



# OREGON PROMISE

JUAN BÁEZ-ARÉVALO, INTERIM DIRECTOR, OFFICE OF STUDENT ACCESS AND COMPLETION

PATRICK CRANE, DIRECTOR, OFFICE OF COMMUNITY COLLEGES AND WORKFORCE DEVELOPMENT

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# LOW-COST COMMUNITY COLLEGE: THE OREGON PROMISE

Oregon's newly launched program provides grants to support most community college tuition costs for recent high school graduates and GED recipients.

- Established by Senate Bill 81 (2015) to “provide a waiver of tuition for community college courses.”
- Grants apply after federal and state aid grant (i.e. “last dollar” model).
- Students may be eligible for up to 90 credits attempted (i.e. up to two years at full-time enrollment).
- Grant sizes ranged from minimum of \$1,000 to maximum of \$3,397 in 2016-17 (based on average community college tuition).

**GOAL:** To increase college enrollment, completion, and affordability for recent high school graduates and GED recipients.

# THE OREGON PROMISE: ELIGIBILITY CRITERIA FOR GRANTS



**Be a recent Oregon  
high school graduate  
or GED recipient**



**Be an Oregon resident  
at least 12 months prior  
to attendance**



**Have 2.5 cumulative  
GPA or higher**



**Plan to attend an  
Oregon community  
college within 6  
months of graduation**



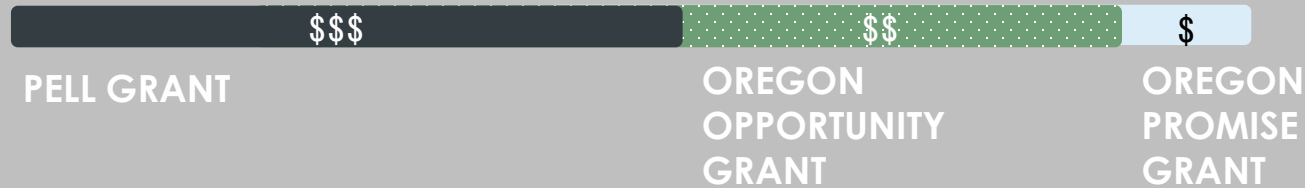
**Must not have more than  
90 college credits  
completed or attempted**

# OREGON PROMISE: GRANT AMOUNT IN RELATION TO EXPECTED FAMILY CONTRIBUTION (EFC)

**LOWER EFC = LOWER INCOME**



## Student A: Lower Expected Family Contribution



## Student B: Higher Expected Family Contribution



## Student C: Highest Expected Family Contribution



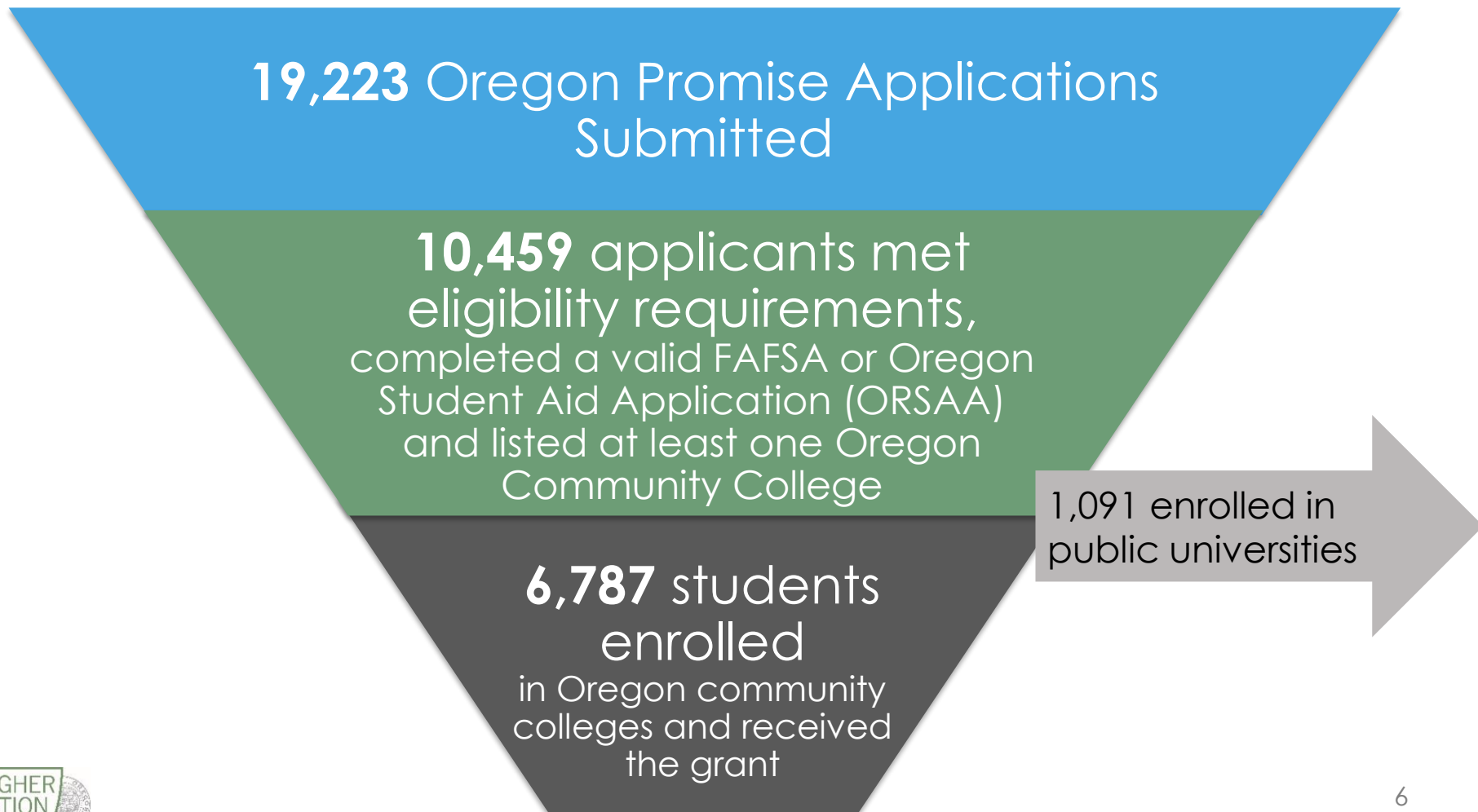
Oregon Promise covers tuition, up to 12 credits per term.



