

CHAPTER 170**(HB 663)**

AN ACT relating to financial disclosures of postsecondary education institutions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

- (1) (a) *No later than June 30 of each year, the president or chief executive officer of each state institution or independent institution that is licensed or overseen by the Council on Postsecondary Education, and the chair of the governing board of each institution, shall jointly execute a signed, sworn statement attesting to whether the institution:*
1. *Was in sound financial standing with a stable financial base to support the mission of the institution and the scope of its programs and services during the previous fiscal year;*
 2. *Underwent an institutional audit for the most recent fiscal year prepared by an independent certified public accountant or appropriate government auditing agency employing the appropriate audit guide during the previous fiscal year; and*
 3. *Has an annual budget for the upcoming fiscal year that is preceded by sound planning, subject to sound fiscal procedures, and approved by the president of the institution and the chair of the governing board.*
- (b) *In executing the statement required by paragraph (a) of this subsection, a president or chief executive officer and chair of the governing board of an institution may reasonably rely upon the representations of an employee of the institution that is responsible for the financial management and accounting of the institution, including the treasurer or chief financial officer of the institution, and external financial service providers.*
- (2) *Each institution shall provide the sworn statement required by subsection (1) of this section to the president of the Council on Postsecondary Education, the chairs of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue, and the co-chairs of the Interim Joint Committee on Appropriations and Revenue.*
- (3) *If an institution fails to provide a statement as required by subsection (2) of this section, the Council on Postsecondary Education shall have the authority to conduct an investigation and request any financial documentation necessary to inform a report on the financial data required by subsection (1) of this section. The council shall report its findings to the chairs of the Budget Review Subcommittee on Education of the Interim Joint Committee on Appropriations and Revenue and the co-chairs of the Interim Joint Committee on Appropriations and Revenue.*

Signed by Governor April 8, 2022.