

# TUITION EQUITY AT PUBLIC UNIVERSITIES: Report to the Legislature on House Bill 2787 (2013)



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This report was prepared in the HECC Office of Research and Data by Dean Crews and Amy Cox.

## EXECUTIVE SUMMARY

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HB 2787 (2013) allows non-citizens and military relocation students to pay resident tuition at Oregon's seven public universities. This report examines the number of students affected and the financial impact on the universities in terms of tuition that is not collected.

- The number of students participating in the Tuition Equity Program has risen steadily from 63 students in 2013-14 to a total of 564 students in 2017-18. Both non-citizens and military students experienced similar growth in participation.
- The financial impact of the tuition-equity program on Oregon's seven public universities includes potential benefits from likely increased enrollment and costs from the difference between nonresident and resident tuition. The potential benefit to the institutions from increased enrollment totaled \$3,961,780.84 for all institutions in 2017-18. This measure assumes no tuition-equity student would have enrolled in the public universities if the program were not in place and that all tuition-equity students paid full tuition rates. The potential cost to the institutions is the total difference between resident and nonresident tuition for the credits in which tuition-equity students enrolled. It totaled \$7,742,484.99 in 2017-18.
- Students in the program saved an average of \$13,728 in tuition costs in 2017-18. Undergraduate students saved \$13,921 on average, and graduate students saved \$10,808 on average.

## BACKGROUND AND METHODOLOGY

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House Bill (HB) 2787 (2013) and the resulting ORS 352.287 direct Oregon's public universities to provide exemption from nonresident tuition and fees for three groups of students, if they meet eligibility criteria: (1) those who are not citizens or lawful permanent residents of the United States (U.S.); (2) those who are financially dependent upon a person who is not a citizen or lawful permanent resident of the United States; and (3) those who are citizens or lawful permanent residents of the United States and resided outside of Oregon for more than three years while serving in the Armed Forces of the United States and have not reestablished residency in Oregon. If eligible for the program, students are allowed the exemption for up to five years from initial enrollment at the university, including transfers to another public university.

For non-citizens and their dependents, eligibility criteria are:

- High school diploma from an Oregon high school, or high school equivalency completed in Oregon
- Attendance at an Oregon elementary, middle, or high school for each of the three years immediately preceding high school completion
- Attendance at a U.S. elementary, middle, or high school for each of the five years immediately preceding high school completion
- Demonstrated intent to become a lawful permanent resident or citizen of the United States

For veterans who are U.S. citizens and have lived outside of Oregon for more than three years while serving in the U.S. Armed Forces eligibility criteria are the first three criteria above. The program allows these veterans to pay Oregon resident tuition without having to re-establish Oregon residency.

The statute further requires a report be provided to the Legislature annually of: (a) the number of students who applied and were accepted into public universities under the provisions of this Legislation and (b) the financial impact on the universities of this program. That report was initially assigned to the Oregon University System. The Higher Education Coordinating Commission, as the entity that now coordinates postsecondary education and training across the state, has received responsibility for completing this report.

To compile the requirements of this report, we identified students who applied and were accepted into public universities under one of the qualifying criteria, using student records submitted by the individual institutions. Table 1 shows the number of students by institution and graduate/undergraduate status. To avoid reporting information that might identify individual students, we group small cell sizes together or omit them from view.

There are two sources of financial impact on the universities. The program brings a potential financial benefit to the universities by expanding access to students who otherwise would not have enrolled because nonresident tuition costs would be too formidable of a barrier. By lowering these costs, students who otherwise would not have enrolled in the university would now contribute resident tuition. Estimating this impact is limited because we cannot estimate the number of who would have attended the university (paying nonresident tuition costs) without the program. This is because non-citizens, in particular, are self-identified.

The second source of financial impact is a cost to the universities. Without the program, eligible students who enrolled in the universities would have to pay nonresident tuition. We estimated this financial impact by calculating the dollar value difference between resident and nonresident tuition for the total number of credits

taken by students receiving tuition equity. We used universities' published per-credit tuition rates to determine the difference. We used separate rates for each institution and for graduate and undergraduate students to calculate institution-specific impacts and a statewide impact. These financial impact calculations are estimates based on the average tuition for a single credit at a given institution. Some institutions have multiple tuition rates depending on type of course, particularly for graduate students. Unlike tuition, institutional fees do not vary by resident/nonresident status; therefore paying fees as a resident creates no financial impact on the institutions. HB 2787 (2013) allows non-citizens and military relocation students to pay resident tuition at Oregon's seven public universities. This report examines the number of students affected and the financial impact on the universities in terms of tuition that is not collected.

