

Senate Education Committee  
TESTIMONY BY GOVERNOR TED KULONGOSKI  
February 20, 2007  
Salem

Madame Chair and members of the committee – thank you for convening this hearing on Senate Bill 334.

This is a pioneering bill that will broaden the path to hope and opportunity for tens of thousands of Oregonians – and help us gain ground in the global economy. It is one of the most important pieces of legislation that I have introduced as Governor.

Senate Bill 334 addresses a problem that hinders our efforts to boost educational attainment and accelerate economic progress – the rising costs that have priced college beyond the reach of too many Oregonians.

This problem begins after high school, when society expects young adults to pay to continue their learning.

At this critical point in our educational system, we as a state should be doing everything we can to help those with the interest and ability to pursue and complete a college education.

We should be building bridges, extending our hands and opening doors to these young adults to encourage them to continue their education, fulfill their potential – and add their talents to our society.

But with rising tuition, fees and living expenses, the transition from high school to college now looms as an economic cavern for the children of many of our working families – even those with incomes that place them solidly in the middle class.

Every year, in thousands of families in Oregon, costs are tallied, budgets squeezed, loans computed, and decisions are made to delay, scale back or give up on college for a young adult whose continued education is essential – not only to his or her personal fulfillment – but to the economic success of our state.

This is unacceptable. It is unfair to our citizens and contrary to the best interests of Oregon.

And this problem is not unique to Oregon.

In all 50 states, the cost of college has risen far faster than the ability of our working families to pay for it. We have gone backwards as a country from the days of the GI bill, which brought a new generation of students onto our campuses – including a young ex-Marine named Kulongoski.

That's why three years ago, I asked the State Board of Higher Education to dig into the causes and cures of this trend.

In response, the Board appointed an Access and Affordability Work Group, whose members included representatives of community colleges, private colleges, businesses and foundations.

Their initial findings were delivered to the legislature two years ago and identified a perfect storm of forces that had battered our state's higher education system during the past decade:

- the fiscal crisis engendered by Measure 5;
- declining state support for our community colleges and universities;
- steep tuition increases needed to keep those colleges and universities up and running; and
- lagging state support for financial aid.

As tuition rose, courses were cut and aid declined, we experienced a "lost generation" of 12,000 high school graduates and community college students who were qualified to pursue four-year degrees but never did so.

The Group predicted that we could experience another lost generation of students if we did not reverse these trends. And since then, we now have 49,000 fewer students in our community colleges than we had six years ago.

Another finding proved compelling in the public debate about the state's support for higher education. Simply put: It is no longer possible, as it was for our generation, to work your way through college.

In the 1970s, a young adult could work full-time during the summer and 10 to 15 hours a week during the school year at the minimum wage and earn enough to pay tuition, fees, books and living costs at the University of Oregon.

Today that same student would have to work 46 hours per week all 52 weeks of the year to cover the same costs.

We cannot afford to continue in this direction.

But the good news is this: We are doing more than talking about the causes of this crisis, we are advancing its cures. We in Oregon have begun to reinvest in our higher education system and bring college within the reach of more Oregonians.

In the current biennium, we increased the state's investment in our community colleges and our university system by 5% and 10% respectively, with funds to upgrade classrooms, laboratories and residence halls.

In the next biennium, my budget recommends even greater increases – 17% for community colleges, 15% for OUS, and what the Chancellor calls higher education’s most ambitious capital construction program since World War II.

High-quality faculty and state-of-the-art facilities are necessary to provide a solid foundation for our post-secondary education system. We are committed to both. But, our investments in higher education will remain insufficient, if they fail to reach all qualified students.

We can build them and staff them, but we will fail in the mission of our colleges and universities if our students don’t come to them – and come to them in ever-increasing numbers.

I was pleased to work with you and your colleagues in the last legislative session to secure a 77% increase in funding for our Oregon Opportunity Grant program, which provides modest financial aid to low-income students. That was a significant improvement that allowed us to extend grants to part-time students for the first time.

But we didn’t stop there. I asked the Access and Affordability Working Group to continue their efforts to create a truly affordable system of post-secondary education for all Oregonians.

They went back to the drawing board and looked at all elements of costs – and the varying abilities of individuals to meet those costs from their own efforts, their family’s contributions, and the support of the federal government. They came up with what we now call a “shared responsibility model” for financial aid – which is before you as Senate Bill 334.

This bill is truly the capstone of our education enterprise.

I want to make three points – about the responsibility, affordability and long-term potential of the program proposed in Senate Bill 334.

First, responsibility – in this instance, shared responsibility.

All students will be expected to contribute a minimum amount to their educations – but no more than they can afford if their only option is to work full-time during the summer and part-time during the school year. In return, we will guarantee to all students that the state will help bridge the affordability gap that now seems so daunting.

Students will be able to work their way through college again, if they choose to do so.

Second, affordability works both ways.

The shared responsibility model reveals that affordability for our students is affordable for our state. Cost is no excuse to postpone action on this proposal. We can secure the

increased funding needed to implement this proposal with a portion of the revenues from a long-overdue increase in the corporate minimum tax.

I have provided sufficient funding for the shared responsibility model to be fully operational by the second year of the upcoming biennium – when this year’s high school juniors and sophomores will be sitting around the kitchen table with their families trying to decide whether they can afford to go on to college.

With this legislation, thousands more will be able to do so.

Third, there is great potential in this proposal – not just to make higher education affordable again – but to make the transition from high school to our universities, community colleges and skills training programs an expression of optimism rather than an exercise in anxiety.

We may have fallen far behind other states in providing affordable access to higher education for our citizens, but we are on the verge of leaping ahead of them all with a proposal that will make higher education in Oregon not just more affordable, but truly affordable for every Oregonian in every walk of life.

I agree with a member of the Oregon Business Council who told the Working Group that the shared responsibility model is the best new big idea with the smallest price tag to come before us in a long time.

With Senate Bill 334, we can rekindle the excitement and hope of the post-World War II years when this country expanded higher education to a new generation of its citizens and reaped the rewards of a dynamic economy and a vibrant middle class.

With your support, I look forward to signing Senate Bill 334 into law this session to bring hope and opportunity to tens of thousands of Oregonians and progress and prosperity to us all.

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