

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	09/30/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 10/30/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

13B 01 01 03

3. Name of Promulgating Authority

Maryland Higher Education Commission

4. Name of Regulations Coordinator

Christine Wellons

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5. Name of Person to Call About this Document

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6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: September 23, 2014.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Christine M.H. Wellons, Assistant Attorney General, (telephone #410-767-3313) on September 28, 2015. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Christine M.H. Wellons

Title

Assistant Attorney General

Telephone No.

410-767-3313

Date

September 28, 2015

Title 13B
B MARYLAND HIGHER EDUCATION COMMISSION

Subtitle 01 NONPUBLIC SCHOOLS

13B.01.01 Minimum Requirements for Private Career Schools

Authority: Education Article, §§11-105(u), 11-202, and 11-203.

Notice of Proposed Action

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The Maryland Higher Education Commission proposes to Amend Regulation .03 under COMAR 13B.01.01 Minimum Requirements for Private Career Schools.

This action was considered at an open meeting of the Maryland Higher Education Commission held on September 23, 2015 pursuant to General Provisions Article, §3-301, Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to provide a partial exemption from private career school requirements for certain non-profit, grant-funded schools that charge no tuition, costs, or other fees to students.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

Private career schools that receive a partial exemption under the amended regulations will incur lowered costs associated with obtaining approval to operate in Maryland. In particular, the regulations will permit these schools to be exempted from the requirements that otherwise apply to private career schools: to provide a financial guarantee in the amount of the school's tuition liability; and to make a payment into the Guarantee Student Tuition Fund.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:		
Guarantee Student Tuition Fund	(R-)	Minimal
B. On other State agencies:	NONE	
C. On local governments:	NONE	

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
(1) Financial Guarantees	(+)	Indeterminable
(2) Guarantee Student Tuition Fund	(+)	Indeterminable
E. On other industries or trade groups:		
	NONE	
F. Direct and indirect effects on public:		
Reduced Educational Costs	(+)	Indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. If a school receives a partial exemption under the amended regulations, it will not be required to make a payment into the Guarantee Student Tuition Fund (GSTF). Very few schools will qualify for such an exemption, and these schools will not increase the potential liability of the GSTF because they charge no tuition, fees, or other costs to students.

D(1). If a school receives a partial exemption under the amended regulations because, inter alia, it charges no tuition, fees, or costs to students, then it will not be required to post a financial guarantee in the amount of the school's tuition liability.

D(2). If a school receives a partial exemption under the amended regulations because, inter alia, it charges no tuition, fees, or costs to students, then it will not be required to make a payment into the Guarantee Student Tuition Fund.

F. To the extent that the amended regulations facilitate the provision of free workforce education at private career schools in the State, the regulations will indirectly lower educational costs for the students of those schools.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Jennifer Vest Frank, Assistant Secretary of Higher Education, Maryland Higher Education Commission, 6 North Liberty Street, 10th Floor, Baltimore MD 21201, or call 410-767-3041, or email to jennifer.frank@maryland.gov, or fax to 410-332-0275. Comments will be accepted through November 30, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

General.

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

Small businesses, other than those in the regulated industry itself (i.e., private career schools), are not affected by the amended regulations.

G. Small Business Worksheet:

Attached Document:

13B.01.01 Minimum Requirements for Private Career Schools

Authority: Education Article §§11-105(u), 11-201, 11-202, and 11-203.

.03 Scope, Applicability, and Exemption.

A.—C. (text unchanged)

D. Partial Exemption for Non-Profit Grant-Funded Institutions that Charge No Tuition and Fees to Students.

(1) The Secretary may grant a partial exemption from the requirements of this Chapter, as described in § D(2) of this regulation, to a private career school if the Secretary determines that the school:

- (a) is a non-profit organization authorized to do business in Maryland;*
- (b) charges no tuition, fees, or other costs to students or prospective students;*
- (c) is funded entirely by government or private grants; and*
- (d) is accountable to, and meets the performance standards of, its grantors.*

(2) If the Secretary finds that a school qualifies for a partial exemption under § D(1) of this regulation, the Secretary may exempt the school from any of the following requirements of this Chapter deemed inapplicable to the school:

- (a) Section B(2)(b) of regulation .04;*
- (b) Section B(6) of regulation .04;*
- (c) Section A of regulation .09;*
- (d) Section C of regulation .09, except that the school shall disclose to students in writing that training received at the school is not necessarily transferable to another school or to a collegiate institution;*

- (e) Section D of regulation .09, except that laboratory instruction shall be integrated with theory in accordance with sound educational practice and as approved by the Secretary;*
 - (f) Section F of regulation .09;*
 - (g) Section E of regulation .11;*
 - (h) Section F of regulation .11;*
 - (i) Section I(3) of regulation .11;*
 - (j) Regulation .12;*
 - (k) Regulation .18;*
 - (m) Section B of regulation .26; and*
 - (n) Regulation .27.*
- (3) A school that receives a partial exemption under § D(1) of this regulation shall provide promptly to the Secretary notice and copies, if applicable, of:*
- (a) a performance report or annual report that the school submits to its grantors;*
 - (b) a notice of an adverse action, or potentially adverse action, that the school receives from a grantor, accreditor, or government agency;*
 - (c) a substantial change in financial status;*
 - (d) an actual or anticipated failure to meet the criteria set forth in § D(1) of this regulation.*
- (4) If the Secretary finds that a school no longer meets the criteria set forth in § D(1) of this regulation, the Secretary shall notify the school that it no longer qualifies for the partial exemption.*
- (5) A school that receives notification from the Secretary under § D(4) of this regulation shall, within 30 days of the issuance of the notification, provide to the Secretary a written plan to:*
- (a) meet the criteria set forth in § D(1) of this regulation;*
 - (b) comply with all requirements of this subtitle, including the requirements from which the school previously was exempt under § D(2) of this regulation; or*
 - (c) discontinue operations and teach-out current students.*
- (6) Within 30 days of receipt of a school's plan under § D(5) of this regulation, the Secretary shall notify the school if the plan is approved or requires modification.*
- (7) A school's failure to submit a plan required under § D(5), failure to modify a plan under § D(6), or failure to adhere to an approved plan, may result in sanctions pursuant to regulation .20 of this subtitle.*