

E2SHB 1439 - S COMM AMD  
By Committee on Ways & Means

ADOPTED AS AMENDED 03/01/2018

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) In 2016, the student achievement  
4 council contracted with the William D. Ruckelshaus center to conduct  
5 a two-part study analyzing the system of for-profit degree-granting  
6 institutions and private vocational schools in Washington. The  
7 Ruckelshaus center issued its first report in December 2016, followed  
8 by facilitated discussions amongst agencies and stakeholders that  
9 resulted in a second report issued in 2017. This act incorporates  
10 some of the findings and recommendations from the first phase of the  
11 report, including the benefits of ensuring that recruitment  
12 advertising and materials are consistent with state and federal  
13 verified data. In addition, this act incorporates findings regarding  
14 the need for a single student complaint portal and for agencies to  
15 have timely access to trust funds for tuition recovery and other  
16 methods of responding when schools close. This act also authorizes  
17 the second part of the study, as recommended by the center, that will  
18 include discussions of agency jurisdiction and consistency and how to  
19 improve the agencies' abilities to respond to school closures.

20 (2) The legislature finds that there are many private for-profit  
21 and nonprofit career colleges and degree-granting institutions  
22 providing Washington state residents with important postsecondary and  
23 career opportunities that contribute to the economic security of  
24 Washington residents and aid in meeting the needs of our state's  
25 growing economy. The legislature also recognizes that there have been  
26 high profile closures of, or federal and other state determinations  
27 regarding, some for-profit or formerly for-profit institutions that  
28 have damaged the reputation of the sector and impacted the  
29 expectations and financial stability of some students. It is the  
30 legislature's intent to provide a framework to ensure a level playing  
31 field exists for the many institutions that provide disclosures to  
32 prospective students based on verifiable metrics, which allow

1 prospective students to be able to make the best decisions on school  
2 and career choices and on financial aid and loans to finance their  
3 educational goals. The legislature also intends to ensure that  
4 students are provided the information they need to make the best  
5 decisions for their educational future and careers in event of  
6 closure or potential closure of an institution. In addition, the  
7 legislature intends to protect the state's interest in the integrity  
8 of its grant and aid programs, from private decisions to close  
9 schools or programs under circumstances that may prevent students  
10 from obtaining the degree or certificate and career services that the  
11 students expected upon enrollment.

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

18 (2) As part of the second part of the process, the study must  
19 contain findings and recommendations regarding the creation of an  
20 ombuds to serve students of degree-granting institutions and private  
21 vocational schools, including a recommendation on which state agency  
22 should house the position, and if there are other ombuds positions  
23 created by the legislature that can serve these students. The study  
24 must also contain recommendations on strengthening agencies'  
25 abilities to respond to, and protect student consumers from, school  
26 closures. Recommendations on agency responses include the use of  
27 trust funds and surety bonds for tuition recovery and other related  
28 losses.

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

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

34 (1) Complaints may be filed with the council under this chapter  
35 by a person claiming loss of tuition or fees as a result of an unfair  
36 business practice ((may file a complaint with the council)). The  
37 complaint shall set forth the alleged violation and shall contain  
38 information required by the council. A complaint may also be filed

1 with the council by an authorized staff member of the council or by  
2 the attorney general.

3 (2) The council shall investigate any complaint under this  
4 section and may attempt to bring about a settlement. The council may  
5 hold a hearing pursuant to the Administrative Procedure Act, chapter  
6 34.05 RCW, in order to determine whether a violation has occurred. If  
7 the council prevails, the degree-granting institution shall pay the  
8 costs of the administrative hearing.

9 (3) If, after the hearing, the council finds that the institution  
10 or its agent engaged in or is engaging in any unfair business  
11 practice, the council shall issue and cause to be served upon the  
12 violator an order requiring the violator to cease and desist from the  
13 act or practice and may impose the penalties under RCW 28B.85.100 and  
14 section 4 of this act. If the council finds that the complainant has  
15 suffered loss as a result of the act or practice, the council may  
16 order full or partial restitution for the loss. The complainant is  
17 not bound by the council's determination of restitution and may  
18 pursue any other legal remedy.