## FINDINGS

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**Table 1. Number of tuition-equity students who applied and were accepted into Oregon public universities, academic year 2017-18.**

| <b>Tuition equity program</b> | <b>Number of students</b> | <b>Credits attempted</b> |
|-------------------------------|---------------------------|--------------------------|
| Undergraduate                 | 529                       | 18,215                   |
| Non-citizens and dependents   | 269                       | 8,869                    |
| Military                      | 260                       | 9,346                    |
| Graduate                      | 35                        | 1,062                    |
| Non-citizens and dependents   | 8                         | 217                      |
| Military                      | 27                        | 845                      |
| <b>Total</b>                  | <b>564</b>                | <b>19,277</b>            |

**Table 2. Number of credits attempted by tuition-equity students and per-credit tuition by institution, academic year 2017-18.**

| <b>Tuition equity program</b>             | <b>Credits</b> | <b>Resident tuition per credit</b> | <b>Nonresident tuition per credit</b> | <b>Tuition difference per credit</b> | <b>Resident tuition for all credits</b> | <b>Resident/nonresident tuition difference for all credits</b> |
|---|----------------|------------------------------------|---------------------------------------|--------------------------------------|---|--|
| Total undergraduate                       | 18,215         |                                    |                                       |                                      | \$3,484,426.84                          | \$7,364,192.99   |
| Undergraduate non-citizens and dependents | 8,869          |                                    |                                       |                                      | \$1,704,481.21                          | \$3,582,789.76   |
| Eastern Oregon University                 | 206            | \$153.95                           | \$405.00                              | \$251.55                             | \$31,713.70                             | \$51,819.30  |
| Oregon Institute of Technology            | 357            | \$176.01                           | \$560.24                              | \$384.73                             | \$62,835.57                             | \$137,348.00   |
| Oregon State University                   | 1,400          | \$294.70 <sup>1</sup>              | \$929.00 <sup>1</sup>                 | \$634.30 <sup>1</sup>                | \$412,581.40                            | \$888,020.00   |
| Portland State University                 | 3,679          | \$164.50                           | \$550.00                              | \$385.50                             | \$605,195.50                            | \$1,418,254.50   |
| Southern Oregon University                | 326            | \$165.04                           | \$506.00                              | \$340.96                             | \$53,803.04                             | \$111,152.96   |
| University of Oregon                      | 1,102          | \$211.00                           | \$723.00                              | \$512.00                             | \$232,522.00                            | \$564,224.00   |
| Western Oregon University                 | 1,799          | \$170.00                           | \$399.00                              | \$229.00                             | \$305,830.00                            | \$411,971.00   |
| Undergraduate military                    | 9,346          |                                    |                                       |                                      | \$1,779,945.63                          | \$3,781,403.23   |
| Eastern Oregon University                 | 516            | \$153.95                           | \$405.00                              | \$251.55                             | \$79,438.20                             | \$129,799.80   |
| Oregon Institute of Technology            | 1,339          | \$176.01                           | \$560.24                              | \$384.73                             | \$235,677.39                            | \$381,253.47   |
| Southern Oregon University                | 1,601          | \$165.04                           | \$506.00                              | \$340.96                             | \$264,229.04                            | \$545,876.96   |
| University of Oregon                      | 4,861          | \$211.00                           | \$723.00                              | \$512.00                             | \$1,025,671.00                          | \$2,488,832.00   |
| Western Oregon University                 | 1,029          | \$170.00                           | \$399.00                              | \$229.00                             | \$174,930.00                            | \$235,641.00   |
| Total graduate                            | 1,062          |                                    |                                       |                                      | \$477,354.00                            | \$430,414.00   |
| Graduate non-citizens and dependents      | 217            |                                    |                                       |                                      | \$91,189.00                             | \$52,122.00  |
| Oregon State University                   | 62             | \$457.00                           | \$843.00                              | \$386.00                             | \$28,334.00                             | \$23,932.00  |
| Portland State University                 | 120            | \$401.00                           | \$605.00                              | \$204.00                             | \$48,120.00                             | \$24,480.00  |
| Southern Oregon University                | 35             | \$421.00                           | \$527.00                              | \$106.00                             | \$14,735.00                             | \$3,710.00   |
| Graduate military                         | 845            |                                    |                                       |                                      | \$386,165.00                            | \$326,170.00   |
| University of Oregon <sup>2</sup>         | 845            | \$457.00                           | \$843.00                              | \$386.00                             | \$386,165.00                            | \$326,170.00   |
| <b>Total</b>                              | <b>19,277</b>  |                                    |                                       |                                      |   | <b>\$7,742,485.99</b>  |

