

Docket Item:

Oregon Promise (SB 81) Update

Summary:

Update the Commission on the ongoing work of the Agency on Oregon Promise, and inform them on proposed policy recommendations and decisions.

Significant Project Milestones since last Update

- [Statewide press release on October 20, 2015](#): State to Accept Applications for Oregon Promise, New Grants Program for Community College
- In addition to the press release, with the support of Quinn Thomas, we reached out individual media outlets throughout the state with a focus on broadcast media, and collaborated with campuses in the broadcast media areas. HECC staff responded to at least 10 media inquiries with interviews or information. Since the release date, we are aware of at least 20 resulting media reports, including 8 TV broadcast hits, 3 radio, and 9 print, and we continue to receive inquiries.
- Oregon Promise notice, press release or Toolkit Distributed to the following:
 - ASPIRE Listsrv
 - GEAR_Up Listsrv
 - ASPIRE Social Media
 - OSAC Social Media
 - ASPIRE Fall Conference
 - October College Fairs
 - University Public Information Officers
 - Community College Public Information Officers
 - Oregon Community College Association
 - Community College Presidents
 - Oregon Department of Education Superintendents' Listsrv
 - Council of Instructional Administrators Listsrv
 - HECC Commission
 - HECC Staff
 - Chief Education Officer's Listsrv
- Application opened at OregonPromise.org November 1.
- Contract negotiated with Access Group to administer Oregon Student Aid Application (ORSAA) – alternative financial aid application for undocumented students

HIGHER EDUCATION COORDINATING COMMISSION

November 12, 2015

- Administrative rules drafted and scheduled for review, hearing and adoption. (Anticipated adoption date: January 13, 2016)
- Oregon Promise materials and webpage translation into Spanish language initiated. (Expected completion date: imminent)
- Working with Chief Education Officer's Office to determine appropriate GED test score average that equates to the minimum cumulative gpa requirement of 2.5 for participation in Oregon Promise. (Expected completion date: imminent)

Follow-up from Previous Meeting

- Additional Projections

At your last meeting, we stated that we believe that \$10 million would be sufficient to fund all eligible participants for the first year of the program. Following that meeting, I did some further refining of our projections. Based on the 2014-2015 cohort model, we found that we saw a large drop-off in eligibility for the program when we accounted for grade point average. For instance, of the 5,709 students that participated in the Fall Term and took at least six credits, 1,696 failed to achieve the 2.5 gpa required to participate in the Winter Term. When grade point average, number of credits attempted, and the offsetting participation fees were taken into account, the cost of serving the 2014-2015 cohort would have been \$6.35 million.

We will provide additional information at your meeting based on possible changes in student behavior (i.e. increased enrollment, more credit hours attempted, improved gpa).

- Roll-up Costs

The 2015 Legislative Assembly appropriated \$10 million for the Oregon Promise, which includes all grants plus administrative and other expenses. This appropriation will predominately be spent in the second half of the current biennium (roughly September 2016 through June 2017). It is likely reasonable to expect that a full biennial roll-up cost for the 2017-2019 biennium would be roughly \$40 million.

July 2017-June 2018

Cohort from current biennium moving into year two of eligibility	\$10 million
New cohort from first year of new biennium in year one of eligibility:	\$10 million

July 2018-June 2019

Cohort from first year of new biennium moving into year two of eligibility	\$10 million
Third cohort beginning in year one of eligibility:	\$10 million

TOTAL	\$40 million
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These are very rough estimates. There will be some decrease in cohort size between year one and year two, as students complete programs, matriculate to four-year universities or drop out. Likewise, new cohorts may increase in size as the program gets better known and students build participation into their post-high school career plans. College tuition will increase, but likely so will Pell and Oregon Opportunity Grant award sizes.

Senate Bill 81 allows student to acquire up to 90 credits under the program and, at a minimum, requires they attend at least half-time (six credits) for three terms per year. A student who participated at the minimum level would take five years to reach their 90 credit maximum. While this would clearly be the exception, it is likely that many students will take longer than two years to complete their 90 credits, and some will take much longer.

While there will be trailing costs for students who don't complete in two years, their costs will be offset, or more than offset by participating less than full-time in the years they do attend. They can easily be accommodated within the model, as long as the program remains funded. A potential challenge for program administration will be if the HECC or OSAC is expected to continue funding these trailing students even after program funding has ended.

- **Programs with Non-Standard Tuition Structures**

Some community college programs charge program fees, higher tuition, or tuition surcharges for specific programs that are unusually expensive, in high demand, or don't fit the typical credit-hour model. These programs can be as diverse as nursing instruction, aircraft maintenance or culinary arts.

Generally speaking, these programs wouldn't be eligible for Oregon Promise funding higher than the average tuition cost, as stated in SB 81. For programs that are strictly funded by program fees, the Commission could decide to fund them up to a level equivalent to a similar tuition-funded program; however, an exhaustive scan of such programs has not been made, and the ramifications of such a choice has not been determined. For programs that charge higher tuition or have tuition surcharges that make their total cost per credit higher than the statewide average, Oregon Promise will already cover costs up to that statewide average, as required in SB81. For students who get the minimum Oregon Promise award in addition to Pell or OOG, they could apply any balance above their base tuition toward such higher cost programs.

- **Summer enrollment**

Senate Bill 81 requires that a student enroll at least half time for three terms per year in order to maintain eligibility for the Oregon Promise Grant. Generally speaking, the majority of students who wish to maintain their eligibility will attend Fall, Winter and Spring terms. We were asked if a student failed to enroll for either Winter or Spring term, or failed to enroll at least half time for one of those terms, could that student maintain eligibility by enrolling at least half-time for the Summer term? Certainly this is not specifically contemplated by the bill, but not disallowed either. As long as the student is taking classes pursuant to the completion of their degree or certificate, they would maintain their eligibility for the program.

A related question is whether the student could access Oregon Promise funds to pay for their Summer Term tuition in such a case. This is potentially more complex. Community colleges in Oregon have the right to determine their own academic year and, with the exception of Treasure Valley CC, the remaining sixteen schools have all decided that Summer Term is the beginning of the new academic year, rather than the last term of the prior year. There are additional accounting and academic concerns with funding Summer Term that require additional study. Staff will consult with our advisory groups to prepare a recommended policy over the next few months.