

B-Engrossed
Senate Bill 334

Ordered by the House May 15
Including Senate Amendments dated April 5 and House Amendments
dated May 15

Sponsored by Senator SCHRADER; Senators DEVLIN, WALKER (at the request of Governor Theodore R. Kulongoski) (Pre-session filed.)

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.

[*Changes Oregon Opportunity Grant to Oregon Shared Responsibility Opportunity Grant.*] Directs Oregon Student Assistance Commission to base method of determining state share of education costs on student share, family share and amount expected from federal government. Changes method of determining cost of education for purposes of determining amount of **Oregon Opportunity** grants. Applies to students who first attend eligible post-secondary institution on or after July 1, 2008.

A BILL FOR AN ACT

1
2 Relating to student assistance; creating new provisions; and amending ORS 348.180, 348.183, 348.205,
3 348.260, 348.520 and 411.894.

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

5 **SECTION 1.** ORS 348.180 is amended to read:

6 348.180. As used in this section and ORS 348.183, 348.186, **348.205**, 348.230, 348.250 and 348.260:

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

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

9 (a) A state institution under the direction of the State Board of Higher Education;

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

11 (c) The Oregon Health and Science University; or

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

13 [(3) "*Financial need*" means that the financial capacity of both the student and the student's family
14 to contribute to the cost of the student's education is not adequate to meet the total cost of education
15 for any term, according to a system of need analysis approved by the Oregon Student Assistance
16 Commission.]

17 [(4)] **(3)** "Qualified student" means any resident student who plans to attend an eligible post-
18 secondary institution and who:

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

20 (b) Is enrolled in an eligible program as defined by rule of the Oregon Student Assistance
21 Commission; and

22 (c) Is making satisfactory academic progress as defined by rule of the [*Oregon Student*
23 *Assistance*] commission.

24 **SECTION 2.** ORS 348.183 is amended to read:

25 348.183. [(1)] The Legislative Assembly recognizes:

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.

1 [(a)] (1) That an investment in educational opportunities for all Oregonians is an investment in
2 a strong and stable economy and greater personal opportunities;

3 [(b)] (2) That the single largest barrier to attending an institution of higher education is lack
4 of finances;

5 **(3) That keeping higher education affordable requires a shared effort and partnership by
6 students, family, the federal government, state government and private philanthropy;**

7 [(c)] (4) The broad and diverse range of quality post-secondary educational services provided by
8 Oregon's institutions of higher education, including Oregon's community colleges, state institutions
9 and independent not-for-profit institutions of higher education; and

10 [(d)] (5) The positive effects on Oregon's citizens, families and economy of encouraging talented
11 and hardworking students to stay in Oregon to pursue a post-secondary education.

12 [(2) *It is the intent of the Legislative Assembly to:*]

13 [(a) *Empower students who have achieved a Certificate of Initial Mastery with the ability to attend
14 an Oregon institution of higher education; and*]

15 [(b) *Reward all Oregon students who have achieved a Certificate of Initial Mastery or a compara-
16 ble level of academic merit in Oregon schools with the opportunity and the necessary funding to attend
17 an Oregon institution of higher education.*]

18 **SECTION 3.** ORS 348.205 is amended to read:

19 348.205. (1) [*It is the intention of the Legislative Assembly to establish*] The Oregon Opportunity
20 Grant program **is established within the Oregon Student Assistance Commission.** [*Oregon Op-
21 portunity Grants awarded under this program shall be a uniform percentage of the student's financial
22 need as determined in ORS 348.260 (1)(b).*]

23 **(2) Under the program, the cost of education of a qualified student shall be shared by the
24 student, the family of the student, the federal government and the state.**

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

28 (a) **For a student attending a community college, the average cost of education of at-
29 tending a community college in this state;**

30 (b) **For a student attending an institution under the direction of the State Board of
31 Higher Education, the average cost of education of attending an institution under the direc-
32 tion of the board;**

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

36 (d) **For a student attending the Oregon Health and Science University or a four-year
37 Oregon-based, generally accredited, not-for-profit institution of higher education, the average
38 cost of education of attending an institution under the direction of the board.**

