



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

**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[®] test



Enroll in Community College

- Attend college within 6 months of your HS/GED[®] graduation
- And enroll in at least 6 college credits

OPG: Awarding System

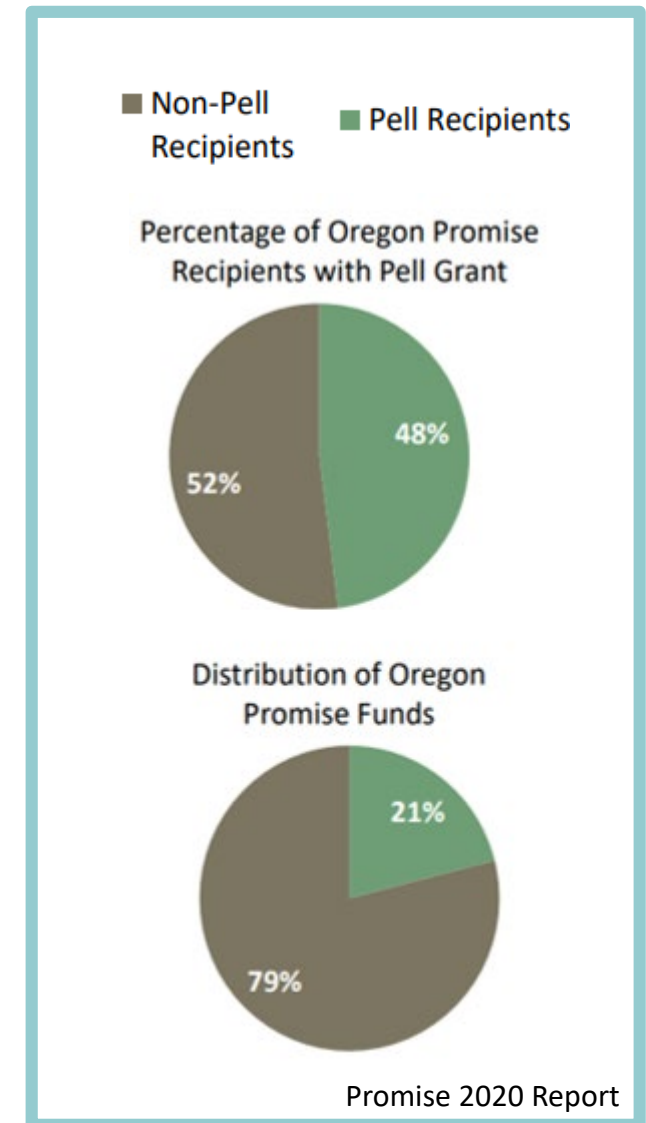
Grant funds distributed *after* other federal and state aid

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

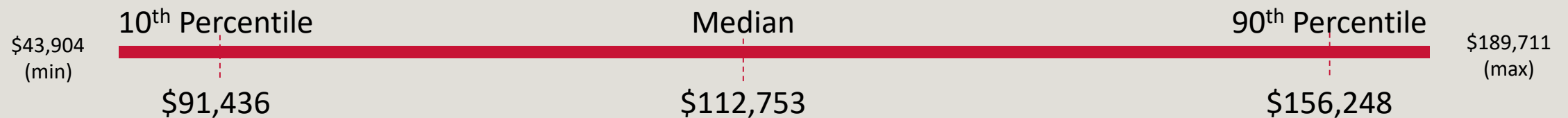
Recommended steps to increasing student access, equity, and success

- 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	+\$24,484,500	+\$3,561,000
Biennium Total	\$37,121,036	\$61,605,537	\$40,682,037
Total Compared to GRB/CSL at \$42.2M	-\$5,078,964	+\$19,405,537	-\$1,517,963

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



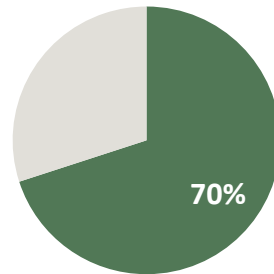
We estimate a \$20,000 EFC cap would cover about 2/3 of students, and benefits would be greatest for students in historically underserved groups

Based on the last 5 years:

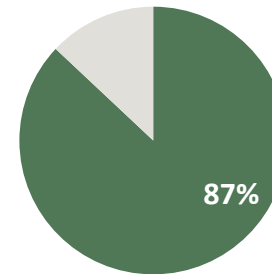
A \$20,000 EFC cap would cover estim. 67% of students overall

