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OREGON PROMISE AND THE PUBLIC GOOD

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INTRODUCTION



LOW-COST COMMUNITY COLLEGE: THE OREGON PROMISE

Oregon's newly launched program provides grants to support most community college tuition costs for recent high school graduates and GED recipients.

- Established by Senate Bill 81 (2015) to “provide a waiver of tuition for community college courses”
- Grants apply after federal and state aid grant (i.e. “last dollar” model)
- Students may be eligible for up to 90 credits attempted (i.e. up to two years at full-time enrollment)
- Grant sizes ranged from minimum of \$1,000 to maximum of \$3,397 in 2016-17 (based on average community college tuition)
- \$50 co-pay per student per term awarded

GOAL: To increase college enrollment, completion, and affordability for recent high school graduates and GED recipients.

THE OREGON PROMISE: ELIGIBILITY CRITERIA FOR GRANTS 2016-17



Be a recent Oregon high school graduate or GED recipient



Be an Oregon resident at least 12 months prior to attendance



Have 2.5 cumulative GPA or higher



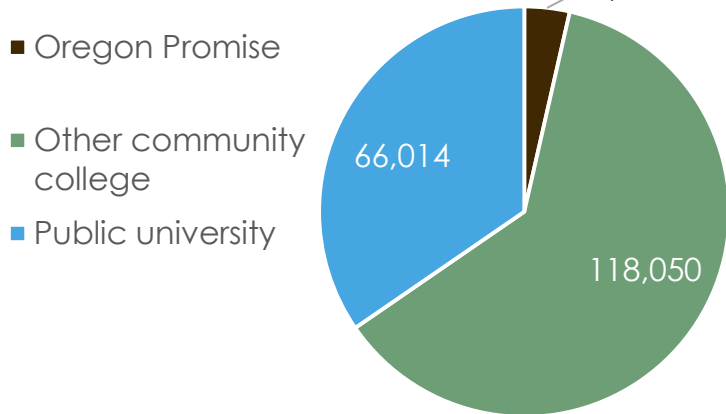
Plan to attend an Oregon community college within 6 months of graduation



Must not have more than 90 college credits completed or attempted

OREGON PROMISE CONSTITUTES A SMALL PROPORTION OF STUDENTS AND GRANTS

Number of students, fall 2016

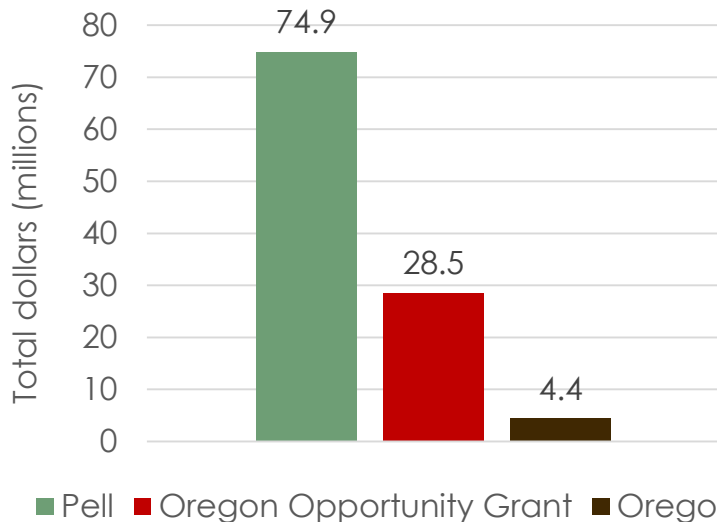


Oregon Promise students totaled:

- 5.4% of community college students
- 3.5% of all public higher education students

fall 2016

Dollars awarded, fall 2016



Oregon Promise grants totaled:

