

SENATE BILL REPORT

SB 6380

As Passed Senate, February 12, 1996

Title: An act relating to technical and career training and education.

Brief Description: Eliminating the requirement that degree-granting private vocational schools participate in the tuition recovery trust fund.

Sponsors: Senators Bauer and Wood.

Brief History:

Committee Activity: Higher Education: 1/25/96, 1/29/96 [DP].
Passed Senate, 2/12/96, 48-0.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bauer, Chair; Kohl, Vice Chair; Drew, McAuliffe, Prince, Rasmussen, Sheldon, Wood and Zarelli.

Staff: Jennifer Hanlon (786-7784)

Background: In 1987, the tuition recovery fund was established to assure that funds are available to pay student refunds in the event of a school closure. Non-degree granting private institutions fund the trust with semi-annual payments.

In 1994, an account in the tuition recovery fund was established for the degree-granting private career schools. The Attorney General's Office determined that the adopted rules were not consistent with the authority of the Higher Education Coordinating Board, and the law creating that account was never implemented.

The United States Department of Education has established new financial accountability standards. The new standards require schools to post an irrevocable line of credit to reimburse students in the event of a school closure. Tuition recovery funds do not meet this requirement.

Summary of Bill: The statute that requires degree-granting private vocational schools to participate in the tuition recovery trust fund is repealed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: There is a small number of degree-granting private institutions, so their contribution to the recovery fund could be significant. The federal requirement is sufficient to protect students.

Testimony Against: None.

Testified: Les Pritchard, Art Institute of Seattle; Gena Wikstrom, WA Federation of Private Career Schools and Colleges; Susan Patrick, HEC Board.