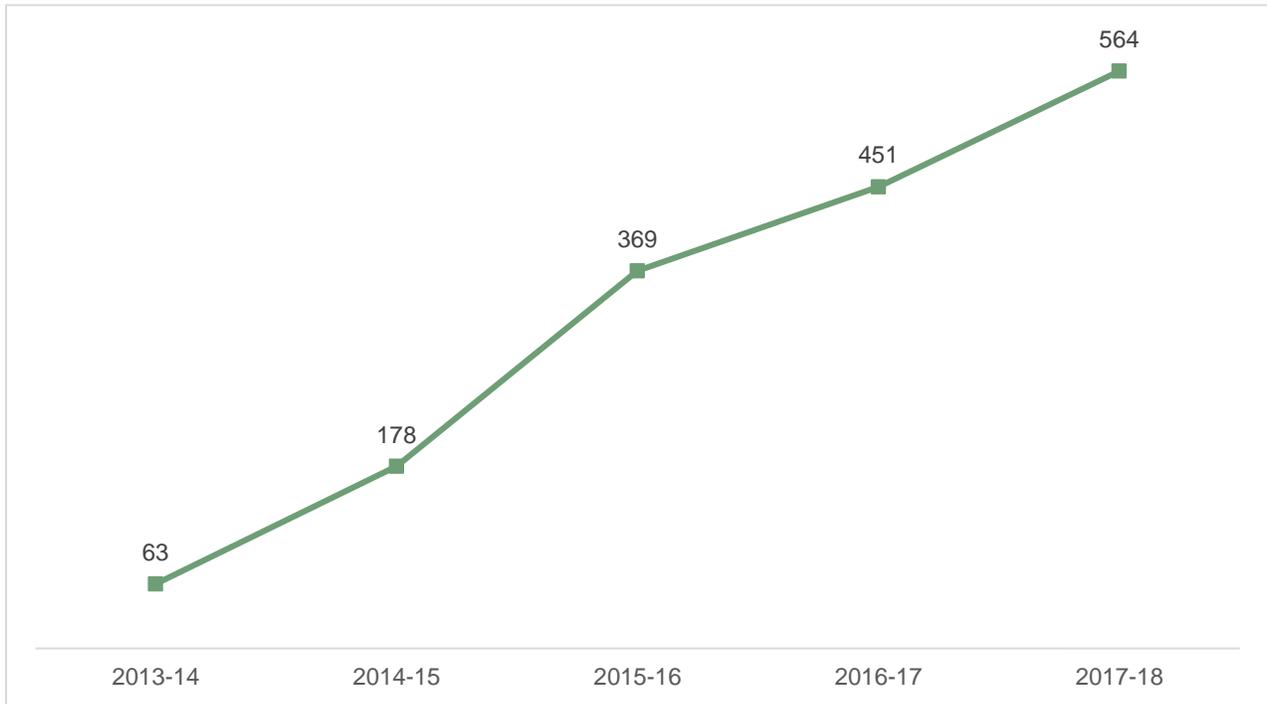
<sup>1</sup> The weighted mean per credit tuition was used.

<sup>2</sup> Tuition costs at University of Oregon's College of Arts and Sciences were used in this analysis.

