

SENATE BILL 446

F2, I4

0lr0755
CF HB 469

By: **Senators Pinsky, Elfreth, Ellis, Kagan, Lam, Sydnor, Washington, ~~and Young~~
Young, and Hettleman**

Introduced and read first time: January 27, 2020

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2020

CHAPTER _____

1 AN ACT concerning

2 **Institutions of Postsecondary Education – Disorderly School Closures**

3 FOR the purpose of authorizing the Secretary of Higher Education to require certain
4 institutions of postsecondary education to refund all tuition and fees to certain
5 students under certain circumstances; authorizing the Secretary to file an injunction
6 under certain circumstances; establishing that an institution that closes programs
7 in a certain manner is in violation of a certain agreement; requiring certain students
8 to be reimbursed for certain tuition and fees under certain circumstances; requiring
9 certain institutions to provide the Commission with a certain school closure ~~plan~~
10 agreement; requiring a certain agreement to contain certain provisions; establishing
11 that certain actions be considered as unfair, abusive, or deceptive trade practices;
12 requiring certain institutions to file certain records with the Commission before
13 discontinuing academic or administrative operation; authorizing the Commission to
14 approve a certain plan for the filing of certain records of former students with a
15 certain successor institution under certain circumstances; prohibiting a certain
16 obligation from being discharged in bankruptcy; requiring that certain records filed
17 with the Commission present certain financial information; requiring certain records
18 to be accompanied by an affidavit on behalf of certain individuals; authorizing the
19 Commission to issue a replacement transcript to a certain student under certain
20 circumstances; requiring a certain replacement transcript to be signed by a certain
21 individual and contain certain information; requiring that a certain institution
22 accept a certain replacement transcript as an official transcript; authorizing a
23 certain institution or a certain program to accept a certain transcript; requiring the
24 Commission to adopt certain regulations; specifying the contents of the Education

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.



Trust Fund; defining certain terms; making the provisions of this Act severable; and generally relating to disorderly closures of institutions of postsecondary education.

BY renumbering

Article – Education

Section 11–203(e)

to be Section 11–203(f)

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – Commercial Law

Section 13–301(14)(xxxii)

Annotated Code of Maryland

(2013 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, without amendments,

Article – Commercial Law

Section 13–301(14)(xxxiii)

Annotated Code of Maryland

(2013 Replacement Volume and 2019 Supplement)

BY adding to

Article – Commercial Law

Section 13–301(14)(xxxiv)

Annotated Code of Maryland

(2013 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – Education

Section 11–107 and 11–401

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)

BY adding to

Article – Education

Section 11–203(e) and 11–210

Annotated Code of Maryland

(2018 Replacement Volume and 2019 Supplement)

BY repealing and reenacting, with amendments,

Article – State Government

Section 9–1A–30

Annotated Code of Maryland

(2014 Replacement Volume and 2019 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That Section(s) 11–203(e) of Article – Education of the Annotated Code of Maryland be
renumbered to be Section(s) 11–203(f).

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
as follows:

Article – Commercial Law

13–301.

Unfair, abusive, or deceptive trade practices include any:

(14) Violation of a provision of:

(xxxii) The federal Military Lending Act; [or]

(xxxiii) The federal Servicemembers Civil Relief Act; or

(XXXIV) § 11–210 OF THE EDUCATION ARTICLE; OR

Article – Education

11–107.

(a) The Commission may authorize the Secretary, acting through the Attorney
General, to seek an injunction or other judicial remedy for any violation of this title or of
the rules and regulations adopted under this title.

(b) (1) If an institution of postsecondary education is required to have a
certificate of approval from the Commission and is operating without a certificate of
approval, the Secretary may:

(i) Issue an order to cease and desist;

(ii) Issue a notice of violation and impose a penalty of up to \$5,000;

and

(iii) Acting through the Attorney General, seek an injunction or other
judicial remedy.

(2) In imposing a penalty under this subsection, the Secretary shall
consider:

(i) The seriousness of the violation;

(ii) The harm caused by the violation;

- (iii) The good faith of the institution and any corrective actions taken;
- (iv) Any history of previous violations; and
- (v) Other pertinent circumstances.