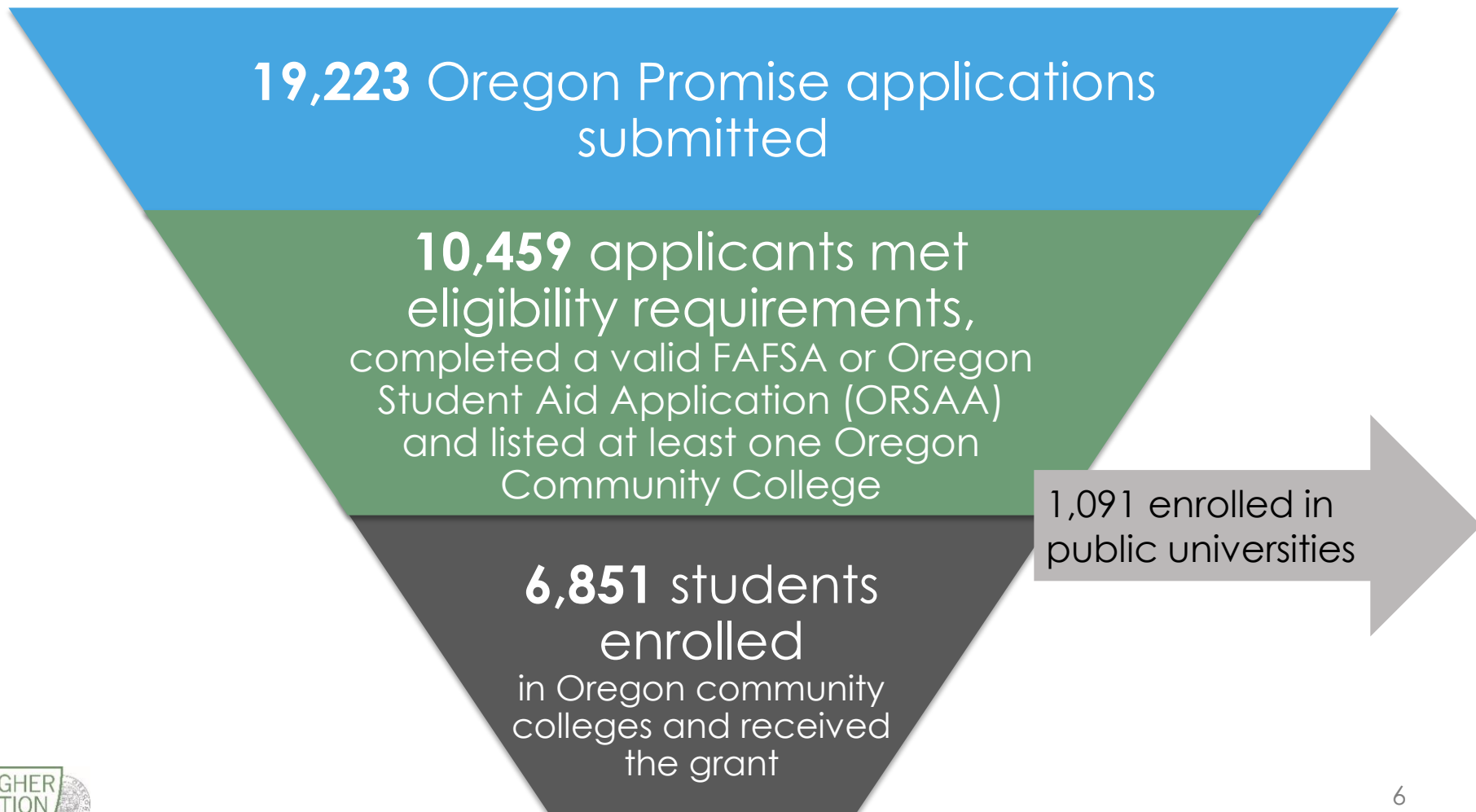
- 13.5% of all state grant dollars
- 4.1% of state and federal grant dollars

Oregon Promise grants totaled 7.0% of all federal and state grants

fall 2016

OREGON PROMISE: APPLICATION FUNNEL 2016

After launching the program and marketing its availability in 2015-16, OSAC processed 19,223 Oregon Promise applications



Source: HECC analysis of student-level data.

