

# Chapter 490-105 WAC

## REGULATION OF PRIVATE VOCATIONAL SCHOOLS

### WAC

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**WAC 490-105-010 What is the purpose of these regulations?** These regulations are adopted under chapter 28C.10 RCW in order to establish procedures for the licensing and regulation of private vocational schools.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-010, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-020 Who administers these rules?** (See RCW 28C.10.060.) Unless otherwise indicated, the agency delegates authority for administering the act and these rules to the executive director, who may further delegate as necessary and appropriate.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-020, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-030 How are words and phrases used in these rules?** (1) The following clarifies the statutory exemptions under RCW 28C.10.030:

(a) "Avocational" or "recreational" means instruction that is primarily intended for leisure; it is not offered to provide a student with employable skills or competencies. Instruction offered as a prerequisite for a vocational program does not qualify for this exemption.

(b) "Entities not otherwise exempt offering only workshops or seminars lasting no longer than three calendar days" means instruction that can be completed within three eight-hour days. A vocational education program divided into a series of supplementary seminars does not qualify for this exemption.

(2/6/08)

(c) "Programs of continuing professional education" include:

(i) Review programs offered solely as preparation for tests leading to certification in specific disciplines but not offered to provide occupational competencies. For example, this exemption applies to test preparation programs that lead to: Certification by a state board of accountancy (CPA); certification by the institute of certified management accounting (CMA); admission to practice before a state bar; certification in health occupations initiated by the American Medical Association, American Dental Association, and their respective professional auxiliaries; and, acquisition of other public certificates of convenience and necessity; and

(ii) Programs offered to conform with rules adopted by state agencies that require practitioners to undergo continuing professional education as a condition to renewing certification or licensure.

(2) The term "revoke" as used in RCW 28C.10.050(3) means an agency action that terminates a school's license. The agency's executive director or designee may revoke a school's license for just cause.

(3) The term "suspend" as used in RCW 28C.10.050(3) means an action by which the agency interrupts the school's authority to make offers of training. The agency's executive director or designee may suspend a school's license for just cause. An order of suspension prohibits the school from beginning instruction of new students for a maximum of thirty days. The school may remain in operation to continue training students in regular attendance on the date the suspension takes effect.

(4) The term "private vocational school" is further defined to include instruction at the postsecondary level that is intended for use by individuals who have either completed high school or are beyond the age of compulsory school attendance. Instruction or training offered to pre-kindergarten, kindergarten, elementary, or secondary school students is not encompassed by the act.

(5) "At risk" means the school demonstrates a pattern or history of one or more of the following conditions that the agency determines raise doubts for the continued successful and profitable operation of the organization:

(a) Failure to meet the standards of financial responsibility;

(b) Misrepresentation;

(c) A decrease in enrollment from the previous reporting period of fifty percent or more or twenty-five students, whichever is greater;

(d) Frequent substantiated complaints filed with the agency;

(e) Staff turnover from the previous year of fifty percent or more or three staff, whichever is greater; and

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(f) Conditions listed in (c) and (e) of this subsection, caused by unusual circumstances, shall be evaluated by the agency and exceptions may be granted.

(6) "Distance education" means education provided by written correspondence or any electronic medium for students who are enrolled in a private vocational school in pursuit of an identified occupational objective, but are not attending classes at an approved site or training establishment.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-030, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-030, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-040 What does it take to obtain a private vocational school license?** (See RCW 28C.10.050 and 28C.10.060.) An entity that wishes to operate a private vocational school must apply for a license on forms provided by the agency. If the agency determines an application is deficient, the applicant will be so notified. The applicant must correct the deficiencies within thirty days of notification. If that fails to occur, the application will be returned to the applicant. The license application fee will not be refunded. The agency's executive director or designee may deny a license application for just cause.

The application must include the following information attested to by the school's chief administrative officer:

(1) An identification of owners, shareholders, and directors.

(a) The complete legal name, current telephone number, and current mailing address of the owner;

(b) The form of ownership; e.g., sole proprietorship, partnership, limited partnership, or corporation;

(c) Names, addresses, phone numbers, birth dates, and prior school affiliations if any, of all individuals with ten percent or more ownership interest;

(d) A school that is a corporation or a subsidiary of another corporation must submit:

(i) Current evidence that the corporation is registered with the Washington secretary of state's office; and

(ii) The name, address and telephone number of the corporation's registered agent;

(e) "Ownership" of a school means:

(i) In the case of a school owned by an individual, that individual;

(ii) In the case of a school owned by a partnership, all full, silent and limited partners having a ten percent or more ownership interest;

(iii) In the case of a school owned by a corporation, the corporation, each corporate director, officer, and each shareholder owning shares of issued and outstanding stock aggregating at least ten percent of the total of the issued and outstanding shares;

(f) Schools under common ownership may designate a single location as the principal facility for recordkeeping via written notice to the agency.

(2) Financial statement.

(a) The school must submit information reflecting its financial condition at the close of its most recent fiscal year to demonstrate that it has sufficient financial resources to fulfill its commitments to students.

(i) Each nonaccredited school must submit a financial statement in a format supplied by the agency.

(ii) Each accredited school must submit a reviewed or audited financial statement, whichever is required by its accrediting body.

(b) If inadequate time exists to produce a financial statement in the interval between the ending date of the school's fiscal year and the due date of an application, the agency will adjust the school's license period to provide a reasonable interval.

(c) New schools must submit a proposed operating budget for the initial twelve months of operation rather than the financial statement described in (a) of this subsection. The proposed operating budget must be completed in a format supplied by the agency.

(d) New schools that have operated another business for at least one year, must submit, in addition to the proposed operating budget described in (c) of this subsection, a financial statement for that business. The financial statement must cover the existing business' most recently completed fiscal year and be prepared by a certified public accountant or be certified by the business' chief administrative officer.

(e) Owners of multiple schools may file financial information that consists of a single, consolidated financial statement and balance sheet for the corporation. The consolidated financial statement must be accompanied by data that documents total tuition earnings for each separate school under the corporation's ownership at the close of its most recent fiscal year. If historical data is not available, the data must project total tuition earnings for the school in its first or next completed twelve months of operation.

(3) Financial references.

(a) The school must furnish the names of at least one bank or other financial institution and two other entities that the agency may consult as financial references.

(b) A statement must be included authorizing the agency to obtain financial information from the references.