(c) For any institution of postsecondary education required to have Commission approval before offering a program, if the institution offers an unapproved program, the Secretary may require the institution to refund all tuition and fees paid by students who enrolled in the program, and may revoke the certificate of approval of any institution that fails to make a required refund within the time specified by the Secretary.

(D) IF AN INSTITUTION OF POSTSECONDARY EDUCATION DOES NOT FILE ALL ESSENTIAL RECORDS OF THE ACADEMIC ACHIEVEMENT OF A FORMER STUDENT WITH THE COMMISSION IN ACCORDANCE WITH § 11-401 OF THIS TITLE, THE SECRETARY MAY:

(1) REQUIRE THE INSTITUTION TO REFUND ALL TUITION AND FEES PAID BY THE FORMER STUDENT WHOSE RECORDS WERE NOT FILED IN ACCORDANCE WITH § 11-401 OF THIS TITLE; OR

(2) SEEK AN INJUNCTION IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION.

[(d)] (E) The remedies provided in this section are in addition to any other remedies provided by law.

11-203.

(E) (1) AN INSTITUTION THAT CLOSES ONE OR MORE PROGRAMS IN A MANNER THAT IS A DISORDERLY CLOSURE AS DEFINED IN § 11-210 OF THIS SUBTITLE IS IN VIOLATION OF THE ENROLLMENT AGREEMENT OR OTHER CONTRACT WITH A STUDENT ENROLLED AT THE TIME OF THE CLOSURE.

(2) (I) A MARYLAND STUDENT ENROLLED IN AN INSTITUTION WITHIN 120 DAYS BEFORE THE DATE OF THE DISORDERLY CLOSURE SHALL BE ENTITLED TO REIMBURSEMENT FROM THE PERFORMANCE BOND OR IRREVOCABLE LETTER OF CREDIT OF ALL NON-TITLE IV TUITION AND FEES PAID TO THE INSTITUTION.

(II) REIMBURSEMENT MADE UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE ISSUED TO ALL MARYLAND STUDENTS, INCLUDING THOSE WHO TRANSFER TO ANOTHER INSTITUTION.

(3) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS SUBSECTION.

11-210.

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

(2) "CLOSING INSTITUTION" MEANS A PRIVATE CAREER SCHOOL OR AN INSTITUTION OF POSTSECONDARY EDUCATION THAT CLOSES AT LEAST ONE PROGRAM IN A MANNER THAT IS A DISORDERLY CLOSURE.

(3) "DISORDERLY CLOSURE" MEANS THE CESSATION OF EDUCATIONAL INSTRUCTION, AS DETERMINED BY THE COMMISSION, OF A PROGRAM IN WHICH:

(I) ~~A MARYLAND STUDENT IS UNABLE TO COMPLETE THE PROGRAM PRIOR TO THE CESSATION OF EDUCATIONAL INSTRUCTION~~ THE INSTITUTION DID NOT PROVIDE A SATISFACTORY AMOUNT OF TIME, AS DETERMINED BY THE COMMISSION, FOR ALL MARYLAND STUDENTS TO COMPLETE THE PROGRAM;

(II) THE INSTITUTION DID NOT TRANSITION ALL MARYLAND STUDENTS INTO ANOTHER PROGRAM AT THE INSTITUTION; AND OR

~~(H) (III)~~ (III) THE INSTITUTION DID NOT ENTER INTO AT LEAST ONE SCHOOL-TO-SCHOOL TEACH-OUT AGREEMENT.

(4) "ELIGIBLE TRANSFER INSTITUTION" MEANS A PRIVATE CAREER SCHOOL OR AN INSTITUTION OF POSTSECONDARY EDUCATION THAT:

(I) 1. HAS A CERTIFICATE OF APPROVAL FROM THE COMMISSION IN ACCORDANCE WITH § 11-202 OF THIS SUBTITLE;

2. IS REGISTERED WITH THE COMMISSION IN ACCORDANCE WITH § 11-202.2 OF THIS SUBTITLE; OR

3. IS EXEMPT FROM REGISTERING WITH THE COMMISSION IN ACCORDANCE WITH § 11-202.2 OF THIS SUBTITLE;

(II) IS IN GOOD STANDING WITH ITS ACCREDITOR AND, IF APPLICABLE, ITS LICENSING BODY;

(III) IF APPLICABLE, HAS COHORT LOAN DEFAULT RATES, AS MOST RECENTLY REPORTED BY THE U.S. DEPARTMENT OF EDUCATION, THAT ARE LESS THAN OR EQUAL TO ~~THE~~:

