

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 13-0494.02 Julie Pelegrin x2700

HOUSE BILL 13-1263

HOUSE SPONSORSHIP

Primavera, Buckner, Court, Hamner, Peniston, Pettersen

SENATE SPONSORSHIP

Heath,

House Committees
Education

Senate Committees
Education

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF PRIVATE OCCUPATIONAL SCHOOLS**
102 **BY THE PRIVATE OCCUPATIONAL SCHOOL BOARD, AND, IN**
103 **CONNECTION THEREWITH, MAKING NONPROFIT PRIVATE**
104 **OCCUPATIONAL SCHOOLS SUBJECT TO REGULATION BY THE**
105 **PRIVATE OCCUPATIONAL SCHOOL BOARD.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Under the existing law, private postsecondary schools that enroll

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
April 30, 2013

SENATE
2nd Reading Unamended
April 29, 2013

HOUSE
3rd Reading Unamended
April 12, 2013

HOUSE
2nd Reading Unamended
April 11, 2013

a majority of their students for credentials that require 2 years or less to complete (private occupational schools) are authorized and regulated by the private occupational school board (board), but a nonprofit private occupational school does not have to be authorized. The bill repeals this exemption and makes nonprofit private occupational schools subject to authorization and regulation by the board.

Under existing law, the board must include at least one member who is familiar with the Colorado student loan program. The bill requires the member to be familiar with federal funds and loans instead. The bill repeals the board's authority to accredit a private occupational school, but the board will continue to authorize private occupational schools.

Under current law, a private occupational school that applies for authorization must submit a current balance sheet, an income and expense statement, and other supportive financial documentation. The bill instead requires the private occupational school to provide documentation establishing the school's financial stability in accordance with statutory requirements.

Under current law, a person who has a complaint against a private occupational school must exhaust the complaint procedures at the school before filing a complaint with the board. The bill repeals this requirement and allows a person to file a complaint directly with the board.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-59-104, **repeal** (1)

3 (p) as follows:

4 **12-59-104. Exemptions.** (1) The following educational
5 institutions and educational services are exempt from the provisions of
6 this article:

7 ~~(p) Educational programs, continuing education programs, and~~
8 ~~training programs offered or conducted by an organization which is listed~~
9 ~~as an exempt organization in 26 U.S.C. sec. 501 (c) of the federal~~
10 ~~"Internal Revenue Code of 1986", as amended. Any such program, in~~
11 ~~order to qualify for the exemption created in this paragraph (p), shall be~~
12 ~~consistent with the purposes or requirements of the organization offering~~
13 ~~or conducting the program.~~

1 **SECTION 2.** In Colorado Revised Statutes, 12-59-105.1, **amend**
2 (3) (b) as follows:

3 **12-59-105.1. Proprietary postsecondary education board -**
4 **established - membership.** (3) The board shall consist of seven
5 members appointed by the governor, with the consent of the senate, as
6 follows:

7 (b) Four members shall be representatives of the general public,
8 at least one of whom is employed by a lending institution located in
9 Colorado and is familiar with ~~the Colorado student loan program~~
10 FEDERAL LOANS AND FUNDS AUTHORIZED IN TITLE IV OF THE FEDERAL
11 "HIGHER EDUCATION ACT OF 1965", AS AMENDED, and at least two of
12 whom are owners or operators of businesses within Colorado that employ
13 students who are enrolled in schools that are subject to administration by
14 the division.

15 **SECTION 3.** In Colorado Revised Statutes, 12-59-105.3, **repeal**
16 (1) (i) as follows:

17 **12-59-105.3. Powers and duties of board.** (1) The board shall
18 have the following powers and duties:

19 (i) ~~To grant accreditation to schools that make application and that~~
20 ~~meet the standards of accreditation established by the board, which shall~~
21 ~~include at least the standards of accreditation required for recognition of~~
22 ~~an accrediting authority for private occupational schools by the United~~
23 ~~States office of education. Accreditation shall be voluntary and shall not~~
24 ~~affect, in any manner, a certificate of approval issued by the board as~~
25 ~~provided in this article. A school making application for accreditation~~
26 ~~shall pay all reasonable expenses incurred by the board, including any~~
27 ~~payments to evaluators, in the performance of the accreditation evaluation~~

1 or in connection with the continuation of any accreditation received under
2 this paragraph (i).

3 **SECTION 4.** In Colorado Revised Statutes, 12-59-108, **amend**
4 (1) (c) as follows:

5 **12-59-108. Application for certificate of approval.** (1) Any
6 entity desiring to operate a private occupational school in this state shall
7 make application for a certificate of approval to the board upon forms to
8 be provided by the board. Said application shall include at least the
9 following:

10 (c) ~~A current balance sheet, income and expense statement, and~~
11 ~~other supportive financial documentation incidental thereto, prepared by~~
12 ~~an independent public accountant or certified public accountant using a~~
13 ~~format which reflects accepted accounting principles and procedures~~
14 DOCUMENTATION NECESSARY TO ESTABLISH THE APPLICANT'S FINANCIAL
15 STABILITY AS REQUIRED BY THE MINIMUM STANDARDS AND BOND
16 PROVISIONS SPECIFIED IN THIS ARTICLE;

17 **SECTION 5.** In Colorado Revised Statutes, 12-59-118, **amend**
18 (1) as follows:

19 **12-59-118. Complaints of deceptive trade or sales practices.**

20 (1) A person claiming pecuniary loss as a result of a deceptive trade or
21 sales practice, pursuant to section 12-59-117, by a school or agent ~~shall~~
22 ~~first exhaust all complaint and appeals processes available at the school.~~
23 ~~If the person's complaint is not resolved to the person's satisfaction, the~~
24 ~~person~~ may file with the board a written complaint against the school or
25 agent. The complaint ~~shall~~ MUST set forth the alleged violation and such
26 other relevant information as ~~may be required by~~ the board MAY REQUIRE.
27 A complaint filed under this section is a public record subject to the

1 provisions of article 72 of title 24, C.R.S., and ~~shall~~ MUST be filed within
2 two years after the student discontinues his or her training at the school
3 or at any time prior to the commencement of training.

4 **SECTION 6. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.