(4) A school must demonstrate to the agency that it is financially viable under the requirements established by this section.

(a) The agency considers a school to be financially viable only if it:

(i) Is able to provide the services described in its official publications and statements;

(ii) Is able to provide the administrative resources necessary to comply with the requirements of this subsection;

(iii) Is able to meet all of its financial obligations, including, but not limited to refunds that it is required to make;

(iv) Demonstrates at the end of its latest fiscal year, a ratio of current assets to current liabilities of at least 1:1;

(v) Had, for its latest fiscal year, a positive net worth. For the purposes of this subsection, a positive net worth occurs when the school's assets exceed its liabilities;

(vi) Has not had operating losses over both of its two latest fiscal years. In applying this standard, the agency may consider the effect of unusual events;

(vii) Has not had, for its latest fiscal year, an operating deficit exceeding ten percent of the institution's net worth. For purposes of this subsection, an operating deficit occurs when operating expenses exceed revenues from current business activities.

(b) A school that is not financially viable may be considered at risk and be required to follow the procedures cited in WAC 490-105-175.

(5) A copy of the school's catalog. (See RCW 28C.10.050 (1)(c).) The school must publish a catalog or brochure that explains its operations and requirements. The catalog must be current, comprehensive, and accurate. The school must disclose the following in some combination of a catalog, brochure or other written material and furnish a copy of each to every prospective student prior to completing an enrollment agreement:

- (a) Date of publication;
- (b) Names of owners having a ten percent or more equity ownership and officers, including any governing boards, and the name and address of its parent corporation, if a subsidiary;
- (c) Names, addresses, and telephone numbers of the school's administrative offices and all auxiliary facilities;
- (d) Names and qualifications of faculty. The list must be accurate as of the date of catalog publication. Any changes of faculty must be noted on a catalog errata sheet;
- (e) The school calendar, including hours of operation, holidays, enrollment periods, and the beginning and ending dates of terms, courses, or programs as may be appropriate;
- (f) Admission procedures including policies describing all prerequisites needed by entering students to:
  - (i) Successfully complete the programs of study in which they are interested; and
  - (ii) Qualify for the fields of employment for which their education is designed;
- (g) A description of the job placement assistance offered, if any. If no assistance is offered, the school must make that fact known;
- (h) The school's policy regarding student conduct, including causes for dismissal and conditions for readmission;
- (i) The school's policy regarding leave, absences, class cuts, makeup work, tardiness, and interruptions for unsatisfactory attendance;
- (j) The school's policy regarding standards of progress required of the student. This policy must define the grading system, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory progress, a description of the probationary period, if any, allowed by the school, conditions for reentrance for those students dismissed for unsatisfactory progress; and information that a statement will be furnished to the student regarding satisfactory or unsatisfactory progress;
- (k) An accurate description of the school's facilities and equipment available for student use, the maximum or usual class size and the average student/teacher ratio;
- (l) The total cost of training including registration fee, if any, tuition, books, supplies, equipment, laboratory usage, special clothing, student activities, insurance and all other charges and expenses necessary for completion of the program;
- (m) A description of each program of instruction, including:
  - (i) Specific program objectives including the job titles for which the program purports to train;

(ii) The number of clock or credit hours of instruction, the method of instruction (e.g., correspondence, classroom, lab, computer assisted), and the average length of time required for successful completion;

(iii) If instruction is calculated in credit hours, the catalog must contain at least one prominent statement describing the contact hour conversion formula applied by the school; i.e., the number of contact hours applicable to each quarter or semester credit hour of lecture, laboratory/practicum, and/or internship/externship;

(iv) For distance education schools, instructional sequences must be described in numbers of lessons;

(n) The scope and sequence of courses or programs required to achieve the educational objective;

(o) A statement indicating the type of educational credential that is awarded upon successful completion;

(p) The school's cancellation and refund policy;

(q) The following statement must appear prominently on either the first or last printed page or inside the front or back cover: THIS SCHOOL IS LICENSED UNDER CHAPTER 28C.10 RCW; INQUIRIES OR COMPLAINTS REGARDING THIS OR ANY OTHER PRIVATE VOCATIONAL SCHOOL MAY BE MADE TO THE: WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD, 128 TENTH AVENUE S.W., P.O. BOX 43105, OLYMPIA, WASHINGTON 98504-3105 (360-753-5662);

(r) The availability of financial aid, if any;

(s) Supplements or errata sheets for the catalog and other written materials related to enrollment must be filed with the agency prior to being used (see RCW 28C.10.110(2));

(i) Supplements or errata sheets must be made an integral part of that publication;

(ii) The supplement or errata sheet must include its publication date;

(iii) In the event information on a supplement or errata sheet supplants information contained in the catalog, the insert must identify the information it replaces, including at the least an appropriate page reference.

(6) A copy of the school's enrollment agreement/contract. (See RCW 28C.10.050 (1)(d).) An enrollment agreement is any agreement that creates a binding obligation to purchase a course of instruction from a school. Each school must use an enrollment contract or agreement that includes:

(a) The school's cancellation and refund policy, in accordance with these rules, displayed in a type size no smaller than that used to meet any other requirements of this section;

(b) The following statement: THIS SCHOOL IS LICENSED UNDER CHAPTER 28C.10 RCW; INQUIRIES OR COMPLAINTS REGARDING THIS OR ANY OTHER PRIVATE VOCATIONAL SCHOOL MAY BE MADE TO THE: WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD, 128 TENTH AVENUE S.W., P.O. BOX 43105, OLYMPIA, WASHINGTON 98504-3105 (360-753-5662);

(c) Information that will clearly and completely define the terms of the agreement between the student and the school, including at least the following:

(i) The name and address of the school and the student;

(ii) The program or course title as it appears in the school's catalog, date training is to begin, and the number of hours or units of instruction or lessons for which the student is enrolled;

(iii) An itemization of all charges, fees, and required purchases being incurred by the student or his/her sponsor in order to complete the training. The student enrollment agree-

ment must also contain the methods of payment and/or payment schedule being established;

(iv) Language explaining that the agreement will be binding only when it has been fully completed, signed and dated by the student and an authorized representative of the school prior to the time instruction begins;

(d) A statement that any changes in the agreement will not be binding on either the student or the school unless such changes have been acknowledged in writing by an authorized representative of the school and by the student or the student's parent or guardian if he/she is a minor;

(e) A "NOTICE TO THE BUYER" section which includes the following statements in a position above the space reserved for the student's signature:

(i) "DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. THIS IS A LEGAL INSTRUMENT.

