HIGHER EDUCATION COORDINATING COMMISSION

Testimony on HB 3025
House Higher Education and Workforce Development Committee
March 13, 2025

Chair Hudson, Vice-Chairs Fragala and Harbick, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission (HECC). Thank you for hearing HB 3025 today. This is a HECC sponsored bill.

HB 3025 sets out to make four important, though relatively modest changes, to the state's primary need-based financial aid program, the Oregon Opportunity Grant (OOG). This grant operates on a current biennial budget of $329m (with a further $25m proposed in the Governor's Recommended Budget) and serves about 39,000 students in the current academic year.

This program is a critical investment in higher education affordability and student success. The OOG, as demonstrated in HECC's most recent annual evaluation, posted on OLIS, reduces the percentage of college going students in Oregon facing unaffordable costs and increases student retention rates, which leads to more low- and middle-income Oregonians completing their degrees.

The changes HECC proposes in this bill are intended to update OOG awarding language to remove outdated and unused methodology, close a gap in financial aid award eligibility for students who are eligible for all other forms of state aid, allow HECC to award financial aid on a scale that better accounts for student course loads, and create the possibility of awarding financial aid for both credit and non-credit certificate programs.

Removing the Shared Responsibility Model from Statute

HECC runs the Oregon Opportunity Grant through agency rules that establish a base plus tuition differential model, scaled for the enrollment level of the student and the student's reported financial need. This program provides a maximum award of $3,900 for a community college student and $7,524 for a public or private non-profit university student attending full time with high financial need.

The program is run from a methodology established in rule because the current statutory methodology is underfunded, and it would require significant additional appropriations for the methodology to be used. Even if funded, the methodology in statute presents a somewhat outdated view of financial aid awarding.

Called 'The Shared Responsibility Model,' this statutory award structure requires HECC to calculate student wages and loan contributions as a contributing factor that would, in theory, reduce the state financial aid received by the student, according to HECC determinations about reasonable work hours and student debt. It was established when the total cost of attendance was far lower than today.

With these costs, which include not just tuition and fees, but housing, transportation, and childcare, students contribute far more to their education that the formula envisioned, and student wages have not kept up with tuition and fee costs. Shared responsibility for education expenses exists, regardless of the statutory formula.

The formula also assumes that a student must work and that their wages must count towards their educational expenses, when many cannot or must use those wages to support families. It also assumes there is a standard measure of affordable student loan debt, when the current student loan crisis, which disproportionately impacts females and students of color, shows otherwise.

Eliminating the formula does not reduce student or shared responsibility for educational expenses, but merely allows the HECC to continue to deploy modern awarding methodology.

Decoupling OOG Eligibility from Tuition Equity Law

Oregon has a statutory basis for determining when non-citizen students qualify for in-state tuition benefits. This is the 'tuition equity' law, ORS 352.287. The OOG currently ties financial aid eligibility for resident non-citizen students to this law. However, since the time this arrangement was codified the other financial aid programs operated by HECC have come to rely on a more standard view of residency, yet the OOG law has not been updated. The result is that some students qualify for the Oregon Promise, and perhaps other state benefits, but not the OOG. HECC believes this is an unintended effect of older versus newer legislation and is proposing to standardize financial aid eligibility based on residency.

Refining OOG Awarding Based on Credit Load

Currently, OOG awards are based on full-time attendance and half-time attendance. HB 3025 adjusts terminology to allow the Commission to prorate financial aid based on actual enrollment levels. With this change, the Commission can award students taking, for example, nine credits with an award equaling three-fourths of the maximum, as opposed to a half-time award. This change also facilitates the final change proposed by HECC.

Expanding OOG Eligibility to Approved Certificate Programs

The final change in HB 3025 involves both the base bill and the -1 amendment. This change allows HECC to, by rule, establish that certain non-degree programs may be eligible for financial aid if offered by current financial-aid eligible institutions. This change allows students participating in select programs, likely including programs on the Eligible Training Provider List, to utilize financial aid in pursuit of short-term credentials more directly tied to career paths.

The -1 amendment allows HECC to defer this initiative by one year if necessary to ensure that HECC and institutional systems can implement this change for non-credit programs, and to ensure that if the federal government moves to implement Pell Grants for short-term credentials, that Oregon has time to explore policy alignment.

Thank you for your consideration of this testimony.