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

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

24 (b) The council may not delegate to any other state its authority  
25 to oversee and enforce compliance with this chapter or its authority  
26 to respond to complaints by students in this state, regardless of  
27 whether the institution is authorized by, or has its home in, another  
28 state. Under RCW 28B.85.020(1)(c), participation in interstate  
29 reciprocity agreements consistent with the purposes of this chapter  
30 does not delegate authority for compliance with this chapter or  
31 authority to respond to student complaints.

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

35 (a) Provide prospective students with any testimonial,  
36 endorsement, or other information that a reasonable person would find  
37 was likely to mislead or deceive prospective students or the public  
38 regarding current practices of the school, current conditions for  
39 employment opportunities, postgraduation employment by industry, or

1 probable earnings in the occupation for which the education was  
2 designed, the likelihood of obtaining financial aid or low-interest  
3 loans for tuition, or the ability of graduates to repay loans;

4 (b) Use any official United States military logo in advertising  
5 or promotional materials; and

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

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

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

13 (a) Present data about its completion rates, employment rates,  
14 loan or indebtedness metrics, or its graduates' median hourly and  
15 annual earnings, the posted data consistent with the data posted on  
16 the workforce training and education coordinating board's career  
17 bridge web site or the data posted by the United States department of  
18 education, if the board or the department of education has posted  
19 such data;

20 (b) Not engage in any practice regarding the sale of, or inducing  
21 of students to obtain, specific consumer student loan products to  
22 fund education that financially benefits any person or entity that  
23 has an ownership interest in the institution, unless the institution  
24 can demonstrate to the council that the student has exhausted all  
25 federal aid options and has been denied noninstitutional private  
26 commercial loan products. The prohibition in this subsection (1)(b)  
27 applies to any degree-granting institution authorized to operate  
28 under this chapter, and any agent of the institution, that has at  
29 least one hundred fifty students or more enrolled in the state in any  
30 given year or that has been operating in the state for less than two  
31 consecutive years. A financial benefit for purposes of this  
32 subsection (1)(b) does not include merely having an interest in  
33 students with loans enrolling in the institution or assisting  
34 students with financial aid matters. For purposes of this subsection  
35 (1)(b), "agent" means any employee, officer, or contractor working on  
36 behalf of the institution; and

37 (c) Disclose to the council regarding any pending investigations  
38 by an oversight entity, including the nature of that investigation,  
39 within thirty days of the degree-granting institution's first

1 knowledge of the investigation. For the purposes of this subsection,  
2 "investigation" means any inquiry into possible violations of any  
3 applicable laws or accreditation standards. For the purposes of this  
4 subsection, "oversight entity" means all of the following:

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

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

10 (iii) Any regulator that approves the operation of the private  
11 vocational school;

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

14 (v) Any accrediting agency.

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

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

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

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

29 (a) Disclose to the agency information about its ownership and  
30 financial position and ((~~to~~)) demonstrate to the agency that the  
31 school is financially viable and responsible and that it has  
32 sufficient financial resources to fulfill its commitments to  
33 students. Financial disclosures provided to the agency shall not be  
34 subject to public disclosure under chapter 42.56 RCW;

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

37 (c) Disclose through use of a school catalog, web site, brochure,  
38 or other written material, necessary information to students so that  
39 students may make informed enrollment decisions. The agency shall

1 specify what data and information ((is)) are required. To the extent  
2 that these web sites or materials present any data on the completion  
3 rates, employment rates, loan or indebtedness metrics, and its  
4 graduates' median hourly and annual earnings for any of the private  
5 vocational schools or its programs, the posted data must be  
6 consistent with the data posted on the agency's career bridge web  
7 site or the data posted by the United States department of education,  
8 if the agency or the department of education has posted such data.  
9 Nothing in this subsection requires the agency to make changes to the  
10 career bridge web site or add new elements or features to the career  
11 bridge web site;

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

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

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

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

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

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

11 (j) Comply with the requirements related to qualifications of  
12 administrators and instructors; and

13 (k) Disclose to the agency regarding any pending investigations  
14 by an oversight entity, including the nature of that investigation,  
15 within thirty days of the school's first knowledge of the  
16 investigation. For the purposes of this subsection, "investigation"  
17 means any inquiry into possible violations of any applicable laws or  
18 accreditation standards. For the purposes of this subsection,  
19 "oversight entity" means all of the following:

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

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

25 (iii) Any regulator that approves the operation of the private  
26 vocational school;

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

29 (v) Any accrediting agency.

