

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1544 - 2

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Requires Higher Education Coordinating Commission to adopt by rule additional minimum standards regarding source of tuition revenue for licensing of career schools and schools authorized to confer degrees.

Government Unit(s) Affected:

Oregon Judicial Department (OJD), Higher Education Coordinating Commission (HECC)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis: This bill would require Higher Education Coordinating Commission (HECC) to engage in rulemaking that would establish minimum standards regarding the source of tuition revenue for licensing of career schools and schools authorized to confer degrees. HECC would require all for-profit Institutes of Higher Learning (IHL) and career schools operating in Oregon (that receive federal funds) to submit evidence that shows that they only take 90 percent of all revenue from any federal source, including Title IV, VA, grants, contracts, etc. and private institutional loans made directly to the student.

HECC estimates eight regulated schools and 31 out of 180 private career schools that would require analysis by the Office of Degree Authorization (ODA). The bill would also require Private Career Schools (PCS) staff to perform a more detailed revenue analysis than is currently performed for licensure. To establish the procedures to perform the additional analysis and do the initial analysis, HECC states that one temporary position for 24 months spread across two biennia would be required at cost of \$91,287 for 2019-21 and \$110,852 for 2021-23. PCS is currently supported with Other Funds fee revenue from licensees and their fees are set in rule. PCS fees could be raised through the rulemaking process and ratified in the next Legislative Session. ODA fees are in statute and would require legislative action to raise the fees. Fees were raised in 2017 by 30% and again in 2019 by 30%. PCS does not have the Other Fund revenue currently to cover the additional expenses. Fees would have to be raised or General Fund resources would be required to cover these additional costs.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.