



Legislative
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SB 19-089

FISCAL NOTE

Drafting Number:	LLS 19-0751	Date:	February 1, 2019
Prime Sponsors:	Sen. Woodward	Bill Status:	Senate SVMA
		Fiscal Analyst:	Anna Gerstle 303-866-4375 Anna.Gerstle@state.co.us

Bill Topic: EXEMPT CDHE REGULATION PROFESSIONAL ORG MEMBER EDUCATION

Summary of Fiscal Impact: **No fiscal impact.** The bill modifies the exemption from regulation by the Division of Private Occupational Schools for trade, business, professional, or fraternal organizations. The bill does not impact state or local revenue or expenditures.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

Under current law, certain educational institutions and educational services are exempt from regulation by the Division of Private Occupational Schools (DPOS) in the Department of Higher Education. Exempt educational services include education offered by a bona fide trade, business, professional, or fraternal organization that primarily benefits the organization's membership or mission. The bill modifies this exemption to include educational services offered by the organization or by an instructor approved by the organization.

Background

DPOS is charged with regulating private occupational schools and their educational services. Colorado law defines a private occupational school as any entity or institution for profit or not for profit which offers educational credentials or educational services designed to facilitate vocational, technical, or occupational development. Private occupational schools must be approved by the DPOS and file changes to programs, courses, agents, and locations with DPOS. There are currently approximately 300 approved private occupational schools.

Assessment of No Fiscal Impact

The fiscal note assumes that the bill applies only to individual instructors that are approved by exempted trade organizations to provide educational services such as events or trainings for that organization's membership. The fiscal note assumes that these educational services do not involve issuing credentials, certifications, or degree credits, and that trade organizations that are not currently subject to DPOS regulation will not be under the bill. The bill does not change the licensing or regulatory requirements of private occupational schools, or the requirement that

instructors at private occupational schools meet certain standards. As a result, the bill does not impact the revenue, expenditures, or workload of state or local government agencies and is assessed as having no fiscal impact.

Effective Date

The bill takes effect August 2, 2019, if the General Assembly adjourns on May 3, 2019, as scheduled, and no referendum petition is filed.

Departmental Difference

The Department of Higher Education estimates that the bill will reduce fee revenue to the DPOS Cash Fund by \$487,610 beginning in FY 2019-20. This amount represents half of DPOS annual revenue, and will require the DPOS to increase its fees to cover its expenses. The department assumes that trade associations that are currently exempt from the regulation will approve the instructors providing courses and programs at currently regulated private occupational schools, thus exempting these programs and standalone courses from DPOS regulation. The department estimates that up to 73 percent of currently regulated private occupational schools could utilize this option.

The assumptions in this fiscal note are based on the interpretation that the bill only applies to individual instructors and does not allow currently exempt trade organizations to offer educational credentials and certifications.

State and Local Government Contacts

Higher Education