



Oregon

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Senate Committee on Veterans and Emergency Preparedness

SB 36 – Educational Aid Program Housekeeping Measure

Mr. Chair and Members of the Committee,

For the record, my name is Tom Mann, Administrator for the Veteran Services Division for the Oregon Department of Veterans' Affairs and I am here in support of SB 36.

This bill is a housekeeping measure that would amend ORS 408.020 to make the Agency Educational Aid program subject to available funds instead of an entitlement program. Current language states that veterans “shall have the right and privilege of state financial aid...” LC 612 changes the “shall” to “may” subject to available funds.

The agency's Educational Aid program began in 1944 with a vote of the people providing \$75 for the first month of school; \$50 for the next eight months; and \$35 for the following 24 months. Currently, the program provides \$150 a month for full-time students and \$100 a month for part-time students. Only veterans who do not have other federal military or VA education benefits are eligible for this state program.

For many years, the biennium budget for the program was just under \$90,000. However, after the economic collapse of 2008, there was a run on the program primarily by veterans who had been laid off from work needing further education to become marketable again. The \$90,000 budget swelled to more than \$350,000 through Emergency Board allocations. The Legislative Fiscal Office took notice and asked why the agency had not capped the program. We explained that the current law made the program an entitlement and we were not allowed to turn people away based on lack of funding. Instead, we let everyone into the program and when the funding ran out, every student lost their benefit.

SB 36 corrects this problem by changing the program from an entitlement to a discretionary program based on funds available. The Governor's Balanced Budget funds the program at its historical level – just under \$90,000. Based on our current enrollments, that number will be about \$25,000 short of full funding for each student. That said, enrollments change monthly and SB 36 will allow us the flexibility to ensure those who sign up for the program are funded through their entire school year instead of every student losing benefits at some point during that school year.

Thank you for your consideration and I'd be happy to answer any questions.