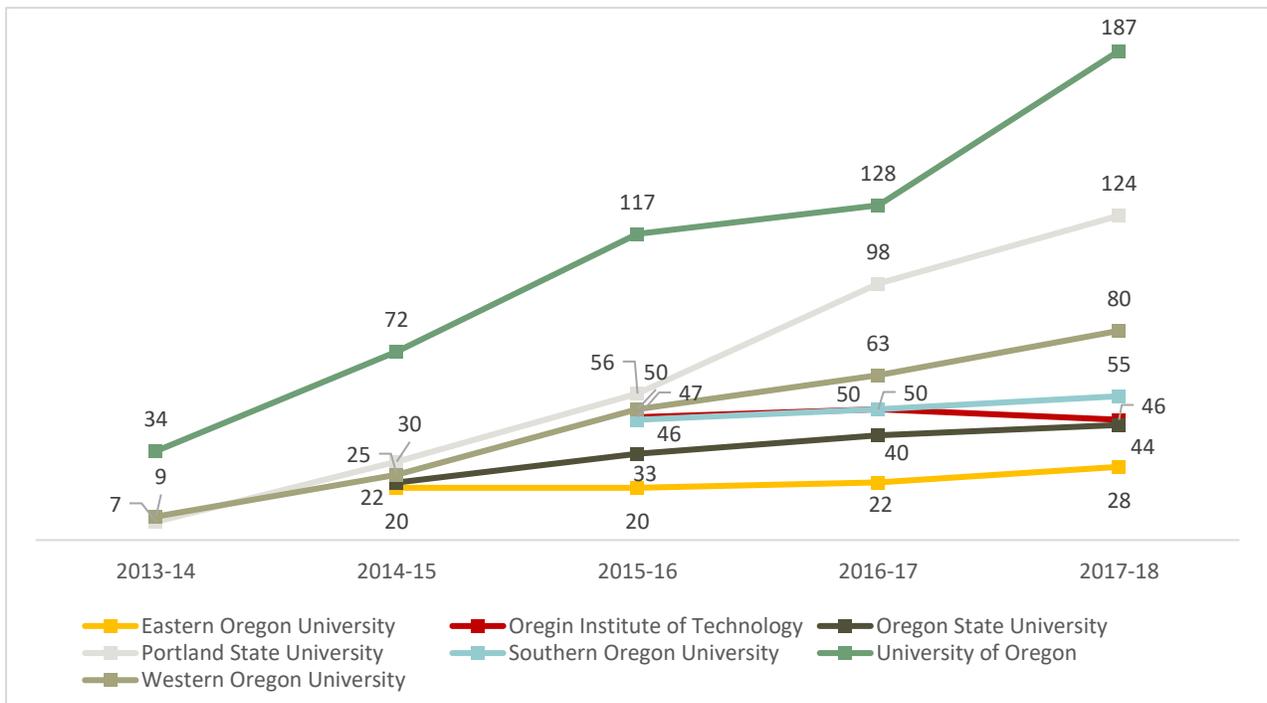
**Table 3. Financial impact of tuition-equity program by institution, academic year 2017-18.**

| <b>Tuition equity program</b>  | <b>Total resident tuition for all tuition-equity students</b> | <b>Total resident/ nonresident tuition difference for all tuition-equity students</b> |
|--------------------------------|---|---|
| Eastern Oregon University      | \$111,151.90  | \$181,619.10  |
| Oregon Institute of Technology | \$298,512.96  | \$518,601.47  |
| Oregon State University        | \$440,915.40  | \$911,952.00  |
| Portland State University      | \$653,315.50  | \$1,442,734.50  |
| Southern Oregon University     | \$332,767.08  | \$660,739.92  |
| University of Oregon           | \$1,644,358.00  | \$3,379,226.00  |
| Western Oregon University      | \$480,760.00  | \$647,612.00  |
| <b>Total</b>                   | <b>\$3,961,780.84</b>   | <b>\$7,742,484.99</b>   |