30 (3) A private vocational school that has at least one hundred  
31 fifty students or more in the state during any given year, or that  
32 has been operating in the state for less than two consecutive years,  
33 or that has not had at least one of its programs recognized by the  
34 agency as an eligible training provider for at least two consecutive  
35 years, may not engage in any practice regarding the sale of, or  
36 inducing of students to obtain, specific consumer student loan  
37 products to fund education that financially benefits any person or  
38 entity that has an ownership interest in the institution, unless the  
39 institution can demonstrate to the agency that the student has  
40 exhausted all federal aid options and has been denied

1 noninstitutional private commercial loan products. A financial  
2 benefit for purposes of this subsection does not include merely  
3 having an interest in students with loans enrolling in the  
4 institution or assisting students with financial aid matters. For  
5 purposes of this subsection, "agent" means any employee, officer, or  
6 contractor working on behalf of the institution.

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

10 ((+4)) (5) The agency may determine that a licensed private  
11 vocational school or a particular program of a private vocational  
12 school is at risk of closure or termination if:

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

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

18 ((+5)) (6) If the agency determines that a private vocational  
19 school or a particular program is at risk of closure or termination,  
20 the agency shall require the school to take corrective action.

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

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

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

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

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

38 (c) Advertise in the help wanted section of a newspaper or  
39 otherwise represent falsely, directly or by implication, that the

1 school is an employment agency, is making an offer of employment or  
2 otherwise is attempting to conceal the fact that what is being  
3 represented are course offerings of a school;

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

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

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

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

21 (h) Provide prospective students with: Any testimonial,  
22 endorsement, or other information ((which has the tendency)) that a  
23 reasonable person would find likely to mislead or deceive prospective  
24 students or the public, including those regarding current practices  
25 of the school((τ)); information regarding rates of completion or  
26 postgraduation employment by industry, or its graduates' median  
27 hourly or annual earnings, that is not consistent with the  
28 presentation of data as established under RCW 28C.10.050(2)(c);  
29 current conditions for employment opportunities((τ)); postgraduation  
30 employment by industry or probable earnings in the occupation for  
31 which the education was designed; total cost to obtain a diploma or  
32 certificate; the acceptance of a diploma or certificate by employers  
33 as a qualification for employment; the acceptance of courses, a  
34 diploma, or certificate by higher education institutions; the  
35 likelihood of obtaining financial aid or low-interest loans for  
36 tuition; and the ability of graduates to repay loans;

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

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

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

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

16 (m) Violate RCW 28C.10.050(3) regarding the sale of, or inducing  
17 of students to obtain, specific consumer student loan products; or

18 (n) Use any official United States military logos in advertising  
19 or promotional materials.

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

22 (1) Any private vocational school or agent violating RCW  
23 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules  
24 is subject to a civil penalty of not more than one hundred dollars  
25 for each separate violation. Each day on which a violation occurs  
26 constitutes a separate violation. Multiple violations on a single day  
27 may be considered separate violations. The fine may be imposed by the  
28 agency under RCW 28C.10.120, or in any court of competent  
29 jurisdiction.

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

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

1           (1)(a) For the purpose of providing relief to students impacted  
2 by the voluntary or involuntary closure of schools regulated under  
3 this chapter, the director shall establish, maintain, and administer  
4 a department of licensing tuition recovery trust fund created in  
5 section 10 of this act. The department of licensing tuition recovery  
6 trust fund shall be established no later than January 1, 2019. All  
7 funds collected for the department of licensing tuition recovery  
8 trust fund are payable to the state for the benefit and protection of  
9 any student or enrollee of a private school licensed under this  
10 chapter, for purposes including but not limited to the settlement of  
11 claims related to school closures.

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

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

17           (b) The director must determine an amount that would be  
18 sufficient in the department of licensing tuition recovery trust fund  
19 to provide relief to students in the event of a school closure. The  
20 director shall adopt schedules of times and amounts for effecting  
21 payments of fees. To reach the amount determined, the director may  
22 phase in the collection of fees, but must achieve the amount  
23 determined to be sufficient no later than five years from the  
24 effective date of this section.

