

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2662**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Measure Description:

Establishes Pay It Forward program.

Government Unit(s) Affected:

Higher Education Coordinating Commission, Department of Revenue(DOR)

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:

At this time, the Legislative Fiscal Office (LFO) believes that the ramifications and scope of this measure are not understood and therefore the fiscal impact cannot be fully determined. The bill does not identify a funding source nor an initial funding amount for the Pay It Forward Program (PIF). Without a determination of initial funding levels to define the size of the program it is unclear what the workload and resources necessary to implement PIF.

Additionally, significant information needed to calculate reimbursements to the Pay It Forward Implementation Fund, are dependent on rule established by the Higher Education Coordinating Commission (HECC); this includes such factors as participant eligibility, covered costs, repayment percentages, and repayment schedules. Therefore it is not possible to estimate whether PIF will need additional appropriations beyond the first biennium the program is established.

LFO notes that HECC and the Department of Revenue (DOR) are directed to do work associated with establishing program rules, entering into agreements, and establishing mechanisms for data sharing at statewide and nationwide levels; regardless of the determination of sufficient funding levels by the Office of Student Access and Completion (OSAC), as provided for under section 6. (1) of the bill. Therefore the two affected agencies will incur costs associated with the establishment of PIF, even if the program has insufficient funding levels and is never actually implemented. The estimate of such costs are indeterminate at this time, and likely not determinable without making significant speculative assumptions regarding the rules that will be adopted for the program.