



SSHB 2513

Transcript Withholding and Limiting the Practice of Registration Holds as Debt Collection Practices

December 1, 2023

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Overview of SSHB 2513

<u>Second Substitute House Bill 2513</u>, which took effect June 11, 2020, prohibits higher education institutions from withholding a student's official transcript as a debt-collection tool when the transcript is requested to apply for a job, transfer to another institution, pursue another postsecondary opportunity, apply for financial aid, or to pursue service in the military or National Guard.

Under SSHB 2513, higher education institutions may continue to withhold a student's official transcript—or deny class registration—due to unpaid tuition or room and board, unpaid transcript-processing fees, or because the student needs to pay back the higher education institution for financial aid due to withdrawal from school, a miscalculation, or another reason.

Higher education institutions that choose to withhold official transcripts or registration privileges as a tool for debt collection must let students know the following information through a secure portal or e-mail. If registration privileges are also withheld, the institution must also notify the student through the class-registration process.

- Any debts owed by the student to the institution including the amount of debt;
- Information on setting up a payment plan; and
- Any consequences that will result from the nonpayment of the debt.

The Washington community and technical college system has developed a systemwide policy for all 34 colleges in order to meet the requirements of SSHB 2513. This report summarizes the key provisions of the policy.

This is the fourth annual report to the Legislature's higher education committees and Governor's Office provided each December under SSHB 2513.

Community and Technical College System Policy for Complying with SSHB 2513

The community and technical college system's policy for complying with SSHB 2513 was led by the State Board for Community and Technical Colleges (SBCTC) in consultation with the Washington Office of the Attorney General and representatives from college registration and business offices. This systemwide policy allows all colleges to meet legislative requirements, eliminate the possibility of varied college processes, and to serve students enrolled in one or more colleges.

Student transcripts

Given the number of provisions in SSHB 2513 regarding the mandatory release of student transcripts, the systemwide policy is for colleges to release official transcripts upon request, regardless of the type of debt that is owed. No transcripts will be held for debt collection in the community and technical college system. This also applies to other entities that are requesting transcripts at the student's request.

Class registration

The systemwide policy allows colleges to withhold registration privileges for students with unpaid debt including, but not limited to, failure to pay tuition and fees and room and board, and/or financial aid that is owed back to the institution because the student withdrew from school, there was a miscalculation of aid, or another reason.

Registration holds are fluid and are removed once a student pays the debt owed, allowing the student to register for future classes. The table on page 5 represents active registration holds for the 2022-2023 academic year.

Lowest debt amount sent to collections

Under the systemwide policy, colleges may only send overdue accounts to a collection agency if the amount owed is \$100 or more. Individual colleges may, however, set a higher threshold. Five colleges have chosen to do so.

Data requirements

SBCTC policy requires each college's registration office to keep college-level data on the number of students denied registration privileges for future classes because of debt to the college.

Each college's business office files quarterly information with SBCTC on the following:

- The number of student accounts referred to outside collection agency(ies); and
- The lowest amount owed that is sent to a collection agency(ies).

With the migration of all 34 colleges to ctcLink, college data is more readily available to collect and track at a system level. Reports for total number of active registrations holds and accounts sent to collections for each college can be pulled by SBCTC data services. (ctcLink is the systemwide software that all colleges use to manage student services, business operations, and human resource functions.)

State Board policy manual additions

To comply with data requirements of SSHB 2513, two sections were added to the State Board for Community and Technical Colleges' policy manual in December 2021 as approved by the Board.

Chapter 5.40.35 Withholding student registration

An institution may withhold registration privileges for students with unpaid debt, including but not limited to, failure to pay tuition and fees, room and board, and/or financial aid. (See RCW 28B.10.293).

Chapter 5.40.45 Release of student transcript

Institutions of higher education may not withhold a student's official transcript, regardless of debt, except the fee charged to provide an official transcript, if the official transcript is requested by a student or entity for purposes, including but not limited to, job applications, transferring to another institution, applying for financial aid, pursuit of opportunities in the military or national guard, or pursuit of other postsecondary opportunities. (See RCW 28B.10.293).

