



# INTRODUCTION: HECC BUDGET, STRATEGIC PRIORITIES IN POSTSECONDARY EDUCATION FUNDING

**BEN CANNON**, Executive Director,  
HECC

Presented to: Joint Committee on Ways and  
Means, Subcommittee on Education

2019 PRESENTATION, DAYS 1-2

# Presentation Schedule

Days 1-2	<ul style="list-style-type: none"><li>• Introduction to Postsecondary Education and Training in Oregon: Agency Overview, Mission, Goals, Budget Components, History of Funding, National Context</li></ul>
Day 3	<ul style="list-style-type: none"><li>• Affordability: Key Factors, State Financial Aid Programs</li></ul>
Day 4	<ul style="list-style-type: none"><li>• Learner Pathways and Transitions: Pre-College Programs and Outreach, Transitions to Career Success, Industry Needs, Supporting Learners in a PK-20 System, Private Postsecondary Oversight and Coordination</li></ul>
Day 5	<ul style="list-style-type: none"><li>• Public Testimony</li></ul>
Days 6-7	<ul style="list-style-type: none"><li>• State Support for Community Colleges: Students Served, Funding Impacts, Capital Construction</li><li>• Community College presentations</li></ul>
Day 8	<ul style="list-style-type: none"><li>• Public Testimony</li></ul>
Days 9-10	<ul style="list-style-type: none"><li>• State Support for Public Universities: Students Served, Funding Impacts, Capital Construction</li><li>• University presentations</li></ul>
Day 11	<ul style="list-style-type: none"><li>• Other Missions of Universities: Statewide Public Services, State Programs</li></ul>
Day 12	<ul style="list-style-type: none"><li>• Public Testimony</li></ul>
Day 13	<ul style="list-style-type: none"><li>• OHSU, Public Testimony</li></ul>
Day 14	<ul style="list-style-type: none"><li>• An Integrated Postsecondary Agency: HECC Operations Agency Budget, Conclusion</li></ul>

HECC Offices represented by presenters:

OFFICE OF EXECUTIVE DIRECTOR, ALL HECC

# INTRODUCTION TO THE BUDGET AND THE OREGONIANS SERVED



Portland State University



Western Oregon University



Central Oregon  
Community College



Linn-Benton  
Community College

# A Vision for Oregon Postsecondary Education

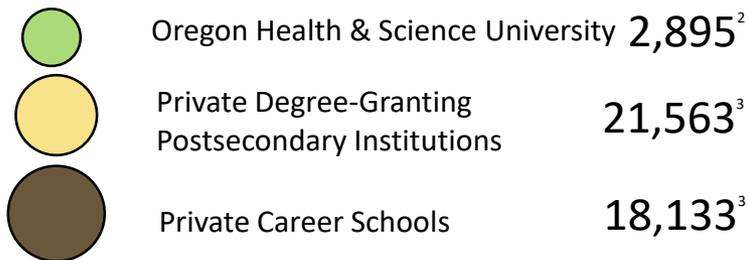
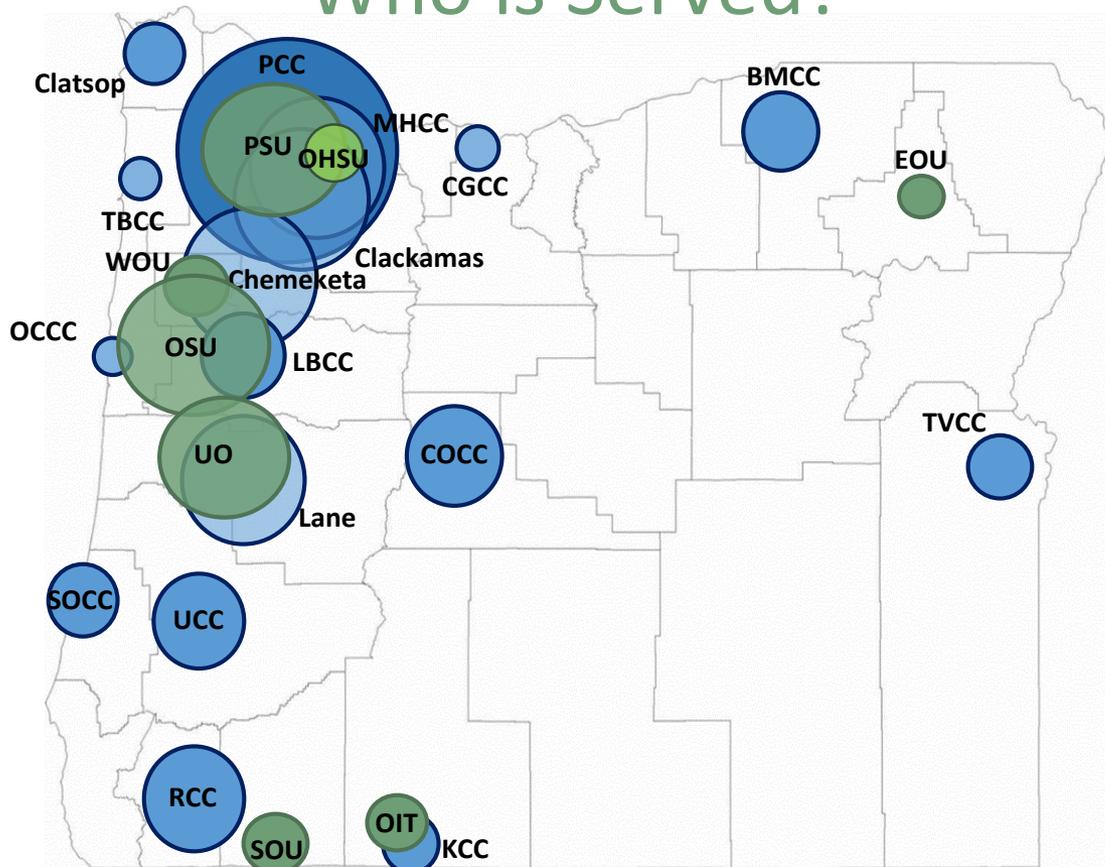
*“The Higher Education Coordinating Commission (HECC) envisions a future in which **all Oregonians**—and especially those whom our systems have underserved and marginalized—**benefit from the transformational power of high-quality postsecondary education and training.**”*

*“It is a future where **innovative colleges, universities, and training providers**, both public and private, help Oregonians to reach their highest potentials, **build trajectories to family-wage careers, foster a more just society, and break patterns of intergenerational poverty.**”*

*“It is a future where **postsecondary education fuels a resilient economy** by anticipating workforce needs and by fostering innovation, research, and knowledge. In the future we envision, all Oregonians enjoy well-lived lives thanks to the myriad benefits of postsecondary education and training...”*

From the HECC Strategic Framework, December 2017

# Who is Served?



## ENROLLMENT

### 2017-18

Academic Year Headcount

#### Public Institutions

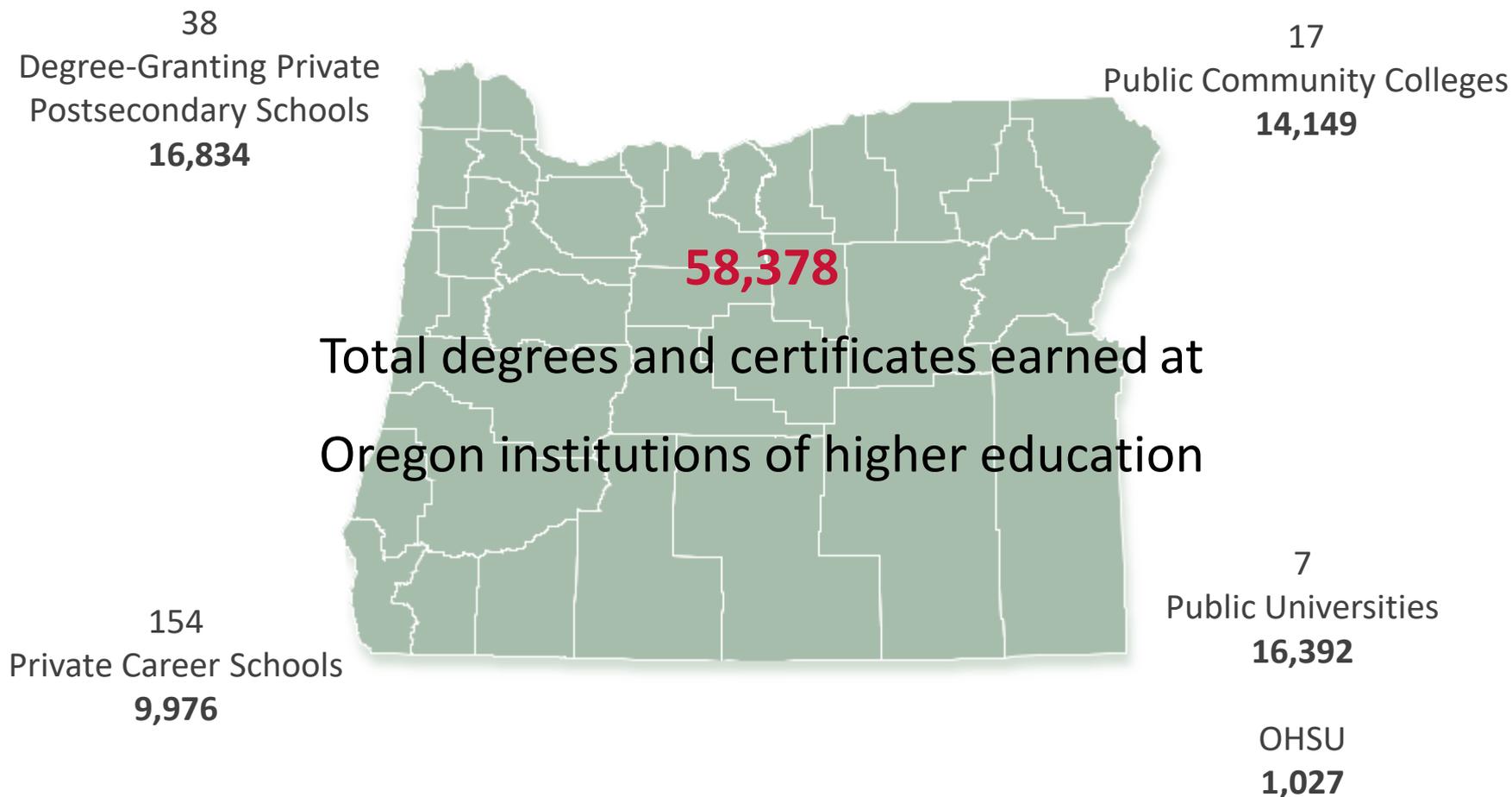
Universities	73,023
Community Colleges	272,254

#### Workforce Investment Services

Career Services	109,630
Training Services	3,902
OR Youth Conservation Corps	751
Oregon Volunteers (who enrolled in postsecondary system)	678

1. Total headcount may contain duplicates for students who attended multiple institutions during the same academic year.
2. Total headcount for OHSU is for Fall of 2018.
3. Source: HECC analysis of student-level data from 17 community colleges, seven public universities, and 218 private institutions (out of 249 solicited) and of institution-level data from 12 exempt institutions in the Oregon Alliance of Independent Colleges and Universities (OAICU). All data are for the 2017-18 academic year except data from OAICU institutions, which is from the 2016-17 academic year.

# Who is Served? Completions in 2017-2018



Source: HECC analysis of student-level data from 17 community colleges, resident students in seven public universities, and 218 private institutions (out of 249 solicited). For public institutions, data include Oregon Transfer Module, one-to-two year certificates, associate/bachelor's/master's/doctoral degrees, post-doctoral and professional certificates. Completions for OHSU include 41 students whose degree is also recognized by Portland State University in a collaborative joint program.

# Oregon Public Postsecondary Education Students Today

## 1ST GENERATION STATUS

(note: among FAFSA filers only)

- **38%**

## AGE

- **47% 25+**
- **35% 18-24**
- **18% <18**

## FINANCIAL AID

- **36%** received public grant aid
- **18%** received Pell (note: this is including non-credit student)

## BASIC NEEDS (national data)

- Food Insecure **36-42%**
- Housing Insecure **35-51%**
- Homeless **9-12%**

## FULL-TIME/ PART-TIME

- **78% PT**
- **22% FT**

## LEVEL

- **62%** undergrad
- **32%** non-credit only
- **4%** graduate
- **2%** developmental ed

## RURAL/URBAN:

- **72%** urban
- **17%** rural
- **10%** unknown

Sources: Data on food insecurity from *Still Hungry and Homeless in College*, based on a survey of 43,000 students at 66 colleges and universities in 20 states and Washington D.C.. By Sara Goldrick-Rab, Jed Richardson, Joel Schneider, Anthony Hernandez, and Clare Cady. Wisconsin HOPE Lab. All other data from HECC analysis of student records from public institutions and reflect Oregon undergraduate-level students, including high school students taking dual-credit courses and community college students taking non-credit courses. Data on age, area of instruction, first-generation status, gender, race/ethnicity, rural/urban status are from 2017-18. Data on full-time/part-time, Pell status, and the proportion of students receiving public grant aid are from 2016-17. Data on first-generation status and Pell status are only available for students who file for financial aid.

# Key Postsecondary Education Themes and Priorities, 2019



Transform Lives, Build Economic Mobility



Eliminate Inequity and Ensure Opportunity for All



Protect Affordability of Public Community Colleges and Universities



Ensure Oregonians can Navigate the Fast-Changing 21<sup>st</sup> Century Economy



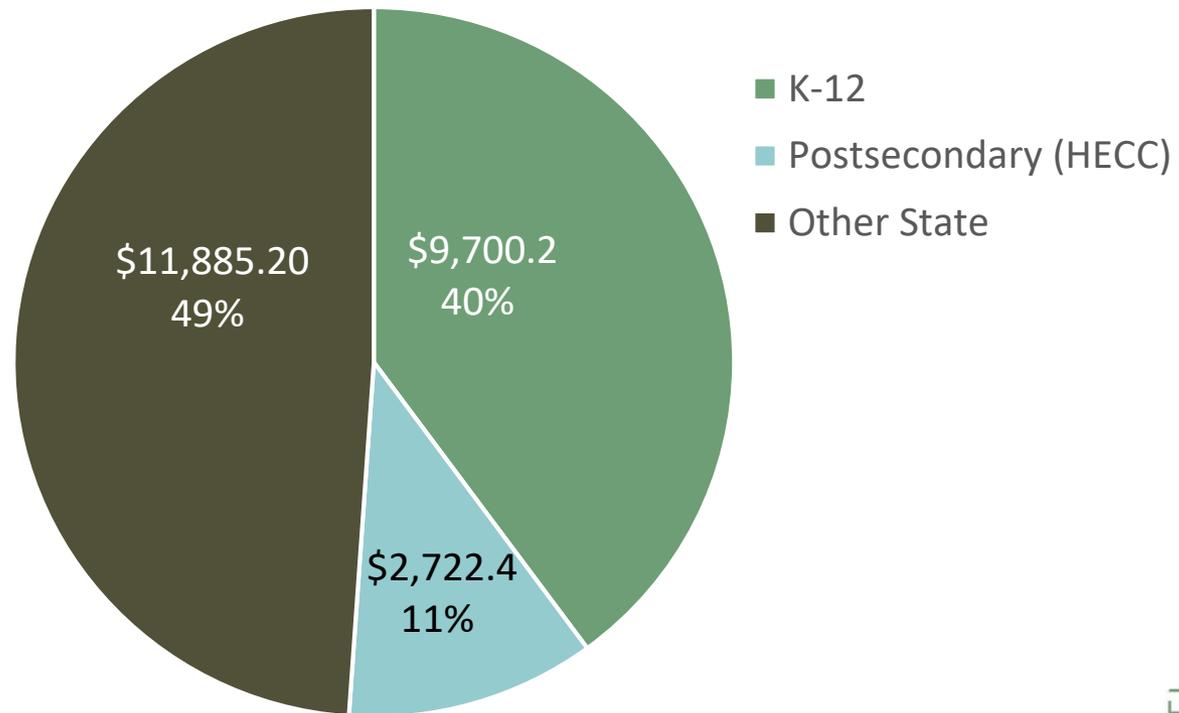
Foster Smooth Pathways and Informed Investments of Time and Money

# Postsecondary Education Represents 11% of the State Budget

2019-21 Percent of Total State General Fund/Lottery Fund Expenditures (\$23.8 Billion Total\*)

Numbers in Millions

\*Current Service Level



# HECC Budget Categories

The HECC budget includes funding for:

- Oregon's 17 community colleges
- Oregon's seven public universities
- Other missions of public universities: state and statewide programs (Agriculture Experiment Station, Extension Service, Forest Research Laboratory), Sports Action Lottery
- Oregon Health & Science University (OHSU) state funds
- Student assistance (state financial aid programs)
- Capital bonding authority for the public institutions
- Debt service for previous capital projects of the public institutions
- Workforce support and other special payments, including support for Oregon's nine Local Workforce Development Boards
- HECC agency operations

Seventy-five percent of HECC's overall budget is comprised of General and Lottery Funds.

