CERTIFICATION OF ENROLLMENT

SECOND SUBSTITUTE HOUSE BILL 2061

Chapter 321, Laws of 1999

56th Legislature
1999 Regular Session

COMMUNITY COLLEGES--TUITION POLICIES

EFFECTIVE DATE: 7/25/99

Passed by the House April 19, 1999
   Yeas 97  Nays 0

   CLYDE BALLARD
   Speaker of the House of Representatives

   FRANK CHOPP
   Speaker of the House of Representatives

Passed by the Senate April 8, 1999
   Yeas 47  Nays 0

   BRAD OWEN
   President of the Senate

Approved May 14, 1999

We, Dean R. Foster and Timothy A. Martin, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is SECOND SUBSTITUTE HOUSE BILL 2061 as passed by the House of Representatives and the Senate on the dates hereon set forth.

DEAN R. FOSTER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

GARY LOCKE
Governor of the State of Washington

Secretary of State
State of Washington
AN ACT Relating to higher education, but only with respect to tuition and fees at community colleges and residency requirements; amending RCW 28B.15.100 and 28C.10.084; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. The legislature recognizes that certain tuition policies may have an adverse impact on the unique role of community colleges. Therefore, it is the intent of the legislature to eliminate impediments to the ability of community colleges to meet the diverse needs of students and business interests.

Sec. 2. RCW 28B.15.100 and 1998 c 75 s 1 are each amended to read as follows:

(1) The governing boards of the state universities, the regional universities, The Evergreen State College, and the community colleges shall charge to and collect from each of the students registering at the particular institution for any quarter or semester such tuition fees and services and activities fees, and other fees as such board shall in its discretion determine. The total of all fees shall be
rounded to the nearest whole dollar amount: PROVIDED, That such
tuition fees for other than the summer term shall be in the amounts for
the respective institutions as otherwise set forth in RCW 28B.15.067.
(2) Part-time students shall be charged tuition and services and
activities fees proportionate to full-time student rates established
for residents and nonresidents: PROVIDED, That except for students
registered at community colleges, students registered for fewer than
two credit hours shall be charged tuition and services and activities
fees at the rate established for two credit hours: PROVIDED FURTHER,
That, subject to the limitations of RCW 28B.15.910, residents of Idaho
or Oregon who are enrolled in community college district number twenty
for six or fewer credits during any quarter or semester may be exempted
from payment of all or a portion of the nonresident tuition fees
differential upon a declaration by the higher education coordinating
board that it finds Washington residents from the community college
district are afforded substantially equivalent treatment by such other
states.
(3) Full-time students registered for more than eighteen credit
hours shall be charged an additional operating fee for each credit hour
in excess of eighteen hours at the applicable established per credit
hour tuition fee rate for part-time students: PROVIDED, That, subject
to the limitations of RCW 28B.15.910, the governing boards of the state
universities and the community colleges may exempt all or a portion of
the additional charge, for students who are registered exclusively in
first professional programs in medicine, dental medicine, veterinary
medicine, doctor of pharmacy, or law, or who are registered exclusively
in required courses in vocational preparatory programs.

Sec. 3. RCW 28C.10.084 and 1993 c 445 s 2 are each amended to read
as follows:
(1) The agency shall establish, maintain, and administer a tuition
recovery trust fund. All funds collected for the tuition recovery
trust fund are payable to the state for the benefit and protection of
any student or enrollee of a private vocational school licensed under
this chapter, or, in the case of a minor, his or her parents or
guardian, for purposes including but not limited to the settlement of
claims related to school closures under subsection (10) of this section
and the settlement of claims under RCW 28C.10.120. The fund shall be
liable for settlement of claims and costs of administration but shall
not be liable to pay out or recover penalties assessed under RCW 28C.10.130 or 28C.10.140. No liability accrues to the state of Washington from claims made against the fund.

(2) By June 30, 1998, a minimum operating balance of one million dollars shall be achieved in the fund and maintained thereafter. If disbursements reduce the operating balance below two hundred thousand dollars at any time before June 30, 1998, or below one million dollars thereafter, each participating entity shall be assessed a pro rata share of the deficiency created, based upon the incremental scale created under subsection (6) of this section. The agency shall adopt schedules of times and amounts for effecting payments of assessment.

(3) To be and remain licensed under this chapter each entity shall, in addition to other requirements under this chapter, make cash deposits into a tuition recovery trust fund as a means to assure payment of claims brought under this chapter.