1. THE COHORT LOAN DEFAULT RATES OF THE CLOSING INSTITUTION; OR

2. THE NATIONAL AVERAGE COHORT LOAN DEFAULT RATES FOR ALL INSTITUTIONS;

(IV) IS NOT CURRENTLY UNDER FINANCIAL AID RESTRICTIONS BY THE U.S. DEPARTMENT OF EDUCATION; AND

(V) WITHIN THE PREVIOUS 5 YEARS:

1. HAS NOT ENTERED INTO ANY SETTLEMENT AGREEMENTS RELATED TO A CONSUMER PROTECTION LAW WITH A LAW ENFORCEMENT AGENCY; AND

2. HAS NOT HAD ANY JUDGMENTS RELATED TO A CONSUMER PROTECTION LAW ENTERED AGAINST IT IN FAVOR OF A LAW ENFORCEMENT AGENCY.

(5) “FULLY ONLINE DISTANCE EDUCATION PROGRAM IN THE STATE” HAS THE MEANING STATED IN § 11-202.2 OF THIS SUBTITLE.

(6) “INSTITUTIONAL DEBT” MEANS:

(I) THE AMOUNT OUTSTANDING ON ANY CREDIT, INCLUDING UNPAID CHARGES, EXTENDED BY OR ON BEHALF OF THE INSTITUTION THAT A STUDENT IS OBLIGATED TO REPAY, WHETHER THE AMOUNT HAS BEEN REDUCED TO JUDGMENT OR THE INSTITUTION CLASSIFIES IT AS A LOAN; OR

(II) A NONFEDERAL LOAN OR DEBT AGREEMENT THAT IS ISSUED EXPRESSLY FOR POSTSECONDARY EDUCATION EXPENSES AND THAT IS GUARANTEED BY:

1. A PRIVATE CAREER SCHOOL;

2. AN INSTITUTION OF POSTSECONDARY EDUCATION;

OR

1 3. A PRIVATE EDUCATIONAL LENDER THAT IS
2 AFFILIATED WITH A PRIVATE CAREER SCHOOL OR AN INSTITUTION OF
3 POSTSECONDARY EDUCATION.

4 (7) “INSTITUTIONAL FINANCIAL AID AGREEMENT” MEANS ANY
5 CONTRACT, PROMISSORY NOTE, PART OF AN ENROLLMENT AGREEMENT, OR OTHER
6 AGREEMENT IN WHICH A STUDENT AGREES TO PAY AN INSTITUTIONAL DEBT.

7 (B) THIS SECTION APPLIES TO A PRIVATE CAREER SCHOOL OR AN
8 INSTITUTION OF POSTSECONDARY EDUCATION, AS DEFINED IN § 10-101 OF THIS
9 ARTICLE, THAT:

10 (1) OPERATES IN THE STATE; OR

11 (2) ENROLLS AT LEAST 25 STUDENTS IN A FULLY ONLINE DISTANCE
12 EDUCATION PROGRAM IN THE STATE AND THAT HAS TOTAL TUITION REVENUE FROM
13 MARYLAND STUDENTS GREATER THAN \$100,000 IN THE IMMEDIATELY PRECEDING
14 ACADEMIC YEAR.

15 (C) (1) (I) IN ADDITION TO ANY OTHER REQUIREMENT OF THIS TITLE,
16 AN INSTITUTION IDENTIFIED IN SUBSECTION (B) OF THIS SECTION SHALL PROVIDE
17 TO THE COMMISSION A CLOSE-OUT ~~PLAN~~ AGREEMENT.

18 (II) A CLOSE-OUT ~~PLAN~~ AGREEMENT PROVIDED UNDER THIS
19 PARAGRAPH SHALL BE UPDATED AS REQUIRED BY THE COMMISSION.