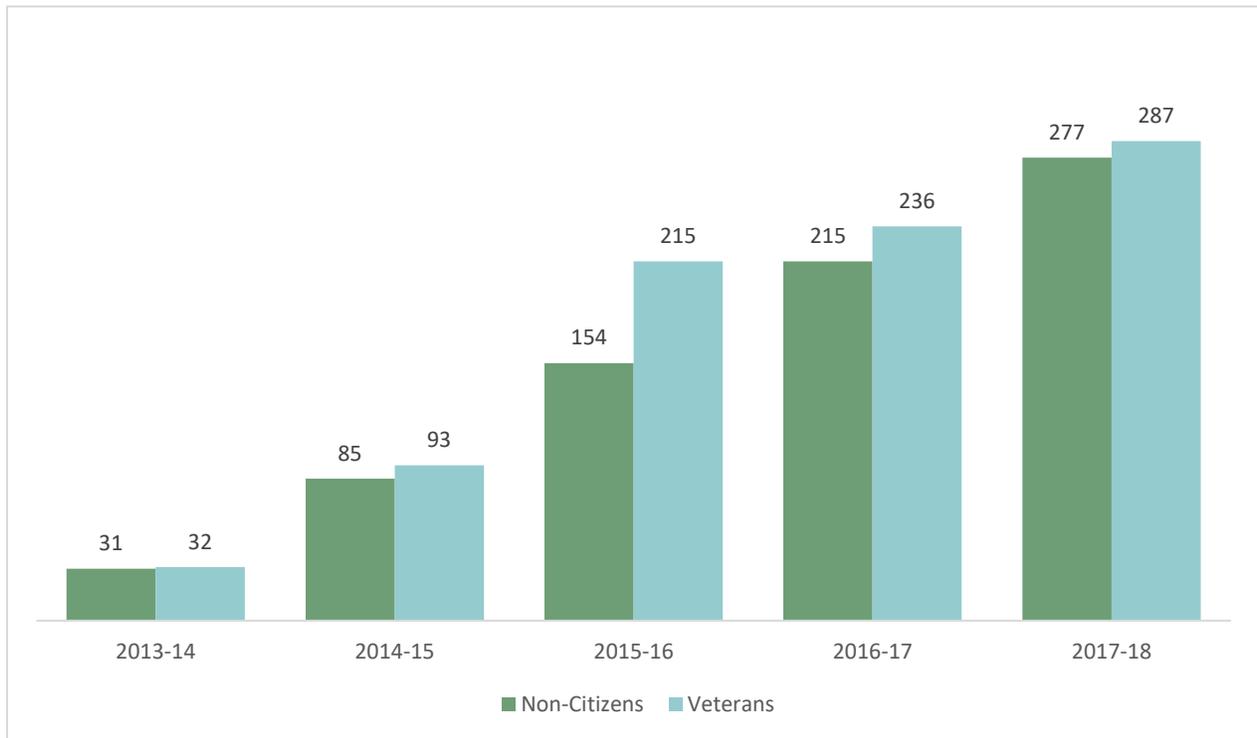
**Figure 1. Total number of tuition-equity students for academic years 2013-14 to 2017-18.**



