

CERTIFICATION OF ENROLLMENT

**ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1439**

Chapter 203, Laws of 2018

65th Legislature  
2018 Regular Session

HIGHER EDUCATION--UNFAIR BUSINESS PRACTICES

EFFECTIVE DATE: June 7, 2018

Passed by the House March 6, 2018  
Yeas 50 Nays 48

FRANK CHOPP

**Speaker of the House of Representatives**

Passed by the Senate March 1, 2018  
Yeas 31 Nays 18

CYRUS HABIB

**President of the Senate**

Approved March 22, 2018 3:24 PM

JAY INSLEE

**Governor of the State of Washington**

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1439** as passed by House of Representatives and the Senate on the dates hereon set forth.

BERNARD DEAN

**Chief Clerk**

FILED

March 26, 2018

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE HOUSE BILL 1439

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AS AMENDED BY THE SENATE

Passed Legislature - 2018 Regular Session

**State of Washington**                      **65th Legislature**                      **2017 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Pollet, Haler, Tarleton, Fey, Sells, Orwall, Ryu, Stanford, and Dolan)

READ FIRST TIME 02/24/17.

1            AN ACT Relating to regulating the institutions of higher  
2 education, including for-profit institutions and private vocational  
3 schools, to protect students from unfair business practices; amending  
4 RCW 28A.85.090, 28C.10.050, 28C.10.110, and 28C.10.130; reenacting  
5 and amending RCW 43.84.092; adding new sections to chapter 28B.85  
6 RCW; adding new sections to chapter 18.16 RCW; adding a new section  
7 to chapter 28B.77 RCW; creating new sections; and prescribing  
8 penalties.

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

10            NEW SECTION.        **Sec. 1.**        (1) In 2016, the student achievement  
11 council contracted with the William D. Ruckelshaus center to conduct  
12 a two-part study analyzing the system of for-profit degree-granting  
13 institutions and private vocational schools in Washington. The  
14 Ruckelshaus center issued its first report in December 2016, followed  
15 by facilitated discussions amongst agencies and stakeholders that  
16 resulted in a second report issued in 2017. This act incorporates  
17 some of the findings and recommendations from the first phase of the  
18 report, including the benefits of ensuring that recruitment  
19 advertising and materials are consistent with state and federal  
20 verified data. In addition, this act incorporates findings regarding  
21 the need for a single student complaint portal and for agencies to

1 have timely access to trust funds for tuition recovery and other  
2 methods of responding when schools close. This act also authorizes  
3 the second part of the study, as recommended by the center, that will  
4 include discussions of agency jurisdiction and consistency and how to  
5 improve the agencies' abilities to respond to school closures.

6 (2) The legislature finds that there are many private for-profit  
7 and nonprofit career colleges and degree-granting institutions  
8 providing Washington state residents with important postsecondary and  
9 career opportunities that contribute to the economic security of  
10 Washington residents and aid in meeting the needs of our state's  
11 growing economy. The legislature also recognizes that there have been  
12 high profile closures of, or federal and other state determinations  
13 regarding, some for-profit or formerly for-profit institutions that  
14 have damaged the reputation of the sector and impacted the  
15 expectations and financial stability of some students. It is the  
16 legislature's intent to provide a framework to ensure a level playing  
17 field exists for the many institutions that provide disclosures to  
18 prospective students based on verifiable metrics, which allow  
19 prospective students to be able to make the best decisions on school  
20 and career choices and on financial aid and loans to finance their  
21 educational goals. The legislature also intends to ensure that  
22 students are provided the information they need to make the best  
23 decisions for their educational future and careers in event of  
24 closure or potential closure of an institution. In addition, the  
25 legislature intends to protect the state's interest in the integrity  
26 of its grant and aid programs, from private decisions to close  
27 schools or programs under circumstances that may prevent students  
28 from obtaining the degree or certificate and career services that the  
29 students expected upon enrollment.

30 NEW SECTION. **Sec. 2.** (1) Subject to the availability of amounts  
31 appropriated for this specific purpose, up to seventy-five thousand  
32 dollars, the student achievement council must continue administering  
33 the two-part study of for-profit degree-granting institutions and  
34 private vocational schools that was authorized under section 609,  
35 chapter 36, Laws of 2016 sp. sess.

36 (2) As part of the second part of the process, the study must  
37 contain findings and recommendations regarding the creation of an  
38 ombuds to serve students of degree-granting institutions and private  
39 vocational schools, including a recommendation on which state agency

1 should house the position, and if there are other ombuds positions  
2 created by the legislature that can serve these students. The study  
3 must also contain recommendations on strengthening agencies'  
4 abilities to respond to, and protect student consumers from, school  
5 closures. Recommendations on agency responses include the use of  
6 trust funds and surety bonds for tuition recovery and other related  
7 losses.

