Principles of Shared Responsibility

Legislative Advisory Committee
Boulder, CO
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Goals

- Improve affordability
  - Ensure that any citizen of the state who wishes to attend college will be able financially to do so, particularly those from low- and moderate-income backgrounds
  - Provide funding that helps smooth inequities in financial aid distribution
  - Restore conceptual clarity of state financial aid by explicitly linking it with cost of attendance
- Expand access and success
  - Reduce financial barriers to access and success
- Provide a financial aid approach that is fiscally responsible and integrated with other funding sources (including state funding, tuition & fees, and other financial aid)
Four Partners Share Responsibility for Meeting the Cost of Attendance

4. The **state** grant award makes up the remaining difference.

3. The model accounts for the **federal government**’s contribution (i.e., Pell grants, tuition tax credits).

2. The **student’s parents** contribute their share, which is determined by the federal methodology.

1. **Each student**, as the principal beneficiary, is expected to contribute toward his/her own educational costs. Sources include: earnings, savings, borrowing, or scholarships.
Recognizing the Difference in Costs Between Sectors

Two-Year Sector

- Student
- Family
- Feds
- State

Four-Year Sector

- Student
- Family
- Feds
- State

A cost to choice, linked to a reasonable borrowing expectation

Earnings, given a reasonable work commitment at minimum wage
Oregon Opportunity Grant Before Shared Responsibility

Affordability Gap (Unmet Need)

Estimated Family Contribution
parents and students

Federal Pell
State Grant

Student Cost vs. Family Income

WICHE
Oregon Opportunity Grant Under Shared Responsibility

Note: The chart reflects the distribution of aid as it would have looked for full-time students in Oregon’s public four-year institutions had SRM been implemented in 2005-06. The recognized price for public four-year institutions for 2008-09 is $16,483 and the student contribution in that sector is $8,200.
States That Allocate Grant Aid Via Shared Responsibility

- **Minnesota**
  - Originally created in 1983
  - $156.1 million in 2006-07
  - 70,000 recipients

- **Oregon**
  - Enacted by 2007 Legislative session
  - Implementation in time for 2008-09 academic year
  - Doubled appropriation for state grant aid program to $72 million
  - Additional appropriation of $4 million under discussion to meet unanticipated need
  - Reductions in budget for current biennium due to economic collapse