

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 3120 - 5**

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:**

Requires the Higher Education Coordinating Commission to establish a grant program for the purpose of supporting organizations to expand the scope and community reach of college access and success programs.

**Government Unit(s) Affected:**

Higher Education Coordinating Commission

**Summary of Fiscal Impact:**

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

**Analysis:**

House Bill 3210, as amended by the -5 amendments, directs the Higher Education Coordinating Commission (HECC) to establish a grant program for the purpose of supporting organizations to expand the scope and community reach of college access and success programs. The measure appropriates \$5,000,000 General Fund to HECC in the 2023-25 biennium to administer the grant program. To be eligible for a grant, an organization must be a nonprofit organization that is tax exempt under section 501(c) under the federal Internal Revenue Code, community-based organization, or a public institution of higher education. In awarding grants to eligible organizations, HECC must consider whether an eligible organization has a demonstrated history of providing successful college access and success programs and providing programs and services to populations that are historically underrepresented in post-secondary institutions of education. HECC must conduct rulemaking to administer the program, including the application process, eligibility criteria, calculating award amounts, and collecting data to evaluate program effectiveness. The measure takes effect on July 1, 2023.

The measure is anticipated to have a fiscal impact on HECC, as it requires HECC to create, administer, and evaluate on an ongoing basis a new grant program. Because the measure appropriates \$5,000,000 General Fund to HECC to administer the grant program, this fiscal impact statement assumes that HECC’s administrative costs to administer the grant program and collect and analyze data about the program’s effectiveness would be supported through the appropriation in the measure. HECC anticipates needing one permanent, full-time Program Analyst 3 position (0.88 FTE) to conduct and manage the rulemaking process, oversee and evaluate the request for proposals process, and complete regular data checks and periodic evaluations of the program; and one permanent, part-time Research Assistant 3 position (0.44 FTE) to collect program data and evaluate the effectiveness of the program. The estimated cost of these positions, including related services and supplies, is \$336,641 General Fund in 2023-25 and \$389,304 General Fund in 2025-27. Consequently, HECC would award an estimated \$4,663,359 General Fund in 2023-25 and \$4,610,696 General Fund in 2025-27 in grant funds as special payments.

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.