

Analysis

Item 1: Higher Education Coordinating Commission

Emergency Student Financial Assistance

Analyst: Doug Wilson

Request: Allocate \$932,112 General Fund from the special purpose appropriation made to the Emergency Board for response to the COVID-19 pandemic public health emergency for emergency student financial aid and for the Student Daycare program child care grants.

Analysis: The Higher Education Coordinating Commission (HECC) is requesting a \$932,112 General Fund allocation from the special purpose appropriation to the Emergency Board for two purposes: (1) \$750,000 in emergency financial aid to students thought to not be eligible to receive assistance from the recent coronavirus federal legislation; and (2) for child care grants totaling \$182,112 for students that have recently applied but were not awarded the grants due to lack of funds.

The recently signed Coronavirus Response and Relief Supplemental Appropriations Act (or CRRSA) is expected to provide almost \$225 million directly to Oregon's public and private post-secondary institutions. The first round of COVID-related funding last Spring (CARES Act) required the institutions to allocate approximately \$65 million for emergency student financial assistance. It is anticipated that a similar requirement will be part of the CRRSA funding. At this point, HECC believes that specific groups of students will not be able to access this federal funding, including Deferred Action for Childhood Arrivals (DACA) and undocumented students. It is also possible that these federal funds cannot be used to assist Adult Basic Education/GED students.

The pandemic has adversely affected post-secondary institutions with Fall enrollment down 23% at community colleges and 2.8% at public universities. HECC estimates that the \$750,000 being requested will assist 250 students per term. Funds will be allocated to the public universities and community colleges which will prioritize the lowest income students (expected family contribution level of \$5,711 or less). Recommended grant maximums for full-time students are \$1,200 at public universities and \$936 at community colleges. Institutions will also be asked to prioritize students who are near completion of a degree or certificate and high-need students who have not enrolled or are under-enrolled for this school year.

HECC has a Student Daycare program (\$1.0 million General Fund currently budgeted for 2019-21) which provides grants to post-secondary students to assist them paying for childcare so they can attend school. The requested \$182,112 General Fund represents funding for an additional 26 students who completed successful applications this past Fall but were not awarded grants due to insufficient funds. Funds will be distributed to the institutions who will pay the participating students on a reimbursable basis.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends that the Emergency Board allocate \$932,112 General Fund from the special purpose appropriation made to the Emergency Board during the 3rd special session of 2020 for the state's response to the COVID-19 pandemic public health emergency to the Higher Education Coordinating Commission for emergency student financial assistance and for assistance under the Student Daycare Program.

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Higher Education Coordinating Commission
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Request: Allocate \$932,112 from the State Emergency Fund for emergency distribution to students not eligible to receive funds under the Coronavirus Response and Relief Supplemental Appropriation (CRRSA) and to students who were eligible for, but did not receive funds from the Oregon Student Child Care Grant, due to insufficient grant funding.

Recommendation: Approve the request with the following modification: Allocate \$932,112 from the special purpose appropriation made to the Emergency Board for the state's response to the COVID-19 pandemic public health emergency to support emergency distribution to students not eligible to receive funds under the CRRSA and to students who were eligible for, but did not receive funds from the Oregon Student Child Care Grant, due to insufficient grant funding.

Discussion: The Higher Education Coordinating Commission's (HECC) request is for emergency student aid for certain students. Higher education institutions and students have been significantly affected by the COVID-19 pandemic. A large portion of those students are student parents and students facing equity gaps. HECC reports that, by student headcount, enrollments are down 23 percent at Oregon community colleges and 2.8 percent for admitted (non-accelerated learning) undergraduate students at public universities this last fall. These percentages represent approximately 29,755 individual students who have not enrolled in higher education when compared to a flat enrollment scenario. This request for emergency student aid is focused on two groups of students, which the HECC reports have been disproportionately impacted: student parents struggling to find affordable, safe child care; and underrepresented students including Adult Basic Education and Deferred Action for Childhood Arrival (DACA) students. The assistance previously provided to students under the Coronavirus Aid, Relief, and Economic Security Act (CARES) did not assist students engaged in Adult Basic Education or those pursuing a GED® certificate, and DACA students have been excluded from all previous federal aid related to the pandemic.

The recently signed CRSSA Act provides an additional \$224 million to Oregon institutions of higher education, from which \$65 million must be used for direct assistance to students included in CARES Act funding. However, the HECC anticipates that the students discussed in this analysis will continue to be ineligible for direct aid included in CRSSA.

Legal Reference: Allocation of \$932,112 from the State Emergency Fund, set aside by the Special Purpose Appropriation under section 2, chapter _____, Oregon Laws 2020 (third special session) (Enrolled Senate Bill SB 5731) to supplement the appropriation made by chapter 666, section 1(7), Oregon Laws 2019, for the Higher Education Coordinating Commission emergency student aid for the 2019-21 biennium.