INITIAL PROGRAM IMPACTS



MORE STUDENTS ENROLLED IN COLLEGE, AND THEY TOOK MORE CREDITS

Estimate of Oregon Promise impact on community college enrollment

High school graduates enrolled in community college the fall after graduation, 6+ credits	Fall 2014	Fall 2015	Fall 2016 ¹
Percentage enrolled	17.2%	17.3%	19.5%+
Number enrolled	6,227	6,375	7,486
Average number of credits	11.6	11.5	11.9

Fewer first-time, full-time freshmen at public universities²:
2014: 17.0%
2015: 17.2%
2016: 15.8%

Source: HECC analysis of Oregon high school graduate and community college student records. High school graduate data come from the Oregon Department of Education.

¹Community college enrollment for fall 2016 is preliminary and may undercount actual enrollment by as much as three percentage points.

²University enrollment is from fall term, fourth week and includes first-time, full-time freshmen who graduated from Oregon public high schools in the same year that they enrolled in a public university

ENROLLMENT AND RETENTION APPEAR HIGH, WHILE IMPACTS ON EQUITY APPEAR MIXED

- Over 83% of Promise students enrolled full time
- 88.5% of fall Oregon Promise recipients returned for the winter term
- 44% of Oregon Promise recipients are first-generation college students
- Some racial/ethnic minority students appear underrepresented in the program

Percent of:	Amer. Indian / Native Amer.	Asian American	African American / Black	Hispanic	Pacific Islander	White, non-Hispanic	Two or more groups	Unknown
2016 high school graduates	1.4	4.7	2.3	18.6	0.5	67.6	4.8	N/A
Oregon Promise recipients	1.0	4.0	1.3	19.6	0.5	65.2	4.9	3.5

*Note: Public high school students or their families identify students' racial-ethnic groups. If they decline to state, school staff identify students' racial-ethnic group. Oregon Promise students self-identify their own race on their FAFSA, and 3.5 percent of these declined to state.

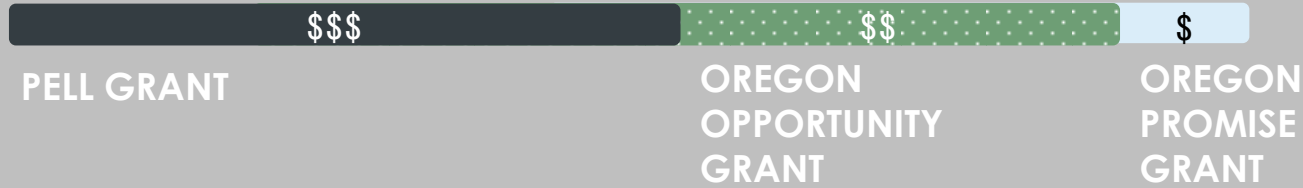
Source: Oregon Department of Education data on high school seniors and graduates. HECC data on Oregon Promise recipients.

GRANT AMOUNT IN RELATION TO EXPECTED FAMILY CONTRIBUTION (EFC)