8 (3) The student achievement council and the workforce training  
9 and education coordinating board must provide a report on the study  
10 to the legislature by December 31, 2018.

11 **Sec. 3.** RCW 28B.85.090 and 2012 c 229 s 550 are each amended to  
12 read as follows:

13 (1) Complaints may be filed with the council under this chapter  
14 by a person claiming loss of tuition or fees as a result of an unfair  
15 business practice (~~(may file a complaint with the council)~~). The  
16 complaint shall set forth the alleged violation and shall contain  
17 information required by the council. A complaint may also be filed  
18 with the council by an authorized staff member of the council or by  
19 the attorney general.

20 (2) The council shall investigate any complaint under this  
21 section and may attempt to bring about a settlement. The council may  
22 hold a hearing pursuant to the Administrative Procedure Act, chapter  
23 34.05 RCW, in order to determine whether a violation has occurred. If  
24 the council prevails, the degree-granting institution shall pay the  
25 costs of the administrative hearing.

26 (3) If, after the hearing, the council finds that the institution  
27 or its agent engaged in or is engaging in any unfair business  
28 practice, the council shall issue and cause to be served upon the  
29 violator an order requiring the violator to cease and desist from the  
30 act or practice and may impose the penalties under RCW 28B.85.100 and  
31 section 4 of this act. If the council finds that the complainant has  
32 suffered loss as a result of the act or practice, the council may  
33 order full or partial restitution for the loss. The complainant is  
34 not bound by the council's determination of restitution and may  
35 pursue any other legal remedy.

36 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.85  
37 RCW to read as follows:

1 (1)(a) The council may deny, revoke, or suspend the authorization  
2 of any degree-granting institution authorized to operate under this  
3 chapter that is found to be in violation of this chapter.

4 (b) The council may not delegate to any other state its authority  
5 to oversee and enforce compliance with this chapter or its authority  
6 to respond to complaints by students in this state, regardless of  
7 whether the institution is authorized by, or has its home in, another  
8 state. Under RCW 28B.85.020(1)(c), participation in interstate  
9 reciprocity agreements consistent with the purposes of this chapter  
10 does not delegate authority for compliance with this chapter or  
11 authority to respond to student complaints.

12 (2) It is a violation of this chapter for a degree-granting  
13 institution authorized to operate under this chapter or an agent  
14 employed by such a degree-granting institution to:

15 (a) Provide prospective students with any testimonial,  
16 endorsement, or other information that a reasonable person would find  
17 was likely to mislead or deceive prospective students or the public  
18 regarding current practices of the school, current conditions for  
19 employment opportunities, postgraduation employment by industry, or  
20 probable earnings in the occupation for which the education was  
21 designed, the likelihood of obtaining financial aid or low-interest  
22 loans for tuition, or the ability of graduates to repay loans;

23 (b) Use any official United States military logo in advertising  
24 or promotional materials; or

25 (c) Violate the provision of section 5(1)(b) of this act  
26 regarding the sale of, or inducing of students to obtain, specific  
27 consumer student loan products.

28 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.85  
29 RCW to read as follows:

30 (1) A degree-granting institution authorized to operate under  
31 this chapter must:

32 (a) Present data about its completion rates, employment rates,  
33 loan or indebtedness metrics, or its graduates' median hourly and  
34 annual earnings, the posted data consistent with the data posted on  
35 the workforce training and education coordinating board's career  
36 bridge web site or the data posted by the United States department of  
37 education, if the board or the department of education has posted  
38 such data;

1 (b) Not engage in any practice regarding the sale of, or inducing  
2 of students to obtain, specific consumer student loan products to  
3 fund education that financially benefits any person or entity that  
4 has an ownership interest in the institution, unless the institution  
5 can demonstrate to the council that the student has exhausted all  
6 federal aid options and has been denied noninstitutional private  
7 commercial loan products. The prohibition in this subsection (1)(b)  
8 applies to any degree-granting institution authorized to operate  
9 under this chapter, and any agent of the institution, that has at  
10 least one hundred fifty students or more enrolled in the state in any  
11 given year or that has been operating in the state for less than two  
12 consecutive years. A financial benefit for purposes of this  
13 subsection (1)(b) does not include merely having an interest in  
14 students with loans enrolling in the institution or assisting  
15 students with financial aid matters. For purposes of this subsection  
16 (1)(b), "agent" means any employee, officer, or contractor working on  
17 behalf of the institution; and

18 (c) Disclose to the council regarding any pending investigations  
19 by an oversight entity, including the nature of that investigation,  
20 within thirty days of the degree-granting institution's first  
21 knowledge of the investigation. For the purposes of this subsection,  
22 "investigation" means any inquiry into possible violations of any  
23 applicable laws or accreditation standards. For the purposes of this  
24 subsection, "oversight entity" means all of the following:

25 (i) Any federal or state entity that provides financial aid to  
26 students of the institution or approves the institution for  
27 participation in a financial aid program;

28 (ii) Any state or federal attorney general's office or department  
29 of justice;

30 (iii) Any regulator that approves the operation of the private  
31 vocational school;

32 (iv) The federal consumer financial protection bureau or the  
33 federal securities and exchange commission; and

34 (v) Any accrediting agency.

