

# FINAL BILL REPORT

## SB 6380

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C 100 L 96  
Synopsis as Enacted

**Brief Description:** Eliminating the requirement that degree-granting private vocational schools participate in the tuition recovery trust fund.

**Sponsors:** Senators Bauer and Wood.

**Senate Committee on Higher Education**

**House Committee on Higher Education**

**Background:** In 1987, the tuition recovery fund was established to assure that funds are available to pay student refunds in the event of a school closure. Non-degree granting private institutions fund the trust with semi-annual payments.

In 1994, an account in the tuition recovery fund was established for the degree-granting private career schools. The Attorney General's Office determined that the adopted rules were not consistent with the authority of the Higher Education Coordinating Board, and the law creating that account was never implemented.

The United States Department of Education has established new financial accountability standards. The new standards require schools to post an irrevocable line of credit to reimburse students in the event of a school closure. Tuition recovery funds do not meet this requirement.

**Summary:** The statute that requires degree-granting private vocational schools to participate in the tuition recovery trust fund is repealed.

**Votes on Final Passage:**

Senate	48 0
House	96 0

**Effective:** June 6, 1996