

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 424 - A

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Michael Graham
Reviewed by: Kim To, Doug Wilson
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Measure Description:

Prohibits post-secondary institutions of education that are based in Oregon from refusing to provide transcript to current or former student because student owes debt to institution. Requires post-secondary institutions of education that are based in Oregon to report to the Higher Education Coordinating Commission on debts owed by current and former students and institutional policies and procedures on phasing out transcript holds.

Government Unit(s) Affected:

Public Universities, Community Colleges, Higher Education Coordinating Commission, Department of Revenue

Summary of Fiscal Impact:

Costs related to the measure are anticipated to be minimal - See explanatory analysis.

Analysis:

Senate Bill 424 A-engrossed prohibits post-secondary institutions of education that are based in Oregon from withholding academic transcripts from current or former students who owe an outstanding debt to the institution. The measure prohibits post-secondary institutions of education from charging current or former students higher fees for transcripts or from otherwise using access to transcripts as a means of debt collection. These restrictions first apply to the 2024-25 academic year.

The measure also requires post-secondary institutions of education that are based in Oregon to file a report with the Higher Education Coordinating Commission (HECC) by September 15, 2024. The report must include the following information for the 2023-24 academic year: the number of current and former students at the institution who owe a debt to the institution; and the institution's policy and procedures on phasing out transcript holds. This reporting requirement sunsets on July 2, 2025. The measure takes effect on January 1, 2024.

Community Colleges and Public Universities

The measure is anticipated to have a minimal fiscal impact on community colleges and public universities. Currently, public universities and community colleges do not collect data on the number of students that attempt to obtain their transcripts but are denied access because they have unpaid debts. To comply with the measure's reporting requirement for post-secondary institutions of education, public universities and community colleges will likely incur costs for either software updates or new software implementation, due to the administrative costs of collecting data on the number of current and former students who have unpaid debts and reporting that information to HECC. These costs are anticipated to be minimal.

The measure also may have an adverse impact on debt collection revenue for community colleges and public universities. Currently, transcript holds inform students of a balance owed on their accounts and enable students to negotiate repayment plans with post-secondary institutions that are less onerous than other debt collection methods employed after a student has graduated or left the institution. By prohibiting transcript holds, students would theoretically no longer be incentivized to pay their debts to obtain their transcripts; and for that reason, the measure may decrease community colleges and public universities' debt collection revenue.

Higher Education Coordinating Commission

The measure is anticipated to have a minimal fiscal impact on HECC.

Department of Revenue

Although removing official transcript holds as a means of debt collection may cause unresolved student debts to be referred to the Department of Revenue more quickly than they are under current law, the measure is nevertheless anticipated to have no fiscal impact on the Department of Revenue.