



**Date:** June 9, 2015  
**To:** Education Subcommittee of the Joint Ways and Means Committee  
**From:** Juan Baez Arevalo, Director, Private Postsecondary Education  
**Subject:** Senate Bill 218A

Good morning Co-Chair Komp and Co-Chair Monroe, members of the committee. For the record, my name is Juan Baez-Arevalo. I am the Director of Private Postsecondary Education for the Oregon Higher Education Coordinating Commission.

Before I go into the details of Senate Bill 218A, I would first like to share with you a bit of background and our need for this bill, then I will cover the key details of what we seek to accomplish with SB 218A.

In the last few years the Office of Degree Authorization (ODA) has seen an explosion of online instruction and program offerings, which has added complexities to the oversight and authorization of out-of-state postsecondary degree providers and credit course offerings. With this growth comes a vast array of student and consumer protection issues.

ODA fee schedules for out-of-state providers have not kept pace with the costs and the increased workload for regulating complex and ever-changing instructional delivery systems. An obvious fact that in-state private institutions shared with me soon after I took over the role of Director of Private Postsecondary Education. This morning, they will be presenting to you their testimony in favor of SB 218A. You will also hear support from representatives of public universities because SB 218A assures that they will be treated the same as out-of-state providers under the State Authorization Reciprocity Agreement (SARA).

Another issue that has arisen with out-of-state providers is the placement of students in practicum experiences in Oregon. For example, an institution in Chicago or Boston might place a Master of Science Nursing degree student at a clinic in Oregon to complete her studies. These institutions must submit to the Higher Education Coordinating Commission (HECC) a supervision, coordination and assessment plan, and meet the requirements set by the Oregon Board of Nursing. As I will explain shortly, SB 218A would assess a fee for review of these placements.

Private career schools also fall under the purview of the office that I oversee. The office conducts significant work to review and approve new programs. At this time we are not assessing a fee for that work which diminishes our opportunity to review new program submissions promptly.

**What we seek to accomplish with SB 218A:**

Section 1 of SB 218 clarifies that out-of-state institutions must obtain approval from the HECC prior to beginning operations in the State or offering new programs. Out-of-state institutions seeking to enroll Oregonians will have to do so by one of two gateways: through participation in SARA in their home state, or through authorization by the ODA.

Section 1(6) clarifies and imposes fees to non-SARA out-of-state distance education providers who are offering courses or programs in Oregon or adding new programs.

Section 1(7) establishes fees for practicum placements in Oregon by out-of-state institutions. It would allow the HECC to waive the fee for one-time limited placements or special circumstances involving Oregon residents.

Finally, Sections 2 and 3 allow the HECC to impose a fee of up to \$1,000 for each new program application submitted by a private career school. This fee would allow the Commission to recover costs associated with the complex task of reviewing new program proposals.

In sum, SB 218A would allow the Commission to recover oversight costs for regulating out-of-state institutions operating in our state, for new program approvals, and practicum placement review and approval.

Ultimately this bill is about ensuring that there is proper State oversight of private and out-of-state institutions, and that the interests of students as consumers are protected. Thank you for taking the time to hear this bill. I would be happy to answer any questions.