20 (2) A CLOSE-OUT ~~PLAN~~ AGREEMENT UNDER THIS SUBSECTION ~~SHALL~~
21 ~~INCLUDE ANY INFORMATION REQUIRED BY THE COMMISSION AND~~ SHALL STATE
22 THAT:

23 (I) THE INSTITUTION WILL MAKE ALL REASONABLE EFFORTS
24 TO ENSURE THAT ANY CLOSURE OF A PROGRAM THAT ENROLLS MARYLAND
25 STUDENTS IS NOT A DISORDERLY CLOSURE;

26 (II) UNLESS EXEMPTED BY THE COMMISSION, THE CHIEF
27 EXECUTIVE OFFICER AND THE MEMBERS OF THE GOVERNING BODY OF THE
28 INSTITUTION WERE NEVER IN AN EXECUTIVE POSITION OR A MEMBER OF A
29 GOVERNING BODY OF AN INSTITUTION IN WHICH A DISORDERLY CLOSURE
30 OCCURRED;

31 (III) IF THE INSTITUTION IS A FOR-PROFIT INSTITUTION OF
32 HIGHER EDUCATION AS DEFINED IN § 10-101 OF THIS ARTICLE, THE CHIEF
33 EXECUTIVE OFFICER AND THE MEMBERS OF THE GOVERNING BODY AGREE TO BE
34 JOINTLY AND SEVERALLY PERSONALLY LIABLE FOR AN AMOUNT DETERMINED BY

1 THE COMMISSION, BASED ON THE INDIVIDUAL'S GOOD FAITH, ADVANCE
2 KNOWLEDGE OF THE DISORDERLY CLOSURE, ABILITY TO PREVENT THE CLOSURE,
3 AND SEVERITY OF THE CLOSURE, PAYABLE TO THE EDUCATION TRUST FUND
4 ESTABLISHED UNDER § 9-1A-30 OF THE STATE GOVERNMENT ARTICLE, ~~NOT TO~~
5 ~~EXCEED~~ WHICH IS THE LESSER OF:

6 1. \$1,000 FOR EACH MARYLAND STUDENT WHO WAS
7 ENROLLED AT THE TIME OF THE DISORDERLY CLOSURE; OR

8 2. THE COST, BASED ON THE INSTITUTION'S PREVIOUS
9 YEAR'S FINANCIAL STATEMENTS, OF COMPLETING THE TERM FOR EACH MARYLAND
10 STUDENT WHO WAS ENROLLED AT THE TIME OF THE DISORDERLY CLOSURE; AND

11 (IV) ANY INSTITUTIONAL FINANCIAL AID AGREEMENT OFFERED
12 TO A MARYLAND STUDENT SHALL CONTAIN LANGUAGE STATING THAT, IN THE
13 EVENT OF A DISORDERLY CLOSURE, THE INSTITUTIONAL DEBT IS VOID AND MAY NOT
14 BE RECOVERED, COLLECTED, OR ENFORCED.

15 (3) A SCHOOL-TO-SCHOOL TEACH-OUT AGREEMENT SHALL:

16 (I) BE ARRANGED BY THE CLOSING INSTITUTION;

17 (II) BE BETWEEN AN ELIGIBLE TRANSFER INSTITUTION, THE
18 CLOSING INSTITUTION, AND THE COMMISSION; AND

19 (III) UNLESS WAIVED FOR GOOD CAUSE BY THE COMMISSION,
20 SPECIFY THAT THE ELIGIBLE TRANSFER INSTITUTION:

21 1. IF THE CLOSING INSTITUTION HAS A PHYSICAL
22 PRESENCE IN THE STATE, IS LOCATED WITHIN A REASONABLE DISTANCE OF THE
23 CLOSING INSTITUTION;

24 2. SHALL ACCEPT THE TRANSFER OF ~~ALL~~ 75% OF
25 COMPLETED CREDITS FROM STUDENTS AFFECTED BY THE DISORDERLY CLOSURE;

26 3. SHALL ALLOW A MARYLAND STUDENT AFFECTED BY
27 THE DISORDERLY CLOSURE TO COMPLETE THE STUDENT'S PROGRAM WITH
28 SUBSTANTIALLY THE SAME NUMBER OF CREDIT HOURS AS WAS REQUIRED BY THE
29 INSTITUTION OPERATING THE CLOSING PROGRAM; AND

30 4. MAY NOT CHARGE A MARYLAND STUDENT TUITION
31 OR FEES IN EXCESS OF THE LESSER OF:

1 A. THE REMAINING AMOUNT THAT A MARYLAND
2 STUDENT AFFECTED BY THE DISORDERLY CLOSURE WOULD HAVE PAID TO THE
3 CLOSING INSTITUTION TO COMPLETE THE PROGRAM; OR

4 B. THE TRANSFER INSTITUTION'S APPLICABLE TUITION
5 AND FEES; AND

6 (IV) SPECIFY THAT, ON REQUEST BY A MARYLAND STUDENT
7 AFFECTED BY THE DISORDERLY CLOSURE, THE CLOSING INSTITUTION SHALL
8 PROVIDE A COMPLETE ACADEMIC RECORD AND AN OFFICIAL TRANSCRIPT TO THE
9 MARYLAND STUDENT AT NO COST TO THE MARYLAND STUDENT OR THE STATE.

