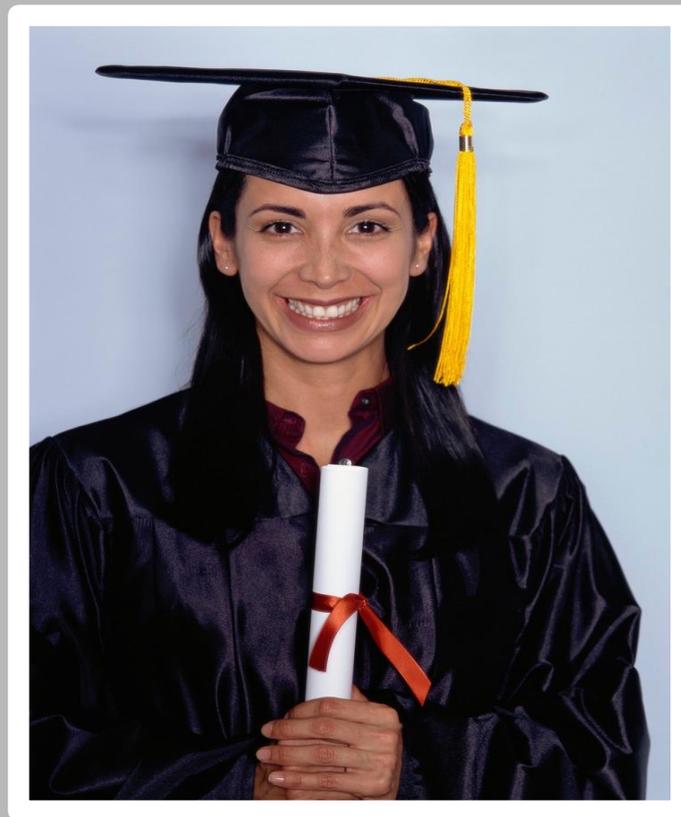


SENATE BILL 81 LEGISLATIVE REPORT:  
The First Term of the Oregon Promise  
December 2016



# SENATE BILL 81 LEGISLATIVE REPORT: THE FIRST TERM OF THE OREGON PROMISE

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## EXECUTIVE SUMMARY

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### BACKGROUND

In July 2015, the Oregon Legislature passed Senate Bill 81 to expand financial support to new Oregon high school graduates for community college education. Known as the “Oregon Promise,” SB 81 allocated \$10 million for the 2016-17 academic year to provide a grant to cover tuition costs for up to 90 community college credits, a number equivalent to two years of full-time enrollment. For full-time students, Oregon Promise grants range from \$1,000 to \$3,248 per academic year. The program is designed as a “last-dollar program” that addresses financial costs remaining after federal and other Oregon student grant aid are taken into account.

The Oregon Promise program is available to any Oregon high school graduate and general education development (GED) recipient who enrolls in an Oregon community college and meets five other requirements: a minimum 2.5 cumulative high school grade point average (GPA) or a passing GED score of 145 on all tests; Oregon residence for at least 12 months prior to community college enrollment; a complete a Free Application for Federal Student Aid (FAFSA); acceptance of any grant offered by the federal or state government, and enrollment in community college within six months of completing high school or the GED. This requirement was expanded to 12 months for the initial year. For students who receive an Oregon Promise grant, maintaining the grant through the first year requires: completing at least six credits per term (quarter) and attending at least three terms per school year; making satisfactory progress (aligned with federal Pell grant requirements); completing a first-year experience at the college, and paying \$50 per term.

Once requirements are met, the size of the Oregon Promise award is determined by the amount of other aid a student receives. Higher income students receive higher grants to meet the average cost of community college tuition. Lower income students receive lower grants to provide additional support beyond the federal and state grants that cover some or all of the average cost of community college tuition.

SB 81 requires a biennial report on the Oregon Promise, which this report satisfies for 2016. The statute identifies five areas of content for the report: student completion rates of curricula, degrees, and programs; the amount of federal aid grants received by those receiving Oregon Promise grants; the financial impact of the program on school districts; the financial and enrollment impacts of the program on Oregon community colleges and public universities, and the overall success rate and financial impact of the program. Data on two of these areas are not yet available: student completion rates of curricula, degrees, and programs, and the financial impact of the program on school districts. In addition, data on the financial impact of the program on community colleges and universities are not yet available. Analysis of these impacts relies on Oregon Department of Education data of the 2016 high school graduating class, which will be available near the end of January 2017, and on community college student-level data of completion rates, which will be available as programs transpire. In addition, during this first term of the program, analyses of the remaining areas rely on preliminary data that will continue to be refined as the academic year progresses. In particular, colleges cannot finalize or disburse aid until the federal government has completed its verification process of students’ FAFSA information. For some students, this process is still underway.

### PROGRAM SUCCESS AND IMPACT

Federal aid grants received by Oregon Promise recipients. As a last-dollar program, the Oregon Promise serves to draw more federal aid into the state. Just under half of Oregon Promise recipients in the first term were eligible for a Pell grant, based on their EFC, as shown in Figure 2.1. One-quarter of recipients were

eligible for the full Pell amount, with the remaining 21.7 percent eligible for a moderate-to-low Pell grant. These Pell grant sizes are based on full-time enrollment, though not all students enroll full-time. Overall, an estimated 3,141 Oregon Promise recipients received a Pell grant, with a mean size of \$1,541. The total amount of Pell grant dollars awarded to Oregon Promise recipients is an estimated \$4,839,909.

Financial and enrollment impact on community colleges and public universities. Data on the financial impact on community colleges and universities are not yet available, but we do present data on the financial impact of the program on students. These preliminary results indicate that students in community colleges received an estimated \$4.4 million in state Oregon Promise funding during this first term of the program. The mean award size was \$653.

With regard to enrollment impacts, initial results suggest the program may have increased enrollment at community colleges. In 2014, 5,709 public high school graduates were enrolled in community colleges for at least six credits, which represents 16.3 percent of the public graduating class. In 2016, in contrast, 6,553 public high school graduates were receiving the Oregon Promise, which is approximately 18.5 percent of the public graduating class.<sup>1</sup> Although final enrollment rates will differ somewhat from those shown here, we expect the general trend to maintain.

Enrollment of Oregon high school graduates in public universities declined slightly in 2016 compared to recent years, though the amount of decline is almost the same size as occurred between 2013 and 2014, before the Oregon Promise. In fall 2016, 17.6 percent of Oregon public high school graduates enrolled in one of the universities, compared to 18.3 percent in fall 2015 and 18.0 percent in fall 2014.

Overall success rate of the program and financial impact. In its first term, the Oregon Promise program served an estimated 6,745 students, a number higher than had originally been projected. Between November 2015 and March 2016, over 19,000 persons applied for an Oregon Promise grant, and 10,459 of these met GPA, residency, and FAFSA requirements. Of these eligible applicants, 1,091 enrolled in Oregon public universities and did not receive an Oregon Promise grant. An additional 6,745 enrolled in community college and received an Oregon Promise award. These 6,745 Oregon Promise students comprise 5.4 percent of all community college students in fall 2016.

To estimate the projected cost of grants awarded under the program for the entire 2016-17 academic year, we combined findings from the first term with two assumptions. First, the initial Oregon Promise recipients will be retained in community colleges at similar rates to a comparable cohort of 2014-15 students (approximately 82% term-to-term). Second, new enrollment in the Oregon Promise is negligible for the remainder of 2016-17. With these assumptions, the total cost to the state for 2016-17 Oregon Promise grants is projected to be \$10.9 million. This includes the current outlay of \$4.4 million for fall 2016, \$3.6 million for winter 2017, and \$2.9 million for spring 2017.

