

**2008 Special Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** SB 1066                      **STATUS:** A-Engrossed  
**SUBJECT:** Talented and gifted education; College tuition waivers for qualified students  
**GOVERNMENT UNIT AFFECTED:** Oregon Department of Education; Department of Higher Education; Oregon Health and Science University; and Teacher Standards and Practices Commission  
**PREPARED BY:** Erica Kleiner  
**REVIEWED BY:** Daron Hill and Steve Bender  
**DATE:** February 13, 2008 (Corrected)

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**EXPENDITURES:** See comments.

**EFFECTIVE DATE:** Upon passage.

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was neither reviewed, nor approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**LOCAL GOVERNMENT MANDATE:** This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**ANALYSIS:**

Oregon Department of Education

This measure allows the Oregon Department of Education (ODE) to expend up to \$350,000 from the State School fund to provide administration of and support for the development of talented and gifted education. This measure also allows ODE to contract for the creation and administration of regional talented and gifted centers to provide services related to talented and gifted programs. SB 1066 removes the section that states that the amount of funds that may be expended for the talented and gifted program shall not exceed 10 percent of the amount appropriated in a biennium for that purpose.

ODE is currently allowed to spend up to \$350,000 of the State School fund for talented and gifted education; this measure further allows the Department to use the money for the administration and support costs of the program (not just education). In order to use these funds, ODE would need to move them into a different appropriation. The operative date for this measure is October 1, 2008.

Currently ODE has .3 FTE assigned to talented and gifted education. To provide administration and support to the program, in addition to education, the Department would expand its current .3 FTE to one full-time position (1.0 FTE) for the remainder of the 2007-09 biennium. The Personal Services cost of the position (1/0.67) for the remainder (16 months) of the 2007-09 biennium is \$73,940, with associated Services and Supplies cost of the 2007-09 biennium is \$8,230. Combined, the costs total \$82,170 General Fund for the 2007-09 biennium. The costs for the 2009-11 biennium are increased due to the fact that the position associated costs would apply to a 24 month period. Specifically, the Personal Services cost of the position (1/1.0) for the 2009-11 biennium is \$158,442. The Services and Supplies cost for the 2009-11 biennium is \$13,880. Combined, the costs total \$172,322 General Fund for the 2009-11 biennium. ODE says that the difference between the estimated staff costs for the 2007-09 and

2009-11, which total \$445,507, and the maximum expenditure amount of \$350,000 will be available to deliver all of the services that are required by the Department in the bill. The Department notes that expenditures may be delayed due to the actual employment date of the Education Program Specialist position and procurement costs due to contract negotiations.

#### Department of Higher Education and Oregon Health and Science University

The measure also establishes a tuition waiver for certain qualified students enrolled in baccalaureate or master's degree programs in the Oregon University System (OUS) or Oregon Health and Science University (OHSU). To qualify, the student must be the child, spouse, or un-remarried surviving spouse of a veteran of the United States Armed Forces who either died on active duty after September 11, 2001, or who either died or became 100% disabled from a military service connected disability, sustained after September 11, 2001. Although the veteran need not have had residency or other connection to Oregon at the time of death or disability, the qualifying student must meet the residency requirements that would otherwise qualify them for in-state tuition rates. The measure also requires that each OUS institution, OHSU, and community college report to the Legislative Assembly, by February 1, 2009, on the enrollment of, and the financial aid assistance provided to, students who meet the eligibility requirements for the waiver.

The tuition waiver will not be available to qualified students for all courses or programs offered by the OUS or OHSU, and does not cover other mandatory enrollment fees. The waiver is intended to be restricted to courses with space available, or on an "open-seat" basis. Therefore, qualified students may have only a portion of their tuition waived under this program, if only some of the courses they enroll in have space available, or they may have no tuition waived if they enroll entirely in courses that are operating at capacity. Qualified students who are not enrolled in a degree program are not eligible for the waiver on courses they take.

The number of students who will qualify for a tuition waiver under this program is uncertain. Based on data on the number of qualifying veterans and their family characteristics, we estimate that approximately 14-18 qualified students will enroll in the Oregon University System, and a smaller but indeterminate number will enroll at OHSU. These numbers are expected to increase over time as more children of qualified veterans reach college attendance age, and if more veterans qualify over time. Tuition revenues to the Department of Higher Education and OHSU will be reduced to the extent that students who would have enrolled without the program receive the waivers. Because the waiver is limited to courses that are not operating at capacity, there will be no impact on expenditures.

#### Teacher Standards and Practices Commission

This measure also allows the Teacher Standards and Practices Commission (TSPC) to extend the statutory time when a candidate in an Oregon educator preparation program must be "refingerprinted" when they apply for a license. TSPC runs a fingerprint check on applicants currently and reports they would have a fiscal impact in the form of savings as a result of the enactment of SB 1066. It is unknown at this time what the exact savings would be and if there would be unexpected revenue to TSPC as a result of this measure.

This measure currently does not have a subsequent referral to the Joint Committee on Ways and Means. The Legislative Fiscal Office, however, thinks it's appropriate that this measure be referred to the Joint Committee on Ways and Means due to the fact that ODE would be adding FTE and they would have to move funds into a different appropriation.