



Testimony on House Bill 2559
House Higher Education and Workforce Development Committee
March 16, 2017

Chair Reardon, Vice-Chairs Whisnant and Alonso León, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission. Thank you for the opportunity to provide comment on House Bill 2559.

This legislation prohibits the Higher Education Coordinating Commission from placing a school or program, authorized to operate in Oregon by the Office of Degree Authorization, on probation until a hearing is held and a hearing officer makes a determination that the conduct of the school or program warrants such an action.

Probation, as administered by the Office of Degree Authorization, is an important protection for students and the state because it prohibits an institution from marketing and enrolling students from the time the probation order is issued until the identified issues can be resolved.

Under this bill, HECC would lose an important mechanism used to protect students from experiencing hardships related to institutions that, for financial or academic reasons, may not be able to deliver on the promises made to students upon admission, enrollment, and registration.

One example of when probation may be used is to ensure an institution has a surety bond. As you may remember, House Bill 3516 (2015) requires schools to obtain a bond that would be used to refund students pre-paid tuition in the event of a sudden school closure. This bill, if passed, has the effect of allowing schools to continue to enroll students while avoiding the bond requirement until a hearing is held—exposing students to serious financial risk in the event of a school closure, not unlike the recent, sudden shut down of ITT. Since one reason schools may not be able to obtain a bond is serious financial instability, probation is an important consumer protection.

If the Commission places a school on probation, school maintains the right to request an administrative hearing, and this affords schools the opportunity to have a neutral third-party make a determination, if desired.

We look forward to the opportunity to further discuss this legislation and I thank you for considering these comments.