

Docket Item:

February Legislative Update

Summary:

The 2021 legislative session has convened. Similar to past years, HECC staff is currently tracking 158 pieces of legislation, out of the 2,114 items introduced at this point in the session. Additional bill releases will cause these numbers to increase.

This session began under a significant cloud of uncertainty over how the Legislature would organize, how committees would operate, and how coronavirus would affect legislative decision making. Some of this uncertainty has dissipated. Legislative committees appear to have transitioned smoothly to remote operations, and are moving business. HECC staff have, in the first month of session, made numerous committee appearances both in informational hearings and in public hearings for legislation.

Some budgetary uncertainty has also dissipated, in so much that persistently restricted economic activity has decreased the likelihood the Legislature will find large amounts of unanticipated additional revenue in future budget forecasts available for crafting the new biennial budget.

Some questions remain about how the session will unfold. In particular, the remote process is creating bottlenecks for legislation. Whereas in a typical session, bills flow evenly from hearing to committee work session to the floor of one chamber, repeating the process in the second chamber, in 2021 bills are being held up for concentrated remote work sessions, and later will be held up in order to permit members to return to Salem for floor votes. These bottlenecks could restrict the amount of business the Legislature may ultimately have time to conduct. They also increase the risk that the fates of unrelated legislation could be tied together by members seeking to find agreement on broader issues.

Finally, it remains to be seen how much complex legislation, typically constantly worked on and ironed out in side conversations and drop-by meetings in the halls of the Capitol, will be polished up in time for a final vote.

Even in this environment, HECC staff have been active and “in the building,” as they typically would be, and several bills of interest are already beginning to progress.

HECC-Sponsored Legislation

Bill Number	Subject	Status
SB 74	Cosmetology curriculum management	Hearing to be requested
SB 75	DDPSO scholarships	Hearing held on 2/8
SB 76	Transfer	No hearing requested. Some provisions may be amended into SB 233
SB 77	Minor revisions	Hearing held on 2/8
SB 78	Placeholder	No hearing requested
HB 2089	Lake County boundary change	Hearing held on 2/4
HB 2090	Boundary change processes	Hearing held on 1/28
HB 2091	Lane County boundary change	Hearing held on 2/4
HB 2092	Oregon Youth Employment Program	Hearing to be held on 2/25
HB 2093	Financial aid	Hearing to be requested
HB 2147	Placeholder	No hearing requested

HIGHER EDUCATION COORDINATING COMMISSION

February 11, 2021

Docket Item#: 7.1

Tracked Legislation

The following bills are bills that HECC is tracking. This is not an exhaustive list of all legislation being tracked by the agency, but is intended to provide Commissioners with a survey of the higher impact pieces of legislation being monitored. As bills begin to move through the process, this list will be significantly altered. Items may be removed and others added as the legislature makes decisions.

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. (STATUS: Referred to Finance and Revenue. No hearing scheduled.)

SB 553/HB 2496 – 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 Governor's Recommended Budget (GRB) dedicates \$4 M to this proposal. HECC expects an amendment to clarify the funding mechanism. (STATUS: SB 553 referred to Senate Education Committee. Hearing held 2/8.)

SB 640 – Establishes a scholarship program administered by OHSU for students that are members of a federally recognized tribe and agree to provide medical services at a tribal service site. (STATUS: Referred to Senate Health Care Committee. Hearing held 2/3.)

HB 2412 – Appropriates \$500,000 to College Possible. Advocates are interested in amending this bill to represent GRB investment levels for College Possible, ASPIRE, AVID, BUILD EXITO, and TRIO. The GRB provides \$1 M to each entity. (STATUS: Referred to House Education Committee. No hearing scheduled.)

HB 2569 – Establishes a state student loan program for tuition equity-qualified students who are ineligible for federal educational aid, including federal loans. (STATUS: Referred to House Education Committee. No hearing scheduled.)

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: Referred to House Education Committee. No hearing scheduled.)

Consumer Protection

SB 485 /HB 2175– 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. Previous versions of the bill introduced prior to 2021 established HECC as a student loan counselor. This provision is not present in the current bill. (STATUS: SB 485 referred to Senate Business and Labor Committee. Scheduled for a work session 2/11.)

HB 2197 – Requires HECC to implement the 90/10 rule, requiring 10 percent or greater of the revenue of a private institution come from sources other than institutional loans or federal education funds, including veterans' funds. (STATUS: Referred to House Education Committee. No hearing scheduled.)

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. (STATUS: Referred to House Education Committee. No hearing scheduled.)

HIGHER EDUCATION COORDINATING COMMISSION

February 11, 2021

Docket Item#: 7.1

Governance

SB 1 – Allows a merger of a community college and a public university after the presentation by the institutions of a merger plan and identification of necessary statutory changes. (STATUS: Referred to Senate Education Committee. No hearing scheduled.)