# Overall HECC Budget



**77.8%** of HECC's \$2.647 billion CSL budget is distributed directly to public universities, community colleges, students through financial aid, and to Local Workforce Development Boards.



**20.4%** of HECC's budget funds debt service on current and past capital construction projects at universities and colleges.



HECC operations, including all personnel and supplies, account for **1.8%** of the agency's total budget.

# Some Key Impacts of the Governor's Recommended Budget

The base HECC budget is \$2.72B Total Funds, a 9.3 percent decrease from the 2017-19 LAB and a 0.4 percent increase in General Funds.

The primary state funding streams for community colleges and public universities are flat or reduced from the 2017-19 LAB, likely resulting in large spikes in tuition and fees and program cuts.

The state's need-based financial aid program, the Oregon Opportunity Grant, is funded at CSL; with rising student costs, this means HECC will provide fewer grants to support affordability for low-income Oregonians.

The Oregon Promise is no longer funded after the first year of the biennium, eliminating a successful on-ramp to postsecondary education for thousands of Oregon high school graduates.

# Some Key Impacts of the Governor's Recommended Budget

Most current activities of the HECC agency are maintained, and there is a modest increase to strategic workforce activities.

The Sports Action Lottery is eliminated, taking away funding for scholarships for underrepresented students, women's intercollegiate athletics and graduate students.

The Engineering and Technology Sustaining Fund is not funded, ending a program that has increased the number of engineering graduates over decades.

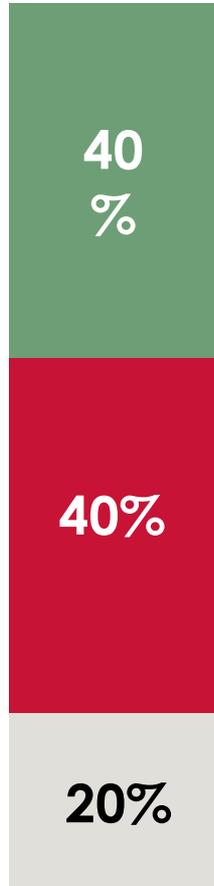
Measure 99 Outdoor School Education Fund support is not funded after the first year of the biennium.

PROGRESS  
TOWARDS STATE  
POSTSECONDARY  
EDUCATION AND  
WORKFORCE  
GOALS



# Oregon's 40-40-20 Goal for Young Adults (HS class of 2025 and beyond)

40-40-20 GOAL



With the passage of HB 2311 in 2017, effective January 1, 2018, Oregon clarified the 40-40-20 educational goal to focus strategically on young Oregonians rising through the education system.

By 2025, 40% of Oregonians will complete a 4-year degree, 40% of Oregonians will complete a 2-year degree or certificate, and 20% will earn a high school diploma or the equivalent.

-ORS 350.014 (2011)

# Oregon's New Adult Educational Attainment Goal

As directed by HB 2311 in 2017, the HECC worked with the Oregon Workforce Talent and Development Board and partners on the development of this new goal, which was formally approved in November 2018.

Oregon anticipates more than 120,000 additional jobs requiring postsecondary training or education between now and 2030.

In order to meet this need, **300,000 additional adult Oregonians should earn a new degree, certificate or credential valued in the workforce during that time.** Because Oregon has substantial attainment gaps among minority, low income and rural Oregonians, the state will also commit to reducing those attainment gaps by half during the decade.

300,000 includes credentials Oregonians are expected to earn at status quo completion rates, **plus 120,000 new credentials needed.**

# Adult Attainment Goal of 300,000 Credentials Are Based on Workforce Projections

**122,500 new jobs** in postsecondary education and training are projected between 2017-2027

## Current Adult Completions

- About 20,000 adults age 25+ complete a degree or career certificate annually



120,000  
Increased Adult  
Completions to  
fill projected job  
growth

- 10,000 to 12,000 more adults each year



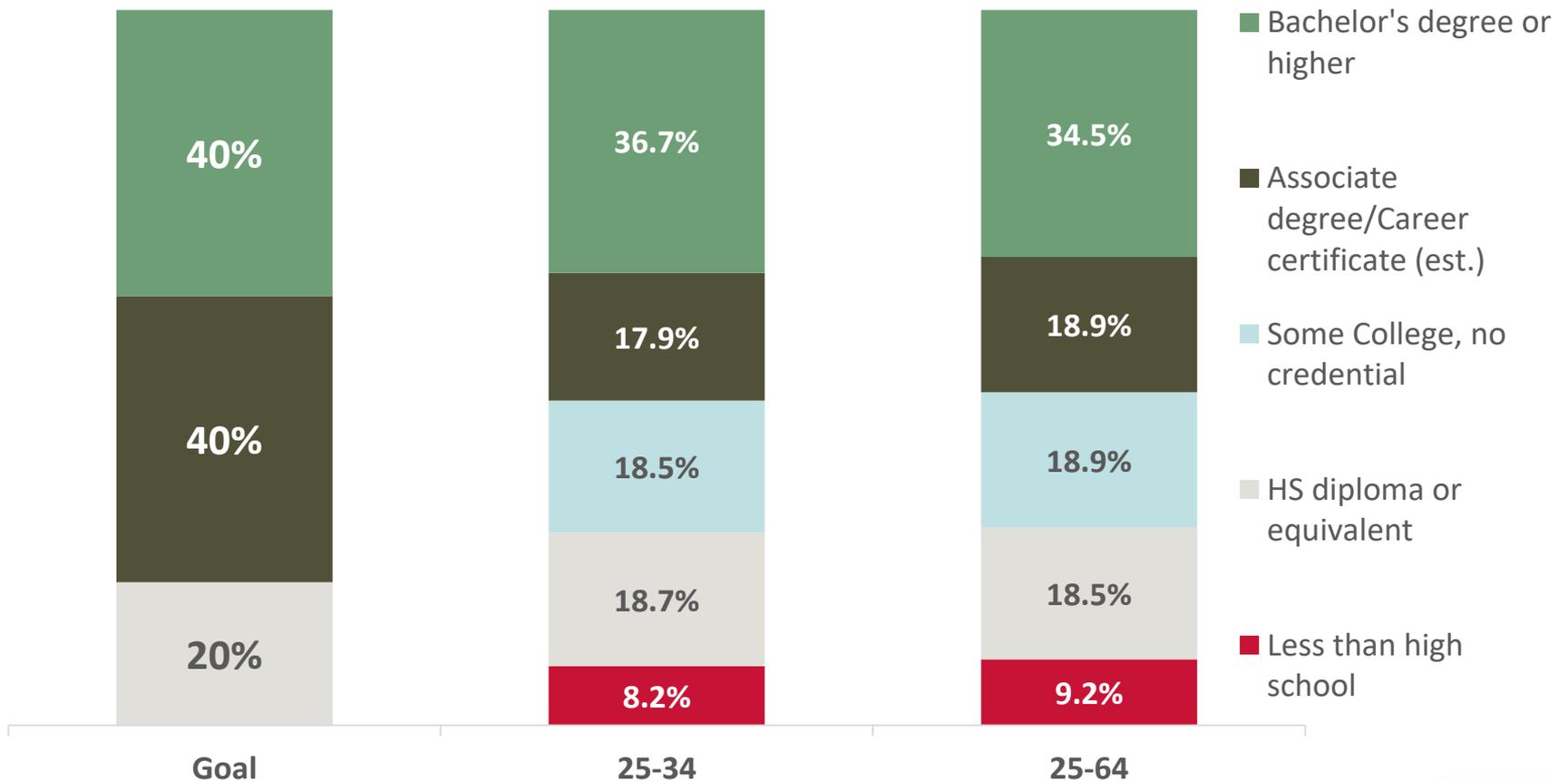
Goal of  
300,000  
adult  
completions  
by 2030.

# Oregon Educational Attainment Rates

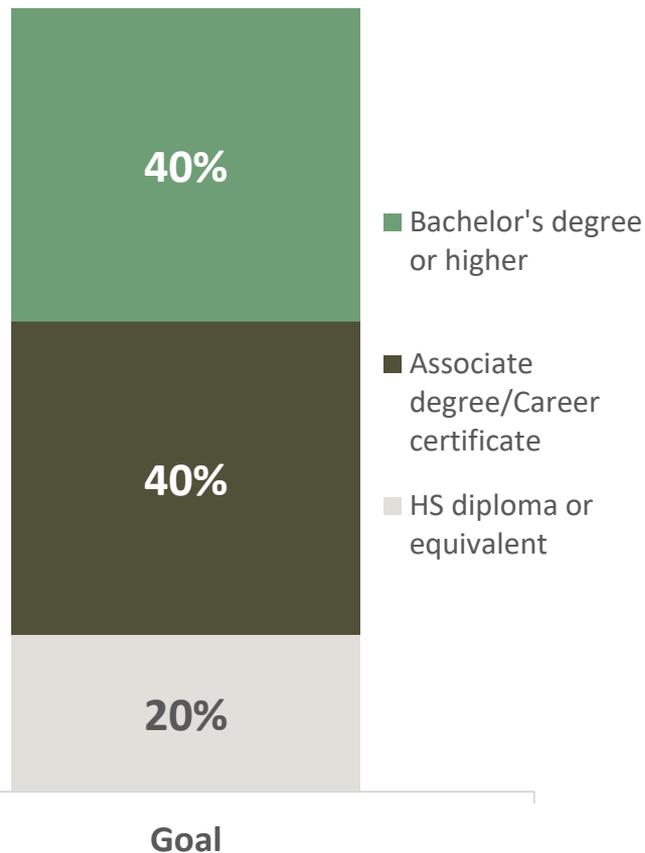
Key Performance Metric  
#4

## Oregon Educational Attainment Rates 2017

### Versus 40-40-20 Goal - Oregon Young Adults and Working Age Adults



# Oregon Educational Attainment Rates: The Middle 40

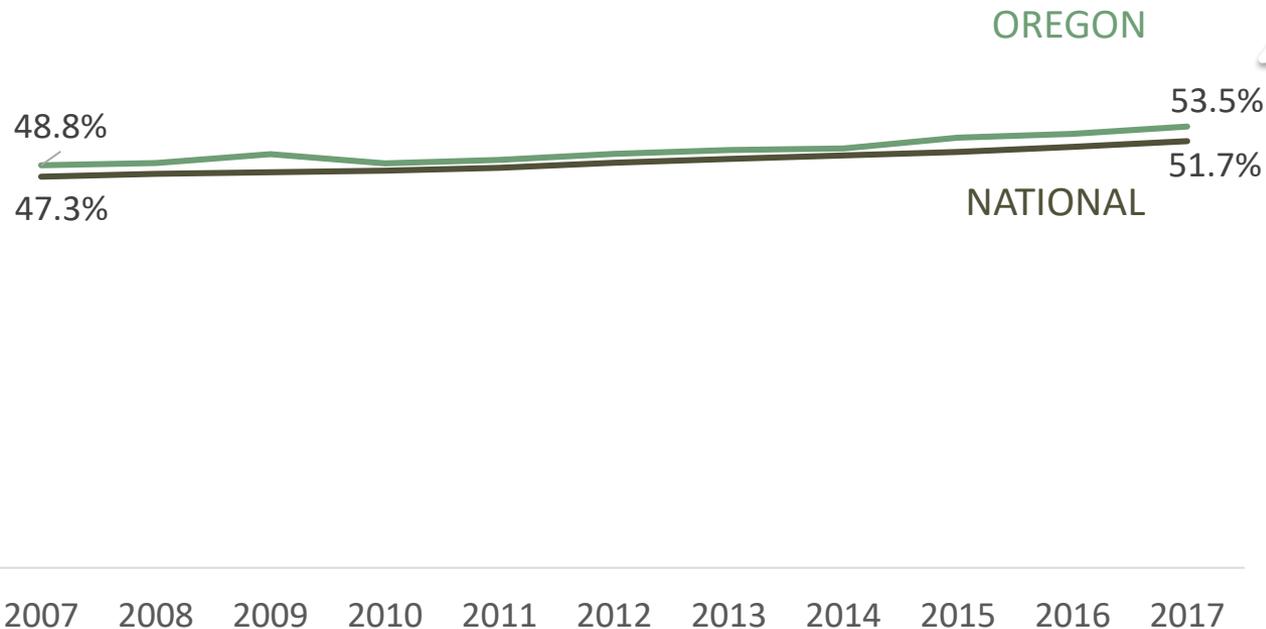


We endorse a broad understanding of what “counts” for the middle 40, including:

- Two-year Associate degrees
- One-year certificates
- Registered apprenticeships
- Career pathways certificates
- Other credentials

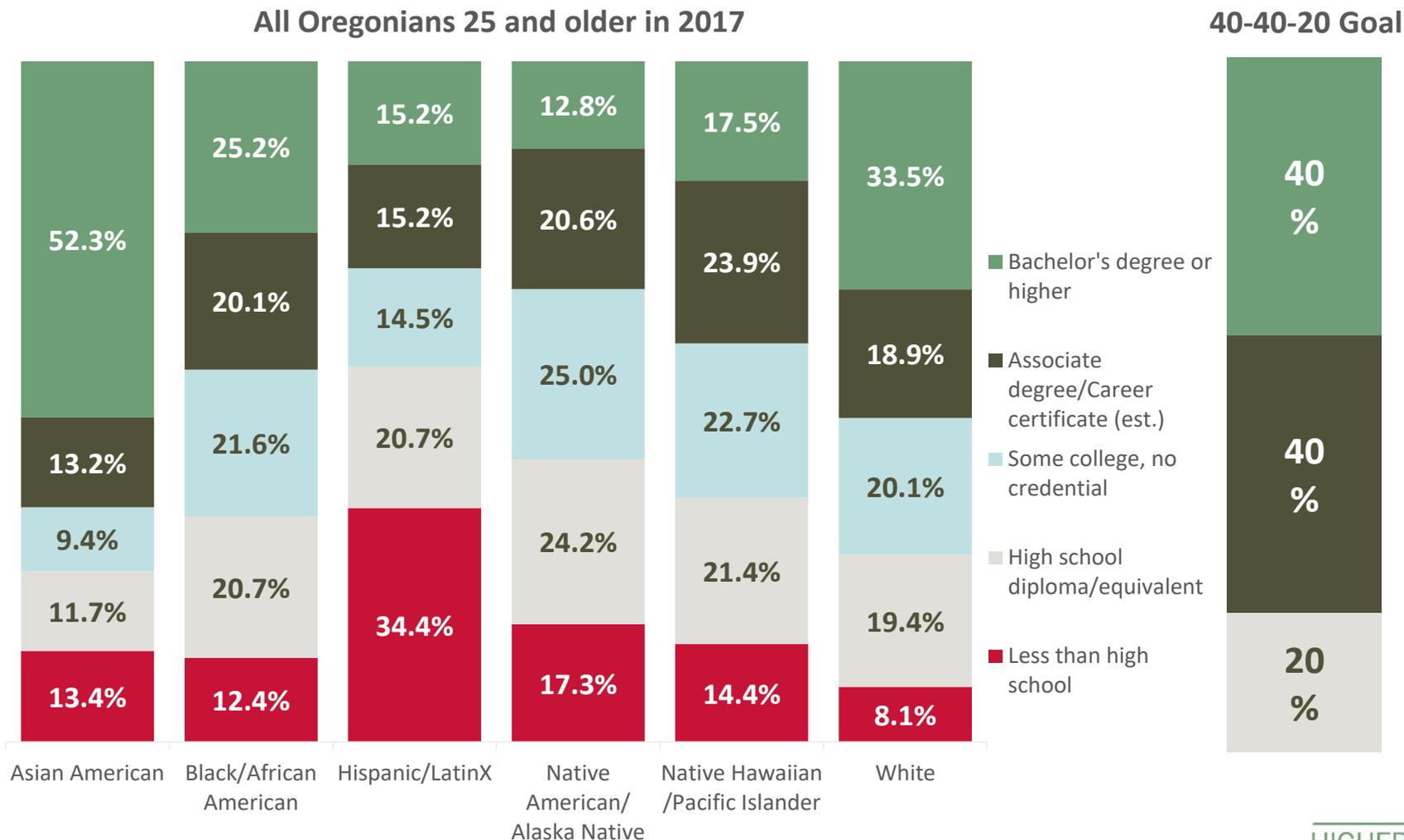
# Educational Attainment in Oregon has been Rising Over Time and is Slightly Above National Rates

Percent of adults age 25-64 with any postsecondary credential



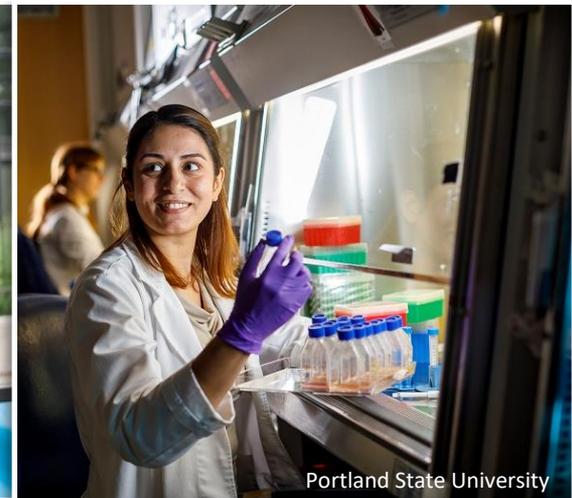
Since 2014, Oregon's attainment has risen slightly faster than national rates

