



Testimony: Potential mandate for community college tuition waivers

May 27, 2015

Co-Chairs Monroe and Komp, members of the committee, for the record, my name is Greg Hamann, President of Linn Benton Community College. Today I'm speaking on behalf of all 17 Oregon Community colleges.

You have heard students and employers say that Oregon's community colleges are the ladder to the middle class, and vital to Oregon's economy. That's absolutely true, on both fronts.

Community colleges offer an excellent post-secondary educational value, and give many people a second start, and a leg up. We care strongly about student success, including both access and affordability.

A new audit yesterday from the Oregon Secretary of State underscores something we already know: Oregon community colleges are struggling, due to a lack of resources, to provide students support that drives completion.

We want every Oregon student to succeed. And we remain committed to the goal of universal access so that every student who wants to attend college has the opportunity. Yet the level of funding, today, while it is recovering, has left colleges scrambling to provide consistent access to quality programs and services for students.

As seems to be happening in Tennessee, advertising the cost of community college as free leads to a spike in enrollment. This raises critical questions about institutional capacity and the financial model.

First, on behalf of Oregon's 17 community colleges, I want to extend our appreciation to Senator Hass for his efforts to raise attention about the issues of access and affordability, and his priority to help to meet the educational needs of many Oregon families. We also appreciate the work Rep. Johnson has put into making the proposal more comprehensive.

If Oregon is to implement a free, almost free or "debt-free" community college tuition program, community colleges jointly urge that the following principles be included before moving forward:

1. It must be financially neutral and not create an unfunded mandate

- Tuition covers only about half of a college's cost of delivering education, per student. The other half is covered through state funding with the Community College Student Fund and through local property taxes. A spike in attendance with just the tuition side of the equation covered -- and no corresponding increase on the other half of funding -- will stretch capacity and threaten to erode programs.
- Based on recent history, there are concerns that we not create a new public expectation of free community college without commensurate long term budgetary commitment from the state.

- Demand in Tennessee was massive, and dwarfed initial projections. The first round of enrollment is this fall, so we do not know yet how many students will actually attend.
- Tennessee saw a huge jump in the number of students filing the FAFSA. This is a good thing, and will direct new federal aid money into their state. But remember that tuition does not cover the full cost of a student's college.
- It's also worth noting that in national rankings, Tennessee is in the top 20 for funding for higher education, while Oregon tends to rank in the bottom five. (Now 46th per student FTE).

2. It must benefit low-income students

- The current proposal is a "last dollar" plan. It would offer a tuition waiver to students who apply for federal aid, but do not qualify for the Pell Grant. That means the only students who would benefit from the current version of Oregon's program will be those whose families earn too much to receive federal Pell Grants.
- For students attending college, tuition is just a fraction of their family cost. They also must pay for books and supplies, lodging, transportation and other expenses. The current proposal would only offer offsets to tuition.
- We asked colleges to tally what Pell Grant recipients were borrowing. At Lane, for example, the Pell Grant recipients borrow an average of \$3,235 – in addition to their grants.
- At Clackamas, the average loan obtained by loan-seeking Pell Grant recipients was \$2,211, compared to loans of \$3,357 for non-Pell eligible students. This shows a need gap of about \$1,100 between the students, based on loans. That gap is smaller than the envisioned benefit of this program. 68 percent of Pell recipients also took out loans.
- We believe strongly low-income students should participate in an Oregon plan in some way.

3. It must recognize the need for success and completion

- Community colleges are being asked to focus on ensuring that more students complete degrees and certificates in their areas of study. Moving students from enrollment to completion is about more than tuition.
- For the population community colleges serve, it takes counseling and other support services to ensure students have the tools they need to compete their education. These services were pared back dramatically in the recession and that impact shows in the new secretary of State audit. Oregon must invest in completion along with access to meet statewide goals like 40/40/20.

4. It must protect and enhance the Oregon higher education continuum

- Oregon community colleges are only part of the equation. Today, half of community college full-time students are working toward a 4-year degree and will be transferring to a university.
- Funding for Oregon universities is similarly vital. State support for Oregon universities needs to be adequate, to serve students statewide, and first we believe that goal must also be reached.

In summary, we believe that if Oregon wants Tennessee-like results, then the state will have to make a commitment beyond increasing access.

Again, thank you again for you attention to community college access and affordability. From the federal level to Oregon, this is the right conversation to be having.