

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass and Be Referred to the Committee on Ways and Means by prior reference

Vote: 8 - 0 - 0

Yeas: Conger, Dembrow, Frederick, Huffman, Komp, Parrish, Gelser, Wingard

Nays: 0

Exc.: 0

Prepared By: Victoria Cox, Administrator

Meeting Dates: *Subcommittee: 3/3, 3/15, Full: 3/21*

WHAT THE MEASURE DOES: Changes the name of the Tuition Protection Fund (Fund) to the Tuition Protection Trust Fund (Trust). Clarifies that the State of Oregon has no proprietary interest in the Trust, and no right to contributions made to the Trust from sources outside the General Fund. Designates moneys in the Trust to protect students in the event of career schools closures, and for administration and maintenance of the Trust. Grants authority to Superintendent of Public Instruction to maintain and administer the Trust. Requires State Board of Education to adopt procedures governing administration and maintenance. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Career college student protections
- Claims process for students in the event of school closure
- Frequency of career school closures
- Purpose of the Fund
- \$1 million fund transfer to General Fund in 2010

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Tuition Protection Fund was created to provide students enrolled in private career schools pro-rated tuition refunds in the event a school closes prior to training completion. The Fund is generated by mandatory fees charged to for-profit career schools and is currently treated as a General Fund account. House Bill 3123 establishes the Fund as a trust fund, in order to exempt the Trust from General Fund transfers.