

HOUSE BILL 920

F2
HB 708/24 – APP

5lr1267

By: **Delegates Spiegel, Kaufman, Lopez, and Terrasa**

Introduced and read first time: January 31, 2025

Assigned to: Appropriations

Committee Report: Favorable

House action: Adopted

Read second time: February 27, 2025

CHAPTER _____

1 AN ACT concerning

2 **Institutions of Postsecondary Education – Institutional Debt – Report**

3 FOR the purpose of requiring institutions of postsecondary education to submit a report on
4 institutional debt to the Maryland Higher Education Commission each year;
5 authorizing the Commission to assess a civil penalty against an institution for failure
6 to submit a report or knowingly including inaccurate information in a report;
7 establishing certain notice and hearing procedures that the Commission must follow
8 before assessing a civil penalty against an institution; and generally relating to
9 institutional debt reporting by institutions of postsecondary education.

10 BY adding to

11 Article – Education

12 Section 11–212

13 Annotated Code of Maryland

14 (2022 Replacement Volume and 2024 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

16 That the Laws of Maryland read as follows:

17 **Article – Education**

18 **11–212.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
20 INDICATED.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2) "ADMINISTRATIVE HOLD" MEANS ANY HOLD OR LIMITATION ON A STUDENT'S ACCOUNT AT AN INSTITUTION OF POSTSECONDARY EDUCATION THAT PREVENTS THE STUDENT FROM ENROLLING IN COURSES, OBTAINING OR RESIDING IN CAMPUS HOUSING, USING FACILITIES, OR OTHERWISE LIMITING THE STUDENT'S ACCESS TO THE INSTITUTION'S FACILITIES OR RESOURCES.

(3) "CHARGE OFF" MEANS AN ACCOUNTING MECHANISM BY WHICH AN INSTITUTION OF POSTSECONDARY EDUCATION INDICATES IT NO LONGER EXPECTS TO COLLECT AN INSTITUTIONAL DEBT, REGARDLESS OF WHETHER THE INSTITUTION:

(I) REMOVES THE DEBT FROM ITS RECORDS;

(II) PURSUES THE STUDENT OWING THE DEBT;

(III) ACCEPTS PAYMENT FOR THE DEBT; OR

(IV) SELLS THE DEBT.

(4) "DEMOGRAPHIC CATEGORIES" MEANS THE FOLLOWING GROUPS AND POPULATIONS:

(I) RACE;

(II) ETHNICITY;

(III) AGE;

(IV) GENDER;

(V) IN-STATE OR OUT-OF-STATE RESIDENCY;

(VI) ENROLLMENT STATUS; AND

(VII) DEGREE, CERTIFICATE, OR CREDENTIAL CONFERRED OR PURSUED.

(5) (I) "INSTITUTIONAL DEBT" MEANS AN EXTENSION OF CREDIT, DEBT, OR OBLIGATION OWED OR INCURRED BY A STUDENT, IN THE STUDENT'S CAPACITY AS A STUDENT, TO AN INSTITUTION OF POSTSECONDARY EDUCATION.

(II) "INSTITUTIONAL DEBT" INCLUDES CREDIT, DEBT, OR

OBLIGATION FOR:

- 1. TUITION CHARGES;**
- 2. ROOM AND BOARD CHARGES; AND**
- 3. FINES AND FEES.**

(6) “NONJUDICIAL COLLECTION” MEANS COLLECTION OF INSTITUTIONAL DEBT OWED BY A STUDENT TO A STATE AGENCY BY THE CENTRAL COLLECTION UNIT IN THE DEPARTMENT OF BUDGET AND MANAGEMENT.

(7) “TUITION PAYMENT PLAN” MEANS AN AGREEMENT UNDER WHICH AN INSTITUTION OF POSTSECONDARY EDUCATION ALLOWS A STUDENT TO ENROLL FOR AN ACADEMIC TERM AND DEFER PAYMENT OF PARTIAL OR FULL COSTS ASSOCIATED WITH THAT TERM.

(8) “VOLUNTARY PAYMENT” MEANS A PAYMENT MADE BY A STUDENT TO AN INSTITUTION OF POSTSECONDARY EDUCATION TO PAY AN INSTITUTIONAL DEBT, IN WHOLE OR IN PART, THAT WAS NOT MADE IN ACCORDANCE WITH A COURT JUDGMENT OR A NONJUDICIAL COLLECTION.

