

# A-Engrossed House Bill 2407

Ordered by the House March 24  
Including House Amendments dated March 24

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Higher Education Coordinating Commission)

## 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.

*[Provides that all qualified students receive second year of Oregon Opportunity Grant funding if they meet academic standards and benchmarks established by Higher Education Coordinating Commission by rule.]*

*[Directs commission to adopt rules regarding Oregon Opportunity Grant program that include maximum grant amount. Authorizes commission to prescribe grant application deadlines and to prioritize awarding of grants to qualified students with highest financial need.]*

**Establishes procedures for determining maximum grant amount for Oregon Opportunity Grant program.**

**Establishes process for apportioning Oregon Opportunity Grant moneys to grant recipients if there are insufficient moneys to award state share to all qualified students.**

**Permits Higher Education Coordinating Commission to award moneys from Oregon Opportunity Grant program to encourage completion of degree programs. Establishes eligibility criteria.**

**Requires Executive Director of Office of Student Access and Completion to inform post-secondary institutions of identity of students who receive grant for more than one academic year. Encourages institutions to make these students aware of available academic guidance and counseling services.**

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to Oregon Opportunity Grants; creating new provisions; amending ORS 348.180, 348.205,  
3 348.260 and 461.543; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 348.205 is amended to read:

6 348.205. (1) The Oregon Opportunity Grant program is established within the Higher Education  
7 Coordinating Commission.

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

10 (3) The Executive Director of the Office of Student Access and Completion shall determine the  
11 cost of education of a qualified student based on the type of eligible post-secondary institution the  
12 student is attending. The cost of education equals:

13 (a) For a student attending a community college, the average cost of education of attending a  
14 community college in this state;

15 (b) For a student attending a public university listed in ORS 352.002, the average cost of edu-  
16 cation of attending a public university;

17 (c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institu-  
18 tion of higher education, the average cost of education of attending a community college in this

**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 state; and

2 (d) For a student attending the Oregon Health and Science University or a four-year Oregon-  
3 based, generally accredited, not-for-profit institution of higher education, the average cost of edu-  
4 cation of attending a public university listed in ORS 352.002.

5 (4)(a) The executive director shall determine the amount of the student share. The student share  
6 shall be based on:

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

8 (B) The number of hours of work that the executive director determines may be reasonably ex-  
9 pected from the student; and

10 (C) The amount of loans that the executive director determines would constitute a manageable  
11 debt burden for the student.

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

14 (c) The student share for a student who attends a community college may not exceed the amount  
15 that the executive director determines a student may earn based on the number of hours of work  
16 reasonably expected from the student under paragraph (a) of this subsection.

17 (d) The student share for a student who attends an eligible post-secondary institution that is not  
18 a community college may not exceed the sum of the amount that the executive director determines  
19 a student may receive as loans plus the amount a student may earn based on the number of hours  
20 of work reasonably expected from the student under paragraph (a) of this subsection.

21 (5) The executive director shall determine the amount of the family share. The family share shall  
22 be based on the resources of the family.

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

26 (7)(a) The executive director shall determine the amount of the state share. The state share shall  
27 be equal to the cost of education reduced by the student share, family share and amount received  
28 by the student from the federal government.

29 (b) The executive director shall establish a minimum amount that a student may receive as a  
30 state share. If the executive director determines that the amount of the state share of a student is  
31 below the minimum amount, the student may not receive the state share.

32 *[(c) In determining the amount of the state share, the executive director shall consider the total  
33 amount available to award as grants to all qualified students. If the executive director must reduce the  
34 amount of the state share under this paragraph, the executive director may not reduce the amount of  
35 the state share awarded to students in the low income range in a greater proportion than the amount  
36 that the state share for students in other income ranges is reduced.]*

37 **(c) The executive director may not reduce the amount of the state share of a student  
38 based on amounts available to the student by virtue of being the designated beneficiary of a  
39 college savings network account established under ORS 348.841 to 348.873.**

40 **(8) Subject to subsection (9) of this section, if the executive director determines that  
41 there are insufficient moneys to award the state share to all qualified students, the executive  
42 director:**

