H-1294.2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1949**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 64th Legislature 2015 Regular Session**

**By** Representatives Pollet, S. Hunt, Gregerson, Ortiz-Self, Moscoso, Ormsby, and McBride

AN ACT Relating to regulating the institutions of higher education, including for-profit institutions and private vocational schools, to protect students from unfair business practices; amending RCW 28B.85.020, 28B.85.040, 28B.85.070, 28B.85.090, 28B.85.100, 28B.92.030, 28C.10.050, 28C.10.110, 28C.10.120, and 28C.10.130; adding new sections to chapter 28B.85 RCW; adding a new section to chapter 28C.10 RCW; creating a new section; and prescribing penalties.

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

NEW SECTION. **Sec.**  The legislature intends that students enrolled in for-profit higher education institutions and private vocational schools should be protected from documented practices that have jeopardized students' investments in obtaining higher education or vocational training, including marketing of loans at extraordinarily high interest rates by institutions with a financial interest in the students' debt; inflation of data regarding postgraduation employment or earning levels to induce students to enroll; exaggeration of the likelihood of student's ability to obtain financial aid or low-interest loans for tuition; and overstatement about the ability of graduates to repay loans.

The legislature finds that it is necessary to protect (1) students who are enrolled in for-profit higher education institutions or private vocational schools, and (2) the state's interest in the integrity of its grant and aid programs, from private decisions to close schools or programs under circumstances that may prevent students from obtaining the degree or certificate and career services that the students expected upon enrollment. The legislature intends that the attorney general should have clear authority to investigate and protect student consumers from unfair business practices.

**Sec.**  RCW 28B.85.020 and 2013 c 218 s 3 are each amended to read as follows:

(1) The council:

(a) Shall adopt by rule, in accordance with chapter 34.05 RCW, minimum standards for degree-granting institutions concerning granting of degrees, quality of education, unfair business practices, financial stability, and other necessary measures to protect citizens of this state against substandard, fraudulent, or deceptive practices. The rules shall require that an institution operating in Washington:

(i) Be accredited;

(ii) Have applied for accreditation and such application is pending before the accrediting agency;

(iii) Have been granted a waiver by the council waiving the requirement of accreditation; or

(iv) Have been granted an exemption by the council from the requirements of this subsection (1)(a);

(b) Shall require that each degree-granting institution that operates on a for-profit basis and any agent employed by a degree‑granting institution that operates on a for-profit basis not engage in any practice that benefits any person or entity that has an ownership interest in the institution or in any practice from which the institution benefits financially regarding the sale of, or enrollment of students in, loan products to fund education.

(c) May investigate any entity the council reasonably believes to be subject to the jurisdiction of this chapter. In connection with the investigation, the council may administer oaths and affirmations, issue subpoenas and compel attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the council deems relevant or material to the investigation. The council, including its staff and any other authorized persons, may conduct site inspections, the cost of which shall be borne by the institution, and examine records of all institutions subject to this chapter;

((~~(c)~~))(d) May negotiate and enter into interstate reciprocity agreements with other state or multistate entities if the agreements are consistent with the purposes in this chapter as determined by the council;

((~~(d)~~))(e) May enter into agreements with degree-granting institutions of higher education based in this state, that are otherwise exempt under the provisions of (a) of this subsection ((~~(1)(a) of this section~~)), for the purpose of ensuring consistent consumer protection in interstate distance delivery of higher education;

((~~(e)~~))(f) Shall develop an interagency agreement with the workforce training and education coordinating board to regulate degree-granting private vocational schools with respect to degree and nondegree programs; and

((~~(f)~~))(g) Shall develop and disseminate information to the public about entities that sell or award degrees without requiring appropriate academic achievement at the postsecondary level, including but not limited to, a description of the substandard and potentially fraudulent practices of these entities, and advice about how the public can recognize and avoid the entities. To the extent feasible, the information shall include links to additional resources that may assist the public in identifying specific institutions offering substandard or fraudulent degree programs.

