



# HB 2093: State Financial Aid Redesign

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# HB 2093: Redesigning Student Financial Aid Programs- Background

	Oregon Opportunity Grant (OOG)	Oregon Promise Grant (OPG)
2019-21 Budget	\$164 M	\$40 M
Students served (2019-20)	32,527	11,625
Eligibility*	Oregon residents Traditional and adult-age students Lowest-income students only Community colleges, public/private universities	Oregon residents Recent high school/GED graduates only Few/no income restrictions Community colleges only
Maximum Award (2021-22 full-time student)	\$2,778 (comm. colleges) \$3,600 (public/private universities)	\$3,981**
Award design	Flat award amount Prorated based on partial/full-time attendance	“Last dollar” award (calculated to cover most tuition costs after other state/federal aid is taken into account) Prorated based on partial/full-time attendance

\*This represents a partial list of eligibility criteria. For complete program details, see [www.oregonstudentaid.gov](http://www.oregonstudentaid.gov)

\*\*After the required \$50/term co-pay is subtracted.

# HB 2093: Redesigning Student Financial Aid Programs – problem statement

- In 2008, the Oregon Opportunity Grant covered 81% of tuition and fees at colleges and 53% at public universities. Today it covers 53% and 48%, respectively.
- The OOG serves fewer than 40% of low-income, Pell-eligible students.
- Low and middle-income students continue to face enormous affordability barriers.
- The Oregon Promise Grant sends a significant share of resources to individuals without need.
- Awards are restricted to degree-granting programs, and lack adult friendly features.
- Award structures are not simple and predictable enough.

# HB 2093: Redesigning Student Financial Aid Programs

## Proposed Solution

### EQUITY:

Provide the most resources to those that need them the most

### SCALABILITY:

Have award amounts gradually increase/decrease by income, not jump sharply from bracket to bracket

### CREDENTIAL SUPPORT:

Create a structure that helps working adults pursue short-term credentials or gain new skills

### DEDICATED RESOURCES:

Protect pipeline students from the impact of adult learners returning to schools during economic downturns

### FLEXIBILITY:

Eliminate barriers that prevent pipeline and adult students from qualifying for state financial funds

### SUSTAINED SUPPORT:

Make benefit eligibility windows four years, regardless of prior credits

# OPG: Student Eligibility Requirements



## Earn High School Degree or Equivalent

- Graduate from an Oregon high school with a 2.5+ GPA
- Or pass the GED<sup>®</sup> test



## Enroll in Community College

- Attend college within 6 months of your HS/GED<sup>®</sup> graduation
- And enroll in at least 6 college credits



# OPG: Awarding System

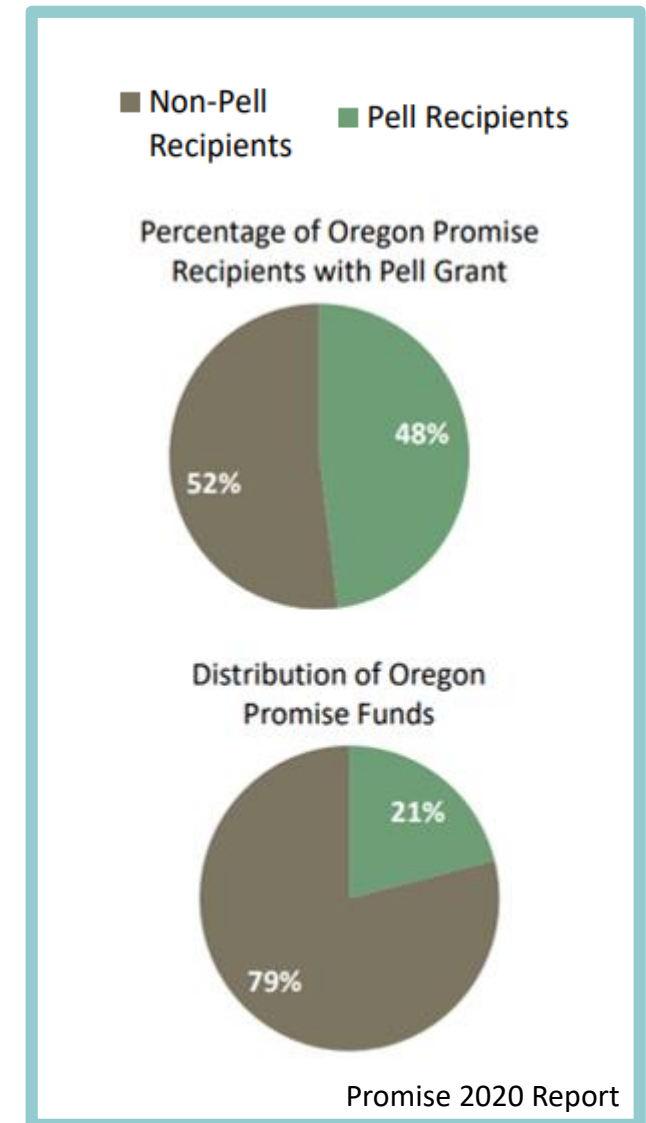
Grant funds distributed *after* other federal and state aid

