



Testimony on House Bill 3079
By Jessica Adamson
House Higher Education Committee
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Chair Dembrow and members of the committee, I am Jessica Adamson, representing the Northwest Career Colleges Federation and its Oregon chapter that consists of both degree-granting and certificate-issuing institutions.

The Northwest Career Colleges Federation (NWCCF) is opposed to House Bill 3079 as introduced. The bill, aimed only at the for-profit sector of higher education, imposes reporting requirements, advertising restrictions and stringent sanctions that would significantly alter the operating environment for Oregon's for-profit institutions.

Oregon career colleges provide most of the data required in HB 3079 to the U.S. Department of Education, Oregon regulators of for-profit postsecondary schools and a national accrediting body. We are variously required to publish the information on our school websites and catalogs and to flag key disclosures before students are admitted.

California adopted legislation similar to HB 3079 that requires some additional disclosure, but much of the same information, only in different forms and calculations. It is worth noting California does not provide academic regulation of its for-profit postsecondary schools. Its bill paralleling HB 3079 is administered by the state's consumer protection agency. One of the main drawbacks of the California approach is that its fact sheets contain data displayed in different forms, which is confusing to students who look at the same information on our websites and in our catalogs prepared in compliance with federal regulations and in accordance with accreditation requirements.

Many of the concerns about for-profit postsecondary institutions have been avoided in Oregon because of its rigorous regulation of our sector, perhaps the most rigorous in the nation. For example, Oregon has its own, more restrictive rules on student recruiting scripts. Our schools also must disclose policies on student tuition refunds and class cancellation. For-profit schools in Oregon also are required to capitalize and sustain a Tuition Protection Fund.



Problems have arisen when out-of-state institutions – from the public, private non-profit and private for-profit sections – have attempted to enroll or actually enrolled students in Oregon for online courses or degree programs without receiving state approval. This legislation ironically may not affect many of those schools, including prominent national universities that have outsourced their online educational programs to third-party vendors, with little or no oversight by the university's accrediting body.

One of the major flaws of HB 3079 is the presumption that the students who most need this kind of information are students who choose to attend career colleges. There is ample evidence students attending all colleges need convenient, easy-to-understand information about the program they want to pursue, the jobs it might lead to and its cost. The bill also assumes more information is better for students, when our experience in actually providing this information is that students really need is a well-packaged document with relevant information. The flaw with "more is better" can be seen in the stacks of disclosures that accompany a home mortgage.

In addition to the general comments above, NWCCF has specific concerns relative to each section of House Bill 3079:

Sections 2-5 of HB 3079 establish requirements for for-profit institutions to provide educational value, school performance and financial cost fact sheets to students. While NWCCF provide much of the information proposed in the bill to various regulatory and accrediting bodies, we are concerned about the approach proposed by HB 3079 for the following reasons:

- The Higher Education Coordinating Commission (HECC) has been granted the authority to determine the methodology for collecting this information. As a result this bill could, either immediately or in the future, create a situation in which we are required to produce conflicting reports – one set for current regulators and/or accreditation agencies, and another for the HECC leading to student confusion.



- While much of the information is already readily available, some of the fact sheet requirements are encompassing as to require almost constant updating. For example, Section 3(1)(b) requires the Education Fact Sheet to include; “A list of all requirements for practicing the profession or trade in this state;”. HB 3079 does not elaborate on the nature of this broad request, which could be interpreted by the HECC to require a listing of all laws and rules related to the practice of particular professions or trades. Not only would this result in a large volume of information, it would create a situation in which for-profit schools would be constantly updating fact sheets as regulatory bodies make slight adjustments to their rules.
- HB 3079 Section 2(6) establishes the authority for the HECC to suspend the license of operation of a for-profit school for up to 1 year for failure to comply with the fact sheet requirements. When combined with undefined broad reporting requirements, such as those contained in Section 3(1)(b), this component leaves the door open to severe sanctions for minor and unintended infractions.

Section 6 of HB 3079 creates a series of prohibited advertising restrictions that would apply only to the for-profit sector. While “truth in advertising” is important, NWCCF is concerned about the implementation of some of these restrictions. In addition, we object to the application of these restrictions only on the for-profit sector.

Section 7 of HB 3079 grants the HECC the authority to prevent an institution from operating in the state if the three-year institution-wide default rate or a program-specific default rate exceeds X. NWCCF objects to this provision of the bill. Research indicates student consumer debt default rates have more to do with the student and his or her life circumstances than with what institution they may choose to attend. Schools that have higher proportions of financially independent, single parent and dislocated worker populations will appear to have higher student debt default rates – regardless of the higher education sector in which they operate.

Section 8 of HB 3079 establishes the authority for the Attorney General to impose additional civil penalties on top of the authority for the HECC to suspend operation of a for-profit school for violations of previous sections of the bill.



NWCCF has significant concerns about the enforcement and penalty sections of this bill, including Section 8, given the broad and undefined nature of the reporting requirements.

Section 9 of HB 3079 establishes an emergency clause. NWCCF strongly objects to the inclusion of an emergency clause, as it will take significant time for the HECC to develop rules, and additional time for institutions to develop the fact sheets in response to rules developed by the HECC. The legislation gives no time for either activity to occur, but immediately enables the Attorney General and the HECC to impose sanctions on schools for failure to follow the broad provisions of this bill the minute it becomes law.

The Northwest Career Colleges Federation respectfully requests House Bill 3079 be set aside.