# OREGON PROMISE GRANT: IMPACT AND INITIAL DATA

# OREGON PROMISE: APPLICATION FUNNEL 2016

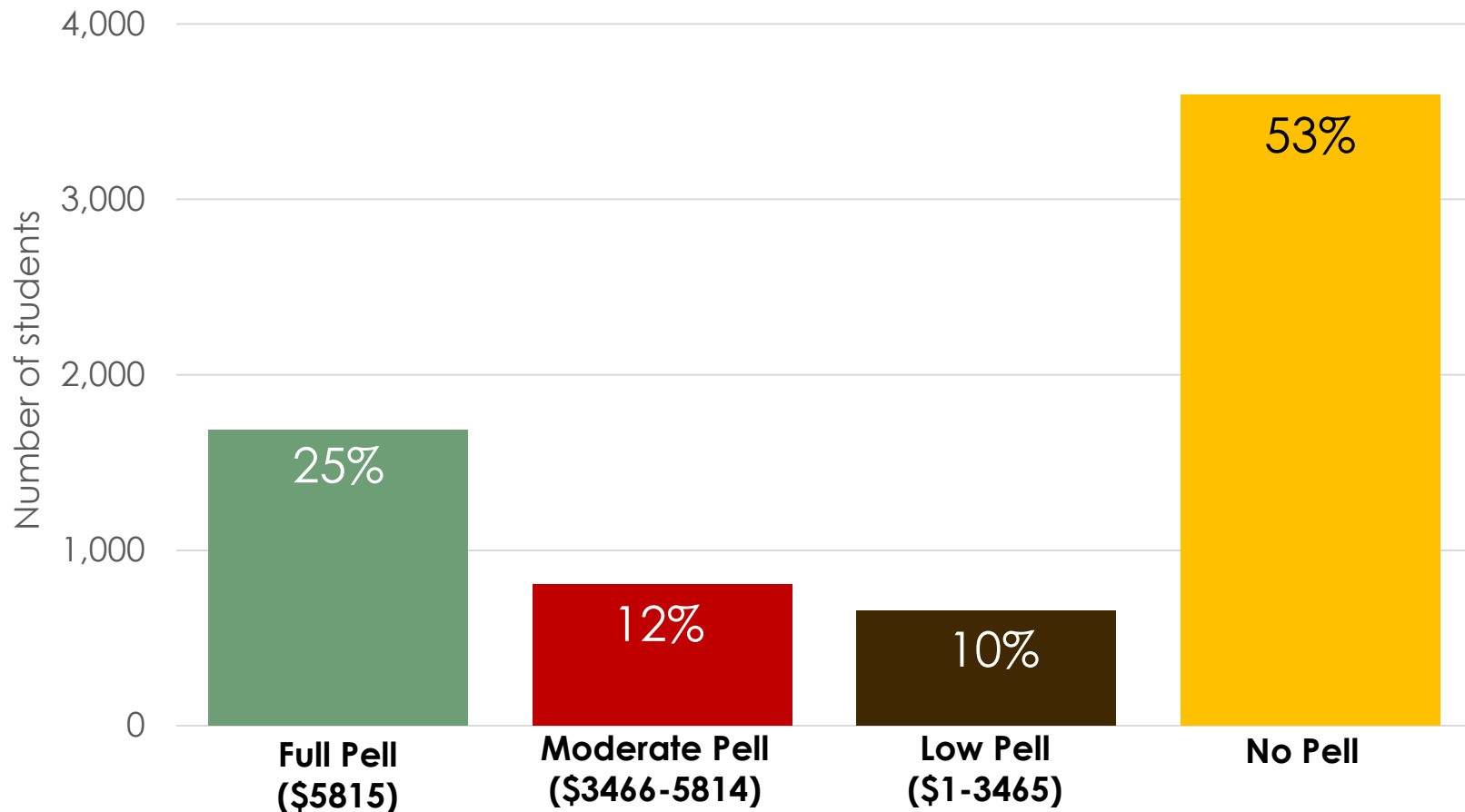
After launching the program and marketing its availability in 2015-16, OSAC processed 19,223 Oregon Promise applications.



# OREGON PROMISE: STUDENTS SERVED

## Distribution of Oregon Promise recipients by Pell award amount

Low ← Family Income → High



Source: HECC analysis of student-level data (Oregon Promise recipients), 2016.

Note: Number of students total 6,745; data for remaining 42 students were not submitted in at the time of analysis.

