



# INVESTMENT IMPACT AND OPTIONS FOR OREGON STUDENT AID

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Presented to: Joint Committee on Ways and  
Means, Subcommittee on Education

May 8, 2019

# Oregon Student Aid

## Overview of Topics in this Presentation

### Oregon Opportunity Grant:

- Awarding and Disbursement at CSL
- Projected Impact of Increased Investment options

### Oregon Promise:

- Awarding and Disbursement Scenarios
  - EFC Limited, CSL, and Decreasing GPA requirement to 2.0
- Interface between OOG and Promise

### Assistance to the Neediest Students:

- Differentiation of OOG Awards
- Oregon Promise – increasing the minimum award
- Emergency Assistance – Current practices and pilot program framework

# Expected Family Contribution and Income

## Example EFC Ranges vs. Median AGIs

Expected Family Contribution (EFC) (* Pell-eligible EFC range)	CC Dependent Students- Median Parent Adjusted Gross Income	CC Independent Students – Median Adjusted Gross Income
0*	\$25,791	\$8,006
1 - 500*	\$29,321	\$18,311
501 - 1,000*	\$37,545	\$16,000
1,001 - 2,000*	\$42,479	\$16,765
2,001 - 3,000*	\$48,511	\$19,118
3,001 - 3,500*	\$53,640	\$20,679
3,501 - 4,000*	\$55,526	\$21,906
4,001 - 5,000*	\$58,240	\$24,153
5,001 - 5,486*	\$62,417	\$25,959
5,487 - 6,000	\$64,220	\$27,310
6,001 - 7,000	\$68,111	\$29,494
7,001 - 8,000	\$72,924	\$32,209
8,001 - 9,000	\$77,045	\$35,057
9,001 - 10,000	\$81,431	\$37,849

# Expected Family Contribution and Income

## Example EFC Ranges vs. Median AGIs

Expected Family Contribution (EFC) (* Pell-eligible EFC range)	Public Univ. Dependent Students- Median Parent Adjusted Gross Income	Public Univ. Independent Students – Median Adjusted Gross Income
0*	\$23,869	\$6,062
1 - 500*	\$28,545	\$13,075
501 - 1,000*	\$36,204	\$14,165
1,001 - 2,000*	\$42,463	\$16,429
2,001 - 3,000*	\$48,069	\$18,549
3,001 - 3,500*	\$51,485	\$20,681
3,501 - 4,000*	\$56,340	\$21,940
4,001 - 5,000*	\$58,306	\$24,191
5,001 - 5,486*	\$63,630	\$25,994
5,487 - 6,000	\$62,502	\$27,375
6,001 - 7,000	\$69,693	\$29,666
7,001 - 8,000	\$74,473	\$32,292
8,001- 9,000	\$78,334	\$35,158
9,001 - 10,000	\$83,284	\$37,840

# OREGON OPPORTUNITY GRANT



Lane Community  
College



Oregon Institute of  
Technology



Clackamas Community  
College



Oregon  
State University

# Need-Based Aid:

## The Oregon Opportunity Grant (OOG)

Oregon's only state-funded, need-sensitive grant program to help low-income Oregonians, including young people and adults, achieve their academic goals.

- Used at eligible public and private Oregon colleges and universities.
- Starting with the 2018-19 academic year, maximum award amounts based on approximately 13% cost of attendance.

**GOAL:** To increase college enrollment, completion, and affordability for Oregon students who have demonstrated financial need.

# Oregon Opportunity Grant: Eligible Students

U.S. citizens or permanent noncitizen residents\*

Oregon residents and out-of-state members of federally recognized tribes with historical ties to Oregon

Those who attend eligible 2- or 4-year public/private nonprofit postsecondary institutions located & headquartered in Oregon

Undergraduates with no prior baccalaureate degrees, enrolled at least half time

Those who demonstrate financial need

Foster youth –awards prioritized, regardless of FAFSA filing date, start of enrollment, or EFC

Up to equivalent of 12 terms or 8 semesters at full-time enrollment, prorated for half-time enrollment.

\* Also students eligible for in-state tuition under Tuition Equity guidelines

# Increased Maximum OOG Award Amount in 2018-19

## Oregon Opportunity Grant MAXIMUM AWARDS INCREASED in 2018-19

Set awards based on percentage of  
Cost of Attendance (COA)

- Percentages for 2018-19 at 13% COA (prior year), rounded up to nearest \$100
  - Increased to \$2,600 at community colleges
  - Increased to \$3,200 at eligible 4-year colleges and universities
- Prior fixed award amount in 2017-18 was set at \$2,250

## POLICY LOGIC

Goal: Increase Student Support and  
Affordability

- Aligning annual maximum awards with cost of attendance will help students who are most sensitive to annual increases in tuition, fees and other costs
- Higher, more meaningful OOG award amounts support student access, retention and completion
- Equalizes purchasing power for students in 2-year and 4-year Public Institutions