(ii) ALL PAGES OF THE CONTRACT ARE BINDING.

(iii) READ BOTH SIDES OF ALL PAGES BEFORE SIGNING.

(iv) YOU ARE ENTITLED TO AN EXACT COPY OF THE AGREEMENT, SCHOOL CATALOG AND ANY OTHER PAPERS YOU SIGN AND ARE REQUIRED TO SIGN A STATEMENT ACKNOWLEDGING RECEIPT OF THOSE.

(v) IF YOU HAVE NOT STARTED TRAINING, YOU MAY CANCEL THIS CONTRACT BY PROVIDING WRITTEN NOTICE OF CANCELLATION TO THE SCHOOL AT ITS ADDRESS SHOWN ON THE CONTRACT. THE NOTICE MUST BE POSTMARKED NOT LATER THAN MIDNIGHT OF THE FIFTH BUSINESS DAY (EXCLUDING SUNDAYS AND HOLIDAYS) FOLLOWING YOUR SIGNING THIS CONTRACT OR THE WRITTEN NOTICE MAY BE PERSONALLY OR OTHERWISE DELIVERED TO THE SCHOOL WITHIN THAT TIME. IN EVENT OF DISPUTE OVER TIMELY NOTICE, THE BURDEN TO PROVE SERVICE RESTS ON THE APPLICANT.

(vi) IT IS AN UNFAIR BUSINESS PRACTICE FOR THE SCHOOL TO SELL, DISCOUNT OR OTHERWISE TRANSFER THIS CONTRACT OR PROMISSORY NOTE WITHOUT THE SIGNED WRITTEN CONSENT OF THE STUDENT OR HIS/HER FINANCIAL SPONSORS AND A WRITTEN STATEMENT NOTIFYING ALL PARTIES THAT THE CANCELLATION AND REFUND POLICY CONTINUES TO APPLY."

(f) Attached to each contract must be a form provided by the agency that contains statements relating to the student's rights, responsibilities, and loan repayment obligations; and the school's responsibility to counsel the student against incurring excessive debt;

(g) The school must provide the student a copy of the signed enrollment agreement.

(7) Information regarding the qualifications of administrative and instructional personnel. (See RCW 28C.10.050 and 28C.10.060.) The education and experience of administrators, faculty, and other staff must be adequate to insure students will receive educational services consistent with the stated program objectives.

(a) The school must file the qualifications of all affected individuals with the agency within thirty calendar days of their employment. The information must be submitted on forms provided by the agency.

(b) The school must establish and enforce written policies for the qualification, supervision, continuing education, and periodic evaluation of administrators, faculty, and staff.

(c) School directors must have at least two years of experience in either school or business administration, teaching, or other experience related to their duties within the organization.

(d) Faculty must be qualified to provide instruction in their areas of specialization as demonstrated by possession of the following:

(i) Sufficient broad and comprehensive training;

(ii) Industry recognized certification when available; and

(iii) Two years of relevant education or work experience or relevant, current teaching experience that particularly qualifies them to provide instruction in their areas of specialization; or

(iv) Current evidence of being qualified to teach that has been issued by a regulatory agency of this or another state.

(e) In addition to the requirements in (d) of this subsection, faculty who teach a course related to an occupation for which the student must subsequently be licensed or certificated must hold or be qualified to hold such a license or certificate.

(f) If the school uses teacher assistants, aides, or trainees, it must maintain policies governing their duties and functions. Such personnel may provide services to students only under the direct supervision of a qualified instructor. They may not act as substitutes for the instructor.

(g) Owners, administrators, faculty, agents and other staff must be of good moral character and reputation. The agency may find that a person is not of good moral character and reputation if the person:

(i) Has been convicted of any felony within the prior seven years, a misdemeanor which involved the illegal use, possession, or sale of a controlled substance, or a misdemeanor that involved any sexual offense; or

(ii) Is found to have made any false statements in the application for a private vocational school license.

(h) If the person has been convicted of a felony, or is found to have made false statements in the private vocational school application, the agency will consider the relationship of the facts supporting the charge or conviction to the performance of his or her occupational responsibilities with the licensed school and to that school's students.

(i) In making such determinations the agency will request a letter of recommendation from the employing school and may consider any other related materials submitted by the school and/or affected individual prior to making a finding under this section.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-040, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040. WSR 00-21-037, § 490-105-040, filed 10/12/00, effective 11/12/00. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-040, filed 10/29/98, effective 11/29/98.]

#### **WAC 490-105-050 How does a school register its sales agents? (See RCW 28C.10.060.)**

(1) Each school must register its sales agents with the agency within thirty calendar days of their hire.

(2) An application to register a sales agent must be in writing on forms supplied by the agency.

(3) Each individual applying to be registered as an agent is considered to be acting as an agent of the school designated

on the application. No person can be independently registered to perform the functions of an agent.

(4) If an individual is applying to represent a private vocational school that is located in another state and does not operate a training facility within Washington state, the application must be accompanied by the fee in WAC 490-105-070(2).

(5) Each school to whom the agent is registered must notify the agency in writing within thirty calendar days following the date that the registered agent ceases to perform those services.

(6) Each school must provide training to sales agents prior to their representing the school. The training must include at a minimum:

(a) Provisions of the Private Vocational School Act (chapter 28C.10 RCW) and the regulations contained in this chapter;

(b) A detailed review of the school's catalog, enrollment contract, and refund policy;

(c) An organized review of the school's policies and practices governing the ethical conduct of sales agents.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-050, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-060 Do off-campus activities require licensing?** (1) The agency may grant exemptions from licensing for off-campus activities that either:

(a) Absorb a temporary overload that the licensed facility cannot accommodate; or

(b) Provide a single, specialized kind of training activity, generally on a short-term basis, under circumstances that cannot readily be accommodated at the licensed facility.

(2) The school must obtain approval from the agency before conducting operations at an auxiliary facility. To obtain approval, the school must document that:

(a) The facility meets one of the above definitions;

(b) The instructional program, site administration, and training are significantly integrated with the school's primary facility;

(c) The facility will not be represented as a school location and its address will not be advertised; and

(d) No enrollment will be solicited or executed at the auxiliary facility.

