

C-Engrossed
Senate Bill 334

Ordered by the House June 23
Including Senate Amendments dated April 5 and House Amendments
dated May 15 and June 23

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.

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.

Directs commission to establish Shared Responsibility Steering Committee to advise commission on implementation of changes to Oregon Opportunity Grant program by Act.

Declares emergency, effective July 1, 2007.

A BILL FOR AN ACT

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

4 Whereas current recipients of Oregon Opportunity Grants should not be harmed by the imple-
5 mentation of the changes by this 2007 Act to the methodology of calculating the grants; and

6 Whereas those students with the greatest financial need should be the highest priority for re-
7 ceiving an Oregon Opportunity Grant; and

8 Whereas the number of students who receive Oregon Opportunity Grants should be expanded
9 to reach more students in families in the low-middle income range; and

10 Whereas there should not be a cut-off date for applying to the Oregon Student Assistance
11 Commission for an Oregon Opportunity Grant; now, therefore,

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

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

14 348.180. As used in this section and ORS 348.183, 348.186, **348.205**, 348.230, 348.250 and 348.260:

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

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

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

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

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

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

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

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 *Commission.*]

2 [(4)] (3) “Qualified student” means any resident student who plans to attend an eligible post-
3 secondary institution and who:

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

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

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

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

10 348.183. [(1)] The Legislative Assembly recognizes:

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

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

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

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

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

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

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

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

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

29 348.205. (1) [*It is the intention of the Legislative Assembly to establish*] The Oregon Opportunity
30 Grant program **is established within the Oregon Student Assistance Commission.** [*Oregon Op-*
31 *portunity Grants awarded under this program shall be a uniform percentage of the student’s financial*
32 *need as determined in ORS 348.260 (1)(b).*]

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (5) The commission shall determine the amount of the family share. The family share
22 shall be based on the resources of the family.

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

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

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

32 (c) In determining the amount of the state share, the commission shall consider the total
33 amount available to award as grants to all qualified students. If the commission must reduce
34 the amount of the state share under this paragraph, the commission may not reduce the
35 amount of the state share awarded to students in the low income range in a greater pro-
36 portion than the amount that the state share for students in other income ranges is reduced.

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

38 348.260. [(1)(a)] (1) In addition to any other form of student financial aid authorized by law, the
39 Oregon Student Assistance Commission may award Oregon Opportunity Grants[, *to the extent funds*
40 *are made available,*] to qualified students [*who have financial need*].

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

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

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

8 [(2)] **(4)** [*Oregon Opportunity*] Grants may be awarded under this section to qualified students
 9 enrolled for any term, including summer term. **The commission may prescribe a specific date by**
 10 **which a student must apply to the commission to qualify for a grant only if the commission**
 11 **determines that the total amount available to award as the state share to all qualified stu-**
 12 **dents is not sufficient to cover the total state share amount scheduled to be awarded to all**
 13 **students.**

14 [(3)] **(5)** If a qualified student receiving [*an Oregon Opportunity*] a grant under this section meets
 15 the standards for renewal of the grant, the grant may be renewed upon application until the quali-
 16 fied student has received the [*total of four undergraduate years of study in*] **equivalent of four**
 17 **full-time undergraduate years of grant funding for** an eligible program as defined by the [*Oregon*
 18 *Student Assistance*] commission.

19 [(4)] **(6)** A qualified student who receives [*an Oregon Opportunity*] a grant under this section
 20 must attend the **eligible post-secondary** institution[, *college or school*] upon which the grant appli-
 21 cation is based unless the [*Oregon Student Assistance*] commission authorizes the grant to be used
 22 at a different **eligible post-secondary** institution[, *college or school*]. A qualified student who re-
 23 ceives a grant under this section may attend more than one **eligible post-secondary** institution[,
 24 *college or school*] if the grant application was based on the qualified student attending more than
 25 one **eligible post-secondary** institution[, *college or school*].

26 [(5)] **(7)** [*No Oregon Opportunity Grant shall be made*] **The commission may not make a grant**
 27 to any qualified student enrolled in a course of study required for and leading to a degree in the-
 28 ology, divinity or religious education.

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

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

32 348.520. The Oregon Student Assistance Commission shall:

33 (1) Make available to qualified persons financial aid from financial sources available to the
 34 commission.

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

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

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

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

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

45 **(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants**

1 **that was approved as part of the budget enacted by the Legislative Assembly for the com-**
2 **mission; and**

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

5 [(6)] (7) Encourage the establishment of financial aid programs by private agencies.

6 [(7)] (8) Collect and disseminate information pertaining to all types of available financial aid.

7 [(8)] (9) Review the administrative practices and evaluate the effectiveness of all public and
8 private post-secondary financial aid programs in Oregon.

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

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

12 411.894. (1) The Oregon JOBS Individual Education Account is established to improve the posi-
13 tion of JOBS Plus participants in the workforce by increasing their access to continuing education.
14 Employer contributions to the account under this section shall be used to pay for education ex-
15 penses for the individual as provided in subsection (2) of this section.

16 (2)(a) After the participant has participated in the JOBS Plus Program for 30 days, the employer
17 shall pay, in addition to the participant wage, one dollar for each participant hour worked into the
18 participant's individual education account. Contributions to such an account shall be tax deferred
19 or tax-exempt to the extent permitted by federal and state law.