35 (2) A violation of any provision of this section is also a  
36 violation of RCW 19.86.020 of the consumer protection act. The  
37 penalties authorized pursuant to subsection (1) of this section do  
38 not preclude remedies available under the provisions of the consumer  
39 protection act.

1       **Sec. 6.** RCW 28C.10.050 and 2014 c 11 s 2 are each amended to  
2 read as follows:

3       (1) The agency shall adopt by rule minimum standards for entities  
4 operating private vocational schools. The minimum standards shall  
5 include, but not be limited to, requirements to assess whether a  
6 private vocational school is eligible to obtain and maintain a  
7 license in this state.

8       (2) The requirements adopted by the agency shall, at a minimum,  
9 require a private vocational school to:

10       (a) Disclose to the agency information about its ownership and  
11 financial position and (~~to~~) demonstrate to the agency that the  
12 school is financially viable and responsible and that it has  
13 sufficient financial resources to fulfill its commitments to  
14 students. Financial disclosures provided to the agency shall not be  
15 subject to public disclosure under chapter 42.56 RCW;

16       (b) Follow a uniform statewide cancellation and refund policy as  
17 specified by the agency;

18       (c) Disclose through use of a school catalog, web site, brochure,  
19 or other written material, necessary information to students so that  
20 students may make informed enrollment decisions. The agency shall  
21 specify what data and information (~~is~~) are required. To the extent  
22 that these web sites or materials present any data on the completion  
23 rates, employment rates, loan or indebtedness metrics, and its  
24 graduates' median hourly and annual earnings for any of the private  
25 vocational schools or its programs, the posted data must be  
26 consistent with the data posted on the agency's career bridge web  
27 site or the data posted by the United States department of education,  
28 if the agency or the department of education has posted such data.  
29 Nothing in this subsection requires the agency to make changes to the  
30 career bridge web site or add new elements or features to the career  
31 bridge web site;

32       (d) Use an enrollment contract or agreement that includes: (i)  
33 The school's cancellation and refund policy, (ii) a brief statement  
34 that the school is licensed under this chapter and that inquiries,  
35 concerns, or complaints may be made to the agency, and (iii) other  
36 necessary information as determined by the agency;

37       (e) Describe accurately and completely in writing to students  
38 before their enrollment prerequisites and requirements for (i)  
39 completing successfully the programs of study in which they are

1 interested and (ii) qualifying for the fields of employment for which  
2 their education is designed;

3 (f) Comply with the requirements of RCW 28C.10.084;

4 (g) Assess the basic skills and relevant aptitudes of each  
5 potential student to determine that a potential student has the basic  
6 skills and relevant aptitudes necessary to complete and benefit from  
7 the program in which the student plans to enroll, including but not  
8 limited to administering a United States department of education-  
9 approved English as a second language exam before enrolling students  
10 for whom English is a second language unless the students provide  
11 proof of graduation from a United States high school or proof of  
12 completion of a high school equivalency certificate as provided in  
13 RCW 28B.50.536 in English or results of another academic assessment  
14 determined appropriate by the agency. Guidelines for such assessments  
15 shall be developed by the agency, in consultation with the schools;

16 (h) Discuss with each potential student the potential student's  
17 obligations in signing any enrollment contract and/or incurring any  
18 debt for educational purposes. The discussion shall include the  
19 inadvisability of acquiring an excessive educational debt burden that  
20 will be difficult to repay given employment opportunities and average  
21 starting salaries in the potential student's chosen occupation;

22 (i) Ensure that any enrollment contract between the private  
23 vocational school and its students has an attachment in a format  
24 provided by the agency. The attachment shall be signed by both the  
25 school and the student. The attachment shall stipulate that the  
26 school has complied with (h) of this subsection and that the student  
27 understands and accepts his or her responsibilities in signing any  
28 enrollment contract or debt application. The attachment shall also  
29 stipulate that the enrollment contract shall not be binding for at  
30 least five days, excluding Sundays and holidays, following signature  
31 of the enrollment contract by both parties; ((and))

32 (j) Comply with the requirements related to qualifications of  
33 administrators and instructors; and

