

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Joint Committee on Ways and Means by prior reference
Vote:	8 - 1 - 0
Yeas:	Clem, Dallum, Greenlick, Komp, Lim, Roblan, Whisnant, Buckley
Nays:	Krummel
Exc.:	0
Prepared By:	Derrick Olsen, Administrator
Meeting Dates:	3/26 (Higher Education Subcommittee), 4/02 (Higher Education Subcommittee), 4/06

WHAT THE MEASURE DOES: Allows Department of Education to require career schools to submit an audited financial report signed by an independent certified public accountant. Allows Department of Education to conduct program audits of career schools. Prohibits career schools from including binding arbitration clause in student enrollment agreement. Increases annual fees for career school licensure. Requires Superintendent of Public Instruction within 30 days of receipt of a complaint about a private career school to notify the complainant that the complaint was received and provide information about the disposition of the complaint. Specifies maximum civil penalties that may be collected from career schools for certain violations.

ISSUES DISCUSSED:

- Growth of private career schools in Oregon
- Problems with and closure of Business Career Training Institute (BCTI)
- Use of fee raise to fund full-time equivalent position in Department of Education to oversee licensing/auditing of career schools
- Amount of fees in fee schedule
- Arbitration vs. binding arbitration; complaint procedures of career schools

EFFECT OF COMMITTEE AMENDMENT: Replaces the entire text of HB 2845.

BACKGROUND: HB 2845-A seeks to prevent future problems at career schools and enable the Department of Education to better address problems should they arise, as has happened in the past at some career schools. These problems have included high pressure recruitment tactics, high fees for a questionable level of instruction, and misrepresentation of the curriculum offered.

HB 2845-A would change the \$500 maximum fine per violation to: \$500 per day for the first violation, \$750 per day for the second violation within three years of the first violation, \$1,000 per day for the third violation within three years of the first violation, and \$2,000 per day for each subsequent violation within three years of the first violation. HB 2845-A would raise the amount of the license fee charged and set a fee schedule of \$540-\$3,150 for in-state schools with a tuition income range of \$0 – over \$1million and set a fee schedule of \$1,890 - \$3,990 for out-of-state schools with a tuition income range of \$0 – over \$1million.

HB 2845-A has a subsequent referral to the Joint Ways and Means Committee.

4/13/2007 12:13:00 PM

This summary has not been adopted or officially endorsed by action of the committee.