

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 1554 - 1**

79th Oregon Legislative Assembly – 2018 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Specifies that amount in account established for higher education expenses is disregarded for purposes of determining account owner's financial eligibility to receive assistance or benefit authorized by law, to extent permitted under federal law.

**Government Unit(s) Affected:**

Department of Human Services (DHS), Higher Education Coordinating Commission (HECC), Oregon State Treasurer (OST)

**Summary of Expenditure Impact:**

Costs related to the measure are indeterminate at this time - See explanatory analysis.

**Analysis:**

The measure specifies that, beginning January 1, 2018, account balances in an account that has been established for higher education expenses are not to be considered when determining an individual's eligibility for public benefits, to the extent permitted by federal law. The measure does not apply to means-tested state financial aid for higher education. The measure directs the Higher Education Coordinating Commission (HECC), in coordination with the State Treasurer, public universities and community colleges, to conduct a study on the effects of excluding balances in Oregon College Savings Plan accounts from determinations of expected family contributions for higher education expenses. The study must include polices that may incentivize Oregon families at or below median adjusted gross income to increase rates of savings for higher education expenses. The results of the study must be reported to the Legislative Assembly no later than December 1, 2018.

The study and report to the Legislate are anticipated to have a minimal fiscal impact on state and local government; as expenses will be absorbed within existing budgetary parameters. The impact of excluding accounts established for higher education expenses, from benefit determinations is likely to have a minimal fiscal impact on state government however, there are means-tested services and programs in some agencies, including the Department of Human Services (DHS), that could be impacted. The amount of such an impact is indeterminate because there is no way to know how many potential clients will have such accounts, as well as whether the account balances would result in a change in eligibility for services.

This bill only impacts the Oregon 529 College Savings program rather than the Achieving a Better Life Experience Act (ABLE) program, which is also part of the 529 plan that permits the creation of tax-free, state-based savings accounts to pay for disability-related expenses.