43 **(a) May establish the maximum amount that a student may receive as a state share. This  
44 amount may vary based on whether the student is attending an eligible post-secondary in-  
45 stitution on a half-time or full-time basis.**

1       **(b) May establish procedures that prioritize awarding Oregon Opportunity Grants to**  
2 **qualified students with the greatest financial need or whose circumstances would enhance**  
3 **the promotion of equity guidelines published by the Higher Education Coordinating Commis-**  
4 **sion.**

5       **(c) May not reduce the amount of the state share awarded to students in the low income**  
6 **range in a greater proportion than the amount that the state share for students in other**  
7 **income ranges is reduced.**

8       [(8)(a)] **(9)(a)** The Higher Education Coordinating Commission shall adopt rules that prioritize  
9 current foster children and former foster children for receiving Oregon Opportunity Grants when  
10 the Oregon Opportunity Grant program does not have sufficient funding to serve all eligible Oregon  
11 students.

12       (b) For the purposes of this subsection, “former foster child” has the meaning given that term  
13 in ORS 351.293.

14       **SECTION 2. (1) In addition to any other form of student financial aid authorized by law,**  
15 **the Higher Education Coordinating Commission may award moneys from the Oregon Oppor-**  
16 **tunity Grant program to qualified students to reward student persistence and encourage**  
17 **completion of degree programs at eligible post-secondary institutions.**

18       **(2) Awards made under this section are not subject to the maximum Oregon Opportunity**  
19 **Grant amount established under ORS 348.205.**

20       **(3) The commission shall establish by rule eligibility criteria for awards made under this**  
21 **section. These criteria shall include, but not be limited to, whether the qualified student is**  
22 **attending an eligible post-secondary institution on a full-time or half-time basis.**

23       **(4)(a) The Executive Director of the Office of Student Access and Completion shall ad-**  
24 **minister, and determine the size of, awards made under this section.**

25       **(b) In determining the size of awards made under this section, the executive director**  
26 **shall consider basing the size of the awards on a percentage of the maximum Oregon Op-**  
27 **portunity Grant amount established under ORS 348.205.**

28       **SECTION 3.** ORS 348.180 is amended to read:

29       348.180. As used in this section and ORS 348.186, 348.205, 348.230, 348.250, 348.260 and 348.285  
30 **and section 2 of this 2015 Act:**

31       (1) “Cost of education” includes but is not limited to, tuition, fees and living expenses.

32       (2) “Eligible post-secondary institution” means:

33       (a) A public university listed in ORS 352.002;

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

35       (c) The Oregon Health and Science University; or

36       (d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

37       (3) “Qualified student” means any resident student who plans to attend an eligible post-  
38 secondary institution and who:

39       (a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

40       (b) Is enrolled in an eligible program as defined by rule of the Higher Education Coordinating  
41 Commission; and

42       (c) Is making satisfactory academic progress as defined by rule of the commission.

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

44       348.260. (1) In addition to any other form of student financial aid authorized by law, the Higher  
45 Education Coordinating Commission may award Oregon Opportunity Grants to qualified students.

1 (2) The amount of a grant shall equal the state share of a qualified student's cost of education  
2 as determined by the Executive Director of the Office of Student Access and Completion **and com-**  
3 **ply with applicable rules and procedures described in** *[under] ORS 348.205.*

4 (3) Grant funds necessary to meet matching requirements for federal funds *[under the Leveraging*  
5 *Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partner-*  
6 *ship Program of the United States Department of Education]* may also be used to award grants to  
7 qualified students in any eligible post-secondary institution approved by the commission.

8 (4) Grants may be awarded under this section to qualified students enrolled for any term, in-  
9 cluding summer term. The commission may prescribe *[a specific date]* **the method and date or dates**  
10 by which a student must apply to the commission to qualify for a grant *[only if the commission de-*  
11 *termines that the total amount available to award as the state share to all qualified students is not*  
12 *sufficient to cover the total state share amount scheduled to be awarded to all students].*

13 (5)(a) **A qualified student who receives a grant under this section may apply for renewal**  
14 **of the grant on an annual basis. The commission may not renew the grant if the qualified**  
15 **student has not made a timely application for renewal of the grant.**

16 (b) **The commission shall by rule establish academic standards and benchmarks that a**  
17 **qualified student must meet to have the student's grant renewed.**