# Oregon Educational Attainment Varies Widely by Race/Ethnicity, Adults Age 25 and Older

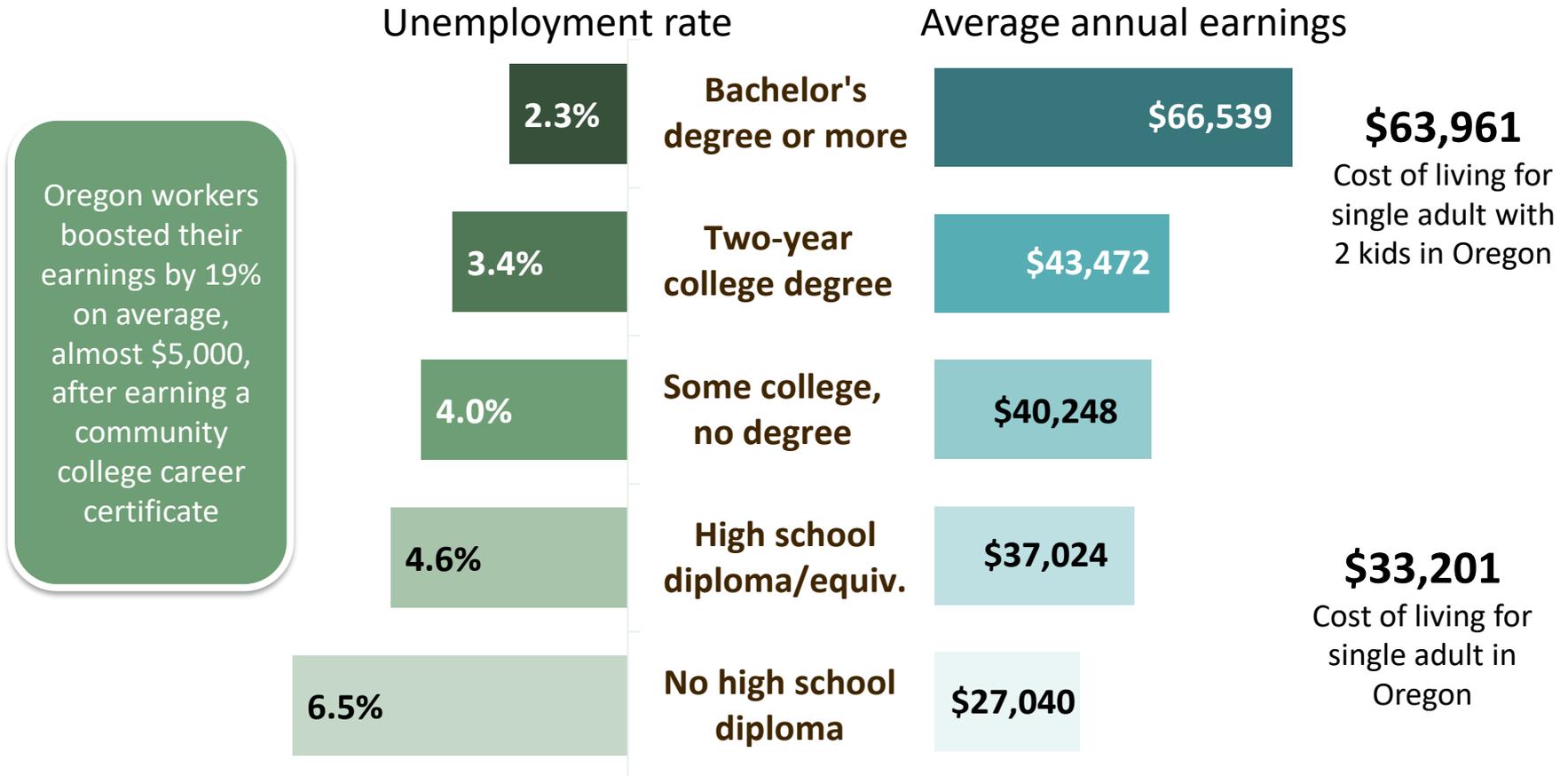


21 Source: American Community Survey data, three-year rolling average of 5-year estimates.

# POSTSECONDARY EDUCATION RETURN ON INVESTMENT, WORKFORCE DEMANDS



# More Education and Training Translate to Higher Earnings and Lower Unemployment



Sources: Unemployment rates and average annual earnings from Oregon Employment Department, 2018 (qualityinfo.org). Cost of living data from Alliance for A Just Society, *Families Out of Balance*, August 2014. Certificates in Oregon data from Carnevale, A.P., N. Ridley, and M.L. Fasules, *Certificates in Oregon: A Model for Workers to Jump-Start or Reboot Careers*. Georgetown University Center on Education and the Workforce, 2018.



# Postsecondary Education Generates Upward Mobility...

For Oregonians from low-income families who enroll in college as young adults, **18%** become high-income earners by their mid-30s.  
→ Compared to **4%** of those who do not enter college as young adults

Students from low-income families who become high-income earners by their mid-30s:

- Community Colleges: **10.7%**
- Universities: **28.0%**
- Private institutions (10 Alliance, 2 other): **29.1%**

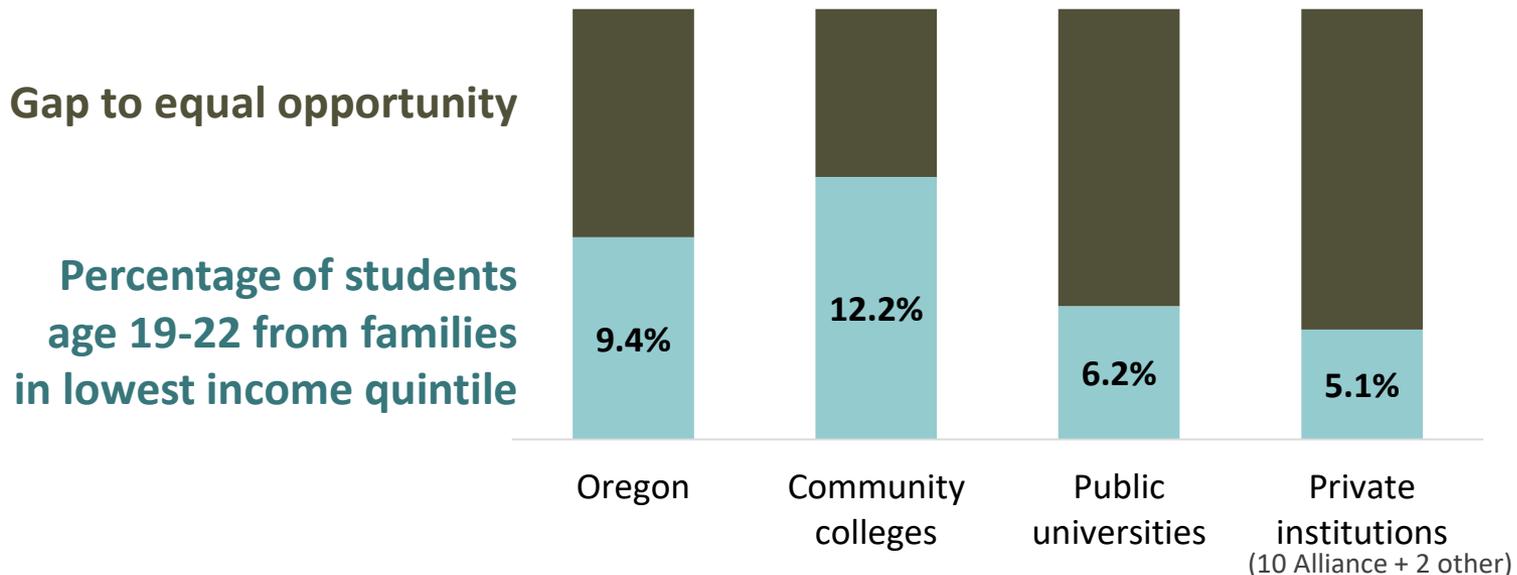
Source: Chetty, Friedman, R.J., Saez, E., Turner, N., and Yagan, D. 2017. *Mobility Report Cards: The Role of Colleges in Intergenerational Mobility*. <https://opportunityinsights.org/data/>.

Notes: Data exclude two community colleges with low enrollment. Private institutions include 10 institutions from the Oregon Alliance of Independent Colleges and Universities and two additional degree-granting private institutions. Trend in percentage of students from low-income backgrounds reflects difference between 1980 and 1991 birth cohorts.

# But Too Few Students Access This Route to Upward Mobility

Students from low-income backgrounds are less likely to be enrolled, especially at more selective schools

Only **9.4%** of Oregon postsecondary students age 19-22 were from families with incomes in the lowest 20%



Source: Chetty R., Friedman, R.J., Saez, E., Turner, N., and Yagan, D. 2017. *Mobility Report Cards: The Role of Colleges in Intergenerational Mobility*. <https://opportunityinsights.org/data/>.

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# Postsecondary Education: Civic, Health, Economic Resilience, and Family Benefits

**Higher levels of postsecondary education correlate with....**

Higher rates of physical exercise, lower smoking rates, and lower obesity rates

Lower rates of participation in public assistance programs (Medicaid, SNAP, etc.), and higher rates of employer-provided health insurance coverage

Lower rates of unemployment, and more likely to get jobs during economic downturn\*

Higher earnings, and less likely to live in households at poverty level

Higher voting and volunteering rates

A 2016 study showed that over 99 percent of job growth in the economic recovery after the 2009 Recession went to workers with more than a high school education.\*

Sources: The College Board, Education Pays 2016

<https://trends.collegeboard.org/sites/default/files/education-pays-2016-full-report.pdf>

\*Georgetown Center on Education and the Workforce, *America's Divided Recovery, College Haves and Have-Nots*, 2016

<https://cew.georgetown.edu/cew-reports/americas-divided-recovery/>

# 2018 Oregon Talent Assessment

Developed by ECONorthwest and Program Policy Insight



Addresses talent needs of Oregon businesses and how to best prepare Oregonians for the evolving 21st century workforce.

Results from a year of research:

- Business needs and labor projections
- Engagement with hundreds of business representatives from industries critical to Oregon's economy

# 2018 Talent Assessment

## Selected Findings

Half of Oregon employers reported a **shortage of skills required for specific occupations** – with problem solving and critical thinking at the top of the list.

The labor market has been rewarding workers for **performing tasks that computers cannot do.**

Oregon shows relatively **modest wage growth**, even while employers report skill shortages.

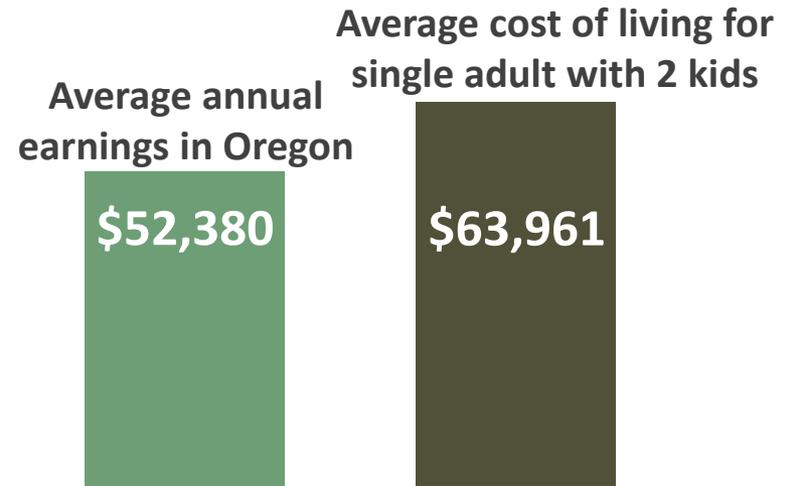
**Interpersonal skills** – also called soft, essential or social skills – are necessary.

**Demographic changes and increasing automation** play leading roles in where the jobs will be.

**Sizable, traditional working age populations are still without work** in Oregon, and almost half have a high school degree or less.

# The Future Calls for Education and Training After High School

Most adults will need to earn above-average annual wages to make ends meet.



**98%**

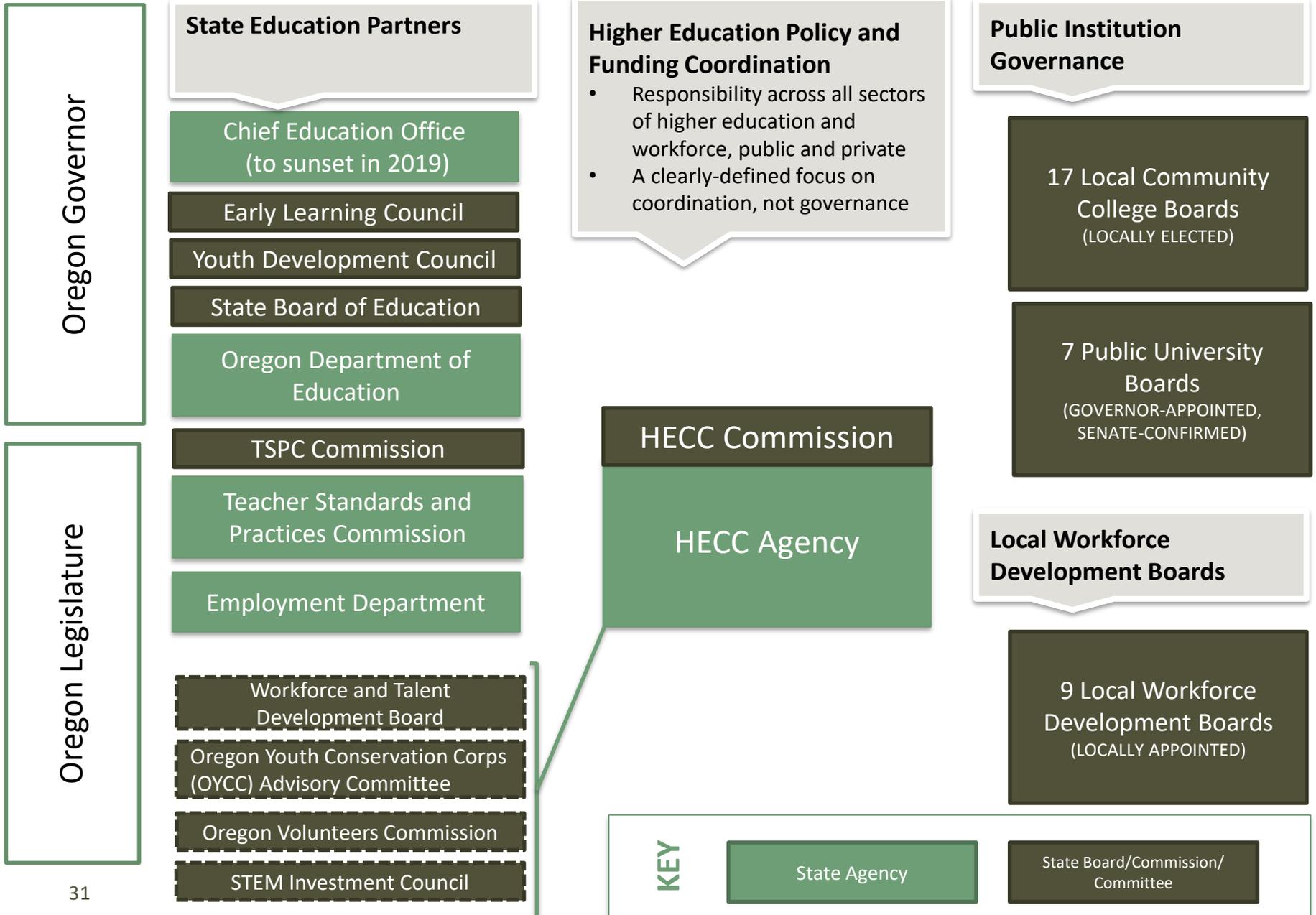
of all jobs with above-average earnings will require a postsecondary credential or degree, 2017-2027.

Half of ALL projected jobs will call for education or training beyond high school  
61% of NEW job growth will call for education or training beyond high school.

