

1 AN ACT relating to financial disclosures of postsecondary education institutions.

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

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

5 *(1) No later than July 1 of each year, the president or chief executive officer of each*  
6 *state institution or independent institution that is licensed or overseen by the*  
7 *Council on Postsecondary Education, and the chair of the governing board of*  
8 *each institution, shall jointly execute a signed, sworn statement attesting to*  
9 *whether the institution:*

10 *(a) In sound financial standing with a stable financial base to support the*  
11 *mission of the institution and the scope of its programs and services;*

12 *(b) Underwent an institutional audit for the most recent fiscal year prepared by*  
13 *an independent certified public accountant or appropriate government*  
14 *auditing agency employing the appropriate audit guide; and*

15 *(c) Has an annual budget that is preceded by sound planning, subject to sound*  
16 *fiscal procedures, and approved by the president of the institution and the*  
17 *chair of the governing board.*

18 *(2) Each institution shall provide the sworn statement required by subsection (1) of*  
19 *this section to the president of the Council on Postsecondary Education, the*  
20 *chairs of the Budget Review Subcommittee on Education of the Interim Joint*  
21 *Committee on Appropriations and Revenue, and the co-chairs of the Interim*  
22 *Joint Committee on Appropriations and Revenue.*

23 *(3) If an institution fails to provide a statement as required by subsection (2) of this*  
24 *section, the Council on Postsecondary Education shall have the authority to*  
25 *conduct an investigation and request any financial documentation necessary to*  
26 *inform a report on the financial data required by subsection (1) of this section.*  
27 *The Council shall report its findings to the chairs of the Budget Review*

1        *Subcommittee on Education of the Interim Joint Committee on Appropriations*  
2        *and Revenue and the co-chairs of the Interim Joint Committee on Appropriations*  
3        *and Revenue.*