

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4099 - 1

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Provides that student who legally entered United States under Compact of Free Association treaty between United States and Republic of Palau, Republic of the Marshall Islands or Federated States of Micronesia and who has not previously established residence in any state or territory of United States other than Oregon qualifies for exemption from nonresident tuition and fees at public universities and is eligible to receive state and university scholarships or other financial aid.

Government Unit(s) Affected:

Public Universities, Community Colleges, Higher Education Coordinating Commission (HECC), Oregon Health Sciences University (OHSU)

Summary of Fiscal Impact:

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

Analysis: This measure would exempt students who are Compact of Free Association (COFA) islanders and students with refugee or special immigrant visa from paying nonresident tuition and fees at public universities in Oregon, provided that they have not previously established a residence in any other state or territory of the United States (US) or District of Columbia. COFA islanders include those who legally entered the US under the Compact of Free Association treaty between the US and the Republic of Palau, Republic of Marshall Islands, and the Federated States of Micronesia.

There is an indeterminate fiscal impact to universities because the total number of students who may be affected is unknown. While the number of students at most universities is low, Eastern Oregon University (EOU) has approximately 40 students within this population. Currently, these students pay either nonresident or Western Undergrad Exchange (WUE) rates (150% of resident rates). The loss of tuition revenue could range from \$12,000 to \$15,000 per student per year, which would result in an estimated decrease of \$633,000 in tuition revenues for EOU. The current graduation and retention rate for these students is low and generally attributed to financial issues and the higher cost of attendance. It is unclear how many students would potentially take advantage of the change in tuition and if that change would result in an increase in retention.

The -1 amendment allows, under certain circumstances, mission differentiation funding that is part of the Student Success and Completion Model (SSCM) used by the Higher Education Coordinating Commission (HECC) to allocate the Public University Support Fund (PUSF) General Fund appropriation to the seven public universities. PUSF funding supports the instruction, research, and operations of the universities. The bill would not change the total amount of the PUSF appropriation but would result in a reallocation of the PUSF between universities. The Higher Education Coordinating Commission will be able to handle any rulemaking and process changes with existing resources.