



Maryland Higher Education Commission
Appropriations
House Bill 1138
Higher Education - Private Career Schools - Advertising
March 5, 2025

1:00 PM
Unfavorable

Good afternoon Chair Barnes, Vice Chair Chang and committee members. Thank you for the opportunity to submit a letter of information on House Bill 1138. The Maryland Higher Education Commission appreciated the opportunity to meet with Delegate Fair's staff to discuss the agency's concerns regarding the legislation highlighting the importance of consumer protections and offered a friendly amendment.

House Bill 1138 would create a significant operational burden and undermine critical student protections. The bill would allow entities seeking a Certificate of Approval (COA) to operate as a Private Career School (PCS) in Maryland to begin advertising before obtaining approval. Permitting an unapproved entity to advertise before receiving a COA is premature and problematic, even if the applicant has met the qualifications outlined in HB1138. Prospective students may mistakenly believe that a school is fully authorized to operate and offer educational programs, despite any disclaimers the entity provides. This creates a risk of students being misled and potentially paying application or other fees to an entity that has not yet met the necessary regulatory standards.

Even if an entity has satisfied the four requirements specified in HB1138 (a market survey, secured property, building modifications, and obtained equipment and permits) it may still face significant challenges in meeting full regulatory compliance and could reasonably not meet the standards to obtain a COA. These challenges could include:

- Ensuring curricular alignment with licensing board requirements,
- Developing a course catalog that meets regulatory standards,
- Creating an enrollment agreement that complies with state regulations, and
- Meeting financial requirements, such as securing a financial guarantee.

The Private Career School team consists of one Associate Director, three analysts, and one administrative officer. This small team is already responsible for ensuring that all approved entities meet rigorous quality standards and adhere to essential student protections. Allowing institutions to advertise before securing a COA would add to this workload and could undermine consumer protections by enabling unapproved entities to market programs that may never

receive approval. One potential fiscal concern arises if a student pays an application or other related fee (often non-refundable) to an entity that ultimately does not receive a COA. It is unclear how or in what capacity the agency or the entity would be responsible for refunding students in such cases.

For these reasons, entities should not be permitted to advertise until they have obtained a COA, ensuring that students only engage with institutions that have met Maryland's regulatory and consumer protection standards.

The Amendment, MHEC shared with Delegate Fair's office is as follows:

Amendments to HB1138

<https://mgaleg.maryland.gov/mgaweb/legislation/details/1138>

11-212.

(A) THE SECRETARY MAY APPROVE A REQUEST FROM AN APPLICANT FOR A PRIVATE CAREER SCHOOL TO ADVERTISE AND COLLECT CONTACT INFORMATION FOR POTENTIAL NEW STUDENTS BEFORE RECEIVING A CERTIFICATE OF APPROVAL TO OPERATE (B) ADVERTISING FOR A PRIVATE CAREER SCHOOL APPROVED UNDER SUBSECTION (A) OF THIS SECTION SHALL:

(1) ~~MAY~~ CONTAIN ONLY INFORMATION RELATING TO THE OPENING OF THE PRIVATE CAREER SCHOOL, INCLUDING THE ANTICIPATED DATE OF OPENING, PROGRAMS OF INSTRUCTION, AND THE APPLICATION PROCESS; AND

(2) ~~SHALL~~ DISCLOSE THAT THE PRIVATE CAREER SCHOOL IS PENDING APPROVAL.

(C) ADVERTISING FOR A PRIVATE CAREER SCHOOL APPROVED UNDER SUBSECTION (A) OF THIS SECTION MAY NOT INCLUDE THE COLLECTION OF FEES OR THE COMPLETION OF AN ENROLLMENT AGREEMENT FROM POTENTIAL NEW STUDENTS.(D) THE SECRETARY SHALL ADOPT REGULATIONS SPECIFYING THE PROCESS FOR APPROVAL TO ADVERTISE A PRIVATE CAREER SCHOOL UNDER THIS SECTION.