

## ANALYSIS

### Item 5: Higher Education Coordinating Commission Oregon National Guard State Tuition Assistance

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**Analyst:** Kim To

**Request:** Allocate \$800,000 General Fund from the Emergency Fund to the Higher Education Coordinating Commission for additional assistance for students eligible for the Oregon National Guard State Tuition Assistance Program.

**Analysis:** The Higher Education Coordinating Commission (HECC) is requesting \$800,000 General Fund to maintain current level assistance for students eligible for the Oregon National Guard State Tuition Assistance Program.

Established in 2018, the Oregon National Guard State Tuition Assistance program provides undergraduate tuition assistance to current members of the Oregon National Guard attending Oregon public universities and community colleges. The 2019 Legislature expanded the program to include eligible private nonprofit schools and the Oregon Health and Science University and to allow awards to be used towards undergraduate certificate programs. To further improve equity and access, the 2021 Legislature added a book allowance to the grant award and restructured the ONGSTA program to allow the program to be first pay after the Department of Defense Federal Tuition Assistance (FTA) funds have been applied towards student's tuition balance. Prior to this restructuring, the awarding process for the ONGSTA program was a last dollar pay after all state and federal assistance had been applied. This restructuring to apply ONGSTA funding after FTA but before Pell and other state grant was intended to achieve a higher level of equity by providing National Guard members who are considered higher need as lower income earners access to additional financial aid to assist with other costs of attendance such as food, housing, transportation, and childcare.

HECC projects an increase in applications and award amounts that would outpace the \$4.2 million budgeted for the 2021-23 biennium for the program. Although the 2021 restructure of the ONGSTA program authorizes HECC to adjust grant amounts if funds are insufficient, HECC believes reduction in grant awards would negatively impact the retention of Guard members, as well as the recruiting efforts of the Oregon National Guard. The increase in award amount is due to the above program expansions and restructuring coupled with a drop in FTA awarding levels due to data processing problems resulting from the Department of Defense's migration to a new software application system used by military personnel to apply for FTE funding. The increase in applications is due to anticipated deactivation of Oregon National Guard members who had been mobilized to active duty in support of overseas mission support, state natural disasters, and COVID-19 medical response. Based on historical trends and the number of applications HECC has already received for the 2022-23 academic year, HECC requests an additional \$800,000 General Fund to maintain current level assistance for eligible Guard members.

**Recommendation:** The Legislative Fiscal Office recommends that the Emergency Board allocate a one-time amount of \$800,000 General Fund from the Emergency Fund to Higher Education Coordinating Commission to grant to provide additional assistance for students eligible for the Oregon National Guard State Tuition Assistance Program.

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Higher Education Coordinating Commission  
Crawford

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**Request:** Allocate \$800,000 from the State Emergency Fund for additional tuition assistance for students eligible for the Oregon National Guard State Tuition Assistance (ONGSTA) program.

**Recommendation:** Approve the request.

**Discussion:** The ONGSTA program was originally created in 2018 and designed to be a “last dollar” program for higher education costs for eligible Oregon National Guard Service Members (Guards). Senate Bill 101 (2021) amended the program to be first pay after Department of Defense Federal Tuition Assistance funds have been applied towards a student’s tuition balance. The measure also allowed the Higher Education Coordinating Commission (HECC) to scale the awards depending on funding availability and the eligible student’s need. To this point, HECC has not scaled the awards.

Three factors have resulted in the projected greater level of funding:

- 1) An increased number of Guards deployed in the previous biennium.
- 2) Senate Bill 101 modified the original program from last dollar paid to almost first dollar paid.
- 3) Problems with federal benefits have resulted in many Guards underutilizing federal tuition assistance and relying more on ONGSTA.

The requested funding would enable HECC to continue to fully fund the ONGSTA awards and not require a scaling or removal of fee and book allowance currently in place.

