



Improving the Impact of the Oregon Promise

PRESENTED TO THE SENATE
EDUCATION COMMITTEE

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January 2022



Funds for community college tuition for recent high school/GED graduates

Promise awards can be used at any Oregon community college, for up to 90 college credits

2021-22 Awarding (full-time)

- \$1,000 per year (*minimum*)
- \$4,131 per year (*maximum*)
- *Before \$50/term co-pay applied*

Recent OPG Distribution

OPG Recipients and Student Impacts

- Slightly more likely to be women and Hispanic/Latinx
- 75% of recipients return for 2nd year of the program
- 1st cohort of Promise students appears to have earned their degree somewhat faster than HS graduates did prior to OPG's existence

Financial Impacts

- Program's design capitalizes on federal aid dollars for low-income students (Pell grants)
- OPG award has had a smaller impact as tuition and cost of attendance rise each year

COVID Impacts

- Class of 2021 had significant drop in OPG applications due to many factors
- Class of 2020 had a higher than average EFC cutoff



Source: HECC-R&D, December 2020, "Senate Bill 81 (2015): The Oregon Promise – Report from Year 5"

<https://www.oregon.gov/highered/research/Documents/Reports/HECC-report-341.522-Oregon-Promise-2020.pdf>

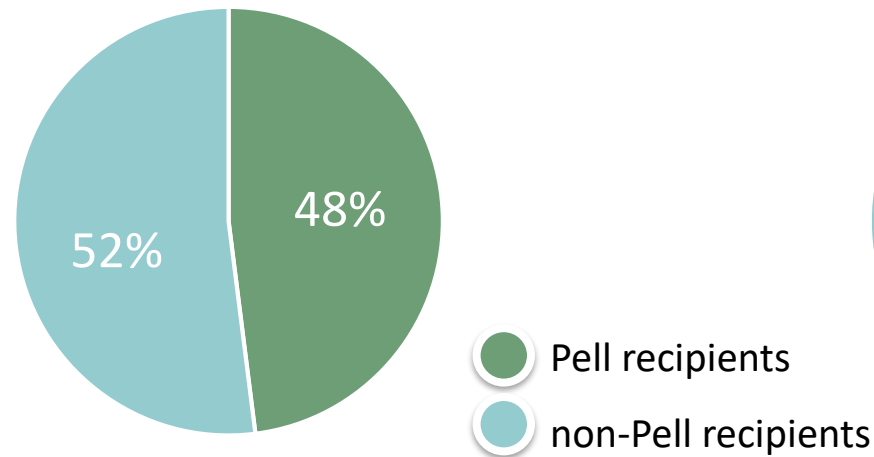
The OPG Awarding System Distributes Funds After Other Federal and State Aid, Which Results in Fewer Resources for Lower-Income Students

The award amount depends on student's remaining financial need to cover the average cost of tuition.

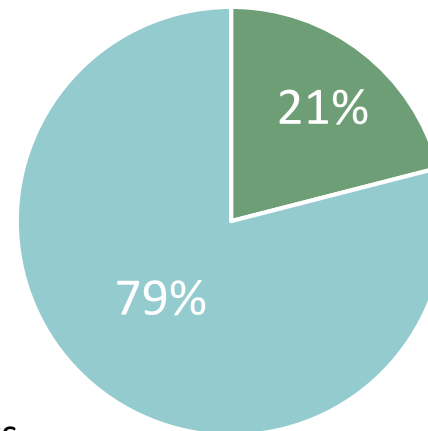
- If a student's tuition is covered in-full by other public grants, the student receives the minimum award (\$850).
- When combined with the OOG, Promise students from the lowest-income families receive, on average, \$3,628.
- Meanwhile, Promise students from middle and higher-income families receive \$3,981 on average

**All award numbers above are after co-pay, based on 2021-2022 award rates.*

Percentage of OPG recipients with Pell grant



Distribution of OPG funds



More than 50% of recipients are low income, but nearly **80% of the program dollars** go to higher income students.