34 (k) Disclose to the agency regarding any pending investigations  
35 by an oversight entity, including the nature of that investigation,  
36 within thirty days of the school's first knowledge of the  
37 investigation. For the purposes of this subsection, "investigation"  
38 means any inquiry into possible violations of any applicable laws or  
39 accreditation standards. For the purposes of this subsection,  
40 "oversight entity" means all of the following:



1 (i) Any federal or state entity that provides financial aid to  
2 students of the institution or approves the school for participation  
3 in a financial aid program;

4 (ii) Any state or federal attorney general's office or department  
5 of justice;

6 (iii) Any regulator that approves the operation of the private  
7 vocational school;

8 (iv) The federal consumer financial protection bureau or the  
9 federal securities and exchange commission; and

10 (v) Any accrediting agency.

11 (3) A private vocational school that has at least one hundred  
12 fifty students or more in the state during any given year, or that  
13 has been operating in the state for less than two consecutive years,  
14 or that has not had at least one of its programs recognized by the  
15 agency as an eligible training provider for at least two consecutive  
16 years, may not engage in any practice regarding the sale of, or  
17 inducing of students to obtain, specific consumer student loan  
18 products to fund education that financially benefits any person or  
19 entity that has an ownership interest in the institution, unless the  
20 institution can demonstrate to the agency that the student has  
21 exhausted all federal aid options and has been denied  
22 noninstitutional private commercial loan products. A financial  
23 benefit for purposes of this subsection does not include merely  
24 having an interest in students with loans enrolling in the  
25 institution or assisting students with financial aid matters. For  
26 purposes of this subsection, "agent" means any employee, officer, or  
27 contractor working on behalf of the institution.

28 (4) The agency may deny a private vocational school's application  
29 for licensure if the school fails to meet the requirements in this  
30 section.

31 ~~((4))~~ (5) The agency may determine that a licensed private  
32 vocational school or a particular program of a private vocational  
33 school is at risk of closure or termination if:

34 (a) There is a pattern or history of substantiated student  
35 complaints filed with the agency pursuant to RCW 28C.10.120; or

36 (b) The private vocational school fails to meet minimum licensing  
37 requirements and has a pattern or history of failing to meet the  
38 minimum requirements.

1       (~~(5)~~) (6) If the agency determines that a private vocational  
2 school or a particular program is at risk of closure or termination,  
3 the agency shall require the school to take corrective action.

4       **Sec. 7.** RCW 28C.10.110 and 2014 c 11 s 6 are each amended to  
5 read as follows:

6       (1) It is a violation of this chapter for an entity operating a  
7 private vocational school to engage in an unfair business practice.  
8 The agency may deny, revoke, or suspend the license of any entity  
9 that is found to have engaged in a substantial number of unfair  
10 business practices or that has engaged in significant unfair business  
11 practices.

12       (2) It is an unfair business practice for an entity operating a  
13 private vocational school or an agent employed by a private  
14 vocational school to:

15       (a) Fail to comply with the terms of a student enrollment  
16 contract or agreement;

17       (b) Use an enrollment contract form, catalog, brochure, or  
18 similar written material affecting the terms and conditions of  
19 student enrollment other than that previously submitted to the agency  
20 and authorized for use;

21       (c) Advertise in the help wanted section of a newspaper or  
22 otherwise represent falsely, directly or by implication, that the  
23 school is an employment agency, is making an offer of employment or  
24 otherwise is attempting to conceal the fact that what is being  
25 represented are course offerings of a school;

26       (d) Represent falsely, directly or by implication, that an  
27 educational program is approved by a particular industry or that  
28 successful completion of the program qualifies a student for  
29 admission to a labor union or similar organization or for the receipt  
30 of a state license in any business, occupation, or profession;

31       (e) Represent falsely, directly or by implication, that a student  
32 who successfully completes a course or program of instruction may  
33 transfer credit for the course or program to any institution of  
34 higher education;

35       (f) Represent falsely, directly or by implication, in advertising  
36 or in any other manner, the school's size, location, facilities,  
37 equipment, faculty qualifications, number of faculty, or the extent  
38 or nature of any approval received from an accrediting association;

1 (g) Represent that the school is approved, recommended, or  
2 endorsed by the state of Washington or by the agency, except the fact  
3 that the school is authorized to operate under this chapter may be  
4 stated;

5 (h) Provide prospective students with: Any testimonial,  
6 endorsement, or other information ((which has the tendency)) that a  
7 reasonable person would find likely to mislead or deceive prospective  
8 students or the public, including those regarding current practices  
9 of the school((τ)); information regarding rates of completion or  
10 postgraduation employment by industry, or its graduates' median  
11 hourly or annual earnings, that is not consistent with the  
12 presentation of data as established under RCW 28C.10.050(2)(c);  
13 current conditions for employment opportunities((τ)); postgraduation  
14 employment by industry or probable earnings in the occupation for  
15 which the education was designed; total cost to obtain a diploma or  
16 certificate; the acceptance of a diploma or certificate by employers  
17 as a qualification for employment; the acceptance of courses, a  
18 diploma, or certificate by higher education institutions; the  
19 likelihood of obtaining financial aid or low-interest loans for  
20 tuition; and the ability of graduates to repay loans;