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

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

28           (b) Securing and administering student records; and

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

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

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

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

4 (7) No vested right or interest in deposited funds is created or  
5 implied for the depositor at any time during the operation of the  
6 department of licensing tuition recovery trust fund or at any such  
7 future time that the department of licensing tuition recovery trust  
8 fund may be dissolved. All funds deposited are payable to the state  
9 for the purposes described in this section. The director shall  
10 maintain the department of licensing tuition recovery trust fund,  
11 serve appropriate notices to affected owners when scheduled deposits  
12 are due, collect deposits, and make disbursements to settle claims  
13 against the department of licensing tuition recovery trust fund.

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

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

19 The department of licensing tuition recovery trust fund is  
20 created in the custody of the state treasurer. All receipts from each  
21 school owner under section 9 of this act must be deposited into the  
22 fund. Expenditures from the fund may be used only for the purposes in  
23 section 9 of this act. Only the director or the director's designee  
24 may authorize expenditures from the fund. The fund is subject to  
25 allotment procedures under chapter 43.88 RCW, but an appropriation is  
26 not required for expenditures.

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

29 (1)(a) For the purpose of providing relief to students impacted  
30 by the voluntary or involuntary closure of schools regulated under  
31 this chapter, the council shall establish, maintain, and administer a  
32 student achievement council tuition recovery trust fund created in  
33 section 12 of this act. All funds collected for the student  
34 achievement council tuition recovery trust fund are payable to the  
35 state for the benefit and protection of any student or enrollee of a  
36 private school licensed under this chapter, for purposes including  
37 but not limited to the settlement of claims related to school  
38 closures.

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

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

6 (b) The council must determine an amount that would be sufficient  
7 in the student achievement council tuition recovery trust fund to  
8 provide relief to students in the event of a school closure. The  
9 council shall adopt schedules of times and amounts for effecting  
10 payments of fees. To reach the amount determined, the council may  
11 phase in the collection of fees, but must achieve the amount  
12 determined to be sufficient no later than five years from the  
13 effective date of this section.

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

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

17 (b) Securing and administering student records; and

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

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

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

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

32 (7) No vested right or interest in deposited funds is created or  
33 implied for the depositor at any time during the operation of the  
34 student achievement council tuition recovery trust fund or at any  
35 such future time that the student achievement council tuition  
36 recovery trust fund may be dissolved. All funds deposited are payable  
37 to the state for the purposes described under this section. The  
38 council shall maintain the student achievement council tuition  
39 recovery trust fund, serve appropriate notices to affected owners  
40 when scheduled deposits are due, collect deposits, and make

1 disbursements to settle claims against the student achievement  
2 council tuition recovery trust fund.

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

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

8 The student achievement council tuition recovery trust fund is  
9 created in the custody of the state treasurer. All receipts from fees  
10 imposed on schools licensed under this chapter and section 11 of this  
11 act must be deposited into the fund. Expenditures from the fund may  
12 be used only for the purposes in section 11 of this act. Only the  
13 council may authorize expenditures from the fund. The fund is subject  
14 to allotment procedures under chapter 43.88 RCW, but an appropriation  
15 is not required for expenditures.

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

18 Within existing resources, the student achievement council, the  
19 workforce training and education coordinating board, and the  
20 department of licensing shall collaborate to create a single portal  
21 for student complaints regarding issues related to consumer  
22 protection, disclosures, school or program closures, or other  
23 violations committed by institutions regulated by those three  
24 agencies. The persons staffing the portal shall refer complaints to  
25 the appropriate agency and work as a liaison between the student and  
26 relevant agency to assist in resolving the concerns or complaint.  
27 Each agency shall ensure that all students enrolled in, applying to  
28 enroll in, or obtaining loans at, institutions regulated by the  
29 agency are informed of the portal and how to file complaints. The  
30 persons staffing the portal will report to the legislature annually  
31 by November 1, 2018, the number of complaints and their resolution  
32 status.

