

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 553 - 2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Provides that student who legally entered United States under Compact of Free Association treaty between United States and Republic of Palau, Republic of the Marshall Islands or Federated States of Micronesia and who has not previously established residence in any state or territory of United States other than Oregon qualifies for exemption from nonresident tuition and fees at public universities and is eligible to receive state and university scholarships or other financial aid.

Government Unit(s) Affected:

Community Colleges, Higher Education Coordinating Commission (HECC), Public Universities

Summary of Fiscal Impact:

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

Analysis: This measure would exempt students who are Compact of Free Association (COFA) islanders and students with refugee or special immigrant visas from paying nonresident tuition and fees at public universities in Oregon, provided that they have not previously established a residence in any other state or territory of the United States (US) or District of Columbia. COFA islanders include those who legally entered the US under the Compact of Free Association treaty between the US and the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. The bill also extends eligibility for scholarships and other aid offered by public universities and state-funded grants to these students. The number of students eligible for state-funded grants is expected to minimally increase, though this would increase the demand for programs that are currently at or above capacity. The measure also directs the Higher Education Coordinating Commission to allocate funding equal to the difference in resident and nonresident tuition and fees for each qualified COFA islander enrolled at Eastern Oregon University.

There is an indeterminate fiscal impact to universities because the number of students who may be affected is unknown. While the number of students at most universities is low (1-4 students per year), Eastern Oregon University (EOU) has approximately 40 students within this population. Currently, these students pay either non-resident or Western Undergrad Exchange (WUE) rates (150% of resident rates). The graduation and retention rate for these students is low and generally attributed to financial issues and the higher cost of attendance. Near term, universities may see a decrease in tuition due to COFA islanders, refugee, and special immigrant visa students paying resident rates instead of higher WUE or non-resident rates. However, in the long term, universities may see an overall increase in tuition due to an increase in matriculation rates and greater student retention.