# HIGH SCHOOL GRADUATES AND OREGON PROMISE RECIPIENTS BY RACE/ETHNICITY

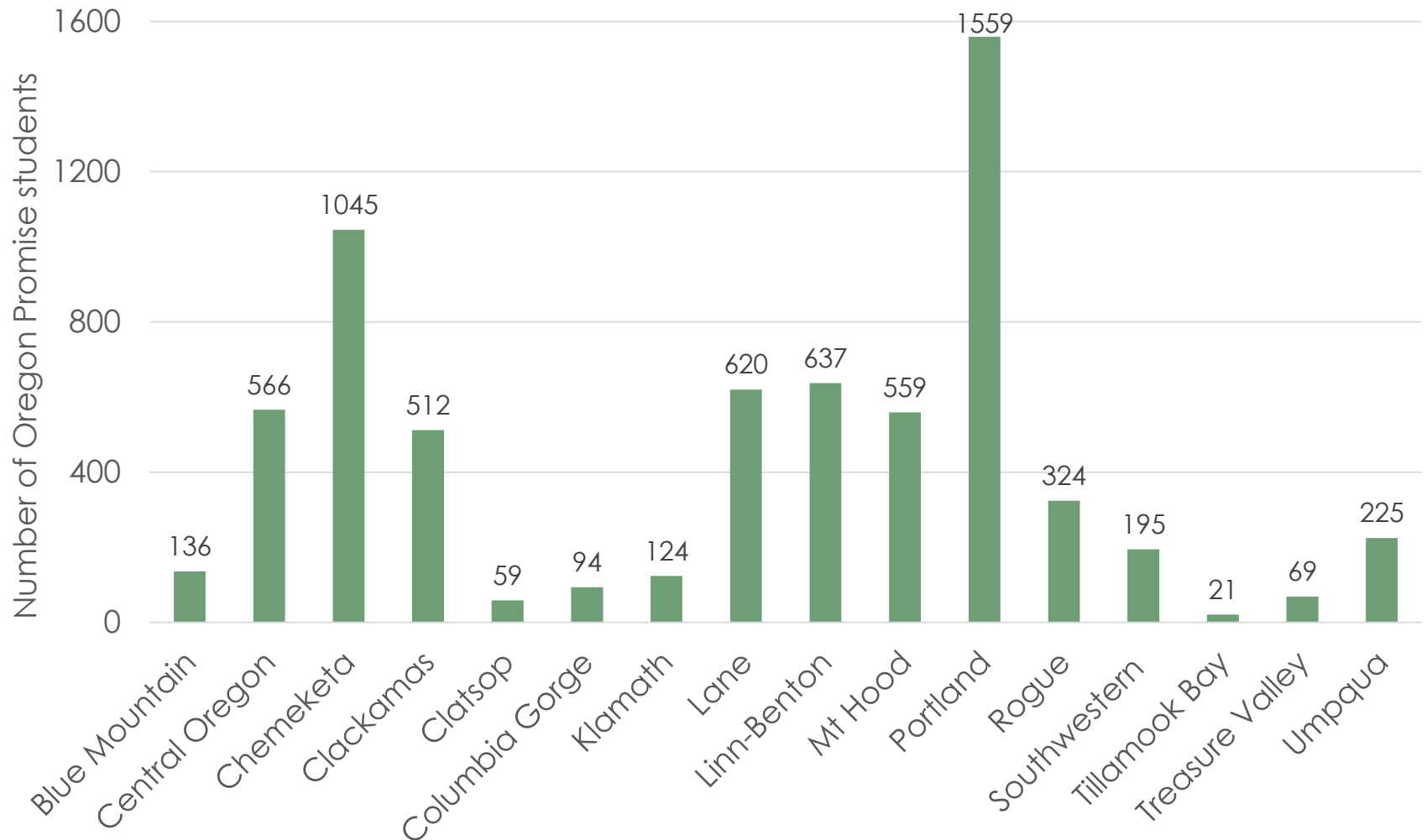
Race/Ethnicity	Percent of 2016 High School Graduates	Percent of Oregon Promise Recipients
African American or Black	2.3	1.3
American Indian/Alaska Native	1.4	1.0
Asian American	4.7	4.0
Hispanic	18.6	19.6
Pacific Islander	0.5	0.5
Two or more racial/ethnic groups	4.8	4.9
White, non-Hispanic	67.6	65.2
Unknown*	N/A	3.5

\*Note: Public high school students or their families identify students' racial-ethnic groups. If they decline to state, school staff identify students' racial-ethnic group. Oregon Promise students self-identify their own race on the Oregon Promise application and 3.5 percent of these declined to state.

Source: Oregon Department of Education report of high school seniors and graduates. HECC analysis of student-level data on Oregon Promise recipients