(2) ((~~Financial disclosures provided to the council by degree-granting private vocational schools~~))Trade secrets and commercial or financial information submitted to the council by any degree-granting institution that operates on a for-profit basis as privileged or confidential proprietary data, that are not subject to disclosure by federal regulators pursuant to 5 U.S.C. Sec. 552 (b)(4), as existing on the effective date of this section, and that are not relevant to the council's analyses of financial soundness, amount of surety, or practices or relationships regulated under this chapter, are not subject to public disclosure under chapter 42.56 RCW.

**Sec.**  RCW 28B.85.040 and 2012 c 229 s 545 are each amended to read as follows:

(1) An institution or person shall not advertise, offer, sell, or award a degree or any other type of educational credential unless the student has enrolled in and successfully completed a prescribed program of study, as outlined in the institution's publications. This prohibition shall not apply to honorary credentials clearly designated as such on the front side of the diploma or certificate and awarded by institutions offering other educational credentials in compliance with state law.

(2) No exemption or waiver granted under this chapter is permanent. The council shall periodically review exempted degree-granting institutions and degree-granting institutions granted a waiver, and continue exemptions or waivers only if an institution meets the statutory or council requirements for exemption or waiver in effect on the date of the review.

(3) Except as provided in subsection (1) of this section, this chapter shall not apply to:

(a) Any public college, university, community college, technical college, or institute operating as part of the public higher educational system of this state;

(b) Institutions that have been accredited by an accrediting association recognized by the council for the purposes of this chapter: PROVIDED, That those institutions meet minimum exemption standards adopted by the council; and PROVIDED FURTHER, That an institution, branch, extension, or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of any such accrediting association to qualify for this exemption; and PROVIDED FURTHER, That an institution that operates on a for‑profit basis must comply with the requirements of RCW 28B.85.070, 28B.85.090, 28B.85.100, 28B.85.180, and sections 7, 8, 9, and 10 of this act;

(c) Institutions of a religious character, but only as to those education programs devoted exclusively to religious or theological objectives if the programs are represented in an accurate manner in institutional catalogs and other official publications;

(d) Honorary credentials clearly designated as such on the front side of the diploma or certificate awarded by institutions offering other educational credentials in compliance with state law; or

(e) Institutions not otherwise exempt which offer only workshops or seminars and institutions offering only credit-bearing workshops or seminars lasting no longer than three calendar days.

**Sec.**  RCW 28B.85.070 and 2012 c 229 s 548 are each amended to read as follows:

(1)(a) The council may require any degree-granting institution to have on file with the council an approved surety bond or other security in lieu of a bond in an amount determined by the council.

(b) For a degree-granting institution that operates on a for‑profit basis, the council may require that the surety bond or other security be sufficient to reimburse the total tuition and fees paid by every student (i) currently enrolled in the institution and (ii) who received state need grant support or took out loans and was unable to complete a certificate or degree program because of the actions of the institution. No portion of the bond or security may be covered by a state-operated restitution fund or surety. Any financial assurance required by the council may include an assessment of the institution's financial soundness and the council must increase the bond or security if the institution is considered to be at risk of closing, reducing programs, or losing accreditation.

(2) In lieu of a surety bond, an institution may deposit with the council a cash deposit or other negotiable security acceptable to the council. The security deposited with the council in lieu of the surety bond shall be returned to the institution one year after the institution's authorization has expired or been revoked if legal action has not been instituted against the institution or the security deposit at the expiration of the year. The obligations and remedies relating to surety bonds authorized by this section, including but not limited to the settlement of claims procedure in subsection (5) of this section, shall apply to deposits filed with the council, as applicable.

(3) Each bond shall:

(a) Be executed by the institution as principal and by a corporate surety licensed to do business in the state;

(b) Be payable to the state for the benefit and protection of any student or enrollee of an institution, or, in the case of a minor, his or her parents or guardian;

(c) Be conditioned on compliance with all provisions of this chapter and the council's rules adopted under this chapter;

(d) Require the surety to give written notice to the council at least thirty-five days before cancellation of the bond; and

(e) Remain in effect for one year following the effective date of its cancellation or termination as to any obligation occurring on or before the effective date of cancellation or termination.