SB 230 – Authorizes Western Oregon University, Eastern Oregon University, and Southern Oregon University to offer doctorate degrees. Individual programs would require Commission approval. (STATUS: Referred to Senate Education. No hearing scheduled.)

HB 2873 – 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 (STATUS: Referred to House/Senate Education Committee. No hearing scheduled.)

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: Referred to House Education Committee. No hearing scheduled.)

Transfer and Award of Credit

SB 233 – Establishes a common course numbering system for common college and university courses. Staff expect an amendment that will make this bill a successor bill to HB 2998 (2017). (STATUS: Referred to Senate Education Committee. Hearing scheduled for 2/15.)

Transparency

HB 2542 – Requires institutions to publish and describe the amount, purpose, and use of mandatory fees, and report fees to the Commission. (STATUS: Referred to House Education Committee. No hearing scheduled.)

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. (STATUS: Referred to House Education Committee. No hearing scheduled.)

Workforce

SB 623 – Provides that local workforce boards shall individually evaluate the work of agencies related to numerous state and federal workforce related programs. Requires state agencies to support those evaluations with funding

HB 2303 – Transfers all responsibility for implementing WIOA programs and oversight on matters of workforce development from HECC to the Bureau of Labor and Industries. (STATUS: Referred to House Business and Labor Committee. No hearing scheduled.)

HB 2570 – Requires ODE, in partnership with the STEM Council, and through a workgroup process, to establish a long-term strategic plan for computer science education opportunities for public school students. (STATUS: Referred to House Education Committee. Hearing held 2/9.)

Material:

CRRSAA Act Higher Education Provisions Summary

Staff Recommendation:

HIGHER EDUCATION COORDINATING COMMISSION

February 11, 2021

Docket Item#: 7.1

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

CRRSAA Act Higher Education Provisions: Initiatives and Resources to Provide Relief to Students and Institutions

Last Updated, January 25, 2021

On December 21, 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), along with appropriations to fund the federal government through the end of fiscal year 2021. This is a *preliminary* summary of the CRRSAA key higher education provisions, and does not include all information on the FY 2021 appropriations bill.

EDUCATION STABILIZATION FUND, Section 311(a) of CRRSSA

The [Education Stabilization Fund](#) (ESF) was established with the passage of the CARES Act in March, 2020, and four grant programs were created. Through CRRSAA, \$81.88 billion was allocated to this fund for K-12 schools, colleges and universities; the higher education components are summarized below.

Higher Education Emergency Relief Fund (HEERF) II, Section 314(a) of CRRSSA

The CRRSAA, through Section 314(a), allocated \$22.7 billion to the [Higher Education Emergency Relief Fund \(HEERF\)](#). By comparison, the Coronavirus Aid, Relief, and Economic Security (CARES) Act included \$14 billion for the HEERF. The US Department of Education has posted information on [HEERF II funds supported through CRRSSA here](#), including the following FAQ on these funds:

- [CRRSAA HEERF II Section 314\(a\)\(1\) Frequently Asked Questions](#) (January 14, 2021)
- [CRRSAA HEERF II Section 314\(a\)\(4\) Frequently Asked Questions](#) (January 14, 2021)
- [HEERF I and HEERF II Comparison Fact Sheet](#) (January 14, 2021)

The majority of the HEERF funding (approximately \$20B) is expected to be distributed to public and private non-profit universities and their students. Students cannot apply for assistance directly from the U.S. Department of Education but should contact their institutions for further information and guidance. It is expected that these funds will be distributed by January 27, 2021. **Initial estimates anticipate approximately \$229 million will be available to Oregon public and private non-profit Oregon institutions and their students through HEERF II** (see expected institution allocations on page 3).

Like the CARES Act, funds are distributed by formula to institutions through grant programs that were established through CARES. Several changes were made in HEERF II from the original HEERF funding through the CARES Act.