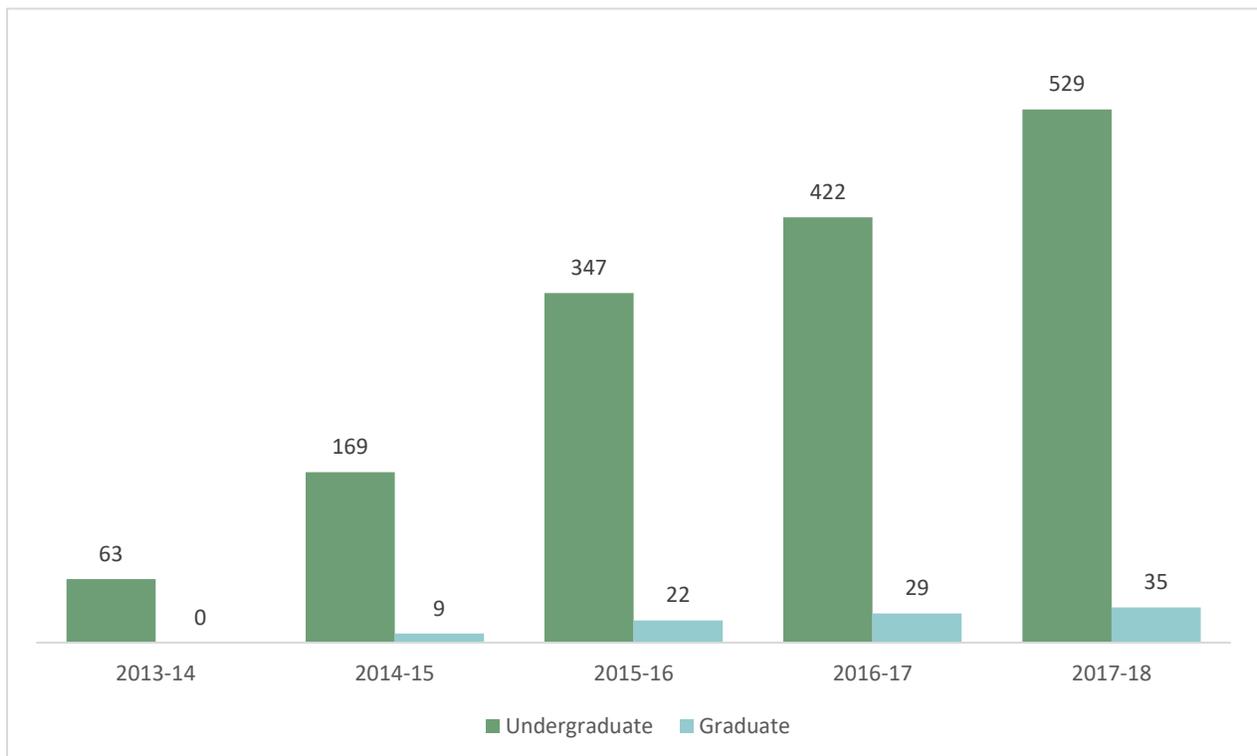
**Figure 2. Total number of tuition-equity students by institution for academic years 2013-14 to 2017-18. Years with fewer than seven students are not shown.**



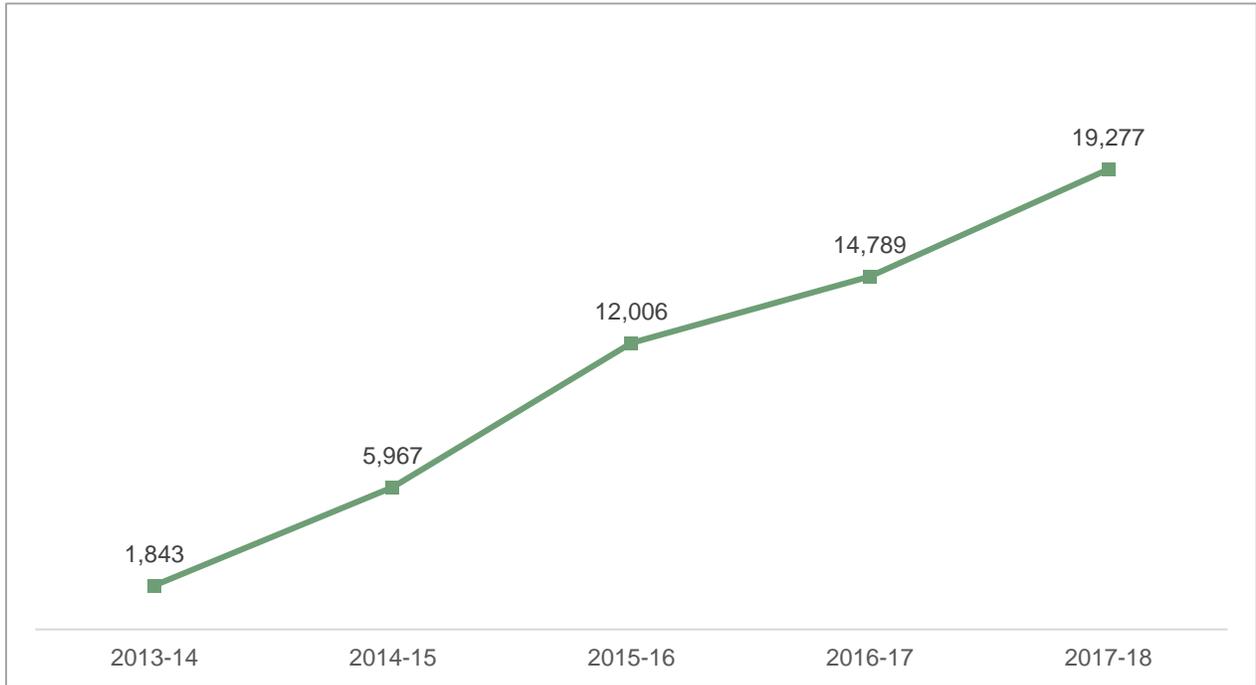
**Figure 3. Total number of tuition-equity students by program description for academic years 2013-14 to 2017-18.**



