

# HOUSE BILL REPORT

## SB 5457

---

---

**As Reported by House Committee On:**  
Higher Education

**Title:** An act relating to liability and licensure of private vocational schools.

**Brief Description:** Changing liability and licensure provisions for private vocational schools.

**Sponsors:** By Senators Kohl-Welles, Carlson, Jacobsen and Horn; by request of Workforce Training and Education Coordinating Board.

**Brief History:**

**Committee Activity:**

Higher Education: 3/19/01, 3/21/01 [DP].

**Brief Summary of Bill**

- Changes are made in language, liability limits of the tuition recovery trust fund, and licensure provisions due to unfair business practices.

---

### HOUSE COMMITTEE ON HIGHER EDUCATION

**Majority Report:** Do pass. Signed by 8 members: Representatives Cox, Republican Co-Chair; Kenney, Democratic Co-Chair; Gombosky, Democratic Vice Chair; Jarrett, Republican Vice Chair; Dunn, Fromhold, Lantz and Skinner.

**Staff:** Marsha Reilly (786-7135).

**Background:**

Private vocational schools are regulated by the Workforce Training and Education Coordinating Board (WTECB) to ensure adequate educational quality. Among its duties, the WTECB maintains minimum standards for private vocational schools, manages a tuition recovery trust fund for settlement of claims related to school closures, and monitors unfair business practices among the schools.

---

**Summary of Bill:**

- Changes wording such as "entity" with owner, "entity" with private vocational school, "it" with school, etc. resulting in clarification of responsibility. A definition for "owner" is added.
- Changes the liability limits of the tuition recovery fund from an incremental scale to the total amount of unearned prepaid tuition in the owner's possession. If an ownership change is made, funds deposited on behalf of the school remain in the fund, therefore new owners are obligated to complete remaining payments on the existing 10-year payment schedule.
- Authorizes the WTECB to deny, revoke or suspend the license of a private vocational school if the vocational school has been found to engage in a substantial number of or significant unfair business practices.

---

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** This bill passed the Senate and is the same as House Bill 1313. It protects students in private schools for recovery of tuition funds. The bill links more closely license suspension due to unfair business practice. Currently, the Workforce Training and Education Coordinating Board can revoke or suspend licenses of private and vocation schools, however in statute it states that unfair business practices will be monitored. It protects new owners of schools by allowing them to assume the schedule of payment into the recovery trust of the previous owner. Finally, students may fully recover tuition for classes they never receive.

**Testimony Against:** None.

**Testified:** Senator Kohl-Welles, prime sponsor; Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board; and Stephen Buckner, Washington Private Career Schools and Colleges.