

SENATE BILL REPORT

HB 2474

As Reported By Senate Committee On:
Higher Education, February 15, 1996

Title: An act relating to technical and career training and education.

Brief Description: Eliminating the requirement that degree-granting private vocational schools participate in the tuition recovery trust fund.

Sponsors: Representatives Mulliken, Mason, Schoesler and Carlson.

Brief History:

Committee Activity: Higher Education: 2/15/96 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass.

Signed by Senators Bauer, Chair; Kohl, Vice Chair; Hale, McAuliffe, Wood and Zarelli.

Staff: Jennifer Hanlon (786-7784)

Background: In 1987, the tuition recovery trust fund was established to assure that funds are available to pay student refunds in the event of a school closure. Non-degree granting private institutions fund the trust with semi-annual payments.

In 1994, legislation established an account in the tuition recovery fund for the degree-granting private career schools. The Attorney General's Office determined that the adopted rules were not consistent with the authority of the Higher Education Coordinating Board, and the law creating that account was never implemented.

The United States Department of Education has established new financial accountability standards. The new standards require schools to post an irrevocable line of credit to reimburse students in the event of school closure. Tuition recovery funds do not meet this requirement.

Summary of Bill: The statutes which require degree-granting private vocational schools to participate in the tuition recovery trust fund are repealed.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Paying into the trust fund is a significant burden for private degree-granting institutions.

Testimony Against: None.

Testified: PRO: Susan Patrick, Higher Education Coordinating Board; Linda Broderick, Washington Federation of Private Career Schools and Colleges.