

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 81 - A

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

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

Prepared by: Krista McDowell
Reviewed by: Doug Wilson
Date: 3/27/2015

Measure Description:

Requires tuition for certain courses offered at community college to be waived if person meets specified criteria.

Government Unit(s) Affected:

Higher Education Coordinating Commission

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 fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee on Education to the Joint Committee on Ways and Means. The bill would waive tuition for courses that are offered at a community college in this state and is required for a certificate or associate degree as determined by the rules adopted by the Higher Education Coordinating Commission. The amount of the fiscal impact is still being determined and a more complete analysis on the bill will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required

STAFF MEASURE SUMMARY**Senate Committee On Education****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 03/24/15**Action:** Do Pass With Amendments And Requesting Referral To Ways And Means.
(Printed A-Engrossed.)**Meeting Dates:** 02/24, 03/24**Vote:**

Yeas: 4 - Beyer, Gelsler, Hass, Roblan

Nays: 3 - Baertschiger Jr, Knopp, Kruse

Prepared By: Gretchen Engbring, Committee Administrator**WHAT THE MEASURE DOES:**

Waives tuition for persons meeting specified criteria for select community college courses required for a certificate or associate degree. Specifies criteria for amount of tuition waived and student payment required per term. Requires Higher Education Coordinating Commission (HECC) to adopt rules related to community college reimbursement and academic advising requirements. Declares emergency, effective July 1, 2015.

ISSUES DISCUSSED:

- Affordability of higher education
- Tennessee and federal free community college tuition programs
- Cost of mandate to state
- Academic advising requirements
- Costs beyond tuition, including housing, food, student fees, text books and transportation
- Potential impact on community college and university enrollment
- Potential impact on low-income students

EFFECT OF COMMITTEE AMENDMENT:

Modifies student eligibility criteria required to receive tuition waivers. Alters payment required by student. Requires Higher Education Coordinating Commission to adopt rules related to community college reimbursement and academic advising requirements.

BACKGROUND:

Senate Bill 1524 (2014) required the HECC to examine the viability of a program that would allow students to attend certain Oregon community college courses without paying tuition and fees for a specified period. The National Center for Higher Education Management Systems (NCHEMS) was selected by the HECC to provide technical assistance on the topic, and produced a report on the viability of the program. During the 2013-14 interim, the Senate Interim Committee on Education and Workforce Development held five hearings on the topic of tuition waivers at community colleges.

Tuition prices have reportedly increased 58 percent at public community colleges and 72 percent at public four-year institutions nationally over the last decade (see College Board's *Trends in College Pricing*). Some states are exploring the affordability of postsecondary education institutions and enacting laws to provide increased access to affordable opportunities. For example, Tennessee's "Promise Scholarship" program (HB 2491) allows qualifying residents to attend community colleges with their tuition waived.

Senate Bill 81-A waives tuition for certain courses if a person has met specified requirements. Additionally, the measure provides that the amount of tuition waived will be the amount owed after subtracting applicable state and federal grants plus \$50 per term paid by the person receiving the waiver. The bill requires HECC to adopt rules regarding the timelines and form by which a community college seeks and receives reimbursement and the academic advising requirements that the college and student must satisfy to ensure that the student earns a certificate or degree.