SUMMARY
The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Amends Oregon Promise program to limit eligibility to people with adjusted gross income, either individually if independent student or combined with parent and guardian income if dependent student, at or below $100,000.

Authorizes Higher Education Coordinating Commission to award moneys from Oregon Promise program to reward student persistence and encourage completion of degree programs at community colleges.

Expands eligibility to receive Oregon Opportunity Grant and certain other state financial aid. Transfers responsibilities for administering grant to commission from Office of Student Access and Completion.

Allows students who are enrolled on basis other than full-time or half-time to be eligible to receive Oregon Opportunity Grant and certain other student aid awards.

Requires Higher Education Coordinating Commission to conduct study to determine best method for decreasing student debt held by students who attend public post-secondary institutions of education.

Directs commission to submit findings to interim committees of Legislative Assembly related to higher education not later than September 15, 2024.

A BILL FOR AN ACT
Relating to higher education; creating new provisions; and amending ORS 341.522, 348.180, 348.205, 348.250, 348.260, 348.263 and 348.520.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 341.522, as amended by section 18, chapter 81, Oregon Laws 2022, is amended to read:

341.522. (1) The Office of Student Access and Completion shall administer the Oregon Promise program as provided by this section.

(2) Subject to subsections (7) to (10) of this section, the office shall provide a grant for community college courses to a person who meets the criteria described in subsections (3) to (6) of this section. The grant shall be limited as provided by subsections (7) to (10) of this section.

(3) A grant shall be awarded under this section to a person who meets the following criteria:

(a) Is enrolled in courses that are:

(A) Offered at a community college in this state; and

(B) Determined by the office, in accordance with rules adopted by the Higher Education Coordinating Commission, to be required for completion of:

(i) A one-year curriculum for students who plan to transfer to another post-secondary institution of education;

(ii) An associate degree; or

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.

New sections are in **boldfaced** type.

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(iii) A program in career and technical education;
(b) Except as provided in subsection (5) of this section, has been a resident of this state for at least 12 months prior to enrolling in the courses described in paragraph (a) of this subsection;
(c) Attained the person's highest level of education, except as provided in subsection (5) of this section, in this state prior to:
   (A) Receiving a diploma under ORS 329.451;
   (B) Receiving a certificate for passing an approved high school equivalency test such as the General Educational Development (GED) test as provided by ORS 350.175;
   (C) Completing grade 12 in compliance with the requirements of ORS 339.035;
   (D) Completing grade 12 at a private or parochial school, as described in ORS 339.030 (1)(a);
   (e) Earned a cumulative grade point average of 2.0 or better in high school or otherwise dem-
donstrated an equivalent academic ability, as determined by the office according to rules adopted by the commission;
   (f) Completed and submitted the Free Application for Federal Student Aid for each academic year and accepted all state and federal aid grants available to the person, if eligible to file the application; and
   (g) Has not completed either of the following:
      (A) More than a total of 90 credit hours, or the equivalent, at a post-secondary institution of education; or
      (B) A curriculum, degree or program, as described in paragraph (a)(B) of this subsection[; and
      (h) Has an adjusted gross income as reported on the federal financial application or state equivalent form, either individually if an independent student or combined with parent and guardian income if a dependent student, at or below $100,000, as determined by the commission by rule.

(4)(a) If a person otherwise meets the required criteria and has been awarded a grant under subsection (3) of this section, but the person enters into service with a career and technical student organization relating to agriculture or farming that is approved by the Department of Education under ORS 344.077 within six months after the person attained the person's highest level of education as described in subsection (3)(c) of this section, the person will continue to be eligible to receive the grant if the person first enrolls in courses described in subsection (3)(a) of this section within six months of finishing the person's service with the career and technical student organization.

(b) In addition to the situation described in paragraph (a) of this subsection, the commission may waive the requirement set forth in subsection (3)(d) of this section for a person who shows that the person was unable to timely enroll in courses described in subsection (3)(a) of this section due to a significant hardship. The commission may adopt rules to implement this paragraph.

