

***Higher Education Committee***

***SB 5457***

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

***Sponsors:*** *By Senators Kohl-Welles, Carlson, Jacobsen and Horn; by request of Workforce Training and Education Coordinating Board.*

***Brief Summary of Bill***

- *Changes are made in language, liability limits of the tuition recovery trust fund, and licensure provisions due to unfair business practices.*

***Hearing Date:*** *3/19/01*

***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.*

***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 or significant unfair business practices.*

***Appropriation:*** *None.*

***Fiscal Note:*** *Available.*

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