



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: Michael Graham
Reviewed by: Kim To
Date: March 19, 2025

Bill Title: Relating to post-secondary students working at nonprofit corporations; declaring an emergency.

Government Unit(s) Affected: Higher Education Coordinating Commission, Portland State University, Eastern Oregon University

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Higher Education Coordinating Commission	\$ 888,412	\$ -	\$ -	\$ -	\$ 888,412	-	-
Total Fiscal Impact	\$ 888,412	\$ -	\$ -	\$ -	\$ 888,412	-	-

2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Higher Education Coordinating Commission	\$ 222,103	\$ -	\$ -	\$ -	\$ 222,103	-	-
Total Fiscal Impact	\$ 222,103	\$ -	\$ -	\$ -	\$ 222,103	-	-

Measure Description

The measure appropriates \$888,412 General Fund to the Higher Education Coordinating Commission (HECC) in the 2025-27 biennium for allocation to PSU and EOU to continue a five-year pilot program.

The measure modifies provisions of a five-year pilot program at Portland State University (PSU) and Eastern Oregon University (EOU), including requiring that priority be given to students in specified courses of study; increasing the allowable reimbursement rate for participating nonprofit organizations from 50% to 100% of wages paid to participating students; and removing the requirement that eligible nonprofits must have an annual budget of \$500,000 or less.

Fiscal Analysis

The measure has a fiscal impact of \$888,412 General Fund in the 2025-27 biennium, which HECC will distribute to PSU and EOU. In the 2023 session, the Legislature directed HECC to establish a five-year pilot program at PSU and EOU through the passage of HB 2802. The pilot program, which is scheduled to sunset in January 2028, is meant to incentivize the hiring of public university students by eligible nonprofit organizations. Under the current pilot program, one or more individuals, designated as pilot program administrators at PSU and EOU, register enrolled students and eligible nonprofit organizations that wish to participate in the program. Students are then matched with eligible nonprofit organizations with the goal of matching each student to an organization that operates in a field relevant to the student's course of study. For each academic term in which a student is employed by an eligible nonprofit organization, PSU and EOU are required to reduce the student's cost of tuition by 20%.

PSU and EOU will use the additional funding appropriated in the measure to continue the pilot program, including offsetting lost tuition revenue for the tuition reduction of 20% per student; reimbursing participating nonprofit organizations up to 100% of wages paid to participating students; and staffing, travel, and other costs of administering the pilot program.

Since the pilot program began in 2023, PSU and EOU report that the program has served 14 total students. This fiscal impact assumes the pilot program will serve up to 24 students per institution (or 48 total students). With available funding of 888,412 General Fund (or \$444,206 per institution), PSU and EOU estimate they will each spend \$92,057 to offset the reduction in tuition revenue; \$135,989 on wage reimbursements to nonprofit organizations; and \$216,160 on program administration in the 2025-27 biennium. Assuming funding continues, the estimated cost of the program is \$222,103 General Fund in the 2027-29 biennium, as the pilot program is scheduled to sunset in January 2028.

Relevant Dates

The measure declares an emergency and takes effect on passage.