



Oregon

Higher Education Coordinating Commission
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Salem, OR 97301
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March 11, 2015

Chair Read, Vice Chair Gallegos, Vice Chair Whisnant, members of the Committee:

For the record, my name is Bob Brew, and I am the Executive Director for the Office of Student Access and Completion; more commonly known as OSAC. We are the student financial aid and access arm of the Higher Education Coordinating Commission. We administer the Oregon Opportunity Grant, among many other grants and scholarships.

I am here today specifically to discuss Section 2 of House Bill 2747. At the end of Section 2, proposed new language would prohibit OSAC from reducing “the amount of the state share based on amounts available to a student by virtue of being designated beneficiary of a college savings network account.”

As we understand it, Section 2 of the proposed bill would have no direct effect on the Oregon Opportunity Grant (OOG) or on the formula currently used to determine award eligibility. For several years, the state share has been equal to a fixed maximum OOG award amount. Only students whose remaining financial need meets or exceeds the maximum OOG award amount are currently eligible to receive a grant; those whose financial need is less than the maximum amount are not awarded. The state share is equal to the maximum annual award amount. Since no adjustments are made to the state share at the end of the calculation, the proposed bill would not affect how award amounts are calculated now and would simply prohibit certain options for future reductions.

The formula OSAC uses to determine a student’s eligibility for an OOG award is as follows:

Average Cost of Education (public 2-yr/4-yr)

— Student share (currently \$5800 for community college; \$8800 for students at 4-year institutions)

— Family share (federally calculated expected family contribution)

— Federal share (amount of Pell Grant and/or federal higher education tax credit)

= Remaining need = State share (if need meets or exceeds annual maximum award)

We do not believe that the proposed bill would have any effect on how OOG awards are calculated, nor would it require special programming changes to OSAC’s award processing system.

In short, we already comply with the provisions that would prohibit us from subtracting a 529 account from the state share the OOG calculation.

I’ll be glad to answer any questions.