

Docket Item:

May Legislative Update

Federal Update

The federal higher education policy landscape continues to be busy under the new administration, with multiple significant policy pronouncements since the Commission last met in April.

First, the United States Department of Education announced on May 11 it was reversing the policy of the prior administration to disallow undocumented students from receiving emergency stimulus funds distributed to colleges and universities. Institutions with federal resources through the Higher Education Emergency Relief fund that have yet to be disbursed to students may now, under the new final rule from the Department, allocate those resources to any student since the declaration of the national emergency.

Following the passage of the American Rescue Plan, President Biden has proposed additional stimulus and policy reform initiatives titled the American Families Plan and the American Jobs Plan, as well as released a federal FY 2022 budget outline, and the higher education sector features heavily in these proposals.

Combined, the budget outline and American Families plan would, if adopted as outlined, increase the federal Pell grant by \$1,800 from the current \$6,495, a step toward ultimately doubling the maximum Pell award. In addition, the Pell Grant would become available to students with DACA status.

Additionally, the American Families Plan proposes to provide for two years of free community college, through a state and federal partnership to fund the two year sector. There is not yet enough detail to discern on how precisely the proposal implicates Oregon higher education funding or maintenance of effort, but a very preliminary analysis of the mechanics of plan suggest that higher tuition states, Oregon included, would be required to put in greater than \$1 in order to capture \$1 in federal investment, while low tuition states, such as California, could receive as much as \$3 per \$1 investment. As none of the bills are as of yet drafted, further analysis is not possible at this time.

A late April ruling by the Senate parliamentarian clears the way for additional taxation and spending bills to be passed in 2021 via the budget reconciliation process, requiring only 50 senate votes, plus the vice-president, to become law.

Budget Discussion

Yesterday, HECC staff completed a multi-week presentation series before the Ways and Means Subcommittee on Education, featuring multiple office directors, student guest speakers, reserved days for institutional testimony, and open public hearings. As usual, the presentation was well received, but the impact of the presentation on specific budgetary decisions the Subcommittee and the legislature may make is unclear.

There continue to be ongoing discussions around the status of the HECC budget, institutional support funds, and financial aid at this time. Pursuant to those conversations, we believe the operational items HECC has put forward, both technical and substantive, including the FAMIS student financial aid system replacement project, are likely to be included in the final HECC budget. We also believe that the institutions are in line to receive budget allocations that allow them to operate on largely a current services basis. Though, until the HECC budget and other bills are drafted and passed, the status of these items may change.

There is a greater degree of uncertainty around the financial aid budget. HECC's proposed HB 2093 has been amended by the House Education Committee to require an additional \$28m investment in the Oregon Promise program above current service level. This additional investment supports the policy changes proposed by the Commission in the -1 amendment to:

- Double the minimum award from \$1,000 to \$2,000, and index the award to increases in tuition
- Eliminate the \$50 per term co-pay
- Lower the GPA requirement from 2.5 to 2.0
- Exclude accelerated learning credits from award eligibility caps
- Allow use of the award at Oregon-based universities

In addition to these changes, the House Committee elected to amend the bill to restore eligibility to any qualified applicant in the fall 2020 cohort that was disqualified due to income. Some students were told during the 2020 award year that they would receive an award, and that award was revoked due to special session cuts. Other students at the highest income levels were disqualified due to program resources prior to these cuts. The sum total of these funding decisions is over \$28m. (About \$20m to fund the HECC policy items, and \$8m to support the retroactive eligibility provisions)

Such an infusion to the Promise program at a time that the Oregon Opportunity Grant is so underfunded runs counter to the stated budgetary priorities of the Commission, which has tended to promote Oregon Opportunity Grant expansion as one of its key budgetary priorities.

In addition to the ongoing conversation around HB 2093, there appears to be some reluctance to the idea of putting additional resources into the Oregon Opportunity Grant on the grounds that significant federal resources have been provided in the last year. HECC is working with institutions and students to help the legislature further understand the dynamics of one-time aid, and the position of Oregon with regard to financial aid broadly.

The next state revenue forecast is due May 19. This forecast is likely to show increased resources available to the legislature in crafting the biennial budget, and it is hoped that this may influence the financial aid conversation, as well as improve the outlook for other policy bills with fiscal impact.

HECC-Sponsored Legislation

Bill Number	Subject	Status
<i>SB 74</i>	<i>Cosmetology curriculum management</i>	<i>No hearing requested</i>
SB 75	DDPSO scholarships	Passed Senate, Passed House Education Committee, on House Floor
<i>SB 76</i>	<i>Transfer</i>	<i>Elements incorporated into SB 233. SB 233 passed Senate Education, Referred to Ways and Means</i>
SB 77	Minor revisions	Passed Senate, Passed House Education Committee, on House Floor
<i>SB 78</i>	<i>Placeholder</i>	<i>No hearing requested</i>
HB 2089	Lake County boundary change	On Governor's Desk
HB 2090	Boundary change process	On Governor's Desk
HB 2091	Lane County boundary change	On Governor's Desk
HB 2092	Oregon Youth Employment Program	Passed House Education, Referred to Ways and Means
HB 2093	Financial aid redesign	Passed House Education, Referred to Ways and Means
<i>HB 2147</i>	<i>Placeholder</i>	<i>No hearing requested</i>

Italicized items are no longer active bills.

