

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee

From: Doug Wilson, Legislative Fiscal Office

Date: February 23, 2017

Subject: SB 55-A - 2015-17 Oregon Promise Program Appropriation
Work Session Recommendations

Senate Bill 55-A provides supplemental funding for the Oregon Promise Program for 2015-17. This program provides tuition waivers to eligible community college students for courses taken at one of the 17 Oregon Community Colleges. Recipients must be enrolled in a degree or certificate program, be a recent high school graduate, and maintain academic progress. All federal and state financial aid must be applied to the tuition prior to an Oregon Promise grant being awarded.

Due to higher than anticipated participation in this new program, an estimated additional \$3,556,302 is required for the remainder of this school year and biennium. This estimated amount takes into account the projected increase in the number of students, new students enrolling in the winter and spring quarters, and a retention rate of 98% for students continuing the program for the winter and spring quarters. Projecting enrollment from one quarter to another is difficult given that this program is in its first year of operation and only the second similar program implemented in the country. This estimate is based on the number of students in the program during the first academic quarter of the program's operation (Fall 2016). Any funds remaining from this appropriation will revert at the end of the biennium.

The bill also suspends the \$10 million annual statutory limit in spending for this program. This suspension is for this year only.

Recommended Changes to SB 55-A:

The Legislative Fiscal Office recommends adoption of the -A2 amendment.

Motion: Move adoption of the -A2 amendment to SB 55-A.

Final Bill SB 55 Subcommittee Action:

The measure, as amended by the –A2 amendment, is recommended to be moved to the full committee on Joint Ways and Means.

Motion: Move SB 55-A, as amended, to the Full Committee with a “do pass” recommendation.

Carriers:

Full Committee Carrier: _____

Second Chamber Carrier: _____