

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 3 - 0
Yeas:	Freeman, Garrett, Wingard, Hunt, Olson
Nays:	Barnhart, Berger, Holvey
Exc.:	0
Prepared By:	Jim Stembridge, Administrator and Anna Teske, Committee Staff
Meeting Dates:	5/26, 6/8

WHAT THE MEASURE DOES: Expands definition of eligible post-secondary institution to include For-Profit Independent Colleges with a physical campus in Oregon as determined by the Oregon Student Assistance Commission (OSAC), and approved by the Office of Degree Authorization (ODA) to offer and confer degrees. Establishes the For-Profit Independent Colleges Student Assistance Fund (Fund) independent of the General Fund, with moneys appropriated to OSAC for award of the For-Profit Independent Colleges Grant (Grant). Authorizes OSAC to accept funds for account from public and private sources, and disburse Grant to qualified students enrolled in degree programs approved by ODA at eligible post-secondary institutions from the Fund. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Student access and demand for community college programs
- Job creation, workforce investment, and career college contribution to economic growth
- Oregon Opportunity Grant (OOG) underfunded, unable to support all qualified students
- Impact on OOG administration, and expenditures
- Subaccount not to be immediately funded by state
- Support for all educational options and 40-40-20 goals
- Definition of “eligible school” and “Oregon-based institution”
- ODA, and approval of online programs

EFFECT OF COMMITTEE AMENDMENT: Expands definition of eligible post-secondary institution to include For-Profit Independent Colleges with a physical campus in Oregon as determined by OSAC, and approved by ODA to offer and confer degrees. Establishes the Fund independent of the General Fund, with moneys appropriated to OSAC for award of the Grant. Requires OSAC to disburse Grant to qualified students enrolled in programs approved by ODA.

BACKGROUND: Unlike federal student aid, the OOG may only be applied to educational costs incurred at not-for-profit institutions of higher education. In the 2009 Legislative Session, House Bill 2949 sought to remove restrictions to the OOG by allowing qualified students to use the Grant to attend accredited for-profit professional and technical schools. In 2011, House Bill 2297 replicated the intent of the 2009 bill. Potential amendments were drafted; however, the bill was not moved out of committee before the first chamber deadline. House Bill 3670-A reflects the proposed amendments to House Bill 2297, which establishes the For-Profit Independent Colleges Student Assistant Fund—separate from the OOG—and allows for funding in future biennia. Contributions from private institutions, foundations and individuals may be made to the Fund, and beginning in 2013, eligible students may have access to the funds. In addition, the ODA has the authority to approve individual programs, however, it currently does not have the statutory authority to approve online courses, limiting Grant eligibility to students enrolled in courses taught by ODA-approved instructors in classrooms located on a physical campus in Oregon.

6/10/2011 9:45:00 AM

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