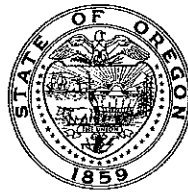


**Joint Committee on  
Ways and Means**

900 Court St. NE, Rm. H-178  
Salem, OR 97301  
503-986-1828



**Subcommittee on  
Education**

Sen. Rod Monroe, Co-Chair  
Rep. Betty Komp, Co-Chair  
Sen. Chris Edwards  
Sen. Fred Girod  
Rep. Lew Frederick  
Rep. Sherrie Sprenger

Doug Wilson, Subcommittee Scheduler, 503-986-1837  
Eric Sorenson, Subcommittee Assistant, 503-986-1823  
WaysandMeans.EducationSub@state.or.us

TO: Education Subcommittee Members  
FROM: Doug Wilson, LFO  
DATE: April 11, 2013  
RE: Private Career School Bills – HB 2185 and HB 2188

The Private Career Schools program has two bills relating to fee increases and use of civil penalties. Each is scheduled for a public hearing today, and each is described briefly below. Also attached is the Staff Measure Summary of each from the Policy Committee.

**HB 2185 – Fee Bill for Private Career Schools**

HB 2185 provides for fee increases for both instate and out-of-state private career schools. Fees have not been increased for 14 years. The amount of the fee depends on the estimated tuition income and differs between instate and out-of-state schools. The bill authorizes the fee increases in the bill (see table below) until July1, 2015. After that date, the Higher Education Coordinating Commission is granted the authority to set fees on its own. The estimate revenue increase from these fee increases is \$150,000 for the 2013-15 biennium.

	Existing Fee	Proposed Fee	% Increase
<i>Instate Schools Turition Income Range</i>			
\$0-15,000	\$ 450	\$ 600	33%
\$15,01-50,000	\$ 600	\$ 800	33%
\$50,001-125,000	\$ 750	\$ 1,000	33%
\$125,001-250,000	\$ 1,050	\$ 1,425	36%
\$250,001-500,000	\$ 1,350	\$ 1,850	37%
\$500,001-750,000	\$ 1,650	\$ 2,275	38%
\$750,001-1,000,000	\$ 1,950	\$ 2,700	38%
Over \$1,000,001	\$ 2,250	\$ 3,125	39%
<i>Out-of-State Schools Turition Income Range</i>			
\$0-50,000	\$ 1,350	\$ 1,850	37%
\$50,001-250,000	\$ 1,650	\$ 2,275	38%
\$250,001-500,000	\$ 1,950	\$ 2,700	38%
\$500,001-750,000	\$ 2,250	\$ 3,125	39%
\$750,001-1,000,000	\$ 2,550	\$ 3,550	39%
Over \$1,000,001	\$ 2,850	\$ 3,975	39%

There are similar sections in the bill since the program is under the Oregon Department of Education presently and transfers to the Higher Education Coordinating Commission beginning in July 2013.

### **HB 2188 – Private Career Schools Civil Penalties**

HB 2188 allows the Private Career Schools program to retain a portion of civil penalties (not including those due the Tuition Protection Fund) collected equal to the reasonable costs related to the investigation and assessment of the penalty. Currently, all civil penalties are deposited in the General Fund. It is estimated that civil penalties are between \$20,000 and \$28,000 annually.

As with HB 2185, there are almost duplicate sections of the bill since the program is under the Oregon Department of Education presently, and transfers to the Higher Education Coordinating Commission beginning in July 2013.

77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session  
STAFF MEASURE SUMMARY  
House Committee on Higher Education & Workforce Development

MEASURE: HB 2188  
CARRIER:

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

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Action:	Do Pass and Be Referred to the Committee on Ways and Means by prior reference
Vote:	7 - 2 - 0
Yeas:	Gallegos, Gorsek, Greenlick, Harker, Huffman, Johnson, Dembrow
Nays:	Gilliam, Whisnant
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	2/11, 2/27

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**WHAT THE MEASURE DOES:** Allows Superintendent of Public Instruction to retain reasonable costs relating to investigation and assessment of career school civil penalties. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Costs of investigations
- Current civil penalty schedule from which costs will be retained

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Currently, civil penalties assessed against career schools regulated by the Department of Education (ODE) are deposited in the General Fund. House Bill 2188 permits reasonable costs to be retained by ODE from the civil penalties imposed on private career school owners to cover reasonable investigative costs.

2/27/2013 4:33:00 PM

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