## HB 2719 STAFF MEASURE SUMMARY

# **House Committee On Higher Education and Workforce Development**

**Prepared By:** Ellen O'Brien, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

Meeting Dates: 3/4

#### WHAT THE MEASURE DOES:

The measure creates the Guaranteed Opportunity Program to cover the cost of attendance at Oregon public institutions of higher education in return for annual payments based on recipients' adjusted gross income. It establishes an operative date for the program of January 1, 2045. The measure also creates the Task Force on Implementing the Guaranteed Opportunity Program and requires the task force to submit recommendations to the Legislative Assembly by September 15, 2026. It requires the Higher Education Coordinating Commission (HECC) to submit a report on progress toward implementation during the 2026 and 2027 sessions of the Legislative Assembly. The measure takes effect on the 91st after adjournment sine die.

# **Detailed Summary**

- Creates the Guaranteed Opportunity Program to cover the cost of attendance at Oregon public institutions of higher education, including public universities, community colleges, Oregon Health and Science University, and private career schools.
- Allows any person between the ages of 18 and 65 who graduated from high school in Oregon or who is a tax-paying resident of the state to enroll in the program.
- Collects a percentage of participants' annual adjusted gross income based on the level of the degree program pursued under the Guaranteed Opportunity agreement, starting from graduation until retirement.
- Requires graduates to pay:
  - 2 percent of adjusted gross income for an associate's degree or certificate program;
  - o 3 percent for a bachelor's degree program;
  - o 4 percent for a master's degree or professional degree program; and
  - o 5 percent for a doctorate program.
- Allows participants to enroll repeatedly in the Guaranteed Opportunity Program and pay the established rate for the highest level of degree pursued.
- Authorizes the Higher Education Coordinating Commission (HECC) to enter into agreements with the Oregon
  Department of Revenue, the Internal Revenue Service, or other entities to verify participants' income,
  including participants living out-of-state.
- Requires the State Workforce and Talent Development Board to submit a biennial report to the Legislative
  Assembly analyzing the need to change the percent of adjusted gross income collected under the program.
- Creates the Guaranteed Opportunity Program Implementation Fund to pay all covered costs for program participants.
- Creates the Task Force on Implementing the Guaranteed Opportunity Program to:
  - Determine methods for fully funding the Guaranteed Opportunity Program;
  - Analyze methods for preventing bad faith participation; and
  - Review current grant and scholarship programs.
- Requires the task force to submit recommendations to the Legislative Assembly by September 15, 2026.
- Establishes an operative date of January 1, 2045.
- Requires the Higher Education Coordinating Commission to report on progress toward implementing the provisions of the measure during the 2026 and 2027 sessions of the Legislative Assembly.
- Takes effect on the 91st day after adjournment.

### **HB 2719 STAFF MEASURE SUMMARY**

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

### **ISSUES DISCUSSED:**

### **EFFECT OF AMENDMENT:**

No amendment.

## **BACKGROUND:**

Students in Oregon currently pay for college with a combination of federal grants and loans, state financial aid programs, private scholarships, and private loans. A <u>2023 issue brief</u> from the Higher Education Coordinating Commission (HECC) found that while college and university affordability in Oregon improved between 2019-20 and 2021-22, 34 percent of students could not meet expected costs at their university or college. This metric is based on the estimated cost of attendance provided by each institution. Cost of attendance estimates include not just the cost of tuition and fees, but books and supplies, room and board, personal expenses, and transportation.

According to HECC's <u>Oregon Higher Education Statewide Snapshot</u> for the 2021-2022 academic year, the average cost of attendance for all schools was \$26,031 before financial aid, and \$18,308 after institutional and public aid. The average debt among graduates was \$19,137, and 28 percent of undergraduates had federal loans.

In January 2023, the House Committee on Higher Education held a public hearing on <u>House Bill 2780 (2023)</u>, which also proposed the creation of a Guaranteed Opportunity Program.