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Ben Cannon, Executive Director

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Salem, OR 97302

www.oregon.gov/HigherEd

January 8, 2021

The Honorable Senator Peter Courtney, Co-Chair
The Honorable Representative Tina Kotek, Co-Chair
State Emergency Board
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

Dear Co-Chairpersons:

Nature of the Emergency/Request

The COVID-19 pandemic has hit higher education institutions and students hard, especially student parents and students facing equity gaps. By student headcount, enrollments are down 23% at Oregon community colleges, and 2.8% for admitted (non-accelerated learning) undergraduate students at public universities this fall. These percentages represent 29,755 individual students not enrolling in higher education versus a flat enrollment scenario. While some of this decline represents students deferring enrollment, much of it also represents a lost cohort of students who faced unexpected financial and technological barriers to first-time or continued enrollment. The Higher Education Coordinating Commission (HECC) is particularly concerned that two groups of students have been disproportionately impacted: student parents who are struggling to find affordable, safe child care; and underrepresented students—including Adult Basic Education and Deferred Action for Childhood Arrival (DACA) students—who have been excluded from all pandemic-related federal higher education aid.

This request would provide additional funding for the HECC's Student Child Care Grant Program to assist eligible parents or legal guardians who are enrolled in postsecondary education to obtain safe, dependable care that supports their children's development while allowing them to complete academic programs. This year, the Student Child Care Grant Program received many more qualifying applications for child care assistance than the agency was able to fund. Under this program, HECC makes payments directly to the postsecondary institutions, which disburse the grants on a reimbursement basis as long as the qualifying student maintains satisfactory progress.

This request would also provide supplemental grant aid to Adult Basic Education and DACA students who have not benefited from federal assistance for students during the pandemic. While the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided \$65 million to Oregon colleges and universities for emergency student financial aid, US Department of Education guidance specifically directed institutions to exclude students who were not citizens or who were

pursuing Adult Basic Education or GED® certificates. Forty-five percent (45%) of students in Oregon face equity gaps, and the CARES Act guidance likely widened these gaps. Students enrolled in Adult Basic Education comprise 10.4% of Oregon students at both community colleges and public universities, and we know 1.2% of all college and university students either file for financial aid using the Oregon Student Aid Application (ORSAA) or qualify for tuition equity. We estimate the number of all DACA students to be even higher.

The HECC estimates that the recently signed Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act will provide an additional \$224 million to Oregon institutions, and will require that institutions provide at least the same amount (\$65 million) of direct assistance to students as included in CARES Act funding. It is not clear at this time how the interaction of CRRSA and other federal law will affect the distribution of aid to DACA and other non-Title IV eligible students. At this juncture, we believe it will continue to prohibit the provision of federal relief to DACA or other non-citizen students, but may allow for the provision of aid to students pursuing Adult Basic Education.

Agency Action

The Oregon Equity Lens was adopted by the Higher Education Coordinating Commission in 2014 as a cornerstone to the State's approach to education policy and budgeting. In addition, Equity is one of four goals established by the Commission in its Strategic Framework. During the pandemic, the Commission has done what it can to loosen restrictions on the utilization of financial aid programs by allowing students that miss a term, enroll less than is typically required, or fail to meet other specified criteria for eligibility to be considered eligible for financial aid regardless of the student's status as a new or continuing financial aid student. But, we believe the ongoing lack of federal aid available to non-citizen students, adult basic education students, and student parents who are struggling to educate themselves while they educate their children, continues to marginalize underrepresented students and perpetuate disparities within Oregon's postsecondary educational system.

In short, federal aid has not been sufficient to cover current and anticipated direct and indirect COVID-19 and wildfire costs for public institutions, and does not include populations that Oregon, through statute and funding, has supported through their higher education experience. It has further not been sufficient to keep students enrolled. As a result, Oregon risks losing investments already made in students and progress on state education goals at great economic cost to the state and great personal costs to students unless state investment supplements federal aid.

Action Requested

The Higher Education Coordinating Commission requests \$932,112 General Fund to distribute to students not eligible for CRRSA funding (\$750,000) and for students who were eligible for the Oregon Student Child Care Grant but didn't receive the grant due to insufficient funds (\$182,112). Need-based aid will be awarded to institutions by the Office of Student Access and Completion based on a formula that accounts for changes in enrollment and that accounts for estimated high-need/low-income students who have not enrolled.

Legislation Affected

HECC will utilize authority under ORS 348.520 to disburse financial aid to institutions and students as allocated under this request.

Sincerely,

A handwritten signature in black ink that reads "Ben Cannon". The signature is written in a cursive, flowing style.

Ben Cannon
Executive Director
Higher Education Coordinating Commission