(3) Activities occurring at an auxiliary facility must be incorporated into operational and financial data the school reports to the agency.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-060, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-060, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-070 How much does it cost to obtain a license?** (See RCW 28C.10.060(3).)

(1) Annual fee:

(a) A school located within the state of Washington must pay an annual license application fee based on total annual tuition income.

(b) A school located outside the state of Washington must pay an annual license application fee based on the total annual tuition income received from or on behalf of Washington state residents.

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(c) A new school that has not been in operation prior to the date of initial licensing must base its application fee on estimated total annual tuition income.

If the school's total annual tuition income is:	Its Annual License Fee is:
\$0 - \$25,000	\$250
\$25,001 - \$50,000	\$500
\$50,001 - \$100,000	\$600
\$100,001 - \$250,000	\$750
\$250,001 - \$500,000	\$1,000
\$500,001 - \$1,000,000	\$1,500
\$1,000,001 - \$2,500,000	\$2,000
\$2,500,001+	\$2,500

(2) Other fees:

Sales Agents representing out-of-state schools	\$120 annually per agent
Late filing of renewal application	\$25 per day to a maximum of 30 calendar days
Auxiliary location certificate, reissuance of license/auxiliary certificate, change of school name or location	\$25

(3) All fees related to licensing, except for the initial deposit to the tuition recovery trust fund, are nonrefundable. No right to a license or registration is established or implied through the payment of fees.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-070, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-080 How are contributions to the tuition recovery trust fund calculated?** (See RCW 28C.10-082 and 28C.10.084.)

(1) Establishment of fund liability. The amount of liability that can be satisfied by this fund on behalf of each individual school licensed under this chapter is the amount of unearned prepaid tuition in the possession of the owner.

(a) If the school is located within the state of Washington, the amount of liability that can be satisfied by this fund is the amount of unearned, prepaid tuition from or on behalf of all students.

(b) If the school is located outside the state of Washington, the amount of liability that can be satisfied by this fund is the amount of unearned prepaid tuition from or on behalf of Washington state residents.

(2) Matrices for calculating initial deposits and any assessments necessary under subsection (7) of this section:

Annual Tuition Revenue:	Prorated Share:
\$0 - \$50,000	0.15%
\$50,001 - \$75,000	0.23%
\$75,001 - \$100,000	0.30%

Annual Tuition Revenue:	Prorated Share:
\$100,001 - \$150,000	0.46%
\$150,001 - \$200,000	0.61%
\$200,001 - \$250,000	0.76%
\$250,001 - \$350,000	1.07%
\$350,001 - \$500,000	1.52%
\$500,001 - \$750,000	2.28%
\$750,001 - \$1,000,000	3.05%
\$1,000,001 - \$1,250,000	3.81%
\$1,250,001 - \$1,500,000	4.57%
\$1,500,001 - \$1,750,000	5.33%
\$1,750,001 - \$2,000,000	6.10%
\$2,000,001 - \$2,250,000	6.86%

Annual Tuition Revenue:	Prorated Share:
\$2,250,001 - \$2,500,000	7.62%
>\$2,500,000	8.38%

(3) Initial deposit. When a new school submits its initial license application, it must include for deposit into the tuition recovery trust fund, the amount identified in the second column of the table below.

(4) Contribution schedule. In order to remain licensed under this chapter, the school must remit to the agency semi-annual payments for deposit into the tuition recovery trust fund. The amount of the deposits for the first five years is calculated by applying the percentages displayed under subsection (2) of this section, to an amount totaling one million dollars as required by RCW 28C.10.084. In the second five years, contributions for amounts between zero and one hundred fifty thousand dollars will be reduced by fifty percent.

If the school's total annual tuition income is:	A new school will make an initial deposit to the fund of:	The school will make the following semiannual payments for the first five years it is licensed:	The school will make the following semiannual payments for the second five years it is licensed:
\$0 - \$50,000	\$305	\$122	\$61
\$50,001 - \$75,000	\$457	\$183	\$92
\$75,001 - \$100,000	\$609	\$244	\$122
\$100,001 - \$150,000	\$914	\$366	\$183
\$150,001 - \$200,000	\$1,219	\$487	\$487
\$200,001 - \$250,000	\$1,523	\$609	\$609
\$250,001 - \$350,000	\$2,133	\$853	\$853
\$350,001 - \$500,000	\$3,046	\$1,219	\$1,219
\$500,001 - \$750,000	\$4,570	\$1,828	\$1,828
\$750,001 - \$1,000,000	\$6,093	\$2,437	\$2,437
\$1,000,001 - \$1,250,000	\$7,616	\$3,046	\$3,046
\$1,250,001 - \$1,500,000	\$9,139	\$3,656	\$3,656
\$1,500,001 - \$1,750,000	\$10,663	\$4,265	\$4,265
\$1,750,001 - \$2,000,000	\$12,186	\$4,874	\$4,874
\$2,000,001 - \$2,250,000	\$13,710	\$5,483	\$5,483
\$2,250,001 - \$2,500,000	\$15,233	\$6,092	\$6,092
>\$2,500,000	\$16,757	\$6,702	\$6,702

(5) The agency will send semiannual notices of the due dates and amounts of deposits required under subsection (4) of this section. The fee for late filings under WAC 490-105-070(2) of this chapter applies to late payments of deposits into the fund for a period cumulating to thirty calendar days. Failure to make a deposit within thirty calendar days is a violation of RCW 28C.10.050 (1)(f).

(6) Each semiannual notice will include:

- (a) The school's aggregated prior deposits into the fund;
- (b) The school's balance of remaining payments, based on the most recent deposit received and adjusted to the current contribution level;

(c) The cumulated balance existing in the fund at the most recent half-year accounting; and

(d) A summary showing any disbursements made from the fund to satisfy claims in the period since the last summary was disseminated.

(7) If disbursements made to settle claims reduce the operating balance below one million dollars and recovery of such funds has not been ensured under the provisions of RCW 28C.10.084 (10)(d), the agency will assess each school a pro rata share of the amount required to restore the deficiency. The assessment will be made within thirty calendar days of the date deficiency is created. Each school's share of

the assessment will be calculated using the percentages established under subsection (2) of this section. If the school's assessment equals or is less than the semiannual amount of deposit established for the school under subsection (4) of this section, the assessment must be paid within thirty calendar days of notice. If the assessment exceeds the amount of the school's semiannual deposit, it may apply to the agency for a schedule of deferred payments. The agency will grant deferrals on application, but in no case will the extension exceed one year beyond the date of the assessment.