LOWER EFC = LOWER INCOME



Student A: Lower Expected Family Contribution



Student B: Higher Expected Family Contribution



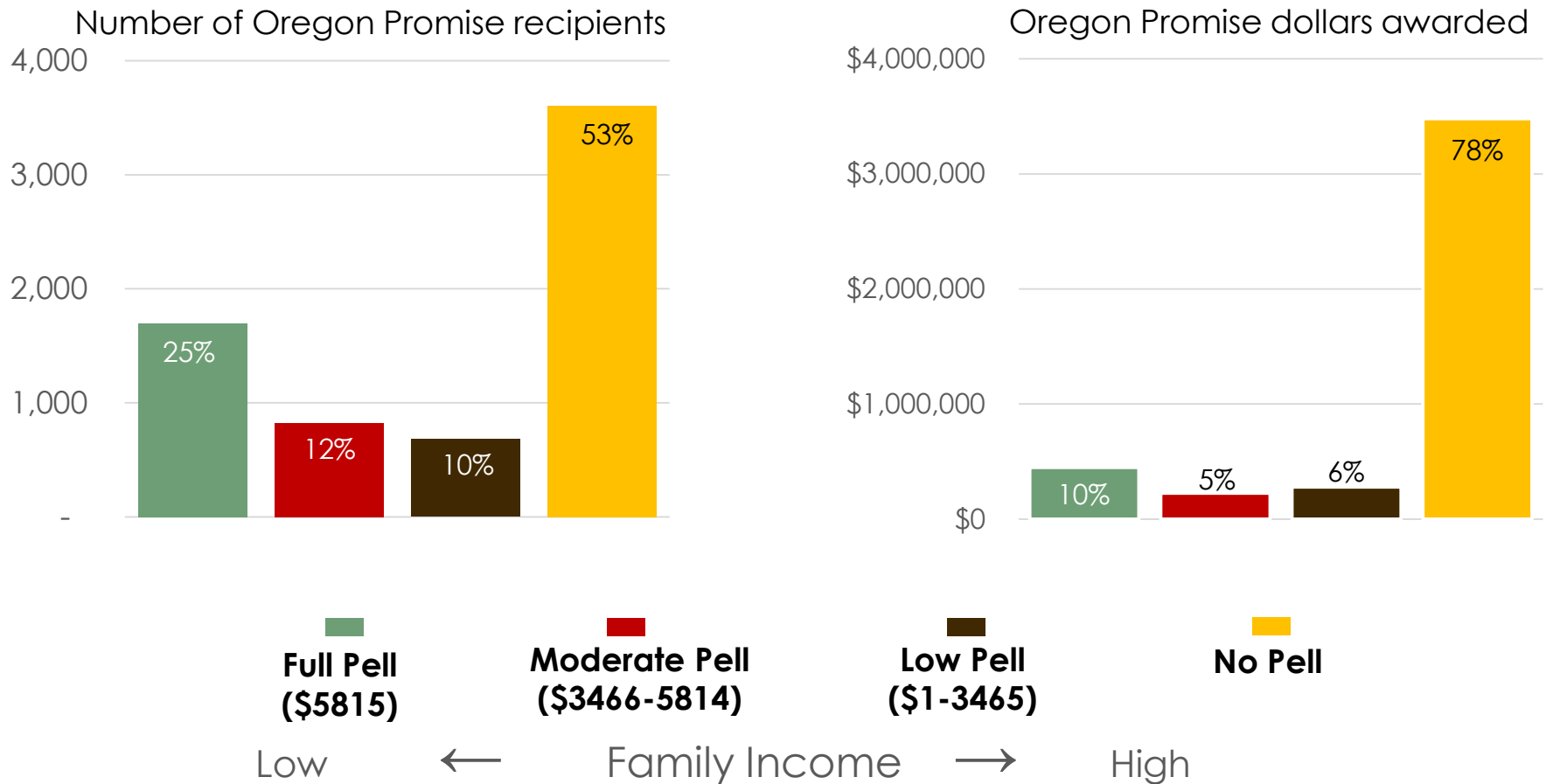
Student C: Highest Expected Family Contribution



Oregon Promise covers tuition, up to 12 credits per term.

ABOUT HALF OF RECIPIENTS ARE PELL-ELIGIBLE, BUT OTHER STUDENTS COST MORE

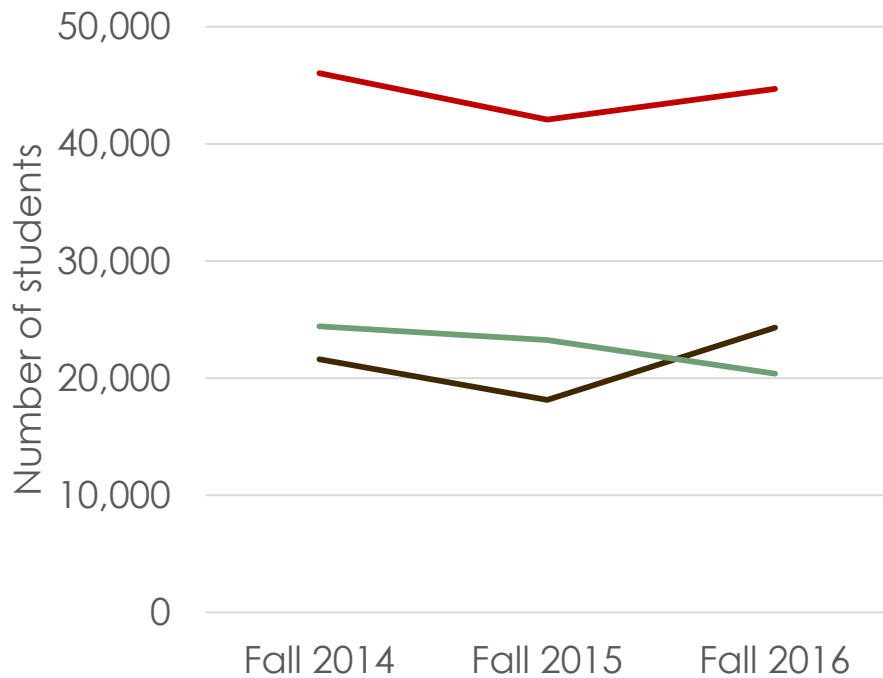
Distribution of Oregon Promise by Pell award amount, fall 2016



