

## HB 2093 A STAFF MEASURE SUMMARY

### House Committee On Education

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**Action Date:** 04/13/21

**Action:** Do pass with amendments and be referred to Ways and Means by prior reference.  
(Printed A-Eng.)

**Vote:** 10-0-0-0

**Yeas:** 10 - Alonso Leon, Hudson, Neron, Owens, Reardon, Ruiz, Smith DB, Sollman, Weber, Wright

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact

**Prepared By:** Matt Perreault, LPRO Analyst

**Meeting Dates:** 3/25, 4/6, 4/8, 4/13

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#### WHAT THE MEASURE DOES:

Expands educational options available to qualified students who are awarded Oregon Promise grants to include community colleges, public universities, the Oregon Health and Science University, and other accredited, Oregon-based, not-for-profit institutions of higher education. Creates process for students who were denied eligibility for Oregon Promise grant during 2020-2021 academic year to receive retroactive waiver and for Higher Education Coordinating Commission (HECC) to implement process by rule. Appropriates \$28,932,328 from the General Fund to HECC for upcoming biennium to administer Oregon Promise program. Allows Oregon Promise grant to be applied toward courses required for completion of a bachelor's degree. Increases minimum grant amount awarded to \$2,000 with adjustment for inflation as determined by HECC by rule. Removes \$50 reduction per term of grant awarded. Lowers eligibility threshold for grade point average to 2.0. Exempts students who have already completed six or more academic quarters or four or more academic semesters of full-time, post-secondary education. Removes requirement for student to complete first-year experience at community college to maintain eligibility. Allows HECC to consider projected resources and pending statutory modifications when determining whether sufficient moneys are available to award grants. Allows HECC to consider student's financial resources rather than family contribution when determining eligibility. Removes ability for HECC to increase amount owed by student if sufficient funds are unavailable. Applies to 2022-2023 academic year. Allows HECC to take necessary action before operative date to implement requirements. Declares emergency, effective July 1, 2021.

#### ISSUES DISCUSSED:

- Characteristics of and relationship between Oregon Opportunity Grant and Oregon Promise
- Funding and equity challenges of universal benefit programs
- Characteristics of last-dollar aid programs versus first-dollar aid programs
- Prioritization of limited resources toward students most in need
- Need for comprehensive higher education funding overhaul
- Number of students served by Oregon Promise program
- Status of students who lost eligibility due to recent budget cuts
- Academic success rates for students with lower grade point average
- Differences in rates of completion between recipients of Oregon Opportunity Grant and Oregon Promise grants
- Funding level necessary to achieve "shared responsibility" model
- Characteristics of retroactive waiver program

#### EFFECT OF AMENDMENT:

Replaces the measure.

## **HB 2093 A STAFF MEASURE SUMMARY**

### **BACKGROUND:**

The Oregon Promise program was created by Senate Bill 81 (2015) and is the state's second-largest, state-funded financial aid program. Oregon Promise is a grant available to Oregon high school graduates or students who pass the General Educational Development (GED) test, subject to certain eligibility requirements, to provide financial assistance for tuition and fees at Oregon community colleges. Although the Oregon Promise is not a means-tested aid program, when sufficient funds are unavailable, Oregon law allows the Higher Education Coordinating Commission (HECC) to deny eligibility to students whose expected family contribution (EFC) is above a certain threshold as determined by the HECC by rule. During the second special session in August of 2020, the Legislative Assembly passed Senate Bill 5723, which reduced appropriations to the HECC's budget for Oregon Promise grants and resulted in the HECC raising its EFC limit for applicants who were otherwise eligible for awards.

House Bill 2093 A expands the Oregon Promise student aid program to allow recipients to apply awards toward a bachelor's degree at four-year universities and other post-secondary educational institutions in addition to community colleges, appropriates additional moneys from the General Fund, lowers the minimum grade point average for eligibility, increases the minimum award amount, and creates a retroactive waiver program for students who were denied eligibility due to recent changes enacted during the 2020 second special session.