

---

# MEMORANDUM

Legislative Fiscal Office  
900 Court St. NE, Room H-178  
Salem, Oregon 97301  
Phone 503-986-1828  
FAX 503-373-7807

---

---

**To:** *Education Subcommittee*

**From:** *Tim Walker, Legislative Fiscal Office*  
*(503) 986-1827*

**Date:** June 10, 2013

**Subject:** *HB 2185*  
*Work Session*

---

House Bill 2185 authorizes the State Board of Education to collect nonrefundable licensing fees for administration of licensing program for career schools. Declares emergency, effective July 1, 2013..

The measure had a public hearing in this Subcommittee on April 11, 2013.

The Work Session packet, including measure, staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS). The measure has no revenue impact and a fiscal impact.

**Motion #1: Move the HB 2185 to the full committee with a “do pass” recommendation.**

**Chair to assign carriers:**

**Full:** \_\_\_\_\_

**House:** \_\_\_\_\_

**Senate:** \_\_\_\_\_

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2185**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office**Only Impacts on Original or Engrossed  
Versions are Considered Official**Prepared by: Tim Walker  
Reviewed by: Doug Wilson  
Date: 06/06/2013**Measure Description:**

Authorizes adoption of fees for certain activities related to career schools.

**Government Unit(s) Affected:**

Department of Education, Higher Education Coordinating Commission, Oregon Student Assistance Commission (OSAC)

**Summary of Expenditure Impact:**

See Analysis.

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:** This bill adjusts fees for in-state and out-of-state private career schools. Fees have not been increased in 14 years. The fee is based on the amount of tuition income generated. The bill authorizes the fee increases until July 1, 2015. After that date, the Higher Education Coordinating Commission is granted the authority to set fees. This ability currently resides with the Superintendent of Public Instruction. The proposed fee adjustments are anticipated to generate an additional \$150,000 in Other Funds revenue.

Instate Schools Tuition Income Range	Existing Fee	Proposed Fee	% Change
\$0 - \$15,000	\$ 450	\$ 600	33%
\$15,001 - \$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%
<b>Out-of State School Tuition Income Range</b>			
\$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%

Joint Committee on Ways and Means

Carrier – House: Rep.  
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

---

**WHAT THE MEASURE DOES:** Authorizes the State Board of Education to collect nonrefundable licensing fees for administration of licensing program for career schools. Declares emergency, effective July 1, 2013.

**ISSUES DISCUSSED:**

- Legislative role in establishing fees

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

**BACKGROUND:** According to the Department of Education (ODE), the licensing fees for Oregon's private career schools have not been raised in 14 years. Currently, the regulation of career schools is funded through fees alone and is not eligible for general fund dollars. Recent investigations into private career schools have been conducted at considerable cost, necessitating increases in the investigative fee to cover these costs. House Bill 2185 raises the fee schedule to support the program, and allows the State Board of Education to determine future fee changes by rule.