

# Higher Education and Employment Advancement Committee

## JOINT FAVORABLE REPORT

**Bill No.:** SB-998

AN ACT CONCERNING COMPILED FINANCIAL STATEMENTS FOR CERTAIN

**Title:** PRIVATE OCCUPATIONAL SCHOOLS.

**Vote Date:** 3/18/2021

**Vote Action:** Joint Favorable Substitute

**PH Date:** 3/9/2021

**File No.:**

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### **SPONSORS OF BILL:**

The Office of Higher Education.

### **REASONS FOR BILL:**

This bill will revise existing financial statement requirements for private occupational schools to be based on tuition revenue instead of enrollment.

### **Substitute Language:**

Sections. 3 & 4: incorporates SB 995: An Act Concerning a Private Occupational School's Failure to Submit a Renewal Application

Section. 5: incorporates HB 6584: An Act Concerning Out-of-State Private Occupational Schools

Sections. 6 & 7: incorporates SB 994: An Act Concerning Payments to the Private Occupational Student Protection Account

Section. 8: incorporates HB 6583: An Act Requiring Independent Institutions of Higher Education to Submit Closure Plans to the Office of Higher Education

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

[Timothy D. Larson, Executive Director, Office of Higher Education](#) submitted written testimony in support of this bill.

Currently schools annually enrolling 10 or more students submit a reviewed or audited financial statement. Non-accredited schools enrolling less than 10 students are allowed to do a complied financial statement, which is more affordable.

OHE has noticed “that smaller schools with low tuition revenue, may enroll more than 10 students and then also be required to file a costlier reviewed or audited financial statement even though their tuition revenue is low.”

Mr. Larson supports the reviewed/audited financial statement requirement based on tuition revenue rather than cost, setting the minimum bar at \$50,000. “This saves smaller schools with low tuition revenue but higher enrollments money by reducing the burden of the cost of their financial statement.”

**NATURE AND SOURCES OF SUPPORT:**

See agency response.

**NATURE AND SOURCES OF OPPOSITION:**

None submitted.

**Reported by: Jeanie Phillips, Clerk**

**Date: March 23, 2021**