Further, applying these projections to the fall Oregon Promise recipients by economic quintile shows that the majority of these funds will go to students with higher incomes because of the program's last-dollar nature, as shown in Table S.1 below. Those in the first quintile (20 percent, or 1,343 students) come from families with the lowest EFC and, because their Oregon Promise awards are lower, will receive an estimated 7.8 percent of Oregon Promise funding. Those in the second quintile also have low EFCs and will receive an estimated 8.6

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<sup>1</sup> Official 2016 high school graduation data are not yet available. This projection is based on the number of 2015 public high school graduates; it does not take into account potential differences in the size or graduation rate for the 2016 class.

percent of Oregon Promise funding. In contrast, students in the fourth and fifth quintiles have much higher EFCs and combined will receive an estimated 60.3 percent of state funding.

**Table S.1. Projected Oregon Promise funding for Oregon Promise recipients by EFC quintile, 2016.**

<b>Projected awards, by EFC quintile</b>	<b>EFC Range</b>	<b>Projected Oregon Promise state funding, 2016-17</b>	<b>Percent of total projected Oregon Promise state funding</b>
First	\$0	\$0.86 million	7.9%
Second	\$0 - \$2,736	\$0.95 million	8.7%
Third	\$2,737 - \$8,673	\$2.55 million	23.3%
Fourth	\$8,674 - \$19,644	\$3.29 million	30.0%
Fifth	\$19,645 and above	\$3.30 million	30.1%

Source: HECC tabulation of Oregon Promise data.

## CONCLUSIONS.

Taken together, analysis of the first term of the Oregon Promise program indicates several findings. First, in terms of enrollment, a larger percentage of recent high school graduates enrolled in a community college in 2016 than previously, and a slightly smaller percentage of recent high school graduates enrolled in a public university. Whether these changes in enrollment can be attributed to the Oregon Promise program requires additional data and validation, which will become available as the academic year progresses.

Second, in terms of Oregon Promise participation, an estimated 6,745 students received an Oregon Promise grant in fall 2016 out of approximately 35,425 Oregon high school 2016 graduates. These students represent just over five percent of all community college students. About half of Oregon Promise recipients come from lower-income families and are eligible for a federal Pell grant, and about half do not. Because it is a last-dollar program, most Oregon Promise state funding goes to recipients with higher incomes.

Finally, in terms of fiscal impact, the state awarded a total of \$4.4 million in Oregon Promise grants in fall 2016. Oregon Promise recipients will bring an estimated \$4.8 million of federal student aid into Oregon in fall 2016. Further data and analyses are required to estimate whether this represents an increase in federal aid to Oregon students. The projected cost of grants awarded under the program for the entire 2016-17 year is estimated at \$10.9 million.

# 1. INTRODUCTION

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## BACKGROUND

In July 2015, the Oregon Legislature passed Senate Bill 81 to expand financial support to new Oregon high school graduates for community college education. Known as the “Oregon Promise,” SB 81 allocated \$10 million for the 2016-17 academic year to “provide a waiver of tuition for community college courses” (Oregon Revised Statutes, 2015). The Oregon Promise provides a grant to cover tuition costs for up to 90 community college credits, a number equivalent to two years of full-time enrollment.

For full-time students, Oregon Promise grants range from \$1,000 to \$3,248 per academic year. The maximum amount reflects the average tuition for 12 credits at Oregon community colleges for the 2016-17 academic year. The program is designed as a “last-dollar program” that addresses financial costs remaining after federal and other Oregon student grant aid are taken into account. One of the purposes of the program is thus to increase the use of federal Pell grants among Oregon college students.

One requirement of SB 81 is a bi-annual report on the program’s impact. Specifically, the statute states (Oregon Revised Statutes, 2015):

- (8) No later than December 31 of each even-numbered year, the commission shall submit to an interim legislative committee related to education a report that summarizes the commission’s findings on the impact of the program established under this section. The report shall include:
  - (a) Student completion rates of curricula, degrees and programs described in subsection (3)(a)(B) of this section;
  - (b) The amount of federal aid grants received by persons who received a grant under this section;
  - (c) The financial impact of the program on school districts that had students receive a grant under this section;
  - (d) The financial impact and the enrollment impact of the program on community colleges and public universities in this state; and
  - (e) The overall success rate of the program and financial impact of the program.

This report satisfies this requirement for 2016. As such, it covers the initial stages of the program, including its implementation and estimates of the program’s impact in its first term.

## PROGRAM DESCRIPTION

The Oregon Promise program is available to any graduate of an Oregon high school (public or private) and general education development (GED) recipient who enrolls in an Oregon community college and meets five other requirements. These requirements are:

- a minimum 2.5 cumulative high school grade point average (GPA) or a passing GED score of 145 on all tests;
- Oregon residency for at least 12 months prior to community college enrollment;
- a complete Free Application for Federal Student Aid (FAFSA);
- acceptance of any grant offered by the federal or state government, and
- enrollment in community college within six months of completing high school or the GED. This requirement was expanded to 12 months for the initial year.

For students who receive an Oregon Promise grant, maintaining the grant through the first year requires certain participation conditions:

- completing at least six credits per term (quarter) and attending at least three terms per school year;
- making satisfactory progress, which is aligned with Pell requirements;
- completing a first-year experience at the college, and
- paying \$50 per term.

Continued participation after the first year is dependent on state continuation of the program. All Oregon Promise awards can be used for tuition or other expenses.

Once requirements are met, the size of the Oregon Promise award is determined by the amount of other aid a student receives. The Oregon Promise is a last-dollar program that builds on federal and other state grants. First, the amount of any Pell grant awarded is calculated, followed by the amount of any Oregon Opportunity Grant (OOG) awarded. A Pell grant has a maximum value of \$5,815 for full-time, full-year attendance and can be used for tuition or other costs of attendance. An OOG has a maximum value of \$2,250 for full-time, full-year attendance. Both Pell grants and OOGs are need-based programs where receipt and size of the award are based on Expected Family Contribution (EFC).<sup>2</sup> Oregon Promise grants are then awarded in a range of \$1,000 to \$3,248, for full-time, full-year attendance, minus a \$50-per-term “co-pay.” The amount of the award depends on the amount of other grants received. Higher income students typically receive higher grants to meet the average cost of community college tuition. Lower income students typically receive lower grants to provide additional support beyond the federal and state grants that cover some or all of the average cost of community college tuition. We note, however, that there are almost certainly exceptions to these tendencies, such as a lower-income student who is not Pell-eligible because of citizenship status and therefore receives a high Oregon Promise award.

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<sup>2</sup> EFC is defined by the federal government from information on a student’s FAFSA to determine the amount of financial aid for which a student could be eligible. It is calculated from taxed and untaxed income, assets, and benefits; family size, and the number of family members who will attend college or career school during the year (U.S. Department of Education, <https://studentaid.ed.gov/sa/resources#efc>).

Figure 1.1 shows examples of the size of these awards per term for students in four income groups. In the lowest income group, students with an EFC of \$0 would receive the maximum Pell grant and OOG amounts, which are more than sufficient to cover community college tuition. As a result, their Oregon Promise grant would be \$284 for a term, calculated by prorating the minimum annual award (\$1000) and subtracting the per-term co-pay (\$50). In the second lowest income group, students with a larger EFC (\$1,000) would receive a smaller Pell Grant (\$1,588). Their Oregon Promise grant would also be \$284 per term. In the third lowest income group, students with an EFC of \$3,500 would receive a yet smaller Pell grant (\$765) and be awarded a larger Oregon Promise grant (\$741). In the highest income group, students with an EFC of more than \$5,200 would not be eligible for federal or state aid but would be eligible for an Oregon Promise grant of \$1,083.