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

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

4 (2) The treasury income account shall be utilized to pay or  
5 receive funds associated with federal programs as required by the  
6 federal cash management improvement act of 1990. The treasury income  
7 account is subject in all respects to chapter 43.88 RCW, but no  
8 appropriation is required for refunds or allocations of interest  
9 earnings required by the cash management improvement act. Refunds of  
10 interest to the federal treasury required under the cash management  
11 improvement act fall under RCW 43.88.180 and shall not require  
12 appropriation. The office of financial management shall determine the  
13 amounts due to or from the federal government pursuant to the cash  
14 management improvement act. The office of financial management may  
15 direct transfers of funds between accounts as deemed necessary to  
16 implement the provisions of the cash management improvement act, and  
17 this subsection. Refunds or allocations shall occur prior to the  
18 distributions of earnings set forth in subsection (4) of this  
19 section.

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

29 (4) Monthly, the state treasurer shall distribute the earnings  
30 credited to the treasury income account. The state treasurer shall  
31 credit the general fund with all the earnings credited to the  
32 treasury income account except:

33 (a) The following accounts and funds shall receive their  
34 proportionate share of earnings based upon each account's and fund's  
35 average daily balance for the period: The aeronautics account, the  
36 aircraft search and rescue account, the Alaskan Way viaduct  
37 replacement project account, the brownfield redevelopment trust fund  
38 account, the budget stabilization account, the capital vessel  
39 replacement account, the capitol building construction account, the  
40 Cedar River channel construction and operation account, the Central

1 Washington University capital projects account, the charitable,  
2 educational, penal and reformatory institutions account, the Chehalis  
3 basin account, the cleanup settlement account, the Columbia river  
4 basin water supply development account, the Columbia river basin  
5 taxable bond water supply development account, the Columbia river  
6 basin water supply revenue recovery account, the common school  
7 construction fund, the community forest trust account, the connecting  
8 Washington account, the county arterial preservation account, the  
9 county criminal justice assistance account, the deferred compensation  
10 administrative account, the deferred compensation principal account,  
11 the department of licensing services account, the department of  
12 licensing tuition recovery trust fund, the department of retirement  
13 systems expense account, the developmental disabilities community  
14 trust account, the diesel idle reduction account, the drinking water  
15 assistance account, the drinking water assistance administrative  
16 account, the early learning facilities development account, the early  
17 learning facilities revolving account, the Eastern Washington  
18 University capital projects account, the Interstate 405 express toll  
19 lanes operations account, the education construction fund, the  
20 education legacy trust account, the election account, the electric  
21 vehicle charging infrastructure account, the energy freedom account,  
22 the energy recovery act account, the essential rail assistance  
23 account, The Evergreen State College capital projects account, the  
24 federal forest revolving account, the ferry bond retirement fund, the  
25 freight mobility investment account, the freight mobility multimodal  
26 account, the grade crossing protective fund, the public health  
27 services account, the high capacity transportation account, the state  
28 higher education construction account, the higher education  
29 construction account, the highway bond retirement fund, the highway  
30 infrastructure account, the highway safety fund, the high occupancy  
31 toll lanes operations account, the hospital safety net assessment  
32 fund, the industrial insurance premium refund account, the judges'  
33 retirement account, the judicial retirement administrative account,  
34 the judicial retirement principal account, the local leasehold excise  
35 tax account, the local real estate excise tax account, the local  
36 sales and use tax account, the marine resources stewardship trust  
37 account, the medical aid account, the mobile home park relocation  
38 fund, the money-purchase retirement savings administrative account,  
39 the money-purchase retirement savings principal account, the motor  
40 vehicle fund, the motorcycle safety education account, the multimodal

