

**FINAL
FISCAL NOTE**

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

Date: June 25, 2013
Bill Status: Signed into Law
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.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue Cash Fund Private Occupational Schools Fund	See State Revenue and Expenditures Section	
State Expenditures Cash Fund Private Occupational Schools Fund	See State Revenue and Expenditures Section	
FTE Position Change		
Effective Date: The bill was signed into law by the Governor and took effect on May 11, 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: 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