

Chapter 161

(Senate Bill 128)

AN ACT concerning

Maryland Higher Education Commission – Religious Educational Institutions – Authority to Operate

FOR the purpose of repealing a certain condition under which a religious educational institution may operate without a certificate of approval from the Maryland Higher Education Commission and may enroll certain students in a certain online distance education program without a certain registration; and generally relating to the authority of religious educational institutions to operate without certificates of approval from the Maryland Higher Education Commission.

BY repealing and reenacting, with amendments,
 Article – Education
 Section 11–202.1
 Annotated Code of Maryland
 (2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 That the Laws of Maryland read as follows:

Article – Education

11–202.1.

(a) A private nonprofit institution of higher education operating under a charter granted by the General Assembly may operate without a certificate of approval from the Commission.

(b) (1) Subject to the requirements imposed by this section, and except as prohibited in paragraph (2) of this subsection, a religious educational institution may operate without a certificate of approval from the Commission and may enroll Maryland students in a fully online distance education program in the State without a registration from the Commission if the institution:

(i) Is established for religious educational purposes;

(ii) Provides educational programs only for religious vocations or purposes;

(iii) Offers only sectarian instruction designed for and aimed at individuals who hold or seek to learn the particular religious faiths or beliefs taught by the institution; **AND**

(iv) [Does not offer instruction in nonsectarian or general education;
and

(v)] States on the certificate or diploma the religious nature of the
award.

(2) A religious educational institution that is accredited by an accrediting body recognized by the United States Department of Education may not operate without a certificate of approval from the Commission.

(c) Each religious educational institution authorized to operate without a certificate of approval or without a registration under subsection (b) of this section:

(1) Shall submit to the Commission, every 2 years, a renewal application that includes a financial statement reviewed by an independent accountant retained by the institution and a copy of the current catalog of courses; and

(2) May not commence or continue to operate, do business, or function unless the Commission determines on the basis of the financial statement submitted by the institution that the institution possesses adequate financial resources to support the institution's educational program.

(d) The Commission shall adopt regulations establishing procedures and standards for the submission and evaluation of the application for exemption, renewal application, and reports and financial statements submitted by religious educational institutions.

(e) A religious educational institution seeking to operate without a certificate of approval under subsection (b) of this section that is denied the right to operate has the right to judicial review as provided by the Administrative Procedure Act.

(f) Nothing in this section precludes a religious educational institution authorized to operate without a certificate of approval under subsection (b) of this section from seeking a certificate of approval from the Commission.

(g) A religious educational institution authorized to operate without a certificate of approval under subsection (b) of this section shall disclose on all transcripts, catalogs, advertisements, and publications of the institution that the institution does not have a certificate of approval from the Commission.

(h) With regard to a religious educational institution authorized to operate without a certificate of approval under subsection (b) of this section, a person may not:

(1) Make a statement, whether verbal or written, that the institution is approved by, or has a certificate of approval from, the Commission, including a statement

on any certificate, diploma, academic transcript, or other document issued by the institution or in any advertisement or publication, or on a Web site; or

(2) Enroll a student in the institution unless, before enrollment, the person gives written notice to and obtains a written acknowledgment from the student that:

(i) The institution's instructional program is only designed for and aimed at persons who hold or seek to learn the particular religious faith or beliefs of the church or religious institution, and provides only educational programs for religious vocations or purposes;

(ii) An institution of higher education is not required to accept for transfer credits earned at the institution;

(iii) An institution of higher education is not required to recognize an award earned at the institution;

(iv) A potential employer may determine that an award earned at the institution does not meet minimum educational requirements for employment;

(v) With respect to a religious counselor program, State licensing boards are not required to recognize the program as a prerequisite of licensure; and

(vi) If applicable, the institution:

1. Is not accredited; or

2. Is accredited by an accrediting body that is not recognized by the United States Department of Education.

(i) The written acknowledgment obtained from a student under subsection (h) of this section shall be:

(1) In a form approved by the Commission;

(2) Signed by both the student and a representative of the institution; and

(3) Permanently retained in the student's file by the institution.

(j) A person who violates subsection (g), (h), or (i) of this section is liable for a penalty of up to \$5,000 for each violation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2016.

Approved by the Governor, April 26, 2016.