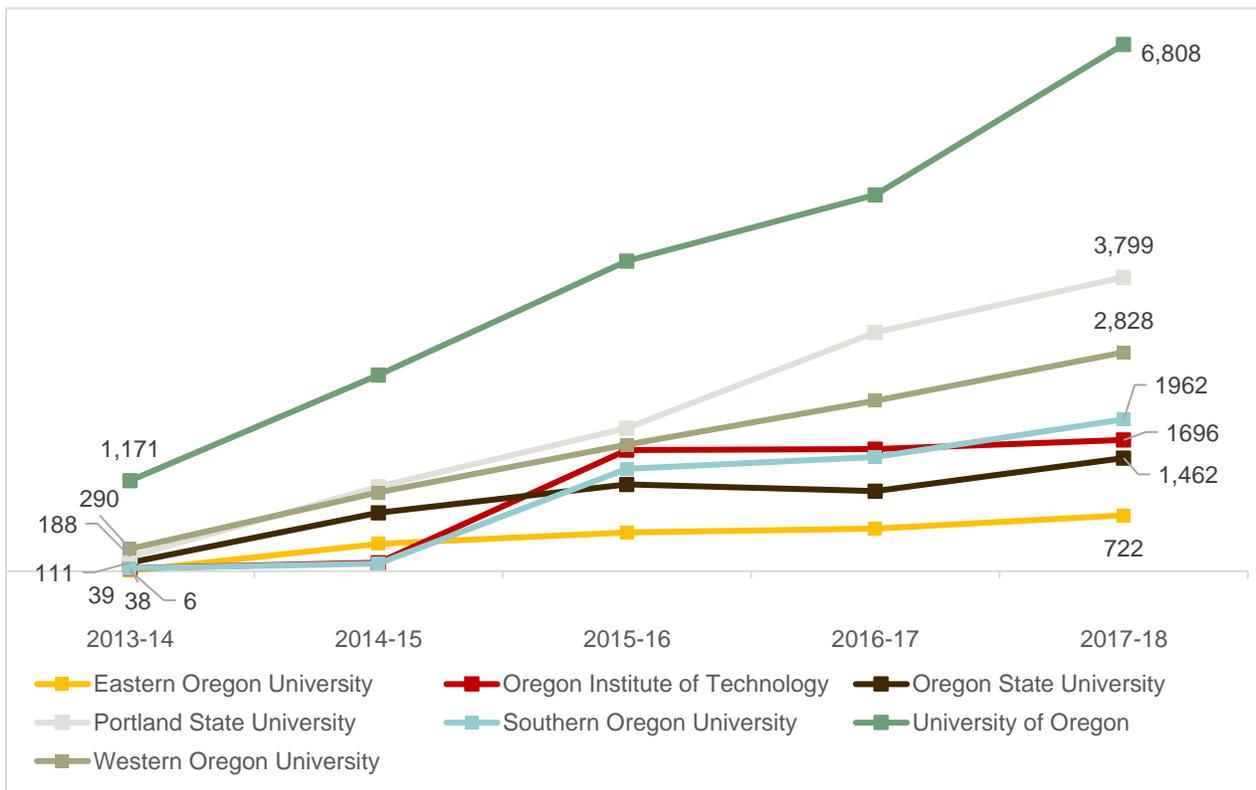
**Figure 4. Total number of tuition-equity students by student level for academic years 2013-14 to 2017-18.**



