



# Oregon

Higher Education Coordinating Commission  
775 Court St. NE  
Salem, OR 97301  
503-378-5690

October 9, 2014

Dear Legislator,

Senate Bill 1524 (2014) charged the Higher Education Coordinating Commission (HECC) with studying the viability of a program that would allow a student who graduated from high school in Oregon, or who completed grade 12 through home schooling, to attend community college without paying tuition and fees for a specified period of time. In order to fulfill that charge, the HECC and its Student Success and Institutional Collaboration Subcommittee held three public hearings on the subject. The HECC also contracted with the National Center for Higher Education Management Systems (NCHEMS) in order to collect data and construct a model that would identify program variables and generate cost estimates. Lastly, HECC staff completed a literature review on the topic.

The study that was generated by NCHEMS is attached. It is same study was previously submitted to the Legislature on September 30, 2014. Since that time, the Higher Education Coordinating Commission has met and considered the concepts described in the study in the context of the priorities in the HECC's Strategic Plan to attain the State's 40-40-20 goals as well as the Equity Lens that has been adopted by the HECC and the Oregon Education Investment Board.

It is the Commission's assessment that funding community college tuition and fees for students who completed high school or home schooling in Oregon is viable, with some scenarios being more fiscally viable than others. The HECC believes any of the modelled scenarios of the program would raise awareness and hope with youth in Oregon about their ability to access community college education, and contribute to our goal to increase the number of Oregonians starting and completing degree and certificate programs in order to be prepared for the 21st century economy. However, the Commission also believes that given our focus is on maximizing the state's dollars to improve educational outcomes, scarce resources could be maximized with a focus on a strategically targeted Oregon Opportunity Grant program.

Several considerations informed the Commission's analysis. In Tennessee, a State that has invested in funding the cost of tuition and fees in community colleges for recent high school graduates, interest and participation by eligible students has increased. It is possible that Oregon would see an increase as well.

However, the HECC's Strategic Plan specifies that it will be necessary to educate students in addition to those who continue on to post-secondary education directly out of high school. In order to reach the State's 40-40-20 goal, adult and non-traditional students will need to access and complete post-secondary education paths at higher rates as well.

The Commission also noted that the study indicated that, in scenarios that estimated costs to cover tuition and fees, all of the funds would be allocated to students in the upper two income categories (e.g. families earning more than \$48,000 annually). This is due to the availability of federal Pell grants for low-income students. This is ultimately an encouraging finding from the study and a message to carry forward: for many low-income students, community college is already free.

The Commission also noted that tuition and fees are only part of the cost that students incur to attend college. Other costs of attendance such as room, board, books, and transportation make the price tag for students much higher. The attached study estimated those costs at \$12,000 a year for students living at home. The strategically targeted Oregon Opportunity Grant proposal that was prioritized in the HECC's requested budget would help address this by providing additional funding to support the full cost of attendance for some of the most financially needy students with an emphasis on the first two years of attendance.

The Commission's careful consideration of this study and the State's overall education goals leads to the conclusion that, while a limited program to provide college tuition and fees for students who completed high school or home schooling is viable, scarce State resources can be better maximized with focus on a strategically targeted Oregon Opportunity Grant program.

Please let us know if you have any questions about the study or if the Commission can provide you with any additional information. The Commission sincerely appreciates the attention that the Oregon Legislature continues to bring to the issues of post-secondary access, affordability and completion. We look forward to working with the Legislature to address these issues moving forward.

Sincerely,

Tim Nesbitt, Chair

Ben Cannon, Executive Director