

STAFF MEASURE SUMMARY**Senate Committee On Education****Fiscal:** Has minimal fiscal impact**Revenue:** No Revenue Impact**Action Date:** 04/28/15**Action:** Without Recommendation As To Passage And Be Referred To Workforce.**Meeting Dates:** 04/28**Vote:**

Yeas: 7 - Baertschiger Jr, Beyer, Gelsner, Hass, Knopp, Kruse, Roblan

Prepared By: Gretchen Engbring, Committee Administrator

WHAT THE MEASURE DOES:

Requires each school obtaining approval from Higher Education Coordinating Commission (HECC) to offer academic degree to obtain bond or letter of credit annually demonstrating school is financially sound and capable of fulfilling commitments to students. Establishes requirements for bonds and letters of credit. Specifies calculation formula for amount of bond or letter of credit. Grants students right to bring claim against school, bond or letter of credit if student suffers monetary loss due to school's failure to provide educational services. Establishes process for commission to place school or program on probation or to revoke approval for school to offer academic degrees.

ISSUES DISCUSSED:

- Moving bill to Senate Committee on Workforce due to content of legislation and involvement of Workforce committee members with the topic

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

According to its website, the Office of Degree Authorization (ODA) operates under HECC "to assist Oregon students and their families in attaining a postsecondary education and to enhance the value, integrity, and diversity of Oregon's college programs." ODA is required by statute "to provide for the protection of the citizens of Oregon and their postsecondary schools by ensuring the quality of higher education and preserving the integrity of an academic degree as a public credential." All degree-granting private postsecondary institutions offering academic programs in Oregon, or to Oregon students from outside the state, must be approved by ODA.

House Bill 3516-A requires schools approved by HECC to offer degrees to obtain a bond or letter of credit annually to ensure their financial soundness. The measure also authorizes HECC to place schools on probation or revoke their approval to offer degrees and creates a private right of action for students. These provisions do not apply to regionally accredited, private non-profit institutions.