(4) Upon receiving notice of a bond cancellation, the council shall notify the institution that the authorization will be suspended on the effective date of the bond cancellation unless the institution files with the council another approved surety bond or other security. The council may suspend or revoke the authorization at an earlier date if it has reason to believe that such action will prevent students from losing their tuition or fees.

(5) If a complaint is filed under RCW 28B.85.090(1) against an institution, the council may file a claim against the surety and settle claims against the surety by following the procedure in this subsection.

(a) The council shall attempt to notify all potential claimants. If the absence of records or other circumstances makes it impossible or unreasonable for the council to ascertain the names and addresses of all the claimants, the council after exerting due diligence and making reasonable inquiry to secure that information from all reasonable and available sources, may make a demand on a bond on the basis of information in the council's possession. The council is not liable or responsible for claims or the handling of claims that may subsequently appear or be discovered.

(b) Thirty days after notification, if a claimant fails, refuses, or neglects to file with the council a verified claim, the council shall be relieved of further duty or action under this chapter on behalf of the claimant.

(c) After reviewing the claims, the council may make demands upon the bond on behalf of those claimants whose claims have been filed. The council may settle or compromise the claims with the surety and may execute and deliver a release and discharge of the bond.

(d) If the surety refuses to pay the demand, the council may bring an action on the bond in behalf of the claimants. If an action is commenced on the bond, the council may require a new bond to be filed.

(e) Within ten days after a recovery on a bond or other posted security has occurred, the institution shall file a new bond or otherwise restore its security on file to the required amount.

(6) The liability of the surety shall not exceed the amount of the bond.

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

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

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

(b) The attorney general may investigate complaints and take independent action on behalf of an individual or group of similarly situated persons claiming loss of tuition, fees, or other financial loss, including incurring debts to pay for tuition, if there is evidence that students lost the ability to pursue a program in which they were enrolled or paid tuition, and that they may no longer complete due to action of the institution. The actions taken by the attorney general may include seeking to enjoin unfair practices, equitable remedies, and the imposition of penalties pursuant to RCW 19.86.020 of the consumer protection act.

(c) The council and the attorney general may subpoena witnesses, compel their attendance, and require the production of documents in the course of their investigation of complaints.

(3) If, after the hearing, the council finds that the institution or its agent engaged in or is engaging in any unfair business practice, the council shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties under RCW 28B.85.100. If the council finds that the complainant has suffered loss as a result of the act or practice, the council may order full or partial restitution for the loss. The complainant is not bound by the council's determination of restitution and may pursue any other legal remedy, including an action pursuant to RCW 19.86.020 of the consumer protection act.

**Sec.**  RCW 28B.85.100 and 2012 c 229 s 551 are each amended to read as follows:

(1) Any person, group, or entity or any owner, officer, agent, or employee of such entity who willfully violates any provision of this chapter or the rules adopted under this chapter shall be subject to a civil penalty of not more than one hundred dollars for each violation. Each day on which a violation occurs, and each student injured by an unfair business practice, constitutes a separate violation. The fine may be imposed by the council or by any court of competent jurisdiction.

(2) In addition to the penalties authorized under subsection (1) of this section, any violation of any provision of this chapter under RCW 28B.85.180 is also a violation of RCW 19.86.020 of the consumer protection act. The penalties authorized pursuant to subsection (1) of this section do not preclude remedies available under the provisions of the consumer protection act.

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

(1) The council may deny, revoke, or suspend the accreditation of any institution that is found to have engaged in a substantial number of unfair business practices or that has engaged in significant unfair business practices.

