

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass as Amended, be printed Engrossed and Bill be Referred to Ways and Means

Vote: 6-2-0

Yeas: Bailey, Bentz, Gelsner, Read, Barnhart, Berger

Nays: Brewer, Wand

Exc.: 0

Prepared By: Dae Baek, Economist

Meeting Dates: 5/9, 5/18

WHAT THE BILL DOES: Increases annual license fees for the operation of career schools. Allows the State Board of Education to adopt, by rule, annual license fees for career schools and fees for certain activities related to career schools. Makes such change operative July 1, 2013. Declares an emergency and takes effect on July 1, 2011.

ISSUES DISCUSSED:

- Use of fees for oversight of private career schools
- Need for rigorous oversight
- Authorization and expenditure limitation of future fee increase

EFFECT OF COMMITTEE AMENDMENTS: Replaces the original bill.

BACKGROUND: There are 297 in-state and out-of-state career schools covered under ORS 345.010 to 345.450. Such schools pay nonrefundable, annual license fees that are credited to the Oregon Department of Education (ODE). The fees are used to fund ODE's oversight of career schools. Currently the annual license fees range between \$450 and \$2,850 depending on tuition income ranges. Under this bill, these fees will increase to between \$600 and \$3,975.