

WAC 250-61-145 Tuition recovery trust fund requirements. (1)

Purpose. The fund is established to provide relief to students impacted by the voluntary or involuntary closure of authorized institutions and may be used for:

(a) Providing refunds to students affected by school closures;
(b) Securing and administering student records; and
(c) Any other response the council determines is necessary to mitigate impacts of a potential or actual school closure.

(2) Institutions authorized to operate under this chapter shall make the following contributions to the fund:

(a) One initial contribution in the amount of one thousand dollars. Institutions that become authorized to operate after January 1, 2020, shall make the initial contribution prior to enrollment of any student.

(b) Annual contributions to the fund for a period of at least five years in an amount specified in subsection (9) of this section. For institutions whose primary location is outside Washington, the contribution shall be based on tuition income collected from Washington state residents.

(c) The council shall provide notice to an institution that it is no longer required to contribute to the fund once it has made at least five annual contributions, provided none of the factors in subsection (5) of this section apply.

(3) Institutions offering degree programs and academic credit courses exclusively from outside the state through individual and private interstate communication shall make the following contributions to the fund upon enrollment of students located in the state of Washington:

(a) One initial contribution in the amount of one thousand dollars.

(b) At least five contributions in an amount specified in subsection (9) of this section. The contribution shall be based on tuition income collected from students located in the state of Washington.

(c) The council shall provide notice to an institution that it is no longer required to contribute to the fund once it has made at least five annual contributions, provided none of the factors in subsection (5) of this section apply.

(d) Institutions participating in an interstate reciprocity agreement with the council shall be exempt from this requirement.

(4) For private vocational schools that offer nondegree programs as well as degree programs, the amount required shall be based only on the degree program portion of its revenue from tuition and fees.

(5) An institution's obligation to contribute to the fund may continue beyond five years or become reestablished under any of the following circumstances:

(a) The institution's authorization to operate has been suspended or withdrawn;

(b) The institution is currently designated at risk of closure under WAC 250-61-155;

(c) The institution is currently subject to heightened monitoring by the department of education;

(d) The institution is not in good standing with its accreditor or is subject to disciplinary action, including a show cause order;

(e) The institution has been found in violation of the Degree-Granting Institutions Act within the preceding twelve months;

(f) A valid claim against the institution has resulted in a disbursement from the fund; or

(g) The balance of the fund is reduced below one million dollars due to disbursements made to settle claims.

(6) An institution's obligation to contribute to the fund in accordance with subsection (2) of this section shall become reestablished if a new authorization is granted following a significant change of ownership or control.

(7) An institution's obligation to contribute to the fund in accordance with subsection (3) of this section shall become reestablished following a significant change of ownership or control.

(8) If disbursements made to settle claims reduce the operating balance below one million dollars, the council shall require assessments under subsection (9) of this section until the balance of the fund has been restored to one million dollars.

(9) Fund contributions. In order to remain authorized under this chapter, the institution shall remit to the council a fund contribution upon assessment. Institutions shall make annual deposits based on the following assessments:

If the school's total annual tuition income is:	The school shall make the following contribution:
Less than \$100,000	\$500
\$100,000 - \$250,000	\$1000
\$250,001 - \$500,000	\$1500
\$500,001 - \$750,000	\$2000
\$750,001 - \$1,000,000	\$2500
\$1,000,001 - \$1,500,000	\$3500
\$1,500,001 - \$2,000,000	\$4000
\$2,000,001 - \$2,500,000	\$4500
\$2,500,001 - \$3,000,000	\$5000
\$3,000,001 - \$4,000,000	\$6000
\$4,000,001 - \$5,000,000	\$7000
\$5,000,001 - \$6,000,000	\$8000
\$6,000,001 - \$7,000,000	\$9000
\$7,000,001 - \$8,000,000	\$10000
\$8,000,001 - \$10,000,000	\$11000
Over \$10,000,000	\$12000

(10) The council will send, to the address of record, annual notices of the due date and amount of deposit required under subsection (9) of this section. The burden of keeping current contact information with the council falls to the institution.

(11) The institution shall provide clear and accurate information required by the council to determine the amount of the institution's contributions to the fund.

(12) Late contributions. The fee for late contributions to the fund shall be ten percent of the amount due. Failure to make a deposit within thirty days of the due date may result in suspension or withdrawal of the institution's authorization. The institution's failure to provide information required by the council to determine the institution's assessment amount shall not impact the due date to contribute to the fund or the penalties described herein.

(13) If the institution demonstrates that the fund contribution is a hardship for the institution, the council may grant an alternate payment schedule.

(14) The fund's liability with respect to each participating institution commences on the date of the initial deposit into the fund made on its behalf and ceases one year from the date the institution is no longer authorized under this chapter.

(15) Settlement of claims. A student with a complaint against an institution that has contributed to the fund and that is related to the purposes of this section may submit a written claim against the fund. If the complaint is supported by evidence and found by council staff to be actionable, the council may make disbursements from the fund consistent with subsection (1) of this section. A complainant is not bound by the council's determination and may pursue any other legal remedy.

(16) No liability accrues to the state from claims made against the fund.

(17) No vested right or interest in deposited funds is created or implied for the depositor at any time during the operation of the fund or at any such future time that it may be dissolved. All funds deposited are payable to the state for the purposes described under this section. Institutions have no right to reimbursement or recoupment of deposited funds at any time or for any reason.

(18) The council may replenish the fund with payments received from another form of security the institution is required to maintain if such payment is permitted under RCW 28B.85.070 and is related to the purposes of the fund.

[Statutory Authority: RCW 28B.85.020. WSR 20-07-008, § 250-61-145, filed 3/5/20, effective 4/5/20.]