**Figure 5. Total credits attempted by tuition-equity students for academic years 2013-14 to 2017-18.**



**Figure 6. Total credits attempted by tuition-equity students by institution for academic years 2013-14 to 2017-18.**



## DISCUSSION AND CONCLUSIONS

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### NUMBER OF STUDENTS

Table 1 and Figures 1 through 4 present the number of students in the program. Figure 1 indicates statewide growth in the number of students participating in the tuition equity program. Figure 2 indicates steady growth in the number of tuition equity students at Oregon State University, Portland State University, University of Oregon, and Western Oregon University. The rate of growth is more uneven at Eastern Oregon University, Oregon Institute of Technology, and Southern Oregon University, where the growth rate seems to have reached a plateau. Only Oregon Institute of Technology showed a decline in the number of students in 2017-18. Figure 3 indicates that non-citizens and military students showed similarity in the number of students and in the rate of growth in participation. Similar to overall enrollment, Figure 4 shows a greater number of undergraduates than graduate-level students in the program.

The 529 undergraduate students paying reduced tuition in the 2017-18 academic year represent less than one percent of the total statewide undergraduate student headcount. Non-citizen and dependent undergraduates enrolled at every institution, with 44 percent attending Portland State University. Military undergraduates enrolled at Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, University of Oregon, and Western Oregon University, with 50 percent attending the University of Oregon. Undergraduate students accounted for 95 percent of the total financial impact.

The 30 graduate students paying reduced tuition under HB 2787 (2013) represent less than one percent of the total statewide graduate student headcount. Most of these graduate students (77 percent) were military, and all attended the University of Oregon. Among those who were non-citizens and dependents, only Portland State University had more than a single enrolled student.

Figures 5 and 6 present the number of credits attempted in the program. Figure 5 shows steady growth in the overall number of credits attempted. Figure 6 shows the proportional number of credits at each institution.

### FINANCIAL IMPACT

The overall financial impact of the tuition-equity program on Oregon's seven public universities includes both financial benefits from likely increased enrollment and financial costs from the difference between nonresident and resident tuition. Tables 2 and 3 present data on these impacts.

The potential benefit to the institutions from increased enrollment is the total resident tuition for the credits in which tuition-equity students enrolled. This measure necessarily assumes none of the tuition-equity students would have enrolled in the public universities if the program were not in place and that all of the students paid full tuition rates (i.e., the institutions did not grant them any tuition remission as a form of financial aid). Resident tuition for tuition-equity students totaled \$3,961,780.84 for all institutions in 2017-18. It ranged from \$111,151.90 at Eastern Oregon University to \$1,644,358.00 at the University of Oregon.

The potential cost to the institutions is the total difference between resident and nonresident tuition for the credits in which tuition-equity students enrolled. It totaled \$7,742,484.99 in 2017-18. This impact ranged from \$181,619.10 for Eastern Oregon University to \$3,379,226.00 for the University of Oregon. These measure also assumes students paid full tuition (i.e., it does not account for institutional aid provided by the universities).

The state average (mean) impact on a per-credit basis was \$402 in 2017-18. This average is weighted by the number of credits at each institution (see Methodological Appendix).

On the student level, the average (mean) savings per student was \$13,728 in tuition costs in 2017-18. Undergraduate students in the program saved \$13,921 on average. Graduate students, who tend to take fewer credits, saved \$10,808 on average. Together, these results indicate that HB 2737 (2013) has yielded substantial savings for non-citizen and military veteran students at Oregon's public universities. Moreover, these savings have risen as the number of students enrolled in the program has steadily increased over the past four years.

## METHODOLOGICAL APPENDIX

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The HECC Office of Research and Data identified students who applied and were accepted into public universities under the provisions of HB 2787 (2013) from student record data submitted by the individual institutions. Staff disaggregated applicants by institution, graduate/undergraduate status, and the non-citizen/military basis for their application. The weighted mean of the tuition savings per credit hour allows each institution's difference to contribute proportionally, based on the number of credits attempted at the institution, to the calculation of the mean. The weighted arithmetic mean uncollected tuition per credit was calculated using the following formula:

$$\bar{\chi}_{weighted} = \frac{x_1\omega_1 + x_2\omega_2 + x_3\omega_3 + \cdots x_i\omega_i}{\omega_1 + \omega_2 + \omega_3 + \cdots \omega_i}$$

Where  $\chi$  = uncollected tuition (difference between resident and nonresident tuition)  
 $\omega$  = the number of credits attempted