39 **(4)(a) The commission shall determine the amount of the student share. The student
40 share shall be based on:**

41 **(A) The type of eligible post-secondary institution the student is attending;**

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

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

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

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

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

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

13 **(6) The commission shall determine the amount of the federal share based on how much**
14 **the student or the student's family is expected to receive from the federal government as**
15 **grants, loans, tax credits or other student assistance.**

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

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

22 **(c) In determining the amount of the state share, the commission may consider the total**
23 **amount available to award as grants to all qualified students.**

24 **SECTION 4.** ORS 348.260 is amended to read:

25 348.260. *[(1)(a)]* **(1)** In addition to any other form of student financial aid authorized by law, the
26 Oregon Student Assistance Commission may award Oregon Opportunity Grants[, *to the extent funds*
27 *are made available,*] to qualified students [*who have financial need*].

28 **[(b) Eligibility, financial need and the amount of an Oregon Opportunity Grant shall be determined**
29 **annually by the Oregon Student Assistance Commission in consultation with representatives from the**
30 **educational sectors. In determining these factors, the Oregon Student Assistance Commission shall take**
31 **into consideration available state funds, available federal funds, the cost of education at the eligible**
32 **post-secondary institutions and the family's ability to contribute.]**

33 **(2) The amount of a grant shall equal the state share of a qualified student's cost of ed-**
34 **ucation as determined by the commission under ORS 348.205.**

35 **[(c)] (3)** Grant funds necessary to meet matching requirements for federal funds under the Lev-
36 eraging Educational Assistance Partnership Program and Special Leveraging Educational Assistance
37 Partnership Program of the United States Department of Education may also be used to award
38 grants to qualified students in any eligible post-secondary institution approved by the [*Oregon Stu-*
39 *dent Assistance*] commission.

40 **[(2)] (4)** [*Oregon Opportunity*] Grants may be awarded under this section to qualified students
41 enrolled for any term, including summer term.

42 **[(3)] (5)** If a qualified student receiving [*an Oregon Opportunity*] a grant under this section meets
43 the standards for renewal of the grant, the grant may be renewed upon application until the quali-
44 fied student has received the [*total of four undergraduate years of study in*] **equivalent of four**
45 **full-time undergraduate years of grant funding for** an eligible program as defined by the [*Oregon*

1 *Student Assistance*] commission.

2 [(4)] (6) A qualified student who receives [*an Oregon Opportunity*] a grant under this section
3 must attend the **eligible post-secondary** institution[, *college or school*] upon which the grant appli-
4 cation is based unless the [*Oregon Student Assistance*] commission authorizes the grant to be used
5 at a different **eligible post-secondary** institution[, *college or school*]. A qualified student who re-
6 ceives a grant under this section may attend more than one **eligible post-secondary** institution[,
7 *college or school*] if the grant application was based on the qualified student attending more than
8 one **eligible post-secondary** institution[, *college or school*].

9 [(5)] (7) [*No Oregon Opportunity Grant shall be made*] **The commission may not make a grant**
10 to any qualified student enrolled in a course of study required for and leading to a degree in the-
11 ology, divinity or religious education.

12 [(6) *No Oregon Opportunity Grant awarded under this section shall exceed 50 percent of the*
13 *qualified student's financial need as determined by the Oregon Student Assistance Commission.*]

14 **SECTION 5.** ORS 348.520 is amended to read:

15 348.520. The Oregon Student Assistance Commission shall:

16 (1) Make available to qualified persons financial aid from financial sources available to the
17 commission.

18 (2) Determine qualifications of persons to receive financial aid.

19 (3) Maintain reports and records on persons applying for and receiving financial aid from the
20 commission.

21 (4) Withhold any financial aid if the recipient thereof fails to maintain the standards established
22 for receipt of that aid.

23 (5) Recommend to the Legislative Assembly not less than once every biennium matters relating
24 to the establishment, administration, modification, transfer, reduction or cancellation of financial
25 aid.

