



STATE FINANCIAL AID OVERVIEW

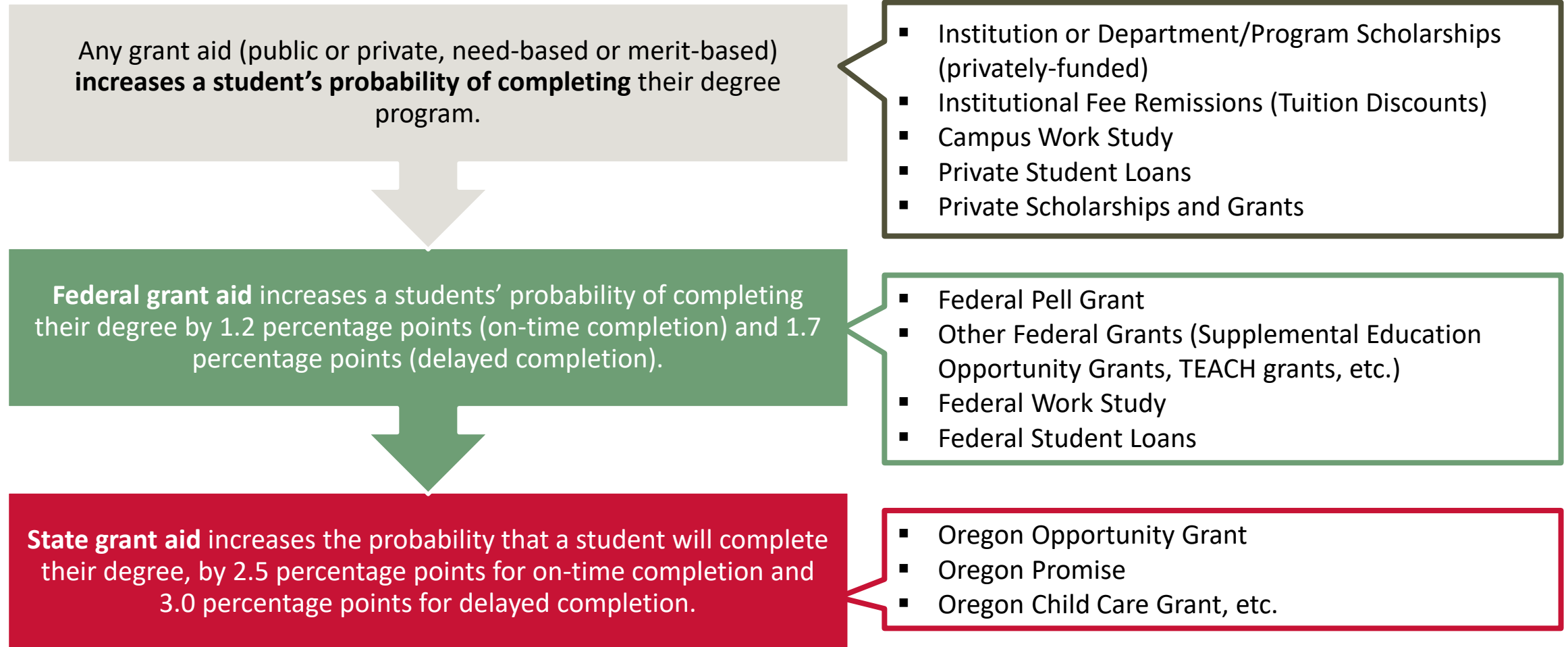
PRESENTED TO THE HOUSE
EDUCATION COMMITTEE

Juan Báez-Arévalo, Director, HECC -
Office of Student Access and Completion

November 2021

Grant Aid—Especially State Aid—Is Proven to Support Completion

Of the many forms of financial aid, state grant aid is where the state has influence.



Source: Reference: Nguyen, T. D., Kramer, J. W., & Evans, B. J. (2019). The Effects of Grant Aid on Student Persistence and Degree Attainment: A Systematic Review and Meta-Analysis of the Causal Evidence. *Review of Educational Research*, 89(6), 831-874.

(<https://journals.sagepub.com/doi/abs/10.3102/0034654319877156>)

Need-Based Aid: The Oregon Opportunity Grant (OOG)

Oregon's *only* state-funded, need-sensitive grant program

OOG awards can be used at eligible Oregon institutions for up to 4 years of full-time enrollment.

Recent maximum award amounts have been based on approx. **13%** of prior year's Cost of Attendance.

