

# House Bill 3670

Sponsored by Representatives JOHNSON, HOYLE; Representatives CONGER, DEMBROW, KOMP, LINDSAY, SPRENGER, Senators HASS, MONROE

## 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**.

Establishes For-Profit Independent Colleges Student Assistance Account within Oregon Student Assistance Fund. Allows Oregon Student Assistance Commission to award moneys in account as Oregon Opportunity Grants to students accepted into Oregon-based for-profit post-secondary institutions approved to offer and confer degrees by Office of Degree Authorization.

## A BILL FOR AN ACT

1  
2 Relating to the Oregon Opportunity Grant Program; creating new provisions; amending ORS 348.005,  
3 348.180, 348.183, 348.205 and 348.570; appropriating money; and declaring an emergency.

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 **and section 6 of this 2011 Act:**

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

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

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

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

12 (c) The Oregon Health and Science University; [*or*]

13 (d) An Oregon-based, generally accredited, not-for-profit institution of higher education[.]; **or**

14 (e) **For the purpose of an Oregon Opportunity Grant awarded under ORS 348.260, a**  
15 **degree-granting for-profit independent institution of higher education that qualifies as an**  
16 **eligible school under section 6 of this 2011 Act.**

17 (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 commission.

23 **SECTION 2.** ORS 348.205 is amended to read:

24 348.205. (1) The Oregon Opportunity Grant program is established within the Oregon Student  
25 Assistance Commission.

26 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-  
27 dent, the family of the student, the federal government and the state.

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

30 (a) For a student attending a community college, the average cost of education of attending a

**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 community college in this state;

2 (b) For a student attending an institution under the direction of the State Board of Higher Ed-  
 3 ucation, the average cost of education of attending an institution under the direction of the board;

4 (c) For a student attending a two-year Oregon-based, generally accredited[, *not-for-profit*] insti-  
 5 tution of higher education, the average cost of education of attending a community college in this  
 6 state; and

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

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

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

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

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

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

19 (c) The student share for a student who attends a community college may not exceed the amount  
 20 that the commission determines a student may earn based on the number of hours of work reason-  
 21 ably expected from the student under paragraph (a) of this subsection.

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

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

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

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

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

37 (c) In determining the amount of the state share, the commission shall consider the total amount  
 38 available to award as grants to all qualified students. If the commission must reduce the amount of  
 39 the state share under this paragraph, the commission may not reduce the amount of the state share  
 40 awarded to students in the low income range in a greater proportion than the amount that the state  
 41 share for students in other income ranges is reduced.

42 **SECTION 3.** ORS 348.005 is amended to read:

43 348.005. (1) The Legislative Assembly finds that:

44 (a) The State of Oregon can achieve its full economic and social potential only if all Oregonians  
 45 have the opportunity to contribute to the full extent of their capabilities and only when financial

1 barriers to their educational goals are removed;

2 (b) All Oregonians who meet the appropriate admissions requirements should be able to attend  
3 any community college, state institution of higher education or independent [*not-for-profit*] institution  
4 of post-secondary education regardless of individual economic or social circumstances;

5 (c) The interests of this state are best served when public subsidies supporting college students  
6 are distributed fairly, equitably and consciously to ensure maximum access and choice for all  
7 Oregonians at the least cost to the taxpayers;

8 (d) Need-based student financial aid is an effective, efficient and essential means of assisting  
9 Oregonians who are unable to afford the full cost of higher education;

10 (e) Student financial aid allows Oregonians with limited resources to select academic programs  
11 based on their interests, aptitudes and career goals;

12 (f) Student financial aid encourages and permits capable and promising Oregonians to persist in  
13 their education and training within this state; and

14 (g) By assisting Oregonians in this manner, student financial aid contributes to the quality of  
15 life of each Oregonian and to the social, cultural and economic well-being of all Oregonians.

16 (2) It is the intention of the Legislative Assembly to establish financial assistance programs to  
17 enable qualified Oregonians who need student aid to obtain post-secondary education in Oregon's  
18 community colleges, state institutions of higher education or independent [*not-for-profit*] institutions  
19 of post-secondary education.

20 **SECTION 4.** ORS 348.183 is amended to read:

21 348.183. The Legislative Assembly recognizes:

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

24 (2) That the single largest barrier to attending an institution of higher education is lack of fi-  
25 nances;

26 (3) That keeping higher education affordable requires a shared effort and partnership by stu-  
27 dents, family, the federal government, state government and private philanthropy;

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

31 **(5) For-profit institutions of higher education provide important opportunities for Oregon**  
32 **students, and moneys should be made available for grants to students attending these insti-**  
33 **tutions; and**

34 [(5)] **(6)** The positive effects on Oregon's citizens, families and economy of encouraging talented  
35 and hardworking students to stay in Oregon to pursue a post-secondary education.

