

House Bill 2407

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber, M.D., for Higher Education Coordinating Commission)

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 **as introduced**.

Provides that all qualified students receive second year of Oregon Opportunity Grant funding if they meet academic standards and benchmarks established by Higher Education Coordinating Commission by rule.

Directs commission to adopt rules regarding Oregon Opportunity Grant program that include maximum grant amount. Authorizes commission to prescribe grant application deadlines and to prioritize awarding of grants to qualified students with highest financial need.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to Oregon Opportunity Grants; creating new provisions; amending ORS 348.205, 348.260 and
3 461.543; and declaring an emergency.

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

5 **SECTION 1.** ORS 348.205 is amended to read:

6 348.205. (1) The Oregon Opportunity Grant program is established within the Higher Education
7 Coordinating Commission.

8 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
9 dent, the family of the student, the federal government and the state.

10 **(3) The commission shall adopt rules to:**

11 **(a) Align a qualified student's eligibility to receive an Oregon Opportunity Grant with the**
12 **student's eligibility to participate in the Federal Pell Grant Program;**

13 **(b) Establish the maximum grant amount that may be made to a qualified student under**
14 **the Oregon Opportunity Grant program; and**

15 **(c) Establish procedures that prioritize making Oregon Opportunity Grants to qualified**
16 **students with the highest financial need or whose circumstances would enhance the pro-**
17 **motion of equity guidelines published by the Oregon Education Investment Board.**

18 **(4) The Executive Director of the Office of Student Access and Completion shall assist**
19 **the commission in developing the rules to be adopted and the grant amount and procedures**
20 **to be established under subsection (3) of this section.**

21 *[(3) The Executive Director of the Office of Student Access and Completion shall determine the cost*
22 *of education of a qualified student based on the type of eligible post-secondary institution the student*
23 *is attending. The cost of education equals:]*

24 *[(a) For a student attending a community college, the average cost of education of attending a*
25 *community college in this state;]*

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

28 *[(c) For a student attending a two-year Oregon-based, generally accredited, not-for-profit institution*

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.

1 of higher education, the average cost of education of attending a community college in this state; and]

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

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

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

8 [(B) The number of hours of work that the executive director determines may be reasonably ex-
9 pected from the student; and]

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

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

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

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

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

23 [(6) The executive director shall determine the amount of the federal share based on how much the
24 student or the student's family is expected to receive from the federal government as grants, loans, tax
25 credits or other student assistance.]

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

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

32 [(c) In determining the amount of the state share, the executive director shall consider the total
33 amount available to award as grants to all qualified students. If the executive director must reduce the
34 amount of the state share under this paragraph, the executive director may not reduce the amount of
35 the state share awarded to students in the low income range in a greater proportion than the amount
36 that the state share for students in other income ranges is reduced.]

37 [(8)(a)] **(5)(a)** The [Higher Education Coordinating] commission shall adopt rules that prioritize
38 current foster children and former foster children for receiving Oregon Opportunity Grants when
39 the Oregon Opportunity Grant program does not have sufficient funding to serve all eligible Oregon
40 students.

41 (b) For the purposes of this subsection, "former foster child" has the meaning given that term
42 in ORS 351.293.

43 **SECTION 2.** ORS 348.205, as amended by section 1 of this 2015 Act, is amended to read:

44 348.205. (1) The Oregon Opportunity Grant program is established within the Higher Education
45 Coordinating Commission.

1 (2) Under the program, the cost of education of a qualified student shall be shared by the stu-
2 dent, the family of the student, the federal government and the state.

3 (3) The commission shall adopt rules to:

4 (a) Align a qualified student's eligibility to receive an Oregon Opportunity Grant with the
5 student's eligibility to participate in the Federal Pell Grant Program;

6 (b) Establish the maximum grant amount that may be made to a qualified student under the
7 Oregon Opportunity Grant program; and

8 (c) Establish procedures that prioritize making Oregon Opportunity Grants to qualified students
9 with the highest financial need or whose circumstances would enhance the promotion of equity
10 guidelines [*published by the Oregon Education Investment Board*] **adopted or published by the**
11 **commission.**

12 (4) The Executive Director of the Office of Student Access and Completion shall assist the
13 commission in developing the rules to be adopted and the grant amount and procedures to be es-
14 tablished under subsection (3) of this section.

15 (5)(a) The commission shall adopt rules that prioritize current foster children and former foster
16 children for receiving Oregon Opportunity Grants when the Oregon Opportunity Grant program
17 does not have sufficient funding to serve all eligible Oregon students.