(B) (1) ON OR BEFORE OCTOBER 1, 2026, AND EACH OCTOBER 1 THEREAFTER, AN INSTITUTION OF POSTSECONDARY EDUCATION SHALL SUBMIT TO THE COMMISSION A REPORT ON INSTITUTIONAL DEBT IN ACCORDANCE WITH SUBSECTION (C) OF THIS SECTION.

(2) ON OR BEFORE DECEMBER 1, 2026, AND EACH DECEMBER 1 THEREAFTER, THE COMMISSION SHALL, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE, SUBMIT A REPORT TO THE GENERAL ASSEMBLY SUMMARIZING THE REPORTS SUBMITTED TO THE COMMISSION BY INSTITUTIONS OF POSTSECONDARY EDUCATION UNDER THIS SECTION.

(C) THE REPORT REQUIRED UNDER SUBSECTION (B)(1) OF THIS SECTION SHALL INCLUDE THE FOLLOWING INFORMATION AS REFLECTED ON THE LAST DAY OF THE PREVIOUS FISCAL YEAR:

(1) TOTAL STUDENT ENROLLMENT, DISAGGREGATED BY DEMOGRAPHIC CATEGORIES;

(2) TOTAL DOLLAR AMOUNT OF INSTITUTIONAL DEBT, DISAGGREGATED BY:

(I) DEMOGRAPHIC CATEGORIES;

(II) NUMBER OF ENROLLED AND FORMER STUDENTS WHO OWE INSTITUTIONAL DEBT;

(III) LENGTH OF TIME INSTITUTIONAL DEBT HAS BEEN OWED;

(IV) TYPE OF CHARGES FOR WHICH INSTITUTIONAL DEBT WAS INCURRED;

(V) PERCENTAGE AND TOTAL NUMBER OF STUDENTS WITH INSTITUTIONAL DEBT WHO RECEIVED A FEDERAL PELL GRANT; AND

(VI) DEBT AMOUNT THAT ACCRUED DURING THAT FISCAL YEAR AND DEBT AMOUNT THAT ACCRUED BEFORE THAT FISCAL YEAR;

(3) STATUS AND COLLECTION OF INSTITUTIONAL DEBT, INCLUDING:

(I) PERCENTAGE AND TOTAL AMOUNT OF INSTITUTIONAL DEBT HELD IN GOOD STANDING AND PAST DUE;

(II) THE NUMBER AND TOTAL AMOUNT OF INSTITUTIONAL DEBTS UNDER TUITION PAYMENT PLANS, INCLUDING THE PERCENTAGE THAT ARE IN GOOD STANDING OR PAST DUE;

(III) THE NUMBER AND TOTAL AMOUNT OF INSTITUTIONAL DEBTS UNDER STUDENT LOANS OWED TO THE INSTITUTION, INCLUDING THE PERCENTAGE THAT ARE IN GOOD STANDING AND PAST DUE;

(IV) NUMBER OF ENROLLED STUDENTS AND FORMER STUDENTS WHO MADE VOLUNTARY PAYMENTS TO THE INSTITUTION DURING THAT FISCAL YEAR AND THE TOTAL AMOUNT PAID;

(V) PERCENTAGE AND TOTAL AMOUNT OF INSTITUTIONAL DEBT CHARGED OFF DURING THAT FISCAL YEAR;

(VI) NUMBER OF STUDENT ACCOUNTS REPORTED TO A CREDIT REPORTING AGENCY DURING THAT FISCAL YEAR;

(VII) PERCENTAGE AND NUMBER OF STUDENT ACCOUNTS REFERRED TO A THIRD PARTY FOR DEBT COLLECTION OR SALE DURING THAT FISCAL YEAR, INCLUDING DEBT COLLECTION AGENCIES, DEBT COLLECTORS, AND DEBT BUYERS, AND TOTAL AMOUNT COLLECTED;

(VIII) PERCENTAGE AND NUMBER OF STUDENT ACCOUNTS SUBJECT TO LITIGATION BY THE INSTITUTION DURING THAT FISCAL YEAR AND THE TOTAL AMOUNT COLLECTED; AND

(IX) FOR PUBLIC INSTITUTIONS ONLY, PERCENTAGE AND NUMBER OF STUDENT ACCOUNTS REFERRED TO NONJUDICIAL COLLECTION DURING THAT FISCAL YEAR AND THE TOTAL AMOUNT COLLECTED;