# 2019-2021 Oregon Opportunity Grant (OOG)

## Projected Awards & Disbursements at Current Service Level (CSL)

### March Co-Chairs' Budget

- HECC will disburse up to \$72.5 million in OOG funds to students for the 2019-20 academic year, i.e., 48% of Current CSL
- If additional funds become available, HECC will either make additional awards for 2019-20, spend the remaining balance in the second year of the biennium, or some combination.
- Permits HECC to serve a similar number of students in each academic year

### Awarding Impact

- 2019-20 Projections
- Est \$\$ Disbursed: \$72.5M
- Max Awards: \$2,700 CCs; \$3,300 public/private 4-year schools
- Estimated Recipients: 29,055
  
- 2020-21 Projections
- Est \$\$ Disbursed: \$79.7M
- Max Awards: \$2,800 CCs; \$3,400 public/private 4-year schools
- Estimated Recipients: 30,795

# 2019-2021 Oregon Opportunity Grant

## CSL Projected Awards and Disbursement

At CSL (\$152.2M), 3,500 EFC limit, maximum award at 13% prior-year cost of attendance (COA).

	2019-2020 YTD (\$72.5M)	2020-2021 (\$79.7M)
Est # Recipients	29,059	30,795
Est \$ Disbursed	\$72.5M	\$79.7M
Award Maximum – CC	\$2,700	\$2,800
Award Maximum – 4-Year Public/Private	\$3,300	\$3,400

# 2019-2021 Oregon Opportunity Grant

CSL + \$25M Projected Awards

Increases applied-through date, EFC at 3,500, award until funds exhausted, maximum awards at 13% of prior-year cost of attendance.

	2019-2020 (\$85.1M)	2020-2021 (\$92.1M)
Est # Recipients	34,108	35,587
Est \$ Disbursed	\$85.1M	\$92.1M
Award Maximum – CC	\$2,700	\$2,800
Award Maximum – 4-Year Public/Private	\$3,300	\$3,400

# 2019-2021 Oregon Opportunity Grant

CSL + \$50M Projected Awards

Increases EFC limit and applied-through date, award until funds exhausted, maximum awards at 13% prior-year cost of attendance.

	2019-2020 (\$97.1M)	2020-2021 (\$105.1M)
Est # Recipients	38,918	40,611
Est \$ Disbursed	\$97.1M	\$105.1M
Award Maximum – CC	\$2,700	\$2,800
Award Maximum – 4-Year Public/Private	\$3,300	\$3,400

# 2019-2021 Oregon Opportunity Grant

CSL + \$100M Projected Awards

Increases EFC limit and applied-through date, award until funds exhausted (Pell EFC limits: 5,486 for 19-20; est. 5,586 for 20-21), maximum awards at 13% prior-year cost of attendance.

	2019-2020 (\$121.1M)	2020-2021 (\$131.1M)
Est # Recipients	48,537	50,657
Est \$ Disbursed	\$121.1M	\$131.1M
Award Maximum – CC	\$2,700	\$2,800
Award Maximum – 4-Year Public/Private	\$3,300	\$3,400

# OREGON PROMISE GRANT



Blue Mountain Community College,  
Tim Park Photography Bend, OR



Mt. Hood  
Community College



Central Oregon  
Community College,  
photography Timothy Clark



Oregon Coast  
Community College

# The Oregon Promise

Oregon Promise grant program helps cover community college tuition costs for recent high school graduates and GED® test graduates.

- Established by Senate Bill 81 (2015)
- Grants apply after federal and state grant aid.
- Students may be eligible for up to 90 attempted college credits - approximately two years at full-time enrollment.
- Grant sizes ranged from minimum of \$1,000 to maximum of \$3,687 in 2018-19 (based on average CC tuition)

**GOAL:** To increase college enrollment, completion, and affordability for recent high school graduates and GED® test graduates.

# Opening the Door: The Oregon Promise

## Student Eligibility



Recent Oregon high school graduate or GED® test graduate

**2.5+ GPA**

at HS graduation or 145 on all GED® tests



Oregon resident for at least 12 months prior to college attendance

**90**

credit limit, completed or attempted, including accelerated learning



Enroll for 6+ credits at an Oregon community college within 6 months of graduation

**Apply**

File a FAFSA/ORSAA  
File an Oregon Promise Application

Expected family contribution (EFC) may also be used as needed to control program costs

### To maintain eligibility, students must:

- Remain continuously enrolled for at least 6 credits each term
- File a complete FAFSA/ORSAA application by published deadline
- Have earned fewer than 90 college credits

