

SB 424 -1 STAFF MEASURE SUMMARY

House Committee On Higher Education

Prepared By: Ellen O'Brien, LPRO Analyst

Meeting Dates: 4/18, 5/9

WHAT THE MEASURE DOES:

Prohibits post-secondary institutions of education from withholding transcripts from or otherwise penalizing students with outstanding account balances starting in 2024-2025 academic year. Permits institutions to charge standard fee to all students to access transcripts. Requires post-secondary institutions to report to Higher Education Coordinating Commission on transcript requests, debt owed by students making transcript requests, and institutional policies on transcript holds by September 15, 2024.

FISCAL: Fiscal impact issued

REVENUE: No revenue impact

SENATE VOTE: Ayes, 25; Nays, 2; Excused, 3

ISSUES DISCUSSED:

- Effectiveness of transcript withholding for debt collection
- Other options for institution to recover debts owed
- Potential for other students and taxpayers to absorb unrecovered costs

EFFECT OF AMENDMENT:

-1 Replaces reporting requirements. Requires post-secondary institutions of education based in Oregon to report to Higher Education Coordinating Commission by September 15, 2024 on number of current and former students who owe debt and on institutions' policy and procedures to phase out transcript holds.

BACKGROUND:

Withholding transcripts prevents students from transferring credits to other institutions or providing evidence of their credentials to employers. At least nine states currently prohibit or limit the practice of transcript withholding. California, Louisiana, Maine, New York, Illinois, and Colorado ban transcript withholding entirely ([CA Assembly Bill 1313 \(2019\)](#), [LA House Bill 676 \(2020\)](#), [ME Senate Paper 656 \(2022\)](#), [NY Assembly Bill A6938B \(2022\)](#), [IL Senate Bill 3032 \(2022\)](#), [CO House Bill 22-1049 \(2022\)](#)). Washington, Minnesota, and Ohio have more limited policies ([WA House Bill 2513 \(2019\)](#), [MN House File 7 \(2021\)](#), [OH House Bill 110 \(2021\)](#)); for example, Minnesota only prohibits transcript withholding if the student owes less than \$250 in debt, the student has entered into a repayment plan, the transcript request is made by a prospective employer, or the institution has sent the debt to the Department of Revenue or a collection agency.

OAR 715-045-0018 currently permits private career schools to "withhold an official transcript, certificate of completion, or diploma if the student has any outstanding debt owed to the school." There is no statute or administrative rule in Oregon that explicitly permits or prohibits transcript withholding at other institutions of higher education.

Senate Bill 424 prohibits colleges, universities, and career schools from withholding transcripts or penalizing students with outstanding account balances.