

# Senate Bill 334

Sponsored by Senator SCHRADER (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 **as introduced**.

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 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 329.780, 348.180, 348.183,  
3 348.205, 348.260, 348.520, 348.696, 411.894 and 461.543.

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:

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

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

30 (3) **That keeping higher education affordable requires a shared effort and partnership by**

**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 **students, family, the federal government, state government and private philanthropy;**

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

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

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

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

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

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

14 348.205. (1) [*It is the intention of the Legislative Assembly to establish*] The Oregon **Shared Re-**  
 15 **sponsibility Opportunity Grant program is established within the Oregon Student Assistance**  
 16 **Commission.** [*Oregon Opportunity Grants awarded under this program shall be a uniform percentage*  
 17 *of the student’s financial need as determined in ORS 348.260 (1)(b).*]

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

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

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

25 (b) **For a student attending an institution under the direction of the State Board of**  
 26 **Higher Education or the Oregon Health and Science University, the average cost of education**  
 27 **of attending a four-year public institution of higher education in this state;**

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

31 (d) **For a student attending a four-year Oregon-based, generally accredited, not-for-profit**  
 32 **institution of higher education, the average cost of education of attending a four-year public**  
 33 **institution of higher education in this state.**

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

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

37 (B) **The paid work that the commission determines may be reasonably expected from the**  
 38 **student; and**

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

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

43 (c) **The student share for a student who attends a community college shall be based only**  
 44 **on the amount determined that a student may earn through work or loans.**

45 (d) **The student share for a student who attends an eligible post-secondary institution**

1 that is not a community college shall be based on the amount determined that a student  
2 may earn through work and loans.

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

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

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

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

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

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

17 348.260. [(1)(a)] (1) In addition to any other form of student financial aid authorized by law, the  
18 Oregon Student Assistance Commission may award Oregon **Shared Responsibility** Opportunity  
19 Grants[, *to the extent funds are made available,*] to qualified students [*who have financial need*].

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

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

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

32 [(2)] (4) [*Oregon Opportunity*] Grants may be awarded under this section to qualified students  
33 enrolled for any term, including summer term.

34 [(3)] (5) If a qualified student receiving [*an Oregon Opportunity*] a grant under this section meets  
35 the standards for renewal of the grant, the grant may be renewed upon application until the quali-  
36 fied student has received the total of four undergraduate years of study in an eligible program as  
37 defined by the [*Oregon Student Assistance*] commission.

38 [(4)] (6) A qualified student who receives [*an Oregon Opportunity*] a grant under this section  
39 must attend the **eligible post-secondary** institution[, *college or school*] upon which the grant appli-  
40 cation is based unless the [*Oregon Student Assistance*] commission authorizes the grant to be used  
41 at a different **eligible post-secondary** institution[, *college or school*]. A qualified student who re-  
42 ceives a grant under this section may attend more than one **eligible post-secondary** institution[,  
43 *college or school*] if the grant application was based on the qualified student attending more than  
44 one **eligible post-secondary** institution[, *college or school*].

45 [(5)] (7) [*No Oregon Opportunity Grant shall be made*] **The commission may not make a grant**

1 to any qualified student enrolled in a course of study required for and leading to a degree in the-  
2 ology, divinity or religious education.

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

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

6 348.520. The Oregon Student Assistance Commission shall:

7 (1) Make available to qualified persons financial aid from financial sources available to the  
8 commission.

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

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

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

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

17 **(6) Prior to implementing changes to the Oregon Shared Responsibility Opportunity**  
18 **Grant program, report to the Legislative Assembly or the Emergency Board any change:**

19 **(a) That increases or decreases the total amount awarded as Oregon Shared Responsi-**  
20 **bility Opportunity Grants that was approved as part of the budget enacted by the Legislative**  
21 **Assembly for the commission; and**

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

24 [(6)] (7) Encourage the establishment of financial aid programs by private agencies.

25 [(7)] (8) Collect and disseminate information pertaining to all types of available financial aid.

26 [(8)] (9) Review the administrative practices and evaluate the effectiveness of all public and  
27 private post-secondary financial aid programs in Oregon.

28 [(9)] (10) Disburse state appropriations for financial aid in such a manner as to maximize its role  
29 in cooperative coordination of financial aid programs.

30 **SECTION 6.** ORS 348.696 is amended to read:

31 348.696. Pursuant to section 4 (4)(d), Article XV of the Oregon Constitution, the Education Sta-  
32 bility Fund is established separate and distinct from the General Fund. Except for earnings on  
33 moneys in the school capital matching subaccount, moneys in the fund shall be invested as provided  
34 in ORS 293.701 to 293.790. All declared earnings on moneys in the fund shall be transferred and are  
35 appropriated continuously as follows:

36 (1) All declared earnings from the Oregon Growth Account to the Oregon Commercialized Re-  
37 search Fund created in ORS 284.725;

38 (2) 75 percent of all declared earnings not described in subsection (1) of this section to the  
39 Oregon Education Fund established by ORS 348.716; and

40 (3) 25 percent of all declared earnings not described in subsection (1) of this section to the  
41 Oregon Student Assistance Commission for the Oregon **Shared Responsibility** Opportunity Grant  
42 program under ORS 348.260.

