

SENATE BILL REPORT

HB 1313

As Reported By Senate Committee On:
Higher Education, March 22, 2001

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 (co-prime sponsor), Kenney (co-prime sponsor), Lantz, Dunn, Rockefeller and Haigh; by request of Workforce Training and Education Coordinating Board.

Brief History:

Committee Activity: Higher Education: 3/22/01 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Carlson, Horn, McAuliffe, Parlette, Sheahan and B. Sheldon.

Staff: Jean Six (786-7423)

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: Wording such as entity- with owner, entity- with private vocational school, it- with school-, etc., is changed resulting in clarification of responsibility. A definition for owner- is added.

The liability limits of the tuition recovery fund are changed from an incremental scale to the total amount of unearned prepaid tuition in the owner's possession in the event of a school closure. Students are able to fully recover tuition paid for classes they never received.

Transfers of ownership do not result in a new ten-year payment schedule. New owners are obligated to complete any remaining payments on the ten-year payment schedule.

The WTECB is authorized 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.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This is a bipartisan proposal. Students are entitled to protection from unfair business practices and to full tuition refund if a school closes. The fund is healthy at this time.

Testimony Against: None.

Testified: Representative Cox, Representative Kenney, co-prime sponsors; Ellen O'Brien Saunders, WTECB; Steve Buckner, WA Federation of Private Career Schools and Colleges.