

INTRODUCTION AND CHARGE

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The Oregon Opportunity Grant (OOG) is Oregon's only state-funded need-based grant program for low- and moderate income resident postsecondary students, and is administered by the Oregon Student Access Commission. Legislative interest in the most effective use of the OOG investment led to the Oregon Education Investment Board (OEIB) giving a charge to the Higher Education Coordinating Commission (HECC) to address a series of questions concerning the design and allocation of the grant in the context of state needs. The HECC convened the Financial Aid Work Group in November of 2013, with the charge described here.

In the course of their analysis of the questions of their charge, the Financial Aid Work Group developed the following goal: to recommend a restructured Oregon Opportunity Grant program that will both achieve the goal of improving access to higher education and vocational and technical education for promising, financially-needy underrepresented students, and stimulate the achievement of the State of Oregon's 40-40-20 goals. The Work Group believes, if appropriately funded and awarded, the Oregon Opportunity Grant can stimulate aspirations, access, enrollment, retention, performance, and completion. The recommendations in this report represent the Work Group's perspective on how to best apply the State's Opportunity Grant resources at this time. In addition to recommendations for the immediate future, the Work Group offers recommendations on the long-term direction, investment, and possible future components of the Oregon Opportunity Grant and other newly created state-sponsored financial aid programs.

The Financial Aid Work Group is comprised of HECC commissioners, as well as leaders from student government, the Oregon University System, Oregon's 17 community colleges, the independent college sector, Oregon Student Access Commission, the Office of the Treasurer, and The Oregon Community Foundation, and they have conducted their work in ten public meetings from November 2013 through April 2014. For a roster of members and a full description of the Work Group's public process, see Appendix A.

RECOMMENDATIONS

RECOMMENDATIONS OVERVIEW

The goal of the State Financial Aid Work Group is to recommend a restructured grant program that will both achieve the goal of improving access to higher education and vocational and technical education for promising, financially-needy underrepresented students, and to stimulate the achievement of the State of Oregon's 40-40-20 goals. The Work Group believes, if appropriately funded and awarded, the Oregon Opportunity Grant can stimulate aspirations, access, enrollment, retention, performance, and completion.

The following recommendations represent the Work Group's perspective on how to best apply the State's Opportunity Grant resources. In addition to recommendations for the immediate future, the Work Group offers recommendations on the long-term direction, investment, and possible future components of the Oregon Opportunity Grant and other state-sponsored financial aid programs.

SPECIFIC RECOMMENDATIONS

- 1) Restructure the Oregon Opportunity Grant to focus on improving access and completion for the most financially needy students.
- 2) Within the OOG students with highest financial need, prioritize funding for students from underrepresented racial and ethnic groups, based on the OEIB Equity Lens;
- 3) Adopt requirements of student academic progress and achievement for renewal eligibility;
- 4) Endorse predictability by essentially guaranteeing awards for the first two years, if renewal eligibility requirements are met, and awarding grants on a rolling application basis;
- 5) Strengthen the efficacy of the Shared Responsibility Model and the contribution of the grant program to the 40-40-20 goal by pursuing additional funding to more fully meet current and future financial need;
- 6) Establish an implementation team (including members of the Work Group to the extent possible) to develop an implementation plan and timeline to transition the Oregon Opportunity Grant, consistent with the recommendations proposed by the Work Group; and

- 7) Recommend that the HECC and OEIB consider, separately from the OOG recommendations, a “pipeline affordability commitment” for K-12 low-income students.

TARGET RECIPIENTS

Consistent with its historic origins, the Oregon Opportunity Grant should be targeted to Oregonians who demonstrate the greatest financial need and potential for success. Specifically, the grant should be prioritized for students meeting the enrollment criteria for degree and/or certificate programs at Oregon institutions approved for Federal financial aid. The program should prioritize **underrepresented racial and ethnic** students among students demonstrating the greatest financial need. **The focus of the grant should be to support students characterized by “high promise” and high need.** While financial need will be easy to quantify, promise is a more variable quality; promise should be viewed through the enrolling institution, by virtue of admission, endorsing the student’s potential for success. Through relationship with the educational institution and its resources, students’ promise will be endorsed and cultivated.

