

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Education Subcommittee

From: Kim To, Legislative Fiscal Office

Date: June 1, 2023

Subject: HB 2802 – Relating to post-secondary students working at nonprofit corporations
Work Session Recommendations

HB 2802 establishes a pilot program at Portland State University (PSU) and Eastern Oregon University (EOU) to incentivize the hiring of public university students by nonprofit organizations. The measure requires PSU and EOU to each designate pilot program administrators to register students who wish to participate in the pilot program and match these students with eligible nonprofits. The measure requires participating nonprofit organizations to pay each employed student wages at an hourly rate not less than the Oregon minimum wage. PSU and EOU are required provide participating students a 20% tuition discount for each academic term that the student is employed by a nonprofit participating in this pilot program. The measure also allows PSU and EOU to reimburse nonprofit organizations up to 50% of the amount the organization paid in wages to students who participate in the pilot program. By September 15th of each year, PSU and EOU are required to evaluate the effectiveness of the pilot program and report the findings to an interim legislative committee.

The fiscal impact of this measure is estimated to be \$294,206 General Fund for the 2023-25 biennium. This estimate includes the projected costs of lost tuition revenue from the 20% discount, reimbursement to nonprofit organizations, and program administration expenses. The estimate assumes that each university would serve approximately five students per year.

The measure previously had hearings in the House Committee on Higher Education on 2/16/2023, 3/2/2023, and 3/9/2023 and was reported out with a do pass recommendation.

Recommended Changes

The –2 amendment appropriates \$294,206 General Fund to the Higher Education Coordinating Commission to distribute to PSU and EOU to implement the pilot program.

LFO recommends adoption of the –2 amendment.

MOTION: I move adoption of the dash 2 amendment to HB 2802. (VOTE)

Final Subcommittee Action

LFO recommends that HB 2802, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 2802, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____