

Chapter 221

(Senate Bill 91)

AN ACT concerning

Maryland Higher Education Commission – Exempt Institutions

FOR the purpose of prohibiting a person from making a certain statement concerning the status of an institution that is allowed to operate without a certificate of approval from the Maryland Higher Education Commission; prohibiting a person from enrolling a student in an institution that is allowed to operate without a certain certificate of approval unless certain requirements are met; establishing certain penalties for certain violations; and generally relating to institutions that are exempt from the requirement to obtain a certificate of approval from the Maryland Higher Education Commission.

BY repealing and reenacting, with amendments,

Article – Education

Section 11–202

Annotated Code of Maryland

(2008 Replacement Volume and 2009 Supplement)

BY adding to

Article – Education

Section 11–202.1

Annotated Code of Maryland

(2008 Replacement Volume and 2009 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Education

11–202.

(a) Except as provided in [subsection (c) of this section] **§ 11–202.1 OF THIS SUBTITLE**, an institution of postsecondary education may not commence or continue to operate, do business, or function without a certificate of approval from the Commission.

(b) The Commission shall issue a certificate of approval to an institution of postsecondary education if it finds that:

(1) The facilities, conditions of entrance and scholarship, and educational qualifications and standards are adequate and appropriate for:

- (i) The purposes of the institution; and
- (ii) The programs, training, and courses to be offered by the institution; and

(2) The proposed programs to be offered by the institution meet the educational needs of the State.

[(c) Subject to the requirements imposed by subsection (d) of this section, the following institutions of postsecondary education may operate without a certificate of approval from the Commission:

(1) A nonpublic institution of higher education operating under a charter granted by the General Assembly;

(2) A religious degree-granting institution which certifies, in accordance with procedures established by the Commission, that it:

(i) Is founded and operated by a church or organization of churches as an integral part of the religious ministry of that church or organization;

(ii) Offers sectarian instruction only designed for and aimed at persons who hold or seek to learn particular religious faiths or beliefs of churches or religious organizations, and provides only educational programs for religious vocations; and

(iii) States on the diploma or degree the religious nature of the degree; and

(3) A church or other religious institution offering a postsecondary instructional program leading to a diploma or certificate only if designed for and aimed at persons who hold or seek to learn the particular religious faith or beliefs of that church or religious organization, and providing only educational programs for religious purposes.

(d) (1) (i) Each institution of postsecondary education authorized to operate without a certificate of approval under subsection (c)(2) or (3) of this section shall submit, every 2 years, a financial statement compiled by an independent accountant employed by the institution to the Commission.

(ii) These institutions of postsecondary education may not commence or continue to operate, do business, or function unless the Commission determines on the basis of the financial statement submitted by the institution under

this section that the institution possesses adequate financial resources to support its educational program.

(2) (i) The Commission shall adopt regulations establishing procedures and standards for the submission and evaluation of the reports and financial statements submitted by institutions of postsecondary education under this subsection.

(ii) Any institution under subsection (c)(2) or (3) of this section denied the right to operate has the right to judicial review as provided by the Administrative Procedure Act.

(e) Nothing in this section precludes an institution of postsecondary education authorized under subsection (c)(2) or (3) of this section to operate without a certificate of approval from seeking certification from the Commission.]

[(f)] (C) (1) If the Commission believes that an institution of postsecondary education that applies for a certificate of approval does not meet the conditions or standards necessary for the issuance of the certificate, the Commission shall give the institution written notice of the specific deficiencies.

(2) Within 20 days of receipt of a notice of deficiencies, the institution may request a hearing before the Commission, and within 60 days of receipt of the request the Commission shall hold a hearing to determine if the certificate of approval should be issued.

(3) If, within 6 months from the date on which the application for certification was submitted to the Commission, the institution has received neither a certificate of approval under subsection (b) of this section nor written notice of deficiencies under this subsection, the institution may request within 20 days a hearing before the Commission to determine if the certificate of approval should be issued.

[(g)] (D) (1) Any institution of postsecondary education that is denied a certificate of approval by the Commission after a hearing granted under subsection **[(f)] (C)** of this section has the right to judicial review provided by Title 10, Subtitle 2 of the State Government Article.

(2) The decision of the Commission shall be presumed correct, and the institution has the burden of proving otherwise.

(3) The Commission shall be a party to the proceeding.

11-202.1.

(A) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION OPERATING UNDER A CHARTER GRANTED BY THE GENERAL ASSEMBLY MAY OPERATE WITHOUT A CERTIFICATE OF APPROVAL FROM THE COMMISSION.

(B) SUBJECT TO THE REQUIREMENTS IMPOSED BY SUBSECTION (C) OF THIS SECTION, THE FOLLOWING INSTITUTIONS OF POSTSECONDARY EDUCATION MAY OPERATE WITHOUT A CERTIFICATE OF APPROVAL FROM THE COMMISSION:

(1) A RELIGIOUS EDUCATIONAL INSTITUTION THAT CERTIFIES, IN ACCORDANCE WITH PROCEDURES ESTABLISHED BY THE COMMISSION, THAT THE INSTITUTION:

(I) IS FOUNDED AND OPERATED BY A CHURCH OR OTHER RELIGIOUS INSTITUTION OR ORGANIZATION OF CHURCHES OR RELIGIOUS INSTITUTIONS AS AN INTEGRAL PART OF THE RELIGIOUS MINISTRY OF THAT INSTITUTION OR ORGANIZATION;

