

HCS HB 212 -- PROPRIETARY SCHOOLS

SPONSOR: Thomson

COMMITTEE ACTION: Voted "do pass" by the Committee on Higher Education by a vote of 12 to 0.

Currently, the annual fee for certification of a proprietary school is a percentage of the school's net tuition and fees income, with a minimum and maximum amount per school, which is deposited into the General Revenue Fund. Beginning July 1, 2012, this substitute requires the Coordinating Board for Higher Education within the Department of Higher Education to establish fees to cover all of the costs associated with the operation of the Proprietary School Certification Program with the advice of the Proprietary School Advisory Committee. The board may also assess a reasonable late fee for a school not completing its renewal application materials on time. The Proprietary School Certification Fund is created for the deposit of the certification and late fees. It is an unlawful merchandising practice if a proprietary school violates any of the provisions regulating it, and any action authorized in Section 407.020, RSMo, may be taken.

FISCAL NOTE: No impact on state funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that it has been 20 years since there have been any changes to the laws regarding proprietary schools and fees. The fee-for-services will help support the cost of operating the program.

Testifying for the bill were Representative Thomson; and Department of Higher Education.

OPPOSERS: Those who oppose the bill say that program review for some schools regulated by the proprietary school provisions will limit the school's ability to respond quickly to changing demands in the workplace and could become political if competitors lobbied against requested program changes.

Testifying against the bill were Apollo Group/University of Phoenix; and Kaplan Higher Education.