

Department of Legislative Services
Maryland General Assembly
2024 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 1164
Ways and Means

(Delegates Smith and Toles)

Education, Energy, and the Environment

Nonpublic Schools – Transcripts – Prohibition on Punitive Measures Related to Student Debt

This bill prohibits nonpublic schools that participate in State-funded education programs from (1) refusing a transcript to a student or parent of a student because the student owes a debt; (2) conditioning the issuance of a transcript on the payment of a debt; (3) charging a higher fee for obtaining a transcript because a student owes a debt; (4) providing less favorable treatment of a transcript request because a student owes a debt; or (5) using transcript issuance as a tool of debt collection. These prohibitions apply to current and former students of the applicable nonpublic school. “Debt” means any money, obligation, claim, or sum due or owed by a student or former student to a nonpublic school. “Debt” does not include the fee, if any, charged to a student for the actual costs of providing a transcript. **The bill takes effect July 1, 2024.**

Fiscal Summary

State Effect: State operations and finances are not materially affected. The bill is directed at nonpublic schools.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Chapters 748 and 749 of 2023 prohibit an institution of higher education from refusing to provide a current or former student with a transcript or taking other

punitive measures regarding a student's transcript request because the student owes a debt to the institution.

The Maryland State Department of Education (MSDE) operates three ongoing programs that provide funding to nonpublic schools: the Nonpublic Textbook Program; Nonpublic Aging Schools Program; and the Broadening Options and Opportunities for Students Today Scholarship Program.

Additional Comments: MSDE advises that 352 nonpublic schools in Maryland currently participate in at least one of the three programs that provide funding to nonpublic schools. MSDE further advises that it receives, on average, 25 complaints yearly regarding nonpublic schools not issuing transcripts due to lack of payment of debt. Accordingly, nonpublic school revenue may decrease due to the prohibition against using transcript issuance as a tool of debt collection. Nonpublic schools may need to find other ways to collect debt from students or shift unpaid balances onto future students.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Maryland State Department of Education; Department of Legislative Services

Fiscal Note History: First Reader - February 19, 2024
rh/clb Third Reader - March 13, 2024

Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510