# Oregon Promise

## Participation Rates and Disbursements Vary Across Income Levels

Cohort # 3, Fall 2018-19						
EFC Group	Avg. Parent Adjusted Gross Income (AGI) (of authorized students)	# Authorized for Award	# Recipients (Disbursed)	Pickup Rate	\$ Disbursed Fall	Fall Avg. Disbursement
0	\$ 19,841	3,308	1,706	51.6%	\$ 484,529	\$ 284
1-3,500	\$ 43,027	1,960	1,035	52.8%	\$ 285,967	\$ 276
3,501-5,328	\$ 63,712	687	363	52.8%	\$ 192,919	\$ 531
5,329-10,000	\$ 78,522	1,299	867	66.7%	\$ 925,319	\$ 1,067
10,001-20,000	\$ 101,583	1,580	1,069	67.7%	\$ 1,153,040	\$ 1,079
20,001+	\$ 162,419	1,764	1,163	65.9%	\$ 1,237,472	\$ 1,064

**\*Not all students have a parent AGI listed (on FAFSA), even among Dependent students. Additionally, some have a negative parent AGI.**

# 2019-2021 Oregon Promise Grant (OPG)

## Projected Awards & Disbursements under Current Service Level

### March Co-Chairs' Budget

- 2019-21 CSL budget for the Oregon Promise is \$41.5 M.
- The GRB funds the program at \$21.5 M, eliminating the program for the second year of the biennium.
- Co-chairs' budget funds the program at \$30 M.
- Limited funding requires the implementation of cost control measure (setting an EFC cap).
- HECC/OSAC initiates Fall 2019 awarding with an EFC cap, and implements communication plan.

### Awarding Impact

- HECC to disburse up to \$15 million in OPG funds for the 2019-20 academic year, i.e., 50% of Co-chairs budget of \$30M.
- 2019-20 Awards as of 5/6/19\*
- Cost control EFC cap at 18,000.
- 7,041 awards to students with EFCs at or below 18,000
- 2,000+ students with higher EFCs in "pending" award status
- HECC/OSAC will make additional awards if funding increases

\* The application deadline for most students is early June, so there will likely be more applicants and awardees

# Oregon Promise

## Award Cost Estimate w/18,000 EFC Limit

2019-2021	Estimated Disbursements
2019-20	\$15,517,037
2020-21	\$13,377,579
Total	\$ 28,894,616

### Assumptions:

- Biennial Budget Limitation of \$30M
- 18,000 EFC limit each year (for new students)
- 4% tuition increase per year
- Same new recipient cohort size
- Same EFC demographics
- Same trends re: enrollment level, pickup rates, and renewal rates

# Oregon Promise

## Award Cost Estimate, No EFC Limits (Baseline)

	Estimated Disbursements
2019-20	\$19,580,540
2020-21	\$20,212,752
Total	\$39,793,292

### Assumptions:

- Biennial Budget at CSL
- No EFC limits
- 4% tuition increase per year
- Same new recipient cohort size
- Same EFC demographics
- Same trends re: enrollment level, pickup rates, and renewal rates

# Oregon Promise

## Decrease GPA to 2.0 & Maintain EFC Limits during 2019-2021

	Estimated Disbursements		
	2019-20	2020-21	Total
Cost Estimate	\$15,517,037	\$14,777,579	\$30,294,616

### Assumptions:

- GPA decrease would only impact 2020-21 awards (new students)
- **18,000 EFC limit each year**
- 4% tuition increase per year
- Same EFC demographics
- Same trends re: enrollment level, pickup rates, and renewal rates

# Oregon Promise

## Decrease GPA to 2.0 & No EFC Limits

	Estimated Disbursements	\$ Increase Over Baseline	Assumptions:
Cost Estimate	\$41,583,570	\$1,790,278	<ul style="list-style-type: none"><li>• GPA decrease would only impact 2020-21 awards (new students)</li><li>• Approximately 15% of HS Grads have a GPA between 2.0 and 2.49</li><li>• No EFC limits</li><li>• 4% tuition increase per year</li><li>• Same EFC demographics</li><li>• Same trends re: enrollment level, pickup rates, and renewal rates</li></ul>

# Oregon Promise: 2019-2021

## Summary of Cost Award Scenarios

Scenarios (Least to Most Expensive)	Estimated Disbursements		
	2019-20	2020-21	Total
18K EFC limit, 2.5 GPA	\$15,517,037	\$13,377,579	\$ 28,894,616
18K EFC limits, 2.0 GPA, higher cost est.	\$15,517,037	\$14,777,579	\$30,294,616
No EFC limits, 2.5 GPA	\$19,580,540	\$20,212,752	\$39,793,292
No EFC limits, 2.0 GPA, higher cost est.	\$19,580,540	\$22,003,030	\$41,583,570

