

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3565

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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### Measure Description:

Provides statutory authority for the Oregon Tribal Student Grant program. Establishes the Oregon Tribal Student Grant Fund.

### Government Unit(s) Affected:

Higher Education Coordinating Commission, Public Universities, Community Colleges, Oregon Health and Science University, Confederated Tribes of Grand Ronde, Confederated Tribes of Warm Springs, Klamath Tribes, Burns Paiute Tribe, Confederated Tribes of Siletz, Coquille Indian Tribe, Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, Confederated Tribes of Umatilla Indian Reservation, Cow Creek Band of Umpqua Indians, Legislative Commission on Indian Services

### Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

### Analysis:

House Bill 3565 provides statutory authority for the Oregon Tribal Student Grant program within the Higher Education Coordinating Commission (HECC) and establishes the Oregon Tribal Student Grant Fund. Moneys in the fund are continuously appropriated to HECC for the purpose of providing grant awards to each qualified tribal student. HECC is authorized to provide an initial grant to each qualified tribal student to offset the cost of education while enrolled in an eligible program at a post-secondary institution. Each qualified tribal student who receives an initial grant must receive renewal grants, provided the student continues to make satisfactory academic progress in an eligible program. A qualified tribal student may not receive grants under this program for more than three to five years, depending on certain factors. The total amount awarded to a qualified tribal student during an academic year may not exceed the cost of education at an eligible post-secondary institution in which the student is enrolled.

When awarding grants to qualified tribal students who have received a bachelor's degree, HECC must prioritize grants to qualified tribal students enrolled in a program that leads to a master's degree. If sufficient moneys remain available in the Oregon Tribal Student Grant Fund after HECC has awarded grants, HECC may choose to award full or partial initial grants or renewal grants to qualified tribal students enrolled in a program leading to a professional degree, doctoral degree, or other eligible program. Prior to the start of the fall term for each academic year, HECC must determine whether moneys available to HECC are sufficient to award a grant to each qualified tribal student. If the moneys are insufficient, HECC may conduct rulemaking to prioritize grants to certain qualified tribal students or limit the eligibility criteria to receive a grant under the program. HECC must report to the Legislative Commission on Indian Services and the Government-to-Government Tribal Education Cluster by September 1st of each even-numbered year on the implementation of the program, or any time HECC seeks to alter the calculation of a grant award amount. The measure takes effect on passage.

### Higher Education Coordinating Commission

The measure is anticipated to have a fiscal impact on HECC, but the impact is currently indeterminate. Although the measure establishes the Oregon Tribal Student Grant Fund, the fiscal impact to HECC is indeterminate because there is no requirement to capitalize the fund; and the level of investment in this grant program will

inform the level of services that HECC would be required to provide.

Note that HECC currently administers the Oregon Tribal Student Grant program through funding provided by House Bill 5202 (2022). The 2021-23 Legislatively Adopted Budget for HECC, includes \$19 million in support of the program. This amount was phased out and is not in the agency's 2023-25 current service level budget. The 2023-25 Governor's budget for HECC includes \$40,245,859 to continue the Oregon Tribal Student Grant program. Passage of this measure would codify the program.

Since opening the program to applicants on May 1, 2022, HECC has authorized 535 students to receive program funds, and 365 students have enrolled in higher education programs. Assuming 874 students are awarded grants in the 2023-24 and 2024-25 academic years, an estimated 1,748 students would receive this grant in the 2023-25 biennium. While the total cost will depend on the cost of education at any given institution of higher education and the type of program in which students enroll, HECC estimates total awards at \$37,291,808 in 2023-25, which includes \$17,822,145 in the 2023-24 academic year and \$19,469,663 in the 2024-25 academic year. HECC would also incur personal services and services and supplies costs associated with staff that currently administer the program. Currently, the program is staffed by a limited duration, full-time Program Analyst 4 position, which would need to be made permanent if the program continues.

#### **Other Government Units**

The measure is anticipated to have a minimal fiscal impact on community colleges, public universities, Oregon Health and Science University, and the Legislative Commission on Indian Services, and no fiscal impact on the nine federally recognized Indian Tribes in Oregon.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State's General Fund and HECC's biennial budget, as well as the new fund it creates.