# POSTSECONDARY EDUCATION AND WORKFORCE STRUCTURE AND STRATEGIC PLANNING

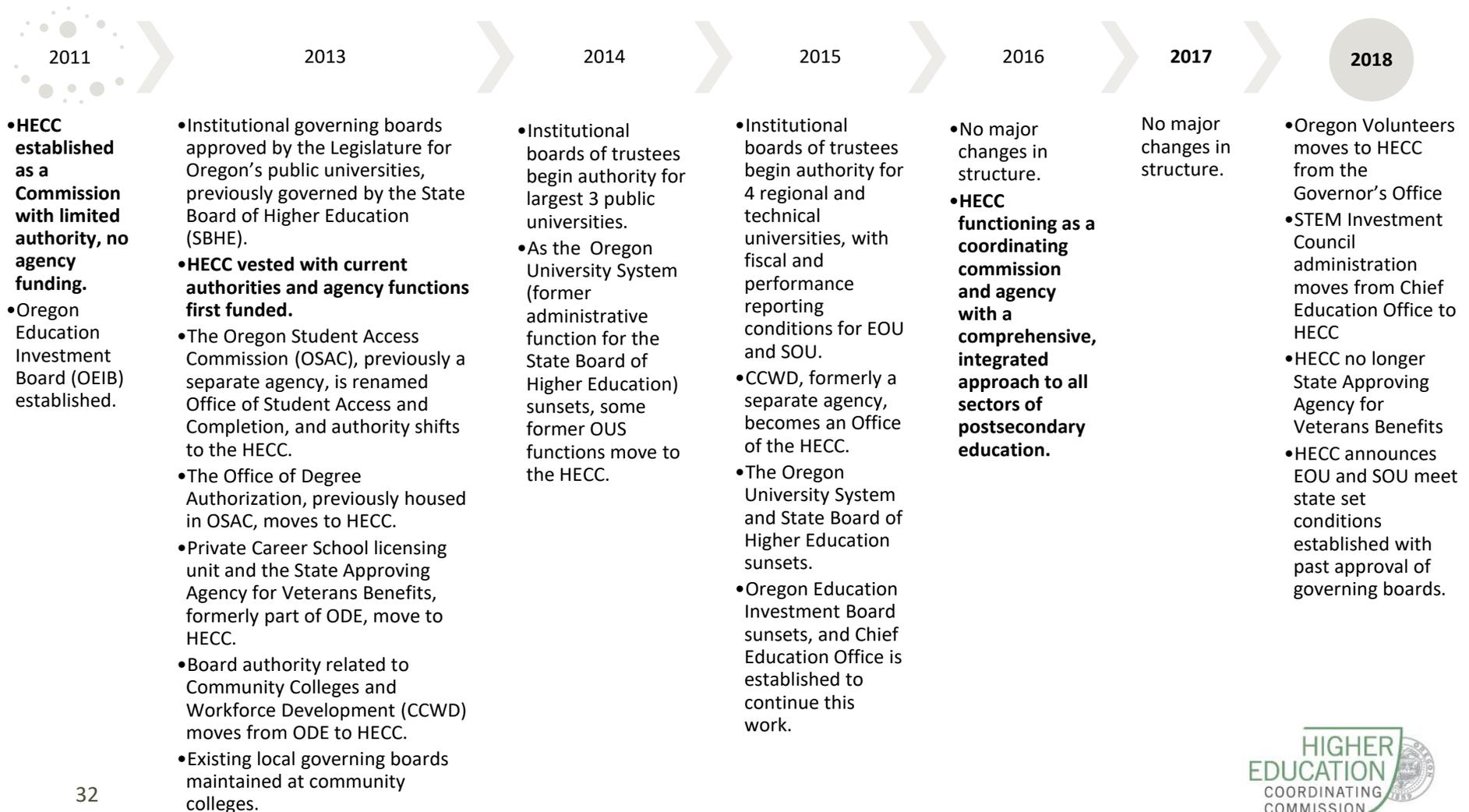


# Postsecondary Education and Workforce Structure



# HECC History 2011-2018: Significant Change in the Higher Education Governance Landscape

From five state agency boards to one\*, a clearly-defined focus on coordination, not governance



\*State agency boards with higher education roles in 2011: OEIB, HECC, SBHE, SBE, OSAC. In 2019: HECC.

# HECC Commissioners: 14 Member Volunteer Commission

HECC,  
2019

**NEIL BRYANT, Chair**

**DAVID RIVES, Vice-Chair**

LEE AYERS-PREBOSKI, univ. faculty\*

VANESSA BECKER

TERRY CROSS

ENRIQUE FARRERA, staff\*

FRANK GOULARD, CC faculty\*

SHELBY PICK, CC student\*

RAMON RAMIREZ

LARRY ROPER

SANDY ROWE

CARMEN RUBIO

KALI SULLIVAN, university student\*

DUNCAN WYSE

\*non-voting members

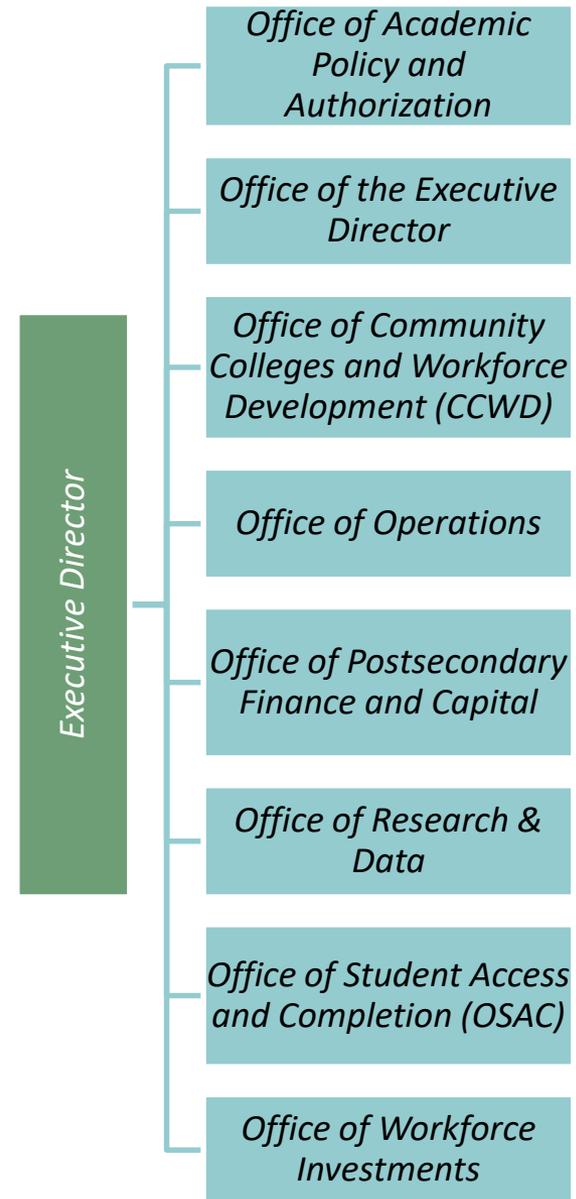


HECC Commissioners and Executive Director Ben Cannon with Governor Kate Brown, February 2019

# HECC Agency Organization

*The Higher Education Coordinating Commission (HECC) is the primary state entity responsible for ensuring pathways to postsecondary education success for Oregonians statewide, and serves as a convener of the groups and institutions working across the public and private higher education arena.*

*Established in 2011 and vested with its current authorities in 2013, the Higher Education Coordinating Commission (HECC) is a **14-member volunteer commission appointed by the Oregon Governor**, with nine voting members confirmed by the State Senate. The Commission is supported by the **Higher Education Coordinating Commission state agency**, comprised of eight distinct offices led by Executive Director Ben Cannon and an executive team.*



# Major Areas of HECC Responsibility

## Setting a strategic vision

- Develop state postsecondary education goals and strategic planning to achieve the state's goals
- Make budgetary recommendations for state postsecondary institutions and programs

## Authorizing postsecondary programs and degrees

- Approve mission statements at public universities
- Approve significant new academic programs at public institutions
- Authorize some private and out-of-state colleges and universities, and license all private career schools

## Distributing state funding

- Adopt formulas that govern the distribution of state funding to community colleges and public universities, and grant aid to students
- Administer grants and contracts for other state appropriations

## Administering financial aid, workforce, and other programs

- Operate state financial aid and outreach programs (Oregon Opportunity Grant, Oregon Promise, ASPIRE, and more)
- With the state workforce board and Employment Department, manage state implementation of the Workforce Innovation and Opportunity Act (WIOA)
- Administer Adult Basic Skills, GED, and other programs

## Evaluating and reporting

- Conduct data collection, analysis, research, and reporting across all sectors of higher education
- Conduct biannual institutional evaluations for public universities

# Oregon Equity Lens



The Oregon Equity Lens was adopted by the HECC in 2014 as a cornerstone to the State's approach to education policy and budgeting.

**Purpose:** To clearly articulate the shared goals we have for our state, the intentional policies, investments and systemic change we will make to reach our goals of an equitable educational system, and to create clear accountability structures to ensure that we are actively making progress and correcting where there is not progress.

- Confirms the **importance of recognizing institutional and systemic barriers** that have limited access and success for many students.
- Emphasizes **historically underserved students**, with a **particular focus on racial equity**.

# HECC Strategic Planning to Achieve State Goals

[www.oregon.gov/highered/about/Pages/strategic-plan.aspx](http://www.oregon.gov/highered/about/Pages/strategic-plan.aspx)

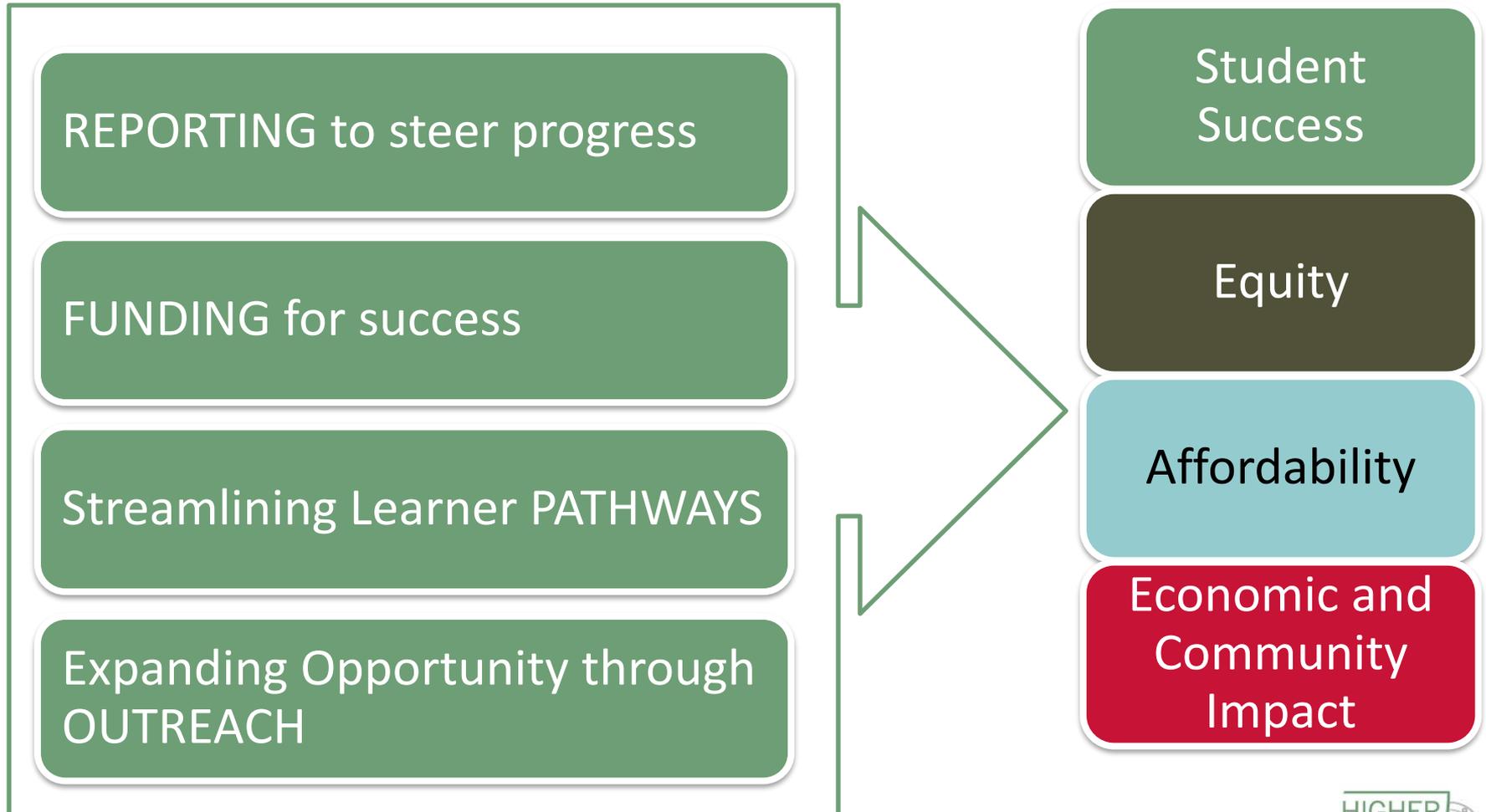
## Strategic Plan 2016-20

- The HECC is required by statute (ORS 350.075(d)) to adopt a strategic plan for state postsecondary goals. The HECC's *2016-20 Strategic Plan* charts a path forward to make progress for all Oregon's current and future students.

## Strategic Framework 2017-2021

- As an addendum and update to the 2016-2010 Strategic Plan, the Commission in 2017 adopted a Strategic Framework 2017-2021 that will guide its strategic action in the coming years. The Framework concisely describes the Commission's vision, mission, values, and beliefs, and **defines four key areas of activity to achieve goals established by the 2016-20 Strategic Plan.**

# Four Strategic Action Areas Guide HECC's Work to Achieve Four Key Goals



OREGON  
LEARNERS  
SERVED BY THE  
POSTSECONDARY  
INVESTMENT:  
STATEWIDE AND  
NATIONAL  
TRENDS



Mt. Hood  
Community College



Oregon Institute of  
Technology



Portland State University



Chemeketa  
Community College

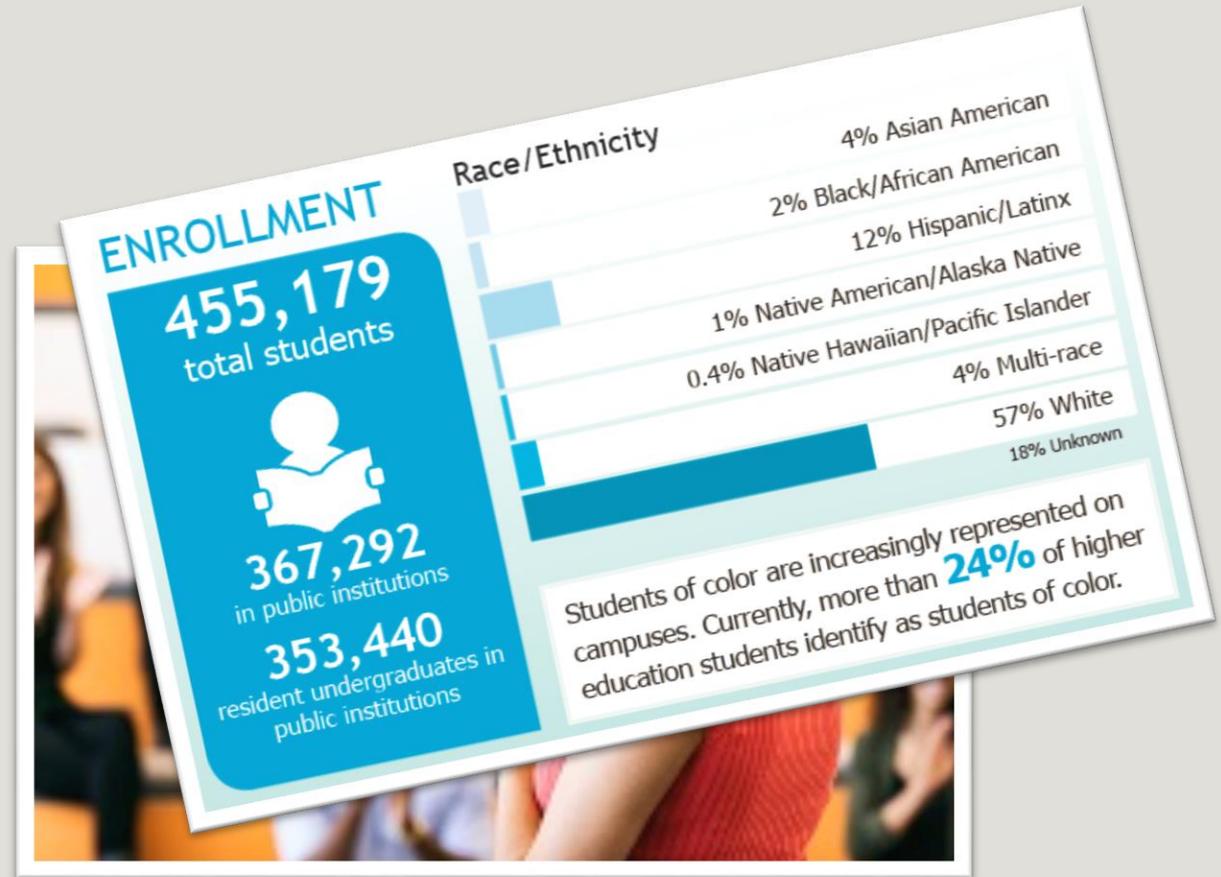
# Snapshot: Enrollment

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

Public institutions enrolled 367,292 Oregon residents at all levels in 2016-17.