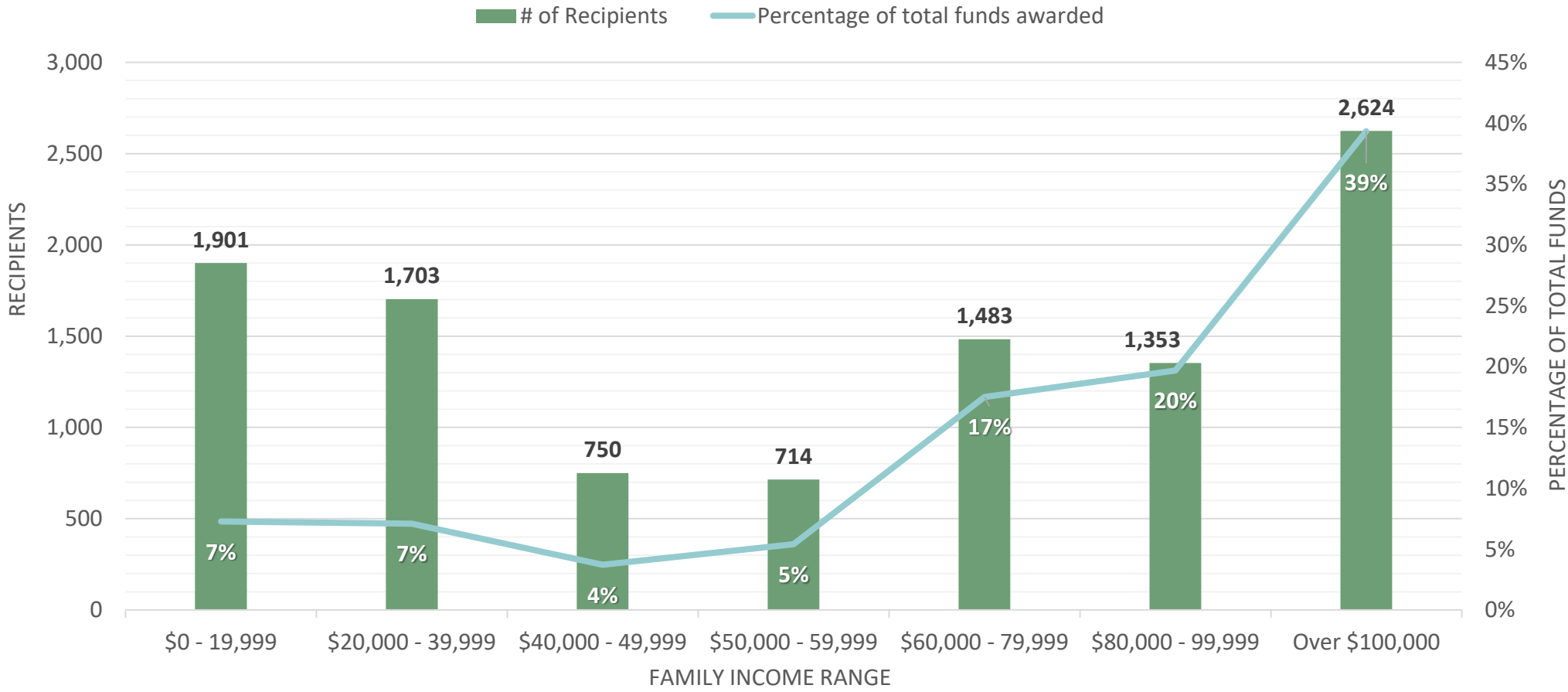
Note: Award amounts are for 2021-22, and data about recipients and OPG funds are from 2020-21.

Source: HECC-R&D, December 2020, "Senate Bill 81 (2015): The Oregon Promise – Report from Year 5"

<https://www.oregon.gov/highered/research/Documents/Reports/HECC-report-341.522-Oregon-Promise-2020.pdf>

