

HB 3516: Student Tuition Protection

Last year saw the dramatic and sudden closure of a number of campuses of Anthem, a private, for-profit school operating in several states across the U.S. Then Heald College in Portland closed recently, leaving 306 students without a complete education.

Several weeks ago, the U.S. Department of Education named more than 550 colleges that it has put under extra financial scrutiny because of concerns about management or administration of federal financial aid dollars. Among those listed, five have campuses in Oregon¹.

The Higher Education Coordinating Commission's Office of Degree Authorization certifies and regulates more than two dozen institutions that are located in Oregon, ensuring they meet standards in topics such as curriculum, admissions, fees, and facilities. A number of other schools are exempt from this regulatory activity, such as Reed College and Willamette University.

But for students at those non-exempt institutions that the Office regulates, the students have no recourse to recover their tuition payments if a school closes or the pre-paid courses are not delivered.

This bill would proactively enhance student protection and allow the HECC to identify bonding requirements, as necessary, when an institution is failing to demonstrate financial soundness.

House Bill 3516 would protect students' tuition payments if they are attending a regulated, degree-granting institution in Oregon. It would require those institutions to file a surety bond or letter of credit.

And it allows the Office of Degree Authorization to establish, by rule, criteria for placing a regulated school on probation, which may include requiring a school to increase or alter the amount of the bond or letter of credit.

This isn't a theoretical problem – schools do close sometimes, and there have been instances where students are left in the lurch, having lost time spent on courses toward degrees without a path to completion.

Other states require this kind of financial protection for student tuition; Oregon should, too.

There are tuition protections for students at private career colleges, but not at the other regulated, non-exempt schools. Let's protect the tuition payments for all of Oregon's students.

¹ **Colleges under extra financial scrutiny by US Department of Education:** The Art Institute of Portland (Portland), Everest College (Portland), Le Cordon Blue College of Culinary Arts (Portland), Multnomah University (Portland), New Hope Christian College (Eugene), Oregon College of Oriental Medicine (Portland).