

WSR 23-11-066

PROPOSED RULES

PENINSULA COLLEGE

[Filed May 15, 2023, 12:05 p.m.]

Original Notice.

Preproposal statement of inquiry was filed as WSR 22-11-014.

Title of Rule and Other Identifying Information: Withholding services for outstanding debts.

Hearing Location(s): On Monday, July 10, 2023, at 10:00 a.m., at Peninsula College, Cornaby Center A-12, 1502 East Lauridsen Boulevard, Port Angeles, WA 98362.

Date of Intended Adoption: July 25, 2023.

Submit Written Comments to: Trisha Haggerty, 1502 East Lauridsen Boulevard, Port Angeles, WA 98382, email thaggerty@pencol.edu, by July 5, 2023.

Assistance for Persons with Disabilities: Contact Krista Francis, phone 360-417-6347, email ssd@pencol.edu, by July 5, 2023.

Purpose of the Proposal and Its Anticipated Effects, Including Any Changes in Existing Rules: This WAC needs to be updated in accordance with state law that prohibits withholding official transcripts to collect debt.

Reasons Supporting Proposal: Washington's 34 community and technical colleges have worked together to establish a statewide infrastructure to effectively implement SSHB [2SHB] 2513 as codified in RCW 28B.10.293 and 28B.10.294.

Statutory Authority for Adoption: RCW 28B.10.293; SSHB [2SHB] 2513 (2020).

Rule is not necessitated by federal law, federal or state court decision.

Name of Proponent: Peninsula College, governmental.

Name of Agency Personnel Responsible for Drafting, Implementation, and Enforcement: Krista Francis, 1502 East Lauridsen Boulevard, Peninsula College, 360-417-6225.

A school district fiscal impact statement is not required under RCW 28A.305.135.

A cost-benefit analysis is not required under RCW 34.05.328.

This rule proposal, or portions of the proposal, is exempt from requirements of the Regulatory Fairness Act because the proposal:

Is exempt under RCW 19.85.025(4).

Explanation of exemptions: This rule change is intended to bring Peninsula College into compliance with SSHB [2SHB] 2513 effective June 11, 2020. That bill prohibits higher education institutions from withholding a student's official transcript as a debt-collection tool when the transcript is requested by a student or third party. This rule change does not impact small businesses relations.

Scope of exemption for rule proposal:

Is fully exempt.

May 10, 2023  
Trisha Haggerty  
Rules Coordinator

OTS-4594.1

AMENDATORY SECTION (Amending WSR 99-15-072, filed 7/20/99, effective 8/20/99)

**WAC 132A-122-011 Policy.** ~~If any student or former student ((is indebted to the institution for an outstanding overdue debt, the institution need not provide services of any kind to such individual, including, but not limited to, conferring degrees and transmitting files, records, transcripts or other services which have been requested by such person))~~ fails to meet financial obligations to the college, the college shall not provide further services except as required by applicable laws or regulations, or as approved by the president or president's designee.

[Statutory Authority: RCW 28B.50.140 and chapter 28B.50 RCW. WSR 99-15-072, § 132A-122-011, filed 7/20/99, effective 8/20/99.]

## OTS-4595.2

AMENDATORY SECTION (Amending WSR 99-15-072, filed 7/20/99, effective 8/20/99)

### **WAC 132A-122-021 Withholding services for outstanding debts.**

~~((Upon receipt of a request for services where there is an outstanding debt due the institution from the requesting person, the institution shall notify the person in writing by certified mail to the last known address, that the services will not be provided since there is an outstanding debt due the institution, and further that until that debt is satisfied, no such services will be provided to the individual.~~

~~Notification that services will be withheld shall also inform the individual that he or she has a right to a hearing before a person designated by the president of the institution if he or she believes that no debt is owed. Notification shall also indicate that the request for the hearing must be made within fifteen days from the date such notice is received. Upon receipt of a timely request for a hearing, the person designated by the president shall have the records and files of the institution available for review and, at that time, shall hold a brief adjudicative proceeding concerning whether the individual owes or owed any outstanding debts to the institution. After the brief adjudicative proceeding, an order shall be entered by the president's designee indicating whether the institution is correct in withholding services and/or applying off set for outstanding debt. If the outstanding debt is owed by the individual involved, no further services shall be provided. Notification of the decision shall be sent to the individual within ten days after the hearing. This hearing shall constitute a brief adjudicative proceeding in accordance with RCW 34.05.482 through 34.05.494.)~~

Upon notification of an outstanding financial obligation to the enrollment services office or another authorized college department, an administrative hold will be placed on the student's records and/or access to registration. The extent of the hold will be recommended by the reporting department and, once approved by enrollment services in compliance with applicable laws and regulations, may include denial of access to:

Student files.

Registration.

Financial aid.

(1) Student notification of debts: Pursuant to SSHB 2513 (effective June 11, 2020) and consistent with SBCTC guidelines, students with debts to the college shall be notified of the following through either a secure portal or college email (the college may additionally notify the student through first-class mail):

(a) The amount of debt owed.

(b) What services will be denied.

(c) Information on payment of the debt, including whom to contact to set up a payment plan.

(d) Any consequences that will result from the nonpayment of the debt.

(e) Right of appeal and how to request a hearing.

The notification will further state that specified services will not be provided until the obligation is satisfied or arrangements have been made under terms and conditions, which are satisfactory to the college.

(2) Student's right to an informal hearing: The notification shall inform the individual of their right to an informal hearing before the president's designee for the purpose of challenging the validity of the debt. The notification shall inform the individual that any request for such a hearing must be made within 15 workdays from the sending of said notice and that the request for a hearing must state the individual's reasons for challenging the financial obligation.

(3) Procedure for informal hearing: Upon receipt of a timely request for a hearing, president's designee shall hold an informal hearing with the student as soon as practicable to evaluate the validity of the outstanding debt. The designee shall ensure that the appropriate records and files of the institution are available for review at the time of the informal hearing. Within 10 workdays after the informal hearing, the designee shall determine whether the outstanding debt is owed to the college and provide the individual with written notification of the decision.

(4) Formal hearing: Within 10 workdays of the designee's communication that the student's request was denied, in an informal hearing, the student may request a formal hearing. The formal hearing will include the president's designee, representatives of the office(s) reporting or maintaining record of debt, and the student. Detailed records documenting the debt shall be provided to all in attendance.

(5) Withholding services: If the individual fails to request or participate in an informal hearing within 15 workdays of initial notification of the debt, or fails to request a formal hearing within 10 workdays after the decision of the president's designee to deny the student's appeal, or if both the informal and formal hearings uphold the validity of the debt, the college will continue to withhold services as indicated above.

(6) Reporting: The business services office shall report annually to the state board for community and technical colleges, which will forward to the governor's office and legislature. The annual report shall include data related to:

(a) The use of transcript holds (this should be zero due to debt).

(b) Registration holds, number of student accounts denied registration privileges.

(c) Student debt levels for financial obligations to the college.

(d) Collection practices, including the number of student accounts referred to outside collection agencies and the dollar threshold for which a student account is referred to a collection agency.

[Statutory Authority: RCW 28B.50.140 and chapter 28B.50 RCW. WSR 99-15-072, § 132A-122-021, filed 7/20/99, effective 8/20/99.]