(4) ADMINISTRATIVE HOLD ACTIONS BY THE INSTITUTION, INCLUDING:

(I) NUMBER OF ENROLLED STUDENTS OR FORMER STUDENTS WITH AN ADMINISTRATIVE HOLD DUE TO INSTITUTIONAL DEBT; AND

(II) NUMBER OF ENROLLED STUDENTS OR FORMER STUDENTS WHO HAVE COMPLETED ALL REQUIRED COURSES BUT ON WHOM A DEGREE HAS NOT BEEN CONFERRED DUE TO INSTITUTIONAL DEBT;

(5) A LIST OF PERSONS USED BY THE INSTITUTION FOR INSTITUTIONAL DEBT-RELATED ACTIVITIES, INCLUDING ORIGINATING LOANS, ESTABLISHING AND FACILITATING INSTALLMENT PLANS OR DEBT PAYMENT, AND INITIATING LAWSUITS;

(6) A COPY OF ANY MODEL INSTRUMENT USED BY THE INSTITUTION TO ESTABLISH AN INSTITUTIONAL DEBT, INCLUDING A PROMISSORY NOTE, AN ENROLLMENT AGREEMENT, A TUITION PAYMENT PLAN, OR A CONTRACT;

(7) A SUMMARY OF AND CITATION TO THE INSTITUTION'S POLICIES RELATING TO AN ENROLLED STUDENT'S FINANCIAL OBLIGATIONS, INCLUDING:

(I) TUITION PAYMENT PLANS;

(II) STUDENT LOANS OWED TO THE INSTITUTION;

(III) ADMINISTRATIVE HOLDS;

(IV) DEBT COLLECTION; AND

(V) REPORTS TO CREDIT REPORTING AGENCIES; AND

(8) ANY OTHER INFORMATION THE COMMISSION DETERMINES IS RELEVANT TO EVALUATING INSTITUTIONAL DEBTS.

(D) NOTHING IN THIS SECTION MAY BE CONSTRUED TO REQUIRE AN INSTITUTION OF POSTSECONDARY EDUCATION TO REPORT PERSONAL IDENTIFYING INFORMATION OF AN ENROLLED STUDENT OR A FORMER STUDENT.

(E) (1) SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, THE COMMISSION MAY ASSESS A CIVIL PENALTY AGAINST AN INSTITUTION OF POSTSECONDARY EDUCATION IF THE INSTITUTION FAILS TO SUBMIT A REPORT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION OR KNOWINGLY INCLUDES INACCURATE INFORMATION IN A REPORT AS DETERMINED BY THE COMMISSION.

(2) (I) BEFORE ASSESSING A PENALTY, THE COMMISSION SHALL SEND THE INSTITUTION OF POSTSECONDARY EDUCATION A NOTICE OF THE CHARGES AGAINST THE INSTITUTION AND GIVE THE INSTITUTION AN OPPORTUNITY TO REQUEST A HEARING WITHIN 20 DAYS AFTER THE DATE OF RECEIPT OF THE NOTICE.

(II) A NOTICE OF CHARGES UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL:

1. DESCRIBE THE DEFICIENCIES IN THE REPORT; AND

2. DIRECT THE INSTITUTION TO CORRECT THE DEFICIENCIES WITHIN 30 DAYS AFTER THE DAY THE INSTITUTION RECEIVED THE NOTICE FROM THE COMMISSION.

(3) IF THE INSTITUTION OF POSTSECONDARY EDUCATION REQUESTS A HEARING WITHIN THE 20-DAY PERIOD:

(I) THE COMMISSION SHALL PROMPTLY HOLD A HEARING NOT LATER THAN 60 DAYS AFTER RECEIPT OF THE REQUEST FOR A HEARING; AND

(II) THE INSTITUTION SHALL HAVE THE OPPORTUNITY TO BE HEARD PUBLICLY BEFORE THE COMMISSION IN THE INSTITUTION'S OWN DEFENSE, IN PERSON, AND BY COUNSEL.

(4) IF THE COMMISSION DETERMINES THAT AN INSTITUTION OF POSTSECONDARY EDUCATION FAILS TO SUBMIT A REPORT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION OR KNOWINGLY INCLUDES INACCURATE INFORMATION IN A REPORT, THE COMMISSION MAY IMPOSE A CIVIL PENALTY, NOT EXCEEDING \$10,000, FOR EACH VIOLATION.

(F) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THIS

1 SECTION.

2 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
3 1, 2025.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.