

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 262 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Limits eligibility for the Oregon Promise program to students and families with adjusted gross income at or below \$100,000.

Government Unit(s) Affected:

Higher Education Coordinating Commission

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

Senate Bill 262 A-engrossed limits eligibility for the Oregon Promise program to students and families with adjusted gross income at or below \$100,000. The Higher Education Coordinating Commission (HECC) may limit eligibility based on individual or family adjusted gross income when it determines that program funding is insufficient. HECC must adopt rules to determine whether student meets the income criteria. HECC may award moneys from the Oregon Promise program to students to encourage completion of a community college degree program, without regard to minimum or maximum Oregon Promise program grant amounts or eligibility criteria. HECC must adopt specified rules for administration of awards for degree completion. The measure modifies the definition of “qualified student” to receive state scholarship and grant awards. The measure transfers administration of the Oregon Opportunity Grant program from the Director of the Office of Student Access and Completion to HECC. The measure takes effect on January 1, 2024, and first applies to applications for grants or other financial aid received by HECC.

The measure is anticipated to have a fiscal impact on HECC, as it will require HECC to implement changes to the Oregon Promise program and the Oregon Opportunity Grant. HECC will also need to develop criteria for the special Oregon Promise awards and update printed marketing materials, the costs of which would be minimal and absorbable within HECC’s current service level.

The Oregon Opportunity Grant estimates that additional funds would be needed in the 2023-25 biennium to maintain current spending and to expand grant and scholarship awards to undocumented and Deferred Action on Childhood Arrivals (DACA) students, who do not currently meet the tuition equity requirements. The estimated fiscal impact to HECC is \$1,800,000 General Fund in 2023-25. The fiscal impact in 2025-27 is indeterminate.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State’s General Fund and HECC’s biennial budget.