26 (6) **Prior to implementing changes to the Oregon Opportunity Grant program, report to**
27 **the Legislative Assembly or the Emergency Board any proposed change:**

28 (a) **That increases or decreases the total amount awarded as Oregon Opportunity Grants**
29 **that was approved as part of the budget enacted by the Legislative Assembly for the com-**
30 **mission; and**

31 (b) **To the methodology used to determine the student share, family share or state share**
32 **under ORS 348.205.**

33 [(6)] (7) Encourage the establishment of financial aid programs by private agencies.

34 [(7)] (8) Collect and disseminate information pertaining to all types of available financial aid.

35 [(8)] (9) Review the administrative practices and evaluate the effectiveness of all public and
36 private post-secondary financial aid programs in Oregon.

37 [(9)] (10) Disburse state appropriations for financial aid in such a manner as to maximize its role
38 in cooperative coordination of financial aid programs.

39 **SECTION 6.** ORS 411.894 is amended to read:

40 411.894. (1) The Oregon JOBS Individual Education Account is established to improve the posi-
41 tion of JOBS Plus participants in the workforce by increasing their access to continuing education.
42 Employer contributions to the account under this section shall be used to pay for education ex-
43 penses for the individual as provided in subsection (2) of this section.

44 (2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the employer
45 shall pay, in addition to the participant wage, one dollar for each participant hour worked into the

1 participant's individual education account. Contributions to such an account shall be tax deferred
2 or tax-exempt to the extent permitted by federal and state law.

3 (b) Any participant for whom an Oregon JOBS Individual Education Account contribution is
4 made shall be eligible for access to education benefits from that participant's individual education
5 account for up to five years after the participant has left the JOBS Plus Program and has held a
6 full-time, unsubsidized job for at least 30 days.

7 (c) When any participant has qualified for use of that participant's individual education account,
8 an amount equal to that participant's individual education account balance shall be transferred to
9 the Oregon Student Assistance Commission for that participant's use. Only one individual education
10 account shall be created for any participant. Each account shall be administered by the [*Oregon*
11 *Student Assistance*] commission and shall be used for continuing education and training for the
12 participant and the participant's immediate family.

13 (3)(a) The [*Oregon Student Assistance*] commission may use any interest earned by an individual
14 education account transferred to the commission under this section for payment of expenses in-
15 curred by the commission in carrying out its duties under this section.

16 (b) The Department of Human Services shall transfer any interest earned by the Oregon JOBS
17 Individual Education Account to the General Fund for general governmental purposes. The depart-
18 ment shall transfer the interest no later than the close of each fiscal year in which the interest is
19 earned.

20 (4) Any unexpended or unobligated moneys remaining in an individual education account five
21 years after the participant has left the JOBS Plus Program are appropriated and transferred to the
22 **commission for the Oregon Opportunity Grant [*Fund*] program** on that date.

23 **SECTION 7. (1) The amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections**
24 **1 to 4 of this 2007 Act apply to qualified students who:**

25 (a) **Attend an eligible post-secondary institution for the first time on or after July 1, 2008.**

26 (b) **Did not continuously attend an eligible post-secondary institution prior to the**
27 **2008-2009 academic year.**

28 (c) **Attend an eligible post-secondary institution on or after July 1, 2011.**

29 (2)(a) **A qualified student who continuously attends an eligible post-secondary institution**
30 **and attended that eligible post-secondary institution during the 2007-2008 academic year shall**
31 **receive student assistance for the 2008-2009, 2009-2010 and 2010-2011 academic years based on**
32 **whichever of the following would grant the student the greater amount of student assistance:**

33 (A) **ORS 348.180, 348.205 and 348.260 as set forth in the 2005 Edition of Oregon Revised**
34 **Statutes; or**

35 (B) **ORS 348.180, 348.183, 348.205 and 348.260 as amended by sections 1 to 4 of this 2007**
36 **Act.**

37 (b) **This subsection applies only to those students who remain qualified as defined by rule**
38 **of the Oregon Student Assistance Commission.**

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