

Proprietary Institutions of Education

FOR the purpose of authorizing the State Board for Higher Education, by rule and regulation, to create and provide for the operation of ~~an---institution---of postsecondary---education--fund~~ a guaranty fund for postsecondary, nondegree granting, proprietary institutions of education; requiring certain institutions to pay a certain fee into the fund; providing for a reassessment of the fee if authorized claims exceed the amount present in the fund; prohibiting the issuance of a certificate of approval to an institution that fails to pay the fee; providing for the maintenance of the fund; and generally relating to the purpose, management, and operation of ~~an institution-of-postsecondary-education-fund~~ a guaranty fund for postsecondary, nondegree granting, proprietary institutions of education.

BY adding to

Article - Education  
Section 12-204(d)  
Annotated Code of Maryland  
(1978 Volume and 1980 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Education

12-204.

(D) (1) THE STATE BOARD FOR HIGHER EDUCATION, BY RULE OR AND REGULATION, MAY CREATE AND PROVIDE FOR THE OPERATION OF AN-~~INSTITUTION-OF-POSTSECONDARY-EDUCATION-FUND~~ A GUARANTY FUND FOR POSTSECONDARY, NONDEGREE GRANTING, PROPRIETARY INSTITUTIONS OF EDUCATION.

(2) THE FUND SHALL BE USED TO REIMBURSE ANY INDIVIDUAL STUDENT AT A POSTSECONDARY, NONDEGREE GRANTING, PROPRIETARY INSTITUTION OF EDUCATION WHO SUFFERS A LOSS OF TUITION AND FEES BECAUSE AN THE INSTITUTION HAS VIOLATED ANY PROVISION OF SUBSECTION (A)(1) OR (2) OF THIS SECTION.

(3) (1) EACH POSTSECONDARY, NONDEGREE GRANTING, PROPRIETARY INSTITUTION THAT IS REQUIRED TO OBTAIN A CERTIFICATE OF APPROVAL SHALL PAY AN ANNUAL FEE INTO THE FUND.

(II) THE STATE BOARD FOR HIGHER EDUCATION SHALL DETERMINE THE AMOUNT OF THE FEE BASED ON THE PROBABLE AMOUNT OF MONEY NEEDED FOR THE FUND FOR EACH FISCAL YEAR YEAR. IF THE MONEYS IN THE GUARANTY FUND ARE INSUFFICIENT TO SATISFY DULY AUTHORIZED CLAIMS, THE MEMBER INSTITUTIONS