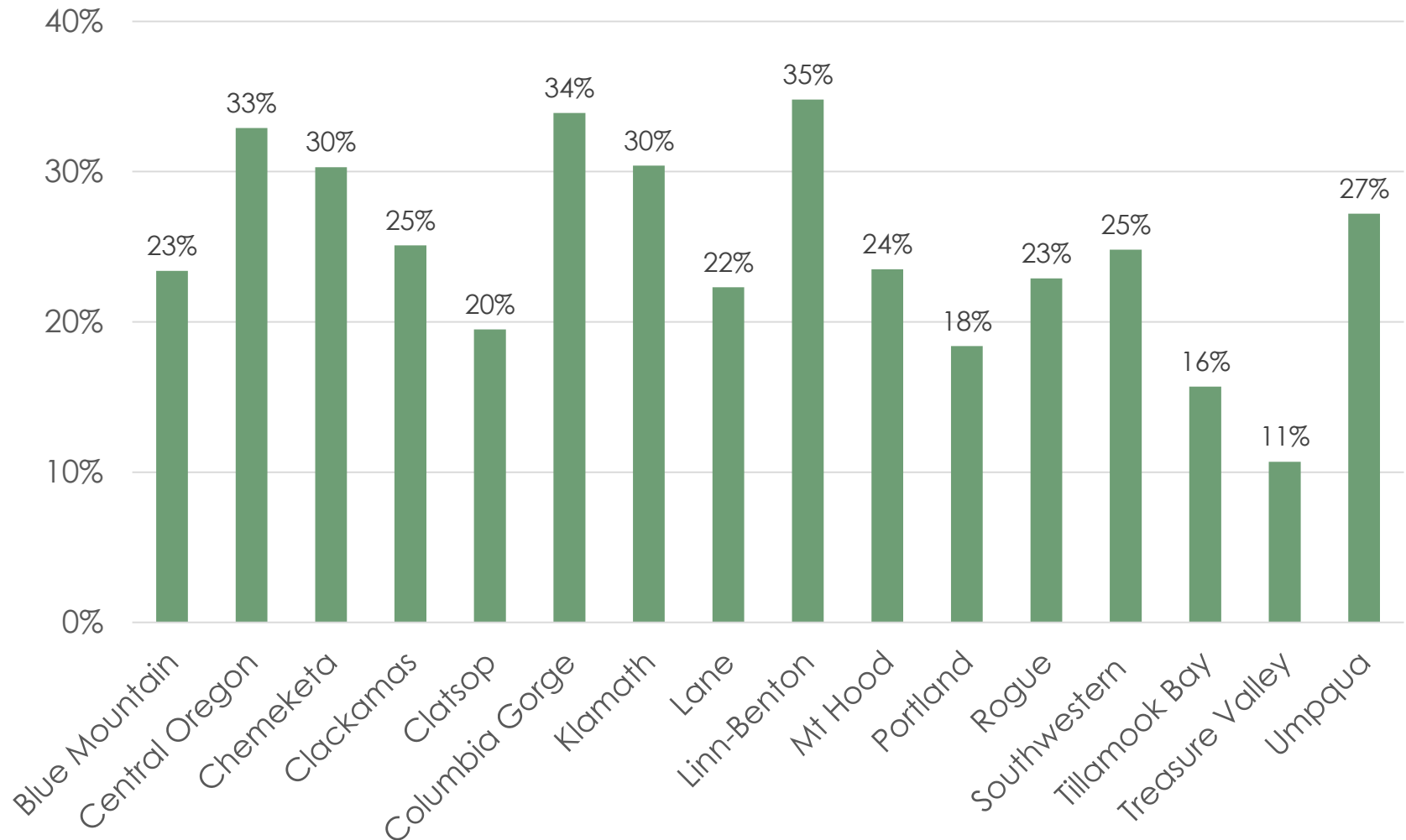


# OREGON PROMISE RECIPIENTS BY COLLEGE



Note: Oregon Coast Community College data is included with Portland Community College data. Source: HECC analysis of student-level data (Oregon Promise recipients), 2016.

# OREGON PROMISE RECIPIENTS AS A PERCENTAGE OF COLLEGE FTE



Source: HECC analysis of student-level data (Oregon Promise recipients) and college report of fall, fourth week FTE, 2016.

# OREGON PROMISE GRANT: KEY FINDINGS FROM FIRST TERM

Research question	Key findings
Has Oregon Promise changed Oregon high school graduates' enrollment in higher education?	<ul style="list-style-type: none"><li>• Community college enrollment rates declined slightly overall, but preliminary results suggest that they rose among recent high school graduates</li><li>• University enrollment rates declined slightly</li></ul>
Who is participating in Oregon Promise, and who is not?	<ul style="list-style-type: none"><li>• About half of Oregon Promise recipients come from lower income families (i.e., are eligible for a Pell grant), and about half do not</li><li>• Most Oregon Promise dollars go to recipients with higher incomes</li></ul>
Total participation (Fall Term only)	<ul style="list-style-type: none"><li>• In fall 2016, 6,787 students received an Oregon Promise grant, and the fall term disbursed funds totaled over \$4 million</li></ul>



## HB 4076: OREGON PROMISE SUPPORT SERVICES

# HOUSE BILL 4076 (2016)

Provide support services for those enrolled in courses offered at an Oregon community college within 1 year of earning high school diploma or equivalency, including those who receive Oregon Promise

Allocated approximately \$1.7 million, \$83,000 per college

Required elements:

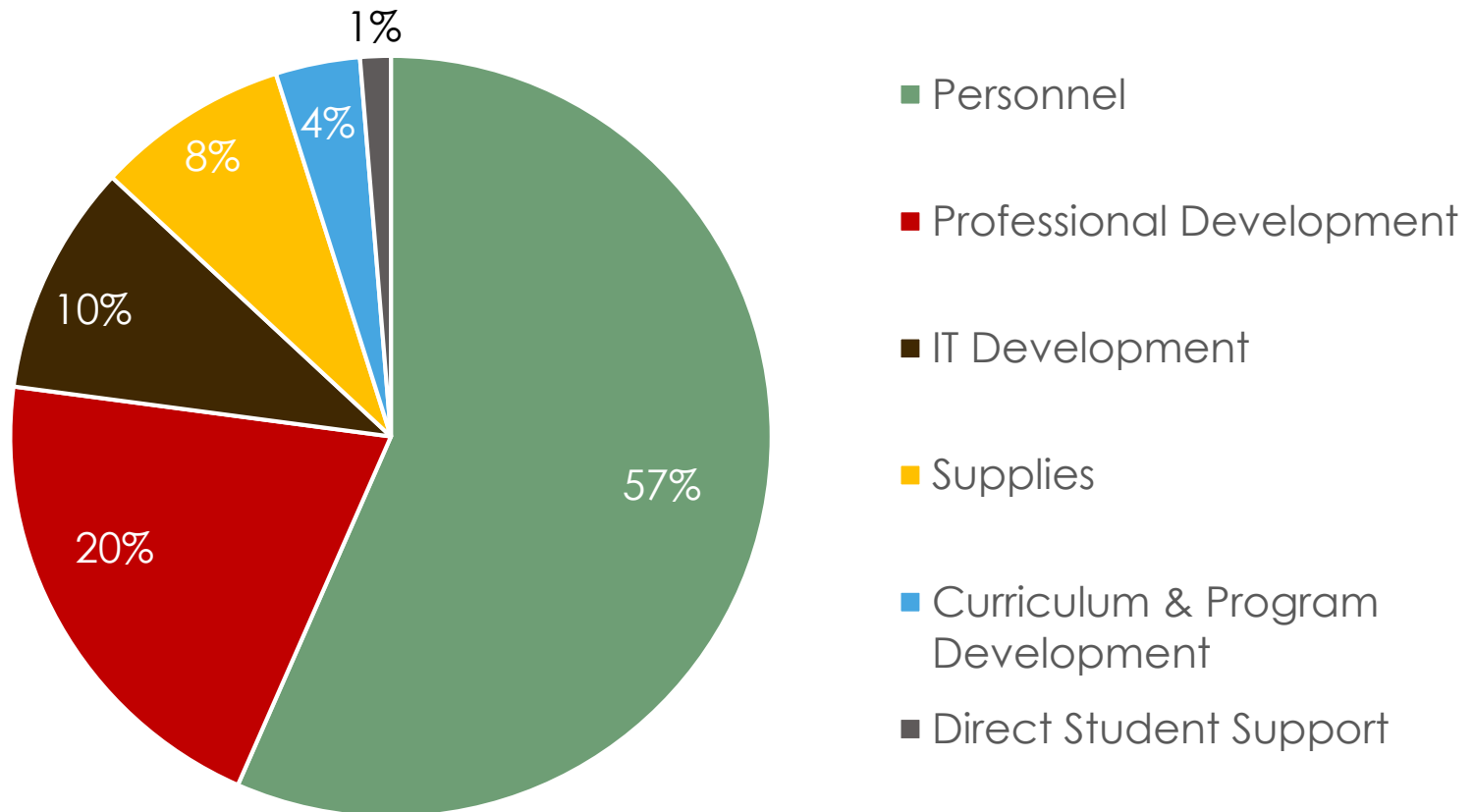
- A first-year experience
- A student success team
- Professional development for faculty and staff in order to provide intentional, strategic intervention

Colleges receiving funding must **provide support services at each campus** and implement multiyear strategies incorporating elements of student services and faculty and staff development **to improve academic success or completion rates**



# HOW WAS THE MONEY SPENT?

Use of House Bill 4076 Funds



Source: HECC House Bill 4076 "Oregon Promise Support Services" Final Report (2017).

# WHAT DOES A FIRST-YEAR EXPERIENCE (FYE) LOOK LIKE?

## First Year Experience Course

- A 1-3 credit course, taught in-person and on-line that orients students to the college. Students learn **study skills, financial literacy, critical thinking, leadership, and career exploration**

## Orientation and Engagement

- Campus orientation, welcome events, multiple contacts with advisers and college staff

## Mandatory Advising

- Mandatory advising is a component of First-Year Experiences

## Open to All

- FYE are mandatory for Oregon Promise recipients. Some colleges require them for other first-time degree-seeking student. They are open to any student that would like to enroll

# OREGON PROMISE GRANT: DEMOGRAPHIC DATA, COST PROJECTIONS, AND COST CONTROLS

# EXPECTED FAMILY CONTRIBUTION (EFC) AS A MEASURE OF FINANCIAL NEED

Indicator of student or family ability to pay for college costs  
(lower EFC = higher financial need)

Calculated by the US Department of Education using data from the Free Application for Federal Student Aid (FAFSA)

Based on income and assets of student and family (parents, if under age 24; spouse if married) and adjusted by number in household and number in college

Used to determine eligibility for Oregon Opportunity Grant and Federal Pell Grant

# EXPECTED FAMILY CONTRIBUTION RANGES AND PARENT INCOME

Expected Family Contribution (EFC)	Median Parent Adjusted Gross Income	Number of Oregon Promise Recipients (Fall 2016)	Average Grant Amount (Fall Disbursed)	% of Total Fall Funds Disbursed	Average High School GPA
\$0*	\$21,883	1,736	\$295	11%	3.08
\$1 - \$4,999*	\$44,437	1,462	\$318	11%	3.16
\$5,000 - \$9,999*	\$73,234	1,064	\$977	24%	3.25
\$10,000 - \$14,999	\$89,088	671	\$974	15%	3.26
\$15,000 - \$19,999	\$99,361	491	\$976	11%	3.21
\$20,000 - \$24,999	\$111,603	392	\$987	9%	3.23
\$25,000 - \$29,999	\$126,774	224	\$991	5%	3.20
\$30,000 - \$34,999	\$136,055	164	\$981	4 %	3.25
\$35,000 - \$39,999	\$144,034	120	\$973	3%	3.29
\$40,000 - \$59,999	\$155,473	213	\$980	5%	3.22
\$60,000 - \$79,999	\$178,120	82	\$995	2%	3.16
\$80,000 - \$99,999	\$224,511	48	\$1,012	1%	3.19
\$100,000 and up	\$238,098	74	\$970	2%	3.32
<b>Total or Average</b>	<b>\$66,953</b>	<b>6,741</b>	<b>\$879</b>	<b>100%</b>	<b>3.24</b>