(8) Funds disbursed to settle claims against a currently licensed school will be recovered by the agency under a schedule to be negotiated with the affected school on a case-by-case basis. To secure deferral of payment more than thirty calendar days after demand for recovery is made, the burden to prove manifest hardship rests on the school but in no case will the time extended exceed one year beyond the date of the initial demand notice.

(9) Claimant, as referenced under RCW 28C.10.084 (10)(a), is further defined to mean an enrolled student in regular attendance or on an authorized leave of absence at the time of closure.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 01-23-078, § 490-105-080, filed 11/21/01, effective 12/22/01. Statutory Authority: RCW 28C.10.040. WSR 01-01-141, § 490-105-080, filed 12/20/00, effective 1/20/01. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-080, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-090 How often must a license be renewed?** (See RCW 28C.10.060.) Private vocational school licenses must be renewed annually. The renewal application must include a financial statement attested to by the chief administrative officer; amendments to any statements or materials on file that are no longer accurate; and the required fees.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-090, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-100 Who is exempt from licensing?** To qualify for an exemption as test preparation or continuing education under WAC 490-105-030 (1)(c)(i) and (ii), a school must apply to the agency on a form created for that purpose and obtain approval. Exemptions must be renewed annually.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-100, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-100, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-110 Display of licenses—Loss or destruction—Status changes.** (See RCW 28C.10.060.) The school must display its license or auxiliary facility certificate prominently in the licensed premises.

(1) If the license or auxiliary facility certificate is lost or destroyed, the school must apply for a duplicate and pay the reissuance fee described in WAC 490-105-070(2) (Other fees).

(2) If the school plans to change its name, it must notify the agency in advance and pay the certificate reissuance fee described in WAC 490-105-070(2) (Other fees).

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(3) If the school plans to change its location or that of an auxiliary facility it must notify the agency in advance and pay the certificate reissuance fee described in WAC 490-105-070(2) (Other fees).

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-110, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-120 What if the school changes ownership?** (See RCW 28C.10.060.) Private vocational school licenses are not transferable. When a sale takes place, the school's license expires. The new owner must secure a new license.

(1) The following are considered changes of ownership:

(a) A sale by the sole proprietor of a school, unless the seller becomes the majority stockholder of the buying corporation;

(b) A change in the majority interest of general partners of a partnership; or

(c) A sale or transfer of stock that creates a change in the majority interest in the issued and outstanding shares of a corporation.

(2) To assure there is no disruption in students' training the agency may extend the existing license for up to sixty calendar days beyond the date the ownership changes. To obtain this extension, the new owner must:

(a) Apply for a new license no less than fifteen calendar days prior to the sale; and

(b) Furnish a written statement that the school will continue to meet all conditions in the act and regulations during the time the new license is pending.

(3) If the new owner fails to become licensed within sixty calendar days of the date of sale the school may not continue to operate unless the agency has granted an extension of time. Continued operation without an extension is a violation of RCW 28C.10.090.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-120, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-130 What are minimum requirements for student refunds?** (See RCW 28C.10.050 (1)(b).) At a minimum, schools must use the following cancellation and refund policies; however, the agency may approve refund policies whose terms are more favorable to students than the following established minimums. Refunds must be paid within thirty calendar days of the student's official date of termination.

(1) For resident programs:

(a) The school must refund all money paid if the applicant is not accepted. This includes instances where a starting class is canceled by the school;

(b) The school must refund all money paid if the applicant cancels within five business days (excluding Sundays and holidays) after the day the contract is signed or an initial payment is made, as long as the applicant has not begun training;

(c) The school may retain an established registration fee equal to ten percent of the total tuition cost, or one hundred dollars, whichever is less, if the applicant cancels after the fifth business day after signing the contract or making an initial payment. A "registration fee" is any fee charged by a

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school to process student applications and establish a student records system;

(d) If training is terminated after the student enters classes, the school may retain the registration fee established under (c) of this subsection, plus a percentage of the total tuition as described in the following table:

<b>If the student completes this amount of training:</b>	<b>The school may keep this percentage of the tuition cost:</b>
One week or up to 10%, whichever is less	10%
More than one week or 10% whichever is less but less than 25%	25%
25% through 50%	50%
More than 50%	100%

(e) When calculating refunds, the official date of a student's termination is the last date of recorded attendance:

- (i) When the school receives notice of the student's intention to discontinue the training program;
- (ii) When the student is terminated for a violation of a published school policy which provides for termination;
- (iii) When a student, without notice, fails to attend classes for thirty calendar days.

(2) Discontinued programs:

(a) If instruction in any program is discontinued after training has begun or if the school moves from one location to another, it must either:

- (i) Provide students pro rata refunds of all tuition and fees paid; or
- (ii) Arrange for comparable training at another public or private vocational school. Students must accept comparable training in writing.

(b) If the school plans to discontinue a program it must notify the agency and affected students in advance. The notification must be in writing and must include at least data required under WAC 490-105-210(3).

(c) Students affected by a discontinuation must request a refund within ninety days.

(3) For distance education programs:

- (a) A student may request cancellation in any manner.
- (b) The following is a minimum refund policy for distance education courses without mandatory resident training:

(i) An applicant may cancel up to five business days after signing the enrollment agreement. In the event of a dispute over timely notice, the burden to prove service rests on the applicant.

(ii) If a student cancels after the fifth calendar day but before the school receives the first completed lesson, the school may keep only a registration fee of either fifty dollars or an amount equal to fifteen percent of the tuition (in no case is the school entitled to keep a registration fee greater than one hundred fifty dollars).

(iii) After the school receives the student's first completed lesson and until the student completes half the total number of lessons in the program, the school is entitled to keep the registration fee and a percentage of the total tuition as described in the following table:

<b>If the student completes this percentage of lessons:</b>	<b>The school may keep this percentage of the tuition cost:</b>
0% through 10%	10%
11% through 25%	25%
26% through 50%	50%
More than 50%	100%

(iv) Calculate the amount of the course completed by dividing the number of lesson assignments contained in the program by the number of completed lessons received from the student.

(4) Combination distance education/resident training programs:

(a) The following is a minimum refund policy for a distance education program that includes mandatory resident training courses.

(i) Tuition for the distance education and resident portions of the program must be stated separately on the enrollment agreement. The total of the two is the price of the program.