(II) OFFERS SECTARIAN INSTRUCTION ONLY DESIGNED FOR AND AIMED AT PERSONS WHO HOLD OR SEEK TO LEARN PARTICULAR RELIGIOUS FAITHS OR BELIEFS OF RELIGIOUS INSTITUTIONS OR RELIGIOUS ORGANIZATIONS, AND PROVIDES ONLY EDUCATIONAL PROGRAMS FOR RELIGIOUS VOCATIONS; AND

(III) STATES ON THE CERTIFICATE OR DIPLOMA THE RELIGIOUS NATURE OF THE AWARD; AND

(2) A CHURCH OR OTHER RELIGIOUS INSTITUTION OFFERING A POSTSECONDARY INSTRUCTIONAL PROGRAM LEADING TO A CERTIFICATE OR DIPLOMA ONLY IF DESIGNED FOR AND AIMED AT PERSONS WHO HOLD OR SEEK TO LEARN THE PARTICULAR RELIGIOUS FAITH OR BELIEFS OF THAT CHURCH OR RELIGIOUS INSTITUTION, AND PROVIDING ONLY EDUCATIONAL PROGRAMS FOR RELIGIOUS PURPOSES.

(C) (1) EACH INSTITUTION AUTHORIZED TO OPERATE WITHOUT A CERTIFICATE OF APPROVAL UNDER SUBSECTION (B) OF THIS SECTION:

(I) SHALL SUBMIT TO THE COMMISSION, EVERY 2 YEARS, A FINANCIAL STATEMENT REVIEWED BY AN INDEPENDENT ACCOUNTANT RETAINED BY THE INSTITUTION; AND

(II) MAY NOT COMMENCE OR CONTINUE TO OPERATE, DO BUSINESS, OR FUNCTION UNLESS THE COMMISSION DETERMINES ON THE BASIS

OF THE FINANCIAL STATEMENT SUBMITTED BY THE INSTITUTION THAT THE INSTITUTION POSSESSES ADEQUATE FINANCIAL RESOURCES TO SUPPORT THE INSTITUTION'S EDUCATIONAL PROGRAM.

(2) THE COMMISSION SHALL ADOPT REGULATIONS ESTABLISHING PROCEDURES AND STANDARDS FOR THE SUBMISSION AND EVALUATION OF THE REPORTS AND FINANCIAL STATEMENTS SUBMITTED BY INSTITUTIONS UNDER THIS SUBSECTION.

(D) ANY INSTITUTION UNDER SUBSECTION (B) OF THIS SECTION THAT IS DENIED THE RIGHT TO OPERATE HAS THE RIGHT TO JUDICIAL REVIEW AS PROVIDED BY THE ADMINISTRATIVE PROCEDURE ACT.

(E) NOTHING IN THIS SECTION PRECLUDES AN INSTITUTION OPERATING WITHOUT A CERTIFICATE OF APPROVAL UNDER SUBSECTION (B) OF THIS SECTION FROM SEEKING A CERTIFICATE OF APPROVAL FROM THE COMMISSION.

(F) WITH REGARD TO AN INSTITUTION OPERATING WITHOUT A CERTIFICATE OF APPROVAL UNDER SUBSECTION (B) OF THIS SECTION, A PERSON MAY NOT:

(1) MAKE A STATEMENT, WHETHER VERBAL OR WRITTEN, THAT THE INSTITUTION IS APPROVED BY, OR HAS A CERTIFICATE OF APPROVAL FROM, THE COMMISSION, INCLUDING A STATEMENT ON ANY CERTIFICATE, DIPLOMA, ACADEMIC TRANSCRIPT, OR OTHER DOCUMENT ISSUED BY THE INSTITUTION OR IN ANY ADVERTISEMENT OR PUBLICATION, OR ON A WEBSITE; OR

(2) ENROLL A STUDENT IN THE INSTITUTION UNLESS, BEFORE ENROLLMENT, THE PERSON GIVES WRITTEN NOTICE TO AND OBTAINS A WRITTEN ACKNOWLEDGMENT FROM THE STUDENT THAT:

(I) THE INSTITUTION'S INSTRUCTIONAL PROGRAM IS ONLY DESIGNED FOR AND AIMED AT PERSONS WHO HOLD OR SEEK TO LEARN THE PARTICULAR RELIGIOUS FAITH OR BELIEFS OF THE CHURCH OR RELIGIOUS INSTITUTION, AND PROVIDES ONLY EDUCATIONAL PROGRAMS FOR RELIGIOUS VOCATIONS OR PURPOSES;

(II) AN INSTITUTION OF HIGHER EDUCATION IS NOT REQUIRED TO ACCEPT FOR TRANSFER CREDITS EARNED AT THE INSTITUTION;

(III) AN INSTITUTION OF HIGHER EDUCATION IS NOT REQUIRED TO RECOGNIZE AN AWARD EARNED AT THE INSTITUTION; AND

(IV) A POTENTIAL EMPLOYER MAY DETERMINE THAT AN AWARD EARNED AT THE INSTITUTION DOES NOT MEET MINIMUM EDUCATIONAL REQUIREMENTS FOR EMPLOYMENT.

(G) THE WRITTEN ACKNOWLEDGMENT OBTAINED FROM A STUDENT UNDER SUBSECTION (F) OF THIS SECTION SHALL BE:

(1) IN A FORM APPROVED BY THE COMMISSION;

(2) SIGNED BY BOTH THE STUDENT AND A REPRESENTATIVE OF THE INSTITUTION; AND

(3) PERMANENTLY RETAINED IN THE STUDENT'S FILE BY THE INSTITUTION.

(H) A PERSON WHO VIOLATES SUBSECTION (F) OR (G) OF THIS SECTION IS LIABLE FOR A PENALTY OF UP TO \$5,000 FOR EACH VIOLATION.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2010.

Approved by the Governor, May 4, 2010.