**Figure 1.1. Sample state/federal awards, (12-credit student, per term).**



After SB 81 was approved in July 2015, the HECC began an intensive period of implementation to develop the bill into specific policy and conduct outreach to high school seniors. Outreach began in fall 2015 in time for an application window of November 1, 2015 through March 1, 2016. An example of these outreach materials is displayed in Figure 2.; others can be found in Appendix A. Outreach efforts faced some challenges from the newness of the program (i.e., getting the word out to all students and schools), media presentations of the program that were inaccurate, confusion about the number of credits covered by the grants, and hesitation because funding for the program was not guaranteed past the 2016-17 year (Hodara et al, 2016). Nevertheless, feedback from select high school staff and students indicated that awareness of the program was widespread and understanding generally strong (Hodara et al, 2016).

**Figure 1.2. Sample HECC outreach materials, fall 2015.**

**Can you qualify for Oregon's new  
community college grant program?**



Will you graduate from an Oregon high school or get your GED in the spring or summer of 2016?



**2.5+ GPA**

Will your cumulative GPA be 2.5 or higher?





Will you go to an Oregon community college in fall of 2016?





Will you be an Oregon resident for at least 12 months before enrolling for the 2016 fall term?



YES



**New Oregon program could help you with tuition or costs. Apply between Nov. 1, 2015 and March 1, 2016.**

[www.OregonPromise.org](http://www.OregonPromise.org)

Students that don't qualify are encouraged to visit [www.OregonStudentAid.gov](http://www.OregonStudentAid.gov) to explore other financial aid options.



Administered by the HECC Office of Student Access and Completion.

Awareness of the program was supported by other legislation from the 2015 and 2016 legislative sessions that worked in concert with SB 81. In 2015, the Legislature expanded its allocation for the Community College Support Fund to enable community colleges to invest in counseling services and services aimed at supporting underserved populations in House Bill (HB) 5024 and SB 5507 (HECC, 2015). In addition, HB 3063 expanded the ASPIRE grant program to expand the number of underserved, low-income, and first-generation, college-bound students enrolling in community college and progressing toward a degree or certificate (HECC, 2015). Finally, SB 418 charged the HECC to develop recommendations for improving college readiness in high school and the transition into postsecondary education for recent high school graduates, with a particular focus on potential Oregon Promise recipients. These recommendations accompanied a request for 2016-17 funding to be used during the planning and implementation of the Oregon Promise program (HECC, 2016a). In the 2016 legislative session, HB 4076 allocated \$1.66 million to provide support services for students enrolling in a community college within one year of high school graduation or equivalency, including Oregon Promise recipients. HB 4076 required these services to include a first-year experience for students, a student success team, and related professional development for faculty and staff (HECC, 2016b). These funding and policy mechanisms provided a broad effort to encourage community college enrollment, especially among those who might not have enrolled immediately out of high school, than SB 81 could have accomplished alone. Although not a direct part of SB 81 that created the Oregon Promise program, the combined effect of these related bills facilitated the program's implementation and likely contributed to the number of students receiving awards.

In the end, more than 19,000 Oregon students applied, and approximately 6,745 ultimately received an Oregon Promise grant for the initial term of the program. The remainder of this report details the success and impact of the program during this first term.

## 2. PROGRAM SUCCESS AND IMPACT

SB 81 identifies five areas of content for the biennial report on the Oregon Promise: student completion rates of curricula, degrees, and programs; the amount of federal aid grants received by those receiving Oregon Promise grants; the financial impact of the program on school districts; the financial and enrollment impacts of the program on Oregon community colleges and public universities, and the overall success rate and financial impact of the program. Data on two of these areas are not yet available: student completion rates of curricula, degrees, and programs, and the financial impact of the program on school districts. In addition, data on the financial impact of the program on community colleges and universities are not yet available (though we do present data on the financial effects on students). Analysis of these impacts relies on Oregon Department of Education data of the 2016 high school graduating class, which will be available near the end of January 2017, and on community college student-level data of completion rates, which will be available as programs transpire. In addition, during this first term of the program, analyses of the areas where some data are available rely on preliminary data that will continue to be refined as the academic year progresses. In particular, colleges cannot finalize or disburse aid until the federal government has completed its verification process of students' FAFSA information. For some students, this process is still underway.

### FEDERAL AID GRANTS RECEIVED BY OREGON PROMISE RECIPIENTS

As a last-dollar program, the Oregon Promise serves to draw more federal aid into the state. Just under half of Oregon Promise recipients in the first term were eligible for a Pell grant, based on their EFC, as shown in Figure 2.1. One-quarter of recipients were eligible for the full Pell amount, with the remaining 21.7 percent eligible for a moderate-to-low Pell grant. These Pell grant sizes are based on full-time enrollment, though not all students enroll full-time.

**Figure 2.1. Distribution of Oregon Promise awards by eligibility for Pell grant eligibility and size, fall 2016.**



Taking into account enrollment level, the estimated size of Pell grants that Oregon Promise recipients actually received is lower. Among Oregon Promise recipients who were eligible for Pell grants, preliminary data indicate that 89.5 percent were enrolled full-time (i.e., 12 or more credits), 7.1 percent were enrolled three-quarter time (i.e., nine credits), and 3.4 percent were enrolled half-time (i.e., six credits). Pell grants reduce proportionally to these enrollment levels. Table 2.1 shows the estimated mean Pell grant size and the total dollar amount of Pell grant awards for students who received Pell grants at each of these enrollment levels. Overall, an estimated 3,141 Oregon Promise recipients received a Pell grant, with a mean size among them of \$1,922. The total amount of Pell grant dollars awarded to Oregon Promise recipients is an estimated \$4,839,909. We note that final results for recipients' enrollment level and Pell grant size will be available later in the academic year.

**Table 2.1. Estimated number of Pell grant recipients, Pell grant size among estimated Pell recipients, and total estimated awarded amounts by enrollment level among Oregon Promise recipients, fall 2016.**

	<b>Estim. number of Pell grant recipients</b>	<b>Mean Pell grant size among estim. Pell recipients</b>	<b>Total estim. Pell grant awarded dollars</b>
Full-time enrollment	2,812 (89.5%)	\$1,599	\$4,496,342
Three-quarter-time enrollment	222 (7.1%)	\$1,165	\$258,707
Half-time enrollment	107 (3.4%)	\$793	\$84,859
Total	3,141 (100%)	\$1,541	\$4,839,909

Source: HECC tabulation of FAFSA and Oregon Promise data.

## FINANCIAL AND ENROLLMENT IMPACT ON COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES

### Financial Impacts

Data on the financial impact on community colleges and universities are not yet available, but we do present data on the financial impact of the program on students. Table 2.2 shows these preliminary results of the

financial impact of the Oregon Promise program. Students in community colleges received an estimated \$4.4 million in this first term of the program. The mean award size was \$661.

