



Testimony on HB 3027
House Higher Education and Workforce Development Committee
February 6, 2025

Chair Hudson, Vice-Chairs Fragala and Harbick, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission (HECC). Thank you for hearing this HECC-sponsored bill today.

The HECC's Private Career Schools (PCS) unit is a fee-funded unit responsible for licensing private businesses and individuals that offer career training within Oregon. In recent years, the unit has worked with approximately 180 - 200 licensed schools, a number that varies depending on how many new schools are licensed and how many schools close or cease licensed activities each year.

The PCS unit works to license and promote compliance throughout a school's entire life cycle. This begins when a school forms and applies for its initial PCS license, continues through annual renewals and reporting, with occasional compliance enforcement actions as needed, and ends when a school closes. Compliance generally includes a range of student-protection related requirements with rules about marketing, staff background checks, recordkeeping, required provisions in catalogs and enrollment agreements, minimum refund obligations, teacher registration requirements, verification that school curriculum meets licensing board requirements, and more. Closing-related compliance involves checking that students are provided with alternative programs or teach-outs at no extra cost, or properly paid any refunds due because of closing, and that a closing school provide official transcripts and other needed information to the HECC.

This bill provides HECC with an important enforcement tool we hope and expect to have to use sparingly: The ability to seek an injunction in a circuit court to aid HECC in achieving compliance with state law and regulation governing private career schools. If granted this authority, the Commission expects to seek an injunction around one time per year.

The PCS Unit has a range of compliance tools available under existing law and rule. These include corrective actions, violations with corresponding civil penalties, the ability to suspend or revoke a license, and the ability to request that the state pursue a misdemeanor criminal charge. This bill would add another tool.

Injunctive relief will help most when normal tools do not suffice. The agency expects this will be when licensing authority alone is not sufficient to ensure compliance. Examples are when a school might continue to operate despite receiving a "cease and desist" type letter and refuses to respond even after a civil penalty is issued, or when a school closes abruptly without going through the required closing process outlined in rule. In both situations, it would be beneficial, and provide additional protection to the public, to supplement PCS unit penalties with corresponding injunctions. For example, the agency might request a court order requiring an

unlicensed school that has not responded to civil penalties to stop enrolling students in its classes. An order could instruct a school that has closed without providing required records to produce detailed financial information used to determine individual student refunds from the Tuition Protection Fund (TPF). Or one could require a school to provide outstanding student transcripts to the Commission.

The legislature has already authorized the HECC's Office and Degree Authorization to request such assistance from the courts, in ORS 348.609. HB 3027 provides that authority parity across all private education sectors the agency oversees.

Thank you for your time today.