10 (D) IT SHALL BE AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE AS
11 DEFINED IN § 13-301 OF THE COMMERCIAL LAW ARTICLE FOR ANY INSTITUTION,
12 PERSON, OR ENTITY TO COLLECT ON A MARYLAND STUDENT'S INSTITUTIONAL DEBT
13 IF:

14 (1) THE INSTITUTIONAL FINANCIAL AID AGREEMENT DOES NOT
15 CONTAIN THE LANGUAGE REQUIRED UNDER SUBSECTION (C)(2)(IV) OF THIS
16 SECTION; OR

17 (2) ~~AN INSTITUTION COLLECTS ON AN INSTITUTIONAL DEBT OF THE~~
18 INSTITUTIONAL DEBT IS OWED BY A MARYLAND STUDENT WHO ATTENDED A
19 PROGRAM IN WHICH A DISORDERLY CLOSURE OCCURRED.

20 (E) THE COMMISSION SHALL ADOPT REGULATIONS TO CARRY OUT THE
21 PROVISIONS OF THIS SECTION.

22 11-401.

23 (a) (1) Before any institution of postsecondary education operating in this
24 State discontinues ACADEMIC OR ADMINISTRATIVE operation, [its chief administrative
25 officer] THE INSTITUTION shall file with the Commission the original or legible copies of
26 all essential records of the academic achievements of all former students of the institution.

27 (2) IN THE CASE OF AN INSTITUTIONAL CLOSURE THAT RESULTS IN A
28 MERGER, THE COMMISSION MAY APPROVE A PLAN TO FILE THE ESSENTIAL
29 RECORDS OF ALL FORMER STUDENTS OF THE INSTITUTION WITH THE SUCCESSOR
30 INSTITUTION.

31 ~~(2)~~ (3) THE OBLIGATION OF AN INSTITUTION UNDER PARAGRAPH
32 (1) OF THIS SUBSECTION MAY NOT BE DISCHARGED IN BANKRUPTCY.

33 (b) (1) The records shall present, as separate documents:

1 [(1)] (I) The OFFICIAL academic [record] TRANSCRIPT of each former
2 student; [and

3 (2)] (II) Any other academic information usually required by institutions
4 of postsecondary education when considering students for transfer or advanced study; AND

5 (III) IF REQUESTED BY THE COMMISSION, THE FINANCIAL AID
6 AND FINANCIAL ACCOUNT INFORMATION OF EACH FORMER STUDENT.

7 (2) THE RECORDS SHALL BE ACCOMPANIED BY AN AFFIDAVIT AS TO
8 THE ACCURACY AND COMPLETENESS OF THE RECORDS ON BEHALF OF THE
9 INSTITUTION'S:

10 (I) BOARD OF TRUSTEES;

11 (II) BURSAR;

12 (III) CHIEF ADMINISTRATIVE OFFICER;

13 (IV) CHIEF EXECUTIVE OFFICER;

14 (V) CHIEF FINANCIAL OFFICER; OR

15 (VI) REGISTRAR.

16 (c) The Commission shall maintain a permanent file of all records filed with it
17 under this section.

18 (D) (1) IF A STUDENT WHO ATTENDED AN INSTITUTION THAT CLOSED IN
19 ACCORDANCE WITH THIS TITLE REQUESTS A COPY OF THE STUDENT'S OFFICIAL
20 ACADEMIC TRANSCRIPT FROM THE COMMISSION AND THE COMMISSION
21 DETERMINES THAT THE REQUESTED TRANSCRIPT IS MISSING, INCOMPLETE, OR IN
22 A FORMAT INACCESSIBLE TO THE STUDENT, THE COMMISSION MAY ISSUE A
23 REPLACEMENT TRANSCRIPT FOR THE STUDENT BASED SOLELY ON THE MOST
24 RECENT INFORMATION PROVIDED BY THE INSTITUTION THAT THE STUDENT
25 ATTENDED.

