



# 2025 Legislative Concept Proposal LC 506 - Office of Degree Authorization Fees

## Problem

The HECC's Private Career School unit (PCS) receives no state general fund appropriations and is entirely dependent on license-related fees it collects from private career schools operating within the State. These fees are limited to a statutory schedule, meaning that the Office is unable to adapt its fees to market conditions and agency needs without seeking prior legislative authorization.

## Background

Oregon statute charges HECC's Office of Degree Authorization with determining whether degree-granting schools may operate in Oregon because they are public institutions, private independent institutions that are exempt from state oversight, or because they meet the authorization standards established in state law and HECC administrative rule. To review applications for authorization, especially for schools in the latter category, is labor-intensive. Under the Legislature's budget for HECC, funding for ODA staff depends entirely on fee revenue that can vary widely depending on how many institutions apply to receive or renew authorization in a given year. This can leave the office with revenues that are insufficient to carry out the responsibilities of the unit, and that cannot be increased as needed due to the statutory fee schedule.

Requiring advance statutory authorization for fee increases creates financial and political risks for the unit that are not as present under regulatory fee approval processes.

## Proposed Solution

The legislative concept allows the Office to publish fees in rule, only for the activities for which the Office already charges fees pursuant to the statutory language being repealed.