



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020, Olympia, Washington 9850-9020

**Washington Administrative Code
Notice of Permanent Rules for
Cosmetology, Hair Design, Barber, Esthetics and Manicuring**

Adoption of: WAC 308-20-580 Tuition recovery trust fund

Effective date: These rule changes will become effective 31 days after filing on November 22, 2018.

What are the agency's reasons for adopting this rule?

Engrossed Second Substitute House Bill 1439 was passed during the 2018 legislative session requiring the Department of Licensing to establish rules.

Summary of all public comments received on this rule proposal and the agency's response to those comments:

Charlet Herrick wrote in support of the proposed rules.

Tina Evans wrote in support of the proposed rules.

Marilyn Firlotte wrote neither in support nor against the proposed rules and proposed the following:

1. Schools should not be licensed unless they can produce a viable business plan.
2. They must prove they have adequate financing before opening their doors.
3. They must show they have understanding of how to run a business.
4. They should not collect funds for the entire course at the beginning of the students' enrollment, but collect money as students are educated.
5. This should be the jurisdiction of the State Board of Cosmetology, hopefully with a citizen advisory board to help them, and oversight from the legislature, and division of Vocational, Technical Education.

Frank Trieu, Evergreen Beauty Colleges, voiced support of the proposed rules with the following condition:

6. The Department should revisit the fund balance in two years to determine if the amount is sufficient.

Denise Montgomery, Washington Laser Institute, voiced support of the proposed rules with the following condition:

7. The Department should revisit the fund balance in two to three years to monitor the amount to ensure it does not become too high and to be notified if interest will be accrued into the trust account.

Agency's Response:

1. The Department of Licensing does not have the authority under current RCW and WAC to require schools to produce business plans.
2. The Department of Licensing does not have the authority under current RCW and WAC to require adequate financing.
3. The newly amended initial school licensure requirements under WAC 308-20-571 states:

“School directors/administrators must have at least two years of experience working in a school or in the business administration field.”

4. Collection of funds (tuition) is not currently regulated by the Department of Licensing.
5. Schools are regulated by the Department of Licensing with advice from the Cosmetology Advisory Board that is comprised of nine industry members and one public member.
6. The Department will review the fund balance in January of 2021.
7. The Department will notify schools if interest will be accrued into the trust fund.

Changes made to the proposed WAC as a result of public comment:

There are no differences between the text of the proposed rules as published in the Washington State Register and the text of the rule as adopted.

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rulemaking.

The Department of Licensing appreciates your involvement in this rulemaking process. If you have any questions, please contact Damon Monroe, Agency Rules Coordinator, at (360) 902-3843 or email dmonroe@dol.wa.gov.