



## FACT SHEET: OREGON PROMISE LEGISLATIVE CHANGES FOR 2017-19

*With Legislation passed in the 2017 Legislative Session, funding for the Oregon Promise was continued, but a number of changes were made to the program that will affect future grant recipients. This fact sheet provides an initial summary of these Legislative actions. Students and families are encouraged to see the [www.OregonPromise.org](http://www.OregonPromise.org) website for future updates.*

### **What is the Oregon Promise and what has been its initial impact?**

- Established through legislation in 2015, the Oregon Promise grant supports tuition at Oregon's 17 community colleges for recent high school graduates and qualified GED® recipients. Student turnout for this new financial aid program has exceeded expectations, with over 6,800 students pursuing community college with the support of this grant in its first year in 2016-17 (drawing from an Oregon high school graduating class of approximately 35,000 in 2016).
- Early findings suggest the Oregon Promise appears to be influencing college-going decisions, especially for first-generation students. Oregon community colleges saw an enrollment increase in recent high school graduates, and more students appear to be benefiting from Federal Pell grant aid. Furthermore, from 2015 to 2016, Oregon saw the nation's largest percentage increase in total number of high school seniors who completed the Free Application for Federal Student Aid (FAFSA), corresponding with the launch of the program (completion of the FAFSA or the Oregon Student Aid Application is an application requirement for the Oregon Promise).

### **What is the funding level for 2017-19?**

- The State has made a \$40M investment to continue the Oregon Promise for the 2017-2019 biennium (\$34.7M in Senate Bill 5524 and \$5.3M in House Bill 5006). This investment represents an increase of \$28M from the 2015-17 budget expenditures of approximately \$12M that supported grants for only the first student cohort in 2016-17.
- The investment allows Oregon to extend grants for current awardees and add grants for upcoming new cohorts of eligible students entering community college in the next two years.
- However, the investment falls \$8M short of the full projected cost for the Oregon Promise program for the upcoming biennium. In light of this shortfall, the Legislature gave permission to the HECC to limit eligibility for new grant applicants as needed to meet funding levels, using income-related (expected family contribution, or EFC) criteria. Students who received awards in 2016-17 are not subject to the income-related criteria for their continuing awards.
- This funding allows the great majority of eligible applicants to receive the grant, but new applicants with the highest EFCs will not be eligible to receive Oregon Promise grant funding for college in 2017-18.
- Senate Bill 1032 amends the Oregon Promise program statute to remove the prohibition on awarding more than \$10 million in grants per fiscal year, allowing the State to fund the additional future student cohorts of the program.

### ***How do the income-related criteria work?***

- Since Oregon Promise funding falls short of projected costs of the program for this biennium, a Legislative workgroup convened in June 2017 reached a consensus on keeping the cost down for the Oregon Promise by applying income-related eligibility criteria.
- Through SB 1032, HECC is given the authority to use income-related criteria for applicants scheduled to begin the Oregon Promise program in Fall 2017 and beyond to meet funding limitations. The flexibility is established as a cost-saving measure, and any EFC limits HECC applies are not established as permanent in Oregon Statute. If the State is able to increase funding in the future, or if the funding levels prove sufficient to meet demand, the HECC may adjust or eliminate the maximum EFC limit.
- The criteria will be based on the student's Expected Family Contribution (EFC), which is calculated from financial data reported on the Free Application for Federal Student Aid (FAFSA) or the Oregon Student Aid Application (ORSAA). Students in the first cohort, who joined the Oregon Promise program in 2016-17, will be grandfathered into the program and will not face income-related criteria as long as they meet all other program eligibility criteria.
- In August 2017, HECC will determine the EFC eligibility level for new 2017-18 applicants. At this time, HECC anticipates that EFC limits will be significantly higher than for the Oregon Opportunity Grant and Federal Pell Grant, enabling the program to serve approximately four out of five eligible applicants.
- The criteria for the EFC limit will be established by the administrative rule process. HECC plans to set emergency administrative rules regarding the criteria for the EFC limit, and will notify interested parties. To receive updates, individuals may go to [www.OregonPromise.org](http://www.OregonPromise.org), email [info@oregonpromise.org](mailto:info@oregonpromise.org) or [join the Oregon Promise Listserv](#).

### ***What other legislative changes will affect students?***

- Senate Bill 1032 adds new flexibility to certain eligibility requirements for some student populations. Specifically, it allows students to continue to qualify for the program if, after being awarded the grant, they enter into service with certain career and technical student organizations relating to agriculture or farming before beginning college. It also waives the requirement to enter a community college within six months of high school graduation or completion of a GED in other special circumstances, including students who demonstrate significant hardship and new recruits in the National Guard who enroll in a community college within six months of completing initial active duty training. The National Guard waiver is first effective for 2018-19, and HECC will work with new recruits who may be affected before then.
- Senate Bill 1032 also streamlines the process for the \$50 copayment required of students, so it is a reduction of the tuition award rather than a separate payment.

### ***When will students find out if they are eligible? What is the timeline?***

- Until the HECC has fully reviewed and analyzed the current applications and established criteria by rule, the agency will not know the exact EFC limit for 2017-18 applicants. The application process concluded in mid-July; the final application deadline for the Oregon Promise was July 3, and the deadline for applicants to file their FAFSA or ORSAA was July 14. The HECC plans to make a decision in August 2017 on the maximum EFC to determine eligibility for 2017-18 applicants.
- The HECC plans to notify students of award eligibility by email in August 2017. Updates will also be posted at [www.OregonPromise.org](http://www.OregonPromise.org).