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House Bill 2185: Career School Fees
Joint Ways and Means Subcommittee on Education
April 11, 2013

Co-Chairs Monroe and Komp, members of the committee, I am Matthew Barber, a Compliance Specialist with, and lead worker of, the Private Career Schools Licensing Unit at the Oregon Department of Education. I am here today to testify in support of HB 2185, which would increase the licensing fees paid by career schools.

Background

The Legislative Assembly has charged the Department in ORS 345.325 with establishing minimum standards for educational quality, ethical and business practices, and health, safety, and fiscal responsibility for career schools operating in Oregon. The Department is also charged with protecting students from substandard, unethical, deceptive, or fraudulent practices committed by unscrupulous career schools.

The Department meets those charges through investigating, monitoring, and remediating student complaints, providing significant technical assistance to career schools, and licensing career schools. Through its licensing program, the Department licenses individuals to operate career schools and approves the programs offered by those schools. Licenses are renewed on an annual basis and, as part of the renewal process, licensees must provide information about their students, graduates, finances, instructional staff, and school policies. The licensing process is very detailed and intensive, for the benefit of schools and students alike.

Each applicant for a new license pays an initial licensing fee (\$1,050.00 for in-state applicants, \$2,250.00 for out-of-state applicants). Existing licensees pay an annual renewal fee that corresponds with the school's annual gross tuition income, as provided in the fee schedule found at ORS 345.080(1). The Department also collects fees for processing cosmetology teacher registrations (\$50.00 for an initial registration, \$25.00 to renew) and providing copies of student transcripts (\$10.00).

Issue

The Department's career school program receives no General Fund dollars; it is funded solely through collected fee revenue. The career school license fee schedule is in statute. That fee schedule is not subject to automatic adjustments for inflation or tied to any index that tracks changes in economic trends. It was last adjusted in 1999 – 14 years ago.