Recommended quarterly timeline for colleges

All communication about holds and/or debt to the college must go through email or a secure portal. Letters can still be mailed to students in addition to the email or secure portal notifications. The following quarterly timeline meets standard payment policies and payment due regulations for registration holds.

- Week 0 Payment due for quarter commencing first day of week 1.
- Week 1 Registrar generates class rosters.
- Week 3 Census cutoff. Enrolled students without payment or a payment plan are presumably dropped for non-payment. Students are given a 14-day grace period before receiving the first notice of outstanding debt.
- Week 5 Business office generates list of unpaid accounts after the deadline for students to drop classes and earn a partial refund. The college registrar then reviews the list for those with pending third-party payments and/or awaiting financial aid. After the registrar cleans the list, the business office sends the first notice letters to unpaid account holders.
- Week 8 Business office generates a list of unpaid accounts and the college registrar reviews the list. After the registrar confirms students on the list are still enrolled, the business office sends second notice letters to unpaid account holders.

Week 12 – End of quarter. Business office generates final notice email/letter and sends it directly to enrolled students. The list of enrolled students with outstanding balances is sent to the college registrar for final review before accounts are assigned to a collection agency.

Thirty days after week 12 - Business office sends all unpaid accounts to collections.

Registration holds are fluid and are removed once a student pays the debt owed, allowing the student to register for future courses.

Active registration holds: 2022-23 academic year

The following table shows the number of students, per quarter, whose registration holds were still active as of August 1, 2023.

| | Fall Quarter | Winter Quarter | |
|---|--------------|----------------|-----------------------|
| College | 2022 | 2023 | Spring Quarter 2023** |
| Bates Technical College | 2 | 3 | 2094 |
| Bellevue College | 2237 | 145 | 118 |
| Bellingham Technical College | 489 | 441 | 32 |
| Big Bend Community College | 37 | 33 | 63 |
| Cascadia College | 1405 | 78 | 109 |
| Centralia College | 10 | 58 | 244 |
| Clark College | 174 | 168 | 356 |
| Clover Park Technical College | 39 | 14 | 2190 |
| Columbia Basin College | 44 | 51 | 587 |
| Edmonds College | 517 | 239 | 584 |
| Everett Community College | 296 | 1122 | 616 |
| Grays Harbor College | 79 | 83 | 78 |
| Green River College | 264 | 225 | 1918 |
| Highline College | 244 | 80 | 216 |
| Lake Washington Institute of Technology | 147 | 132 | 268 |
| Lower Columbia College | 62 | 47 | 94 |
| North Seattle College | 332 | 227 | 632 |
| Olympic College | 115 | 112 | 1405 |
| Peninsula College | 37 | 41 | 58 |
| Pierce College District | 281 | 217 | 793 |
| Renton Technical College | 330 | 399 | 9485 |
| Seattle Central College | 44 | 36 | 54 |
| Shoreline Community College | 139 | 109 | 216 |
| Skagit Valley College | 273 | 1176 | 528 |
| South Puget Sound Community College | 27 | 44 | 196 |
| South Seattle College | 181 | 325 | 635 |
| Spokane Community College | 9 | 153 | 184 |
| Spokane Falls Community College | 15 | 168 | 156 |
| Tacoma Community College | 286 | 206 | 290 |

| College | Fall Quarter 2022 | Winter Quarter 2023 | Spring Quarter 2023** |
|-------------------------------|----------------------|------------------------|-----------------------|
| Walla Walla Community College | 53 | 62 | 61 |
| Wenatchee Valley College | 50 | 37 | 166 |
| Whatcom Community College | 5 | 14 | 142 |
| Yakima Valley College | 230 | 154 | 439 |

^{**}Hold includes both Summer 2023 and Fall 2023, as registration typically occurs simultaneously SBCTC, Data Services 10/24/2023

Number of student accounts sent to collection agency

The following table indicates the number of students sent to collections with accounts owed for the 2022-23 academic year.