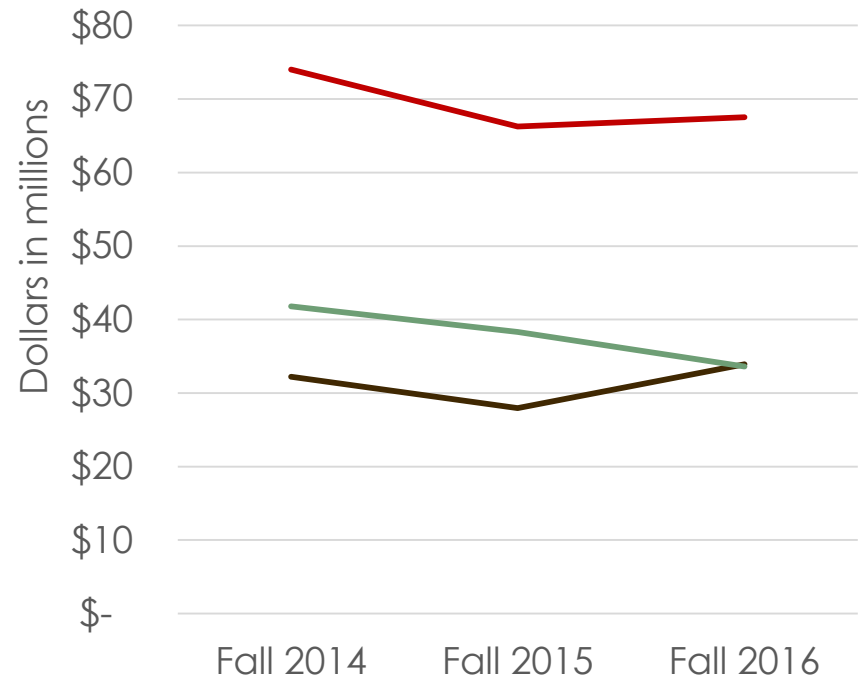
Source: HECC analysis of student-level data (Oregon Promise recipients) for fall term, 2016.
 Note: Number of students total 6,806.

COMMUNITY COLLEGE AND STATEWIDE PELL GRANT TRENDS REVERSED, RISING FROM 2015 TO 2016

Pell grant recipients



Pell grant dollars



— All public institutions — Community colleges — Public universities

Source: U.S. Department of Education, Title IV Program Volume Reports, <https://studentaid.ed.gov/sa/about/data-center/student/title-iv?>

KEY FINDINGS FROM THE FIRST YEAR

Policy impact	Key findings
College access rose	<ul style="list-style-type: none"> Community college enrollment rates among recent high school graduates rose University enrollment among recent high school graduates declined slightly
College completion may rise	<ul style="list-style-type: none"> Final completion rates will take a couple years Initial results indicate high retention among recipients
Equity gaps continue	<ul style="list-style-type: none"> About half of Oregon Promise recipients are eligible for a Pell grant (i.e., come from lower-income families and are citizens or eligible non-citizens), and about half are not Most Oregon Promise dollars go to students not eligible for Pell grants Some racial/ethnic minority students are underrepresented among Oregon Promise recipients
Success poses choice constraints	<ul style="list-style-type: none"> Wide use of Oregon Promise, especially among higher income students, forces cost questions