2021-22 Awarding (full-time)

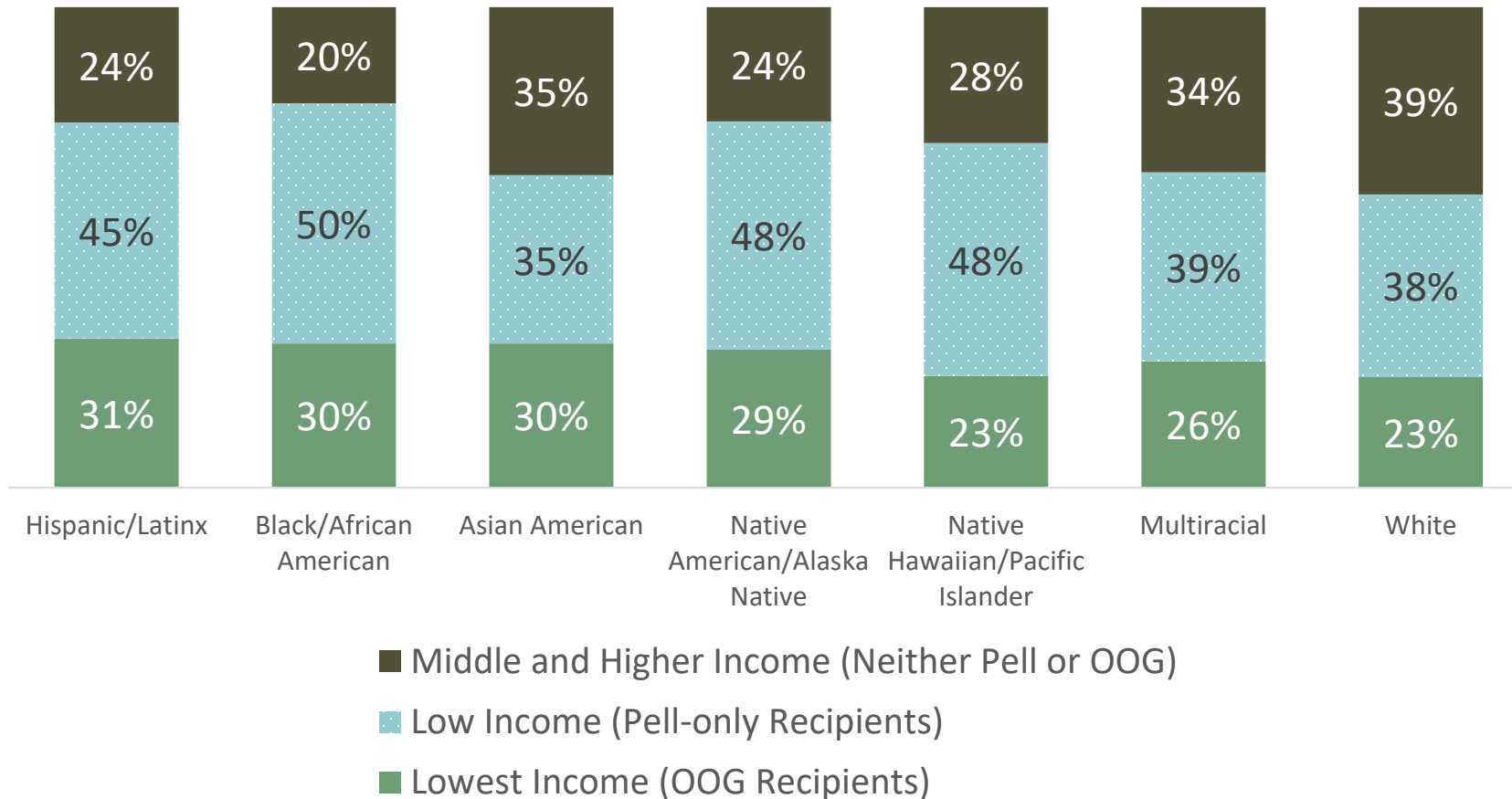
- \$2,778 per year
(community college)
- \$3,612 per year
(public university/private nonprofit 4-year institution)

GOAL:

- To increase college enrollment, completion, and affordability for Oregon students who have demonstrated financial need.

The OOG Disproportionately Serves Our Students of Color

Distribution of Oregon students across EFC levels for racial/ethnic groups



Over recent years, about half of OOG recipients are from public universities and just under half are at community colleges.

