

Oregon Financial Aid and Equity: HB 2093 and Oregon Opportunity Grant Funding

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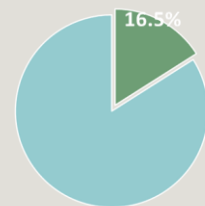
In 2021, the wealthiest Oregon student qualifying for an Oregon Promise grant received \$3,981 in total state aid to attend an Oregon community college, while the most in-need student qualifying for both the Oregon Opportunity Grant and the Promise received \$3,628. Under the current financial aid structure, **a high-family income student can receive \$353 more in state financial aid than a low-income student attending the same institution.**

Of the approximately \$200m distributed biennially to Oregon students, about \$35m is devoted to students who do not receive the Oregon Opportunity Grant, and about **\$16m goes to students from families with median incomes above \$100,000 per year.**

The minimum Oregon Promise award, granted to low income students, is frozen at \$1,000, but the maximum award increases with increases in tuition, so **this inequitable distribution gets worse over time.**

Meanwhile, in a decade-long period ending in 2019, Oregon only served 16.5% of OOG-eligible students.

From 2009-2019, more than **2 million** applications for financial aid qualified as OOG-eligible.



Due to limited funds, only **16.5%** of these students received an OOG award.

HB 2093 seeks to make the Oregon Promise a more equitable program, by, amongst other changes:

- Doubling the minimum award to \$2,000, indexing it to tuition cost increases
- Eliminating the \$50 per term co-pay, which disproportionately impacts low income students and is a greater portion of their total award.

But these changes don't correct the fundamental problem: **student financial aid is critically underfunded in Oregon.**

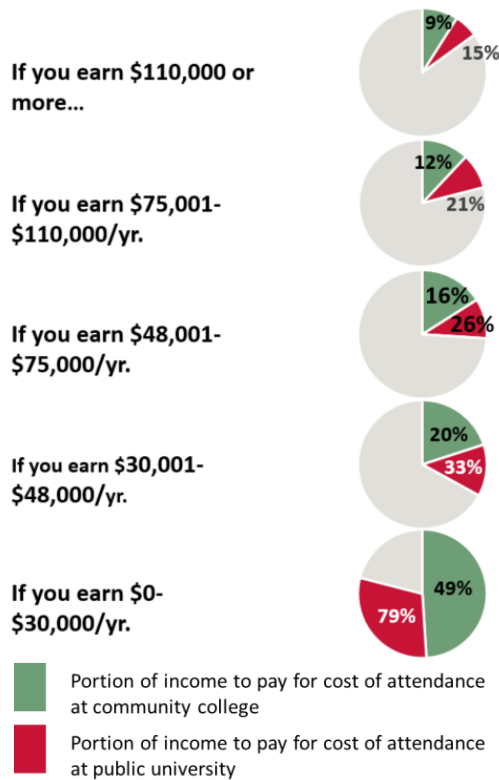
Oregon is **25th in the nation in per FTE student financial aid funding**, and **31st in the nation in per student total funding**. State financial aid funding per FTE student adjusted for inflation was \$569 in 2020 in Oregon which is **31 percent below the national average of \$830**. Oregon's public institutions are expensive for students, and few students receive enough financial aid to close the gap. By comparison, **our West coast neighbors invested significantly more:** Washington provided \$1,430 and California provided \$813 per FTE student.

The Oregon Opportunity Grant is the one program that serves students on a need basis, students who are more likely to be from underrepresented populations, but **the Opportunity Grant is so underfunded, it only serves about half of the students receiving the federal Pell Grant**, the federal program reserved for those determined to be in the absolute greatest need.

Financial aid is not just a leg up, it's a lifeline into career wage jobs and stable, lifelong economic opportunities that are too often denied to underrepresented populations. **97% of above-average wage jobs will call for a postsecondary credential this decade.**

Educational attainment	U.S. Annual earnings	White	Underrepresented Populations (Black, Hispanic, Native American, and Native Hawaiian combined)
Graduate degree	\$83,372	14%	7%
Bachelor's degree	\$64,896	23%	13%
Associate degree	\$46,124	19%	18%
Some college, no degree	\$43,316	16%	16%
High school diploma	\$38,792	22%	25%
Less than a high school diploma	\$30,784	7%	22%

Without increases in state aid, the increasing population of racial and ethnic minority students will not have the same chance to experience the benefits provided by these high-wage careers, and Oregon will need to continue to rely on importing degrees and talent into the state.



32% of community college students and 60% of public university students have unmet financial need. This unmet need directly impacts a student's prospect of completing a degree.

While federal one-time dollars help, financial need renews on a yearly basis. Today's student might have received funds to help them in the current year, but a student that enrolls tomorrow experiences no benefits from federal aid already distributed.

Eliminating unmet student financial need in Oregon is an \$893m biennial endeavor. This investment is out of reach today, but serves to indicate the magnitude of the gap that exists between what the state provides and what students need to afford the true cost of attending a higher education institution.

While eliminating unmet need is a lofty goal, the single best way to provide more low-income Oregon students with greater opportunity to complete is to increase the state investment in the Oregon Opportunity Grant, and make

equity-focused changes to the Oregon Promise via HB 2093.