



Testimony to Oregon Legislature on Senate Bill 81

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Thank you for the opportunity to testify today.

Based on what I have learned over the last 15 years spent studying ways to make college more affordable, working with both the federal government and state legislatures, I fully support [this bill](#).

Here's why:

This is a bold effort that might not have been necessary twenty years ago, but today it is sorely needed. There is a popular perception that community college is already free or nearly free, especially for students from low-income households, and that the real challenges facing students have more to do with academic under-preparation or informational barriers.

If only this were true.

The average out of pocket cost facing Oregon community college students from low-income families ranges from \$8,000-\$11,000 per year. That is after all grant aid is taken into account, and it represents the amount that students must borrow and earn in order to make college possible. The situation facing moderate-income families is not much better—and they are often in a more difficult situation since they have little disposable income and yet cannot access the federal Pell Grant.

Thirty years ago, high schools were focused on helping more students envision college as part of their future. Two decades ago they began really focusing on academic preparation for college. But today, ambitious, academically prepared high school graduates are attending college and leaving without degrees because they cannot afford to be there. Nationally, data indicate that among the academically prepared, more than one in five high school graduates from low-

income families forgoes college entirely, and about 30 percent who start at a two-year college never complete any degree. These non-completion rates signal talent loss, and things have gotten worse over the last decade.

This bill will benefit low and moderate-income students in real and measurable ways – it will increase their rates of enrollment in college, boost their persistence, and may also increase their graduation rates.

Rigorous studies have shown that reducing the cost of community college by even \$1,000 a year results in substantial increases across the board. More low-income students enroll directly from high school. More low-income students enroll who would not otherwise have enrolled at all. More low-income students transfer to four-year colleges. And the students who would not have enrolled—except for the fact that community college became more affordable—are more than 20 percent more likely to earn a bachelor's degree within eight years of high school graduation. All that for a \$1,000 discount? It's a very good deal.

Sure, some students who do not currently receive financial aid will benefit from this plan. But remember, today's financial aid system overlooks a tremendous amount of real financial need. It's hardly adequate. Moreover, there are benefits of a universal approach like yours that extend beyond impacts on today's students—it sends powerful signals to the potential students of tomorrow.

Could the proposed policy be strengthened to be even more effective? Certainly. It would be far better if it mirrored President Obama's approach in serving as a first-dollar rather than a last-dollar scholarship, but this is near impossible for Oregon to do without federal help. It would also be preferable to include public four-year colleges and universities in this plan, so that financially constrained students would have more choices. And ideally, you would invest to complement this effort with financial support for greater academic and social supports for community college students.

But you have to start somewhere—and I applaud you for taking this step. Supporting more hard-working people of Oregon as they seek access to your very fine community colleges, and helping more of those who start their complete their certificates and degrees – this is a sound investment in the state's future.