(5)(a) A member of the Oregon National Guard who has completed initial active duty training is not required to comply with the criteria set forth in subsection (3)(d) of this section in order to receive a grant, provided that the member first enrolls in courses described in subsection (3)(a) of this section within six months after completing initial active duty training, as evidenced by an official form issued by the United States Department of Defense.

(b)(A) A person who completes the highest level of education as described in subsection (3)(c)
of this section while confined in a correctional facility, either serving a sentence of incarceration
or as a young person, youth or adjudicated youth, is not required to comply with the criteria set
forth in subsection (3)(d) of this section in order to receive a grant, provided that the person first
enrolls in courses described in subsection (3)(a) of this section within six months after the date on
which the person is first released from a correctional facility following completion of the highest
level of education described in subsection (3)(c) of this section.

(B) The eligibility requirements described in subsection (6)(a)(C) of this section may be waived
by the office according to rules adopted by the commission for a person who receives a grant under
this section in the manner described in subparagraph (A) of this paragraph.

(C) As used in this paragraph:
(i) “Adjudicated youth,” “detention facility,” “young person” and “youth” have the meanings
given those terms in ORS 419A.004.
(ii) “Correctional facility” means any place used for the confinement of young persons, youths or
adjudicated youths or persons charged with or convicted of a crime or otherwise confined under
a court order, including a:
(I) Youth correction facility;
(II) Detention facility;
(III) Department of Corrections institution;
(IV) Local correctional facility; or
(V) State hospital or a secure intensive community inpatient facility, with respect to persons
detained therein who are youths or adjudicated youths, who are charged with or convicted of a
crime or who are detained therein after having been found guilty except for insanity of a crime
under ORS 161.290 to 161.373 or having been found responsible except for insanity under ORS
419C.411.
(iii) “Department of Corrections institution” has the meaning given that term in ORS 421.005.
(iv) “Local correctional facility” has the meaning given that term in ORS 169.005.
(v) “Youth correction facility” has the meaning given that term in ORS 420.005.
(c)(A) If a person was a foster child:
(i) The person shall be treated as meeting the residency criteria for eligibility under subsection
(3)(b) of this section if, but for the person’s placement in out-of-state foster care, the person other-
wise meets the requirements of subsection (3)(b) of this section.
(ii) The person shall be treated as attaining the person’s highest level of education in this state
under subsection (3)(c) of this section if the person attained the person’s highest level of education
while placed in out-of-state foster care and the person’s highest level of education substantially
meets the requirements under subsection (3)(c) of this section.
(iii) The person is not required to comply with the criteria set forth in subsection (3)(d) of this
section in order to receive a grant provided that the person completes the highest level of education
as described in subparagraph (A)(ii) of this paragraph while in a treatment program and the person
first enrolls in courses described in subsection (3)(a) of this section within 12 months after the date
on which the person is released from the treatment program.
(B) Upon request from the commission, the Department of Human Services shall provide doc-
umentation of the placement status of a person described in paragraph (c)(A) of this subsection.
(C) As used in this paragraph:
(i) “Foster care” means substitute care for children placed by the Department of Human Ser-
vices or a tribal child welfare agency away from the child’s parents and for whom the department
or agency has placement and care responsibility, including placements in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, child care institutions and preadoptive homes.

(ii) “Foster child” means a child over whom the Department of Human Services retained jurisdiction under ORS 417.200 for the duration of the child’s placement in foster care outside the State of Oregon.

(6)(a) A person continues to remain eligible to receive a grant under this section if the person, in addition to satisfying the criteria specified in subsection (3) of this section, meets the following criteria:

(A) Maintains at least the minimum cumulative grade point average prescribed by the commission based on federal aid grant requirements;

(B) Makes satisfactory academic progress toward a curriculum, degree or program, as described in subsection (3)(a)(B) of this section, as prescribed by the commission based on federal aid grant requirements; and

(C) Enrolls in courses described in subsection (3)(a) of this section for a sufficient number of credit hours to be considered at least a half-time student each term for at least three terms in each consecutive academic year.