(2) It is a violation of this chapter for a degree-granting institution that operates on a for-profit basis or an agent employed by such a degree-granting institution to:

(a) Provide prospective students with any testimonial, endorsement, or other information that has the tendency to mislead or deceive prospective students or the public regarding current practices of the school, current conditions for employment opportunities, postgraduation career placement rates or probable earnings in the occupation for which the education was designed, the likelihood of obtaining financial aid or low-interest loans for tuition, or the ability of graduates to repay loans;

(b) Fail to continue job placement services promised to enrollees or graduates in the event the institution is sold, closed, or reduces any programs or services;

(c) Place a current student or exiter of a program in a short‑term job:

(i) That is not relevant to the student's training, in order to meet reporting requirements under state law; or

(ii) Where the placement is done for the purpose of reporting the current student or an exiter of a program as employed, in order to meet reporting requirements under state law; or

(d) Use any official United States military logo in advertising or promotional materials.

(3) It is a violation of this chapter for a degree-granting institution that operates on a for-profit basis or an agent employed by a degree-granting institution that operates on a for-profit basis to engage in any practice that benefits any person or entity that has an ownership interest in the institution or in any practice from which the institution benefits financially regarding the sale of, or enrollment of students in, loan products to fund education.

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

(1) A degree-granting institution that operates on a for-profit basis must provide notice regarding student's rights under this chapter, any applicable federal law, and the complaint procedures in RCW 28B.85.090:

(a) In writing to current students and exiters of a program;

(b) On the web site of the institution; and

(c) In all communications regarding the sale or the closing of a program, facility, or site.

(2) The council must provide the form and content of the notice required in this section. The notice must inform students that claims may be pursued by filing a complaint with the council, by filing a complaint pursuant to RCW 19.86.020, or by providing information to the attorney general.

(3) The council may direct institutions to post the notice in a conspicuous location within the institution and send the notices by mail to students.

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

A degree-granting institution that operates on a for-profit basis must provide job placement services and report to the council regarding three-month, six-month, and one-year job placement and earnings outcomes.

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

(1)(a) The council shall review and approve any sale or closure of an institution that operates on a for-profit basis to ensure that the rights of students under state and federal law are protected. As part of the council's review, the council must ensure that:

(i) The purchaser of the institution assumes liability for all tuition and fees paid by students who may not receive the promised educational benefits, career counseling, and placement services. The purchaser's obligation under this section may not be met by a state‑ operated restitution fund or surety; and

(ii) Students have the opportunity to choose to enroll in an alternate program.

(b) As it deems necessary, the council may require that corporate contracts or sales agreements contain provisions to ensure that students have the opportunity to enroll in an alternate program.

(2) If an institution that operates on a for-profit basis is sold, closed, or reduces programs or other services, the institution must continue to provide job placement services and report to the council as required by section 8 of this act.

**Sec.**  RCW 28B.92.030 and 2013 c 248 s 2 are each amended to read as follows:

As used in this chapter:

(1) "Council" means the student achievement council.

(2) "Disadvantaged student" means a posthigh school student who by reason of adverse cultural, educational, environmental, experiential, familial or other circumstances is unable to qualify for enrollment as a full-time student in an institution of higher education, who would otherwise qualify as a needy student, and who is attending an institution of higher education under an established program designed to qualify the student for enrollment as a full-time student.

(3) "Financial aid" means loans and/or grants to needy students enrolled or accepted for enrollment as a student at institutions of higher education.

(4)(a) "Institution" or "institutions of higher education" means:

((~~(a)~~))(i) Any public university, college, community college, or technical college operated by the state of Washington or any political subdivision thereof; or

((~~(b)~~))(ii) Any other university, college, school, or institute in the state of Washington offering instruction beyond the high school level that is a member institution of an accrediting association recognized by rule of the council for the purposes of this section and that agrees to and complies with program rules adopted pursuant to RCW 28B.92.150. However, any institution, branch, extension or facility operating within the state of Washington that is affiliated with an institution operating in another state must be:

((~~(i)~~))(A) A separately accredited member institution of any such accrediting association;

((~~(ii)~~))(B) A branch of a member institution of an accrediting association recognized by rule of the council for purposes of this section, that is eligible for federal student financial aid assistance and has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington, and has an annual enrollment of at least seven hundred full-time equivalent students; or

((~~(iii)~~))(C) A nonprofit institution recognized by the state of Washington as provided in RCW 28B.77.240.