Prior to the 2018-19 awarding season, the OOG award was increased to keep up with rising cost of attendance. Limitations on program funding increases have meant fewer students have received the award.

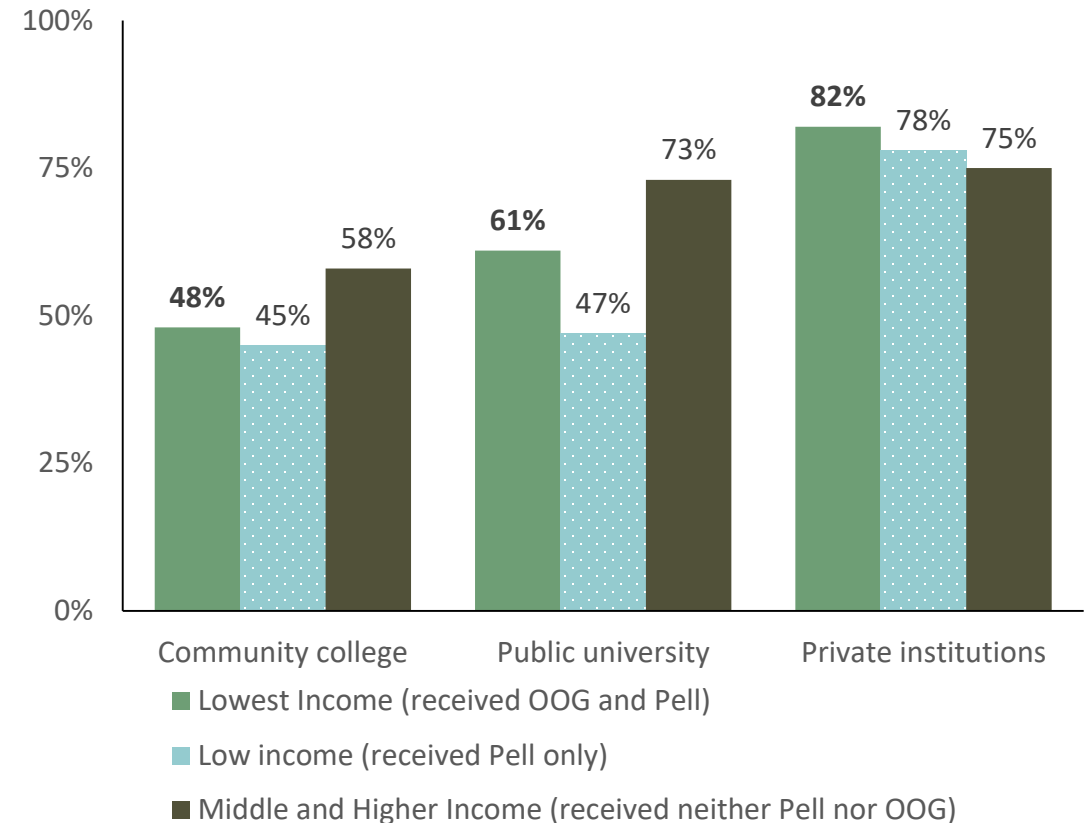
Source: HECC-R&D, January 2021, "Annual Evaluation of the Oregon Opportunity Grant: House Bill 2407 (2015)"
<https://www.oregon.gov/highered/research/Documents/Reports/HECC-HB-2407-OOG-2021-Report.pdf>

OOG Recipients Continued in and Completed Their Degree Programs at Higher Rates than Other Students from Low-income Backgrounds

Students with the OOG are slightly **more likely to return** after their first year in college and are **more likely to earn** a certificate or degree than other low-income students.

Students with the OOG who complete a degree are also able to **complete their degree slightly faster** than other low-income students.

Completion rate by educational sector and EFC level



Source: HECC-R&D, January 2021, "Annual Evaluation of the Oregon Opportunity Grant: House Bill 2407 (2015)"
<https://www.oregon.gov/highered/research/Documents/Reports/HECC-HB-2407-OOG-2021-Report.pdf>

A \$28.8 million increased investment in the OOG for the 2021-2023 biennium will greatly extend the programs reach.

This investment could result in approximately **11,000 additional awards** in 2021-23 and make key changes to awarding easier to implement:

Raise the EFC Cap from 3,500 to 6,000

- A significant increase in the EFC cap, from 3,500 to 6,000 EFC, a major shift upward and slightly higher than the EFC limit for the federal Pell Grant of 5,846.

