



**Testimony on HB 3028**  
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.

This bill does one simple thing. It removes fees charged by the Office of Degree Authorization (ODA) from statute and allows the Commission to adopt fees that fund the activities of this important office in rule.

This provides HECC one important advantage in the fee setting process: The ability to adjust fees without needing to first wait for legislative approval. As ODA is a fully-fee funded entity, this flexibility can mean the difference between efficiently and effectively serving institutions and students and struggling to keep up with workloads. These workloads can shift quickly, as can the number of institutions authorized.

Importantly, even as we are asking the legislature to approve providing the agency the authority to proactively modify its fees, the legislature will maintain the ability to reject fee modifications with which it disagrees, so long as those modifications have not been envisioned or required by legislatively adopted budgets or legislation. This is due to a legislative ratification process that requires agencies to clear fee increases with the Legislative Fiscal Office and the Department of Administrative Services prior to adoption, which results in a fee ratification bill coming before the legislature in a subsequent legislative session.

Even though the legislature still maintains the final authority over fee modifications, this flip in order greatly helps the agency adjust to business needs and workload demands, avoiding what can be a wait time of over two years between identifying the need for fee adjustments and the effective date of adopted legislation.

If this bill is adopted, HECC will move to immediately reestablish the current fee schedule in rule, resulting in no increase in fees for any institution authorized by HECC to award degrees in Oregon. The Commission will draft proposed administrative rules utilizing feedback from our advisory committee and the public hearings process.

**Background and Activities of the Office of Degree Authorization**

ODA plays an active role in the authorization and oversight of private degree granting institutions and distance education providers seeking to do business in Oregon, and to achieve state postsecondary goals in ensuring student success. ODA authorizes degree-granting private institutions that seek to offer academic programs in Oregon or to Oregon students from outside

the state. In 2024, 55 schools, both in- and out-of-state reported a total of 5,787 students. ODA is responsible for institutional compliance, and with student and consumer protection from occasional dishonest actors, such as diploma mills.

Each application from a private degree-granting institution seeking new or renewed authorization to confer or offer to confer a degree, or through instruction or related services to provide academic credit applicable to a degree, must be accompanied by payment of a fee. The fee is intended to recover the expenses of carrying out preliminary and academic reviews, conducting site visits, and other compliance activity related to an institution during its two-year period of authorization. The fees support 3.5 FTE staff.

The current fees imposed by the Commission for reviewing applications were last modified in 2015. Since that time, there has been an upwards trend towards hybrid programs offered through blended delivery methods such as from solely on-campus to online offerings with placements such as clinicals to stay viable. It is not uncommon for out-of-state schools to seek authorization of 50 or more programs. We also now regulate out-of-state schools seeking to place students only for clinicals, practicums, or internships at healthcare facilities in the State of Oregon.