Private and public institutions enrolled 455,179 students total (all levels, all residency).



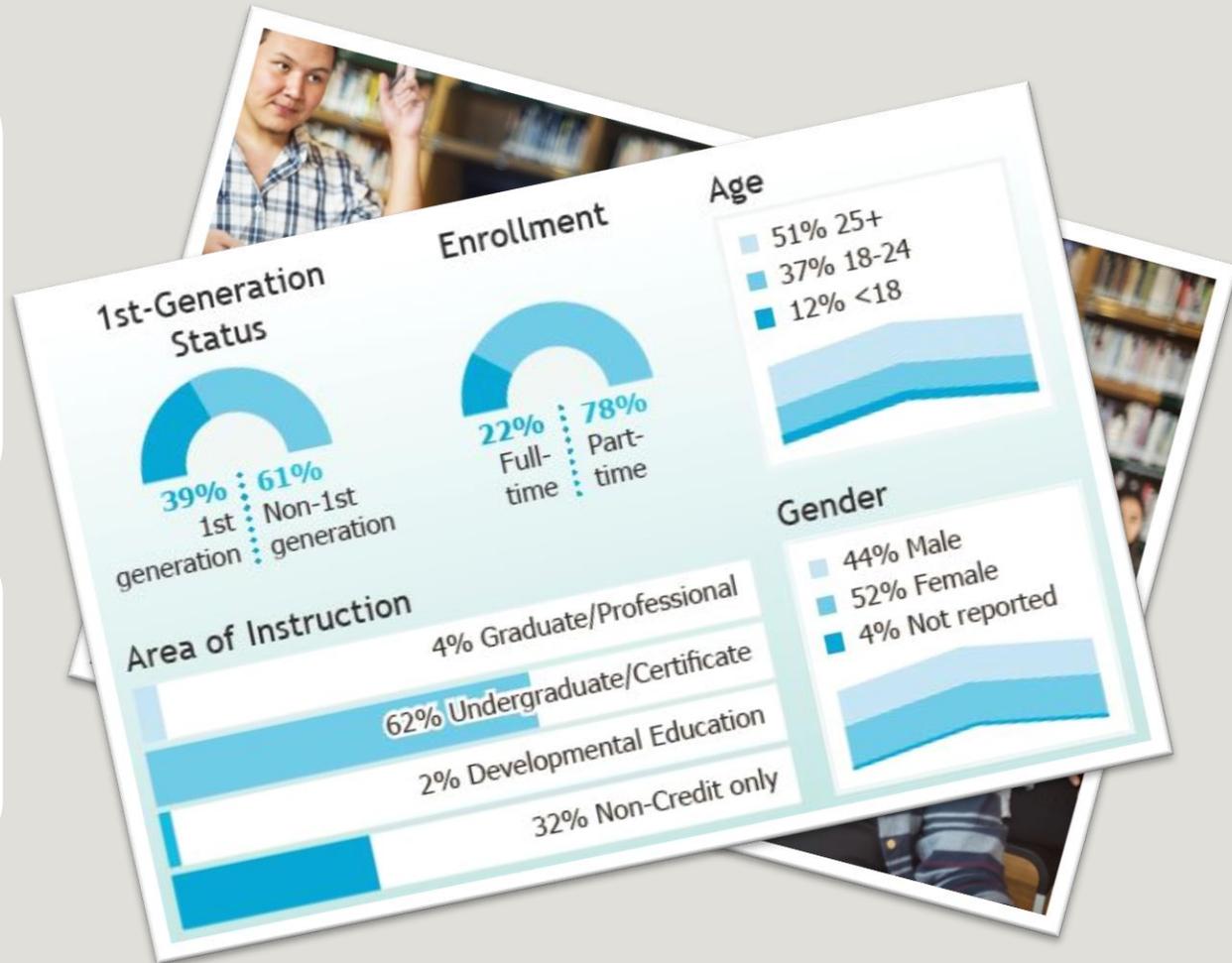
# Snapshot: Enrollment

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

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Of resident students in public institutions in 2016-17, 39% were 1<sup>st</sup> generation college students.

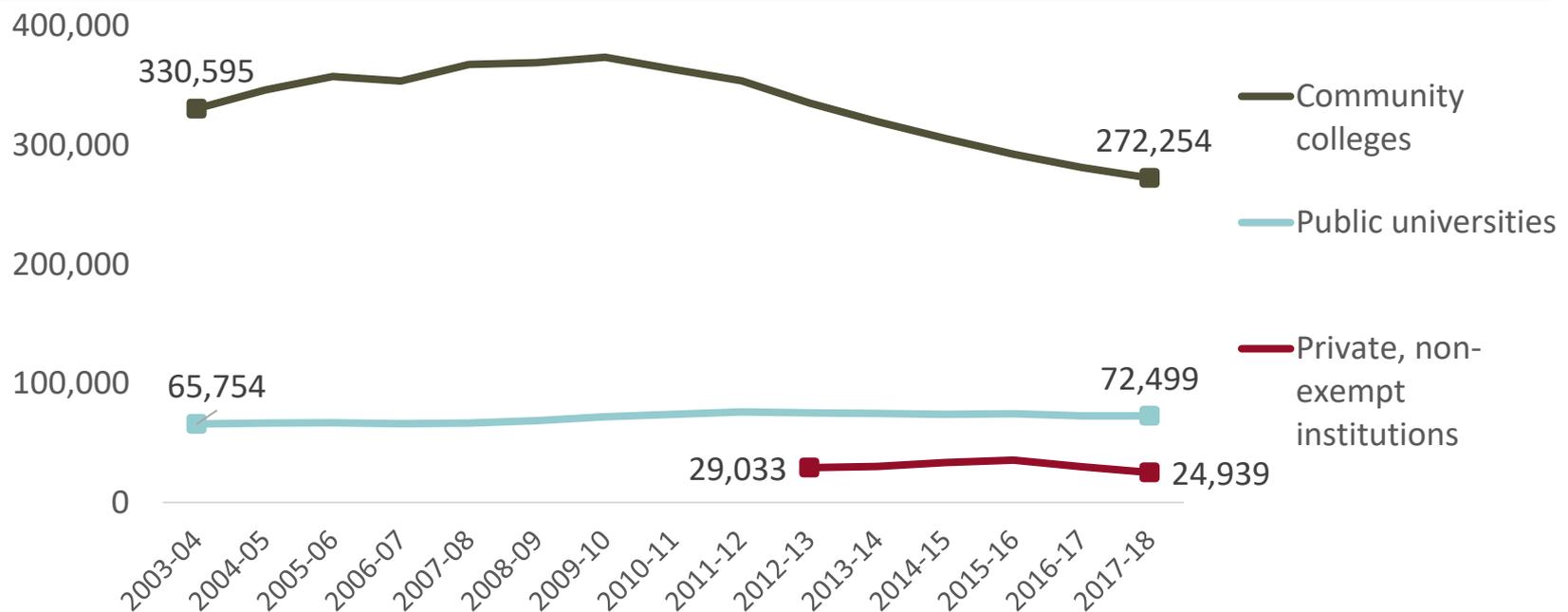
62% were pursuing an undergraduate degree or certificate.



# Oregon Undergraduate Enrollment has Risen in Universities and Fallen in Community Colleges

Annual number of undergraduates by institution type, 2003-04 to 2017-18

Community college enrollment is closely aligned with economic trends, with declining enrollment since 2010 following the strong economic recovery. Enrollment also reflects rising college course taking among high school students.

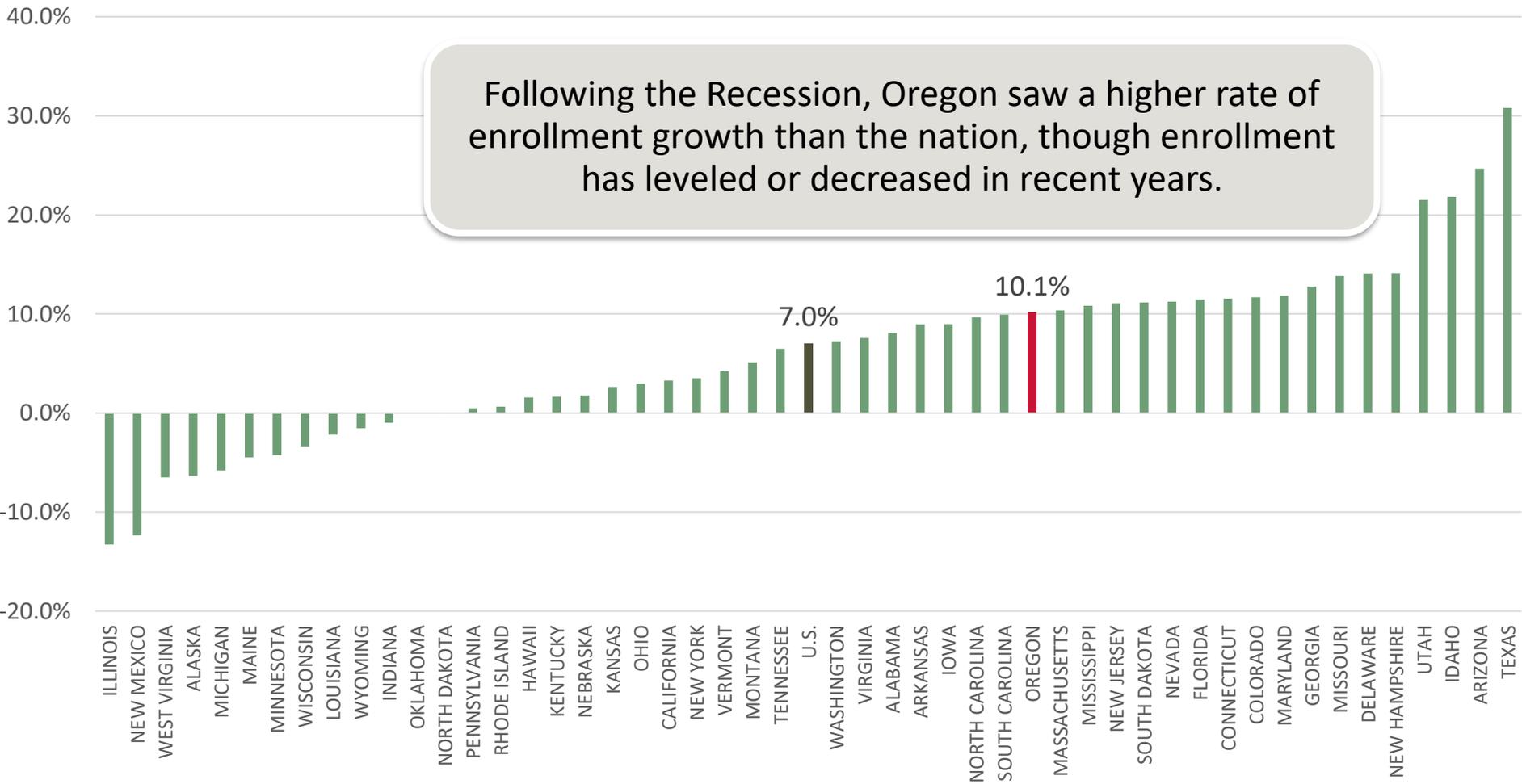


Source: For public universities and community colleges: HECC analysis of student data from all institutions. Includes annual headcount for resident, undergraduate and non-admitted undergraduate students. For independent schools: HECC analysis of student data from private institutions that are authorized by the HECC and reported data. Includes annual headcount for resident and nonresident undergraduate students.

# Enrollment since Recession

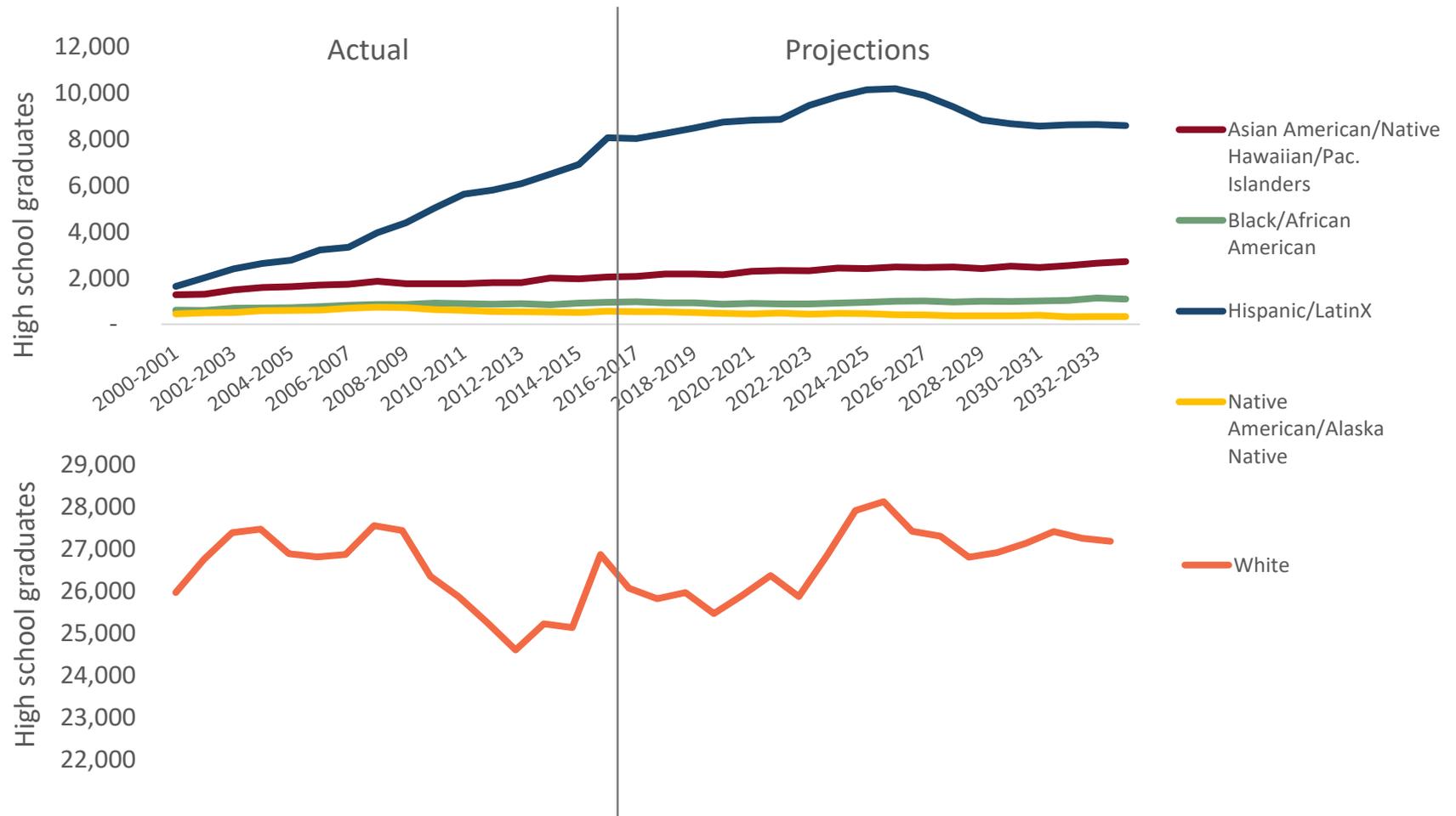
FTE Enrollment: Percent Change Since Recession (2008-2018)

Following the Recession, Oregon saw a higher rate of enrollment growth than the nation, though enrollment has leveled or decreased in recent years.



# Oregon Youth Projections Show Growing Diversity

Oregon Public High School Graduates by Race/Ethnicity, 2000-01 to 2016-17 (Actual), 2017-18 to 2033-34 (Projected)



Notes: Projections derived from HECC analysis and include progression ratios from kindergarten through high school graduation, use the most recent four years of data, and include students entering or exiting the public school system (typically through migration). Sources: Centers for Disease Control data on Oregon birth rates by race-ethnicity, National Center for Education Statistics data on Oregon public elementary and secondary school enrollment and on private high school graduates, Oregon Department of Education (ODE) data on public high school graduates, and historic ODE data on home school graduates.