(b) An institution that is operated on a for-profit basis must receive less than ninety percent of its revenue from state or federal financial aid. Washington state financial aid may not be considered part of the revenue calculation, defined in 20 U.S.C. Sec. 1094, for an institution that receives more than ten percent of its revenue from sources other than federal or state aid.

(5) "Needy student" means a posthigh school student of an institution of higher education who demonstrates to the office the financial inability, either through the student's parents, family and/or personally, to meet the total cost of board, room, books, and tuition and incidental fees for any semester or quarter. "Needy student" also means an opportunity internship graduate as defined by RCW 28C.18.162 who enrolls in a postsecondary program of study as defined in RCW 28C.18.162 within one year of high school graduation.

(6) "Office" means the office of student financial assistance.

(7) "Placebound student" means a student who (a) is unable to complete a college program because of family or employment commitments, health concerns, monetary inability, or other similar factors; and (b) may be influenced by the receipt of an enhanced student financial aid award to complete a baccalaureate degree at an eligible institution.

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

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

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

(a) Disclose to the agency information about its ownership and financial position and ((~~to~~)) demonstrate to the agency that the school is financially viable and responsible and that it has sufficient financial resources to fulfill its commitments to students. ((~~Financial disclosures provided to the agency shall not be~~))Trade secrets and commercial or financial information submitted to the agency as privileged or confidential proprietary data, that are not subject to disclosure by federal regulators pursuant to 5 U.S.C. Sec. 552 (b)(4) as existing on the effective date of this section, and that are not relevant to the agency's analyses of financial soundness, amount of surety, soundness of the tuition recovery trust fund, or practices or relationships regulated by under this chapter, are not subject to public disclosure under chapter 42.56 RCW;

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

(c) Disclose through use of a school catalog, brochure, or other written material, necessary information to students so that students may make informed enrollment decisions. The agency shall specify what information is required;

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

(e) Describe accurately and completely in writing to students before their enrollment prerequisites and requirements for (i) completing successfully the programs of study in which they are interested and (ii) qualifying for the fields of employment for which their education is designed;

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

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

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

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

(j) Provide job placement services and report to the agency regarding three-month, six-month, and one-year job placement and earnings outcomes; and

(k) Comply with the requirements related to qualifications of administrators and instructors.

(3) A private vocational school may not engage in any practice that benefits any person or entity that has an ownership in the institution or in any practice from which the institution benefits financially regarding the sale or enrollment of students in loan products to fund education.

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

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

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

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

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

(7)(a) The agency shall review and approve any sale or closure of a private vocational school to ensure that the rights of students under state law and federal law are protected. As part of the agency's review, the agency must ensure that:

(i) The purchaser of the institution assumes liability for all tuition and fees paid by students who may not receive the promised educational benefit, career counseling, and placement services. The purchaser's obligation under this section may not be met by a state‑operated restitution fund or surety; and

(ii) Students have the opportunity to choose to enroll in an alternate program.

(b) As it deems necessary, the agency may require that corporate contracts or sales agreements contain provisions that ensure that students have the opportunity to enroll in an alternate program.

(8) If a private vocational school is sold, closed, or reduces programs or other services, the institution, or any approved purchaser or successor, must continue to provide job placement services and report to the agency as required under subsection (2)(j) of this section.

