

Testimony Concerning Senate Bill 446: Institutions of Postsecondary Education – Disorderly School Closures**Submitted to the Senate Education, Health, & Environmental Affairs Committee****February 12, 2020****Position: Support**

The Honorable Paul Pinsky, Chair
Senate Education, Health, & Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401
cc: Members, Education, Health, & Environmental Affairs Committee

Chair Pinsky and Members of the Committee:

I write today to show support for Senate Bill 446 which will reduce the harm that students experience in the event that their college or university closes.

The Century Foundation is a progressive, nonpartisan think tank and one of the oldest public policy research institutes in the country. As a fellow at The Century Foundation, I research and write on the for-profit college industry and advocate for regulations that will bring the sector's colleges up to par with public and nonprofit colleges in terms of quality and value offered to students.

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 SB 446 will take steps to protect students from these situations in the future.

SB 446 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 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.

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/>

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/>