**Table 2.2. Number of Oregon Promise awards, mean award size, and total awarded amount, by community college, fall 2016.**

	<b>Number of Oregon Promise awards</b>	<b>Mean award size</b>	<b>Sum of Oregon Promise awards</b>
Blue Mountain	136	\$666	\$90,553
Central Oregon	566	\$660	\$373,564
Chemeketa	1,045	\$554	\$578,416
Clackamas	512	\$740	\$378,634
Clatsop	59	\$689	\$40,633
Columbia Gorge	94	\$537	\$50,445
Klamath	124	\$567	\$70,366
Lane	620	\$666	\$412,911
Linn-Benton	637	\$759	\$483,742
Mt Hood	559	\$686	\$383,604
Portland <sup>1</sup>	1,559	\$664	\$1,035,037
Rogue	324	\$555	\$179,866

Southwestern	195	\$678	\$132,312
Tillamook Bay	21	\$577	\$12,122
Treasure Valley	69	\$630	\$43,495
Umpqua	225	\$622	\$139,974
<b>Total for all colleges</b>	<b>6,745</b>	<b>\$653</b>	<b>\$4,405,674</b>

Source: HECC tabulation of Oregon Promise data.

Note:

<sup>1</sup>Portland Community College processes Oregon Promise recipients for Oregon Coast Community College. Therefore, Oregon Coast Community College totals are included with those for Portland Community College. In fall 2016, Oregon Coast Community College had 148 FTE students, which represents 1.8 percent of Portland Community College's 8,337 FTE students.

### Enrollment Impacts

Initial results of the impact of the Oregon Promise program on enrollment in higher education suggest the program may have increased enrollment at community colleges. Using preliminary data for 2016, Table 2.3 shows the enrollment rates of recent high school graduates in Oregon's community colleges in 2014 and 2016. In 2014, 5,709 public high school graduates were enrolled in community colleges for at least six credits, which represents 16.3 percent of the public graduating class. In 2016, in contrast, 6,553 public high school graduates were receiving the Oregon Promise, which is approximately 18.5 percent of the public graduating class. Although final enrollment rates will differ somewhat from those shown here, we expect the general trend to maintain.

**Table 2.3. Oregon community college enrollment among graduates of Oregon public high schools, 2014 and 2016.**

	<b>2014</b>	<b>2016</b>
Total public high school graduates	35,075	35,425 ( <i>estimate</i> <sup>1</sup> )
Number of same-year high school graduates who enrolled fall term at a community college, 6+ credits	5,709 <sup>2</sup>	6,553 <sup>3</sup>
Percent of recent HS graduates enrolled in community college for 6+ credits	16.3%	18.5% ( <i>estimate</i> )

Source: HECC tabulation of FAFSA, Oregon Promise, and community college student data.

Notes:

<sup>1</sup> Official 2016 high school graduation data are not yet available. This projection is based on the number of 2015 public high school graduates and does not take into account potential differences in the size or graduation rate for the 2016 class.

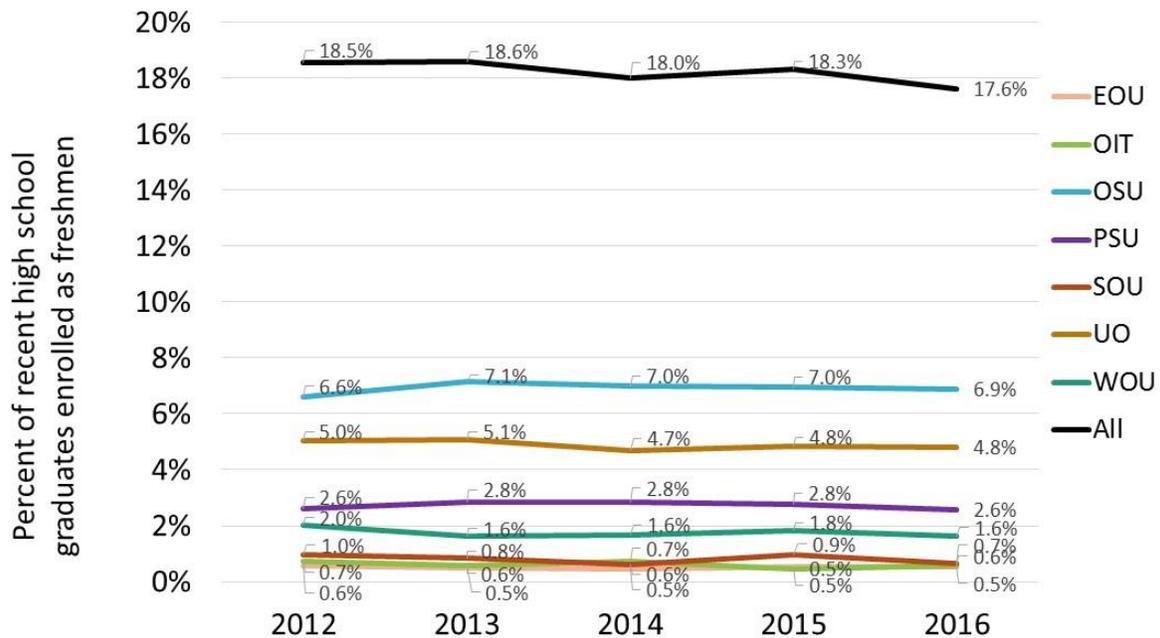
<sup>2</sup> Includes students who had a high school GPA lower than 2.5.

<sup>3</sup> Oregon Promise recipients only (minimum 2.5 HS GPA, valid FAFSA/ORSA, OrP application). Does not include GED or private high school graduates.

In particular, the 2016 rate uses the number of high school graduates in 2015 as the graduating class size because the 2016 graduating class data are not yet available. If recent trends in high school graduation continue, the number of 2016 high school graduates will be somewhat higher than in 2015, which means the actual community college enrollment rate may be slightly lower for 2016 than what is shown in Table 2.3. In addition, the number of same-year high school graduates who enrolled in fall 2014 includes all students regardless of high school GPA. If we could make this number exactly parallel to Oregon Promise recipients by restricting it to only those with a 2.5 cumulative high school GPA, then the 2014 enrollment rate would also likely be somewhat lower than what is depicted here.<sup>3</sup>

The Oregon Promise may also affect public university enrollment, if it leads high school graduates to choose a community college and the associated Oregon Promise grant, instead of a university. We can track the enrollment of same-year high school graduates in Oregon’s seven public universities over time because the universities collect data and location of high school graduation in student applications. (This is not the case with the community colleges.) These data indicate that enrollment declined slightly for 2016 high school graduates, compared to recent years, as shown in Figure 2.2.

**Figure 2.2. Oregon public university enrollment among graduates of Oregon public high schools, 2012 through 2016.**



Source: HECC tabulation of university student data.

<sup>3</sup> Oregon Promise recipients’ high school GPA comes from the Oregon Promise application; high school GPA is not available for community college students in 2014.

