

FISCAL IMPACT OF PROPOSED LEGISLATION

79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office

Measure: SB 253 - A

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

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Measure Description:

Requires institutions of higher education to provide fact sheet to each applicable student detailing amount of education loans received, estimate of total amount of education loans student will owe at graduation, estimate of amount student will have to pay each month to service loans and percentage of borrowing limit student has reached for each type of federal loan.

Unit(s) Affected:

public universities listed in ORS 352.002, community colleges defined in 341.005, Oregon Health Sciences University

Analysis:

The bill directs institutions of higher education to provide the following on an annual basis to each enrolled student for whom the institution receives federal education loan information: (1) total amount each students' federal education loans; (2) total amount of tuition and fees the student has paid to the institution of higher education; (3) estimate of the potential payoff amount, including principal and interest, of the federal education loans the student has received; (4) estimate of the amount, including interest, that the student will have to pay each month to service the loan and number of years used to calculate the monthly payment; (5) percentage of the borrowing limit the student has reached; (6) A statement that the information provided does not include private loans or credit card debt.

Public universities anticipate a total of \$28,000 in one-time information technology reprogramming costs to create a letter to be sent to students that meet the specifications of the bill. Public universities also anticipate an increased demand for student advising once the letter is received by students, however no additional positions or FTE are anticipated to be necessary at this time.

Community colleges anticipate the need to hire at least one financial aid advisor at all seventeen of the community colleges (17.00 FTE) for an estimated total cost of \$3.4 million per biennium. Community colleges report that the only data on student debt that they receive is filed on students' Free Application for Federal Student Aid (FAFSA). The community colleges report that financial aid advisors will need to manually query the National Student Loan Data System on a student-by-student basis and produce an individual statement containing the information required by the bill.

Oregon Health Sciences University roughly estimates that potential costs are at least \$100,000 in information technology programming costs and \$25,000 a year for ongoing IT maintenance and administration.