(ii) For settlement of the distance education portion of the combination program, the provisions of the table in subsection (2)(b)(iii) of this section apply.

(iii) For the resident portion of the program, beginning with the first resident class session if the student requests a cancellation, the provisions of the table in subsection (1)(d) of this section apply.

(iv) Calculate the amount of resident training completed by dividing the total number of training days provided in the resident training program by the number of instructional days the student attends resident training.

(b) A distance education student who cancels after paying full tuition is entitled to receive all course materials, including kits and equipment.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-130, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-130, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-140 What are student admission standards?** (See RCW 28C.10.050 (1)(g).) Prior to enrolling students the school must assess their basic skills and relevant aptitudes to determine that they have the ability to complete and benefit from the training they are considering.

(1) When a school applies for initial licensing under chapter 28C.10 RCW, it must submit a description of the method it will use to comply with the requirements under this section. Any subsequent change in that method must be reported to the agency no more than fifteen calendar days after the change is adopted.

(2) The school must measure all applicants' ability to benefit against current prerequisites for employment in the job objective established for the program, e.g., prior work and health history, English language proficiency, driving and arrest records, and evaluations of any applicable physiological factors such as vision acuity, color perception, lifting and weight bearing capabilities, and manual dexterity.

(3) Schools may consider that applicants have adequate academic abilities if they have earned a high school diploma or General Educational Development (GED) certificate.

(4) Schools may consider that applicants have adequate English language proficiency if they have received:

(a) A high school diploma from a high school where English is the official language; or

(b) A General Educational Development (GED) certificate in English; or

(c) A passing score on the Test of English as a Foreign Language, or the International English Language Testing System or a similar language proficiency exam; or

(d) A satisfactory evaluation of the applicant's foreign course work that has been produced by a reputable organization specializing in such evaluations.

(5) The school must test all other applicants. Any academic or English language proficiency test must have the capability of:

(a) Validating that applicants possess skills, competencies, and knowledge that correlate with grades, course or program completion or other measures of success in the program of study; or

(b) Validating that applicants' academic skills, competencies, and knowledge are at a level equivalent to that of persons completing a high school education;

(c) Comparing success ratios of accepted students with test cut-off scores and incorporating appropriate cut-off adjustments.

(6) Any ability to benefit (ATB) test that has been published by the American College Testing Service (ACT) or reviewed and approved by the American Council on Education (ACE) is acceptable evidence of meeting the criteria in subsection (5) of this section.

(7) The following must be part of the methodology developed for assessment:

(a) In the event tests are administered by school officials, evidence the tests are being administered as intended by the publisher;

(b) Information about the test security procedures employed, evidencing that students have no advance information about the exact questions or tasks and that answers cannot be supplied by a third party while completing the test(s);

(c) Information about test scoring procedures employed, evidencing that if tests are scored by school officials the tests are being evaluated as intended by the publisher;

(d) Information that the tests are free from information that is offensive with regard to gender, age, native language, ethnic origin, or handicapping conditions.

(8) Records resulting from the ability to benefit assessment must be included as a regular part of all students' records.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-140, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-140, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-150 What program, facility, and equipment standards must schools meet?** (See RCW 28C.10.050 and 28C.10.060.)

(2/6/08)

(1) Schools must design and implement programs of quality, content, and duration, and with appropriate entrance criteria, instructional materials, staff, equipment and facilities to prepare students for the program's occupational objectives.

(2) The school must have an exact physical location which:

(a) Is adequate to meet the needs of its students and the objectives of the program;

(b) Provides a modern and effective learning environment with enough classroom, laboratory, and shop space for the number of students to be trained; and

(c) Is maintained in compliance with state laws and local ordinances related to safety and health.

(3) The school must have equipment, furniture, instructional devices and aids, machinery and other physical features that are:

(a) Adequate in number and condition to achieve the stated educational objectives of the course;

(b) Comparable in number and quality with those used by comparable schools with similar programs;

(c) Comparable to those in current use by the appropriate trade, business or profession; and

(d) Of sufficient quantity for the number of enrolled students.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-150, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-150, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-160 What reports are required?** (See RCW 28C.10.050 and 28C.10.060.) In addition to the minimum licensing standards described in RCW 28C.10.050, each school must submit the following information annually for each student who participated in training during the reporting period:

(1) Student name, address, telephone number and Social Security number if provided by the student;

(2) Start date of training and date of completion or drop-out;

(3) Enrollment status as of the end of the reporting period;

(4) Previous education before starting the current training program;

(5) Race;

(6) Date of birth;

(7) Gender;

(8) Disability status;

(9) Hispanic/non-Hispanic;

(10) Program title and duration (in months).

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-160, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-160, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-170 What actions are prohibited?** (1) The term "unfair business practice" under RCW 28C.10.110(11) is further defined to mean those practices described as prohibited under RCW 28C.10.090.

(2) In addition to the actions described in RCW 28C.10.110 it is an unfair business practice for a private vocational school or its agent to:

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(a) Advertise, offer, sell, or award any educational credential without requiring the consumer to enroll in and successfully complete a prescribed program of study, as outlined in the school's catalog or brochure;

(b) Sell, discount, or transfer contracts or promissory notes for tuition to third parties without the signed consent of the student or the student's financial sponsors, and a statement notifying all parties that the cancellation and refund policy continues to apply;

(c) Misrepresent to students the potential amount of federal financial aid available;

(d) Employ the term "accredited" in advertising unless:

(i) The school holds a current grant of accreditation; and

(ii) The term "accredited" is accompanied with equal prominence by the full name and/or seal of the agency from whom the school holds a current grant of accreditation.

(iii) If the accrediting agency is not recognized by the United States Secretary of Education under the provisions of the Higher Education Act (Chapter 34 C.F.R.), as amended, the school must provide the agency with documentation of its grant of accreditation and other related information required by the agency to establish the nature and scope of the accrediting agency. The agency will approve or disapprove its use in advertising after reviewing submitted documentation.

(3) Schools are prohibited under RCW 28C.10.110(3) from advertising educational programs under the "help wanted" section of publications. Schools may, however, advertise under a help wanted classification for the purposes of:

(a) Recruiting for bona fide job openings; or

(b) Soliciting job opportunities for available graduates.

(4) To establish consistency in the implementation of this section, the following definitions will apply:

(a) "Advertise" means the publishing by a school of information that establishes its identity, location, and nature of its training programs. It may or may not contain an offer of training.