36 **SECTION 5.** ORS 348.570 is amended to read:

37 348.570. (1)(a) There is established in the State Treasury a fund, separate and distinct from the  
38 General Fund, to be known as the Oregon Student Assistance Fund for investment as provided by  
39 ORS 293.701 to 293.820 and for the payment of the expenses of the Oregon Student Assistance  
40 Commission in carrying out the purposes of ORS 348.210 to 348.250, 348.505 to 348.615, 348.696 and  
41 348.992. Interest earned by the fund shall be credited to the fund.

42 **(b) There is established within the Oregon Student Assistance Fund an account to be**  
43 **known as the For-Profit Independent Colleges Student Assistance Account. Interest earned**  
44 **by the account shall be credited to the account. All moneys in the account are continuously**  
45 **appropriated to the Oregon Student Assistance Commission and shall be used to award**

1 **Oregon Opportunity Grants under ORS 348.260 to students accepted into eligible schools as**  
2 **defined in section 6 of this 2011 Act. The commission may accept funds for the account from**  
3 **any source, public or private, and agree to conditions consistent with the provisions of ORS**  
4 **348.205 and 348.260.**

5 (2) There is established in the State Treasury a fund, separate and distinct from the General  
6 Fund, to be known as the Alternative Student Loan Program Fund for investment as provided by  
7 ORS 293.701 to 293.820 and for the payment of expenses of the commission in carrying out the pur-  
8 poses of ORS 348.625 to 348.695. This fund, including the interest earnings on the fund, if any, is  
9 continuously appropriated to the commission for those purposes for which such funds were provided  
10 to, received or collected by the commission.

11 (3)(a) There is established in the General Fund an account to be known as the Nursing Services  
12 Account. Funds in the account shall be used for the payment of expenses of the Nursing Services  
13 Program created in ORS 442.540.

14 (b) The account shall consist of:

15 (A) Funds appropriated to the Oregon Student Assistance Commission for deposit into the ac-  
16 count;

17 (B) Collections and penalties received by the commission under ORS 442.545; and

18 (C) Any donations or grants received by the commission for purposes of the Nursing Services  
19 Program.

20 (c) Any funds in the account that are not expended in any biennium shall be retained in the  
21 account and may be expended in subsequent biennia.

22 (4) There is established in the State Treasury a fund, separate and distinct from the General  
23 Fund, to be known as the Former Foster Youth Scholarship Fund. Moneys received from appropri-  
24 ations, donations and grants shall be credited to the fund. Moneys in the fund are continuously ap-  
25 propriated to the Oregon Student Assistance Commission for the purposes of investment, as provided  
26 by ORS 293.701 to 293.820, and for carrying out the provisions of ORS 348.270 (1)(b). Interest earned  
27 by the fund shall be credited to the fund.

28 (5) There is established in the State Treasury a fund, separate and distinct from the General  
29 Fund, to be known as the ASPIRE Program Fund. Moneys received from donations and grants shall  
30 be credited to the ASPIRE Program Fund. Moneys in the fund are continuously appropriated to the  
31 Oregon Student Assistance Commission for the purposes of investment, as provided by ORS 293.701  
32 to 293.820, and for carrying out the provisions of ORS 348.500. Interest earned by the fund shall be  
33 credited to the fund.

34 (6)(a) There is established in the State Treasury the Nursing Faculty Loan Repayment Fund,  
35 separate and distinct from the General Fund. Interest earned on the Nursing Faculty Loan Repay-  
36 ment Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the  
37 Oregon Student Assistance Commission for carrying out ORS 348.440 to 348.448. The Nursing Fac-  
38 ulty Loan Repayment Fund consists of:

39 (A) Moneys appropriated to the commission for the Nursing Faculty Loan Repayment Program  
40 created in ORS 348.444; and

41 (B) Grants, gifts or donations received by the commission for the program.

42 (b) Any unexpended funds in the fund at the end of a biennium shall be retained in the fund and  
43 may be expended in subsequent biennia.

44 **SECTION 6. (1) For the purposes of this section “eligible school” means a school that**  
45 **has:**

1       (a) Received approval to offer and confer degrees by the Office of Degree Authorization  
2 under ORS 348.606; and

3       (b) Been certified by the Office of Degree Authorization as an Oregon-based for-profit  
4 independent institution of higher education pursuant to standards adopted by the office by  
5 rule.

6       (2) The Oregon Student Assistance Commission shall disburse Oregon Opportunity  
7 Grants to qualified students at eligible schools from the For-Profit Independent Colleges  
8 Student Assistance Account established in ORS 348.570 (1)(b).

9       SECTION 7. Students may first apply for Oregon Opportunity Grants under section 6 of  
10 this 2011 Act on or after January 1, 2013.

11       SECTION 8. This 2011 Act being necessary for the immediate preservation of the public  
12 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect  
13 July 1, 2011.

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