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

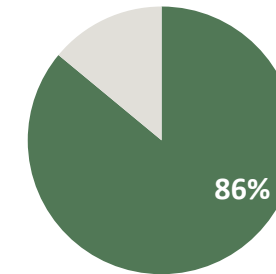
Asian American



Black/African American



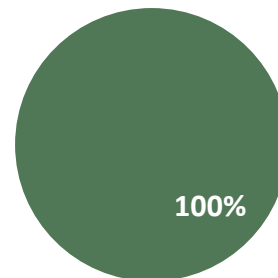
Hispanic/Latinx



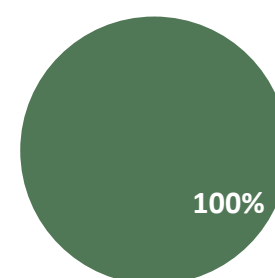
Percentage covered with \$20,000 EFC

Percentage not covered with \$20,000 EFC

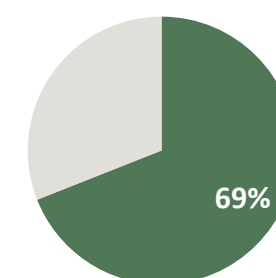
Native American/
Alaska Native



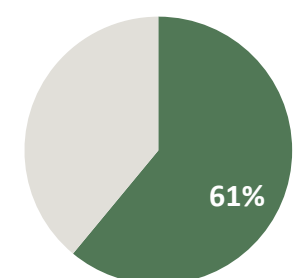
Native Hawaiian/
Pacific Islander



Multi-racial

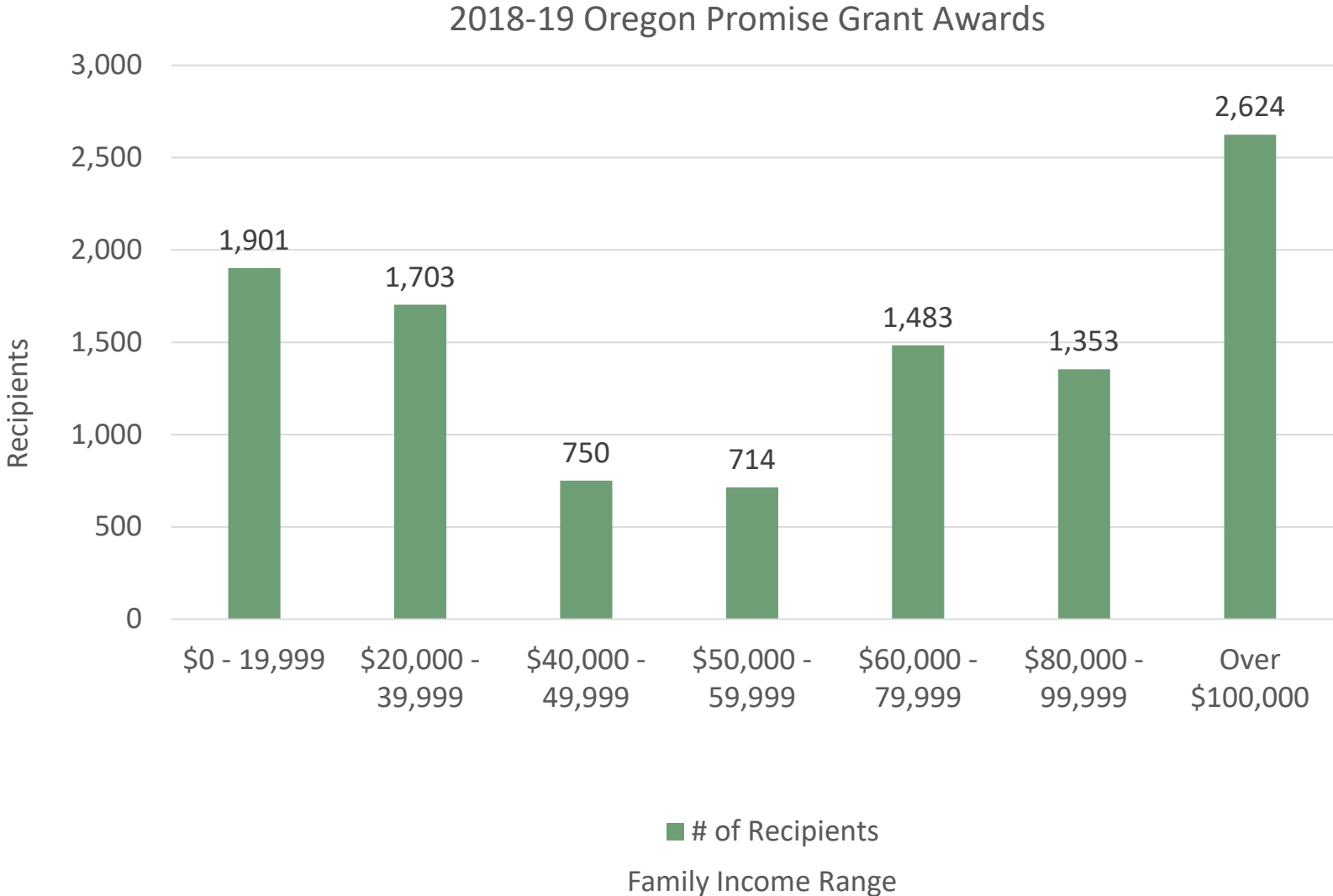


White



QUESTIONS

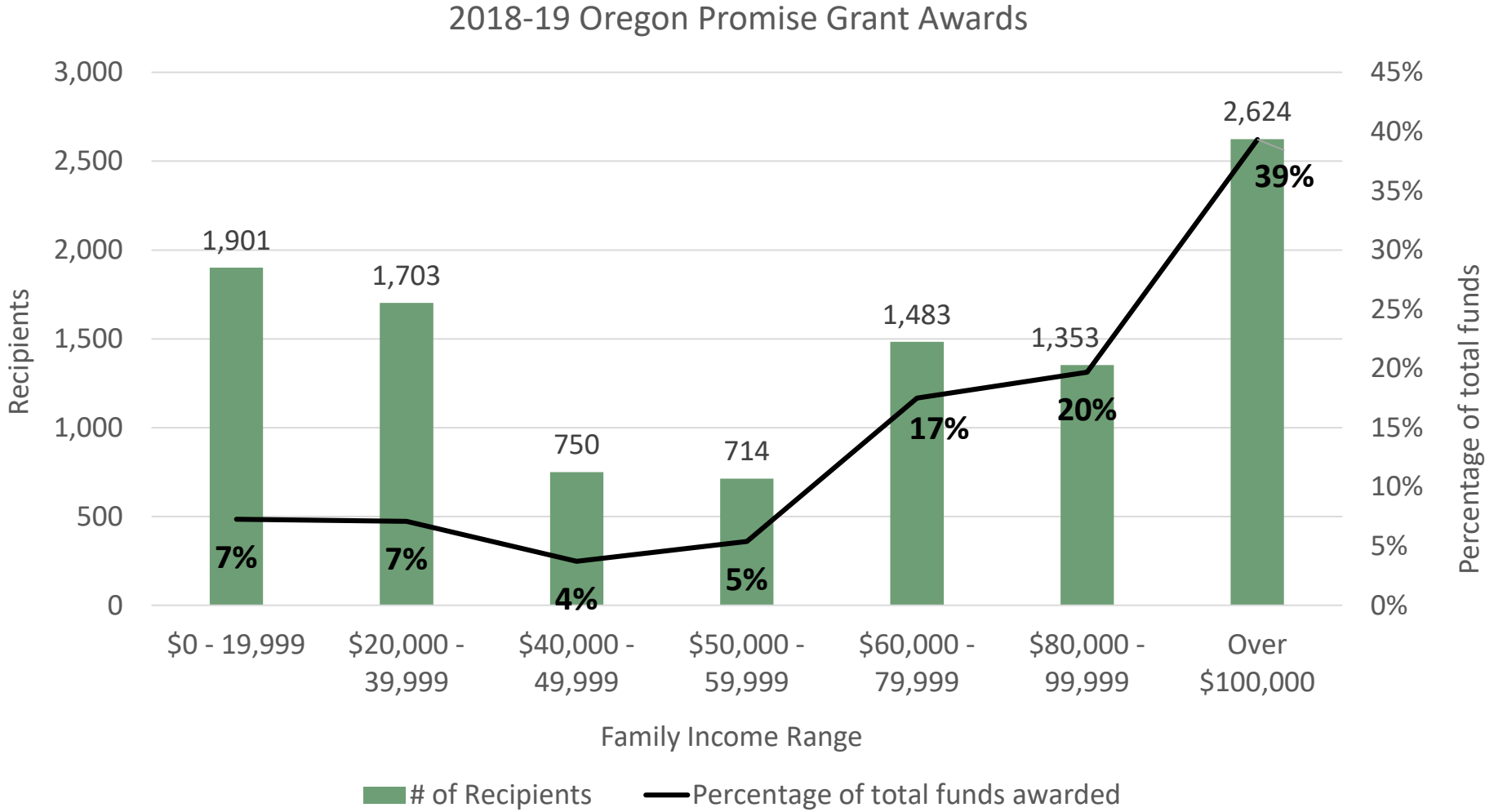
Inequitable Award Structure – Oregon Promise



Analysis of OSAC data



Inequitable Award Structure – Oregon Promise



Analysis of OSAC data