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

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

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

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

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

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

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

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

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

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

(h) Provide prospective students with any testimonial, endorsement, or other information which has the tendency to mislead or deceive prospective students or the public, including those regarding current practices of the school((~~,~~)); current conditions for employment opportunities((~~,~~)); postgraduation career placement rates or probable earnings in the occupation for which the education was designed; total cost to obtain a degree or certificate; the acceptance of a degree or certificate by employers as a qualification for employment; the acceptance of courses, a degree, or certificate by higher education institutions; the likelihood of obtaining financial aid or low-interest loans for tuition; and the ability of graduates to repay loans;

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

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

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

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

(m) Engage in any practice that benefits any person or entity that has an ownership interest in the institution or in any practice from which the institution benefits financially regarding the sale of, or enrollment of students in, loan products to fund education;

(n) Fail to continue job placement services in the event the institution is sold, closed, or reduces any programs or services, as required by section 10 of this act;

(o) Place a current student or exiter of a program in a short‑term job:

(i) That is not relevant to the student's training in order to meet reporting requirements under state or federal law; or

(ii) Where the placement is done for the purpose of reporting the current student or an exiter of a program as employed, in order to meet reporting requirements under state or federal law; or

(p) Use any official United States military logos in advertising or promotional materials.

**Sec.**  RCW 28C.10.120 and 2014 c 11 s 7 are each amended to read as follows:

(1) Complaints may be filed with the agency under this chapter ((~~only~~)) by or on behalf of a current student or exiter of a program or training affected by an unfair business practice. The complaint shall set forth the alleged violation and shall contain information required by the agency on forms provided for that purpose. A complaint may also be filed with the agency by an authorized staff member of the agency or by the attorney general.

(2)(a) The agency shall investigate any complaint under this section and shall first attempt to bring about a negotiated settlement. The agency director or the director's designee may conduct an informal hearing with the affected parties in order to determine whether a violation has occurred.

(b) The attorney general may investigate complaints and take independent action on behalf of an individual or a group of similarly situated persons claiming loss of tuition, fees, or other financial loss, including incurring debts to pay for tuition, if there is evidence that students lost the ability to pursue a program in which they were enrolled or paid tuition, and that they may no longer complete due to action of the institution. The actions taken by the attorney general may include seeking to enjoin unfair practices, equitable remedies, and the imposition of penalties pursuant to RCW 19.86.020 of the consumer protection act.

(c) The agency and the attorney general may subpoena witnesses, compel their attendance, and require the production of documents in the course of their investigation of complaints.

(3) If the agency finds that the private vocational school or its agent engaged in or is engaging in any unfair business practice, the agency shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties provided under RCW 28C.10.130. If the agency finds that the complainant has suffered loss as a result of the act or practice, the agency may order the violator to pay full or partial restitution of any amounts lost. The loss may include any money paid for tuition, required or recommended course materials, and any reasonable living expenses incurred by the complainant during the time the complainant was enrolled at the school.

(4) The complainant is not bound by the agency's determination of restitution. The complainant may reject that determination and may pursue any other legal remedy.

(5) The violator may, within twenty days of being served any order described under subsection (3) of this section, file an appeal under the administrative procedure act, chapter 34.05 RCW. Timely filing stays the agency's order during the pendency of the appeal. If the agency prevails, the appellant shall pay the costs of the administrative hearing.

(6) If a private vocational school closes without providing adequate notice to its enrolled students, the agency shall provide transition assistance to the school's students including, but not limited to, information regarding: (a) Transfer options available to students; (b) financial aid discharge eligibility and procedures; (c) the labor market, job search strategies, and placement assistance services; and (d) other support services available to students.

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

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

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

NEW SECTION. **Sec.**  A new section is added to chapter 28C.10 RCW to read as follows:

(1) Private vocational schools shall provide notices regarding students' rights under this chapter, any applicable federal law, and the complaint procedures in RCW 28B.85.090:

(a) In writing to current students and exiters of a program;

(b) On the web site of the institution; and

(c) In all communications regarding the sale or the closing of a program, facility, or site.

(2) The agency must provide the form and content of the notice required in this section. The notice must inform students that claims may be pursued by filing a complaint with the agency, by filing a complaint pursuant to RCW 19.86.020, or by providing information to the attorney general.

(3) The agency may direct institutions to post the notices in a conspicuous location within the institution and send the notices by mail to students.

**--- END ---**