INITIAL ELIGIBILITY CRITERIA

Eligibility for the current Oregon Opportunity Grant will continue to be based on each student’s financial need and demographic data as reported in the Free Application for Federal Student Aid (FAFSA). However, the Work Group recommends that the \$70,000 income level cap be amended **and a new index be set for need eligibility**, to be determined by an implementation team. The Work Group recommends that this index be aligned with Pell Grant eligibility levels, to support success of highest need and high promise Oregon students. Furthermore, when funding levels do not support the ability to award all students meeting this need index, **the grant will be awarded to students with highest need first, with special focus to underrepresented racial and ethnic groups.** Underserved student status will be based on the definitions in the OEIB Equity Lens, which is presented in Appendix D.

The other initial eligibility criteria remain the same. In order to qualify for the Oregon Opportunity Grant, students should have a high school diploma, GED, homeschool certificate, or the equivalent. Eligibility should be restricted to Oregon residents attending two-year and four-year public and private colleges and universities or licensed, non-profit vocational and technical programs, eligible to administer Federal aid and located and headquartered in Oregon. The current eligibility requirements related to Oregon residency, undergraduate status, and not being in Federal loan default status remain. Students must be enrolled in a certificate or degree program as defined by the institution’s Program Participation Agreement with the U.S. Department of Education.

AWARD PROCESS

The Oregon Opportunity Grant award process should focus on improving access to post-high school education experiences, while also promoting retention and completion. In order to support this goal, the Work Group proposes that student funding during the first year of enrollment be allocated based on calculated student need.

Funding beyond the first year should be determined based on the student meeting progress and achievement benchmarks, determined for the sector of the educational community in which

the student is enrolled. In general, the benchmarks will be based on indicators that the student is making reasonable progress at their institution.

Beyond the second year of enrollment renewal and funding level should be based on escalated performance criteria, relative to initial renewal benchmarks. In this context, renewal should prioritize funding students who exhibit the greatest potential for completion, based on enrollment status (full or part-time). Specifically, renewal will be tied to credit hour accumulation and grade point average. Work Group members recognize that students may encounter extenuating issues that may affect their performance. For this reason, we recommend that a process be put in place at each institution to enable students to appeal a decision to revoke or reduce their Oregon Opportunity Grant.

Other OOG award processes currently in place and described will continue. Students will continue to be required to submit a new FAFSA for each academic year they plan to attend college or a postsecondary school. The award will be granted for up to the equivalent of 4 years at full-time enrollment; in order to maintain the award the student must be enrolled at least half-time (i.e., at least 6 credit-hours) at a participating Oregon-based postsecondary institution.

AWARD SIZE

The Work Group believes it is important to award grants of a sufficient amount to promote access and enable retention through to completion. In its review, the Work Group determined that a “meaningful” grant amount will vary based on the circumstance of the student and what amount of aid will influence the student’s ability to pursue education beyond the secondary level. **The Work Group recommends that variable grant amounts, with an established maximum, be awarded based on student need**, benchmarked to tuition, fees, and books or total cost of attendance.

PREDICTABILITY

An important dimension of student persistence and completion is the ability to predict the reliability of financial support. The Work Group endorses an approach that will enable students to understand the application and award process and the criteria for grant renewal. **The endorsement of a grant process that guarantees the grant for the first two years of attendance, under conditions of reasonable progress**, would significantly strengthen the predictability of the Oregon Opportunity Grant program.

Additionally, the Work Group understands that predictable cost of education is an important variable in the student’s ability to plan. While controlling the cost of education across all sectors of education may be difficult, it is worth considering approaches to stabilizing the cost of education to students. In the view of the Work Group, it is worth exploring approaches to a model that would coordinate the contributions of the State, the institution, and private funders in such a way that the student contribution would remain stable during their time of attendance. This concept will be especially important to explore during the time when many approaches to providing access and funding to students are being explored (e.g., Pay It Forward, The Oregon Opportunity Initiative proposed by the Office of the Treasurer, and The Oregon Promise, focused on free community college tuition and fees).

The Work Group has determined that a **rolling application deadline** would serve students best, with a processing window that allows for awarding in a timely manner. They recommend the