The award amount depends on student's remaining financial need to cover the average cost of tuition

- If a student's tuition is covered in-full by other public grants, the student receives the minimum award (\$850).
- When combined with the OOG, Promise students from the lowest-income families receive a total of \$3,628 from these two State grants.
- Meanwhile, Promise students from middle and higher-income families receive \$3,855.

*\*All award numbers above are after co-pay.*

More than 50% of recipients are low income, but nearly 80% of the program dollars go to higher income students.



Source: HECC-R&D, December 2020, "Senate Bill 81 (2015): The Oregon Promise – Report from Year 5"  
<https://www.oregon.gov/highered/research/Documents/Reports/HECC-report-341.522-Oregon-Promise-2020.pdf>

# Improving the Equity Impacts of the Oregon Promise

Striving to serve the students with the highest need

Oregon Promise helps recent HS and GED® graduates pay their college tuition

A number of barriers prevent the program from advancing equity:

1. Low-income students may have personal life stressors that affect their high school grades; the current GPA requirement prevents them from advancing their education and future
2. The co-pay creates an unnecessary financial burden on already low-income students
3. The inclusion of accelerated learning credits in the program's 90-credit limit disadvantages students with high school academic success
4. Students have a limited choice in colleges and must go through the transfer process if they want to pursue a bachelor's degree
5. The current minimum award structure puts a cap on how much low-income students receive and disproportionately benefits middle-to-high income students

# Improving the Equity Impacts of the Oregon Promise

Recommended steps to increasing student access, equity, and success

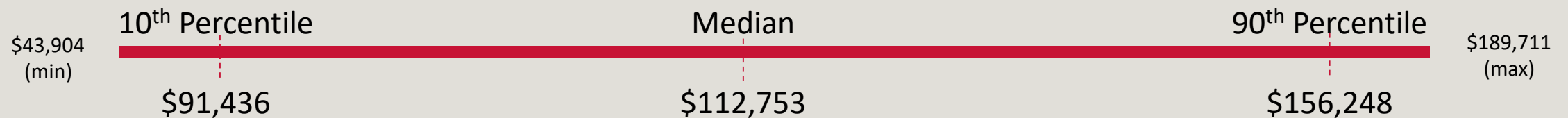
- 1 Lower the high school GPA requirement from 2.5 to 2.0
- 2 Increase the minimum award and have it rise as tuition increases
- 3 Eliminate the \$50 co-pay per term
- 4 Exclude accelerated learning credits from program eligibility limit
- 5 Allow funds to be used at public universities and private colleges



# Cost Estimates for Oregon Promise Program Structure

	No changes, no Expected Family Contribution (EFC) limit	With changes, no EFC limit	With changes, estimated 20,000 EFC limit
2021-22	\$17,032,184	n/a	n/a
2022-23	\$20,088,853	<b>+\$24,484,500</b>	<b>+\$3,561,000</b>
<b>Biennium Total</b>	\$37,121,036	\$61,605,537	\$40,682,037
Total Compared to GRB/CSL at \$42.2M	<b>-\$5,078,964</b>	<b>+\$19,405,537</b>	<b>-\$1,517,963</b>

## Adjusted gross income (AGI) for families of students with an EFC around \$20,000



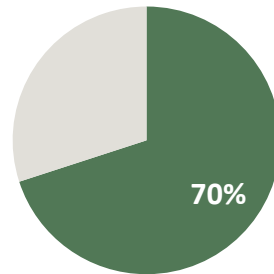
# We estimate a \$20,000 EFC cap would cover about 2/3 of students, and benefits would be greatest for students in historically underserved groups

## Based on the last 5 years:

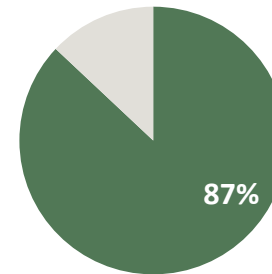
A \$20,000 EFC cap would cover estim. 67% of students overall

- 70% - 100% of students in historically underserved racial/ethnic groups
- 60% of White students