21 (i) Designate or refer to sales representatives as "counselors,"  
22 "advisors," or similar terms which have the tendency to mislead or  
23 deceive prospective students or the public regarding the authority or  
24 qualifications of the sales representatives;

25 (j) Make or cause to be made any statement or representation in  
26 connection with the offering of education if the school or agent  
27 knows or reasonably should have known the statement or representation  
28 to be false, substantially inaccurate, or misleading;

29 (k) Engage in methods of advertising, sales, collection, credit,  
30 or other business practices which are false, deceptive, misleading,  
31 or unfair, as determined by the agency by rule; ((øτ))

32 (l) Attempt to recruit students in or within forty feet of a  
33 building that contains a welfare or unemployment office. Recruiting  
34 includes, but is not limited to canvassing and surveying. Recruiting  
35 does not include leaving materials at or near an office for a person  
36 to pick up of his or her own accord, or handing a brochure or leaflet  
37 to a person provided that no attempt is made to obtain a name,  
38 address, telephone number, or other data, or to otherwise actively  
39 pursue the enrollment of the individual;

1 (m) Violate RCW 28C.10.050(3) regarding the sale of, or inducing  
2 of students to obtain, specific consumer student loan products; or  
3 (n) Use any official United States military logos in advertising  
4 or promotional materials.

5 **Sec. 8.** RCW 28C.10.130 and 1986 c 299 s 13 are each amended to  
6 read as follows:

7 (1) Any private vocational school or agent violating RCW  
8 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules  
9 is subject to a civil penalty of not more than one hundred dollars  
10 for each separate violation. Each day on which a violation occurs  
11 constitutes a separate violation. Multiple violations on a single day  
12 may be considered separate violations. The fine may be imposed by the  
13 agency under RCW 28C.10.120, or in any court of competent  
14 jurisdiction.

15 (2) In addition to the penalties authorized pursuant to  
16 subsection (1) of this section, any violation of any provision of  
17 this chapter is also a violation of RCW 19.86.020 of the consumer  
18 protection act, pursuant to RCW 28C.10.210. The penalties authorized  
19 under subsection (1) of this section do not preclude remedies  
20 available under the provisions of the consumer protection act.

21 NEW SECTION. **Sec. 9.** A new section is added to chapter 18.16  
22 RCW to read as follows:

23 (1)(a) For the purpose of providing relief to students impacted  
24 by the voluntary or involuntary closure of schools regulated under  
25 this chapter, the director shall establish, maintain, and administer  
26 a department of licensing tuition recovery trust fund created in  
27 section 10 of this act. The department of licensing tuition recovery  
28 trust fund shall be established no later than January 1, 2019. All  
29 funds collected for the department of licensing tuition recovery  
30 trust fund are payable to the state for the benefit and protection of  
31 any student or enrollee of a private school licensed under this  
32 chapter, for purposes including but not limited to the settlement of  
33 claims related to school closures.

34 (b) No liability accrues to the state from claims made against  
35 the department of licensing tuition recovery trust fund.

36 (2)(a) The director may impose a fee structure, set forth in  
37 rule, on schools licensed under this chapter to fund the department  
38 of licensing tuition recovery trust fund.

1 (b) The director must determine an amount that would be  
2 sufficient in the department of licensing tuition recovery trust fund  
3 to provide relief to students in the event of a school closure. The  
4 director shall adopt schedules of times and amounts for effecting  
5 payments of fees. To reach the amount determined, the director may  
6 phase in the collection of fees, but must achieve the amount  
7 determined to be sufficient no later than five years from the  
8 effective date of this section.

9 (3) Money from the department of licensing tuition recovery trust  
10 fund may be used for:

11 (a) Providing refunds to students affected by school closures;

12 (b) Securing and administering student records; and

13 (c) Any other response the director determines is necessary to  
14 mitigate impacts of a potential or actual school closure.

15 (4) In order for a school to be and remain licensed under this  
16 chapter, each school owner shall, in addition to other requirements  
17 under this chapter, make cash deposits on behalf of the school into  
18 the department of licensing tuition recovery trust fund.

19 (5) The department of licensing tuition recovery trust fund's  
20 liability with respect to each participating school commences on the  
21 date of the initial deposit into the department of licensing tuition  
22 recovery trust fund made on its behalf and ceases one year from the  
23 date the school is no longer licensed under this chapter.