# Oregon High School Graduates Need Pathways to Success After Graduation

Key Performance Metric  
#1, #2

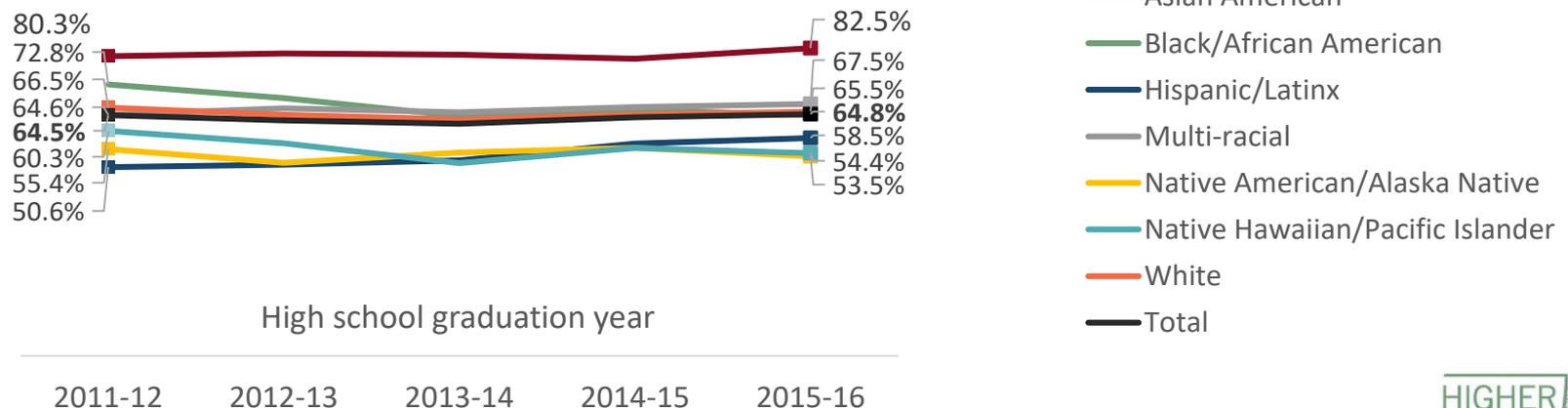
Large gaps in college-going rates call for a strong focus on equity

## Only 64.8% of Oregon high school graduates enroll in college within 16 months of graduating

The college-going rate has been stable for the last 5 years. As more students are graduating from high school, more are going to college as well. The strong economy has also pulled many graduates directly into the workforce.

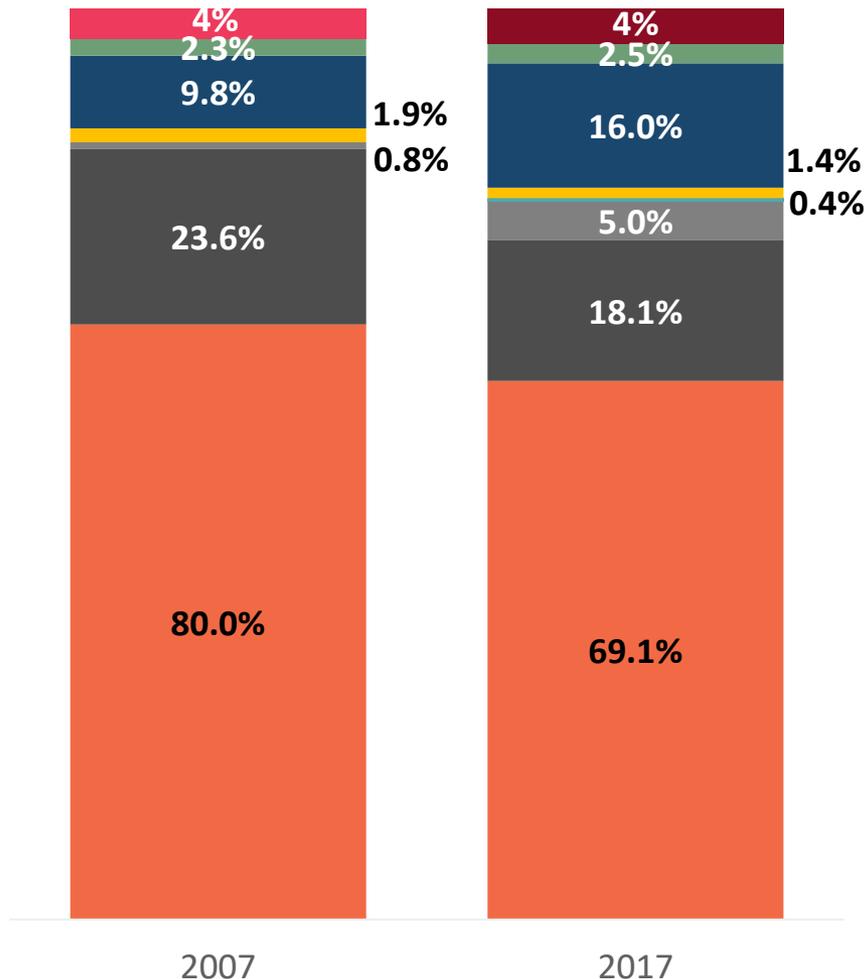
College-going rates vary almost 30 percentage points by race/ethnicity, and higher-income graduates are 20 percentage points more likely to enroll than lower-income graduates.

Rate of high school graduates enrolling in college or university



# Public Institutions have a Multicultural Student Body

Percentage of Oregon students in different racial/ethnic groups, 2007 and 2017



Students who are Hispanic/LatinX or multi-racial have grown in number, while access remains difficult for Black/African American and Native American/Alaska Native students

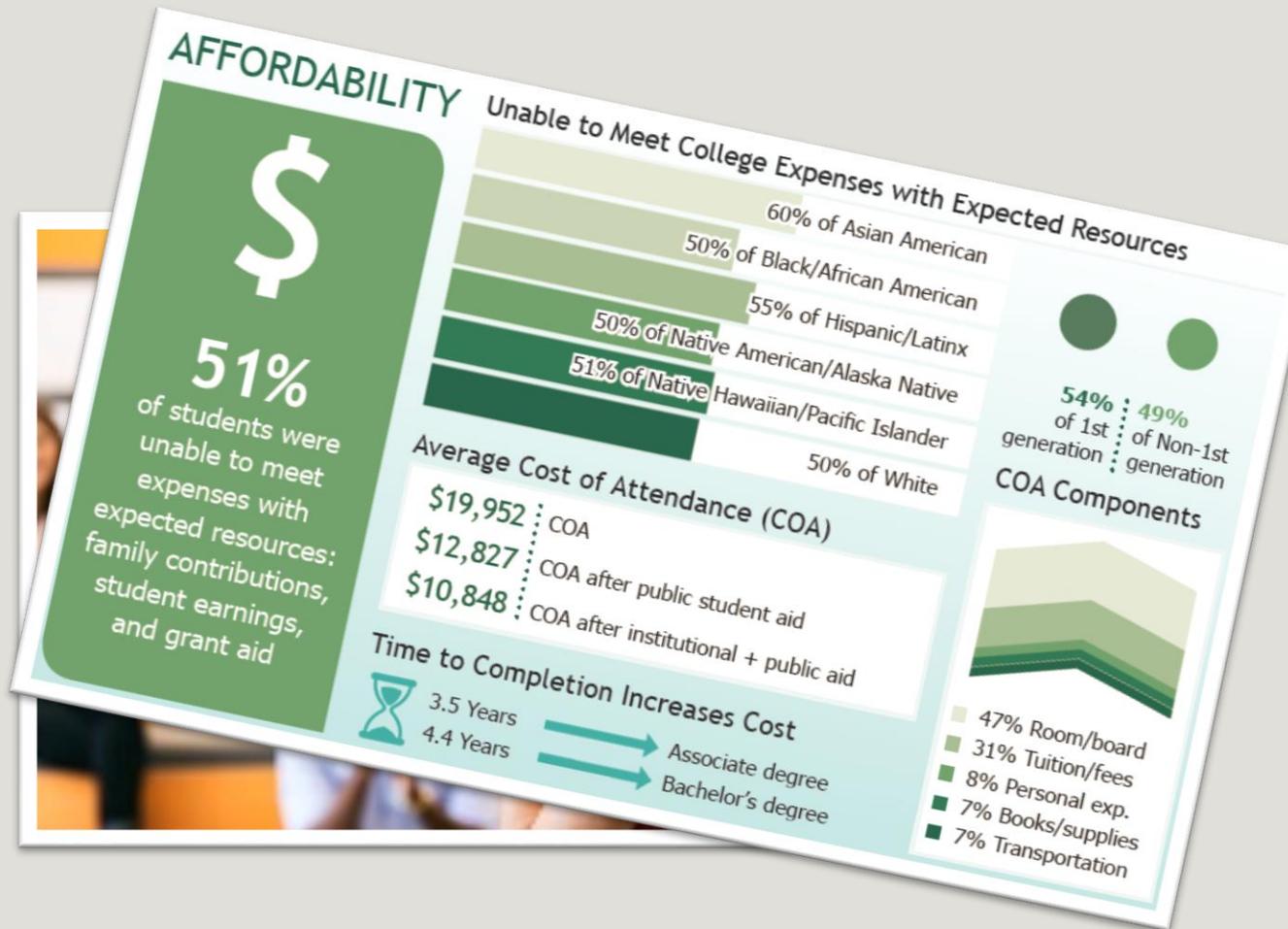
	2007 Asian Americans, Nat. Hawaiians/Pac. Islanders*
	2017 Asian Americans*
	2017 Native Hawaiians/Pacific Islanders*
	Black/African American
	Hispanic/LatinX
	Native American/Alaska Native
	Two or more
	Unknown
	White

# Snapshot: Affordability

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

<https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

51% of students were unable to meet expenses with expected resources: family contributions, student earnings, and grant aid.



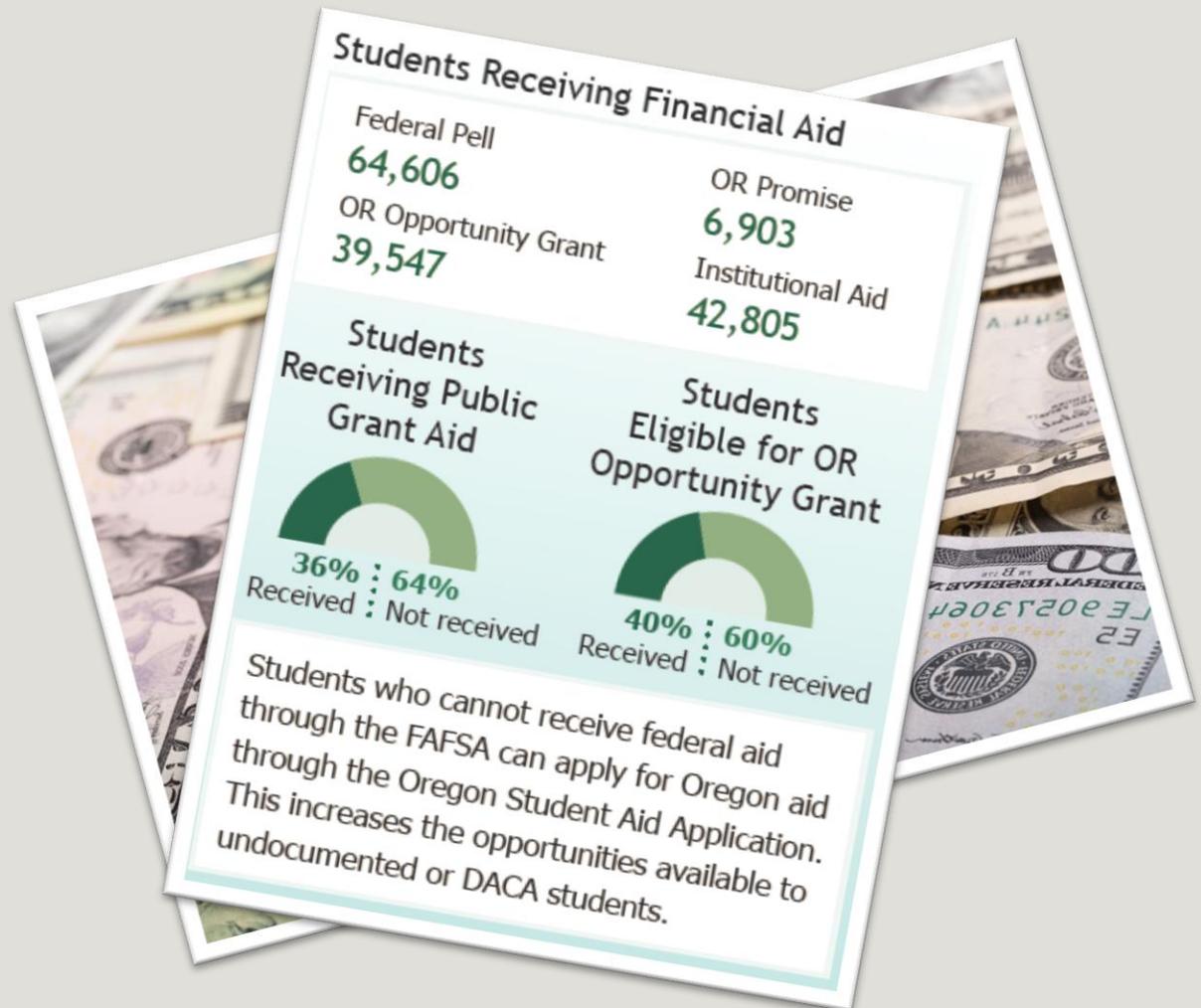
# Snapshot: Affordability

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

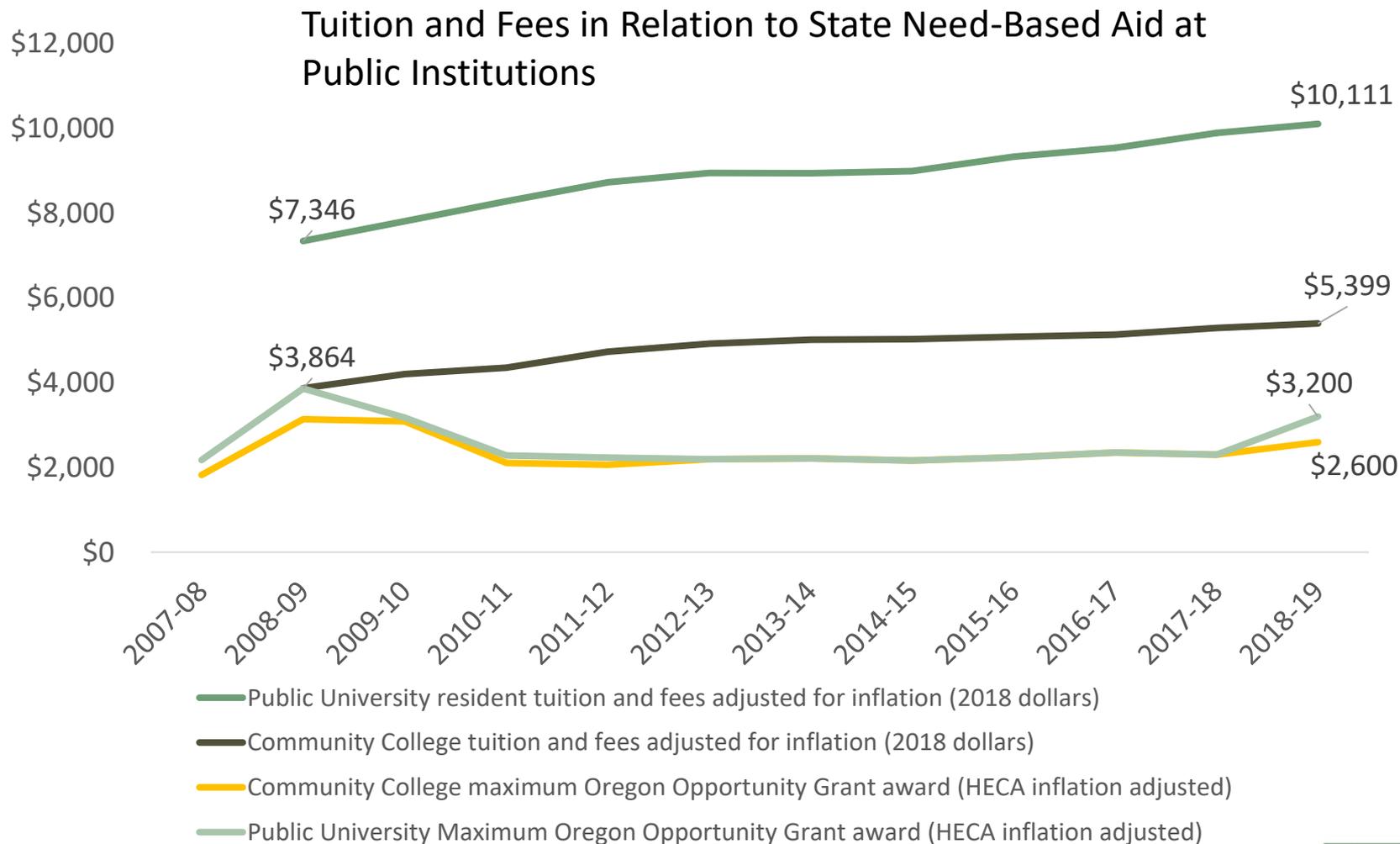
- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

64% of students did not receive any public grant aid.

Of students eligible for the Oregon Opportunity Grant, only 40% received it.



# While Tuition has Increased, Need-Based Grants Have not Kept Pace (inflation-adjusted)



# Oregon Students Face Cost Challenges Beyond Tuition

## Average Student Budgets: Oregon Postsecondary Institutions, 2018-19

	Tuition and Fees	Books and Supplies	Room and Board	Personal Expenses + Transportation	TOTAL
Public Universities	\$10,111	\$1,222	\$11,761	\$2,707	<b>\$25,801</b>
Community Colleges	\$5,399	\$1,402	\$9,534	\$3,039	<b>\$19,374</b>
Private Institutions*	\$35,195	\$1,057	\$10,814	\$2,620	<b>\$49,557</b>

These are average estimates based upon tuition and standard fees based on full-time, full-year enrollment at 15 credits per term. Actual student budgets vary widely depending on student circumstances, from availability of housing options to the variety of books/supplies costs for different programs of study.