Inequitable Award Structure – Oregon Promise

2018-19 Oregon Promise Grant Awards

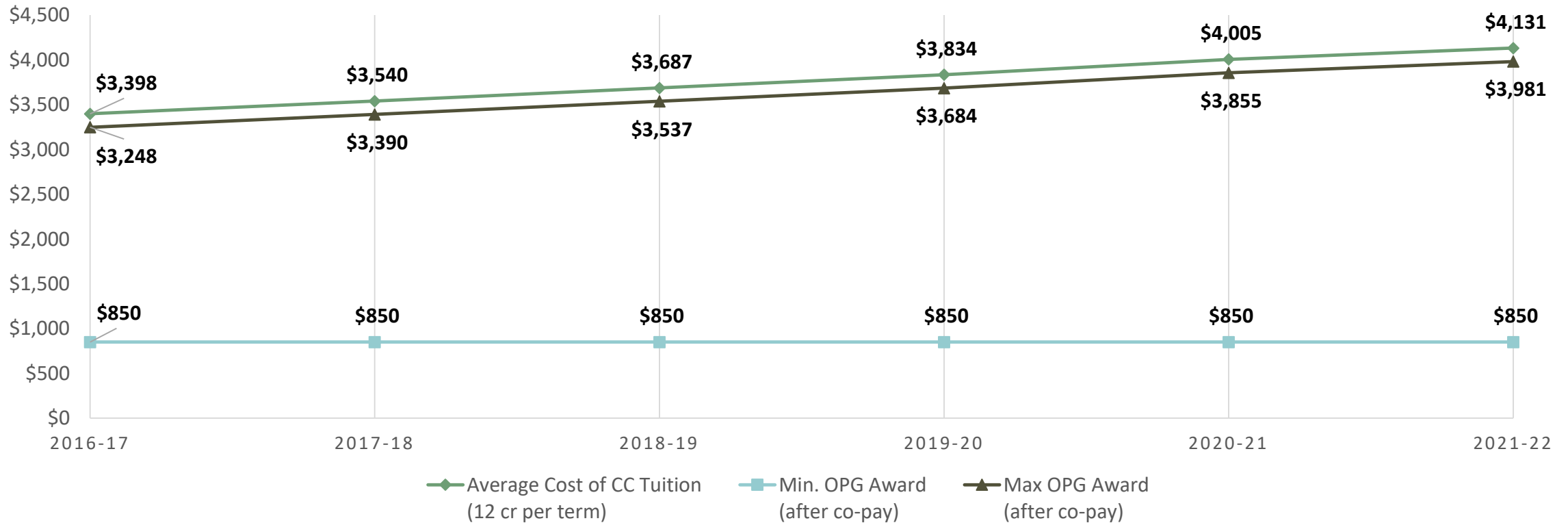


Analysis of OSAC data



Minimum OPG Awards Have Not Kept Up With Rising Tuition Costs

OREGON PROMISE AWARDS COMPARED TO AVERAGE COMMUNITY COLLEGE TUITION



*Current co-pay for Oregon Promise is \$50 per term

Improving the Impact of the Oregon Promise

Striving to serve the students with the highest need

Oregon Promise helps recent HS and GED[®] graduates pay their college tuition

A number of barriers prevent the program from **advancing equity**:

1. Low-income students may have personal life stressors and obstacles that affect their high school grades; the current GPA requirement prevents them from advancing their education and future
2. The co-pay creates an unnecessary financial burden on already low-income students
3. The current minimum award structure puts a cap on how much low-income students receive and disproportionally benefits middle-to-high income students

Improving the Impact of the Oregon Promise

Recommended steps to increasing student access, equity, and success

1

Eliminate the \$50 co-pay

2

Increase the minimum award and have it rise as tuition increases

3

Lower the high school GPA requirement from 2.5 to 2.0

Proposed Equity Reforms for OPG

Items 1 & 2 would begin in 2022-23; Item 3 would begin ASAP for Class of 2022 applicants

| | | Total Cost of Reform for 2022-23 |
|---|-------------------------------|----------------------------------|
| 1 | Remove \$50 Co-Pay | \$1,364,900 |
| 2 | Increase Minimum Award Amount | \$6,200,856 |
| 3 | Lower GPA Requirement | \$2,475,777 |
| | | \$10,041,533 |

| | Projected Annual Spending in Current Form | Projected Annual Spending with New Items |
|----------------|--|---|
| 2021-22 | \$13,505,161 | \$13,505,161 |
| 2022-23 | \$18,294,707 | \$28,336,240 |
| 2021-23 | \$31,680,981 | \$41,841,401 |

Estimation as of 1-10-2022 expenditure and applicant data.

LAB = \$42.2M