Tracked Legislation

The work session deadline for bills that have passed one chamber and have not been referred to an exempt committee is May 28, and bills will continue to move through the committee process until this date.

Access and Affordability

SB 101 – Modifies the eligibility and aid calculation for the Oregon National Guard Tuition Assistance Program by discounting the award amount only by federal military tuition assistance. This bill is proposed by the Oregon Military Department, and would alter the ONGSTA program by enriching the benefits. Currently the program is last dollar, after all state and federal aid is applied. Under the proposal, the program would only discount federal military tuition assistance. (STATUS: Passed the Senate, hearing held in House Committee on Veterans and Emergency Management)

SB 234 – Requires HECC to convene a stakeholder group to evaluate the best manner to establish a coordinated, statewide approach to serving adults in custody who are eligible for the federal Pell grant. (STATUS: Passed Senate Education, work session scheduled in House Education)

SB 553– Provides the right of in-state tuition for students residing in Oregon under the Compact of Free Association, provided Oregon is their first state of established residency. The GRB dedicates \$4 M to this proposal. (STATUS: Passed Senate Education, referred to Ways and Means)

HB 2412 – Appropriates \$1m each to College Possible, ASPIRE, AVID, BUILD EXITO, and TRIO. The GRB provides \$1 M to each entity as well. HECC has taken a position of support because the bill matches the Governor's budget. (STATUS: Passed House Education, referred to Ways and Means)

HB 2835 – Requires each institution to have a benefits navigator on staff, to assist students in navigating eligibility and applying for state and federal benefits. (STATUS: Passed House Education, referred to Ways and Means)

HB 3244 – Increases the cap on Oregon Film and Video tax credits from \$14m to \$20m per year. There is concern that these credits will come at the expense of bids for Oregon Opportunity Grant tax credits, as the market is the same. (STATUS: Passed House Revenue, referred to Joint Committee on Tax Expenditures)

Consumer Protection

SB 485– Requires student loan servicers operating in Oregon to be licensed by the Department of Consumer and Business Services and provides a complaint and investigations process. Establishes a student loan ombudsman. (STATUS: Passed Senate Labor and Business, referred to Ways and Means)

Equity

HB 2590 – Establishes a Task Force on Student Success for Underrepresented Students in Higher Education to develop policy proposals to improve outcomes for such students through a process of hearings similar to that used for the Task Force on Student Success for K-12. This bill is Rep. Alonso Leon's follow on to the Task Force on Student Success. The bill represents an important effort to engage populations of students across Oregon and surface policy initiatives that would further the cause of equity, and increase the engagement and success of underrepresented students in our higher education system. (STATUS: Passed House Education, referred to Ways and Means)

Governance

SB 230 – Authorizes the awarding of professional doctoral degrees at WOU, SOU, and EOU provided such programs are approved by the Commission. (STATUS: Passed Senate, passed House Education,)

SB 712 – Makes the current non-voting Commission positions voting positions at the time the holder of such position is appointed or reappointed. Adds a voting position for a graduate student. The effect is not immediate, as the bill does not take effect until January 2022, and applies only to appointments made after that date. (STATUS: Passed Senate, work session scheduled in House Education)

SB 854 - Makes the current non-voting Commission positions voting positions at the time the holder of such position is appointed or reappointed. Adds a voting position for both a graduate student and a non-faculty staff member. Provides that program eliminations are significant changes triggering Commission review. Makes any governing board decision on any issue appealable to the Commission. (STATUS: In Senate Rules)

Placement

HB 2589 – Requires institutions to allow students to bypass developmental education coursework if the student receives a score of 165 on the GED test. (STATUS: On Governor's desk)

Transfer and Award of Credit

SB 233 – Establishes a state Transfer Counsel tasked with recommending to the Commission a common course numbering system as well as shepherding future work on the core and major transfer maps. Requires the Commission to adopt future course numbering systems and transfer tools that are based on the recommendations of the council. (STATUS: Passed Senate Education, referred to Ways and Means)

Transparency

HB 2919 – Requires institutions to post information on the materials used in a course for no less than 75% percent of courses. Posting must occur at the time the course registration window opens. Requires the Commission to adopt a list of incidental course materials for which cost notification is not required.



HIGHER EDUCATION COORDINATING COMMISSION

May 13, 2021

Docket Item#: 6.1

(STATUS: Passed House, Passed Senate Education)

Workforce

SB 623 – As amended, the bill will require a regular assessment of the workforce system conducted by a third party. The assessment will include programs operated by HECC, local boards, Employment, Human Services, the Commission for the Blind, and Housing and Community Services. (STATUS: Passed Senate, work session scheduled in House Economic Recovery and Prosperity)

SB 762 – A large bill with multiple components, one of which is to establish a Wildfire Workforce Corps, housed in HECC, under an advisory board, for the purpose of making grants to corps programs doing work in the area of wildfire mitigation and recovery. (STATUS: Passed Senate Natural Resources and Wildfire Recovery, referred to Ways and Means)

Staff Recommendation:

No Commission action is required. This is an informational item.