(b) A person who fails to meet an eligibility requirement described in paragraph (a) of this subsection becomes ineligible to receive a grant under this section for the term after which the person fails to meet the eligibility requirement, unless the eligibility requirement is waived by the office according to rules adopted by the commission.

(7)(a) The total amount of a grant awarded under this section shall be based on each term that a person is enrolled in courses described in subsection (3)(a) of this section. Except as provided in subsections (9) and (10) of this section, after the amount of tuition for the person for the term is reduced by any amounts received by the person in state and federal aid grants, the person shall be eligible for a grant under this section in an amount that equals:

(A) Except as provided by paragraph (b) of this subsection, not less than the greater of:

(i) $2,000, adjusted for inflation based on the increase of the average cost of tuition at a community college operated under ORS chapter 341 in a manner determined by the commission by rule;

and

(ii) The person’s actual cost for tuition.

(B) Not more than the lesser of:

(i) The average cost of tuition at a community college in this state, as determined by the office;

and

(ii) The person’s actual cost for tuition.

(b)(A) If the office determines both that the person’s actual cost for tuition exceeds the amount set forth in paragraph (a)(A)(i) of this subsection and that the person’s actual cost for tuition exceeds the average cost of tuition at a community college in this state, the person shall be eligible for a grant in an amount that equals the average cost of tuition at a community college in this state.

(B) If the office determines that the person’s actual cost for tuition is less than the amount set forth in paragraph (a)(A)(i) of this subsection, the person shall be eligible for a grant in an amount that equals the amount set forth in paragraph (a)(A)(i) of this subsection.

(c) The minimum amount of a grant, as calculated under paragraphs (a) and (b) of this subsection, may be prorated for a person who is enrolled in courses described in subsection (3)(a) of this section for a sufficient number of credit hours to be considered at least a half-time student but not
(d) The commission may prescribe by rule whether to include fees, and any limitations related to the inclusion of fees, when determining the actual cost of tuition or the average cost of tuition under this subsection.

(8) The commission may adopt by rule the priority by which grants are awarded, which may allow for preference to be given to persons enrolled in school districts or high schools that meet specified criteria.

(9) Prior to the start of the fall term of each academic year, the commission shall determine whether there are sufficient moneys to award a grant under this section to each person who meets the criteria described in subsections (3) to (6) of this section. When making a determination under this subsection, the commission may consider both projected resources and statutory modifications that will take effect during the current biennium. On the basis of this determination the commission may:

(a) Limit eligibility to receive a grant under this section to a person whose individual or family adjusted gross income, as determined by the commission by rule, is at or below the level the commission determines is necessary to allow the commission to operate the Oregon Promise program with available moneys; or

(b) Reduce or eliminate any limitation on eligibility previously imposed by the commission under paragraph (a) of this subsection.

(10)(a) If at any time the commission determines that there are insufficient moneys to provide a grant to each person who has been awarded a grant under this section, the commission may decrease the total amount of the grant awarded.

(b) If at any time the commission determines that the amount of moneys available to operate the Oregon Promise program exceeds the amount determined under subsection (9) of this section, the commission may reduce or eliminate any limitation on eligibility to receive a grant under this section that was previously imposed by the commission under subsection (9)(a) of this section.

(c) The commission shall promptly notify the interim committees of the Legislative Assembly responsible for higher education each time the commission takes any action under paragraph (a) or (b) of this subsection.

(11) The commission shall adopt any rules necessary for the administration of this section, including any requirements related to:

(a) Specifying the form and timelines for submitting an application for a grant under this section;

(b) Determining whether a person is eligible for a grant under this section, including whether the person shall be given priority as allowed under subsection (8) of this section;

(c) Implementing programs or policies that improve the academic success or completion rates for persons who receive a grant under this section;

(d) Prescribing eligibility requirements and grant calculations for persons dually enrolled in a community college and a public university; and

(e) Evaluating the impact of the program established under this section, including any requirements for reporting data needed for evaluations.

(f) Determining whether a student meets the income criteria established in subsection (3)(h) of this section.