# EXPECTED FAMILY CONTRIBUTION RANGES AND RACE/ETHNICITY

Expected Family Contribution (EFC)	African American or Black	American Indian or Alaska Native	Asian American	Hispanic	Native Hawaiian or Pacific Islander	Two or More Racial or Ethnic Groups	White, non-Hispanic	Did Not Respond
\$0*	2.2%	1.3%	4.9%	31.7%	0.7%	6.1%	50.1%	3.1%
\$1 - \$4,999*	1.2%	1.0%	4.2%	29.8%	0.3%	4.5%	55.9%	3.2%
\$5,000 - \$9,999*	0.3%	0.7%	3.1%	12.9%	0.5%	5.8%	73.1%	3.6%
\$10,000 - \$14,999	1.2%	1.2%	4.3%	10.2%	0.4%	5.0%	74.8%	2.8%
\$15,000 - \$19,999	0.6%	1.2%	3.7%	8.9%	1.0%	3.7%	77.3%	3.7%
\$20,000 - \$24,999	1.3%	0.5%	3.5%	8.6%	0.0%	3.3%	77.8%	5.0%
\$25,000 - \$29,999	1.3%	1.3%	2.7%	7.1%	0.4%	3.1%	78.8%	5.3%
\$30,000 - \$34,999	1.2%	1.8%	3.0%	4.3%	0.0%	4.9%	79.3%	5.5%
\$35,000 - \$39,999	0.8%	0.0%	4.1%	8.1%	0.0%	4.1%	78.9%	4.1%
\$40,000 - \$59,999	1.4%	0.5%	3.7%	7.0%	0.5%	3.7%	78.5%	4.7%
\$60,000 - \$79,999	2.4%	0.0%	1.2%	2.4%	2.4%	4.9%	82.9%	3.7%
\$80,000 - \$99,999	2.1%	0.0%	6.3%	2.1%	0.0%	2.1%	83.3%	4.2%
\$100,000 and up	1.4%	0.0%	2.7%	1.4%	0.0%	5.4%	85.1%	4.1%
<b>Average</b>	<b>1.3%</b>	<b>1.0%</b>	<b>4.0%</b>	<b>19.7%</b>	<b>0.5%</b>	<b>5.0%</b>	<b>65.1%</b>	<b>3.5%</b>

\*Only students with EFCs of \$5,234 or less are eligible for Federal Pell Grants. Source: HECC analysis.

# OREGON PROMISE: RECIPIENTS FALL 2016 AND WINTER 2017

Expected Family Contribution (EFC)	Number of Recipients (Fall 2016)	Number of Recipients (Winter 2017)	Retention Rate (Fall-Winter)
\$0*	1,736	1,500	86.4%
\$1 - \$4,999*	1,462	1,343	91.9%
\$5,000 - \$9,999*	1,064	942	88.5%
\$10,000 - \$14,999	671	600	89.4%
\$15,000 - \$19,999	491	427	87.0%
\$20,000 - \$24,999	392	336	85.7%
\$25,000 - \$29,999	224	198	88.4%
\$30,000 - \$34,999	164	150	91.5%
\$35,000 - \$39,999	120	106	88.3%
\$40,000 - \$59,999	213	187	87.8%
\$60,000 - \$79,999	82	70	85.4%
\$80,000 - \$99,999	48	43	89.6%
\$100,000 and up	74	65	87.8%
<b>Total or Average</b>	<b>6,741</b>	<b>5,967</b>	<b>88.2%</b>

\*Only students with EFCs of \$5,234 or less are eligible for Federal Pell Grants. Source: HECC analysis.

# OREGON PROMISE: DOLLARS DISBURSED FALL 2016 AND WINTER 2017

Expected Family Contribution (EFC)	Dollars Disbursed (Fall 2016)	Percent Fall 2016 Dollars Disbursed	Dollars Disbursed (Winter 2017)	Percent Winter 2017 Dollars Disbursed
\$0*	\$467,506	11%	\$401,623	10%
\$1 - \$4,999*	\$464,283	11%	\$418,608	11%
\$5,000 - \$9,999*	\$1,039,272	24%	\$904,931	23%
\$10,000 - \$14,999	\$653,711	15%	\$585,193	15%
\$15,000 - \$19,999	\$479,187	11%	\$417,484	11%
\$20,000 - \$24,999	\$386,987	9%	\$331,599	9%
\$25,000 - \$29,999	\$221,921	5%	\$196,641	5%
\$30,000 - \$34,999	\$160,827	4%	\$148,618	4%
\$35,000 - \$39,999	\$116,749	3%	\$100,322	3%
\$40,000 - \$59,999	\$208,683	5%	\$183,286	5%
\$60,000 - \$79,999	\$81,594	2%	\$68,262	2%
\$80,000 - \$99,999	\$48,586	1%	\$43,798	1%
\$100,000 and up	\$71,775	2%	\$61,163	2%
<b>Total or Average</b>	<b>\$4,401,081</b>		<b>\$3,861,528</b>	

\*Only students with EFCs of \$5,234 or less are eligible for Federal Pell Grants. Source: HECC analysis.

