

# SENATE BILL REPORT

## SB 6033

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As of January 17, 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:** Senators Bailey, Kohl-Welles, Rivers, McAuliffe, Cleveland, Mullet and Chase; by request of Workforce Training and Education Coordinating Board.

**Brief History:**

**Committee Activity:** Higher Education: 1/16/14.

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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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*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.*

Tuition Recovery Trust Fund 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:** Requested on January 14, 2014.

**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 legislation would provide consumer protection to all students who attend private vocational schools. The bill makes improvements and closes a key loophole in the Board's consumer protection authority. The Board is prevented from acting on complaints brought by private vocational school students who have their fees and tuition paid by an agency or business—an unfair situation for such students that this bill fixes. Additionally, agencies and businesses who pay tuition and fees on behalf of a private vocational school student now have their investment protected the same way as a self-paying student. Allowing TRTF to recuperate some of the money that was transferred out in the last session is a prudent way of moving forward.

**Persons Testifying:** PRO: Nova Gattman, Workforce Training and Education Coordinating Board; Alex Hur, NW Career Colleges Federation.