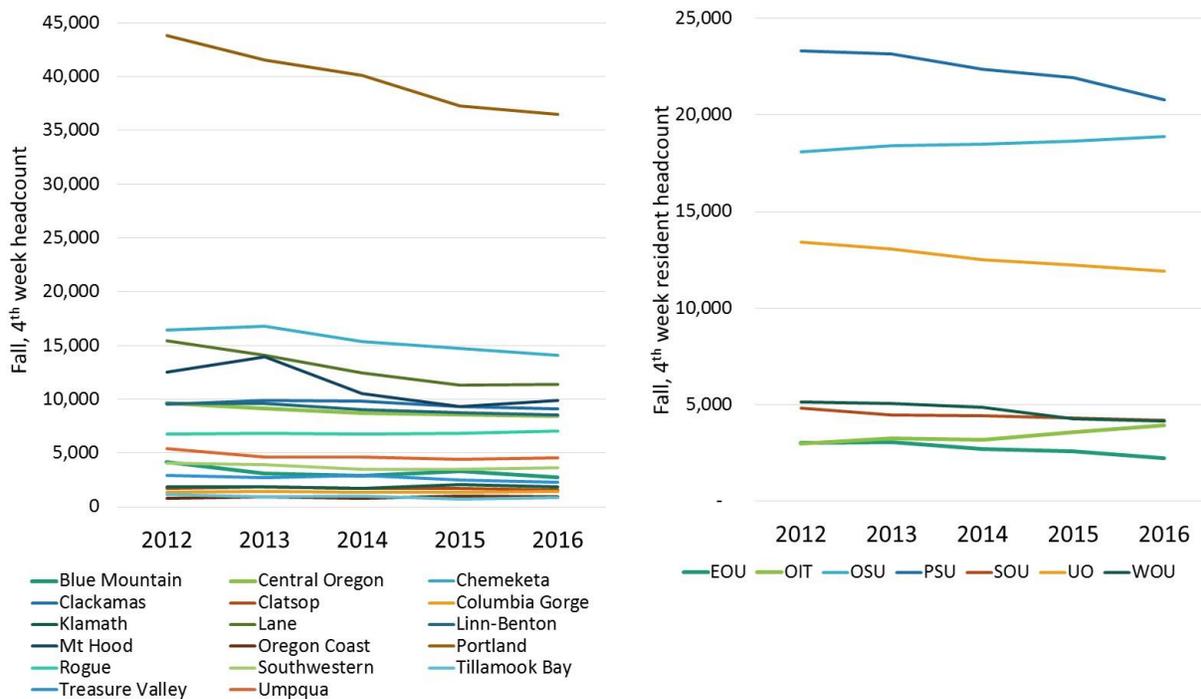
Note:

<sup>1</sup> Official 2016 high school graduation data are not yet available. Rates for 2016 are estimated with the number of 2015 public high school graduates, and does not take into account potential differences in the size or graduation rate for the 2016 class.

The figure shows the percent of all Oregon public high school graduates who enrolled in one of the universities the fall of their graduation. The top line in the figure, representing combined enrollment for all seven universities, shows that 17.6 percent of Oregon public high school graduates enrolled in one of the universities in 2016. Note that this rate is an estimate because it uses the size of the 2015 graduating class as an estimate; if the number of 2016 high school graduates is larger than in 2015, the public university enrollment rate will be somewhat lower than what is projected here. Although our current projection of the 2016 enrollment rate is slightly lower than it was in previous years, the projected decline is almost the same size as the decline between 2013 and 2014, which occurred before the Oregon Promise. The remaining lines show the same enrollment rate projections for each of the seven public universities. Although no single university shows a pronounced decline in enrollment, four show very slight declines.

Finally, Figure 2.3 shows the total enrollment on community college and university campuses in the fall term. This enrollment figure includes all students, not just incoming students or recent high school graduates. It thus conflates any effects of the Oregon Promise with other factors affecting overall enrollment. Given this limitation, it is perhaps not surprising that no clear pattern emerges statewide. Both Portland Community College and nearby Portland State University, for example, show declines in overall enrollment between 2015 and 2016, while enrollment for Chemeketa Community College declined but enrollment for nearby Oregon State University rose.

**Figure 2.3. Oregon community college and public university headcount enrollment, fall fourth week, 2012 through 2016.**



Source: HECC tabulation of university student data; community college reports of fall, fourth week headcount.

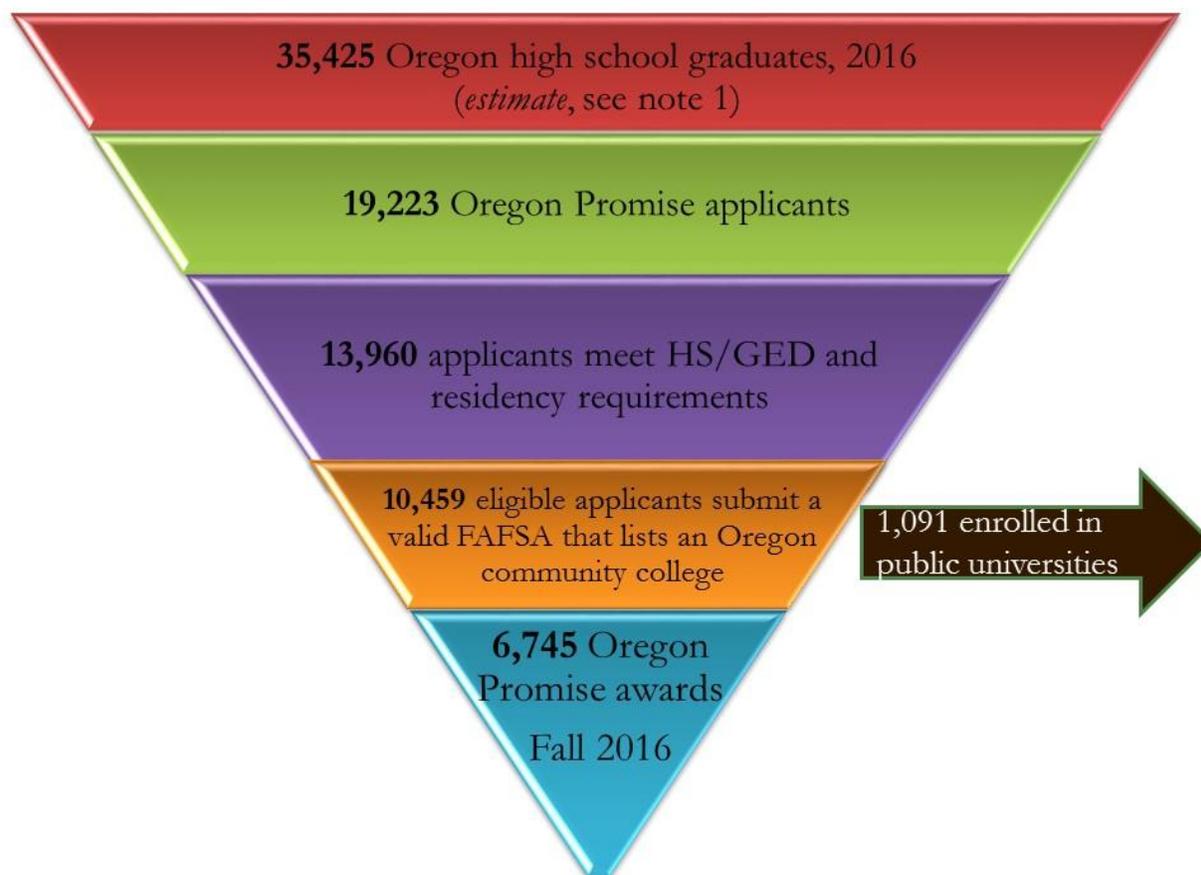
Once data on the 2016 high school graduating class are available, further analysis of these trends will be possible to understand better whether the Oregon Promise affected higher education enrollment among recent high school graduates. This includes comparing the enrollment of same-year high school graduates at universities and community colleges that are geographically clustered and comparing the enrollment patterns of geographically clustered high school districts and higher education institutions.

## OVERALL SUCCESS RATE OF THE PROGRAM AND FINANCIAL IMPACT

### Overall Success Rate

In its first term, the Oregon Promise program served an estimated 6,745 students, a number higher than originally estimated before the program was approved. Figure 2.4 shows the flow of high school graduates into the program.

**Figure 2.4. Oregon Promise application funnel, 2016.**



Source: HECC tabulation of FAFSA and Oregon Promise data.

