

**WAC 250-21-081 Suspension or termination of institutional participation.** (1) The executive director, or their designee, may suspend or terminate an institution's participation in state financial aid programs based on a finding that:

(a) The institution has failed or is failing to comply with any term of the institutional participation agreement; or

(b) The institution has violated any provision of this chapter; or

(c) The institution has violated any applicable federal or state law.

(2) In the case of an adverse finding the executive director shall provide the institution a notice of violation that includes details of the legal basis of the finding and the facts used to make the determination.

(3) The institution will have an opportunity to respond to the notice of violation and address deficiencies within a reasonable time specified by the agency including, but not limited to, reimbursement from the institution any funds expended out of compliance with the provisions of this chapter.

(4) The executive director may suspend the institution's participation for a specified time period if, in the executive director's judgment, the deficiencies can be corrected within the given time period. Upon suspension, the institution must immediately cease making any new commitments of state financial aid to enrolled students and may only make disbursement of aid to currently enrolled students with the agency's prior approval for the remainder of the current term. Participation may be reinstated after all deficiencies have been resolved to the satisfaction of the agency.

(5) The executive director may terminate the institution's participation if, in the executive director's judgment, any noted deficiency cannot be corrected within any reasonable time period, or the institution has failed to remedy deficiencies during a period of suspension under subsection (4) of this section. Upon termination of participation, the institution must immediately cease disbursement of state financial aid.

(6) Reinstatement of participation requires a new application for participation submitted no earlier than one year following termination.

(7) The executive director's action to terminate participation is subject to the hearing procedures specified in WAC 250-21-091.

[Statutory Authority: RCW 28B.92.150 and 28B.92.200(2). WSR 20-12-049, § 250-21-081, filed 5/29/20, effective 6/29/20.]