# Interface between: Oregon Opportunity Grant and Oregon Promise

- Oregon Opportunity Grant (OOG) serves as a first dollar reducing directly the costs of the Oregon Promise for thousands of participating students
- 50 % of Oregon Promise authorized awards, during Fall 2018, went to low income-high need students who qualified for the Oregon Opportunity Grant
- 44 % of Oregon Promise award recipients, during Fall 2018, received the minimum ORP award amount, OOG and Pell covered tuition expenses
- Investments in the Oregon Opportunity grant that increase the EFC award limit directly reduce awarding costs for Oregon Promise

# Oregon Promise

Potential additional “Cost Savings” if OOG awards students up to maximum Pell level EFC

	2019-20	2020-21	Assumptions:
# Estimated OPG Recipients between 3500-5576 EFC	716	716	<ul style="list-style-type: none"><li>• 4% tuition increase per year</li><li>• GPA at 2.50</li><li>• OOG award of \$2,700 in 2019-20, \$2,800 in 2020-21</li><li>• Same new recipient cohort size</li><li>• Same EFC demographics</li><li>• Same trends re: enrollment level, pickup rates, and renewal rates</li></ul>
Average OPG “Cost Savings” per Student	\$1,076	\$1,129	
Estimated Cost Savings	\$770,416	\$808,364	
TOTAL Estimated Cost Savings for 2019-21:	\$1,578,780		

# OPTIONS FOR INCREASED ASSISTANCE TO THE NEEDIEST STUDENTS



# Oregon Opportunity Grant

## Differentiation of OOG Awards

Differentiating maximum awards at 15% of prior-year cost of attendance (COA) for students at EFC 0, and at 13% prior-year COA for everyone else.

	2019-2020 (\$121.1M)	2020-2021 (\$131.1M)
Est # Recipients	25,809 EFC 0 recipients; 18,859 at higher EFCs.  Total: 44,668	26,541 EFC 0 recipients; 19,839 at higher EFCs.  Total: 46,380
Est \$ Disbursed	\$121.1M	\$131.1M
Maximum awards for 15% COA (for \$0 EFCs)	CC: \$3,100, Pub/Priv4: \$3,800	CC: \$3,200, Pub/Priv4: \$4,000
Maximum awards for 13% COA (for higher EFCs)	CC: \$2,700, Pub/Priv4: \$3,300	CC: \$2,800, Pub/Priv4: \$3,400

# Oregon Promise

## Increasing the Minimum Award Amount

Additional Costs	2019-20	2020-21	Total Additional Costs
# Recipients Impacted (Min. Awardees)	4,591	4,591	
Additional Cost per Student	\$147	\$153	
Total Additional Costs	\$674,877	\$702,423	\$1,377,300

### Assumptions:

- 4% tuition increase per year
- Same EFC demographics
- Same trends re: enrollment level, pickup rates, and renewal rates
- 2.5 GPA

# Oregon Promise

## 2019-21 Cost Scenarios with Increased Minimum Award Amount

Scenarios (Least to Most Expensive)	Total Est. Disbursements	With Increased Min. Award starting in <u>Fall 2019</u>	With Increased Min. Award starting in <u>Fall 2020</u>
18K EFC limit, 2.5 GPA	\$28,894,616	\$30,271,916	\$29,597,039
18K EFC limit, 2.0 GPA	\$30,294,616	\$31,671,916	\$30,997,039
No EFC limit, 2.5 GPA	\$39,793,293	\$41,170,593	\$40,495,716
No EFC limit, 2.0 GPA	\$41,583,570	\$42,960,870	\$42,285,993

# Emergency Assistance: Background



Students can face unforeseen economic hardships as they pursue a higher education credential, sometimes resulting in dropouts.



To keep students enrolled, institutions may offer different types of emergency aid.

# Emergency Assistance: National Practices

## Minnesota

- \$175,000 per year
- 5 institutions in 2017 (award per institution unknown)
- 5 institutions in 2018 (award per institution unknown)

## Texas

- Proposal in legislature
- \$2,000,000 per year
- # of institutions unknown, but up to \$50K per institution

# Emergency Assistance: Efforts at Oregon Institutions

40 institutions surveyed

Grants, scholarships, loans, food pantry access, bus passes, direct payments for goods or services, etc.

Average annual budget approx. \$25,000

Average award per student approximately \$675

# Emergency Assistance: Pilot Concept

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HECC will gather/convene partners to share proven methods

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HECC will coordinate with state agencies to support local/institutional partnerships

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Establish a statewide emergency grant (institutions to decide how to use it)

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Establish an advisory committee to create a minimum definition of qualifying emergency, determine a minimum institutional match/maintenance of effort requirement for funds eligibility, and review funds utilization and outcomes.

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HECC to proportionately distribute grant funds to OOG eligible institutions.

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