43 **SECTION 7.** ORS 329.780 is amended to read:

44 329.780. (1) There is established in the State Treasury separate from the General Fund an ac-  
45 count to be known as the Oregon Teacher Corps Account into which shall be deposited all repay-

1 ments of loans with interest to the Oregon Student Assistance Commission pursuant to ORS 329.775.  
2 Any interest accruing to the account shall be credited thereto.

3 (2) Amounts in the account established under subsection (1) of this section are continuously  
4 appropriated to the Oregon Student Assistance Commission for the purposes of ORS 329.757 to  
5 329.780 and the Oregon **Shared Responsibility** Opportunity Grant program under ORS 348.260.

6 **SECTION 8.** ORS 411.894 is amended to read:

7 411.894. (1) The Oregon JOBS Individual Education Account is established to improve the posi-  
8 tion of JOBS Plus participants in the workforce by increasing their access to continuing education.  
9 Employer contributions to the account under this section shall be used to pay for education ex-  
10 penses for the individual as provided in subsection (2) of this section.

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

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

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

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

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

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

36 **SECTION 9.** ORS 461.543 is amended to read:

37 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery  
38 Account is continuously appropriated to and shall be used by the State Board of Higher Education  
39 to fund sports programs at state institutions of higher education. Seventy percent of the revenues  
40 in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for re-  
41 venue producing sports. Of the total amount available in the fund, at least 50 percent shall be made  
42 available for women's athletics.

43 (2) The State Board of Higher Education shall allocate moneys in the Sports Lottery Account  
44 among the institutions of higher education under its jurisdiction giving due consideration to:

45 (a) The athletic conference to which the institution belongs and the relative costs of competing

1 in that conference.

2 (b) The level of effort being made by the institution to generate funds and support from private  
3 sources.

4 (3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that  
5 produces net revenue over expenditures during a calendar year or if its season extends into two  
6 calendar years, produces net revenue over expenditures during the season.

7 (4) An amount equal to the net proceeds of games provided for in ORS 461.213 (1) shall be al-  
8 located from the Administrative Services Economic Development Fund to the Sports Lottery Ac-  
9 count.

10 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

11 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but  
12 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-  
13 fined in ORS 327.006.

14 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-  
15 ships based on academic merit and scholarships based on need, as determined by rule of the State  
16 Board of Higher Education, but not to exceed \$1,090,909 annually.

17 (c) All additional money to the Oregon Student Assistance Commission for the Oregon **Shared**  
18 **Responsibility** Opportunity Grant program under ORS 348.260.

19 **SECTION 10.** ORS 461.543, as amended by section 2, chapter 810, Oregon Laws 2005, is  
20 amended to read:

21 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery  
22 Account is continuously appropriated to and shall be used by the State Board of Higher Education  
23 to fund sports programs at state institutions of higher education. Seventy percent of the revenues  
24 in the fund shall be used to fund nonrevenue producing sports and 30 percent shall be used for re-  
25 venue producing sports. Of the total amount available in the fund, at least 50 percent shall be made  
26 available for women's athletics.

27 (2) The State Board of Higher Education shall allocate moneys in the Sports Lottery Account  
28 among the institutions of higher education under its jurisdiction giving due consideration to:

29 (a) The athletic conference to which the institution belongs and the relative costs of competing  
30 in that conference.

31 (b) The level of effort being made by the institution to generate funds and support from private  
32 sources.

33 (3) As used in subsections (1) to (3) of this section, "revenue producing sport" is a sport that  
34 produces net revenue over expenditures during a calendar year or if its season extends into two  
35 calendar years, produces net revenue over expenditures during the season.

36 (4) An amount equal to one percent of the moneys transferred to the Administrative Services  
37 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative  
38 Services Economic Development Fund to the Sports Lottery Account.

39 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

40 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but  
41 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-  
42 fined in ORS 327.006.

43 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-  
44 ships based on academic merit and scholarships based on need, as determined by rule of the State  
45 Board of Higher Education, but not to exceed \$1,090,909 annually.

1 (c) All additional money to the Oregon Student Assistance Commission for the Oregon **Shared**  
2 **Responsibility Opportunity Grant** program under ORS 348.260.

3 **SECTION 11.** (1) **The amendments to ORS 348.205 by section 3 of this 2007 Act are in-**  
4 **tended to change the name of the “Oregon Opportunity Grant” to the “Oregon Shared Re-**  
5 **responsibility Opportunity Grant.”**

6 (2) **For the purpose of harmonizing and clarifying statute sections published in Oregon**  
7 **Revised Statutes, the Legislative Counsel may substitute for words designating the “Oregon**  
8 **Opportunity Grant,” wherever they occur in Oregon Revised Statutes, other words desig-**  
9 **nating the “Oregon Shared Responsibility Opportunity Grant.”**

10 **SECTION 12.** (1) **The amendments to ORS 348.180, 348.183, 348.205 and 348.260 by sections**  
11 **1 to 4 of this 2007 Act apply to qualified students who:**

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

13 (b) **Did not continuously attend an eligible post-secondary institution prior to the**  
14 **2008-2009 academic year.**

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

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

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

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

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

26