

**Testimony Concerning House Bill 469: Institutions of Postsecondary Education –
Disorderly School Closures**
Submitted to the House Appropriations Committee
February 18, 2020

Position: Support

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
Maryland General Assembly—House
Legislative Services Building
90 State Circle
Annapolis, MD 221401

Chair McIntosh and Members of the Committee:

We are writing today in support of bill HB 469 which will define what an orderly school closure is; prohibit a closing school from not properly notifying students of its closure and failing to obtain transfer agreements; prevent an institution from collecting on student debt; and holds executive officers personally liable for disorderly closures.

Between 2015 and 2018, over 3,700 Maryland students were affected by the catastrophic closures of the Everest Institute, Brightwood College, and ITT Technical Institute.¹ Students enrolled in these schools faced sudden loss of educational opportunity and employment prospects, as well as loss of housing and financial security. School closures affect student well-being for many months and years after the fact, as former students struggle to access their academic records and to find ways to complete their credentials or degrees--much less pay for them.² HB 469 will take steps to protect students from these situations in the future.

HB 469 defines a disorderly closure as one that does not offer students an adequate and equally affordable credit-transfer option and leaves students unable to complete their course of study. In these cases, the bill protects students from unpaid debts owed to the school, refunds

¹Dan Bauman & Brian O’Leary, “College Closures, 2014-2018,” The Chronicle of Higher Education, April 4, 2019. https://www.chronicle.com/interactives/college-closures#id=MD_all_all

² Yan Cao, “Reducing the Harm from Sudden College Closures,” The Century Foundation, January 27, 2020. <https://tcf.org/content/commentary/reducing-harm-from-sudden-college-closures/>

tuition paid, and holds school owners liable. Importantly, the bill ensures that students have access to their academic records in the event of a closure.

Maryland has an important opportunity to protect students from sudden and disorderly closures, and HB 469 takes an essential step in doing so. I urge the committee to move favorably on the bill.

My colleagues and I recommend improved monitoring of schools' financial stability and for policies that incentivize orderly closures should closure be necessary at all.³ Maryland has an important opportunity to protect students from sudden and disorderly closures, and SB 446 takes an essential first step in doing so. I urge the committee to move favorably on the bill.

Sincerely,

Stephanie Hall

³ Ariel Sokol & Yan Cao, "How to Stop Sudden College Closures," The Century Foundation, October 10, 2019. <https://tcf.org/content/report/how-to-stop-sudden-college-closures/>