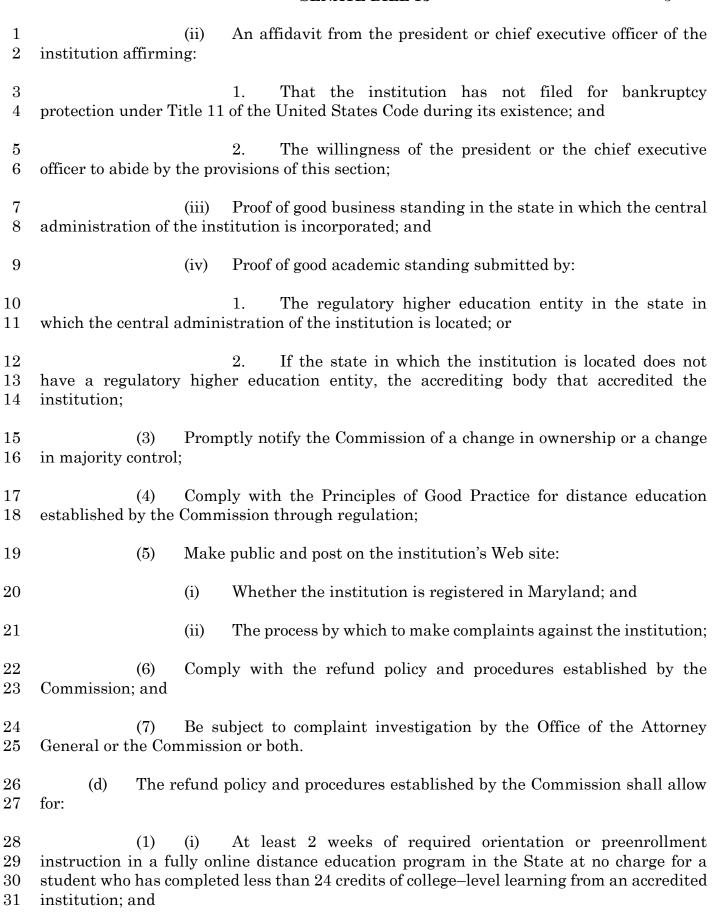
Assigned to: Education, Health, and Environmental Affairs

- A BILL ENTITLED AN ACT concerning 1 2 Institutions of Higher Education – Fully Online Distance Education – Definition 3 FOR the purpose of altering the definition of "fully online distance education program" as 4 it relates to the registration of institutions of higher education that offer certain 5 online distance education programs in the State; and generally relating to 6 institutions of higher education and fully online distance education in the State. 7 BY repealing and reenacting, with amendments, Article – Education 8 9 Section 11-202.2 Annotated Code of Maryland 10 (2014 Replacement Volume and 2014 Supplement) 11 12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, 13 That the Laws of Maryland read as follows: 14 Article - Education 15 11-202.2.16 (a) (1) In this subtitle the following words have the meanings indicated. 17 (2)"Fully online distance education program in the State" means a 18 program, originating outside the State, offered by an out-of-state institution in which [a]:
- 19 (I) A student domiciled in Maryland enrolls[, where];
- 20 (II) 51% or more of the program is offered through electronic 21 distribution; AND



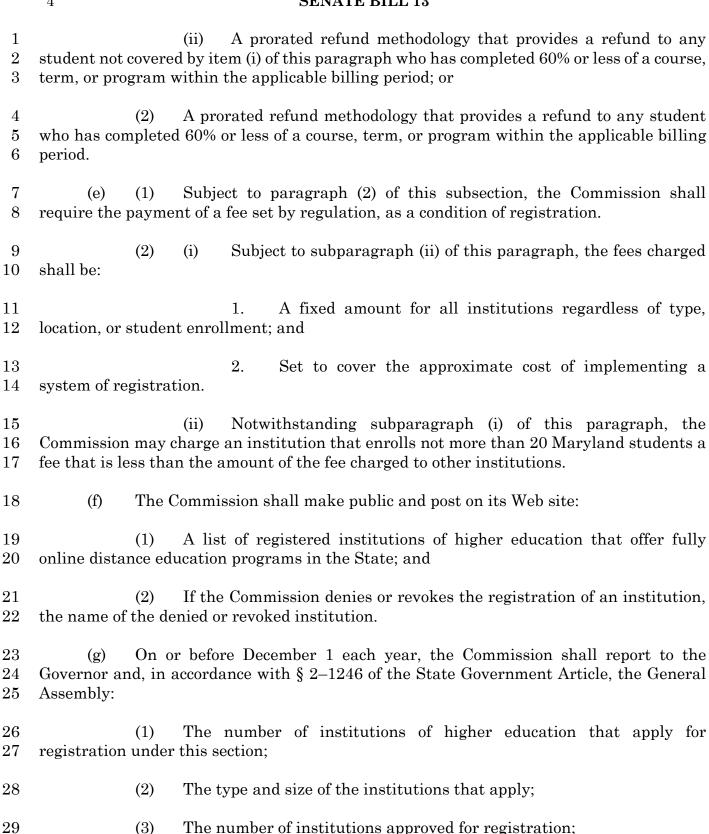
1	(III) THE COMMISSION DETERMINES THAT THE PORTION OF THE
2	PROGRAM OFFERED AT A LOCATION IN THE STATE, IF ANY, DOES NOT REQUIRE A
3	CERTIFICATE OF APPROVAL UNDER § 11–202 OF THIS SUBTITLE FOR THE
4	INSTITUTION TO OPERATE IN THE STATE.

- 5 (3) "Out-of-state institution" means an institution of higher education 6 whose primary campus exists outside Maryland and whose authority to grant degrees is 7 conferred by another state.
- 8 (b) (1) An institution of higher education that enrolls Maryland students in a 9 fully online distance education program in the State shall file an application to register with the Commission before or within 3 months of enrolling the first Maryland student.
- 11 (2) This section does not apply to an institution of higher education that 12 enrolls Maryland students in a fully online distance education program in the State that:
- 13 (i) Is subject to program review by the Commission under 11–206 14 or 11–206.1 of this subtitle; or
- 15 (ii) Participates in the Southern Regional Education Board's 16 Electronic Campus.
- 17 (3) (i) After filing an application under paragraph (1) of this subsection, 18 an institution that has enrolled a Maryland student before obtaining a registration under 19 this section may continue to operate without a registration while the Commission considers 20 the institution's application, conducts a hearing concerning the institution's application, or 21 participates in judicial review regarding an institution's application.
- 23 (ii) An institution that continues to operate without a registration 23 under subparagraph (i) of this paragraph shall furnish a performance bond or other form 24 of financial guarantee to the State in an amount set by regulation that is in addition to and 25 separate from a performance bond or other form of financial guarantee required under § 26 11–203 of this subtitle.
- 27 (c) Each institution of higher education required to register under this section 28 shall:
- 29 (1) Be accredited by an accrediting body recognized and approved by the 30 United States Department of Education;
- 31 (2) Submit to the Commission:
- 32 (i) Every 2 years, a financial statement reviewed by an independent accountant retained by the institution;



30

(4)



31 The number of Maryland students enrolled in institutions required to register under this section; 32

The number of institutions denied registration;

(6) The results of the requirements of § 11–202.3 of this subtitle; 1 The number of institutions found to be in violation of the requirement 2 (7)3 to register under this section; 4 Any fines imposed, and in what amounts, on institutions that violate 5 this section; and Any fine revenues collected from institutions for violation of this 6 (9)7 section. SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 8

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