## PROJECTING COSTS (FLAT LINE SCENARIO)\*

Estimated dollars disbursed for **2016-17**  $\approx$  \$11,912,100  
(Cohort 1)

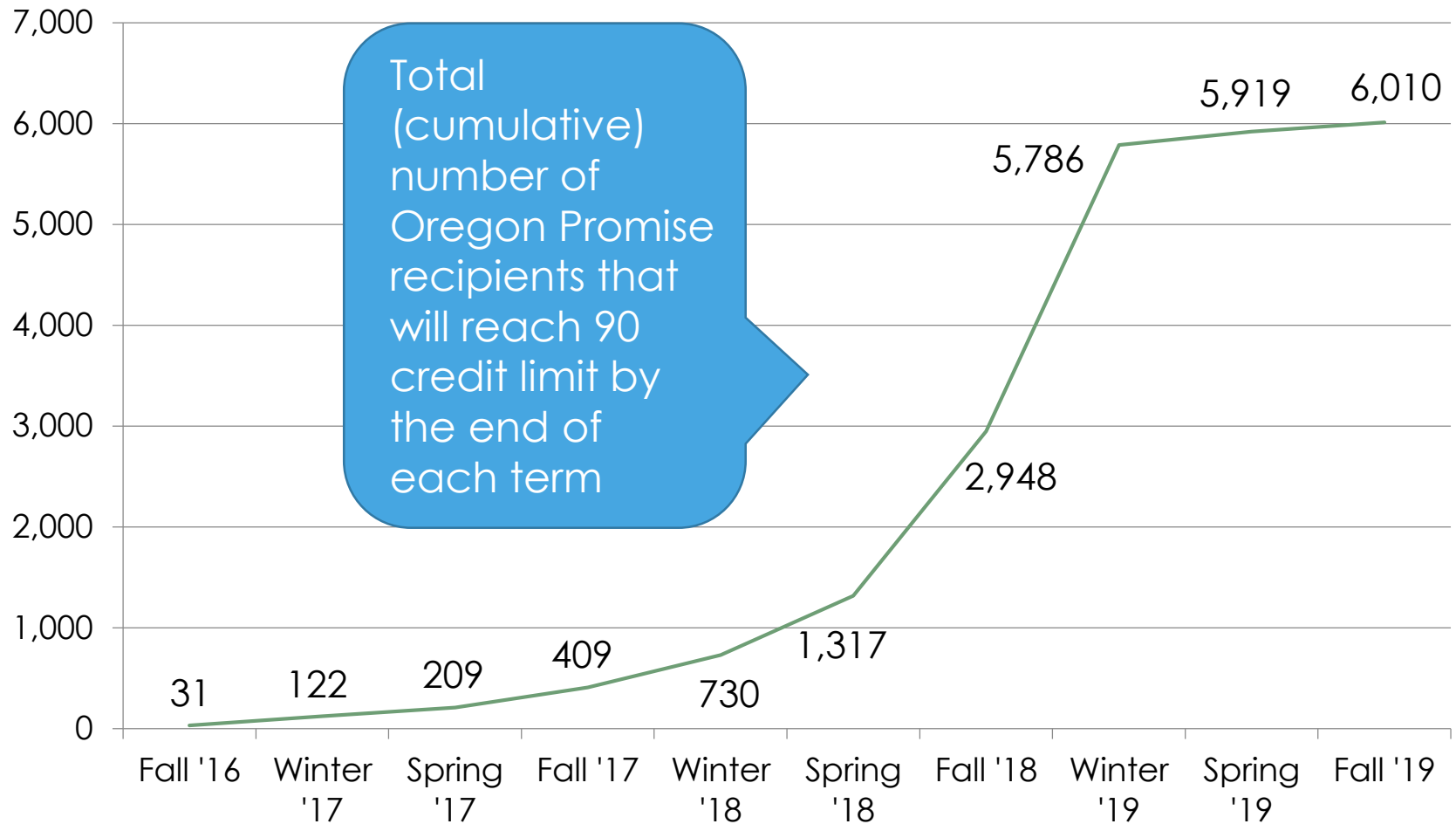
Estimated dollars disbursed for **2017-18**  $\approx$  \$20,487,361  
(Cohorts 1 and 2)

Estimated dollars disbursed for **2018-19**  $\approx$  \$24,051,660  
(Cohorts 1, 2, and 3)

Estimated **biennial** administrative costs  $\approx$  \$419,155

\* Assumes no tuition increases, no changes to eligibility or cost-sharing, and current rates of student participation.

# YEAR 1 COHORT: TIMELINE TO REACH 90-CREDIT LIMIT



Year 1 (2016-17), based on total credits attempted as of end of Winter 2017. Graph shows total cumulative number of students expected to reach the 90-credit at the end of each term. Timeline assumes Oregon Promise recipients will continue to attempt average of 12 credits /term (based on fall and winter 2016-17 averages).



# POTENTIAL COST DRIVERS

Changes in the number of participants

Changes in the economic profile of participants

Changes in Federal Pell Grant or Oregon Opportunity Grant awards

Changes in Oregon Promise copays (i.e. removing or increasing copays)

Changes in eligibility criteria (i.e. reducing or increasing GPA requirement)

# UNCERTAINTIES AND UNKNOWNNS

## Cohorts

New cohorts in 2017-19 may be different than the 2016-17 cohort.

## High school graduates

Numbers of Oregon high school graduates have been relatively flat. Will we see similar numbers of applicants in 2017-18 and 2018-19? More? Less?

## Current Service Level

The true current service level (CSL) is unknown. What will it cost to fully serve both new and continuing cohorts?

