



Docket Item:

Summary of Permanent Administrative Rules relating to cost controls for the Oregon Promise program, as provided by Senate Bill 1032 (2017).

Summary:

- | | |
|---|---|
| <input type="checkbox"/> New Rule | <input type="checkbox"/> Temporary |
| <input checked="" type="checkbox"/> Amend Existing Rule | <input checked="" type="checkbox"/> Permanent |
| <input type="checkbox"/> Repeal Rule | |

Prompted by:

- State law changes
- Federal law changes
- Other

The proposed amendments to **575-039-0080** implement provisions of Senate Bill 1032, passed by the 2017 Legislative Assembly. Under the new language in ORS 341.522(8)(a), the Commission is permitted to limit, via administrative rule, the number of new students eligible for an Oregon Promise grant in order to operate the program within available moneys. Given the current budget constraints for the program, this permanent rule is necessary to allow the Commission to control costs and limit grant eligibility in specific ways, as described in the rule; for example, based upon an applicant's expected family contribution.

Docket Material:

Hearing Officer's Report and Rule Text attached in Appendices A and B, respectively.

Staff Recommendation:

Staff recommends approval of the permanent administrative rule changes implementing cost controls for the Oregon Promise program, as provided by Senate Bill 1032 (2017).

Appendix A:

Hearing Officer's Report



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission
Office of the Executive Director, Policy & Communications
255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

January 25, 2018

To: Neil Bryant, Chair
Ben Cannon, Executive Director

From: Kelly Zinck, HECC Rules Coordinator

RE: Presiding Officer's Report on Rulemaking Hearing

Date of Rulemaking Hearing: January 16, 2018

Location of Rulemaking Hearing: HECC Offices, Public Service Building
255 Capitol Street NE, Salem, OR 97301

Summary of Proposed Rules:

The proposed administrative rule implements cost controls for the Oregon Promise program, as provided by Senate Bill 1032 (2017).

Summary of Rulemaking Hearing and Public Comment:

The rulemaking hearing on the proposed rule amendments convened at 3:00pm. Opening statements regarding instructions for making comments on the proposed rule and a brief summary of the proposed rule were read into the record.

The hearing adjourned at 4:00pm. One individual was in attendance at the hearing but chose not to submit oral or written comments. Prior to the close of the public comment period, HECC received one written public comment expressing frustration about the changes to the grant program eligibility. Agency staff considered the comment received and determined that the rule language would not be changed. The HECC Office of Student Access and Completion (OSAC) communicated to all fall 2017 Oregon Promise applicants that funding for the program in 2017-18 was dependent on legislative approval in July 2017. OSAC awarded as many eligible students for 2017-18 as possible, while still remaining fiscally responsible with limited program funds.

Appendix B:
Rule Text

575-039-0080

Prioritization of Grant Recipients

(1) The Commission may prescribe the priority by which grants are awarded, which allows for preference to be given to persons enrolled in school districts or high schools that meet specified criteria as determined by the Commission.

(2) 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 to each person who meets the eligibility criteria described in OAR 575-039-0020. On the basis of this determination, the Commission may limit eligibility to receive a grant to a person whose family contribution, is at or below the level the Commission determines is necessary to allow the Commission to operate the Oregon Promise program with available moneys. In setting a limitation on eligibility and setting eligibility limits, the Commission shall consider:

- (a) The amount of funds allocated to the Oregon Promise program for the biennium;
- (b) The estimated costs of awarding eligible students in prior-year cohorts who have not yet exceeded the program's 90-credit limit;
- (c) The estimated costs of awarding new eligible applicants during both years of the biennium each academic year, assuming a liability of up to 90 credits, which may extend beyond two years;
- (d) The anticipated tuition changes at the Oregon Community Colleges; and
- (e) The sustainability of the program to accommodate current and future cohorts within the biennium.

(3) The Commission may reduce or eliminate any limitation on eligibility previously imposed by the Commission under (2) of this subsection.

(4) For purposes of this section, "family contribution" is the same as a student's Expected Family Contribution.

Stat. Auth.: ORS 341

Stats. Implemented: ORS 341