



# 2027 Legislative Concept Previews

## LC 9 – Emergency Student Aid Set Aside

Kyle Thomas  
HECC Director of Legislative and Policy Affairs

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# Legislative Concept Development Context

## This Conversation is an Early Process Step, and No LCs Discussed are Guaranteed to Advance

- As an Executive Branch agency, HECC is allowed to submit Legislative Concepts to the Governor for approval and introduction in the 2027 Legislative Session.
- **It is not guaranteed that any of these concepts will advance in the process.** They'd need to be approved by the Commission and the Governor, and go through the typical legislative process before they could become law.
- We are in the early stages of developing possible recommendations for submission to the Governor. As part of that process, we are having **early conversations with key partners** to learn about reactions, ideas, and concerns to initial proposals.

## Governor's Directive to State Agencies on Cost-Neutrality

- Under the Governor's budget development guidance to HECC and other state agencies, policy option packages in the Agency Request Budget (ARB) for the 2027-2029 budget cycle **are required to be cost-neutral and not require additional or new revenue.**
- The financial aid-related LCs presented today are designed to be implemented without new sources of revenue to avoid offsetting costs in other areas of HECC's budget.

# Proposal: Establish a Student Basic Needs Set-Aside

## Key Considerations



### The need is well-documented.

- Over 39,000 students have been served by Oregon's Benefit Navigator program.
- 8,100 Oregon community college students from 14/17 colleges were surveyed in fall 2019:
  - 41% of respondents were food insecure in the past 30 days
  - 52% were housing insecure in the past 30 days
  - 20% were homeless in the previous year

### We currently underinvest in student retention.

The cost to students is high when they do not complete (especially when they incur debt without the wage premium of a credential). Institutions also suffer financial and reputational losses when students do not complete.

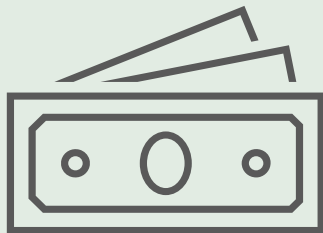
### Basic needs support is not universally available.

Benefits Navigators are an important piece of the puzzle, but the program is currently under-resourced and only serves students experiencing basic needs insecurity at public institutions. Institutionally-available supports vary and are often under-resourced.

# This Proposal Advances Recent Calls to Action by Students and Community Leaders



**Oregon Student Association Survey (2024):** Student basic needs insecurity ranked as the **#2 most important issue** for Oregon public university and community college students ahead of the 2025 legislative session.



**Recommendation from the Joint Task Force on Student Success for Underrepresented Students in Higher Education (2022):**

“Many students continue to face financial instability, **emergency expenses**, or running out of financial aid, often while unable to rely on family networks to assist in times of crisis. **For these students, dropping out of college can be one car repair bill or a couple of lost work shifts away . . .**”

“Oregon should provide consistent funding for emergency financial aid and completion grants, administered at the institutional level, that keep students enrolled through one-time or transitory emergency situations.”

# What We Have Learned from Institutions About Emergency Aid Programs and Needs

A survey was sent to institutions on April 7 to get a broad picture of current state of emergency assistance for Oregon college students at the institutional level. The top three themes from the responses:

1. Student emergency needs are very high and consistently exceed available resources. The need is substantial, rising, and beyond current institutional capacity.
2. Emergency assistance programs vary widely from institution to institution and do not have a common approach.
3. Institutions need more stable, flexible funding, and more staff capacity to meet student basic needs. Institutions are able to identify student needs and what improvements they'd make – the limiting factor is often funding and staffing.

# Why a Statewide Emergency Aid Fund for Oregon? (1 of 2)

**Emergency aid increases student retention.**

- A survey of 195,000 students at community colleges, public universities, and minority-serving institutions in fall 2020 revealed that 69% reported that emergency aid increased their chances of graduating, and 82% said emergency aid increased their personal well-being.
- One multistate analysis showed that emergency aid received one term had a positive impact on credits attempted and completed the following term compared against non-recipients.

**Federal emergency aid was effective in supporting students during the COVID-19 pandemic, and Oregon was able to support institutions and students with these funds.**

- Federal Higher Education Emergency Relief Funds (HEERF) had a significant and positive effect on student basic needs insecurity: 9/10 colleges nationally reported that HEERF helped keep students enrolled who were at risk of stopping out.
- The Office of Student Access and Completion used \$1.6M in funds for student emergency aid to award Retention & Completion Grants and additional Oregon Student Child Care Grants.

# Why a Statewide Emergency Aid Fund for Oregon? (2 of 2)

**State-funded programs stabilize the patchwork of individual emergency aid programs at institutions.**

- A nationwide study in 2016 found that most institutions have some form of emergency aid available, but three-quarters provided unrestricted grants to 50 or fewer students, and 90% had program budgets of less than \$100,000. Primary funders were philanthropic foundations and individual donors, which are difficult to scale.

**Long-running state emergency aid programs in Washington and Minnesota have proven positive impacts for students, and other states with short-term programs also provide models for Oregon.**

- WA State Emergency Aid Grant (SEAG): Impact reports show higher student retention for emergency aid recipients, though student demand outpaces state funding levels.
- MN Emergency Assistance for Postsecondary Students (EAPS) program: fall to spring retention for emergency aid recipients was higher than for non-aid recipients.
- WI, NC, and CA have also employed emergency aid in various forms, including as “finish-line grants” for students closer to completion using federal WIOA dollars.

**Oregon is well-positioned today to couple emergency aid benefits with existing Benefit Navigator infrastructure.**

- Research indicates that emergency aid programs are most effective when paired with other advising and support, rather than employed in isolation.
- Benefit Navigators at the public institutions serve as a natural entry point for connecting students to emergency aid resources.

# Proposed Structure for Permissive Student Basic Needs Set-Aside

Provides HECC-OSAC authority to allocate funds from the OOG budget as a permissive set-aside to address student basic needs insecurity.

- The pool of funds can grow as financial aid budgets grow, and after careful monitoring and evaluation of impacts from the first biennium.
- Could be a percentage or dollar amount that builds up over time, and the max cap does not need to be taken in the first biennium.

Formula distribution allows HECC to allocate funds for basic needs insecurity to OOG institutions.

- Collaborate with institutions, students, advocacy groups, and aid organizations to determine allowable uses and management: funding for students; funding for infrastructure to support students; etc.

Allow the set-aside to vary each biennium, subject to a cap.

- HECC can reserve funding based on need and financial aid appropriations.
- HECC can scale the program after a financial aid appropriations increase to avoid restrictive financial aid awarding at program start.

Institutions are supported in delivering aid to students following best practices in the field:

- Clear application process
- Minimal barriers / high trust of students
- Flexibility of funds to meet student needs
- Timely distribution





Thank You!

Questions?