24 (6) The director shall adopt by rule a matrix for calculating the  
25 deposits into the department of licensing tuition recovery trust fund  
26 on behalf of each school.

27 (7) No vested right or interest in deposited funds is created or  
28 implied for the depositor at any time during the operation of the  
29 department of licensing tuition recovery trust fund or at any such  
30 future time that the department of licensing tuition recovery trust  
31 fund may be dissolved. All funds deposited are payable to the state  
32 for the purposes described in this section. The director shall  
33 maintain the department of licensing tuition recovery trust fund,  
34 serve appropriate notices to affected owners when scheduled deposits  
35 are due, collect deposits, and make disbursements to settle claims  
36 against the department of licensing tuition recovery trust fund.

37 (8) The director shall adopt rules to address notifying potential  
38 claimants, settling claims, disbursing funds, and any other processes  
39 necessary to implement the purpose of this section.

1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 18.16  
2    RCW to read as follows:

3        The department of licensing tuition recovery trust fund is  
4    created in the custody of the state treasurer. All receipts from each  
5    school owner under section 9 of this act must be deposited into the  
6    fund. Expenditures from the fund may be used only for the purposes in  
7    section 9 of this act. Only the director or the director's designee  
8    may authorize expenditures from the fund. The fund is subject to  
9    allotment procedures under chapter 43.88 RCW, but an appropriation is  
10   not required for expenditures.

11       NEW SECTION.    **Sec. 11.**    A new section is added to chapter 28B.85  
12    RCW to read as follows:

13        (1)(a) For the purpose of providing relief to students impacted  
14    by the voluntary or involuntary closure of schools regulated under  
15    this chapter, the council shall establish, maintain, and administer a  
16    student achievement council tuition recovery trust fund created in  
17    section 12 of this act. All funds collected for the student  
18    achievement council tuition recovery trust fund are payable to the  
19    state for the benefit and protection of any student or enrollee of a  
20    private school licensed under this chapter, for purposes including  
21    but not limited to the settlement of claims related to school  
22    closures.

23        (b) No liability accrues to the state from claims made against  
24    the student achievement council tuition recovery trust fund.

25        (2)(a) The council may impose a fee structure, set forth in rule,  
26    on schools licensed under this chapter to fund the student  
27    achievement council tuition recovery trust fund.

28        (b) The council must determine an amount that would be sufficient  
29    in the student achievement council tuition recovery trust fund to  
30    provide relief to students in the event of a school closure. The  
31    council shall adopt schedules of times and amounts for effecting  
32    payments of fees. To reach the amount determined, the council may  
33    phase in the collection of fees, but must achieve the amount  
34    determined to be sufficient no later than five years from the  
35    effective date of this section.

36        (3) Money from the student achievement council tuition recovery  
37    trust fund may be used for:

38        (a) Providing refunds to students affected by school closures;

39        (b) Securing and administering student records; and

1 (c) Any other response the council determines is necessary to  
2 mitigate impacts of a potential or actual school closure.

3 (4) In order for a school to be and remain licensed under this  
4 chapter, each school owner shall, in addition to other requirements  
5 under this chapter, make cash deposits on behalf of the school into a  
6 student achievement council tuition recovery trust fund.

7 (5) The student achievement council tuition recovery trust fund's  
8 liability with respect to each participating school commences on the  
9 date of the initial deposit into the student achievement council  
10 tuition recovery trust fund made on its behalf and ceases one year  
11 from the date the school is no longer licensed under this chapter.

12 (6) The council shall adopt by rule a matrix for calculating the  
13 deposits into the student achievement council tuition recovery trust  
14 fund on behalf of each school.

15 (7) No vested right or interest in deposited funds is created or  
16 implied for the depositor at any time during the operation of the  
17 student achievement council tuition recovery trust fund or at any  
18 such future time that the student achievement council tuition  
19 recovery trust fund may be dissolved. All funds deposited are payable  
20 to the state for the purposes described under this section. The  
21 council shall maintain the student achievement council tuition  
22 recovery trust fund, serve appropriate notices to affected owners  
23 when scheduled deposits are due, collect deposits, and make  
24 disbursements to settle claims against the student achievement  
25 council tuition recovery trust fund.

26 (8) The council shall adopt rules to address notifying potential  
27 claimants, settling claims, disbursing funds, and any other processes  
28 necessary to implement the purpose of this section.

29 NEW SECTION. **Sec. 12.** A new section is added to chapter 28B.85  
30 RCW to read as follows:

31 The student achievement council tuition recovery trust fund is  
32 created in the custody of the state treasurer. All receipts from fees  
33 imposed on schools licensed under this chapter and section 11 of this  
34 act must be deposited into the fund. Expenditures from the fund may  
35 be used only for the purposes in section 11 of this act. Only the  
36 council may authorize expenditures from the fund. The fund is subject  
37 to allotment procedures under chapter 43.88 RCW, but an appropriation  
38 is not required for expenditures.