- For existing private, nonprofit and public CARES Act grantees, the CRRSAA authorized under Section 314(a)(1) supplemental awards to existing grants to support institutions and students. As under the CARES Act, the main formula would allocate 75% of funds based on an institution's relative share of Pell grant recipients. However the formula for HEERF funds was modified to equally weight full-time equivalent student counts and student headcounts. This change results in a higher percentage of resources being made available to community colleges, as larger proportion of their student body is comprised of part-time enrolled students.
- Institutions may use the supplemental funds for direct and indirect expenses that have been incurred due to Coronavirus, including lost revenue; however the CRRSAA provides more latitude to institutions in HEERF II to determine direct and indirect expenses. Some restrictions still apply; for example, funds may not be used for marketing or recruitment, capital outlays for athletics, religious worship, or executive salaries or benefits.
- Institutions will be required to distribute at least the same amount of student financial aid grants as they distributed under the CARES Act. Because the new law appropriates more funding overall, it is anticipated that a larger share of the allocation will be available for institutional support.
- It is not clear at this time how the interaction of CRRSAA and other federal law will affect the distribution of aid to non-Title IV financial aid recipients. The distribution of funds to students may be the same as CARES (no funds to undocumented, international, Title IV eligible only), but this could be expanded under President Biden. HEERF funds are not subject to maintenance of effort provisions.
- There are special requirements for institutions paying the endowment excise tax.
- Proprietary institutions are not eligible for supplemental funding under 314(a)(1); these institutions must apply for awards under a new section, 314(a)(4). This separate funding stream may be used only for financial aid grants for students.

In addition, \$113 million was allocated to institutions with the greatest unmet need as determined by the Secretary of Education—this could provide some additional support to Oregon institutions. The “Other” funds column noted in the Table on page 3 will be updated when these numbers become available. An additional \$1.7 billion was authorized for institutions participating in Title III, parts A and B of Title V, and part A of Title VII of the Higher Education Act which includes historically black colleges and universities (HBCUs), tribal colleges and universities, minority serving institutions (MSIs).

Governor’s Emergency Education Relief Fund (GEER), Section 312(a) of CRRSAA

Through Section 312(a), a total of \$4.05 billion in ESF dollars are reserved for allocation to the [Governor’s Emergency Education Relief Fund](#) to be awarded to states based on a formula stipulated in the legislation. This includes \$2.75 billion set-aside for private K-12 schools. Dollars are discretionary for use in K-12 and higher education. The expectation is that Oregon stands to receive \$41.8 million in GEER II funds. The Office of the Governor is partnering with the Oregon Department of Education (ODE) and the Higher Education Coordinating Commission (HECC) to carry out grant activities related to GEER Fund. The funds are subject to maintenance of effort provisions that may be waived by USDOE for reasons of hardship. The provisions require the state to dedicate at least the same proportion of its budget in FY 22 to K-12 and higher education as the average proportion dedicated in FYs 17-19.

FINANCIAL AID POLICY PROVISIONS

Significant changes to federal student aid policy, including simplifying the Free Application for Federal Student Aid (FAFSA), expanding Pell Grant eligibility to incarcerated students, and more, were attached to the Consolidated Appropriations Act, 2021. The [National Association of Financial Aid Administrators](#) reports that provisions of the bill generally take effect on July 1, 2023, for award year 2023-24. Financial aid changes include but are not limited to the following:

- The legislation significantly reduces the number of questions a student may be required to complete the FAFSA, making it easier to apply for federal aid.
- The Second Chance Pell program, allowing incarcerated individuals to access federal financial aid dollars, is reinstated, having been discontinued in 1994.
- The legislation eliminates a longstanding provision that prohibits students with drug offenses from receiving federal student aid, and removes the requirement that male students must register with the Selective Service in order to be eligible for federal aid.
- The bill sets a new methodology for Need Analysis/Pell Grant Eligibility using the concept of a Student Aid Index (SAI) to replace the Expected Family Contribution (EFC), and makes several modifications to Cost of Attendance (COA) calculation. Among other impacts, changes will allow students to preview Pell eligibility in advance.
- Maximum Pell Grant eligibility will be tied to automatically-updated federal poverty standards. The changes are expected to increase the number of Pell Grant students eligible for the maximum award. The maximum Pell Grant is also increased by \$150 to \$6,495 for the 2021-2022 academic year.
- The FAFSA is simplified for homeless and former foster youth.
- The 150 percent program length limit will be removed on subsidized federal student loans.

The legislation does not include a statutory extension to the current student loan pause, which expires on January 31, 2021. See [the Federal Student Aid Coronavirus website](#) for more information.

Sources:

- US Department of Education [HEERF II funds supported through CRRSSA](#), January 2021
- [American Association of Community Colleges summary CRRSSA FAQ](#), December 2020
- American Public Land Grant University, [Analysis of the CRRSAA](#).
- [State Higher Education Executive Officers Association \(SHEEO\)](#), Zoom Call on 2021 Consolidated Appropriations Law, January 8, 2021.
- National Association of Student Aid Advisors, [NASFAA Deep Dive: Changes to Federal Methodology, Other Student Aid Changes From Spending Bill](#), December 2020.
- Brownstein, Hyatt, Farber, Shreck, [Summary of Higher Education Provisions in the Consolidated Appropriations Act of 2021](#), December 23, 2020.

