

HB 2976 -3 STAFF MEASURE SUMMARY

House Committee On Education

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Meeting Dates: 3/20, 4/8

WHAT THE MEASURE DOES:

Requires the Higher Education Coordinating Commission (HECC) adopt by rule standards for licensing of career schools that receive \$10 million or more in annual revenue or subsidiary to parent company. Requires standards ensure that schools with at least 20 percent of annual revenue received by each career school comes from a source other than federal government, state government, or loan guaranteed by career school, or at least 20 percent of students enrolled in school pay tuition without moneys from federal government, state government, or loans. Requires at least half tuition dollars spent on direct instruction with students. Specifies use of tuition dollars. Prevents school from using money to engage in advertising or recruitment.

ISSUES DISCUSSED:

- Efforts to protect veterans interested in higher education

EFFECT OF AMENDMENT:

-3 Requires Higher Education Coordinating Commission and Department of Veterans' Affairs adopt by rule minimum standard for licensing career schools and authorizing school programs. Requires standard ensure that career schools and authorized schools collecting \$1 million or more in annual gross tuition revenue have at least 20 percent of annual revenue received by each campus physically located in Oregon come from a source other than loan guaranteed by school, or education-related moneys from the federal government. Requires standard ensure that career schools and authorized schools collecting less than \$1 million in annual gross tuition revenue have at least 10 percent of annual revenue received come from a source other than loan guaranteed by career school, or education-related moneys from the federal government. Prescribes civil penalty for any school violating this policy in the amount of \$5,000.

BACKGROUND:

The Private Career Schools Licensing Unit is housed in the Office of Private Postsecondary at the Higher Education Coordinating Commission (HECC). The office regulates over 208 private career schools in Oregon, and works on licensing requirements including business standards and instructional requirements. When evaluating an institution, ORS 345.325 allows the Office of Private Career Schools under HECC to evaluate the following components of a school applying for licensure: (1) quality and content of each course, (2) facilities and equipment, (3) qualifications of administration, (4) catalog and brochure of school, (5) education credentials, (6) adequate records, and (7) other items specified in rule.