



HB 469 -Institutions of Postsecondary Education – Disorderly School Closures
House Appropriations Committee
February 18th, 2020
SUPPORT

Chairwoman McIntosh, Vice-Chair and members of the committee, thank you for the opportunity to support House Bill 469. This bill protects students from the harm of postsecondary school closing.

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy.

When institutions of higher education close, it has many adverse effects on the students attending those schools. Racial minorities and low income students take the hardest hit¹ when their schools close. This means that racial minorities and low income students are left without an education, in debt, and scrambling to figure out future career goals. This leaves them in a situation that makes it difficult for them to achieve financial stability.

Postsecondary education is an essential part of economic mobility. Closing a school disrupts a person's progress, and it can significantly extend the amount of time and money it takes to finish. This will expose a person to food insecurity, homelessness, and overall financial hardship.

HB 469 protects students by requiring institutions to perform certain tasks to reduce harm on the student population as much as possible. These task include:

- Having close-out plans and teach-out agreements
- Schools and school leadership must meet specified financial and record transferring obligations

The close out plans and teach out agreements guarantees that students can finish their education or is in a better position to finish. This is crucial for students who are nearing the completion of their program. Meeting the financial and record transferring obligations, will preserve the students record for later use. This will ensure that students are not left without any support after the school closing.

HB 469 will also protect students who attend a program, school, or institution that closes for the following: tuition and fee reimbursement, student debt collection, transcripts, close-out plans, and teach-out agreements. This bill also defines a disorderly closing. This means that institutions have to set in place at least one teach out agreement. All of these protections are necessary to shield students from the fallout of postsecondary institutions closing.

Due to this, we urge you to return a favorable report for HB 469.

¹ <https://www.chronicle.com/interactives/20190404-ForProfit>