



Association of Independent
Maryland & DC Schools

Hon. Brian Feldman
Chair
Senate, Education, Energy, and the Environment Committee

Bill: House Bill 534 - Nonpublic Schools - Transcripts - Prohibition on Punitive Measures Related to Student Debt
Position: Oppose

Chair Feldman, Vice-Chair Kagan, and Members of the Committee,

House Bill 534 would fundamentally alter the contractual relationship between nonpublic schools and the families they serve, and we respectfully request an unfavorable report on this legislation.

Concern about loss of contractual recourse

Nonpublic schools generally have no access to the State's public collections infrastructure and limited remedies beyond the terms of their enrollment contracts when families do not satisfy tuition or fee obligations. For many schools, the ability to place reasonable, clearly disclosed holds on transcripts is one of the few tools available to encourage good-faith payment and resolve outstanding balances without immediately resorting to costly litigation or third-party collection. By categorically prohibiting participating nonpublic schools from refusing, conditioning, or even using transcript issuance "as a tool of debt collection," HB 534 would allow students and their families to unilaterally break contractual obligations with effectively no practical recourse for the school.

Effect of HB 534's broad prohibitions

Under the bill, "debt" covers any money, obligation, claim, or sum due or owed by a student or former student to a nonpublic school, other than the actual cost of providing a transcript. At the same time, subsection (B) flatly bars a school from refusing to issue a transcript, conditioning issuance on payment, charging a higher fee, providing less favorable treatment, or using transcript issuance as a debt-collection tool whenever such a debt exists. In practice, this means that even in cases of clear, undisputed nonpayment of tuition or fees, a nonpublic school that participates in a State-funded education program must release transcripts upon request without any leverage to enforce freely negotiated enrollment contracts.

Consequences for nonpublic schools and families

Removing this last meaningful enforcement mechanism will place real financial strain on nonpublic schools, particularly smaller faith-based or community schools that operate on thin margins and rely heavily on tuition to pay staff and maintain programs. As tuition losses grow harder to manage, schools may have no choice but to tighten admissions, increase up-front payment requirements, or raise tuition for all families to offset uncollectible accounts. These consequences would ultimately reduce access and affordability for the very students and families the State seeks to support through its education programs.



Association of Independent
Maryland & DC Schools

Request for alternative approach

If the General Assembly wishes to address abusive or unreasonable transcript-withholding practices, we would welcome a more balanced approach that preserves narrowly tailored, contract-based tools while prohibiting truly punitive or discriminatory conduct. As drafted, however, HB 534 goes much farther, effectively stripping nonpublic schools that participate in State-funded programs of any practical leverage to enforce payment obligations and undermining the stability of the nonpublic education sector. For these reasons, we urge an unfavorable report on House Bill 534.

Thanks for your time and consideration,

Peter Baily
Executive Director
AIMS MD&DC