

FINAL BILL REPORT

HB 1313

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Synopsis as Enacted

Brief Description: Changing liability and licensure provisions for private vocational schools.

Sponsors: By Representatives Cox, Kenney, Lantz, Dunn, Rockefeller and Haigh; by request of Workforce Training and Education Coordinating Board.

House Committee on Higher Education
Senate Committee on Higher Education

Background:

The Workforce Training and Education Coordinating Board (WTECB) regulates private vocational schools to ensure adequate educational quality and to monitor for false, deceptive, misleading, or unfair practices of private vocational schools. Among its duties, the WTECB maintains minimum standards for private vocational schools, manages a tuition recovery trust fund for settlement of claims related to school closures, and monitors for unfair business practices of the schools.

The tuition recovery trust fund was established to settle claims relating to school closures. A minimum operating balance of one million dollars is maintained in the fund. The WTECB calculates as a percentage of the total liability the figure required for each school to deposit into the account. This amount is payable in up to twenty increments over a ten-year period. Additional deposits to the tuition recovery trust fund are required to be made by the schools in the event that disbursements from the fund cause the operating balance to fall below the maintenance level.

Summary:

Technical changes are made to clarify the responsibilities of owners and entities operating private vocational schools. The liability limits of the tuition recovery trust fund are changed from an incremental scale established by the WTECB to the amount of unearned prepaid tuition in possession of the owner. Initial licensing of a school is no longer held until after a school's share of the tuition recovery trust fund is satisfied. If ownership of the school changes, the new owner is not required to begin a new payment schedule, but is obligated to make the payments remaining on the ten-year payment schedule.

Authorization is extended to the WTECB to deny, revoke or suspend the license of a private vocational school if the school has been found to engage in a substantial number of, or significant, unfair business practices.

Votes on Final Passage:

House 98 0

Senate 48 0

Effective: July 22, 2001