(12) No later than December 31 of each even-numbered year, the commission shall submit to an interim legislative committee related to education a report that summarizes the commission’s findings on the impact of the program established under this section. The report shall include:
a) Student completion rates of curricula, degrees and programs described in subsection (3)(a)(B) of this section;

b) The amount of federal aid grants received by persons who received a grant under this section;

c) The financial impact of the program on school districts that had students receive a grant under this section;

(d) The financial impact and the enrollment impact of the program on community colleges and public universities in this state; and

e) The overall success rate of the program and financial impact of the program.

SECTION 2. (1) In addition to any other form of student financial aid authorized by law, the Higher Education Coordinating Commission may award moneys from the Oregon Promise program to students to reward student persistence and encourage completion of degree programs at community colleges.

(2) Awards made under this section are not subject to the minimum or maximum Oregon Promise program grant amounts or eligibility criteria established under ORS 341.522.

(3) The commission shall establish by rule eligibility criteria for awards made under this section. These criteria shall include, but are not limited to, whether the student is attending a community college on a full-time or less than full-time basis.

(4)(a) The commission shall administer, and determine the size of, awards made under this section.

(b) In determining the size of awards made under this section, the commission shall consider basing the size of the awards on a percentage of the maximum Oregon Promise program grant amount authorized under ORS 341.522.

SECTION 3. ORS 348.180 is amended to read:

348.180. As used in this section and ORS 348.205, 348.250, 348.260 and 348.263:

(1) “Cost of education” includes but is not limited to, tuition, fees and living expenses.

(2) “Eligible post-secondary institution” means:

(a) A public university listed in ORS 352.002;

(b) A community college operated under ORS chapter 341;

(c) The Oregon Health and Science University; or

(d) An Oregon-based, generally accredited, not-for-profit institution of higher education.

(3) “Qualified student” means any resident student, or student exempted from paying nonresident tuition under ORS 352.287, who plans to attend an eligible post-secondary institution and who:

(a) Has not achieved a baccalaureate or higher degree from any post-secondary institution;

(b) Is enrolled in an eligible program as defined by rule of the Higher Education Coordinating Commission; and

(c) Is making satisfactory academic progress as defined by rule of the commission; and

(d) Has not been admitted to the United States for the sole purpose of enrolling in a higher education program of study.

SECTION 4. ORS 348.205 is amended to read:

348.205. (1) The Oregon Opportunity Grant program is established within the Higher Education Coordinating Commission.

(2) Under the program, the cost of education of a qualified student shall be shared by the student, the family of the student, the federal government and the state.
(3) The [Director of the Office of Student Access and Completion] commission shall determine the cost of education of a qualified student based on the type of eligible post-secondary institution the student is attending. The cost of education equals:

(a) For a student attending a community college, the average cost of education of attending a community college in this state;

(b) For a student attending a public university listed in ORS 352.002, the average cost of education of attending a public university;

(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a community college in this state; and

(d) For a student attending the Oregon Health and Science University or a four-year Oregon-based, generally accredited, not-for-profit institution of higher education, the average cost of education of attending a public university listed in ORS 352.002.

(4)(a) The [director] commission shall determine the amount of the student share. The student share shall be based on:

(A) The type of eligible post-secondary institution the student is attending;

(B) The number of hours of work that the [director] commission determines may be reasonably expected from the student; and

(C) The amount of loans that the [director] commission determines would constitute a manageable debt burden for the student.

(b) The student shall determine how to cover the student share through income from work, loans, savings and scholarships.

(c) The student share for a student who attends a community college may not exceed the amount that the [director] commission determines a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(d) The student share for a student who attends an eligible post-secondary institution that is not a community college may not exceed the sum of the amount that the [director] commission determines a student may receive as loans plus the amount a student may earn based on the number of hours of work reasonably expected from the student under paragraph (a) of this subsection.

(5) The [director] commission shall determine the amount of the family share. The family share shall be based on the resources of the family.

(6) The [director] commission shall determine the amount of the federal share based on how much the student or the student’s family is expected to receive from the federal government.

(7)(a) The [director] commission shall determine the amount of the state share. The state share shall be equal to the cost of education reduced by the student share, family share and amount received by the student from the federal government.

