



Testimony on HB 2615

House Committee on Emergency Management, General Government, and Veterans
January 26, 2023

Chair Grayber, Vice-Chairs Lewis and Tran, and members of the Committee. My name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission (HECC). Thank you for the opportunity to submit testimony on HB 2615.

The Oregon Promise is a state-funded financial aid program designed primarily for students who enroll at an Oregon Community College within six months of completion of a high school diploma or equivalency. This program is a last-dollar program, meaning it pays awards after the issuance of other state and federal aid programs in a manner that ensures a student's total financial aid package covers the average community college tuition and fees rates in the state. The program additionally has a minimum \$2,000 award to ensure some level of support to low-income students whose tuition and fee costs may be covered by other sources, but who still face significant financial barriers.

Since establishment, ORS 341.522 has been amended to create exceptions to this six-month enrollment requirement for certain students, including foster youth, incarcerated individuals, and Oregon National Guard members. This bill would extend an additional exemption to Oregon veterans by allowing them to enroll within 12 months of discharge from active duty.

Based on the most recent data available from the Department of Defense (DoD), the average number of new veterans in Oregon is approximately 2,800 per year. Each year, again according to DoD, about 60% of GI Bill eligible veterans begin to utilize their benefit within 12 months of discharge. Therefore, HECC estimates the bill will have a significant impact on program utilization, through the participation of as many as 1,675 new students per year beginning in the 2024-2025 academic year.

Using the data from the Department of Defense, the estimated funding to award eligible veterans is calculated on average assumptions for military pay for separated service members. To determine student financial need, the U.S. Department of Education uses tax information from two years prior to the current academic year to calculate a student's Earned Family Contribution (EFC) to determine Pell grant eligibility. Using assumptions based on military pay data available to HECC, roughly correlated to EFC values, HECC conservatively projects the cost

of additional awards in the next biennium is up to \$4.43m, with additional costs coming in the biennium following, due to roll-up costs and the introduction of additional student cohorts. More work may be required to refine these estimates and include administrative costs.

Thank you for your time today.