

A-Engrossed House Bill 3025

Ordered by the House March 26
Including House Amendments dated March 26

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Tina Kotek for Higher Education Coordinating Commission)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells the HECC to give money to certain students to help with college costs. (Flesch Readability Score: 83.8).

Removes the shared responsibility model by which a qualified student, the student's family, the federal government and the state share the cost of education for the student. Directs the Higher Education Coordinating Commission to award grants to qualified students to assist with the students' cost of education. Establishes the bases for the commission's determination of grant amounts.

A BILL FOR AN ACT

Relating to the Oregon Opportunity Grant program; creating new provisions; and amending ORS 348.180, 348.205, 348.260 and 348.263.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 348.205, as amended by section 15, chapter 95, Oregon Laws 2024, is amended to read:

348.205. (1) The Oregon Opportunity Grant program is established within the Higher Education Coordinating Commission.

(2) Under the program, the *[cost of education of a qualified student shall be shared by the student, the family of the student, the federal government and the state.]* **commission shall award grants to qualified students for the purpose of assisting those students with the cost of education as determined under subsection (3) or (4) of this section.**

(3) The commission shall determine the cost of education of a qualified student based on the type of eligible post-secondary institution the student is attending. The cost of education equals:

(a) For a student attending a community college, the average cost of education of attending a community college in this state;

(b) For a student attending a public university listed in ORS 352.002, the average cost of education of attending a public university;

(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a community college in this state; and

(d) For a student attending the Oregon Health and Science University or a four-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a public university listed in ORS 352.002.

[(4)(a)] **(4) The commission may determine the cost of education of a qualified student**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

enrolled at an eligible post-secondary institution in an eligible program that does not lead to a degree.

(5) The commission shall determine the amount of *[the student share. The student share shall be]* a grant awarded under this section based on:

[(A)] (a) The type of eligible post-secondary institution the student is attending;

[(B) *The number of hours of work that the commission determines may be reasonably expected from the student; and]*

[(C) *The amount of loans that the commission determines would constitute a manageable debt burden for the student.*]

[(b) *The student shall determine how to cover the student share through income from work, loans, savings and scholarships.*]

[(c) *The student share for a student who attends a community college may not exceed the amount that the commission determines a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.*]

[(d) *The student share for a student who attends an eligible post-secondary institution that is not a community college may not exceed the sum of the amount that the commission determines a student may receive as loans plus the amount a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.*]

[(5) *The commission shall determine the amount of the family share. The family share shall be based on the resources of the family.*]

[(6) *The commission shall determine the amount of the federal share based on how much the student or the student's family is expected to receive from the federal government.*]

[(7)(a) *The commission shall determine the amount of the state share by rule. The state share shall be equal to the cost of education reduced by the student share, family share and amount received by the student from the federal government.*]

[(b) *The commission shall establish a minimum amount that a student may receive as a state share. If the commission determines that the amount of the state share of a student is below the minimum amount, the student may not receive the state share.*]

[(c)] (b) The enrollment level of the student;

(c) An analysis of the student's financial need; and

(d) Any other factor the commission deems necessary and appropriate to determine the amount of the grant.

(6) The commission may not reduce *[the amount of the state share of]* a grant awarded to a student based on amounts available to the student by virtue of being the designated beneficiary of a college savings network account established under ORS 178.300 to 178.360.

[(8)] (7) Subject to subsection [(9)] (8) of this section, if the commission determines that there are insufficient moneys to *[award the state share]* award grants to all qualified students, the commission:

[(a) *May establish the maximum amount that a student may receive as a state share. This amount may vary based on whether the student is attending an eligible post-secondary institution on a half-time or full-time basis.*]

[(b)] (a) May establish procedures that prioritize awarding Oregon Opportunity Grants to qualified students with the greatest financial need or whose circumstances would enhance the promotion of equity guidelines published by the commission.

[(c)] (b) May not reduce the amount of *[the state share awarded]* grants awarded to students

[in the low income range] **with greater financial need, as determined by the commission,** in a greater proportion than the amount [that the state share for] **of grants awarded to** students [in other income ranges is] **with less financial need is** reduced.

[(9)] (8) The commission shall adopt rules that implement the Oregon Opportunity Grant program. The rules adopted by the commission shall:

(a) Specify the manner by which the commission determines [the state share] **the amount of grants awarded to qualified students.**

(b) Prioritize current foster children and former foster children for receiving Oregon Opportunity Grants when the Oregon Opportunity Grant program does not have sufficient funding to serve all eligible Oregon students. As used in this paragraph, “former foster child” has the meaning given that term in ORS 350.300.

(c) **Determine how the commission shall award qualified students in eligible programs that do not lead to a degree. Rules adopted under this paragraph must define which programs or types of programs that do not lead to a degree are eligible, and must determine the methods the commission shall use to calculate award amounts for both credit and noncredit programs made eligible by the commission.**

SECTION 2. ORS 348.260, as amended by section 17, chapter 95, Oregon Laws 2024, is amended to read:

348.260. (1) In addition to any other form of student financial aid authorized by law, the Higher Education Coordinating Commission may award Oregon Opportunity Grants to qualified students.