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

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

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

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

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

40 **SECTION 7. (1) The amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections**
41 **1 to 4 of this 2007 Act apply to qualified students who:**

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

43 (b) **Did not continuously attend an eligible post-secondary institution prior to the**
44 **2008-2009 academic year.**

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

1 **(2)(a) A qualified student who continuously attends an eligible post-secondary institution**
2 **as at least a half-time student and attended that eligible post-secondary institution during**
3 **the 2007-2008 academic year shall receive student assistance for the 2008-2009, 2009-2010 and**
4 **2010-2011 academic years based on whichever of the following would grant the student the**
5 **greater amount of student assistance:**

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

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

10 **(b) A qualified student who continuously attends one or more eligible post-secondary in-**
11 **stitutions as at least a half-time student and attended more than one of those eligible post-**
12 **secondary institutions during the 2007-2008 academic year shall receive student assistance**
13 **for the 2008-2009, 2009-2010 and 2010-2011 academic years based on whichever of the following**
14 **would grant the student the greater amount of student assistance:**

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

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

19 **(c) This subsection applies only to students who remain qualified as defined by rule of the**
20 **Oregon Student Assistance Commission.**

21 **SECTION 8. (1) The Oregon Student Assistance Commission shall establish a Shared**
22 **Responsibility Steering Committee to provide advice to the commission on the implementa-**
23 **tion of the changes to the Oregon Opportunity Grant program by the amendments to ORS**
24 **348.180, 348.183, 348.205 and 348.260 by sections 1 to 4 of this 2007 Act. The committee shall**
25 **consist of 12 members appointed as follows:**

26 **(a) The President of the Senate shall appoint one member from among the members of**
27 **the Senate.**

28 **(b) The Speaker of the House of Representatives shall appoint one member from among**
29 **the members of the House of Representatives.**

30 **(c) The commission shall appoint representatives of the following:**

31 **(A) Oregon Independent Colleges Association;**

32 **(B) Oregon Student Association;**

33 **(C) A financial aid professional who is employed by a state institution of higher education**
34 **within the Oregon University System;**

35 **(D) A financial aid professional who is employed by a community college; and**

36 **(E) A financial aid professional who is employed by a private institution of higher edu-**
37 **cation.**

38 **(d) The Governor shall appoint a representative of the Office of the Governor.**

39 **(e) The Director of the Oregon Department of Administrative Services shall appoint a**
40 **representative of the Budget and Management Division.**

41 **(f) The Chancellor of the Oregon University System shall appoint a representative.**

42 **(g) The Commissioner for Community College Services shall appoint a representative of**
43 **the Department of Community Colleges and Workforce Development.**

44 **(h) The president of the Oregon Health and Science University shall appoint a represen-**
45 **tative of the university.**

1 **(2) The committee shall:**

2 **(a) Analyze the risks involved in implementing the amendments to ORS 348.180, 348.183,**
3 **348.205 and 348.260 by sections 1 to 4 of this 2007 Act;**

4 **(b) Make recommendations to the commission on strategies for prevention and miti-**
5 **gation of those risks;**

6 **(c) Make recommendations to the commission on the management of moneys available**
7 **to be awarded as Oregon Opportunity Grants; and**

8 **(d) Review and make recommendations on the implementation methodology and timeta-**
9 **ble for:**

10 **(A) The system for awarding grants;**

11 **(B) The adoption of rules necessary for implementation of the changes; and**

12 **(C) Communication outreach about changes to the grant program.**

13 **(3) A majority of the members of the committee constitutes a quorum for the transaction**
14 **of business.**

15 **(4) Official action by the committee requires the approval of a majority of the members**
16 **of the committee.**

17 **(5) The committee shall elect one of its members to serve as chairperson.**

18 **(6) The term of office of each member is four years, but a member serves at the pleasure**
19 **of the appointing authority. Before the expiration of the term of a member, the appointing**
20 **authority shall appoint a successor whose term begins on July 1 next following. A member**
21 **is eligible for reappointment. If there is a vacancy for any cause, the appointing authority**
22 **shall make an appointment to become immediately effective for the unexpired term.**

23 **(7) The committee shall meet at times and places specified by the call of the chairperson**
24 **or of a majority of the members of the task force.**

25 **(8) The committee may adopt rules necessary for the operation of the task force.**

26 **(9) The commission shall provide staff support to the committee.**

27 **(10) Members of the committee who are not members of the Legislative Assembly are**
28 **not entitled to compensation or reimbursement for actual and necessary travel and other**
29 **expenses from the commission.**

30 **(11) All agencies of state government, as defined in ORS 174.111, and the Oregon Health**
31 **and Science University are directed to assist the committee in the performance of its duties**
32 **and, to the extent permitted by laws relating to confidentiality, to furnish such information**
33 **and advice as the members of the committee consider necessary to perform their duties.**

34 **SECTION 9.** Section 8 of this 2007 Act is repealed on January 2, 2012.

35 **SECTION 10.** This 2007 Act being necessary for the immediate preservation of the public
36 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
37 **July 1, 2007.**

38