

STAFF MEASURE SUMMARY

Senate Committee On Workforce

Fiscal: Has minimal fiscal impact

Revenue: No Revenue Impact

Action Date: 05/20/15

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 05/18, 05/20

Vote:

Yeas: 5 - Dembrow, Gelser, Knopp, Rosenbaum, Thatcher

Prepared By: Matthew Germer, 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 bond and letter of credit. Specifies calculation formula for amount of bond or letter of credit. Grants student 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. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Closure of for-profit campuses
- Oversight by Office of Degree Authorization
- Purpose of tuition protection fund
- Non-applicability of measure to degree-granting institutions
- Transfer of students from closed for-profit campuses to other higher education institution

EFFECT OF COMMITTEE AMENDMENT:

Adds emergency clause, effective on passage.

BACKGROUND:

According to its website, the Office of Degree Authorization (ODA) operates under the 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." The 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 the ODA.

House Bill 3516-B requires schools approved by the HECC to offer degrees to obtain a bond or letter of credit annually to ensure financial soundness. The measure also authorizes the 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.