



June 9, 2020

GUIDANCE FOR SECOND SUBSTITUTE HOUSE BILL 2513 IMPLEMENTATION

Introduction

Second Substitute House Bill 2513 (SSHB 2513) becomes effective on June 11, 2020. In order to meet the legislation intent, a workgroup has assembled some guidance around implementation. Please refer to [SSHB 2513](#) for specific language as passed and signed by the Governor.

This guidance has been developed in consultation with the Education Division of the Washington Office of the Attorney General. The SBCTC Policy Manual will be updated in the near future to reflect the requirements in the statute.

Summary of SSHB 2513

- Prohibits institutions of higher education from withholding a student's official transcripts as a tool for debt collection.
- Allows colleges to withhold registration privileges for unpaid debt.
- Each institution shall disclose to students through a secure portal or email the amount of debt owed, information on payment of the debt, including whom to contact to set up a payment plan; and any consequences that will result from the nonpayment of the debt.
- Requires institutions of higher education to report information to the Governor and the Legislature annually on data related to the use of transcript and registration holds, debt levels, and collection practices.

Legacy and PeopleSoft Processes

We are sharing processes for both Legacy and PeopleSoft colleges (attached). This should also serve to make you aware of processes if you are migrating to PeopleSoft.

Communication

All communication regarding 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. You will find sample notification letters attached including a suggested timeline for notifications. The unpaid dollar amount threshold for sending accounts to collections is \$100 or a higher threshold, set by the individual college.

Rationale for a uniform practice

To more easily meet the legislative requirements, to eliminate the possibility of varied processes by college, and to assist students enrolled in one or more colleges, this guidance is designed and implemented as a global solution.

Reporting

SSHB 2513 also includes reporting requirements. Colleges will keep college-level data regarding the number of transcripts held for debt to the college (this should be zero) and the number of registration holds. Each college's Business Office will file information with SBCTC for each quarter on the following:

- # of enrolled student accounts referred to outside collection agency(ies)
- # of enrolled student accounts denied registration privileges for future classes
- The dollar threshold used that quarter above which an enrolled student account is referred to a collection agency

Sample Notification Letters

First Notice Letter

Dear _____,

Continuing your growth through education at *(insert name of college)* College is our priority. Our records indicate that as of *(insert date)*4/1/21, you have an outstanding balance of *(insert \$ amount)* for *(insert quarter and year)* tuition and/or fees. Please review the attached statement carefully and contact us to make payment. Until the balance due is paid in full, you will not be able to drop classes or register for additional classes.

There are three ways for you to make payment:

1. Online at *(insert web address for your on-line payment portal)* using credit card or other electronic funds transfer method
2. By Phone by calling our business office at *(insert contact number)*
3. In-Person during business hours at *(insert suite # and building address)*

If you cannot make payment due to financial hardship, **please contact us to discuss payment options.** We are here to help you get this amount paid so you can continue on your journey towards success. If you question the amount due, it is important that you contact us as soon as possible at *(insert contact information and/or business office contact person)*.

Please be aware that if we do not receive payment by the end of this quarter, we may assign your account to a collection agency.

Thank you and have a great quarter.

(attach statement which includes student ID#, list of outstanding charges, quarter for which the charges apply and disclosure of any interest or penalties which may be charged for unpaid balances)

Second Notice Letter

Dear _____,

As of (insert date)4/1/21, you have an outstanding balance of (insert \$ amount) for (insert quarter and year) tuition and/or fees. If you have a payment plan and are bringing your account current, please disregard this notice. Because of your outstanding balance, the college has placed a hold on your account until we receive payment. This means you will not be able to drop classes, or register for future classes.

There are three ways for you to make payment:

1. Online at (insert web address for your on-line payment portal) using credit card or other electronic funds transfer method
2. By Phone by calling our business office at (insert contact number)
3. In-Person during business hours at (insert suite # and building address)

Please call to set up payment arrangements or a payment plan. If you fail to pay, your account may be sent to collections.

If you feel you have received this notice in error, and would like to talk to someone about the status of your account or set up a payment plan, please contact the business office at (insert contact email address) or call (insert phone number) to make an appointment with our office.

Thank you.

(attach statement which includes student ID#, list of outstanding charges, quarter for which the charges apply and disclosure of any interest or penalties which may be charged for unpaid balances)

Final Notice Letter – for debts that are not less than \$100 or some higher dollar threshold set by your college

Dear _____,

Despite our previous reminders, (*insert name of college*) has still not received payment of your outstanding balance of (*insert \$ amount*) due for (*insert quarter and year*). Please contact us immediately to make payment.

We have placed a hold on your account. You will not be able to register for future classes at (*insert name of college*) or any other community college or technical institute in Washington State until your debt to (*insert name of college*) is paid.

We must receive your payment in full before (*insert a date 30 days from the issuance of this notice*). If not, we will turn over your debt to (*insert name of collection agency*). Debts placed in collections are subject to additional fees and may appear on your credit report.

Payments can be made (*insert web address for your online payment portal*) or by phone at (insert contact #) or by appointment at our business office at (insert suite # and building address). A statement of your account is attached herewith

Please email or call to set up payment arrangements or a payment plan before this is sent to collections.

Sincerely,

(attach statement which includes student ID#, list of outstanding charges, quarter for which the charges apply and disclosure of any interest or penalties which may be charged for unpaid balances)

Suggested timeline

- **Week 0** – Payment Due for Quarter commencing first day of week 1
- **Week 1** – Registrar generates class rosters
- **Week 3** – Census Cutoff; Enrolled students w/o payment or payment plan are presumably dropped – **Students are given 14 days grace period before receiving First Notice of outstanding debt**
- **Week 5** – Business Office generates list of unpaid accounts after last day to drop classes and earn a partial refund has passed; College Registrar reviews list for those with pending third party payments and/or awaiting financial aid; Business Office sends First Notice letters to unpaid account holders after Registrar cleans the list
- **Week 8** – Business Office generates list of unpaid accounts; College Registrar reviews list; Business Office sends Second Notice letters to unpaid account holders after Registrar confirms accuracy that those on the list are still currently enrolled
- **Week 12 – End of Quarter.** Business Office generate Final Notice email/letter and sends directly to enrolled students. List of enrolled students with outstanding balances is sent to College Registrar for final review before accounts are assigned to Collection Agency.
- **Thirty Days after Week 12** – Business Office sends all unpaid accounts to collection for amounts which are at least greater than \$100 or a higher threshold set by the individual college
- Business Office files information with SBCTC for each quarter on the following:
 - # of enrolled student accounts referred to outside collection agency(ies)
 - # of enrolled student accounts denied registration privileges for future classes
 - The dollar threshold used that quarter above which an enrolled student account is referred to a collection agency