(b) The [director] commission shall establish a minimum amount that a student may receive as a state share. If the [director] commission determines that the amount of the state share of a student is below the minimum amount, the student may not receive the state share.

(c) The [director] commission may not reduce the amount of the state share of a student based on amounts available to the student by virtue of being the designated beneficiary of a college savings network account established under ORS 178.300 to 178.360.

(8) Subject to subsection (9) of this section, if the [director] commission determines that there are insufficient moneys to award the state share to all qualified students, the [director] commission:
(a) May establish the maximum amount that a student may receive as a state share. This amount
may vary based on whether the student is attending an eligible post-secondary institution on a
half-time or less than full-time basis.
(b) May establish procedures that prioritize awarding Oregon Opportunity Grants to qualified
students with the greatest financial need or whose circumstances would enhance the promotion of
equity guidelines published by the Higher Education Coordinating Commission.
(c) May not reduce the amount of the state share awarded to students in the low income range
in a greater proportion than the amount that the state share for students in other income ranges
is reduced.
(9)(a) The Higher Education Coordinating Commission shall adopt rules that prioritize current
foster children and former foster children for receiving Oregon Opportunity Grants when the Oregon
Opportunity Grant program does not have sufficient funding to serve all eligible Oregon students.
(b) For the purposes of this subsection, “former foster child” has the meaning given that term
in ORS 350.300.
SECTION 5. ORS 348.250 is amended to read:
348.250. (1) Grants established under ORS 348.260 shall be awarded by the Higher Education
Coordinating Commission in the manner provided in this section.
(2) Persons interested in obtaining a grant established under ORS 348.260 may apply to the
Director of the Office of Student Access and Completion for a grant.
(3) The director commission shall screen or cause to be screened the applications and shall
determine for each available grant the person best qualified to receive that grant. A qualified ap-
plicant is eligible to receive a grant established under ORS 348.260 if:
(a) The applicant's financial need is such that in the opinion of the director commission fi-
nancial aid is warranted; and
(b) The applicant plans to be a student at the eligible post-secondary institution where the grant
is to be used.
(4) The director commission shall not discriminate for or against any applicant for a grant.
(5) Nothing in this section or ORS 348.260, 348.505 to 348.615, 348.696 or 348.992 shall be con-
structed to require any institution to admit a grant recipient or to attempt to control or influence the
policies of the institution.
(6) Whenever funds are not available to award grants to all qualified students, the director
commission may give priority to applicants who are or plan to be full-time students at the eligible
post-secondary institution where the grant is to be used. A student shall be considered to be a
full-time student if the combination of credit hours at more than one eligible post-secondary insti-
tution equals full-time attendance, according to the institution disbursing the grant funds.
(7) As used in this section, “discriminate” has the meaning given “discrimination” in ORS
659.850.
SECTION 6. ORS 348.260 is amended to read:
348.260. (1) In addition to any other form of student financial aid authorized by law, the Higher
Education Coordinating Commission may award Oregon Opportunity Grants to qualified students.
(2) The amount of a grant shall equal the state share of a qualified student's cost of education
as determined by the Director of the Office of Student Access and Completion commission and
comply with applicable rules and procedures described in ORS 348.205.
(3) Grant funds necessary to meet matching requirements for federal funds may also be used to
award grants to qualified students in any eligible post-secondary institution approved by the com-
(4) Grants may be awarded under this section to qualified students enrolled for any term, including summer term. The commission may prescribe the method and date or dates by which a student must apply to the commission to qualify for a grant.

(5) (a) A qualified student who receives a grant under this section may apply for renewal of the grant on an annual basis. The commission may not renew the grant if the qualified student has not made a timely application for renewal of the grant.

(b) The commission shall by rule establish academic standards and benchmarks that a qualified student must meet to have the student's grant renewed.

(c) If a qualified student who receives a grant under this section makes a timely application for renewal of the grant, meets the academic standards and benchmarks established by the commission under this subsection and continues to meet all other grant eligibility criteria, the grant shall be renewed for a second year of attendance at an eligible post-secondary institution.

