

**TALKING POINTS FOR SB 322 FIFTH YEAR BILL**

For the record, my name is Hilda Rosselli, and I serve as the College and Career Readiness Director for the Oregon Education Investment Board. I have been asked to share background on the Fifth Year programs and Senate Bill 322 as well as the -1 amendment.

**Background**

What do we mean by Fifth Year programs? A program in which a student who has satisfied the requirements for a diploma established by the State Board of Education under ORS 329.451:

- (a) Does not receive a diploma;
- (b) Remains enrolled at a school district; community college for at least half of the student’s coursework; and some or all of the student’s tuition, fees and books for coursework at the community college paid by the school district where the student is enrolled.

- (c) Attends
- (d) Has

In late 2013, Chief Education Officer Nancy Golden and former Governor John Kitzhaber convened a group of K-12 leaders and postsecondary leaders to discuss the benefits and unintended consequences of Fifth Year programs and potential solutions.

<b>Benefits model seeks to provide</b>
High Schools pay for tuition and books for the first year of community college helping make college more affordable and accessible for students. Students earn an advanced diploma.
Many of the 5 <sup>th</sup> year program models include counseling supports.
Reportedly has improved outcomes for some students of color and students from low-income backgrounds.
Has improved graduation rates in some districts.
Conserves PELL dollars that eligible students would start using if attending college after HS.

<b>Unintended Consequences</b>
School districts are using State School Fund dollars to pay for the first year of college for students, using SSF dollars in a way not intended. This is not financially sustainable if more and larger districts implement the model. Based on current rate of use by 26 districts, it could dilute the SSF by over \$18 M for a biennium. Brian Reeder, Assistant Superintendent of Research and Data Analysis at ODE is here to provide you with more

details on the available data.
Some districts extend this program beyond the fifth year (Over 100 students in 2014-15 are in their 6 <sup>th</sup> , 7 <sup>th</sup> , or 8 <sup>th</sup> year of high school funding-does not include students on IEPs eligible for services or credit recovery students).
Until this year no data collected by the state captured these students.
May also be serving students for whom paying for college is within their reach. Use of the model is not being limited to those most in need.
Uses state school funding in lieu of federal dollars (PELL grants) that would typically help support eligible students for the first year. For a thousand students that amount is estimated close to \$1.2 M.

In short, many district leaders report liking what the Fifth Year Program does but feeling that it is unethical to use the State School Fund in ways it was not intended to be used<sup>1</sup>. You have received testimony from Matt Coleman, former Assistant Superintendent from Eugene School District 4J. You also will be hearing from Greg Belisle, school board member from Portland Public Schools and a video from McMinnville School district has been posted to OLIS illustrating the progress being made to help more students earn college credits at a reduced price and high quality while there are completing their four years of HS.

Initial language for SB 322 sought to honor the benefits that current 5<sup>th</sup> year programs offer while limiting the amount that any student earns to \$4500 for those enrolling in at least 45 credits per year or prorated for less. An additional amount ranging from \$500 to \$1000 could be earned if the student earning the credit was an underserved student as defined by the Higher Education Coordinating Commission. In addition, students would earn \$50 per credit up to 45 credits from the state school fund, which would be held in an account administered by the Office of Student Access and Completion.

The bill as originally written would not diminish the current fiscal impact on the SSF. In fact, it would likely result in very substantial losses to the K-12 budget once an official

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<sup>1</sup> Colorado's 5<sup>th</sup> year program is subject to annual appropriations from the General Assembly and is not part of the state's constitutionally protected "thorough and uniform" education system. In other words, the program is funded by K-12 dollars, but receives direct appropriations from the legislature outside of the state school finance formula.

means was established for school districts to offer Fifth Year Programs. The -1 amendment introduces a transition model that phases out the current practice and encourages districts using Fifth Year programs to implement strategies that effectively leverage limited resources and provide services during the four years of high school.

**PROPOSED CHANGES:** The language phases out existing 5<sup>th</sup> year senior programs during the 2015-17 biennium. Programs would be expected to reduce the number of seniors participating by 50% in each year of the 2015-17 biennium and document use of the funding to shift efforts to accelerate students’ access to college within the four years of high school. Strategies might include:

- Opportunities to take more college level courses for free or reduced rates while still in high school
- Providing readiness feedback and supports needed to help more students become eligible to take college level courses
- Access to resources that assist students in college planning, pathway choices, and financial planning supports

The amendment would continue to support students’ opportunity to earn college credit while still working on a high school diploma. It would however limit the practice of withholding diplomas for the purpose of enrolling students in college to the first four years of high school, with exceptions for students who legitimately need more time (EL, IEP, credit recovery).

If a student has not earned a high school diploma in 4 years, then State School Funds used in the 5<sup>th</sup> year would be limited to credit recovery required to graduate from high school. If students are earning college credit in a fifth year, they would not qualify for State School formula funding for the fifth year.

**SAMPLE SCENARIO FOR GRADUATED PHASE OUT**

		PHASED OUT WITH STEPPING STONES	
Year	# 5 <sup>th</sup> yr students	\$	Notes
2014-15	200	200 ADM	Baseline funding
2015-16	100	200 ADM	Halve # students, keep funding for 100%, invest in early yrs
2016-17	50	100 ADM	Continue to reduce # of students and funding, but fund at twice the number of students; continued investment in early yrs
2017-18	0	0 ADM	TOTAL PHASE OUT
2018-2019	0	0	