

SENATE BILL REPORT

SB 5457

As Passed Senate, March 9, 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: Senators Kohl-Welles, Carlson, Jacobsen and Horn; by request of Workforce Training and Education Coordinating Board.

Brief History:

Committee Activity: Higher Education: 2/5/01, 2/8/01 [DP].
Passed Senate: 3/9/01, 48-0.

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

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

Staff: Casey Bui (786-7448)

Background: Private vocational schools are regulated by the Workforce Training and Education Coordinating Board (WTECB) to help ensure adequate educational quality. Among its duties, the WTECB maintains minimum standards for private vocational schools, manages a tuition recovery trust fund and monitors unfair business practices among the schools.

Summary of Bill: Language clarification adjustments are made, as well as changes to two areas affecting the WTECB's oversight.

Liability: The amount of liability on the tuition recovery trust fund for any one particular private vocational school is changed from an incremental scale established by the WTECB to the total amount of unearned prepaid tuition in the owner's possession. Minimum and maximum liability limits are removed.

Transfers of ownership do not result in a new 10-year payment schedule. Instead, new owners are obligated to complete remaining payments on the existing 10-year payment schedule.

Unfair business practices: The WTECB may deny, revoke, or suspend the license of any private vocational school that is found to have engaged in a substantial number or significant unfair business practices.

Technical changes: Technical changes are made to explicitly reference either a "vocational school" or an "owner" rather than an "entity." A definition for "owner" is added.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: This bill provides for an effective, workable solution to existing issues regarding student tuition recovery and unfair business practices. It is time to revise how students are refunded money in the case of a school closure. Further, schools, not owners, should be tied to the tuition recovery fund payment schedule. It is duplicative and unfair to require new owners to make extra payments for schools that have already paid into the fund. The extra payments are not necessary.

Testimony Against: None.

Testified: Ellen O'Brien Saunders, WTECB; Gena Wikstrom, WFPCSC; Paul Rerucha, Ashmead College; Suzi Taylor, International Air Academy.