LEGISLATIVE DISCUSSION

KEEPING THE PROMISE: OREGON CONTEXT

Approximately \$1.4B budget deficit for the State of Oregon for the 2017-19 biennium

- Total Oregon General Fund (GF)/Lottery budget for the State: approximately \$20.9B

Oregon experiencing a period of above average in-migration

- 70.8% of Bachelor's degrees in Oregon are imported*
- State attainment goals are skewed

Legislative options are constrained by state structure

- 60% vote required for revenue increases
- Oregon "kicker" law prevents rainy day savings; returns excess revenue to taxpayers

*University of Michigan, Population Studies Center Report 15-849, Nov. 2015
<http://www.psc.isr.umich.edu/pubs/pdf/rr15-849.pdf>

KEEPING THE PROMISE: OREGON CONTEXT

Legislative options are constrained by state financial conditions

- Larger shares of GF revenue consumed by key sectors
 - Post-employment benefits for public employees
 - Oregon Health Plan (Medicaid)

Sharp decreases in state support for institution operations has led to tuition increases and service cuts

- Pressure to keep tuition low/avoid service loss consumes majority of new dollars available for higher education

PROGRAM DESIGN VARIABLES DISCUSSED



Be a recent Oregon high school graduate or GED recipient

- **Students that experience a gap**
- **Students that accumulate credit and stop-out**



Be an Oregon resident at least 12 months prior to attendance



Plan to attend an Oregon community college within 6 months of graduation



Have 2.5 cumulative GPA or higher



Must not have more than 90 college credits completed or attempted

PROGRAM DESIGN VARIABLES DISCUSSED



Be a recent Oregon high school graduate or GED recipient



Be an Oregon resident at least 12 months prior to attendance



Have 2.5 cumulative GPA or higher

- **Eliminate GPA requirement**
- **GPA lookback period reduction**



Plan to attend an Oregon community college within 6 months of graduation



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PROGRAM DESIGN VARIABLES DISCUSSED



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- **Allowance for shifting pathways**
- **Discount credits earned in dual-credit programs**

PROGRAM DESIGN VARIABLES DISCUSSED



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Be an Oregon resident at least 12 months prior to attendance



Have 2.5 cumulative GPA or higher



Plan to attend an Oregon community college within 6 months of graduation



Must not have more than 90 college credits completed or attempted

- **No restriction for first-time students**

PROGRAM DESIGN VARIABLES

ESTABLISHED THROUGH 2017 LEGISLATION



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Be an Oregon resident at least 12 months prior to attendance



Have 2.5 cumulative GPA or higher



Plan to attend an Oregon community college within 6 months of graduation



Must not have more than 90 college credits completed or attempted



Have an Estimated Family Contribution amount below a certain level when funding insufficient

LESSONS LEARNED

Success is a blessing
and a curse

Promise is too strong
a statement to make
without dedicated
funding

Institutions and
students may have
other funding
priorities

Program cost
uncertainty is
persistent

Start with a program
design, not an
appropriations
amount

IMPACT ON THE PUBLIC GOOD

Policy Area	Key Questions
College Access	<ul style="list-style-type: none">• Are public dollars being spent on too many students that otherwise could afford to attend?• Does the program exclude promising students whose high school careers show continual improvement?• Is there a rational basis for only funding community college attendance?• Would these funds be better spend on the state's need based program? (More students served, less generous award amount)
College Completion	<ul style="list-style-type: none">• Are too many public dollars being spent on students that have the academic credentials and grit to otherwise complete?• Should the program be open to students that have stopped out?

IMPACT ON THE PUBLIC GOOD

Policy Area	Key Questions
Equity	<ul style="list-style-type: none">• Is the program too exclusionary for underserved populations.<ul style="list-style-type: none">• Given early retention results for students still in the program, are we exacerbating ethnicity gaps.• Does the program make community college the only viable option for underserved populations?
Student Choice	<ul style="list-style-type: none">• Are public dollars being used to incentivize students that are academically qualified to attend a public university to attend a community college?<ul style="list-style-type: none">• Does this affect individual outcomes?• Does the exclusion of public universities from the program incentivize those institutions to become more generous in pursuing students with financial aid offers?