(4) The amount of liability that can be satisfied by this fund on behalf of each individual entity licensed under this chapter shall be established by the agency, based on an incremental scale that recognizes the average amount of unearned prepaid tuition in possession of the entity. However, the minimum amount of liability for any entity shall not be less than five thousand dollars. The upper limit of liability is reestablished after any disbursements are made to settle an individual claim or class of claims.

(5) The fund’s liability with respect to each participating entity commences on the date of its initial deposit into the fund and ceases one year from the date it is no longer licensed under this chapter.

(6) The agency shall adopt by rule a matrix for calculating the deposits into the fund required of each entity. Proration shall be determined by factoring the entity’s share of liability in proportion to the aggregated liability of all participants under the fund by grouping such prorations under the incremental scale created by subsection (4) of this section. Expressed as a percentage of the total liability, that figure determines the amount to be contributed when factored into a fund containing one million dollars. The total amount of its prorated share, minus the amount paid for initial capitalization, shall be payable in up to twenty increments over a ten-year period, commencing with the sixth month after the entity makes its initial capitalization deposit. Additionally, the agency shall require deposits for initial capitalization, under which the amount each entity
deposits is proportionate to its share of two hundred thousand dollars, employing the matrix developed under this subsection. The amount thus established shall be deposited by each applicant for initial licensing before the issuance of such license.

(7) No vested right or interests in deposited funds is created or implied for the depositor, either at any time during the operation of the fund or at any such future time that the fund may be dissolved. All funds deposited are payable to the state for the purposes described under this section. The agency shall maintain the fund, serve appropriate notices to affected entities when scheduled deposits are due, collect deposits, and make disbursements to settle claims against the fund. When the aggregated deposits total five million dollars and the history of disbursements justifies such modifications, the agency may at its own option reduce the schedule of deposits whether as to time, amount, or both and the agency may also entertain proposals from among the licensees with regard to disbursing surplus funds for such purposes as vocational scholarships.

(8) Based on annual financial data supplied by the entity the agency shall determine whether the increment assigned to that entity on the incremental scale established under subsection (6) of this section has changed. If an increase or decrease in gross annual tuition income has occurred, a corresponding change in its incremental position and contribution schedule shall be made before the date of its next scheduled deposit into the fund. Such adjustments shall only be calculated and applied annually.

(9) No deposits made into the fund by an entity are transferable. If the majority ownership interest in an entity is conveyed through sale or other means into different ownership, all contributions made to the date of transfer accrue to the fund. The new owner commences contributions under provisions applying to a new applicant, except that if ownership of an entity is transferred to an immediate family member, all tuition recovery trust fund contributions shall remain with the entity transferred, and no additional cash deposits may be required beyond the original ten-year contribution cycle.

(10) To settle claims adjudicated under RCW 28C.10.120 and claims resulting when a private vocational school ceases to provide educational services, the agency may make disbursements from the fund. Students enrolled under a training contract executed between a school and a public or private agency or business are not eligible to make a
claim against the fund. In addition to the processes described for
making reimbursements related to claims under RCW 28C.10.120, the
following procedures are established to deal with reimbursements
related to school closures:

(a) The agency shall attempt to notify all potential claimants. The
unavailability of records and other circumstances surrounding a
school closure may make it impossible or unreasonable for the agency to
ascertain the names and whereabouts of each potential claimant but the
agency shall make reasonable inquiries to secure that information from
all likely sources. The agency shall then proceed to settle the claims
on the basis of information in its possession. The agency is not
responsible or liable for claims or for handling claims that may
subsequently appear or be discovered.

(b) Thirty days after identified potential claimants have been
notified, if a claimant refuses or neglects to file a claim
verification as requested in such notice, the agency shall be relieved
of further duty or action on behalf of the claimant under this chapter.

(c) After verification and review, the agency may disburse funds
from the tuition recovery trust fund to settle or compromise the
claims. However, the liability of the fund for claims against the
closed entity shall not exceed the maximum amount of liability assigned
to that entity under subsection (6) of this section.

(d) In the instance of claims against a closed school, the agency
shall seek to recover such disbursed funds from the assets of the
defaulted entity, including but not limited to asserting claims as a
creditor in bankruptcy proceedings.

(11) When funds are disbursed to settle claims against a current
licensee, the agency shall make demand upon the licensee for recovery.
The agency shall adopt schedules of times and amounts for effecting
recoveries. An entity’s failure to perform subjects its license to
suspension or revocation under RCW 28C.10.050 in addition to any other
available remedies.

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