



OREGON STATE SENATE

Oregon Promise

February 4, 2014

Senate Bill 1524 directs the Oregon Higher Education Coordinating Commission to explore the *Oregon Promise* of providing two years of Community College at no charge to qualified students who achieve a high school diploma or the equivalent. These students could obtain an Associate's degree, a certificate of learning or take transferable "core" credits that could be used toward a Bachelor's degree at a four-year university. No one would be turned away if they graduated from an Oregon High School with least a 2.0 GPA (or equivalent).

- The average cost for an Oregon Community College credit is \$85.94. If a student takes 15 credits it costs \$1,289 per term or \$3,867 per school year (three terms). Therefore, two years of full time education would cost approximately \$7,734.
- In 2011-2012, 31,962 students earned an Oregon High School Diploma.
- If every single one of those students attended an Oregon Community College full-time for two years it would cost roughly \$250 million.
- If each one of the students paid a "co-pay" of \$100 for each term of enrollment, it would defray costs by roughly \$20 million.
- Data show that many students don't attend community college and may not even if it were free. They may have a scholarship somewhere else; they may not live near a community college; they may wish to attend school outside of Oregon; they may not want to go to college at all.
- We used the Associate of Arts Oregon Transfer (AAOT) degree as the goal, since that is essentially the "Baccalaureate Core" of classes virtually all four year students have to take, and many community college students focus on (if they're not in a specific degree or certificate program). Changing those assumptions would lower the cost.
- According to the Consumer Financial Protection Bureau, student loan debt has reached a new milestone, crossing the \$1.2 trillion mark. Student debt is now higher than credit card debt in America. And student debt is held by a much smaller and younger segment of the population.

Possible funding avenues include the Federal Pell Grant. However a waiver would be needed for Oregon to be allowed to use Pell Grant monies for this purpose. In addition, the Oregon Opportunity Grant, which currently funds college scholarships, may be an option. Public-private partnerships – especially those where a business directly benefits from trained employees – may also be established.

*Sources: Oregon Student Access Commission,
Oregon Dept. of Education; Community Colleges and Workforce Development*

