



Legislative
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SB 19-089

FINAL FISCAL NOTE

Drafting Number: LLS 19-0751
Prime Sponsors: Sen. Woodward

Date: May 17, 2019
Bill Status: Postponed Indefinitely
Fiscal Analyst: Anna Gerstle | 303-866-4375
Anna.Gerstle@state.co.us

Bill Topic: EXEMPT CDHE REGULATION PROFL ORG MEMBER EDUCATION

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

Appropriation Summary: No appropriation would have been required.

Fiscal Note Status: This fiscal note reflects the introduced bill. The bill was not enacted into law; therefore, the impacts identified in this bill do not take effect.

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 was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 4, 2019.

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