18 (b) For the purposes of this subsection, "former foster child" has the meaning given that term
19 in ORS 351.293.

20 **SECTION 3. The amendments to ORS 348.205 by section 2 of this 2015 Act become oper-**
21 **ative on March 15, 2016.**

22 **SECTION 4.** ORS 348.260 is amended to read:

23 348.260. (1) In addition to any other form of student financial aid authorized by law, the Higher
24 Education Coordinating Commission may award Oregon Opportunity Grants to qualified students.

25 (2) The amount of a grant shall equal the state share of a qualified student's cost of education
26 as determined by the Executive Director of the Office of Student Access and Completion **and com-**
27 **ply with applicable rules and procedures adopted by the commission** under ORS 348.205.

28 (3) Grant funds necessary to meet matching requirements for federal funds [*under the Leveraging*
29 *Educational Assistance Partnership Program and Special Leveraging Educational Assistance Partner-*
30 *ship Program of the United States Department of Education*] may also be used to award grants to
31 qualified students in any eligible post-secondary institution approved by the commission.

32 (4) Grants may be awarded under this section to qualified students enrolled for any term, in-
33 cluding summer term. The commission may prescribe [*a specific date*] **the method and date or dates**
34 by which a student must apply to the commission to qualify for a grant [*only if the commission de-*
35 *termines that the total amount available to award as the state share to all qualified students is not*
36 *sufficient to cover the total state share amount scheduled to be awarded to all students*].

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

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

42 (c) If a qualified student [*receiving*] **who receives** a grant under this section **makes a timely**
43 **application for renewal of the grant**, meets the **academic standards and benchmarks estab-**
44 **lished by the commission under this subsection and continues to meet all other grant eligi-**
45 **bility criteria** [*for renewal of the grant*], the grant **shall be renewed for a second year of**

1 **attendance at an eligible post-secondary institution.**

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

7 (6) A qualified student who receives a grant under this section must attend the eligible post-
 8 secondary institution upon which the grant application is based unless the Executive Director of the
 9 Office of Student Access and Completion authorizes the grant to be used at a different eligible
 10 post-secondary institution. A qualified student who receives a grant under this section may attend
 11 more than one eligible post-secondary institution if the grant application was based on the qualified
 12 student attending more than one eligible post-secondary institution.

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

15 **SECTION 5. The amendments to ORS 348.205 and 348.260 by sections 1 and 4 of this 2015**
 16 **Act first apply to Oregon Opportunity Grants awarded for the 2016-2017 academic year.**

17 **SECTION 6.** ORS 461.543 is amended to read:

18 461.543. (1) Except as otherwise specified in subsection (5) of this section, the Sports Lottery
 19 Account is continuously appropriated to and shall be used by the Higher Education Coordinating
 20 Commission to fund sports programs at public universities listed in ORS 352.002. Seventy percent
 21 of the revenues in the fund shall be used to fund nonrevenue producing sports and 30 percent shall
 22 be used for revenue producing sports. Of the total amount available in the fund, at least 50 percent
 23 shall be made available for women’s athletics.

24 (2) The [*board*] **commission** shall allocate moneys in the Sports Lottery Account among the
 25 public universities, giving due consideration to:

26 (a) The athletic conference to which the public university belongs and the relative costs of
 27 competing in that conference.

28 (b) The level of effort being made by the public university to generate funds and support from
 29 private sources.

30 (3) As used in subsections (1) to (3) of this section, “revenue producing sport” is a sport that
 31 produces net revenue over expenditures during a calendar year or if its season extends into two
 32 calendar years, produces net revenue over expenditures during the season.

33 (4) An amount equal to one percent of the moneys transferred to the Administrative Services
 34 Economic Development Fund from the State Lottery Fund shall be allocated from the Administrative
 35 Services Economic Development Fund to the Sports Lottery Account.

36 (5) The amounts received by the Sports Lottery Account shall be allocated as follows:

37 (a) Eighty-eight percent for the purposes specified in subsections (1) to (3) of this section, but
 38 not to exceed \$8 million annually, adjusted annually pursuant to the Consumer Price Index, as de-
 39 fined in ORS 327.006.

40 (b) Twelve percent for the purpose of scholarships, to be distributed equally between scholar-
 41 ships based on academic merit and scholarships based on need, as determined by rule of the
 42 [*board*] **commission**, but not to exceed \$1,090,909 annually.

43 (c) All additional money to the [*Oregon Student Access*] commission for the Oregon Opportunity
 44 Grant program under ORS 348.260.

45 **SECTION 7. This 2015 Act being necessary for the immediate preservation of the public**

1 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
2 **on its passage.**

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