GOVERNOR KULONGOSKI’S INITIATIVE ON ACCESS SCHOLARSHIPS FOR EDUCATION TRUST

As the national recession persists, practically all public universities and university systems in the nation are experiencing a dramatic withdrawal of public resources. This recent shortage of state dollars is compounding a longer-term disinvestment in public higher education, which has developed in recent decades as state policy-makers come to see a university degree more of a private good to be purchased by the student, and less of a public good to be underwritten by state governments with tax dollars. As a result, the reduction of public resources from public higher education in a recessionary economy is for the first time supported by a commonly accepted policy rationale.

Oregon has not been immune from this trend. In fact, the data demonstrate that Oregon is among the leaders of this downward spiral, with state dollars withdrawn from the System in five of the past seven biennia. This leaves the System and its institutions sliding away from their peer institutions across the United States on most of the measures of quality that are central to the OUS Resource Allocation Model. The OUS and the students it seeks to serve are left with a budget contest between access, quality, and affordability.

Compounding the trend in Oregon is the parallel decline in state support for need-based aid, through the Oregon Opportunity Grant, even as tuition and fees are rising to replace lost state support. This “double whammy” led Oregon to receive a D-minus in the first national “Measuring Up” survey in 2000, and then to sink to the bottom of the scale, receiving a grade of F in the 2002 Measuring Up survey. In the proposed Oregon Student Assistance Commission budgets for the 2003-2005 biennium, it is possible that less than half of the students eligible for an Opportunity Grant will receive one, even as the value of the grant continues to erode.

To address this crisis of equity and opportunity, which leaves academically prepared but low-income students denied access to a public university in Oregon, Governor Ted Kulongoski has proposed the Access Scholarships for Education...
Trust (ASET), to provide a protected and expanding source of financial aid to economically disadvantaged Oregon students. In response to “make-do” budgeting, the Governor has taken the initiative, offering a positive vision for students unable to overcome the financial barriers to entrance and success in higher education.

ASET represents the first breakthrough offered in two decades of debate over the responsibility for the cost of higher education and the price to the student in Oregon. In proposing a constitutionally-protected Trust, the Governor has offered an expanding horizon of access and opportunity, in a time of lowered expectations and declining resources. The Governor’s Access Trust would offer the means for low-income students to enter an Oregon community college, public university, or private, non-profit college or university.

Based upon the principle of a flat grant, which provides the greatest possible access to the largest number of Oregon residents, and a “Pay to Play” requirement for private college participation, Governor Kulongoski’s ASET would permit equal opportunity for all low-income students to attend across the post-secondary sectors: two-year, four-year, public and private. The Trust would be financed with interest earnings on OUS tuition income, interest earnings on state funds for community colleges, donations contracted for between the Trust and private colleges, and any other appropriation or asset directed to the Trust by the Legislature. If approved by the voters at the General Election of 2004, the ASET program would begin after July 1, 2005.