18 (c) If a qualified student *[receiving]* **who receives a grant under this section makes a timely**  
19 **application for renewal of the grant,** meets the **academic standards and benchmarks estab-**  
20 **lished by the commission under this subsection and continues to meet all other grant eligi-**  
21 **bility criteria** *[for renewal of the grant],* the grant **shall be renewed for a second year of**  
22 **attendance at an eligible post-secondary institution.**

23 (d) **Upon timely application by a qualified student who meets the academic standards and**  
24 **benchmarks established by the commission under this subsection and who continues to meet**  
25 **all other grant eligibility criteria, the commission may continue to renew the grant** *[may be*  
26 *renewed upon application]* until the qualified student has received the equivalent of four full-time  
27 undergraduate years of grant funding for an eligible program as defined by the commission.

28 (6)(a) **The Executive Director of the Office of Student Access and Completion shall inform**  
29 **eligible post-secondary institutions of the identity of qualified students who attend the in-**  
30 **stitution and who receive a grant under this section for more than one academic year.**

31 (b) **To the extent possible, eligible post-secondary institutions shall ensure that qualified**  
32 **students identified under this subsection are made aware of the academic guidance and**  
33 **counseling services available at the institution.**

34 *[(6)]* (7) A qualified student who receives a grant under this section must attend the eligible  
35 post-secondary institution upon which the grant application is based unless the Executive Director  
36 of the Office of Student Access and Completion authorizes the grant to be used at a different eligible  
37 post-secondary institution. A qualified student who receives a grant under this section may attend  
38 more than one eligible post-secondary institution if the grant application was based on the qualified  
39 student attending more than one eligible post-secondary institution.

40 *[(7)]* (8) The commission may not make a grant **award** to any qualified student enrolled in a  
41 course of study required for and leading to a degree in theology, divinity or religious education.

42 (9)(a) **The commission shall report annually on or before February 1 to committees of the**  
43 **Legislative Assembly related to higher education regarding the academic success and per-**  
44 **formance of qualified students who receive grants under this section.**

45 (b) **In order to meet the reporting requirements set forth in paragraph (a) of this sub-**

1 **section:**

2 (A) **The commission shall by rule design a method for evaluating the academic success**  
3 **and performance of students who receive a grant under this section; and**

4 (B) **Upon a request from the commission, eligible post-secondary institutions must pro-**  
5 **vide the commission with the data necessary for the commission to conduct its analysis.**

6 **SECTION 5. (1) Except as provided in subsection (2) of this section, section 2 of this 2015**  
7 **Act and the amendments to ORS 348.180, 348.205 and 348.260 by sections 1, 3 and 4 of this 2015**  
8 **Act first apply to financial assistance awarded for the 2016-2017 academic year.**

9 (2) **The first report to the committees of the Legislative Assembly related to higher ed-**  
10 **ucation required under ORS 348.260, as amended by section 4 of this 2015 Act, must be filed**  
11 **by February 1, 2020.**

12 **SECTION 6.** ORS 461.543 is amended to read:

13 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery  
14 Account is continuously appropriated to and shall be used by the Higher Education Coordinating  
15 Commission to fund sports programs at public universities listed in ORS 352.002. Seventy percent  
16 of the revenues in the fund shall be used to fund nonrevenue producing sports and 30 percent shall  
17 be used for revenue producing sports. Of the total amount available in the fund, at least 50 percent  
18 shall be made available for women's athletics.

19 (2) The [board] **commission** shall allocate moneys in the Sports Lottery Account among the  
20 public universities, giving due consideration to:

21 (a) The athletic conference to which the public university belongs and the relative costs of  
22 competing in that conference.

23 (b) The level of effort being made by the public university to generate funds and support from  
24 private sources.

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

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

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

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

35 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-  
36 ships based on academic merit and scholarships based on need, as determined by rule of the  
37 [board] **commission**, but not to exceed \$1,090,909 annually.

38 (c) All additional money to the [Oregon Student Access] commission for the Oregon Opportunity  
39 Grant program under ORS 348.260.

40 **SECTION 7. This 2015 Act being necessary for the immediate preservation of the public**  
41 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**  
42 **on its passage.**