1 transportation account, the multiuse roadway safety account, the  
2 municipal criminal justice assistance account, the natural resources  
3 deposit account, the oyster reserve land account, the pension funding  
4 stabilization account, the perpetual surveillance and maintenance  
5 account, the pollution liability insurance agency underground storage  
6 tank revolving account, the public employees' retirement system plan  
7 1 account, the public employees' retirement system combined plan 2  
8 and plan 3 account, the public facilities construction loan revolving  
9 account beginning July 1, 2004, the public health supplemental  
10 account, the public works assistance account, the Puget Sound capital  
11 construction account, the Puget Sound ferry operations account, the  
12 Puget Sound taxpayer accountability account, the real estate  
13 appraiser commission account, the recreational vehicle account, the  
14 regional mobility grant program account, the resource management cost  
15 account, the rural arterial trust account, the rural mobility grant  
16 program account, the rural Washington loan fund, the sexual assault  
17 prevention and response account, the site closure account, the  
18 skilled nursing facility safety net trust fund, the small city  
19 pavement and sidewalk account, the special category C account, the  
20 special wildlife account, the state employees' insurance account, the  
21 state employees' insurance reserve account, the state investment  
22 board expense account, the state investment board commingled trust  
23 fund accounts, the state patrol highway account, the state route  
24 number 520 civil penalties account, the state route number 520  
25 corridor account, the state wildlife account, the student achievement  
26 council tuition recovery trust fund, the supplemental pension  
27 account, the Tacoma Narrows toll bridge account, the teachers'  
28 retirement system plan 1 account, the teachers' retirement system  
29 combined plan 2 and plan 3 account, the tobacco prevention and  
30 control account, the tobacco settlement account, the toll facility  
31 bond retirement account, the transportation 2003 account (nickel  
32 account), the transportation equipment fund, the transportation  
33 future funding program account, the transportation improvement  
34 account, the transportation improvement board bond retirement  
35 account, the transportation infrastructure account, the  
36 transportation partnership account, the traumatic brain injury  
37 account, the tuition recovery trust fund, the University of  
38 Washington bond retirement fund, the University of Washington  
39 building account, the volunteer firefighters' and reserve officers'  
40 relief and pension principal fund, the volunteer firefighters' and

1 reserve officers' administrative fund, the Washington judicial  
2 retirement system account, the Washington law enforcement officers'  
3 and firefighters' system plan 1 retirement account, the Washington  
4 law enforcement officers' and firefighters' system plan 2 retirement  
5 account, the Washington public safety employees' plan 2 retirement  
6 account, the Washington school employees' retirement system combined  
7 plan 2 and 3 account, the Washington state health insurance pool  
8 account, the Washington state patrol retirement account, the  
9 Washington State University building account, the Washington State  
10 University bond retirement fund, the water pollution control  
11 revolving administration account, the water pollution control  
12 revolving fund, the Western Washington University capital projects  
13 account, the Yakima integrated plan implementation account, the  
14 Yakima integrated plan implementation revenue recovery account, and  
15 the Yakima integrated plan implementation taxable bond account.  
16 Earnings derived from investing balances of the agricultural  
17 permanent fund, the normal school permanent fund, the permanent  
18 common school fund, the scientific permanent fund, the state  
19 university permanent fund, and the state reclamation revolving  
20 account shall be allocated to their respective beneficiary accounts.

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

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

**E2SHB 1439** - S COMM AMD

By Committee on Ways & Means

**ADOPTED AS AMENDED 03/01/2018**

30 On page 1, line 3 of the title, after "practices;" strike the  
31 remainder of the title and insert "amending RCW 28A.85.090,  
32 28C.10.050, 28C.10.110, and 28C.10.130; reenacting and amending RCW  
33 43.84.092; adding new sections to chapter 28B.85 RCW; adding new

1 sections to chapter 18.16 RCW; adding a new section to chapter 28B.77  
2 RCW; creating new sections; and prescribing penalties."

EFFECT: Requires the Washington Student Achievement Council (WSAC) to include in the second phase of its study of for-profit degree-granting institutions and private vocational schools recommendations on strengthening agencies' ability to respond to school closures, including access to trust funds; mandates that the WSAC may not delegate its authority over compliance in this state; creates separate tuition recovery trust funds supported by fees imposed on schools licensed under chapter 18.16 RCW by the DOL and chapter 28B.85 RCW by the WSAC; prohibits the use of military logos in promotional materials by private vocational schools and degree-granting institutions; prohibits the use of proprietary loans by entities with over 150 students that have been open for more than two years; requires disclosure by any school or degree-granting institution under investigation by any oversight entities; and requires the WorkForce Board, WSAC, and DOL to collaborate on the creation of a single portal for student complaints within existing resources and annually report on the number of complaints.

--- END ---