1        NEW SECTION.    **Sec. 13.**    A new section is added to chapter 28B.77  
2    RCW to read as follows:

3        Within existing resources, the student achievement council, the  
4    workforce training and education coordinating board, and the  
5    department of licensing shall collaborate to create a single portal  
6    for student complaints regarding issues related to consumer  
7    protection, disclosures, school or program closures, or other  
8    violations committed by institutions regulated by those three  
9    agencies. The persons staffing the portal shall refer complaints to  
10   the appropriate agency and work as a liaison between the student and  
11   relevant agency to assist in resolving the concerns or complaint.  
12   Each agency shall ensure that all students enrolled in, applying to  
13   enroll in, or obtaining loans at, institutions regulated by the  
14   agency are informed of the portal and how to file complaints. The  
15   persons staffing the portal will report to the legislature annually  
16   by November 1, 2018, the number of complaints and their resolution  
17   status.

18        **Sec. 14.**    RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd  
19    sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to  
20    read as follows:

21        (1) All earnings of investments of surplus balances in the state  
22    treasury shall be deposited to the treasury income account, which  
23    account is hereby established in the state treasury.

24        (2) The treasury income account shall be utilized to pay or  
25    receive funds associated with federal programs as required by the  
26    federal cash management improvement act of 1990. The treasury income  
27    account is subject in all respects to chapter 43.88 RCW, but no  
28    appropriation is required for refunds or allocations of interest  
29    earnings required by the cash management improvement act. Refunds of  
30    interest to the federal treasury required under the cash management  
31    improvement act fall under RCW 43.88.180 and shall not require  
32    appropriation. The office of financial management shall determine the  
33    amounts due to or from the federal government pursuant to the cash  
34    management improvement act. The office of financial management may  
35    direct transfers of funds between accounts as deemed necessary to  
36    implement the provisions of the cash management improvement act, and  
37    this subsection. Refunds or allocations shall occur prior to the  
38    distributions of earnings set forth in subsection (4) of this  
39    section.



1 (3) Except for the provisions of RCW 43.84.160, the treasury  
2 income account may be utilized for the payment of purchased banking  
3 services on behalf of treasury funds including, but not limited to,  
4 depository, safekeeping, and disbursement functions for the state  
5 treasury and affected state agencies. The treasury income account is  
6 subject in all respects to chapter 43.88 RCW, but no appropriation is  
7 required for payments to financial institutions. Payments shall occur  
8 prior to distribution of earnings set forth in subsection (4) of this  
9 section.

10 (4) Monthly, the state treasurer shall distribute the earnings  
11 credited to the treasury income account. The state treasurer shall  
12 credit the general fund with all the earnings credited to the  
13 treasury income account except:

14 (a) The following accounts and funds shall receive their  
15 proportionate share of earnings based upon each account's and fund's  
16 average daily balance for the period: The aeronautics account, the  
17 aircraft search and rescue account, the Alaskan Way viaduct  
18 replacement project account, the brownfield redevelopment trust fund  
19 account, the budget stabilization account, the capital vessel  
20 replacement account, the capitol building construction account, the  
21 Cedar River channel construction and operation account, the Central  
22 Washington University capital projects account, the charitable,  
23 educational, penal and reformatory institutions account, the Chehalis  
24 basin account, the cleanup settlement account, the Columbia river  
25 basin water supply development account, the Columbia river basin  
26 taxable bond water supply development account, the Columbia river  
27 basin water supply revenue recovery account, the common school  
28 construction fund, the community forest trust account, the connecting  
29 Washington account, the county arterial preservation account, the  
30 county criminal justice assistance account, the deferred compensation  
31 administrative account, the deferred compensation principal account,  
32 the department of licensing services account, the department of  
33 licensing tuition recovery trust fund, the department of retirement  
34 systems expense account, the developmental disabilities community  
35 trust account, the diesel idle reduction account, the drinking water  
36 assistance account, the drinking water assistance administrative  
37 account, the early learning facilities development account, the early  
38 learning facilities revolving account, the Eastern Washington  
39 University capital projects account, the Interstate 405 express toll  
40 lanes operations account, the education construction fund, the