ESTIMATED INSTITUTIONAL DISTRIBUTIONS

Distributions to Oregon Institutions, Higher Education Emergency Relief Fund (HEERF)								
	CARES Act - HEERF I (distributed in Spring 2020)				CRRSAA Act - HEERF II (to be distributed in January 2021)			
Institution	Student Aid	Institutional	Other	TOTAL	Student Aid (minimum)	Institutional (maximum)	Other (TBD)	TOTAL
Blue Mountain	483,431	483,431	62,998	1,029,860	483,431	1,521,185	-	2,004,616
Central	1,591,836	1,591,836	157,498	3,341,169	1,591,836	4,739,836	-	6,331,672
Chemeketa	2,875,369	2,875,369	367,244	6,117,982	2,875,369	9,737,203	-	12,612,572
Clackamas	862,463	862,463	86,637	1,811,563	862,463	4,696,098	-	5,558,561
Clatsop	222,421	222,421	55,159	500,000	222,421	856,325	-	1,078,746
Columbia Gorge	187,819	187,819	124,362	500,000	187,819	750,862	-	938,681
Klamath	349,657	349,657	34,515	733,829	349,657	1,582,790	-	1,932,447
Lane	1,507,133	1,507,133	149,155	3,163,421	1,507,133	7,436,058	-	8,943,191
Linn Benton	1,303,338	1,303,338	130,296	2,736,971	1,303,338	4,778,982	-	6,082,320
Mt. Hood	1,692,829	1,692,829	169,437	3,555,095	1,692,829	6,225,033	-	7,917,862
Oregon Coast*	-	-	-	-	-	-	-	-
Portland	6,269,372	6,269,372	619,774	13,158,517	6,269,372	23,518,273	-	29,787,645
Rogue	1,261,641	1,261,641	123,516	2,646,797	1,261,641	5,665,631	-	6,927,272
Southwestern	540,845	540,845	53,063	1,134,753	540,845	1,793,635	-	2,334,480
Tillamook Bay	157,889	157,889	184,222	500,000	157,889	314,127	-	472,016
Treasure Valley	498,832	498,832	63,480	1,061,144	498,832	1,966,050	-	2,464,882
Umpqua	560,927	560,927	54,817	1,176,670	560,927	2,032,469	-	2,593,396
Subtotal, Colleges	20,365,799	20,365,799	2,436,173	43,167,771	20,365,802	77,614,557	-	97,980,359
EOU	579,164	579,164	56,980	1,215,307	579,164	2,100,287	-	2,679,451
OIT	903,637	903,637	-	1,807,273	903,637	3,241,539	-	4,145,176
OSU	7,779,999	7,779,999	-	15,559,998	7,779,999	18,822,487	-	26,602,486
PSU	8,320,203	8,320,203	819,349	17,459,754	8,320,203	22,419,901	-	30,740,104
SOU	1,711,040	1,711,040	169,157	3,591,236	1,711,040	4,491,416	-	6,202,456
UO	8,047,973	8,047,973	-	16,095,946	8,047,973	16,102,896	-	24,150,869
WOU	2,140,842	2,140,842	209,895	4,491,578	2,140,842	4,918,999	-	7,059,841
OHSU	506,097	506,097	-	1,012,193	506,097	1,091,885	-	1,597,982
Subtotal, Universities	29,988,952	29,988,952	1,255,381	61,233,285	29,988,955	73,189,410	-	103,178,365
Private Institutions	12,999,977	12,999,977	3,645,688	29,645,642	8,002,126	19,965,021	-	27,967,147
TOTAL	63,354,728	63,354,728	7,337,242	134,046,698	58,356,883	170,768,988		229,125,871
*We believe OCCC is included with PCC because OCCC has only recently gained separate accreditation.								

Financial Aid Redesign: Plan B

Striving to serve the students with the highest need



- Oregon Promise helps recent HS and GED® graduates pay their college tuition
- A number of barriers prevent the program from advancing equity:
 1. Low-income students may have personal life stressors that affect their high school grades; the current GPA requirement prevents them from advancing their education and future
 2. The co-pay creates an unnecessary financial burden on already low-income students
 3. The inclusion of accelerated learning credits in the program's 90-credit limit disadvantages students for their high school academic success
 4. Students have a limited choice in colleges and must go through the transfer process if they want to pursue a bachelor's degree
 5. The current minimum award structure puts a cap on how much low-income students receive and disproportionately benefits middle-to-high income students

Financial Aid Redesign: Plan B

Recommended steps to increasing student access, equity, and success



- 1 Lower high school GPA requirement from 2.5 to 2.0
- 2 Eliminate the \$50 co-pay per term
- 3 Exclude Accelerated Learning Credits from the 90-credit limit
- 4 Allow funds to be used at public universities and private colleges
- 5 Increase the minimum award and have it rise as tuition increases