

SENATE BILL REPORT

HB 2597

As Reported By Senate Committee On:
Early Learning, K-12 & Higher Education, February 24, 2006

Title: An act relating to private vocational school programs.

Brief Description: Establishing additional requirements for private vocational schools.

Sponsors: Representatives Kenney, Cox, Sells, Hasegawa, Fromhold, Rodne, McCoy, Jarrett, Morrell, Conway, Ormsby and Clibborn.

Brief History: Passed House: 2/09/06, 93-5.

Committee Activity: Early Learning, K-12 & Higher Education: 2/23/06, 2/24/06 [DPA-WM, DNP].

SENATE COMMITTEE ON EARLY LEARNING, K-12 & HIGHER EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Pridemore, Vice Chair, Higher Education; Weinstein, Vice Chair, Early Learning & K-12; Schmidt, Ranking Minority Member; Berkey, Carrell, Delvin, Eide, Kohl-Welles, Pflug, Rockefeller, Schoesler and Shin.

Minority Report: Do not pass.

Signed by Senator Benton.

Staff: Susan Mielke (786-7422)

Background: The Workforce Training and Education Coordinating Board (WTECB) regulates and licenses private vocational schools to ensure adequate educational quality and to monitor for false, deceptive, misleading, or unfair practices of private vocational schools. These duties include establishing standards for private vocational schools, managing a tuition recovery trust fund for settlement of claims related to school closures, and monitoring for unfair business practices of the schools.

Current Standards for Private Vocational Schools

The standards established by the WTECB require schools to report on their ownership and financial resources. Schools must follow the WTECB's cancellation and refund policy and use contracts or agreements with students that include the school's cancellation policy and a statement that the school is licensed by the WTECB. Schools also must give students information necessary to make informed enrollment decisions, discuss with potential students financial impacts to the student of enrolling with the school, and assess potential students' basic skills and aptitudes to determine whether they have the skills and aptitudes to succeed in and benefit from a program of study. Finally, all private vocational schools must contribute to the Tuition Recovery Trust Fund (Fund).

Assistance to Students if a School Closes

The Fund was established to settle claims relating to private vocational school closures. If a school closes unexpectedly and fails to provide currently enrolled students with tuition refunds, such students may make a claim for recovery from the Fund in an amount up to the amount of unearned prepaid tuition. A school that closes must send its educational records, including transcripts, to the WTECB. This allows the WTECB to contact students who may be entitled to a refund of unearned prepaid tuition. It also allows students to obtain copies of their transcripts at a later date.

Recent School Closures and Complaints

A number of schools closed in 2005, prompting the WTECB to consider whether increased oversight of private career schools is necessary.

Summary of Amended Bill: Additional requirements for initial licensure and renewal of licensure are added. Schools must demonstrate that they are fiscally healthy enough to provide students with the services promised and to meet the WTECB's requirements. If the WTECB doubts a licensed school's financial health, the WTECB may request a statement from an independent accountant regarding the school's financial viability.

Schools must assess each potential student to ensure the student has the basic skills, including sufficient English proficiency, to complete the program, unless the student provides proof of graduation from a United States high school or proof of completion of a GED. If a student lacks sufficient skills, the school must provide additional training or assist the student with obtaining additional training by providing information where the student can obtain such training or instruction.

The staff and administrators of private vocational schools must meet certain qualifications. Instructors must: (1) have two years of full-time work experience, post-secondary training, or a combination of both, in the subjects they teach; or (2) possess current evidence from a regulatory agency that they are qualified to teach their particular subjects. Teacher assistants, aides, or trainees may provide services to students only under the direct supervision of a qualified instructor. Sales agents for a private vocational school must register with the WTECB. A school's highest ranking administrator must have at least two years experience in school or business administration, teaching, or professional experience related to his or her duties with the school. All staff of the school must have good moral character. A person is not of good moral character if the person has been convicted of a felony within the last seven years, convicted of a misdemeanor that involved any sexual offense, or made any false, material statement to the WTECB.

The WTECB may place a licensed school on probation if the school has a history of substantiated student complaints or fails to meet the licensure requirements. A school placed on probation must meet with the WTECB staff, and provide a written improvement plan, monthly status reports and, if requested by the WTECB, a line of credit in an amount determined by the WTECB. If a school fails to correct its problems in 12 months, the WTECB may revoke the school's license.

If a school closes unexpectedly, the WTECB will assist enrolled students with obtaining information regarding transfer option, financial aid discharge, finding a job, and other available support services.

Amended Bill Compared to Original Bill: One of the components for showing that the school is financially viable is to show that the school had a positive net worth at the close of its most recent fiscal year, unless the school can demonstrate additional financial resources to be considered. The school must assess the English of potential students for whom English is a second language, unless the students provide proof of graduation from a U.S. high school or proof of completion of a GED in English. It is clarified that the way a school will help potential students with obtaining additional basic skills or ESL training is by providing information where they can obtain such training. The time afforded to a school on probation to provide evidence of the line of credit to the WTECB is extended from 30 days to 60 days.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2006.

Testimony For: When private vocational schools close, they leave hundreds of students in the lurch. It is a terrible disruption to students lives when this happens and to not know how or where they can finish their education. The aim of this bill is to enable the Workforce Training Board to monitor these schools a little more closely and thereby get an earlier warning if there is a problem. Under this bill, the board can help the students with the transition if the school does close.

Testimony Against: None.

Who Testified: PRO: Representative Kenney, prime sponsor; Madeleine Thompson, Workforce Training and Education Coordinating Board; Steve Lindstrom, Washington Federation of Career Schools and Colleges.