1 education legacy trust account, the election account, the electric  
2 vehicle charging infrastructure account, the energy freedom account,  
3 the energy recovery act account, the essential rail assistance  
4 account, The Evergreen State College capital projects account, the  
5 federal forest revolving account, the ferry bond retirement fund, the  
6 freight mobility investment account, the freight mobility multimodal  
7 account, the grade crossing protective fund, the public health  
8 services account, the high capacity transportation account, the state  
9 higher education construction account, the higher education  
10 construction account, the highway bond retirement fund, the highway  
11 infrastructure account, the highway safety fund, the high occupancy  
12 toll lanes operations account, the hospital safety net assessment  
13 fund, the industrial insurance premium refund account, the judges'  
14 retirement account, the judicial retirement administrative account,  
15 the judicial retirement principal account, the local leasehold excise  
16 tax account, the local real estate excise tax account, the local  
17 sales and use tax account, the marine resources stewardship trust  
18 account, the medical aid account, the mobile home park relocation  
19 fund, the money-purchase retirement savings administrative account,  
20 the money-purchase retirement savings principal account, the motor  
21 vehicle fund, the motorcycle safety education account, the multimodal  
22 transportation account, the multiuse roadway safety account, the  
23 municipal criminal justice assistance account, the natural resources  
24 deposit account, the oyster reserve land account, the pension funding  
25 stabilization account, the perpetual surveillance and maintenance  
26 account, the pollution liability insurance agency underground storage  
27 tank revolving account, the public employees' retirement system plan  
28 1 account, the public employees' retirement system combined plan 2  
29 and plan 3 account, the public facilities construction loan revolving  
30 account beginning July 1, 2004, the public health supplemental  
31 account, the public works assistance account, the Puget Sound capital  
32 construction account, the Puget Sound ferry operations account, the  
33 Puget Sound taxpayer accountability account, the real estate  
34 appraiser commission account, the recreational vehicle account, the  
35 regional mobility grant program account, the resource management cost  
36 account, the rural arterial trust account, the rural mobility grant  
37 program account, the rural Washington loan fund, the sexual assault  
38 prevention and response account, the site closure account, the  
39 skilled nursing facility safety net trust fund, the small city  
40 pavement and sidewalk account, the special category C account, the

1 special wildlife account, the state employees' insurance account, the  
2 state employees' insurance reserve account, the state investment  
3 board expense account, the state investment board commingled trust  
4 fund accounts, the state patrol highway account, the state route  
5 number 520 civil penalties account, the state route number 520  
6 corridor account, the state wildlife account, the student achievement  
7 council tuition recovery trust fund, the supplemental pension  
8 account, the Tacoma Narrows toll bridge account, the teachers'  
9 retirement system plan 1 account, the teachers' retirement system  
10 combined plan 2 and plan 3 account, the tobacco prevention and  
11 control account, the tobacco settlement account, the toll facility  
12 bond retirement account, the transportation 2003 account (nickel  
13 account), the transportation equipment fund, the transportation  
14 future funding program account, the transportation improvement  
15 account, the transportation improvement board bond retirement  
16 account, the transportation infrastructure account, the  
17 transportation partnership account, the traumatic brain injury  
18 account, the tuition recovery trust fund, the University of  
19 Washington bond retirement fund, the University of Washington  
20 building account, the volunteer firefighters' and reserve officers'  
21 relief and pension principal fund, the volunteer firefighters' and  
22 reserve officers' administrative fund, the Washington judicial  
23 retirement system account, the Washington law enforcement officers'  
24 and firefighters' system plan 1 retirement account, the Washington  
25 law enforcement officers' and firefighters' system plan 2 retirement  
26 account, the Washington public safety employees' plan 2 retirement  
27 account, the Washington school employees' retirement system combined  
28 plan 2 and 3 account, the Washington state health insurance pool  
29 account, the Washington state patrol retirement account, the  
30 Washington State University building account, the Washington State  
31 University bond retirement fund, the water pollution control  
32 revolving administration account, the water pollution control  
33 revolving fund, the Western Washington University capital projects  
34 account, the Yakima integrated plan implementation account, the  
35 Yakima integrated plan implementation revenue recovery account, and  
36 the Yakima integrated plan implementation taxable bond account.  
37 Earnings derived from investing balances of the agricultural  
38 permanent fund, the normal school permanent fund, the permanent  
39 common school fund, the scientific permanent fund, the state

1 university permanent fund, and the state reclamation revolving  
2 account shall be allocated to their respective beneficiary accounts.

3 (b) Any state agency that has independent authority over accounts  
4 or funds not statutorily required to be held in the state treasury  
5 that deposits funds into a fund or account in the state treasury  
6 pursuant to an agreement with the office of the state treasurer shall  
7 receive its proportionate share of earnings based upon each account's  
8 or fund's average daily balance for the period.

9 (5) In conformance with Article II, section 37 of the state  
10 Constitution, no treasury accounts or funds shall be allocated  
11 earnings without the specific affirmative directive of this section.

Passed by the House March 6, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

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