(2) The amount of a grant shall equal the [state share of a qualified student’s cost of education] **amount of a grant** as determined by the commission **under ORS 348.205** and comply with applicable rules and procedures described in ORS 348.205.

(3) Grant funds necessary to meet matching requirements for federal funds may also be used to award grants to qualified students in any eligible post-secondary institution approved by the commission.

(4) Grants may be awarded under this section to qualified students enrolled for any term, including summer term. The commission may prescribe the method and date or dates by which a student must apply to the commission to qualify for a grant.

(5)(a) A qualified student who receives a grant under this section may apply for renewal of the grant on an annual basis. The commission may not renew the grant if the qualified student has not made a timely application for renewal of the grant.

(b) The commission shall by rule establish academic standards and benchmarks that a qualified student must meet to have the student’s grant renewed.

(c) If a qualified student who receives a grant under this section makes a timely application for renewal of the grant, meets the academic standards and benchmarks established by the commission under this subsection and continues to meet all other grant eligibility criteria, the grant shall be renewed for a second year of attendance at an eligible post-secondary institution.

(d) Upon timely application by a qualified student who meets the academic standards and benchmarks established by the commission under this subsection and who continues to meet all other grant eligibility criteria, the commission may continue to renew the grant until the qualified student has received the equivalent of four full-time undergraduate years of grant funding for an eligible program as defined by the commission.

(6)(a) The commission shall inform eligible post-secondary institutions of the identity of qualified students who attend the institution and who receive a grant under this section for more than one

academic year.

(b) To the extent possible, eligible post-secondary institutions shall ensure that qualified students identified under this subsection are made aware of the academic guidance and counseling services available at the institution.

(7) A qualified student who receives a grant under this section must attend the eligible post-secondary institution upon which the grant application is based unless the commission authorizes the grant to be used at a different eligible post-secondary institution. A qualified student who receives a grant under this section may attend more than one eligible post-secondary institution if the grant application was based on the qualified student attending more than one eligible post-secondary institution.

(8) The commission may not *[make a grant award]* **award a grant** to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(9)(a) The commission shall report annually on or before February 1 to committees of the Legislative Assembly related to higher education regarding the academic success and performance of qualified students who receive grants under this section.

(b) In order to meet the reporting requirements set forth in paragraph (a) of this subsection:

(A) The commission shall by rule design a method for evaluating the academic success and performance of students who receive a grant under this section; and

(B) Upon a request from the commission, eligible post-secondary institutions must provide the commission with the data necessary for the commission to conduct its analysis.

SECTION 3. ORS 348.263, as amended by section 18, chapter 95, Oregon Laws 2024, is amended to read:

348.263. (1) In addition to any other form of student financial aid authorized by law, the Higher Education Coordinating Commission may award moneys from the Oregon Opportunity Grant program to qualified students to reward student persistence and encourage completion of degree programs at eligible post-secondary institutions.

(2) Awards made under this section are not subject to the maximum Oregon Opportunity Grant amount established under ORS 348.205.

(3) The commission shall establish by rule eligibility criteria for awards made under this section. *[These] The* criteria shall include~~*[, but not be limited to, whether the qualified student is attending an eligible post-secondary institution on a full-time or half-time basis]*~~ **the enrollment level of the student.**

(4)(a) The commission shall administer, and determine the *[size]* **amount** of, awards made under this section.

(b) In determining the *[size]* **amount** of awards made under this section, the commission shall consider basing the *[size]* **amount** of the awards on a percentage of the maximum Oregon Opportunity Grant amount established under ORS 348.205.

SECTION 4. ORS 348.180 is amended to read:

348.180. As used in this section and ORS 348.205, 348.250, 348.260 and 348.263:

(1) "Cost of education" includes but is not limited to, tuition, fees and living expenses.

(2) "Eligible post-secondary institution" means:

(a) A public university listed in ORS 352.002;

(b) A community college operated under ORS chapter 341;

(c) The Oregon Health and Science University; or

(d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

(3) “Enrollment level” means the course load taken by a student as a proportion of the expected full-time course load.

~~[(3)]~~ **(4) “Qualified student” means any [resident] student[, or student exempted from paying non-resident tuition under ORS 352.287, who plans to attend] who has been a resident of this state for not less than 12 months prior to enrolling at** an eligible post-secondary institution and who:

(a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

(b) Is enrolled in an eligible program as defined by rule of the Higher Education Coordinating Commission; *[and]*

(c) Is making satisfactory academic progress as defined by rule of the commission; **and**

(d) Has not been admitted to the United States for the purpose of enrolling in a program of study at an institution of higher education.

SECTION 5. (1) Except as provided in subsection (2) of this section, the amendments to ORS 348.180, 348.205, 348.260 and 348.263 by sections 1 to 4 of this 2025 Act first apply to the 2026-2027 academic year.

(2) The Higher Education Coordinating Commission may delay implementation of awards to qualified students in eligible programs that do not lead to a degree until the 2027-2028 academic year if the commission determines additional time is required to ensure proper implementation or to ensure such awards are issued in a manner that aligns with federal government initiatives to award such students.