| College | Lowest Amount Sent to Collection Agency | Fall 2022 | Winter 2023 | Spring 2023 | Summer 2023 |
|---|---|--------------|----------------|----------------|----------------|
| Bates Technical College | \$100 | 0 | 0 | 0 | 0 |
| Bellevue College | \$100 | 0 | 0 | 29 | 0 |
| Bellingham Technical College | \$100 | 10 | 9 | 2 | 0 |
| Big Bend Community College | \$100 | 23 | 11 | 20 | 11 |
| Cascadia College | \$100 | 83 | 0 | 0 | 0 |
| Centralia College | \$100 | 0 | 0 | 0 | 0 |
| Clark College | \$100 | 0 | 0 | 0 | 0 |
| Clover Park Technical College | \$100 | 0 | 0 | 0 | 0 |
| Columbia Basin College | \$100 | 0 | 0 | 0 | 0 |
| Edmonds College | \$100 | 0 | 0 | 0 | 0 |
| Everett Community College | \$100 | 2 | 1 | 0 | 3 |
| Grays Harbor College | \$100 | 0 | 0 | 0 | 0 |
| Green River College | \$100 | 23 | 18 | 26 | 12 |
| Highline College | \$150 | 0 | 0 | 0 | 0 |
| Lake Washington Institute of Technology | \$100 | 0 | 0 | 0 | 0 |
| Lower Columbia College | \$100 | 51 | 31 | 16 | 0 |
| North Seattle College | \$100 | 0 | 0 | 0 | 0 |
| Olympic College | \$100 | 0 | 0 | 0 | 0 |
| Peninsula College | \$100 | 0 | 0 | 0 | 0 |
| Pierce College District | \$150 | 75 | 145 | 109 | 86 |
| Renton Technical College | \$200 | 7 | 3 | 0 | 0 |
| Seattle Central College | \$100 | 0 | 0 | 0 | 0 |

| Shoreline Community College | \$100 | 0 | 0 | 0 | 0 |
|-------------------------------------|-------|---|---|---|---|
| Skagit Valley College | \$100 | 0 | 0 | 0 | 0 |
| South Puget Sound Community College | \$100 | 0 | 0 | 0 | 0 |
| South Seattle College | \$100 | 0 | 0 | 0 | 0 |
| Spokane Community College | \$300 | 1 | 0 | 1 | 0 |
| Spokane Falls Community College | \$300 | 1 | 0 | 0 | 0 |
| Tacoma Community College | \$100 | 0 | 0 | 0 | 0 |
| Walla Walla Community College | \$100 | 0 | 0 | 0 | 0 |
| Wenatchee Valley College | \$100 | 0 | 0 | 0 | 0 |
| Whatcom Community College | \$100 | 0 | 0 | 0 | 0 |
| Yakima Valley College | \$100 | 0 | 0 | 0 | 0 |
| SBCTC, Data Services, 10/24/23 | | | | | |

Conclusion

Washington's 34 community and technical colleges have worked together to establish a statewide infrastructure to effectively implement SSHB 2513 as codified in RCW 28B.10.293 and RCW 28B.10.294. During the 2021-22 academic year the final colleges migrated from the legacy system to ctcLink. The 2022-23 academic year reflects the first academic year with all system data in ctcLink.

Given the provisions in SSHB 2513 regarding the mandatory release of student transcripts, the systemwide policy is for colleges to release official transcripts upon request, regardless of the type of debt that is owed. Under the systemwide policy, colleges may only send overdue accounts to a collection agency if the amount owed is \$100 or more, though some colleges have adopted a higher threshold.

Through adherence to SSHB 2513 and other policies and practices, community and technical colleges in Washington continue to remove barriers to successful credential completion.

Through the implementation of SSHB 2513, many colleges continue to make mid-course corrections to their operations and communications based on important student feedback. Business processes continue to be examined at the system level to optimize communication tools available within ctcLink. Overall, the community and technical college system was successful in fully administering the requirements of SSHB 2513.

As cited in this report and identified through individual conversations with college staff, the pandemic negatively impacted student resources leading to challenges in their ability to successfully stay in school. Post-pandemic efforts outside of SSHB 2513 continue to be coordinated at each of Washington's 34 community and technical colleges to help students secure food, safe and adequate housing, access to childcare and healthcare, and other basic needs.

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Washington State Board for Community and Technical Colleges