

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 110 (Chair, Education, Health, and Environmental Affairs
Committee)(By Request - Departmental - Higher
Education Commission)

Education, Health, and Environmental Affairs

Institutions of Higher Education - Fully Online Distance Education - Registration

This departmental bill alters the definition of “fully online distance education program in the State” to simplify the definition.

Fiscal Summary

State Effect: None. The bill is administrative in nature and does not affect State finances.

Local Effect: None.

Small Business Effect: The Maryland Higher Education Commission (MHEC) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary: “Fully online distance education program in the State” is defined as a program offered by an out-of-state institution in which a student domiciled in Maryland enrolls, where all curricula in the program are wholly online and originate outside Maryland. The bill adds a definition so that an “out-of-state institution” is defined as an institution of higher education whose primary campus exists outside Maryland and whose authority to grant degrees is conferred by another state. The definition of “distance education” is also repealed.

Current Law: “Fully online distance education program in the State” is defined as a program in which (1) 100% of the program is offered through electronic distribution of instruction to one or more sites other than the principal location of an institution or (2) 51% or more of the program is offered through electronic distribution of instruction to one or more sites other than the principal local location of an institution and MHEC has determined that the portion of the program offered at a location in the State, if any, does not require a certificate of approval for the institution to operate, do business, or function in the State.

Background: MHEC advises that the current definition is difficult to explain and justify to institutions of higher education. MHEC also reports that the technology has advanced since the definition for a “fully online distance education in the State” was first established in statute. At the time the current definition was established, courses were transmitted via satellite, telephone lines, or a variety of alternative means to an off-site location where students would gather for instruction. Now, students no longer have to be in one specific location to receive the transmission. The definition proposed in the bill reflects the technological advances, but MHEC is not aware of any programs or institutions that would be affected by this change.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Higher Education Commission, Department of Legislative Services

Fiscal Note History: First Reader - January 13, 2014
mm/rhh

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Higher Education Commission – Fully Online Distance Education - Registration

BILL NUMBER: SB 110

PREPARED BY: Maryland Higher Education Commission

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

This proposed legislative change only impacts administrative procedures at MHEC. There will not be an impact on small business.