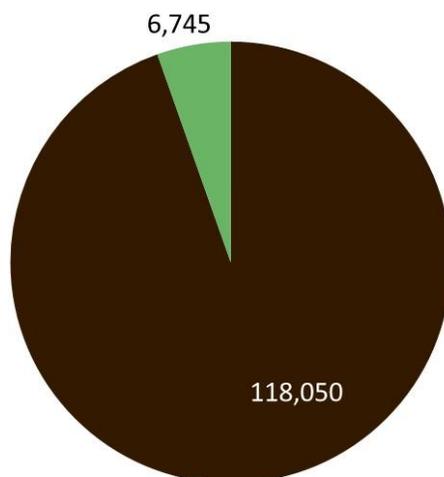
Notes:

<sup>1</sup> 2016 high school graduation data is not available from ODE until late January, 2017. This projection is based on the number of 2015 public high school graduates, and does not take into account potential differences in the size or graduation rate for the 2016 class. It does not include GED recipients or graduates of private high schools (see note 2).

<sup>2</sup> From the second row through the bottom, figures include applicants who were GED recipients or graduates of private high schools.

Between November 2015 and March 2016, over 19,000 persons applied for an Oregon Promise grant, and 10,459 of these met GPA, residency, FAFSA, and community college application requirements. Of these eligible applicants, 1,091 enrolled in Oregon public universities and did not receive an Oregon Promise grant. An additional 6,745 enrolled in community college and received an Oregon Promise award. Of these, 108 (1.6 percent) were GED recipients. The 6,745 Oregon Promise students comprise 5.4 percent of all community college students in fall 2016, as shown in Figure 2.5 below.

**Figure 2.5. Oregon Promise recipients among all community college students, fall 2016.**



Source: HECC tabulation of Oregon Promise and community college data.

Whether Oregon Promise grants are as prevalent across the community colleges is another question. Although answering this question fully is not possible until data on 2016 high school graduates are available, Table 2.4 shows the number of Oregon Promise recipients as a percentage of the number of full-time equivalent (FTE) students at each community college. Note that the number of FTE students refers to all students on campus, not only recent high school graduates. This number ranges from 10.8 percent for Treasure Valley Community College to 34.8 percent for Linn-Benton Community College

**Table 2.4. Number of Oregon Promise recipients, FTE enrollment, and percentage of Oregon Promise recipients per FTE, by community college, fall 2016.**

	Number of Oregon Promise recipients	FTE enrollment, fall fourth week	Rate of Oregon Promise recipients per FTE
Blue Mountain	136	582	23.4%

Central Oregon	566	1,722	32.9%
Chemeketa	1,045	3,449	30.3%
Clackamas	512	2,036	25.1%
Clatsop	59	303	19.5%
Columbia Gorge	94	277	33.9%
Klamath	124	408	30.4%
Lane	620	2,784	22.3%
Linn-Benton	637	1,832	34.8%
Mt Hood	559	2,379	23.5%
Portland <sup>1</sup>	1,559	8,485	18.4%
Rogue	324	1,417	22.9%
Southwestern	195	785	24.8%
Tillamook Bay	21	134	15.7%
Treasure Valley	69	645	10.7%
Umpqua	225	827	27.2%
<b>Total for all colleges</b>	<b>6,745</b>	<b>28,065</b>	<b>24.0%</b>

Source: HECC tabulation of Oregon Promise data and community college report of FTE.

Note:

<sup>1</sup>Portland Community College processes Oregon Promise recipients for Oregon Coast Community College. Therefore, Oregon Coast Community College totals are included with those for Portland Community College. In fall 2016, Oregon Coast Community College had 148 FTE students, which represents 1.8 percent of Portland Community College’s 8,337 FTE students.

Oregon Promise recipients have a similar racial/ethnic distribution as Oregon public high school twelfth graders from the previous year, with a few notable exceptions. African American and American Indian/Alaska Native students are less represented among Oregon Promise recipients than they were among the 2015-16 twelfth grade class, as shown in Table 2.5. We note, however, that the racial/ethnic categories for Oregon Promise recipients include an “unknown” category that is not included in the twelfth grade distribution. More detailed analysis of racial/ethnic distributions will be possible after 2016 high school graduate data become available.

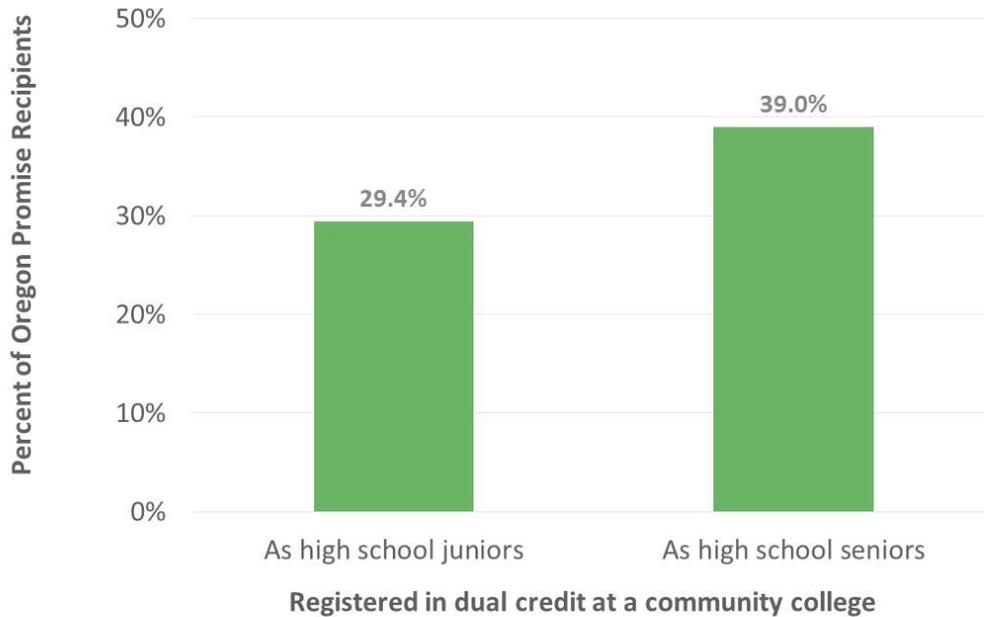
**Table 2.5. Oregon Promise recipients by race/ethnicity, fall 2016.**

<b>Race/ethnicity</b>	<b>Percent of Oregon Promise Recipients</b>	<b>Percent of Oregon 12th Graders, 2015-16</b>
African American or Black	1.3	2.7
American Indian/Alaska Native	1.0	1.6
Asian American	4.0	4.1
Hispanic	19.6	21.3
Pacific Islander	0.5	0.6
Two or more racial/ethnic groups	4.9	5.0
White, non-Hispanic	65.2	64.6
Unknown	3.5	N/A

Source: HECC tabulation of Oregon Promise data.

Many Oregon Promise recipients had registered in dual-credit programs at a community college while they were still in high school. Figure 2.6 shows that 29.4 percent of recipients had registered in a dual-credit class during their junior year, and 39.0 percent had registered during their senior year.

**Figure 2.6. Oregon Promise recipients among all community college students, fall 2016.**



Source: HECC tabulation of Oregon Promise and community college student data.

### Financial Impacts

The first term of the Oregon Promise program offers sufficient information to estimate the projected cost of the program for the entire 2016-17 academic year. These projections rely on two assumptions. First, the initial Oregon Promise recipients will be retained in community college enrollment at similar rates to a comparable cohort of 2014-15 students (approximately 82% term-to-term). Second, new enrollment in the Oregon Promise is negligible for the remainder of 2016-17, given that the program requires enrollment in three of four terms between fall 2016 and summer 2017 and that few high school students graduate after the summer.

