

**STATE  
FISCAL IMPACT**

**Drafting Number:** LLS 13-0494  
**Prime Sponsor(s):** Rep. Primavera  
 Sen. Heath

**Date:** March 27, 2013  
**Bill Status:** House Education  
**Fiscal Analyst:** Josh Abram (303-866-3561)

**TITLE:** CONCERNING THE REGULATION OF PRIVATE OCCUPATIONAL SCHOOLS BY THE PRIVATE OCCUPATIONAL SCHOOL BOARD, AND, IN CONNECTION THEREWITH, MAKING NONPROFIT PRIVATE OCCUPATIONAL SCHOOLS SUBJECT TO REGULATION BY THE PRIVATE OCCUPATIONAL SCHOOL BOARD.

<b>Fiscal Impact Summary</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>
<b>State Revenue</b> Cash Fund Private Occupational Schools Fund	See State Revenue and Expenditures Section	
<b>State Expenditures</b> Cash Fund Private Occupational Schools Fund	See State Revenue and Expenditures Section	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2013-2014:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill subjects nonprofit private occupational schools to authorization and regulation by the Private Occupational School Board (POSB) in the Division of Private Occupational Schools (DPOS) in the Department of Higher Education. In addition, the bill:

- modifies the criteria for selecting certain members of POSB;
- removes the power of the POSB to grant accreditation;
- requires that private occupational schools document their financial stability, but removes the current requirement that schools submit a balance sheet, income and expense statements, and other financial documentation prepared by a third party accountant; and
- allows individuals claiming deceptive trade practice to file a complaint first with the POSB, where under current law the individual must first exhaust any complaint and appeals process provided by the school.

### **State Revenue and Expenditures**

The bill, in part, subjects nonprofit occupational schools to regulation by the DPOS. As a result, the division must increase its current workload slightly in order to authorize these additional schools to do business in the state, and to provide the same oversight as applied to for-profit occupational schools. DPOS is authorized to collect a fee from occupational schools in order to cover costs. The addition of nonprofit schools to the current regulatory program is not anticipated to significantly increase expenditures by the DPOS. Assuming that the additional effort can be met within existing resources, fee amounts may decrease as more schools contribute and additional expenses can still be met.

Cash fund spending authority for the DPOS is set annually via the budget process, allowing adjustments when changes in the number of institutions require increased or decreased DPOS expenditures. In circumstances where additional schools necessitate additional resources, DPOS will pursue a decision item during the budget-setting process to increase cash fund spending authority, and, if necessary, additional FTE.

### **Departments Contacted**

Higher Education

Law