

# HOUSE BILL REPORT

## HB 1313

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### As Passed Legislature

**Title:** An act relating to liability and licensure of private vocational schools.

**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.

**Brief History:**

**Committee Activity:**

Higher Education: 2/9/01, 2/19/01 [DP].

**Floor Activity:**

Passed House: 3/9/01, 98-0.

Passed Senate: 4/4/01, 48-0.

Passed Legislature.

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| <p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>· Changes are made in language, liability limits of the tuition recovery trust fund, and licensure provisions due to unfair business practices.</li></ul> |
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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 6 members: Representatives Cox, Republican Co-Chair; Kenney, Democratic Co-Chair; Gombosky, Democratic Vice Chair; Jarrett, Republican Vice Chair; Fromhold and Lantz.

**Staff:** Marsha Reilly (786-7135).

**Background:**

Private vocational schools are regulated by the Workforce Training and Education Coordinating Board (WTECB) to ensure adequate educational quality. 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 unfair business practices among the schools.

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**Summary of Bill:**

- Changes wording such as "entity" with owner, "entity" with private vocational school, "it" with school, etc. resulting in clarification of responsibility. A definition for "owner" is added.
- Changes the liability limits of the tuition recovery fund from an incremental scale to the total amount of unearned prepaid tuition in the owner's possession. If an ownership change is made, funds deposited on behalf of the school remain in the fund, therefore new owners are obligated to complete remaining payments on the existing 10-year payment schedule.
- Authorizes the WTECB to deny, revoke or suspend the license of a private vocational school if the vocational school has been found to engage in a substantial number of significant unfair business practices.

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**Appropriation:** None.**Fiscal Note:** Not Requested.**Effective Date:** Ninety days after adjournment of session in which bill is passed.**Testimony For:** This bill is needed for several reasons. It increases liability limits on the tuition recovery fund thus allowing students to recover more of their tuition dollars in cases of school closure. New owners are not required to restart the cycle of payments for the tuition recovery fund. Monies in the fund stay with the schools thereby eliminating the "penalty" for new owners. It also offers further protection to consumers by authorizing the Workforce Training and Education Coordinating Board to revoke licenses of schools found to be participating in unfair business practices.**Testimony Against:** None.**Testified:** Representative Cox, co-prime sponsor; Representative Kenney, co-prime sponsor; Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board; and Steve Buckner, Washington Private Career Schools & Colleges.