With these assumptions, the total cost to the state for 2016-17 is projected to be \$10.9 million. This includes the current outlay of \$4.4 million for fall 2016, combined with \$3.6 million in awards for winter 2017, and \$2.9 million in awards for spring 2017.

Further, applying these projections to the fall Oregon Promise recipients by economic quintile shows that the majority of these funds will go to students with higher incomes because of the program's last-dollar nature. Table 2.6 shows the proportion of projected Oregon Promise funding for each EFC quintile of Oregon Promise recipients. Each quintile includes 1,343 students, or 20 percent. Those in the first quintile come from families with the lowest EFC and, because their Oregon Promise awards are lower, will receive an estimated 7.9 percent of Oregon Promise funding. Those in the second quintile also have low EFCs and will receive an estimated 8.7 percent of Oregon Promise funding. In contrast, students in the fourth and fifth quintiles have much higher EFCs and combined will receive an estimated 60.1 percent of state funding.

**Table 2.6. Projected Oregon Promise funding for Oregon Promise recipients by EFC quintile, 2016.**

<b>Projected awards, by EFC quintile</b>	<b>EFC Range</b>	<b>Projected Oregon Promise state funding, 2016-17</b>	<b>Percent of total projected Oregon Promise state funding</b>
First	\$0	\$0.86 million	7.9%
Second	\$0 - \$2,736	\$0.95 million	8.7%
Third	\$2,737 - \$8,673	\$2.55 million	23.3%
Fourth	\$8,674 - \$19,644	\$3.29 million	30.0%
Fifth	\$19,645 and above	\$3.30 million	30.1%

Source: HECC tabulation of Oregon Promise data.

### 3. CONCLUSIONS

Taken together, analysis of the first term of the Oregon Promise program indicates several findings. First, in terms of enrollment, a larger percentage of recent high school graduates enrolled in a community college in 2016 than previously, and a slightly smaller percentage of recent high school graduates enrolled in a public university. Whether these changes in enrollment can be attributed to the Oregon Promise program requires additional data and validation, which will become available as the academic year progresses.

Second, in terms of Oregon Promise participation, an estimated 6,745 students received an Oregon Promise grant in fall 2016, of approximately 35,425 Oregon high school 2016 graduates. These students represent just over five percent of all community college students. About half of Oregon Promise recipients come from lower-income families and are eligible for a federal Pell grant, and about half do not. Because it is a last-dollar program, most Oregon Promise state funding goes to recipients with higher incomes.

Finally, in terms of fiscal impact, the state awarded a total of \$4.4 million in Oregon Promise grants in fall 2016. In addition, Oregon Promise recipients will bring an estimated \$4.8 million of federal student aid into Oregon in fall 2016. Further data and analyses are required to estimate whether this represents an increase in federal aid to Oregon students. The projected cost of the program for the entire 2016-17 year is estimated to be \$10.9 million.

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## APPENDIX A. OUTREACH MATERIALS

Figures A.1 through A.4 below show sample outreach materials created by HECC for high school students and staff to communicate the new Oregon Promise program between its approval in July 2015 and its application window of November 2015 through March 2016.

**Figure A.1. Oregon Promise outreach flier.**

The graphic is a vertical flyer with a white background and a thin black border. At the top, the title "Can you qualify for Oregon's new community college grant program?" is written in a bold, sans-serif font, with "community college grant program?" in green. Below the title are four circular icons in teal, each with a white symbol: a graduation cap, the number "2.5+", a leaf, and the outline of the state of Oregon. Each icon is connected to a question by a thin vertical line. Below each question is a green checkmark icon. A large green arrow points downwards from the center of the four checkmarks, containing the word "YES" in white. Below the arrow is the "Oregon Promise" logo, which includes a graduation cap icon and the text "Oregon Promise" in a mix of green and black. To the right of the logo, the text "New Oregon program could help you with tuition or costs. Apply between Nov. 1, 2015 and March 1, 2016. www.OregonPromise.org" is displayed in black and green. At the bottom left, a rounded rectangular box contains the text "Students that don't qualify are encouraged to visit www.OregonStudentAid.gov to explore other financial aid options." At the bottom right is the logo for the "HIGHER EDUCATION COORDINATING COMMISSION", which includes the text and a circular seal.

**Can you qualify for Oregon's new community college grant program?**

- Will you graduate from an Oregon high school or get your GED in the spring or summer of 2016?**
- Will your cumulative GPA be 2.5 or higher?**
- Will you go to an Oregon community college in fall of 2016?**
- Will you be an Oregon resident for at least 12 months before enrolling for the 2016 fall term?**

**YES**

**Oregon Promise**

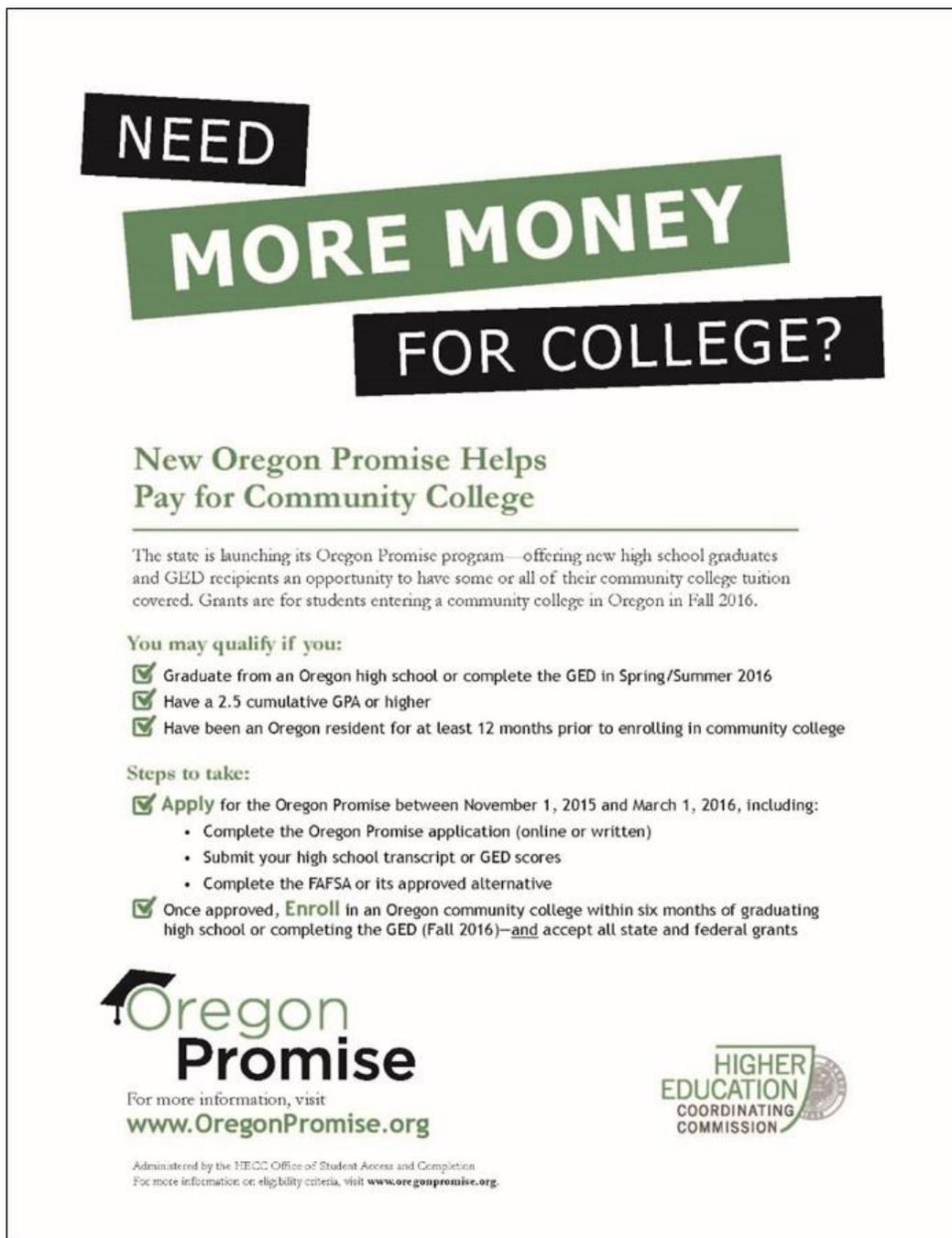
New Oregon program could help you with tuition or costs. Apply between Nov. 1, 2015 and March 1, 2016. [www.OregonPromise.org](http://www.OregonPromise.org)

