

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4102 A

Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Prohibits public or private post-secondary institutions of education from entering into contracts with student financial aid management firms unless contracts meet certain requirements.

Government Unit(s) Affected:

Department of Community Colleges and Workforce Development, Oregon University System (OUS), Higher Education Coordinating Commission

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 would restrict the ability of public and private post-secondary institutions of education to enter into contracts with financial aid management firms unless certain requirements are met.

The -4 amendment would prohibit agreements providing for revenue sharing agreements between the parties based upon balances or account activities on financial aid provided by financial aid management firms. This would require universities that have current contractual relationships with financial aid management firms to renegotiate contracts to conform to the requirements of the bill. The fiscal impact of these changes and magnitude of the impact to the universities will be unknown until renegotiation has occurred. Community colleges anticipate there may be a substantial fiscal impact due to the provisions of this bill, but the full extent is unknown.