

# SENATE BILL REPORT

## HB 2228

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As of February 24, 2014

**Title:** An act relating to providing parity of consumer protection procedures for all students attending licensed private vocational schools.

**Brief Description:** Providing parity of consumer protection procedures for all students attending licensed private vocational schools.

**Sponsors:** Representatives Smith, Wylie, Seaquist, Ormsby, Haler, Moscoso, Johnson, Ryu and Pollet; by request of Workforce Training and Education Coordinating Board.

**Brief History:** Passed House: 2/11/14, 98-0.

**Committee Activity:** Higher Education: 2/20/14.

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### SENATE COMMITTEE ON HIGHER EDUCATION

**Staff:** Eric Wolf (786-7405)

**Background:** The Workforce Training and Education Coordinating Board (Board) regulates and licenses private vocational schools to ensure adequate educational quality and to monitor for false, deceptive, misleading, or unfair practices. Among its duties, the Board establishes standards for private vocational schools including financial viability and qualification standards for instructors; manages the Tuition Recovery Trust Fund (TRTF) for settlement of claims related to school closures; and monitors for unfair business practices.

Under current statute, students who enroll in a private vocational school and personally pay tuition and fees may initiate a complaint or inquiry with the Board regarding a school's practices. Students who enroll in a private vocational school and have their tuition and fees paid by a state agency or by a business are not able to initiate such complaints. Additionally, students who pay their own tuition and fees may receive reimbursements from TRTF in the event a private vocational school closes unexpectedly. State agencies and businesses are unable to receive reimbursements from TRTF to recover the tuition and fees they paid on behalf of students.

**Summary of Bill:** Complaints. Private vocational schools must give notice to their students that complaints against the school may be brought to the Board. Students who enroll in a private vocational school and have their tuition and fees paid by a state agency or business may initiate complaints to the Board against private vocational schools.

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TRTF Payments. After January 1, 2016, TRTF is authorized to reimburse the tuition and fees paid by state agencies and private businesses. Private vocational schools must make payments into TRTF based on tuition and fees received from either individual students or agencies and businesses. The TRTF liability is limited to unearned prepaid tuition and fees, but if a student can furnish evidence that a comparable program of study at another private vocational school or other institution does not exist, the payee of tuition and fees may be reimbursed up to the full value of tuition and fees paid to date. The TRTF payment may be used to pay for a prior learning assessment at another institution, if needed. Although TRTF claims must generally be made within 30 days after a potential claimant is notified of their eligibility, the Executive Director of the Board or their designee may grant an exemption to the 30-day requirement if the claimant furnishes proof of extraordinary or exigent circumstances.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

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

**Staff Summary of Public Testimony:** PRO: This bill closes a loophole that prevents some students from initiating complaints of unfair business practices by private vocational schools. The Board has worked to improve their system, and the bill will help them make further reforms. This bill is a direct companion to SB 6033, which the committee already heard and passed. Currently statutes only allow the Board to respond to complaints from self-paying students at private vocational schools, and the TRTF may only reimburse tuition and fees to self-paying students. The bill corrects this situation and extends consumer protection to students whose tuition and fees are paid by private businesses or state agencies.

**Persons Testifying:** PRO: Representative Smith, prime sponsor; Nova Gattman, Workforce Training and Education Coordinating Board.