

## **HB 4141 -4 STAFF MEASURE SUMMARY**

### **House Committee On Higher Education and Workforce Development**

---

**Prepared By:** Laura Kentnesse, LPRO Analyst

**Meeting Dates:** 2/6, 2/13

---

#### **WHAT THE MEASURE DOES:**

Requires the governing board of each public university to establish a Tuition Advisory Council to make annual recommendations regarding tuition and mandatory enrollment fees. Specifies membership, timeline, and duties of Tuition Advisory Councils. Requires the governing board to submit specified information and materials to Higher Education Coordinating Commission (HECC) if the board decides to increase tuition and mandatory enrollment fees by more than three percent annually. Prohibits the governing board from increasing tuition and mandatory enrollment fees by more than five percent annually unless the board receives approval from the HECC. Prohibits the HECC from approving increases by more than five percent annually unless the governing board has submitted additional specified information and materials to the HECC and the HECC has based its approval on the provided information. Requires the HECC to establish by rule criteria for commission approval of proposed increases in tuition and mandatory enrollment fees of more than five percent. Declares emergency, effective on passage.

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

-4 Replaces the measure. Requires the governing board of each public university to establish an advisory body to the university president that provides advice on tuition and mandatory enrollment fees for the upcoming academic year for the president's recommendations to the governing board. Specifies advisory body membership. Requires the advisory body to provide meaningful opportunities for members of the recognized student government and other enrolled students to participate in the process and deliberations of the advisory body, and to provide a written report to the university president that sets forth the recommendations, deliberations, and observations of the advisory body regarding tuition and mandatory enrollment fees for the next academic year, including any minority reports. Requires the governing board to receive and consider all advisory body written reports and minority reports provided to the university president, and to ensure the advisory body receives certain budget trainings. Requires that each public university ensure that the process of establishing tuition and mandatory enrollment fees is described on the university website, along with other specified materials. Prohibits the Higher Education Coordinating Commission (HECC) from approving an increase in tuition and mandatory enrollment fees of more than five percent unless the governing board provides the HECC: materials demonstrating that historically underserved students are better served by the proposed increase than by an increase of five percent or less; a governing board approved plan for assisting students who will have difficulty financing their education under the proposed increase; a plan for how the governing board and public university administration are managing costs on an ongoing basis; a plan for how tuition and mandatory enrollment fees will be decreased if the public university receives more moneys from the state than anticipated; clear and significant evidence that the governing board considered alternative scenarios to the proposed increase; all testimony from advisory body members who disagreed with the recommendation to approve the proposed increase; and any other information or materials requested by the HECC. Requires the HECC to establish certain definitions by rule. Declares governing board requirements to provide the HECC certain materials when proposed increases are more than five percent takes effect immediately on passage, except for requirements related to the advisory body. Declares the advisory body provisions become operative on January 1, 2019. Declares emergency, effective on passage.

## HB 4141 -4 STAFF MEASURE SUMMARY

*REVENUE:* May have revenue impact, but no statement yet issued.

*FISCAL:* May have fiscal impact, but no statement yet issued.

### **BACKGROUND:**

Under ORS 352.102, the governing boards of Oregon public universities are allowed to authorize, establish, and collect tuition and mandatory enrollment fees up to a five percent annual increase. For proposed annual tuition and mandatory enrollment fee increases of more than five percent, a governing board is required to obtain approval from the Higher Education Coordinating Commission (HECC) or the Legislative Assembly, though the law does not specify criteria or a process for approval. Governing boards are required to provide for the participation of enrolled students and the recognized student government as they consider annual tuition and mandatory enrollment fee amounts.

The HECC was established in 2011, and vested with its current authorities in 2013. In May 2017, the agency was faced with institutions seeking approval for 2017-18 resident tuition increases greater than five percent. The HECC approved tuition increases at Southern Oregon University (11.4 percent), Western Oregon University (7.5 percent), and the Oregon Institute of Technology (7.4 percent), and rejected proposals from Portland State University (8.3 percent) and the University of Oregon (10.6 percent). It was the first time in its history that the HECC had rejected tuition increase requests. Following additional hearings, the HECC reversed its decisions and approved the Portland State University and University of Oregon proposals.