



Date: June 9, 2015
To: Education Subcommittee of the Joint Ways and Means Committee
From: Juan Baez Arevalo, Director, Private Postsecondary Education
Subject: House Bill 5025

Good morning Co-Chair Komp and Co-Chair Monroe, members of the committee. For the record, my name is Juan Baez-Arevalo. I am the Director of Private Postsecondary Education for the Oregon Higher Education Coordinating Commission.

House Bill 5025 would ratify new and increased administrative fees for different functions of the units under the Office of Private Postsecondary Education. They will support primarily the Private Career Schools (PCS) unit and the Office of Degree Authorization for its implementation of SARA – State Authorization Reciprocity Agreement.

Section (1) relates to fees related to the administration of SARA. During the 2014 Legislative Session, Senate Bill 1525 and House Bill 4018 authorized the Higher Education Coordinating Commission (HECC) to enter into and administer interstate agreements for post-secondary distance education and to impose a fee on any institution that seeks to participate in SARA so as to recover expenses incurred by the Commission's administration of the agreement.

As we worked to design the appropriate fee structure for SARA, we reviewed more than one fee option, including a flat fee to all participating Oregon institutions regardless of size and online presence. We opted for a graduated scale, similar to the one being used under the NC-SARA, in part due to concerns shared with our office that a flat fee would create a disproportionate higher cost to smaller institutions (i.e. small community colleges or non-profits).

The biennial fee is based on an educational institution's total enrolled full-time equivalent (FTE) as shown in the federal Integrated Postsecondary Education Data System (IPEDS). An amendment has been request to section 1 of this bill to accurately reflect the graduated fee scale that is outlined in the administrative rule.

Section 2 of House Bill 5025 pertains to the fee schedule of the PCS unit.

As part of our efforts to make it possible for the units to operate sustainably without General Fund allocations the HECC reviewed the Private Career Schools unit fee schedule.

The recommended fee changes are a result of our need to cover rising costs of administering the responsibilities of the unit, and to recover costs incurred in processing tasks such as teacher registration, search and retrieval of transcripts from closed schools, verification of teacher registration, teacher trainee registration, investigations and late processing of renewal applications. Employee costs continue to rise and our fee schedule for key tasks such as teacher registration and transcript search has not risen accordingly for several years.

This additional revenue will help cover the costs of registering teachers, research transcripts, and securing, storing, and organizing student records from closed private career schools. It will also include the evaluation of records and urgently processing late school license renewals which include staff time to review materials, printing, mailing, and costs related to the denial or revocations, such as contested case hearings conducted by the Office of Administrative Hearings and related legal services.

Prior to submitting administrative rule changes related to the PCS fees, the proposed fee amendments were submitted to the PCS Advisory Committee for review during the committee's meetings on March 14, 2014, and June 13, 2014. The Committee advises the HECC on policies and regulations regarding career schools and functions as the commission's rules advisory committee for rules regarding career schools. Seven of the eleven committee members represent career school owners and directors, and the meetings are regularly attended by school owners and representatives, as well as representatives of related stakeholder groups, such as the Association of Oregon Cosmetology Colleges and the Northwest Career Colleges Federation. The PCS Advisory committee supported the staff proposal to increase the fees as outlined in HB 5025.

Thank you for taking the time to hear this bill. I would be happy to answer any questions.