

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: HB 2910 A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Doug Wilson
Date: 04/12/2019

Measure Description:

Requires that for person who completes prior educational requirements to participate in Oregon Promise program while incarcerated or detained, six-month period to enroll in courses to participate in program begins after person's period of incarceration or detention has ended.

Government Unit(s) Affected:

Higher Education Coordinating Commission (HECC), Community Colleges

Summary of Fiscal Impact:

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

Analysis: The bill requires that a six-month period to enroll in courses to participate in the Oregon Promise Grant (OPG) program for person incarcerated or detained by, the Oregon Youth Authority or the Department of Corrections, begins after person's period of incarceration or detention has ended while completing prior educational requirements for Oregon Promise program.

Based on information from the Oregon Youth Authority and the Department of Corrections, the Higher Education Coordinating Commission (HECC) estimates there are an 1,824 individuals who might begin to participate in the Oregon Promise program as a result of this bill as amended. LFO is concerned that this number is high; but based on the assumptions outlined below, a total of \$3.4 million General Fund in 2019-21. HECC's estimate is based on the following assumptions:

- Average annual grant would be \$1,850 per student.
- Measure would go into effect as of Jan. 1, 2020. This means that earliest awards to students in this category would begin in Winter 2019-20.
- Estimated 4.0% average tuition rate increase per year.
- Every student who starts the program will attend every subsequent term in the biennium (e.g., a student who starts in Winter 2019-20 carries a cost for 5 terms during the biennium).
- Estimated disbursements are based on the average trends overall for all OPG students, e.g., the average award is based on Expected Family Contribution (EFC) demographics of the overall group. These students may or may not conform to the overall demographics, in terms of EFC and OPG award amounts.
- These students would begin college/OPG at different times throughout the biennium.

In addition, HECC states that it will need one permanent Program Analyst 1 (1.00 FTE) to process applications, write rules and develop manual processes to serve this population of applicants, and develop a process for exchanging data with OYA and DOC to determine program eligibility. To change the information systems required to change the program's eligibility and other necessary information, an additional 700 hours of an ISS 7's time would be required.

Due to the uncertainty of the number of eligible students who would participate as a result of this bill and some other assumptions, the bill's fiscal impact is indeterminant.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.