Students that don't qualify are encouraged to visit [www.OregonStudentAid.gov](http://www.OregonStudentAid.gov) to explore other financial aid options.

Administered by the HECC Office of Student Access and Completion.

HIGHER EDUCATION COORDINATING COMMISSION

Figure A.2. Oregon Promise outreach flier.



**NEED  
MORE MONEY  
FOR COLLEGE?**

### New Oregon Promise Helps Pay for Community College

The state is launching its Oregon Promise program—offering new high school graduates and GED recipients an opportunity to have some or all of their community college tuition covered. Grants are for students entering a community college in Oregon in Fall 2016.

**You may qualify if you:**

- Graduate from an Oregon high school or complete the GED in Spring/Summer 2016
- Have a 2.5 cumulative GPA or higher
- Have been an Oregon resident for at least 12 months prior to enrolling in community college

**Steps to take:**

- Apply** for the Oregon Promise between November 1, 2015 and March 1, 2016, including:
  - Complete the Oregon Promise application (online or written)
  - Submit your high school transcript or GED scores
  - Complete the FAFSA or its approved alternative
- Once approved, **Enroll** in an Oregon community college within six months of graduating high school or completing the GED (Fall 2016)—and accept all state and federal grants

  
Oregon  
Promise

For more information, visit  
[www.OregonPromise.org](http://www.OregonPromise.org)

  
HIGHER  
EDUCATION  
COORDINATING  
COMMISSION

Administered by the HECC Office of Student Access and Completion  
For more information on eligibility criteria, visit [www.oregonpromise.org](http://www.oregonpromise.org).

**Figure A.3. Oregon Promise outreach flier.**

1/8/2016 Oregon Promise | Office of Student Access and Completion

## Oregon Promise

All materials must be received by OSAC no later than 5pm PST  
March 1, 2016

- Submit your Oregon Promise application
- Complete your 2016-17 [FAFSA](#) or [ORSAA](#) (Be sure to list at least one Oregon community college)
- Uncertain whether to file FAFSA or ORSAA? [Click here](#)
- Submit seventh-semester transcript
- View [eligibility and program highlights](#)

Oregon Promise  
Application



**Contact**  
**Oregon Promise Updates**  
[info@oregonpromise.org](mailto:info@oregonpromise.org)

**Join the Listserv**  
[OregonPromiseListserv](#)

### Toolkit

Please feel free to download and share these materials with others:

- High School & GED® flyer ([English](#) | [Spanish](#))
- Community College Flyer ([English](#) | [Spanish](#))
- Introduction Video for Students ([English](#) | [Spanish](#))
- Infographic (English - [PDF](#) or [JPEG](#) | [Spanish - PDF](#))
- [Frequently Asked Questions \(FAQ\) - English](#)
- [Fact Sheet - English](#)

If you wish to include a notice about the Oregon Promise in an e-newsletter or on your website, feel free to contact us at [info@OregonPromise.org](mailto:info@OregonPromise.org) and we will provide the content for a short (approximately 150-word) article for distribution.



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OSAC Office | 1500 Valley River Drive, Suite 100, Eugene, OR 97401

**Figure A.4. Oregon Promise outreach flier.**



HIGHER  
EDUCATION  
COORDINATING  
COMMISSION

FACT SHEET: THE OREGON PROMISE UPDATED 8.6.15

Senate Bill 81 (2015)— the “Oregon Promise”—was passed by the Legislature and signed by Governor Kate Brown in July, 2015; it provides a \$10M appropriation targeted toward tuition payments for students who graduated (or the equivalent) from an Oregon high school no more than six months prior to attending and pursuing a certificate or degree at one of Oregon’s 17 community colleges. The bill funds grants at a minimum of \$1,000 for each full time community college student awarded, and it is to be administered by the Office of Student Access and Completion (OSAC) under the Oregon Higher Education Coordinating Commission (HECC). Grants will first be available for the 2016-17 academic year.

**WHO IS ELIGIBLE?**

- Oregon resident for at least 12 months prior to enrolling in community college
- Received an Oregon high school diploma or GED certificate, or completed grade 12
- Earned a cumulative high school GPA of 2.5+ or equivalent
- Within six months of high school (or equivalent homeschool or GED) completion, enrolls in courses at an Oregon community college required for...
  - One-year curriculum for students transferring to another postsecondary institution
  - Associate degree
  - Program in career and technical education
- Has completed a FAFSA and accepted all state and federal grant aid offered
- Has not completed more than 90 credit hours or the curriculums/programs noted above
- Continues to be eligible after the first year if person...
  - Maintains a cumulative GPA of 2.5 or better
  - Makes satisfactory academic progress
  - Completes a FAFSA each academic year
  - Enrolls at least half time each term for at least three terms each consecutive academic year
- Persons who fail to maintain a 2.5 GPA become ineligible for the term after which they fail to meet the GPA requirement unless the requirement is waived by OSAC

**GRANT AMOUNTS**

- For a full-time student (12 or more credits/term) enrolled for the full year (three terms) in eligible courses:
  - Maximum grant amount will be the full-time full-year community college tuition (using tuition at a single community college or the average across all 17 colleges, whichever is less).
  - Grant recipients will be required to pay \$50 per term as a copayment.
  - Grant will be reduced by any state or federal grant aid received (i.e. Pell Grant, Oregon Opportunity Grant) down to a minimum \$1,000 annual grant for full-time, full-year enrollment.
  - For eligible students whose tuition is fully covered by state or federal grant aid, the \$1,000 grant can be used for college costs such as transportation, books, and living expenses.
  - Students receive a portion of the grant for each term they are enrolled.
- Grants will be prorated for persons enrolled at least half time but not full time.
- Up to one third of the grant will be distributed each term, based on the student’s enrollment status and credit hours attempted in the term.
- The HECC has yet to determine whether the grant will include standard fees in addition to tuition, and would do so by a rule process.

**OTHER FACTORS**

- Approximately 4,000-6,000 students are expected to be served in the first year of the program.
- Funding under the program is meant to offset any remaining tuition after deducting any state/federal grants and the \$50 per term student copay. Participating full-time, full-year students are guaranteed at least \$1000 annually, even if their tuition costs are fully covered by state/federal grants.
- The program will be administered by the Higher Education Coordinating Commission’s Office of Student Access and Completion (OSAC) in cooperation with their Office of Community Colleges and Workforce Development.

