

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 742 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Provides that certain students are entitled to exemption from nonresident tuition and fees at state institutions of higher education.

Government Unit(s) Affected:

Oregon University System (OUS), Oregon Judicial Department

Summary of Expenditure Impact: See Analysis

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:

The measure provides that students who are not a citizen or lawful permanent resident are entitled to an exemption from paying nonresident tuition and fees for enrollment at state institutions of higher education provided the student has met certain conditions stipulated by the measure. Among the conditions is the requirement that the student plans to become a citizen or lawful permanent resident, as determined by rule of the State Board of Higher Education. The exemptions from nonresident tuition and fees for students continue for a maximum of five years after initial enrollment. The measure allows for a direct review of challenge to law by the Oregon Supreme Court. Currently students cannot qualify for resident tuition rates if they are not a citizen or lawful permanent resident.

The fiscal impact is indeterminate. The number of students that would qualify for the exemption is unknown. If students that qualify for the exemption choose to enroll at a state institution of higher education that may not have otherwise enrolled, an institution would experience an increase in tuition revenue. However, if a student that qualifies for the exemption is currently enrolled at a state institution of higher education and paying nonresident fees, the institution would experience a decrease in tuition revenue. Additionally, the exemption benefit to the student varies by institution, from no change between resident and non-resident at Eastern Oregon University to over \$17,000 per year for full-time undergraduates at the University of Oregon. The Oregon University System (OUS) notes that students that qualify for the exemption may still choose not to enroll as they will not be eligible for federal or state financial aid.

The Oregon University System assumes a minimal expenditure impact as a result of this measure as few students appear to qualify and does not anticipate the need for new staff or special services.

The Legislative Fiscal Office (LFO) believes that this measure could have a fiscal impact on the Oregon Judicial Department, but that impact is considered minimal.