**Legal Reference:** Allocation of \$800,000 from the State Emergency Fund to supplement the appropriation made by chapter 660, section 1(6), Oregon Laws 2021, for the Higher Education Coordinating Commission, Oregon National Guard tuition assistance for the 2021-23 biennium.



# Oregon

Kate Brown, Governor

**Higher Education Coordinating Commission**

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[www.oregon.gov/HigherEd](http://www.oregon.gov/HigherEd)

**October 17, 2022**

Senator Peter Courtney, Co-Chair  
Representative Dan Rayfield, Co-Chair  
Joint Emergency Board  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

### **Nature of the Request**

The Higher Education Coordinating Commission (HECC) requests \$800,000 General Fund to allow HECC to continue to fully award tuition assistance to eligible Oregon National Guard members for the remainder of the 21-23 biennium. The Oregon National Guard State Tuition Assistance (ONGSTA) program was budgeted at \$4,200,000 for the 21-23 biennium. This amount was determined, in part, based on previous academic years' participation rates. Several factors have increased the number of eligible participants beyond this amount.

First, starting in February of 2021 the U.S. Army initiated a software application changeover for their Federal Tuition Assistance (FTA) program from "GoArmyEd" to the "ArmyIgnitED" application software. The software application is the system in which military personnel can apply for FTA and participating schools can enter military personnel enrollment information and process student tuition payment data. The Department of Defense (DoD) has experienced unexpected problems with this change-over that have impacted thousands of soldiers' tuition benefits not only in Oregon, but across the United States. The problem with the "ArmyIgnitED" changeover has also presented an additional burden with schools who participate in the FTA program. Some schools have not received any FTA funding since the 2021 spring term. This has forced two Oregon community colleges to withdraw from their agreements with DoD as they were not able to carry the owed FTA funds over a such long period of time. The percentage of FTA funding compared to ONGSTA funding prior to spring 2021 term was 53.8%, while starting in spring 2021 the FTA awarding level compared to ONGSTA awarding dropped to 20.7%. The U.S. Army has recently initiated a new version of "ArmyIgnitED" which they are hoping will resolve the data processing problems that existed in the first version of the program. However, schools are still not fully integrated with the new version of "ArmyIgnitED" and will continue to be negatively affected through the 2022-23 academic year. Without as much tuition assistance from the DoD, ONGSTA award amounts are greater per participant.

Second, prior to the 2022 winter term, over 4,000 Oregon National Guard members were mobilized to active duty in support of overseas mission support, state natural disasters, and COVID-19 medical response. During this academic year, the Oregon National Guard has been demobilizing many of these activated members from active duty. The deactivation of these soldiers and airmen has allowed them the opportunity to start or return to college, creating an influx of Oregon National Guard members participating in the ONGSTA program. Because of the current and anticipated reduction of activated members of the Oregon National Guard from state and active duty mission support, participation in the ONGSTA program has shown an increase which will continue into the future.

Lastly, the effects of SB 101 (2021), which restructured the ONGSTA program from “last dollar paid” to “almost first dollar paid” (after tuition assistance from DoD) and allowed HECC to provide funding for certain fees and a book allowance, may not have been fully accounted for in the determination of budget need for 2021-23.

### **Agency Action**

HECC has continued to fully fund these awards to all eligible participants. In HECC’s analysis, without these additional funds HECC may pursue one of two solutions. The first is to not award the fee and book allowance to eligible participants and the second is to move towards a tiered award amount based on eligible participants expected family contribution (EFC). Those with the lowest EFC would still be funded at 100% of tuition need and those with highest EFC may be funded at a 10% level.

HECC would prefer to continue fully funding all eligible participants.

### **Action Requested**

The Higher Education Coordinating Commission requests the Emergency Board increase the budget for the ONGSTA program by \$800,000.

### **Legislation Affected**

None

Sincerely,



Ramona Rodamaker, Deputy Executive Director

for Ben Cannon, Executive Director

Higher Education Coordinating Commission