(b) "Help wanted" section means any classified advertising section in a publication that contains job listings. The particular wording the publication uses to identify such a section is not material.

(c) "Newspaper" means a printed publication containing news, editorials, advertisements, etc. The definition extends to tabloids such as "nickel-savers" that contain primarily or exclusively advertising. It is not material whether the publication is sold or given away.

(d) For purposes of this section, it is not considered "advertising" if a school inserts a notice in a "help wanted" section referring the reader to a different classified heading in the same issue of the same publication, as long as:

(i) An offer of training is being made by the school under an appropriate other section in the same issue of the same publication; and

(ii) The referral notice contains only the name of the school and not its address, telephone number, or description of program(s); and

(iii) The overall size and general appearance of what appears as a notice is consistent with its purpose only to refer readers elsewhere.

(5) Schools are prohibited from making offers of training without including the full name and/or d/b/a under which the

school is licensed. Permutations of the name and/or d/b/a such as initials or nicknames can be used only with prior written permission of the agency.

(6) RCW 28C.10.110(12) makes it an unfair business practice for a school to attempt to recruit students within forty feet of a building that contains a welfare or unemployment office. The term "recruiting" is defined by statute. Other terms employed in the statute are further defined as follows:

(a) The distance of "forty feet from a building" is measured as a straight line from any doorway affording public access. In instances of buildings with multiple entrances, the distance is measured from any part of the structure.

(b) When applied to state government, "welfare or unemployment office" means buildings offering public access to provide services to clients of the Washington state employment security department or the department of social and health services.

(c) When applied to county and municipal agencies, "welfare or unemployment office" means those buildings offering public access for the purpose of providing shelter, food, employment, health, and social services.

(d) The term "welfare or unemployment office" includes established locations operated by community-based, non-profit organizations for the purpose of providing shelter, food, employment, health, and social services to disadvantaged populations.

(7) The agency is authorized to deny, revoke, or suspend the license of any school found to have engaged in a "substantial number" of unfair business practices or "significant" unfair business practices. Those two quoted terms are further defined as follows:

(a) The agency may conclude that a substantial number of unfair business practices has occurred when a pattern of persistent violations exists and there are multiple complaints alleging various unfair business practices.

(b) The agency may conclude that unfair business practices are significant when it determines that their egregious nature threaten the operation of the school and/or jeopardize the ability of students to secure contracted services. An abrupt school closure which fails to comply with WAC 490-105-210 provisions may also be considered as significant.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 01-23-078, § 490-105-170, filed 11/21/01, effective 12/22/01. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-170, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-175 Under what conditions will a school be determined to be at risk? What steps will the agency take if a school is determined to be at risk?**

(1) The agency may determine a school is at risk if it demonstrates a pattern or history of one or more of the conditions described in the definition of at risk.

(2) A school determined to be at risk may petition the agency to reconsider that designation if the school believes it is unreasonable, unfair, or not in keeping with the intent and purpose of the act. The agency will consider the school's petition and may rescind the at risk designation.

(3) The school's owner and/or director will be required to meet with agency staff to discuss the conditions that lead to being designated at risk.

(4) A school determined to be at risk will be placed on probation and will be required to provide:

- (a) A school improvement plan acceptable to the agency within thirty days after meeting with agency staff;
- (b) A line of credit if appropriate; and
- (c) Monthly progress reports for up to twelve months that include at a minimum:

- (i) Steps taken to correct identified deficiencies; and
- (ii) Current student directory information.

(5) During the probation period the school must demonstrate improvement or the agency will take action to suspend or revoke its license.

(6) The agency may publish on its web site, a list of schools whose licenses have been either suspended or revoked.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-175, filed 2/6/08, effective 3/8/08.]

**WAC 490-105-180 How are student complaints handled?** (See RCW 28C.10.084(10) and 28C.10.120.)

(1) A complaint must be filed no more than:

(a) One calendar year following:

(i) A resident student's last recorded date of attendance; or

(ii) The date a distance education school received a student's last completed lesson; or

(b) Sixty calendar days from the date a school ceases to provide educational services.

(2) The agency may extend the time a student has to file a complaint if the student can establish that good faith efforts to obtain satisfaction from the school were being made during the time elapsed.

(3) The term "a person" used to reference a complainant under RCW 28C.10.120(1) is further defined to mean only individuals who established a contractual relationship through their enrollment in a school or, in the case of a minor, the minor's parent or guardian.

(a) Private or public agencies, employers, or others who contract with a private vocational school to provide training services to a particular individual or individuals do not have access to the complaint process.

(b) When a person establishes a financial obligation for only a portion of the contracted costs and is subsidized for the remainder as described under (a) of this subsection, that student's claim will be prorated to recognize only the unsubsidized amount.

(4) The agency may consider the following costs when determining losses suffered by a complainant:

- (a) Tuition and fees;
- (b) Transportation costs;
- (c) Books, supplies, equipment, uniforms and protective clothing, rental charges; and
- (d) Insurance required by the school.

(5) In estimating a student's attendance related expenses other than tuition, the agency may use standards developed under Title IV of the Higher Education Act or those of the Washington state departments of employment security and social and health services.

(6) When the agency receives a complaint, it will:

(a) Evaluate the complaint for completeness and to determine eligibility within ten working days after receipt;

(b) Accept or reject the complaint and so notify the complainant within an additional five working days;

(c) Forward a copy of a bona fide complaint and related attachments to the school by certified mail.

(7) The school has fifteen working days after receipt to respond to the student's complaint. If a school fails to submit a timely response the agency will conclude the school has no defense to offer.

(8) Based on all information then available, the agency will:

- (a) Investigate the facts;
- (b) Secure additional information if so indicated;
- (c) Attempt to bring about a negotiated solution;
- (d) Adjudicate the complaint by making findings, conclusions, and determinations; and

(e) Notify all parties of the determinations and remedies.

(9) If a student can document that the procedures used by the agency to resolve a complaint were either unreasonable, unfair, or not in keeping with the intent of the law, the student may request a review of the decision.

(a) The student must request the review in writing within twenty days following receipt of the complaint determination. A timely request stays the agency's determination during the review process.

(b) When the agency receives a request for review it will:

(i) Notify the school that the student has requested a review and that the complaint determination will not take effect until the review has been completed;

(ii) Schedule an informal hearing to be conducted by agency staff; and

(iii) Make a final determination regarding the complaint within fifteen working days following the hearing.