(d) Upon timely application by a qualified student who meets the academic standards and benchmarks established by the commission under this subsection and who continues to meet all other grant eligibility criteria, the commission may continue to renew the grant until the qualified student has received the equivalent of four full-time undergraduate years of grant funding for an eligible program as defined by the commission.

(6) (a) The commission shall inform eligible post-secondary institutions of the identity of qualified students who attend the institution and who receive a grant under this section for more than one academic year.

(b) To the extent possible, eligible post-secondary institutions shall ensure that qualified students identified under this subsection are made aware of the academic guidance and counseling services available at the institution.

(7) A qualified student who receives a grant under this section must attend the eligible post-secondary institution upon which the grant application is based unless the commission authorizes the grant to be used at a different eligible post-secondary institution. A qualified student who receives a grant under this section may attend more than one eligible post-secondary institution if the grant application was based on the qualified student attending more than one eligible post-secondary institution.

(8) The commission may not make a grant award to any qualified student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.

(9) (a) The commission shall report annually on or before February 1 to committees of the Legislative Assembly related to higher education regarding the academic success and performance of qualified students who receive grants under this section.

(b) In order to meet the reporting requirements set forth in paragraph (a) of this subsection:

(A) The commission shall by rule design a method for evaluating the academic success and performance of students who receive a grant under this section; and

(B) Upon a request from the commission, eligible post-secondary institutions must provide the commission with the data necessary for the commission to conduct its analysis.

SECTION 7. ORS 348.263 is amended to read:

348.263. (1) In addition to any other form of student financial aid authorized by law, the Higher Education Coordinating Commission may award moneys from the Oregon Opportunity Grant program to qualified students to reward student persistence and encourage completion of degree programs at eligible post-secondary institutions.
(2) Awards made under this section are not subject to the maximum Oregon Opportunity Grant amount established under ORS 348.205.

(3) The commission shall establish by rule eligibility criteria for awards made under this section. These criteria shall include, but not be limited to, whether the qualified student is attending an eligible post-secondary institution on a full-time or [half-time] **less than full-time** basis.

(4)(a) The [Director of the Office of Student Access and Completion] commission shall administer, and determine the size of, awards made under this section.

(b) In determining the size of awards made under this section, the [director] commission shall consider basing the size of the awards on a percentage of the maximum Oregon Opportunity Grant amount established under ORS 348.205.

**SECTION 8.** ORS 348.520 is amended to read:

348.520. The Director of the Office of Student Access and Completion shall:

(1) Make available to qualified persons financial aid from financial sources available to the director.

(2) Determine qualifications of persons to receive financial aid.

(3) Maintain reports and records on persons applying for and receiving financial aid from the director.

(4) Withhold any financial aid if the recipient thereof fails to maintain the standards established for receipt of that aid.

(5) Recommend to the Legislative Assembly not less than once every biennium matters relating to the establishment, administration, modification, transfer, reduction or cancellation of financial aid.

[(6) Prior to implementing changes to the Oregon Opportunity Grant program, report to the Higher Education Coordinating Commission and the Legislative Assembly or the Emergency Board any proposed change:]

[(a) That increases or decreases the total amount awarded as Oregon Opportunity Grants that was approved as part of the budget enacted by the Legislative Assembly for the Higher Education Coordinating Commission; and]

[(b) To the methodology used to determine the student share, family share or state share under ORS 348.205.]

[(7)] (6) Encourage the establishment of financial aid programs by private agencies.

[(8)] (7) Collect and disseminate information pertaining to all types of available financial aid.

[(9)] (8) Review the administrative practices and evaluate the effectiveness of all public and private post-secondary financial aid programs in Oregon.

[(10)] (9) Disburse state appropriations for financial aid in such a manner as to maximize its role in cooperative coordination of financial aid programs.

**SECTION 9.** Section 2 of this 2023 Act and the amendments to ORS 341.522, 348.180, 348.205, 348.250, 348.260, 348.263 and 348.520 by sections 1 and 3 to 8 of this 2023 Act first apply to applications for grants or other financial aid received by the Higher Education Coordinating Commission for the fall 2024 academic term.