



2025 Legislative Concept Proposal LC 498: Oregon Opportunity Grant Equity Reform

Problem

The Oregon Opportunity Grant runs on an antiquated statutory framework that creates unnecessary disparities in student treatment. Current statutory law provides for a Shared Responsibility Model, which is an outdated view of financial aid in a period where other cost of attendance factors outside of tuition, fees, books, and supplies are significant portions of student expenses. When certain statutory elements do come into play, they create scenarios where students face significant disparities in treatment based on half-time or full-time status, or they create a loophole wherein certain long-time resident non-citizens can qualify for all other sources of financial aid offered by the state except the Opportunity Grant, while other new-resident non-citizens enjoy full access to the program.

The current system also disadvantages those seeking short-term, yet still valuable credentials that do not lead to degrees, affording them no opportunities for financial aid.

Background

HECC envisions a future in which all Oregonians—and especially those whom our systems have underserved and marginalized—benefit from the transformational power of high-quality postsecondary education and training. Currently, *one out of every two* Oregon postsecondary students struggle to pay their costs of education. We must do better. These affordability challenges negatively impact completion rates, disproportionately impact underrepresented students, and can often saddle students who have not completed their credential with large amounts of debt. As the cost of attending colleges and universities has significantly increased over the past decade, the ability to pay for higher education has become a major issue for all students that we need to address.

Students struggle with not only tuition and fee costs, but also with the costs of supporting themselves while attending institutions. Nationwide, 65% of community college students and 51% of university students reported being food or housing insecure at some point in their studies. Just over 8% of both college and university students reported experiences with homelessness.¹

The average graduate from a public college or university in Oregon leaves school \$19,465 in debt, as of 2020. This figure ignores those who, for affordability or other reasons, leave school prior to graduation. For students of color, this debt remains a life-burden far longer than it does for white students, who don't face the same difficulty in attaining adequate, stable, career trajectory employment after graduation.

¹ “#RealCollege 2020: Five Years of Evidence on Campus Basic Needs Insecurity, based on a survey of 167,000 students at 227 colleges and universities nationwide”. By C. Baker-Smith, V. Coca, S. Goldrick-Rab, E. Looker, B. Richardson, and T. Williams. The Hope Center for College, Community, and Justice. February 2020. https://hope4college.com/wp-content/uploads/2020/02/84_2019_RealCollege_Survey_Report.pdf

Fundamentally, the affordability challenge is the result of many factors. High tuition and fee costs, steep housing costs, and relatively low levels of financial aid all contribute to the affordability crisis. Cost increases for students accelerated in the late 2000s when, like other states facing unprecedented economic conditions, Oregon cut funding to colleges and universities, funding that only recently has been restored to pre-great recession levels. Additionally, Oregon is a low provider of financial aid. In most ways, the answer to this problem is financial: A dramatic scale up of appropriations for the Oregon Opportunity Grant (OOG funding) would do more to alleviate the affordability challenges that low-income students face more than any other policy proposal would. While in the past, HECC has proposed such an investment, this cycle's intervention is more targeted.

Proposed Solution

The bill fixes a donut hole in student eligibility, where in a resident Oregon student that does not meet tuition equity criteria established in ORS 352.287 is eligible for all other forms of state aide except the Opportunity Grant, provided they have been a resident of Oregon for 12 months. It also allows the commission to prorate awards for students at all levels of attendance, and to award students attending eligible institutions for short-term credentials.

Additionally, the HECC proposes to remove the Shared Responsibility Model from statute, allowing OOG to run utilizing a formula that more directly relates to the costs students face and the number of credits in which they are enrolled. Based on direction provided in SB 1552 (2024), these principles will be established in rule, and funding levels will be determined based on biennial program appropriations.