[Statutory Authority: RCW 28.10.040 [28C.10.040]. WSR 08-04-110, § 490-105-180, filed 2/6/08, effective 3/8/08. Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-180, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-190 What agency actions can a school appeal?** (1) In addition to the action described under RCW 28C.10.120(5), a school may appeal the following:

(a) A denial of an exemption under RCW 28C.10.030(6).

(b) A denial, suspension or revocation of licensing under RCW 28C.10.050.

(2) An appeal filed by a school will result in an administrative hearing conducted by a designated hearings officer in accordance with the Administrative Procedure Act, chapter 34.05 RCW (see RCW 28C.10.120):

(a) The hearings officer will make findings and conclusions in accordance with the Administrative Procedure Act, chapter 34.05 RCW. The findings, conclusions, and any recommendations for action will be submitted to the executive director for final action pursuant to RCW 34.05.464.

(b) The executive director may accept or reject, in whole or in part, any recommendations made by the hearings officer, may remand for further findings, or take any other action deemed appropriate under the circumstances, pursuant to the provisions of the act and these rules.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-190, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-200 What are the minimum requirements for record retention?** (See RCW 28C.10.160.) The school must keep student educational records for a minimum of fifty years from the date of each student's enrollment or until the school ceases to be licensed under this chapter, whichever comes first.

(1) "Educational records" include single page transcripts for each student, indicating:

- (a) School name, address and telephone number;
- (b) Student name, address, telephone number, and Social Security number;
- (c) Dates of attendance;
- (d) Course of instruction or subjects attempted;
- (e) Amount of credit, if any, awarded for each subject;
- (f) Grade for each subject completed;
- (g) Date of completion or termination along with notation of the document issued signifying satisfactory completion, if achieved (degree, diploma, certificate);
- (h) If terminated, the reason(s) for termination;
- (i) Signature and title of the certifying officer; and
- (j) Date that transcript is prepared.

(2) On request, the school must provide, without charge, a transcript, described under subsection (1) of this section, to students who have satisfied financial obligations currently due and payable directly to the school. The school may establish and collect a fee for subsequent copies requested.

(3) "Financial records" include the following and must be kept for a minimum of three years from the student's date of enrollment:

- (a) Signed and completed enrollment agreements and other training related contracts; and
- (b) The student's payment record.
- (4) Financial aid records related to Title IV student financial assistance are not under state jurisdiction, and should be kept in accordance with appropriate federal regulations.
- (5) Catalogs, catalog supplements, and errata sheets must be kept for one year from their respective dates of publication.

[Statutory Authority: RCW 28C.10.040(2), WSR 98-22-033, § 490-105-200, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-210 What if a school closes?** (See RCW 28C.10.060(4); 28C.10.084(9) and 28C.10.160.)

(1) "Ceases to provide educational services" means that a stoppage of training has occurred because:

- (a) Facilities are rendered continuously unusable for a period of thirty calendar days or more; or
- (b) Faculty or qualified substitutes assigned to a specific class are not available or otherwise fail to perform instructional duties for five or more successive days of scheduled instruction; or
- (c) Bankruptcy proceedings or other financial conditions exist that result in the school interrupting scheduled instruction for five or more successive days; or
- (d) Adverse action has been taken by a federal, state, or local jurisdiction which result in the school interrupting scheduled instruction for five or more successive days.

(2) The school must take measures to protect the contractual rights of present and former students if it ceases to provide educational services. The school must return its license

certificate to the agency within ten calendar days of ceasing to provide educational services or expiration of the school's license, whichever occurs first.

(3) If the school ceases to provide educational services, either voluntarily or involuntarily, it must:

(a) Inform the agency promptly by the most expeditious means available and send confirmation by certified mail within three business days;

(b) Provide the name, address, and telephone number of the person(s) designated to be responsible for fulfilling the requirements of this section;

(c) Provide the agency with the following information for each student who has not completed a course or program:

- (i) Name;
- (ii) Social Security number;
- (iii) Address and telephone number of record;
- (iv) Program name and amount of tuition and fees charged;
- (v) Amount of tuition and fees paid to date;
- (vi) Amount of class time left to complete the course or program; and

(vii) If the tuition and fees were paid through federal student aid, the amount and type of aid;

(d) A written notice must be distributed to all enrolled students at least three business days prior to a planned cessation. The notice must explain the procedures students are to follow to secure refunds or continue their education. A copy of the notice must also be submitted to the agency within three business days;

(e) File with the agency procedures for disbursement of refunds to students and set a date no longer than thirty calendar days from the last day of instruction to issue refund checks in the full amount for which students are entitled;

(4) File with the agency its plans if any, for teach-out; ensuring that all affected students will continue to receive training at another institution of the same quality and content as that for which they contracted:

(a) Arrangements for teaching out students must be filed with the agency;

(b) The agency will verify that students will receive the same kind of program and instructional services as those for which they contracted;

(5) Make pro rata refunds to any student who does not agree, in writing, to comparable training. Refunds must be paid to either the student or his/her parent, guardian or sponsor based on a day-by-day proportion of the services provided compared to the total length of the program.

(6) Make specific arrangements to transfer transcripts and other student records described under WAC 490-105-210 to the agency's custody.

[Statutory Authority: RCW 28C.10.040(2), WSR 98-22-033, § 490-105-210, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-220 Notice of adverse actions—Change of circumstances.** (See RCW 28C.10.060.) When a school applies for an initial license or license renewal, it must advise the agency of any consent orders with the Federal Trade Commission or any adverse actions that have been taken by a federal or state agency, the courts, or accrediting commissions. The school must inform the agency in writing of actions being taken to correct deficiencies cited. Any

change of circumstance, including bankruptcy, which would amend information reported in the application for initial license or license renewal must be filed with the agency within ten calendar days of the change.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-220, filed 10/29/98, effective 11/29/98.]

**WAC 490-105-230 Do these rules apply to degree-granting private vocational schools?** (See RCW 28C.10.-040(4).) Nondegree programs offered by degree-granting private vocational schools are regulated pursuant to the terms of an interagency agreement executed between the higher education coordinating board and the workforce training and education coordinating board. Copies of the agreement are available from either agency on request.

[Statutory Authority: RCW 28C.10.040(2). WSR 98-22-033, § 490-105-230, filed 10/29/98, effective 11/29/98.]