

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4035 - A5

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Krista Dauenhauer
Reviewed by: Doug Wilson, Neburka
Date: 3/1/2018**Measure Description:**

Requires Higher Education Coordinating Commission to provide tuition assistance for qualified members of Oregon National Guard to attend community colleges or public universities.

Government Unit(s) Affected:

Higher Education Coordinating Commission (HECC), Oregon Military Department (OMD)

Summary of Expenditure Impact:

Costs related to the measure will require budgetary action - See analysis.

Fund Type	2017-19 Biennium	2019-21 Biennium
General Fund	\$2,700,095	\$297,740
Total Funds	\$2,700,095	\$297,740
Positions	3	2
FTE	1.00	1.50

Analysis:

HB 4035 with the -A5 amendment establishes a program within the Higher Education Coordinating Commission (HECC) to provide tuition assistance for eligible undergraduate members of the Oregon National Guard who attend a community colleges or public university located in Oregon. The bill limits the number of credit hours the program will pay for to 90 credits at a community college and 180 hours at a public university. To be eligible for the program, Guard members must accept all state and federal aid available to them to be eligible for the program. Grant awards are calculated based on tuition charges less the value of federal and state aid. The HECC will adopt rules for the administration of the program including the grant application deadline, further eligibility parameters, and additional award calculations for students dually enrolled. A \$2.5 million General Fund (GF) appropriation is provided for grants in the 2017-19 biennium for the academic year beginning 2018-19.

The workload to HECC in the 2017-19 biennium to develop rules, coordinate with the necessary stakeholders, to create online applications/data agreements with community colleges and public universities, and process applications and payments is anticipated to require one permanent Operations and Policy Analyst 4 (0.58 FTE) estimated cost of \$124,417 GF, and a permanent half-time Research Analyst 3 (0.29 FTE) at a cost of \$49,265 GF, and a limited-duration Information Services Specialist 7 position (0.13 FTE) at an estimated cost of \$26,413 GF. Rulemaking and accounting costs are assumed to be minimal and absorbable within the existing HECC budget. Appropriate funding levels for grants in the 2019-21 biennium are indeterminate at this time due to the unknown fiscal implications resulting from rules adoption for the program. However, minimum staffing assumptions for the 2017-19 biennium have been included in the fiscal estimate for one Operations and Policy Analyst 4 (1.00 FTE) estimated cost of \$213,286 GF, and a half-time Research Analyst 3 (0.50 FTE) at a cost of \$84,454 GF. The workload for the Oregon Military Department, associated with program coordination with HECC, is assumed to be minimal.