



## **Oregon Opportunity Grant Talking Points**

### **Feb 7<sup>th</sup>, 2024**

#### **Background:**

Over the last year, two changes have occurred affecting state financial aid for community college students.

#### **Federal Government Change from Expected Family Contribution (EFC) to Student Aid Index (SAI):**

The first change began in 2022 when the U.S. Department of Education communicated to states its intent to change how the federal government calculates student financial need. This calculation (EFC) is used to determine both federal (Pell Grant) and state (Oregon Opportunity Grant) award amounts. This change was intended to recognize more financial need among students from lower socioeconomic households. This change will result in thousands of Oregon students getting larger Oregon Opportunity Grant awards. The HECC did not account for this change when it set 2023-24 award amounts, and the program does not have sufficient funds to meet student awards in 2024-25 without reducing award amounts or limiting access to the program. It is unclear at this time if federal Pell Grants will compensate for lost state awards.

#### **Oregon Opportunity Grant Awarding Only Recognizes Tuition Costs:**

The second was a decision by the Higher Education Coordinating Commission to calculate Oregon Opportunity Grant awards based solely on cost of tuition instead of a student's full cost of attendance. This means expenses like housing, food, transportation and childcare are not considered when determining a student's award amount.

#### **Key Points:**

Because the HECC does not have enough money to cover Oregon Opportunity Grant awards for the 2024-25 academic year, we strongly urge the Commission to maintain the broadest access possible for the grants while ensuring meaningful award amounts for all eligible students.

HECC should continue awarding to students who enter college in the winter and spring terms. If only students that begin on a traditional fall schedule receive the Oregon Opportunity Grant, thousands of Oregonians seeking education and training will not receive any aid to begin college. Many Oregonians who enter community college do so after life events like layoffs and not on a traditional fall calendar.

The HECC and its Office of Student Access and Completion should be more transparent in how they make major policy decisions that affect students as well as with its data and projections so that students and institutions can adequately plan and make sound decisions.

Colleges are urging the HECC to reverse its decision to only consider tuition and fees and return to acknowledging the total cost of a student's attendance, recognizing the real-world barriers students face.

Non-tuition-and-fee costs, such as food and especially housing and childcare, have become even larger barriers to attendance than the actual tuition and fees when pursuing higher education. Ignoring these costs will make access to post-secondary education and training for the most economically vulnerable

Oregonians even more difficult at a time when the Legislature increased the budget for the Opportunity Grant by nearly 50 percent.

While some community college students are eligible for the Oregon Promise Grant, it is not a replacement for the Opportunity Grant, only a very small percentage (4.1 percent in 2022-2023) receive the Oregon Promise. Students who have been out of high school for more than six months are ineligible for the partial to full tuition grant, leaving out the vast majority of community college students. This means more students rely on the possibility of an Oregon Opportunity Grant to help them pursue an education since the Opportunity Grant does not impose that same restriction.