

# HOUSE BILL REPORT

## SB 5402

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### As Reported by House Committee On:

Higher Education  
Appropriations

**Title:** An act relating to private vocational school programs.

**Brief Description:** Establishing additional requirements for private vocational schools.

**Sponsors:** Senators Kilmer, Delvin, Shin and Rockefeller; by request of Workforce Training and Education Coordinating Board.

### Brief History:

#### Committee Activity:

Higher Education: 3/19/07, 3/21/07 [DP];

Appropriations: 3/29/07 [DPA].

### Brief Summary of Bill (As Amended by House Committee)

- Clarifies the minimum requirements for private vocational schools to obtain and maintain an operating license, and requires them to demonstrate their financial viability and responsibility to the Workforce Training and Education Coordinating Board (WTECB).
- Authorizes the WTECB to take corrective action if they determine that a private vocational school is at risk for closure.
- Directs the WTECB to provide transition assistance to students if a school closes without making adequate provisions.

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### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 8 members: Representatives Wallace, Chair; Sells, Vice Chair; Anderson, Ranking Minority Member; Buri, Assistant Ranking Minority Member; Hasegawa, Jarrett, McIntire and Roberts.

**Staff:** Jennifer Thornton (786-7111).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:**

The Workforce Training and Education Coordinating Board (WTECB) regulates and licenses 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 establishes 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.

A number of schools closed in 2005, prompting the WTECB to consider whether increased oversight of private career schools is necessary. For example, the computer training school called "Go2cert.com" closed its doors and declared bankruptcy in 2005. The WTECB refunded unearned prepaid tuition of approximately \$147,000 to the school's students who were enrolled when the school closed.

The Business Career Training Institute (BCTI), which had enrollments of between 500 and 600 students, also closed in 2005, owing the Higher Education Coordinating Board more than \$50,000 for repayment of the State Need Grant. The BCTI also admitted falsifying enrollment tests to admit students who were not "qualified" to enroll.

In 2005, 10 Washington students complained to the WTECB about the Court Reporting Institute, which had campuses in Seattle and Tacoma. Among other things, they cited poor instruction and misleading claims that they would graduate in 30 months. In August 2006, the school closed all of its campuses.

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**Summary of Bill:**

The WTECB must adopt minimum standards for entities operating private vocational schools that include requirements to assess whether a private vocational school is eligible to obtain and maintain a license in Washington. Vocational schools must demonstrate their financial viability and responsibility to the WTECB. Also, before enrolling students for whom English is a Second Language, the schools must administer an English as a second language examination, unless the student graduated from a United States high school, completed a General Educational Development test in English, or passed another appropriate assessment. The WTECB may deny a private vocational school's application for licensure if the school does not meet all requirements.

If the WTECB determines that a private vocational school is at risk for closure or termination, the school will be required to take corrective action. In making the determination, the WTECB considers whether there is a pattern or history of substantiated student complaints or whether there is a present and historical pattern of failing to meet minimum requirements.

If a school closes without providing adequate student notice, the WTECB will provide transition assistance to the students, including information regarding: transfer options,

financial aid discharge procedures, labor market and job placement assistance, and other available support services.

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**Appropriation:** The sum of \$106,000.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) This is requested legislation of the WTECB. It is about protecting students and providing necessary safeguards. The WTECB is charged with licensing private career schools, and this bill will strengthen regulations to help identify those schools at risk of closing, and protect students in the face of sudden school closures. There have been some closures in recent years and the WTECB has done everything possible to help those students.

(Opposed) None.

**Persons Testifying:** Senator Kilmer, prime sponsor; and Madeleine Thompson, Workforce Training and Education Coordinating Board.

**Persons Signed In To Testify But Not Testifying:** None.

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**HOUSE COMMITTEE ON APPROPRIATIONS**

**Majority Report:** Do pass as amended. Signed by 32 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Buri, Chandler, Cody, Conway, Darneille, Dunn, Ericks, Fromhold, Grant, Haigh, Hinkle, Hunt, Hunter, Kagi, Kenney, Kessler, Kretz, Linville, McDermott, McDonald, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist and Walsh.

**Staff:** Debbie Driver (786-7143).

**Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:**

The Appropriations Committee removed the appropriation.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) The Workforce Board regulates 257 private vocational schools in Washington. Most serve a valuable public service and serve the interest of their students. Nevertheless, there have been some bad apples in the last couple of years. This bill provides additional tools to protect the interest of students.

(Opposed) None.

**Persons Testifying:** Bryan Wilson and Peggy Rudolph, State Workforce Board.

**Persons Signed In To Testify But Not Testifying:** None.