



Testimony on Senate Bill 55
Ways and Means, Capital Construction Subcommittee
February 23, 2017

Good afternoon Chairman Girod, Chairman Holvey, and members of the Subcommittee. For the record, my name is Kyle Thomas and I am the Director of Legislative and Policy Affairs for the Higher Education Coordinating Commission.

The bill before you today makes one change to the statutes governing the Oregon Promise program. Current law prohibits the HECC from expending more than \$10 million in any one fiscal year on awards to Oregon Promise recipients. This bill waives this spending limit in the current year only.

As you may know, the Oregon Promise program is designed to provide graduates of Oregon high schools and GED completers with a 2.5 or better GPA, who enroll in a community college within 6 months of graduation and agree to attend college at least half-time, with a grant that covers the average cost of tuition at an Oregon community college.

The program, which began serving students in fall 2016, is currently serving approximately 6,800 students that entered college for the first time this academic year. This is above the expectations we had when we first budgeted for the program. Additionally, students in the program are, based on our analysis of just the first term of participation, taking *more* credits, and we expect will experience *greater* term-to-term retention rates than we anticipated when we modeled program costs.

Just last week, Education Northwest issued a report that details survey data from about 1,500 18-19 year old students that applied for financial aid ahead of the current academic year. The survey found that 69% of first-generation college student respondents and 49% of non-first generation student respondents agreed that Oregon Promise made them think more about going to college. Thirty-two percent of first-generation student respondents and 18% of non-first generation student respondents also stated they would not have gone to college without the Oregon Promise program. These findings, and the introductory data we have on credit loads and retention rates, are very positive.

However, because of the popularity of the program in the first year, we expect to exceed the current \$10 million allocation for the first year of the program. Because the current language of the Oregon Promise statutes prohibit spending more than \$10 million in any one year of the program, the bill before you is necessary in order for us to continue serving students to whom we made commitments in this academic year. Without the bill before you, HECC would have to severely restrict awards to the current group of students in the upcoming spring term.

We have met with the Chairs of the Ways and Means Committee, with leadership staff on both sides of the aisle, and with LFO, and we believe that funding will be provided in an upcoming

bill that covers the \$1.5m to \$3.6 million gap that exists in the current year of the program, but passage of the language in this bill before you today is necessary to allow the HECC to spend any of those potential new funds on student awards.

Importantly, nothing in this legislation provides the HECC any increased authority to spend dollars in future years of the program. This bill affects only the current year, and allows HECC to keep promises made to current college students. The governor's proposal provides nearly full funding for the continuation of the program in the next biennium, and we look forward to working with you on the status of the program moving forward.

Thank you for your time and attention today. I am happy to answer any questions you have.