



# Oregon

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## Oregon Student Assistance Commission

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### NEWS RELEASE

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## STUDY OF OREGON OPPORTUNITY GRANT RECIPIENTS SHOWS EFFECT ON COLLEGE ATTENDANCE DECISIONS

Eugene OR – A recently released report on the Oregon Opportunity Grant (OOG) examines why first-year recipients attend college and how the grant fit into their overall resources to pay for school.

The Oregon Student Assistance Commission (OSAC) report titled “*Sharing the Investment: The Effect of the Oregon Opportunity Grant on Students’ Attendance Decisions and Aid Package, 2009-10*” by A.A. Lund-Chaix, Ph.D., surveyed first-year freshman who received the grant in the fall 2009 to determine why they made their attendance decisions and the role the OOG played in balancing resources to pay for college. The study further examined how these recipients compare to similar students who received the OOG in the fall of 2008, the pilot year of the new distribution formula known as the “Shared Responsibility Model.”

Eligibility for the OOG grant is determined by the Free Application for Federal Student Aid (FAFSA), the form submitted by students and their families applying for federal aid to attend college. The OOG grant is open to only undergraduate students who are Oregon residents. Recipients of the Oregon Opportunity Grant can use the funds at eligible Oregon public and independent institutions, including Oregon community colleges.

The 2008 Shared Responsibility Model formula capped the program for students with incomes below 50 percent of Oregon’s median family income and in 2009 increased the family income up to \$70,000, regardless of household size. The program also changed from a fixed award tied to tuition in 2008 to distribution formula in 2009 that was designed to fill the difference between the amount it costs for tuition, fees, books, room and board, and other education expenses, and the amount of resources available to the student to pay for those expenses. This new formula resulted in award amounts that differ for each student, with annual grants for 2009-10 capped at \$2,600 for students at two-year institutions and \$2,721 for students at four-year institutions.

The study found that unlike national enrollment overall, more first-year OOG recipients attend two-year institutions than four-year institutions. A third of the recipients had

finished high school within the last year, but nearly half completed high school six or more years ago, including those who finished high school more than 40 years ago.

First-year OOG recipients attending two-year institutions were more motivated by the need for skill-training than students attending four-year institutions. A third of the study's recipients indicated that recent unemployment was very important or the most important reason to attend college. Nearly all of those who enrolled at two-year institutions were motivated to apply for college due to unemployment.

Students attending a two-year college were more likely to apply to one college, while those attending a four-year institution were more likely to apply for more than one. The financial aid offer by the institution, however, was the number one reason for selecting a school. Students attending community college were most concerned about cost, the distance from home, and the degree programs available. In contrast, students attending four-year institutions were most concerned about the degree programs available, cost, and the academic reputation of the institution as well as the distance from home. For those attending private institutions, their concerns in order of importance were the degree programs available, the academic reputation of the college, and class size.

Students receiving the OOG are most likely to also receive the Federal Pell Grant, although students from four-year institutions were more likely than other students to receive a scholarship or tuition reduction from their school, receive private scholarships, have a work study job, take out private loans or borrow through federal loan programs, and access private resources. In terms of overall financial resources, the OOG had the largest impact for community college students, which is consistent with average income among students attending two-year institutions being lower than the average income of students attending four year public and private institutions.

The study concludes that students attending community college see the biggest impact of the OOG. Affordability and convenience are as important as academic goals for these students. The program demonstrates that it is serving the students it was designed to serve and helping to fulfill unmet need for low-income Oregonians. Continuing to maintain or increase investment in the program will help meet the education policy of the Oregon Progress Board to increase adult educational attainment by 2025.

A copy of the study is available at the Oregon Student Assistance Commission website [www.osac.state.or.us](http://www.osac.state.or.us).

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