JARED SOLOMON
Legislative District 18
Montgomery County

Appropriations Committee

Subcommittees

Education and Economic Development

Oversight Committee on Personnel

THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

February 18, 2020

Dear Chair McIntosh,

I respectfully offer the following comments regarding HB 469, Institutions of Postsecondary Education – Disorderly School Closures:

1. In the past seven years, at least twelve for profit colleges & private career schools in Maryland have closed. Some of these institutions have closed in an orderly manner meaning that students were given proper notice of the closure, allowed access to their academic records, and were able to plan the completion of their degree at another institution.

2. But not all Maryland colleges have closed in an orderly manner.

   ○ Brightwood College and ITT Tech shut their doors and notified students of their closure with a note on the door. Argosy and Art Institute enrolled Marylanders in online programs that also closed with no notice.
   ○ Thousands of Maryland students have been impacted by abrupt closures. Students have been left scrambling to complete their degree or certificate, struggling to obtain their transcripts, and indebted to a school that is no longer operational.
   ○ We'll be hearing from one of these students, Tyrone Holloway, today.

3. We cannot prevent schools from closing. But we can outline procedures that schools must follow if they close, prohibit schools from closing abruptly, and create processes that closing schools must follow that allow students to continue their education without major disruption.

4. HB 469 would do the following to protect Maryland students from sudden, disruptive school closures:

   a. Require all institutions to provide the Maryland Higher Education Commission a close-out plan, which lays out the steps a school would implement to avoid a disorderly closure;

b. Require a transfer agreement that would ensure that if a school closes, students can transfer to high quality schools without fear of losing their credits and paying more for their education,

c. Prohibit a school that closes in a disorderly manner from collecting on any loans that students owe directly to the school (The Attorney General's office has found that the bankruptcy trustee or federal receiver often views these institutional loans as an asset and seeks to sell the loans to debt buyers who will, in turn, spend years collecting on these debts that are owed to the school that did not stay open long enough to provide the education that it promised to students when it advertised to them);

d. Holds the chief executive and owners of for-profit schools personally liable for $1,000 for each Maryland student enrolled at the time of the closure, to be paid into the Education Trust Fund. This is designed to incentivize owners of for-profit schools (where most disorderly closures occur) to get involved and make the school close in the right way;

e. Streamlines the process for accessing bonds from the For-Profit Guaranty Fund by requiring MHEC to immediately refund all of the non-federal loan money that enrolled students paid to the school - the current process is extremely onerous on the student; and

f. Enhances MHEC's ability to obtain student transcripts from closed schools.

5. By voting favorable on HB 469, we will make sure that Maryland colleges (for-profit, public, and private) close in an orderly way and that institutions are not incentivized to shut their doors without properly notifying their students and helping them transition to another institution.

Thank you very much. If you any further questions, please do not hesitate to contact me at 410-841-3130 or email me at jared.solomon@house.state.md.us.

Sincerely,

Delegate Jared Solomon (D-18)