Remove early filing deadlines and fall enrollment requirements

- The early FAFSA/ORSAA filing deadlines are not in place this year and the long-standing fall enrollment requirement, is being transformed, the latest award batch used a FAFS/ORSAA filing cutoff date of 8-31-21 with an EFC cutoff of 6,000.
- OSAC has now waived for 2021-22 the traditional fall enrollment requirement and will facilitate disbursements to students who start in winter term.
- As of today, a total of 58,546 Oregon residents have been extended the OOG award; only time will tell how many will enroll and utilize it this school year.

OSAC awards until the money allocated for the academic year is forecasted to be exhausted.

Additional award batches for the 2021-22 school year are expected to occur. We project to spend 48% in the first year of the biennium (about \$96M), and 52% in the second year (about \$104M).



Oregon Promise

Funds for community college tuition for recent high school/GED graduates

Promise awards can be used at any Oregon community college, for up to 90 college credits

2021-22 Awarding (full-time)

- \$1,000 per year (*minimum*)
- \$4,131 per year (*maximum*)
- *Before \$50/term co-pay applied*

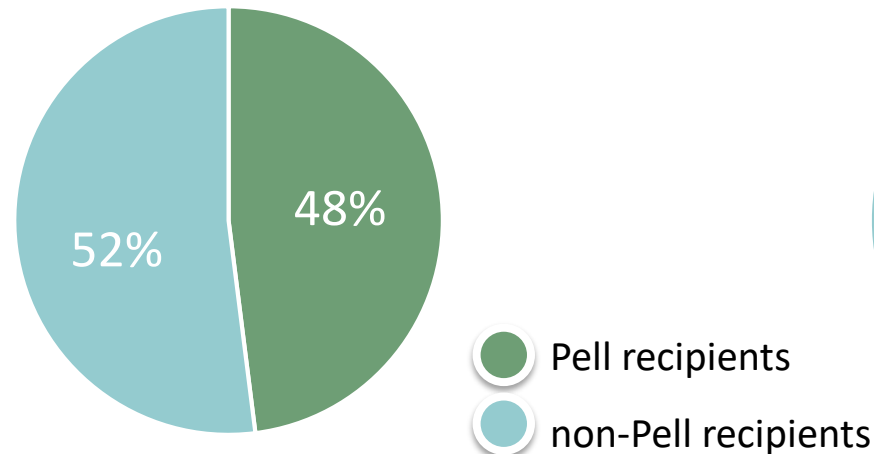
The OPG Awarding System Distributes Funds After Other Federal and State Aid, Which Results in Fewer Resources for Lower-Income Students

The award amount depends on student's remaining financial need to cover the average cost of tuition

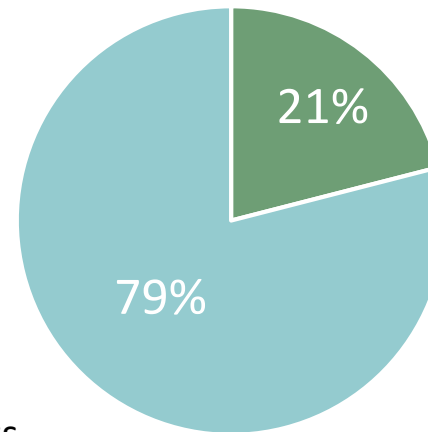
- If a student's tuition is covered in-full by other public grants, the student receives the minimum award (\$850).
- When combined with the OOG, Promise students from the lowest-income families receive, on average, \$3,628.
- Meanwhile, Promise students from middle and higher-income families receive \$3,981 on average

**All award numbers above are after co-pay, based on 2021-2022 award rates.*

Percentage of OPG recipients with Pell grant



Distribution of OPG funds



More than 50% of recipients are low income, but nearly **80% of the program dollars** go to higher income students.

Note: Award amounts are for 2021-22, and data about recipients and OPG funds are from 2020-21.

Source: HECC-R&D, December 2020, "Senate Bill 81 (2015): The Oregon Promise – Report from Year 5"

<https://www.oregon.gov/highered/research/Documents/Reports/HECC-report-341.522-Oregon-Promise-2020.pdf>



STATE FINANCIAL AID OVERVIEW

PRESENTED TO THE HOUSE
EDUCATION COMMITTEE

Juan Baez-Arevalo, Director, HECC -
Office of Student Access and Completion

November 2021