

***Only Impacts on Original or Engrossed
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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:

<REVISED to include new information submitted by public institutions of higher education >

The Legislative Fiscal Office released a “Fiscal Impact Statement” on 4/13/2017 for SB 253-A outlining the following costs estimate reported by the affected institutions: public universities anticipated a total of \$28,000 in one-time information technology reprogramming costs; community colleges anticipated the need to hire at least one financial aid advisor at each of the seventeen of the community colleges (17.00 FTE) for an estimated total cost of \$3.4 million per biennium; and Oregon Health Sciences University roughly estimated that potential implementation costs were at least \$100,000 in information technology programming costs and \$25,000 a year for ongoing IT maintenance and administration. However fiscal estimates have been revised based on an opinion, provided by Legislative Counsel, which does not interpret section 2 (2)(d) of SB 253-A to require that institutions of higher education provide each student with an exact monthly payment estimate. Instead, students may be provided an estimate of the potential repayment amounts based on a range of interest information that a borrower might encounter.

At this time, the Legislative Fiscal Office (LFO) believes that the ramifications of this measure are not fully understood for community colleges and therefore the fiscal impact cannot be completely determined. Community colleges report that the only data on student debt that they receive is filed on students’ Free Application for Federal Student Aid (FAFSA) - which provides an annual student reported accounting of debts and other financial aid. Community colleges are not able to validate this information for every student nor confirm that it is available for each student whom the provisions of the bill may be applicable to. However, if the necessary student loan information is available through FASFA, the community colleges defined in ORS 341.005 all anticipate that the provision of the bill may be implemented utilizing existing budgetary resources. There is also an indeterminant fiscal impact given the potential additional workload on financial aid advisors who will likely field additional questions from community college students as a result of this information

The revised fiscal impact for SB 205-A is estimated to be minimal and absorbable within existing budgetary parameters for public universities listed in ORS 352.002 and Oregon Health Sciences University.