26 (2) A REPLACEMENT TRANSCRIPT ISSUED IN ACCORDANCE WITH
27 PARAGRAPH (1) OF THIS SUBSECTION SHALL:

28 (I) BE SIGNED BY A DESIGNEE OF THE SECRETARY OF HIGHER
29 EDUCATION;

1 (II) CONTAIN AN EXPLANATION OF THE CLOSURE OF THE
2 INSTITUTION; AND

3 (III) CONTAIN AN EXPLANATION OF THE SOURCE OF ALL
4 INFORMATION CONTAINED IN THE REPLACEMENT TRANSCRIPT.

5 (E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A
6 REPLACEMENT TRANSCRIPT ISSUED IN ACCORDANCE WITH THIS SECTION SHALL BE
7 ACCEPTED AS AN OFFICIAL TRANSCRIPT BY:

8 (I) ANY INSTITUTION OF POSTSECONDARY EDUCATION
9 OPERATING IN THE STATE; AND

10 (II) ANY INSTITUTION REGISTERED TO PROVIDE A FULLY
11 ONLINE DISTANCE EDUCATION PROGRAM IN THE STATE.

12 (2) FOR PURPOSES OF STUDENT TRANSFER, AN INSTITUTION OF
13 POSTSECONDARY EDUCATION OR A FULLY ONLINE DISTANCE EDUCATION PROGRAM
14 IN THE STATE MAY CONSIDER, INSTEAD OF OR IN ADDITION TO A REPLACEMENT
15 TRANSCRIPT, AN UNOFFICIAL TRANSCRIPT OR OTHER TRANSCRIPT INFORMATION
16 PROVIDED BY THE STUDENT THAT THE RECEIVING INSTITUTION OR PROGRAM
17 DEEMS RELEVANT.

18 (F) (1) THE COMMISSION SHALL ADOPT REGULATIONS NECESSARY TO
19 CARRY OUT THE PROVISIONS OF THIS SECTION.

20 (2) THE REGULATIONS ADOPTED IN ACCORDANCE WITH THIS
21 SUBSECTION SHALL INCLUDE:

22 (I) A SPECIFICATION OF THE MANNER AND FORMAT IN WHICH
23 STUDENT RECORDS ARE TO BE FILED WITH THE COMMISSION; AND

24 (II) A DESCRIPTION OF THE CIRCUMSTANCES UNDER WHICH AN
25 INSTITUTION OF POSTSECONDARY EDUCATION OR A FULLY ONLINE DISTANCE
26 EDUCATION PROGRAM IN THE STATE MAY DISCONTINUE ACADEMIC OR
27 ADMINISTRATIVE OPERATION.

28 Article – State Government

29 9–1A–30.

30 (a) There is an Education Trust Fund which is a special, nonlapsing fund that is
31 not subject to § 7–302 of the State Finance and Procurement Article.

(b) (1) There shall be credited to the Education Trust Fund all proceeds allocated to the Fund under § 9–1A–27 of this subtitle **AND ALL JUDGMENTS PAID TO THE FUND UNDER § 11–210 OF THE EDUCATION ARTICLE.**

(2) Money in the Education Trust Fund shall be invested and reinvested by the Treasurer, and interest and earnings shall accrue to the Fund.

(c) Money in the Education Trust Fund shall be used to:

(1) provide funding for public elementary and secondary education, through continuation of the funding and formulas established under the programs commonly known as the Bridge to Excellence in Public Schools Act, first enacted by Chapter 288 of the Acts of the General Assembly of 2002, including the funding for regional differences in the cost of education under § 5–202(f) of the Education Article;

(2) provide funds to construct public school buildings and provide public school capital improvements in accordance with Title 5, Subtitle 3 of the Education Article;

(3) provide funds for capital projects at community colleges and public senior higher education institutions; and

(4) provide funds to expand public early childhood education programs in the State.

(d) Expenditures from the Education Trust Fund shall be made each fiscal year in accordance with the State budget.

SECTION 3. AND BE IT FURTHER ENACTED, That, if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act that can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2020.