

HB 2409 – Summary of Proposed Changes

Statutes Affected	Proposed Changes
<p>Section 1 348.040 to 348.059 Loans Generally – repeal in 2015</p>	<p>These are old loan programs established under federal Health Professions, Nurses Training, and National Defense Education Loan in the 1950s and 1960s, including Medical Dental Student Loans and Guaranteed Student Loans. The federal acts referred to – National Defense Education Act of 1958, Health Professions Educational Assistance Act of 1963, and Nurses Training Act of 1964 – created “campus-based” loan programs at individual institutions. The program created by the National Defense Education Act, originally called the National Defense Student Loan, is now the Federal Perkins Loan, which is targeted for elimination. The other two acts created loans administered by institutions offering health professions programs.</p> <p>Sections 348.050 (1) to (4) authorized loans to be made out of the Common School Fund to medical and dental students at OHSU and to veterinary students at OSHU. Section 348.050 (5) authorized loans under the old Guaranteed Student Loan (GSL) program, created in 1965. The State Board of Higher Education was initially responsible for Oregon’s GSL program and contracted out administration to an out-of-state servicer. When Oregon took over the program in 1967, OSAC became the guarantor for federal student loans made by Oregon lenders to Oregon students and students at Oregon schools. The GSL became the Federal Family Education Loan (FFEL) program in the 1990s. OSAC exited the FFELP in 2005, and Congress eliminated the FFELP in 2010.</p>
<p>Section 1 348.070 List of schools for loan program – repeal in 2015</p>	<p>List of suitable career schools used to determine schools qualified for loan program. No longer needed for purposes of a loan program.</p>
<p>Section 1 348.090 Loans funded by State Lands – repeal in 2015</p>	<p>Loans guaranteed by OSAC and funded by Department of State Lands. GSL loans were made by private lenders, and this option from 1967 was not used.</p>
<p>Section 1 348.186 Oregon Achievement Grant – repeal in 2015</p>	<p>Oregon Achievement Grant was a merit-based grant, separate from the Oregon Opportunity Grant, limited to recent high school graduates who have high test scores. The program was created in 1999 but never funded.</p>

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Section 1 348.210 Scholarships at EOU, scholarships for certain foreign students – repeal in 2015	Section (1) refers to merit scholarships for resident undergraduates at EOU. Section (2) refers to scholarships to cover tuition and fees for foreign students enrolled at public universities. Neither program was funded.
Section 1 348.230 Scholastic grants at postsecondary institutions – repeal in 2015	Added in 1971, this section created a merit-based grant program. It has not been funded for many years, if ever, and has no identified revenue source.
Section 1 348.265 Grants for students at OHSU – repeal in 2015	This section was first added in 1977 to provide need-based grants to health professions students at OHSU. It has not been funded for many years, if ever, and has no identified revenue source.
Section 1 348.427-348.436 Community Service Voucher Program – repeal in 2015	This program was created in 1993 to encourage community service participation among students at postsecondary institutions. Vouchers were to be issued in amounts of \$35 for each 8 hours of eligible community service. Students had to work at least 20 hours per week for one term to qualify and could receive vouchers for only one term. Any vouchers distributed under this program have either been used or expired. The measure also abolishes the related fund.
Sections 2 and 3 348.310-348.390 Rural Medical Education Loans – repeal in 2017	This program was an old, forgivable loan program established in 1979. It was replaced by a loan repayment program called the Rural Health Program in the 1990s. The Rural Health Program was transferred to the Office of Rural Health at OHSU in 2011. The measure also abolishes the related fund.
Sections 2 and 3 348.440-348.448 Nursing Faculty Loan Repayment Program – repeal in 2017	This program provided for loan repayments on behalf of nurse educators at nursing school in Oregon who have earned a master’s or doctoral degree in nursing education. It was added in 2009, but was funded for only one biennium and benefitted fewer than 10 participants. The measure also abolishes the related fund.
Sections 5, 6, 7, and 19 348.270 Scholarships for children of public safety officers and former foster children – separate and relocate program in statute	Currently scholarships for Former Foster Youth and scholarships for dependent children of Deceased and Disabled Public Safety Officers (DDPSO) exist in the same section of statute but serve very different populations. The measure moves the Foster Youth Scholarship and provisions for prioritized Opportunity Grants for foster youth into a separate section of statute. It also updates references to certain postsecondary institutions. The DDPSO scholarship program has existed since at least 1973. The Former Foster Youth scholarship was added in 2001.

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<p>Sections 8, 9, 10, 11, and 12 348.570; Multiple funds – abolish and consolidate</p>	<p>The measure removes statutory language that created separate accounts for Alternative Student Loan Program Fund, Nursing Services Account, Foster Youth Scholarship Fund, JOBS Plus, Teacher Corps, and Nursing Faculty Loan Repayment (in 2017). This will eliminate separate funds for other inactive or defunct programs and allow OSAC to consolidate and simplify receipting into one interest-bearing account and move funds remaining programs to accounts within the Oregon Student Assistance Fund.</p>
<p>Sections 13, 14, 15, 16, 17, and 18 348.425, 348.430, 348.482, 327.484, 348.180, and 348.250 Repealed programs</p>	<p>This section of the bill removes multiple references to repealed programs from program definitions and various program requirements.</p>
<p>Section 19 348.270 Scholarships for children of public safety officers and former foster children</p>	<p>This section of the bill updates and adds cross references to new section of statute created by Sections 5, 6, and 7.</p>
<p>Sections 20, 21, 22, 23, and 24 348.530, 348.665, 348,685, 348.690, and 442.540</p>	<p>These sections of the bill update statute by combining accounts in the Alternative Student Loan Program Fund and the Nursing Services Account into the Oregon Student Assistance Fund.</p>