
SUBSTITUTE HOUSE BILL 2474

State of Washington

69th Legislature

2026 Regular Session

By House Postsecondary Education & Workforce (originally sponsored by Representatives Pollet, Reeves, Ryu, Zahn, and Hill; by request of Student Achievement Council)

READ FIRST TIME 02/04/26.

1 AN ACT Relating to postsecondary education consumer protections
2 in the event of school or program closures; amending RCW 28B.85.230;
3 and adding a new section to chapter 28B.85 RCW.

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

5 **Sec. 1.** RCW 28B.85.230 and 2018 c 203 s 11 are each amended to
6 read as follows:

7 (1)(a) For the purpose of providing relief to students impacted
8 by the ~~((voluntary or involuntary closure of schools regulated~~
9 ~~under))~~ violations of provisions contained in this chapter, the
10 council shall establish, maintain, and administer a student
11 achievement council tuition recovery trust fund created in RCW
12 28B.85.240. All funds collected for the student achievement council
13 tuition recovery trust fund are payable to the state for the benefit
14 and protection of any student or enrollee of a private school
15 licensed under this chapter, for purposes including but not limited
16 to the settlement of claims related to ~~((school closures))~~ any
17 consumer protection requirement for schools regulated under this
18 chapter.

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

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

4 (b) The council must determine an amount that would be sufficient
5 in the student achievement council tuition recovery trust fund to
6 provide relief to students in the event of a school closure. The
7 council shall adopt schedules of times and amounts for effecting
8 payments of fees. To reach the amount determined, the council may
9 phase in the collection of fees, but must achieve the amount
10 determined to be sufficient no later than five years from June 7,
11 2018.

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

14 (a) Providing refunds to students affected by ((school closures))
15 a school's violation of any consumer protection requirement contained
16 in this chapter;

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 violation of a requirement
20 contained in this chapter, including a school closure.

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

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

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

34 (7) No vested right or interest in deposited funds is created or
35 implied for the depositor at any time during the operation of the
36 student achievement council tuition recovery trust fund or at any
37 such future time that the student achievement council tuition
38 recovery trust fund may be dissolved. All funds deposited are payable
39 to the state for the purposes described under this section. The
40 council shall maintain the student achievement council tuition

1 recovery trust fund, serve appropriate notices to affected (~~owners~~)
2 schools when scheduled deposits are due, collect deposits, and make
3 disbursements to settle claims against the student achievement
4 council tuition recovery trust fund.

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

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.85
9 RCW to read as follows:

10 (1) An institution that discontinues operations or that
11 discontinues the educational program of any currently enrolled
12 student must:

13 (a) Provide a teach-out opportunity acceptable to the council
14 that allows the student to complete the program under the same
15 material conditions as existed prior to the decision to discontinue
16 the program, including in-person or distance education delivery,
17 pedagogy, curricular content, class size, or other elements of
18 program delivery described in recruitment materials; or

19 (b) Enter into a transfer agreement acceptable to the council
20 that allows the student to complete the program under the same
21 material conditions as existed prior to the decision to discontinue
22 the program, including in-person or distance education delivery,
23 pedagogy, curricular content, class size, or other elements of
24 program delivery described in recruitment materials. The transfer
25 agreement must not result in increased costs to students and must be
26 with an institution that:

27 (i) Is accredited by an accrediting association recognized by the
28 council and is in good standing with its accreditor;

29 (ii) Is not currently under financial aid restrictions by the
30 United States department of education;

31 (iii) Provides the student a reasonable opportunity to complete
32 the program with substantially the same number of credit hours as was
33 required by the institution operating the closing program;

34 (iv) Is within a reasonable distance of the closing institution,
35 unless instruction occurs entirely via distance education; and

36 (v) Within the previous five years, has not had any judgments
37 related to a consumer protection law entered against it in favor of a
38 law enforcement agency or entered into any settlement agreements
39 related to a consumer protection law with a law enforcement agency.

1 (2)(a) An institution that violates this section shall be
2 required to provide a refund of tuition and fees paid by a student
3 who is enrolled at the time the student's program is discontinued.

4 (b) The council shall establish rules to determine the time
5 period and amount for which tuition and fees will be reimbursed to
6 students.

7 (3) Institutional debt owed by a student who is enrolled in a
8 program that is discontinued in violation of this section is void and
9 may not be recovered, collected, or enforced by the institution or
10 any other person or entity.

11 (4) This section does not apply to a degree-granting institution
12 that:

13 (a) Is defined as a "higher education institution" in RCW
14 28B.07.020(4);

15 (b) Is authorized to participate in state financial aid programs
16 under chapter 28B.92 RCW; and

17 (c) Was founded on or before 1910 or is an institution within the
18 boundaries of a federally recognized Indian tribal reservation
19 operated by a federally recognized tribal government and a minority-
20 serving institution.

--- END ---