## Tuition

What is the actual percent increase in tuition per year?

## Available Data

Data available for less than one full year (Fall 2016 and Winter 2017). Winter-to-Spring and 1<sup>st</sup> year-to-2<sup>nd</sup> year may tell more.

# PROJECTED COSTS 2017-19: TUITION INCREASE PROJECTIONS OF 5% AND 7%

	2017-18 Projected Disbursed Amount	2018-19 Projected Disbursed Amount	Total Estimated Disbursed Amount	Change	Percent Change in Disbursement
No tuition increases	\$20,487,361	\$24,051,660	\$44,539,021	\$0	0%
Tuition increases by <b>5%</b> each year ("baseline case")	\$21,516,500	\$26,516,955	\$48,033,455	\$3,494,434	7.8%
Tuition increases by <b>7%</b> each year	\$21,926,338	\$27,536,745	\$49,463,084	\$4,924,063	11.1%

# COST CONTROL OPTIONS (MODELED)

## Adjust copays

- Increase all copays
- Increase copays at higher EFC levels

## Establish EFC or income limits

Adjust minimum GPA requirement (however, lowering GPA to 2.0 increases costs)

## Reducing maximum award amount

# COST CONTROL: COPAY SCENARIOS

	Total Projected Disbursement, 2017-19	Difference from Baseline	Percent Difference from Baseline
Baseline Case	\$48,033,455	\$0	0%
Eliminate \$50 copay per term	\$51,458,468	\$3,425,013	7.10%
Increase copay to \$100 per term	\$44,608,442	(\$3,425,013)	(7.1%)
Increase copay to \$100 per term for recipients with EFC greater than \$10,000	\$46,778,189	(\$1,255,266)	(2.6%)
Increase copay to \$100 per term for recipients with EFC greater than \$15,000	\$47,120,648	(\$912,807)	(1.9%)

Increase copays over all or only for specific EFC (or income) ranges. First scenario (eliminate copay) is NOT a cost control. Projections assume a 5% per year increase in tuition.



# COST CONTROL: EFC LIMITS

	Total Projected Disbursement, 2017-19	Difference from Baseline	Percent Difference from Baseline
Baseline Case (no EFC limit)	\$48,033,455	\$0	0%
Eligibility Limit: \$10,000 EFC	\$21,489,766	(\$23,049,255)	(55.3%)
Eligibility Limit: \$15,000 EFC	\$28,698,200	(\$15,840,820)	(40.3%)
Eligibility Limit: \$20,000 EFC	\$33,908,162	(\$10,630,858)	(29.4%)
Eligibility Limit: \$25,000 EFC	\$38,059,638	(\$6,479,383)	(20.8)%
Eligibility Limit: \$30,000 EFC	\$40,501,818	(\$4,037,202)	(15.7%)
Eligibility Limit: \$35,000 EFC	\$42,303,247	(\$2,235,774)	(11.9%)
Eligibility Limit: \$40,000 EFC	\$43,576,579	(\$962,441)	(9.3%)

Limit eligibility based on EFC (or income). Assumes 5% tuition increase per year.  
See slide 17 for median parent income for each EFC range.

# COST CONTROL: LOWERING GPA LIMIT TO 2.0

	Total Projected Disbursement, 2017-19	Difference from Baseline	Percent Difference from Baseline
Baseline Case	\$48,033,455	\$0	0%
Estimated <b>10%</b> increase in number of new awards (beginning in 2018-19)	\$50,683,228	\$2,649,773	5.5%
Estimated <b>15%</b> increase in number of new awards (beginning in 2018-19)	\$52,008,989	\$3,975,534	8.3%

Based on informal OSAC survey of 65 ASPIRE high schools, approximately 15% of Class of 2016 had a GPA between 2.0 and 2.5 (75% had a 2.5 GPA or higher). Assumes GPA change effective for 2018-19; implementing earlier would not impact 17-18 applicants. Assumes a 5% tuition increase per year.

# COST CONTROL: REDUCING MAXIMUM AWARD AMOUNT

	Total Projected Disbursement, 2017-19	Difference from Baseline	Percent Difference from Baseline
Baseline Case	\$48,033,455	\$0	0%
Decrease 5% (holds it at 2016-17 level)	\$46,794,512	(\$1,238,943)	(2.6%)
Decrease by 10%	\$45,243,581	(\$2,789,874)	(5.8%)
Decrease by 15%	\$43,670,081	(\$4,363,374)	(9.1%)

Note: Estimated disbursements. Actual 2016-17 data cannot be finalized until after year-end reconciliation is complete in July/August 2017. 2018-19 includes continuing Cohort 1 recipients who have not yet reached 90 credits attempted. Projections assume no change in the number of new recipients per first year of each cohort.

# OTHER COST CONTROLS (NOT MODELED)

Increase GPA limits from 2.5 to 3.0 (reduces number of eligible applicants)

- Increase all copays
- Increase copays at higher EFC levels

Enrollment status

- Limit awards to full-time only (promotes more timely completions)
- Limit awards to full-time or half-time levels (simplifies awarding, reduces some part-time award amounts)

Adjust award amounts

- Create tiered awards by income or EFC

Set earlier application and FAFSA deadlines

Base awards on 15 credits per term

## OTHER CONSIDERATIONS

Should cost controls implemented for 2017-18 affect only the new cohort or both cohorts?

Should the state grandfather awards for those who no longer meet new award limits? If so, cost controls apply only to those in the new cohort.

How do we accommodate a new student cohort if grandfathered awards limit available funds?

What would it cost if maximum awards were extended to 15 credits per term?