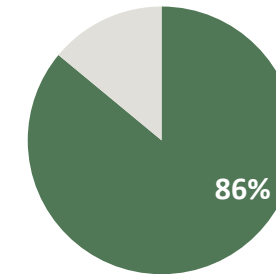
Asian American



Black/African American



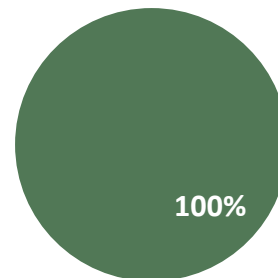
Hispanic/Latinx



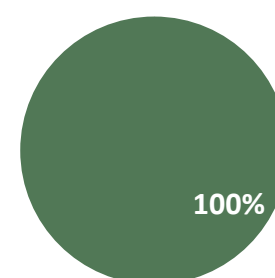
Percentage covered with \$20,000 EFC

Percentage not covered with \$20,000 EFC

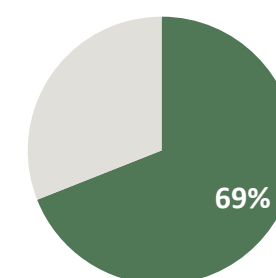
Native American/  
Alaska Native



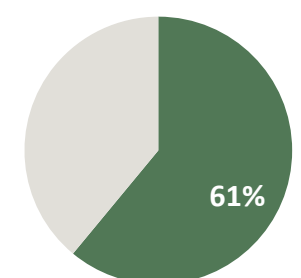
Native Hawaiian/  
Pacific Islander



Multi-racial

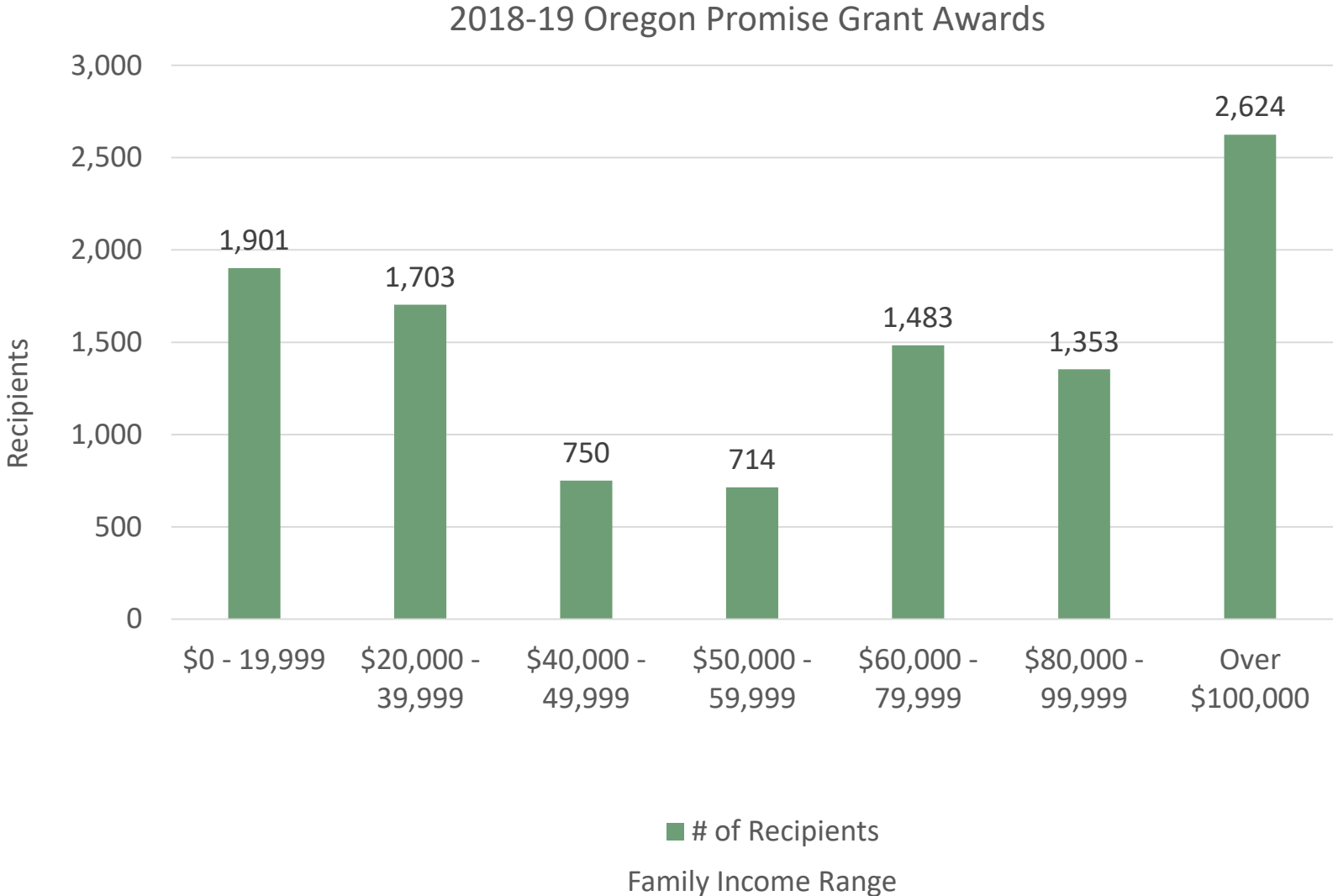


White



# QUESTIONS

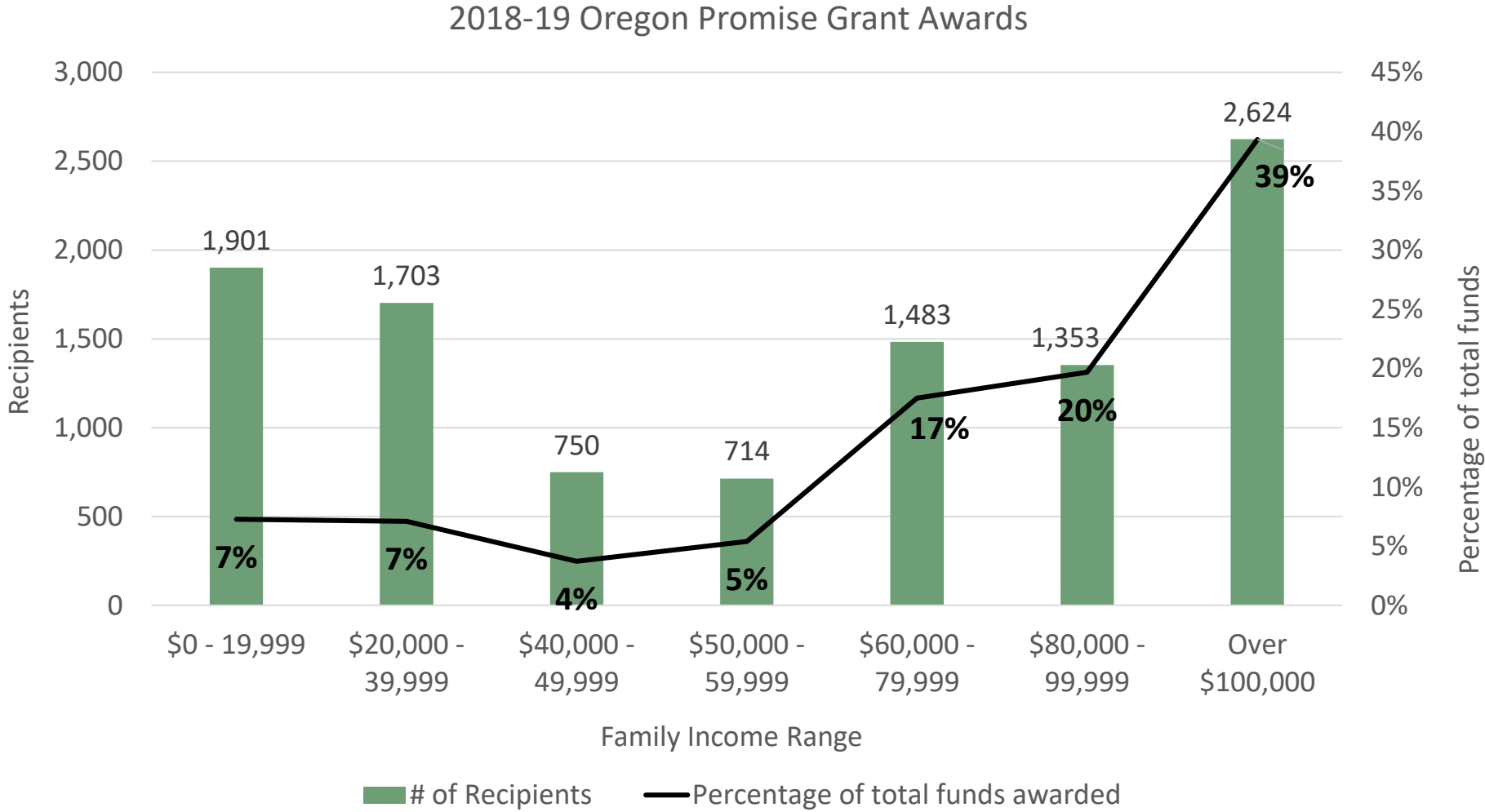
# Inequitable Award Structure – Oregon Promise



Analysis of OSAC data



# Inequitable Award Structure – Oregon Promise



Analysis of OSAC data