# Completion Impacts Affordability

Time to Completion Impacts Affordability

- Increased credits
- Financial aid limits

3.5 years

Associate Degrees

3 years + pre-transfer years

Bachelor's Degrees for Transfer Students

4.5 years

Bachelor's Degrees for First-time Freshmen

Whether Students Complete Impacts Affordability

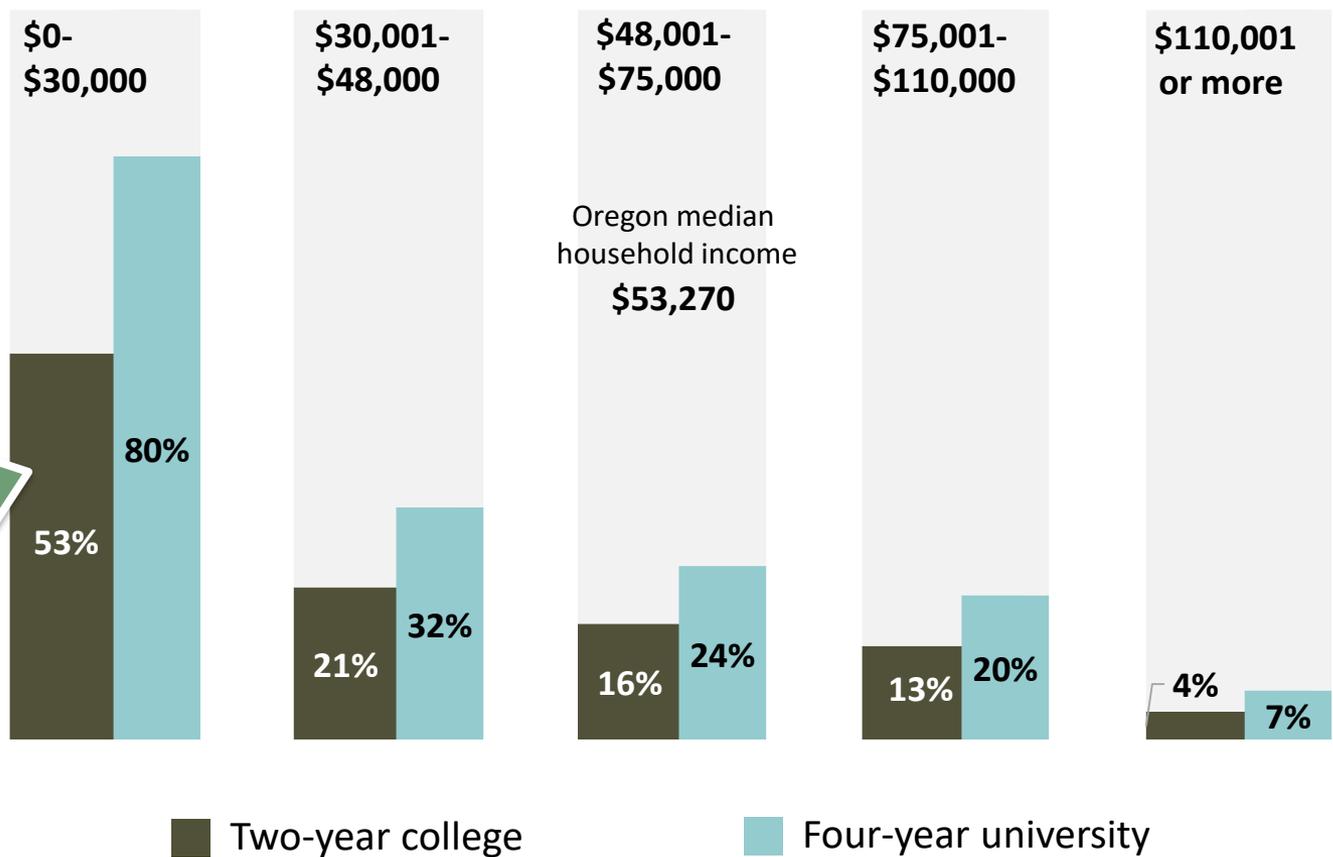
- Students who complete have higher incomes and lower unemployment rates than students who do not complete.\*
- Student loan repayment rates are higher among those from higher income backgrounds who complete their degrees.\*\*

# Despite Public Grants, the Financial Burden of College Remains Much Greater for Low-Income Families

Share of household income required to meet college expenses, after grant aid

**OREGON LAGS IN SUPPORTING FAMILIES WITH THIS BURDEN.**

Nationally, low-income families in the lowest-income bracket spend **40%** of their income on 2-year college costs and **60%** on 4-year university costs.



Source: Karol Dachelet, "Can Students Pay for College?", Education Commission of the States analysis, December 2018 <https://ednote.ecs.org/can-students-afford-to-pay-for-college>. Data sources for the study are: Net Price, IPEDS Winter 2016-17. Student Financial Aid Component. Median Household Income, U.S. Census Bureau. 2012-2016 ACS 5-year Estimates. Note: Percentages based on the median for each income bracket.



# Many Students Face Food and Housing Insecurity

Food insecurity is high among Oregonians.

**College students are struggling with basic needs.** In the largest national survey performed by the Wisconsin HOPE Lab (surveying students at 66 institutions in 20 states), **over a third of college students were food or housing insecure**, and this was more prevalent among former foster youth, underrepresented students of color and first-generation students.\*\*

Approximately **14.6% of Oregon households were food insecure** from 2014-16. Oregon ranks 14<sup>th</sup> worst in the nation for food insecurity.\*

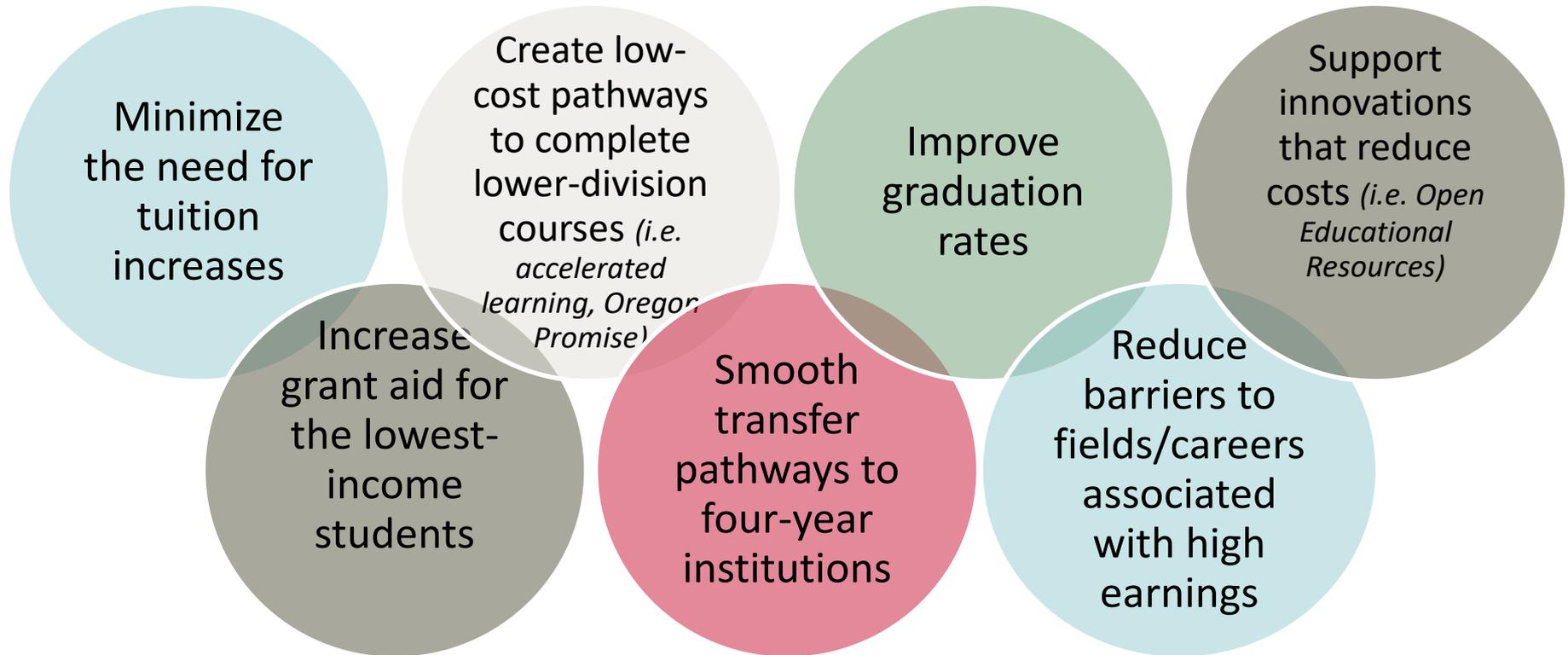
36% of university students and 42% of community college students were food insecure in the 30 days preceding the survey.

36% of university students and 51% of community college students were housing insecure.

**9% of university students and 12% of community college students were homeless.**

Sources: \*Oregon Lags in Fighting Food Insecurity, Oregon Center for Public Policy, 2018 , based on 2016 data <https://www.ocpp.org/2018/05/17/oregon-food-insecurity-lag/> \*\*Still Hungry and Homeless in College, based on a survey of 43,000 students at 66 colleges and universities in 20 states and Washington D.C.. By Sara Goldrick-Rab, Jed Richardson, Joel Schneider, Anthony Hernandez, and Clare Cady. Wisconsin HOPE Lab. April 2018. <https://hope4college.com/wp-content/uploads/2018/09/Wisconsin-HOPE-Lab-Still-Hungry-and-Homeless.pdf>

# Affordability: A Multi-Dimensional Problem Requires a Multi-Dimensional Solution



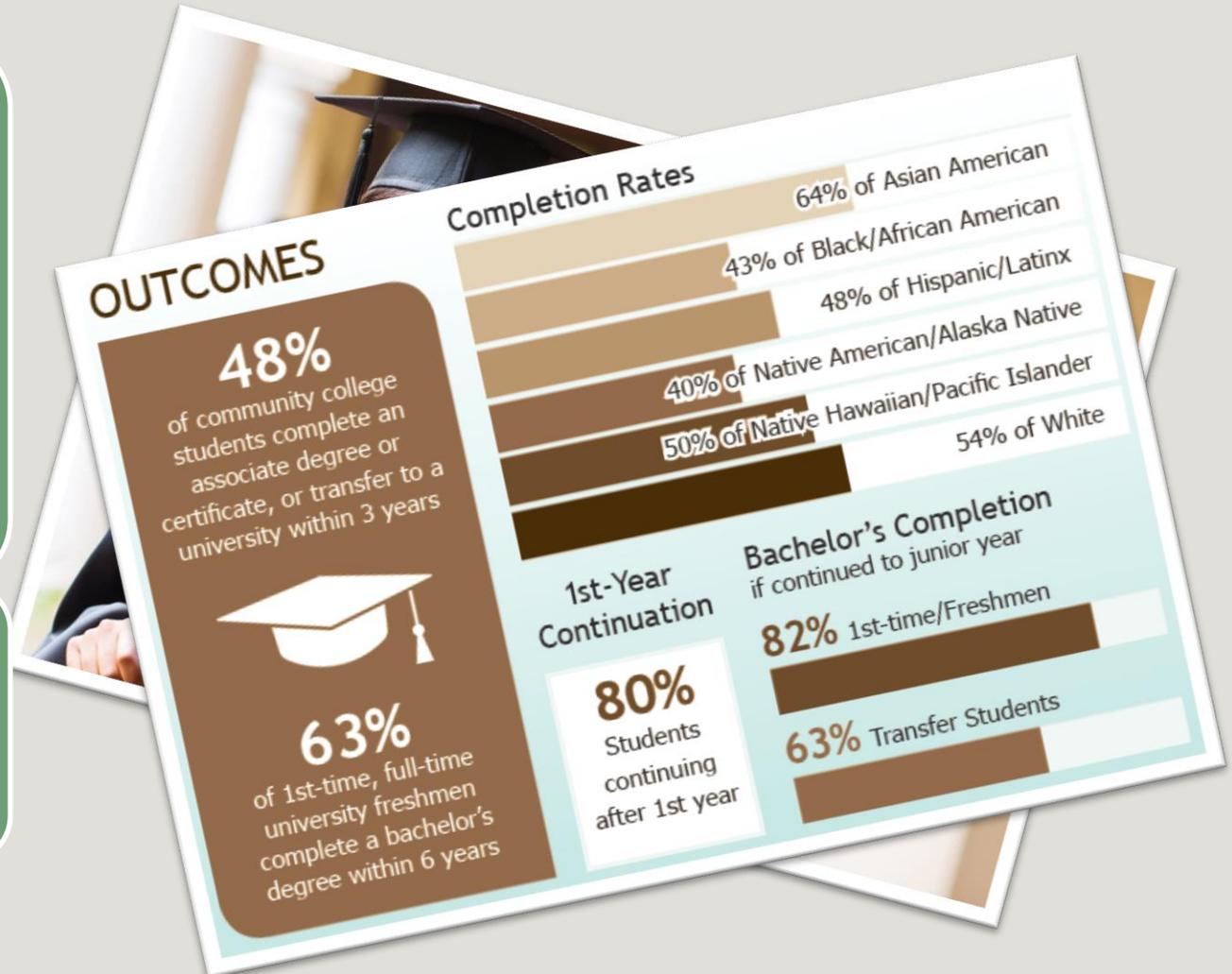
# Snapshot: Outcomes

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

47% of community college students complete an associate degree or certificate, or transfer to a university within 3 years. 63% of 1<sup>st</sup> time, full-time university freshmen complete a bachelor's degree within 6 years.

The completion gap between students of color and their white classmates continues to be significant.



# Snapshot: Outcomes

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Public Institutions, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

Number of awarded degrees/transfers, 2016-17:

3,734

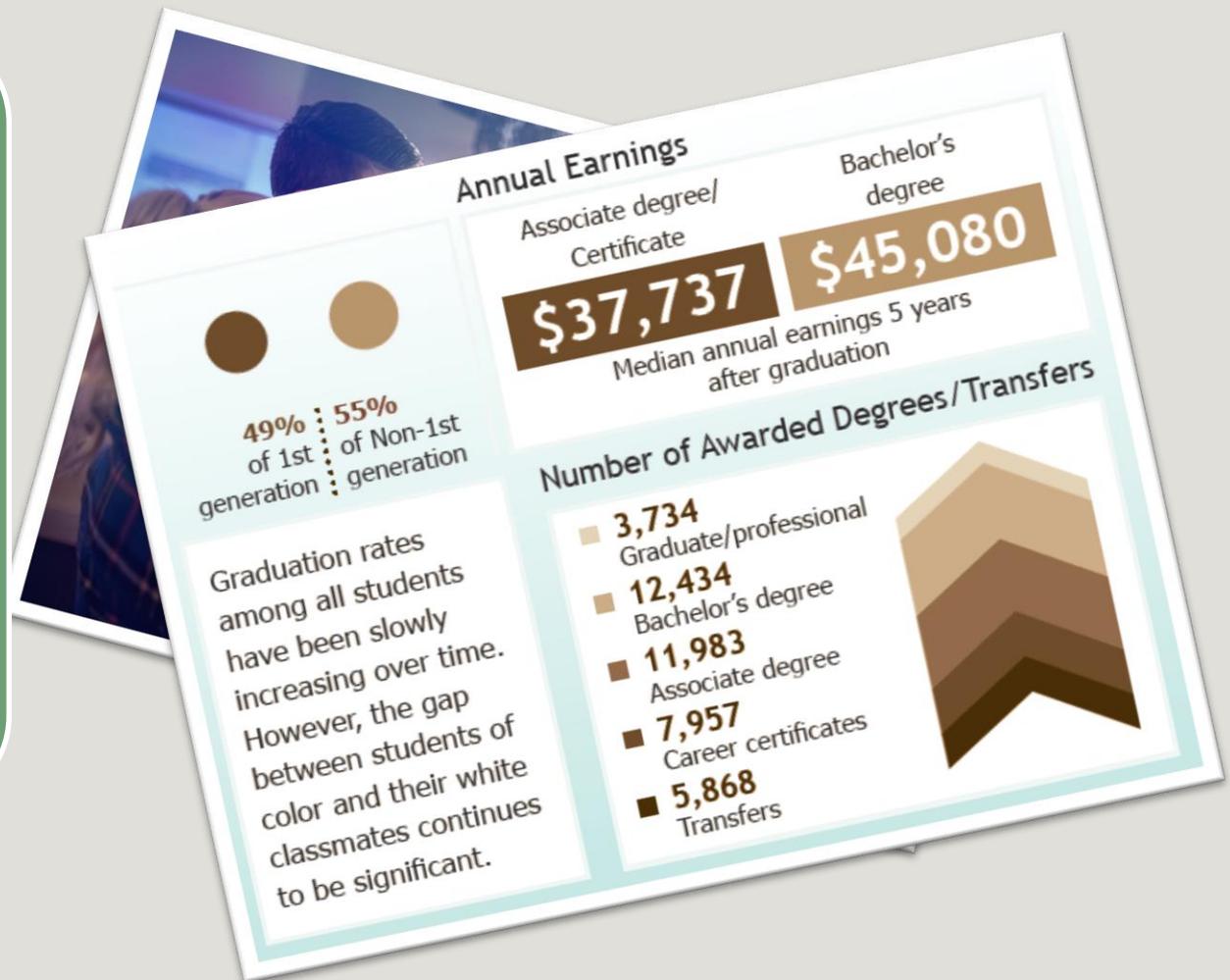
Graduate/Professional

12,434 Bachelor's

11,983 Associate

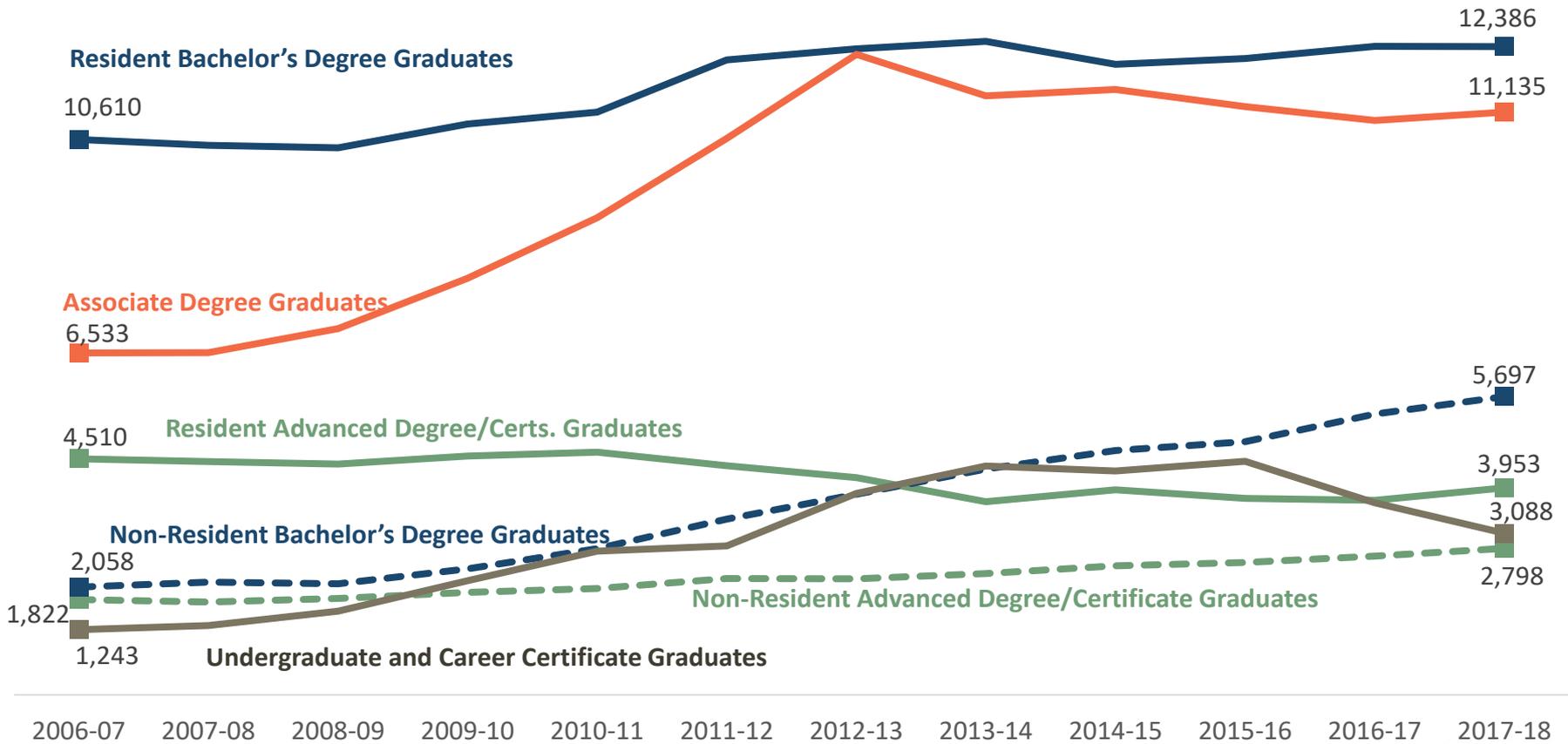
7,957 Career certificates

5,868 Transfers



# Number of Students Completing has Been Rising at Oregon Public Institutions

NOTE: Some students receive multiple degrees or certificates; they are counted here in the highest credential earned.



# THE HIGHER EDUCATION FUNDING LANDSCAPE

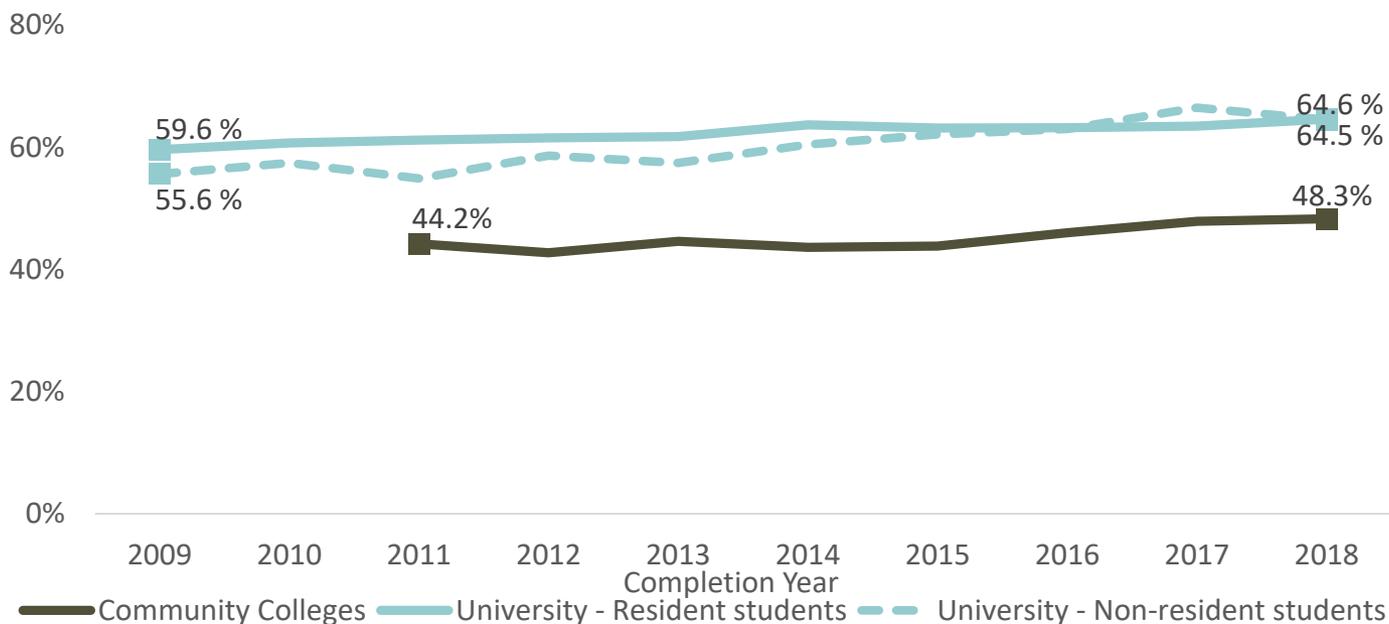


# Completion Rates Are Rising

Key Performance Metrics  
#5 and 7

At public universities, the percentage of first-time, full-time freshmen who earn a bachelor's degree within six years **rose from 59.6% to 64.6%** in the last decade.

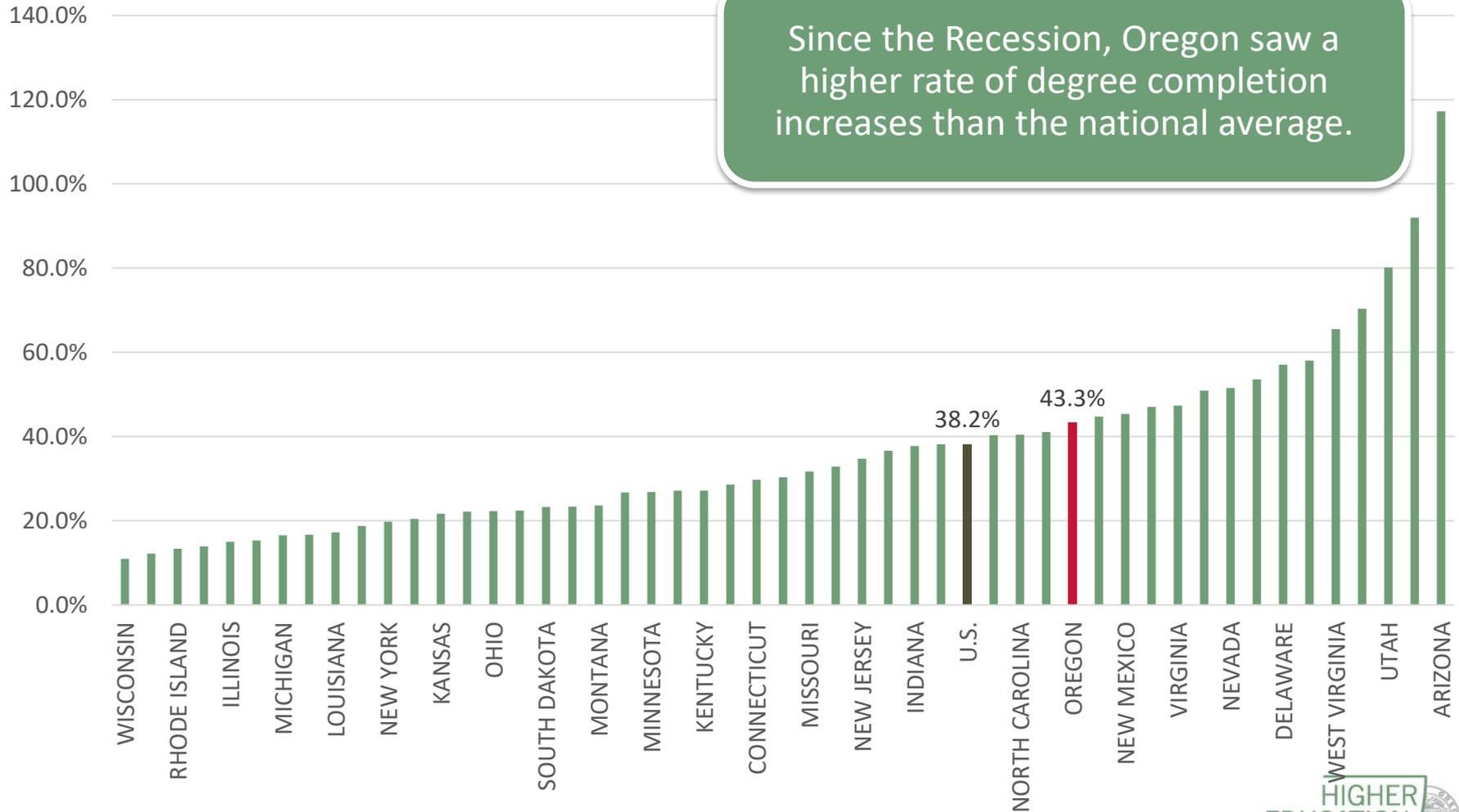
At community colleges, the percentage of students new to the college (full-time and part-time) who earn a career certificate, associate degree, or transfer to any four-year institution nationwide within four years **rose from 44.2% to 48.3%** since 2011.



Source: HECC analysis of student-level data from 17 community colleges and seven public universities. University rates include resident and non-resident, first-time, full-time freshmen and include inter-institutional graduations. Community college rates include students who attended full- or part-time, enrolled for the first time at the college, completed at least 18 quarter credits in their first two years at the college, and completed a certificate, degree, or transfer to any four-year university nationwide. This overestimates the completion rate to the extent that it excludes credential-seeking students unable to complete 18 credits in two years. The 2011 community college rate may be biased upward because data are left-censored, and the 2018 excludes summer term completions (data not yet available).

# Change in Degrees Awarded

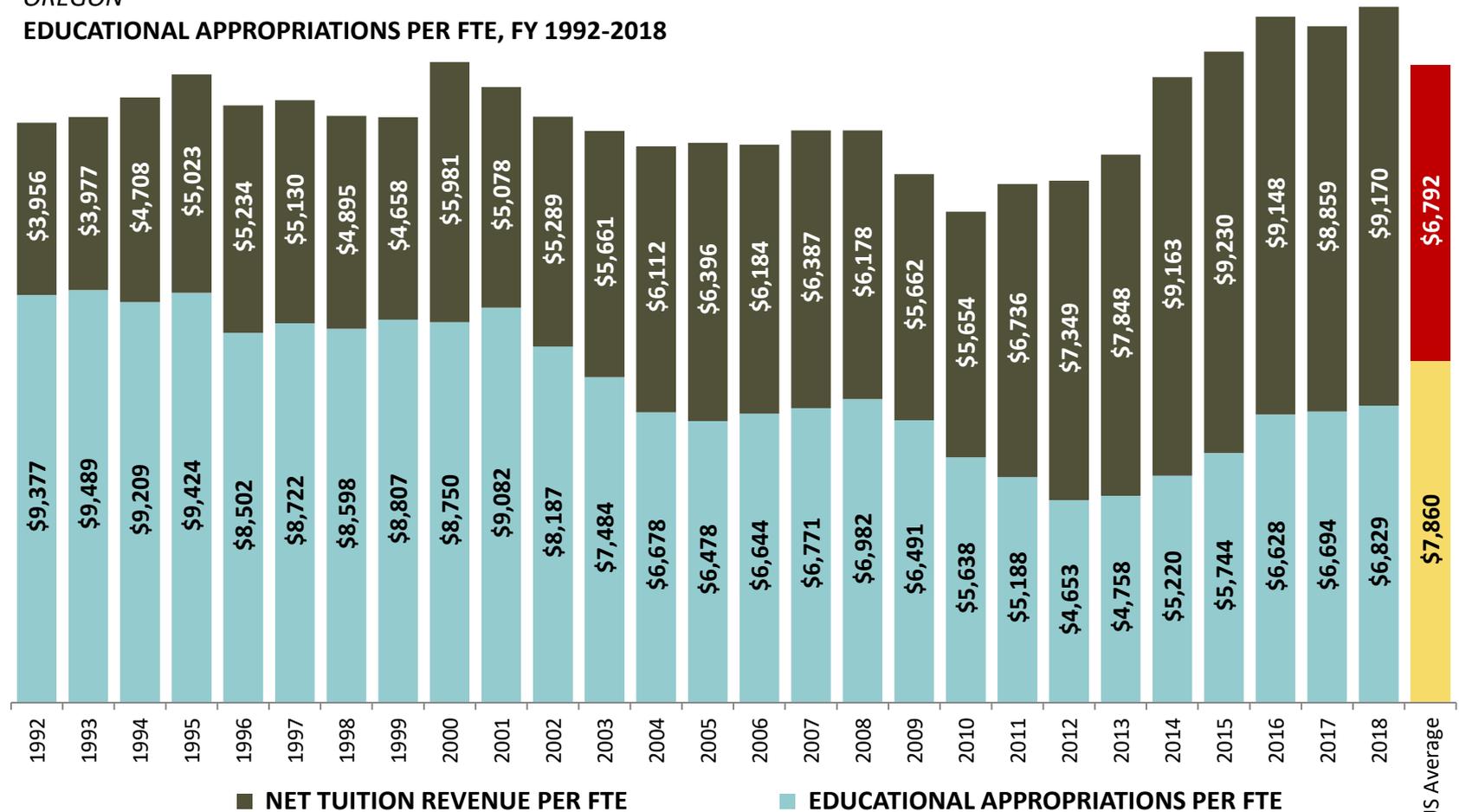
## Total Degrees Awarded, Excluding Certificates: Percent Change Since Recession (2008-2017)



# Postsecondary Education has Become More Tuition-Dependent to Fund Operations

OREGON

EDUCATIONAL APPROPRIATIONS PER FTE, FY 1992-2018



**NOTES:** Data adjusted for inflation using the Higher Education Cost Adjustment (HECA). Full-time equivalent (FTE) enrollment equates student credit hours to full-time, academic year students, but excludes medical students. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts, and medical student tuition and fees. Net tuition revenue used for capital debt service is included in the net tuition revenue figures above.

**SOURCE:** State Higher Education Executive Officers, 2018 Preliminary Numbers

# Oregon Ranks Low in Appropriations per Student, and Has Barely Increased since Recession

*Rankings Based on Preliminary Report for FY 2018*

Oregon has barely surpassed pre-Recession levels in public appropriations per student (FTE), even with leading increases in the last five years.

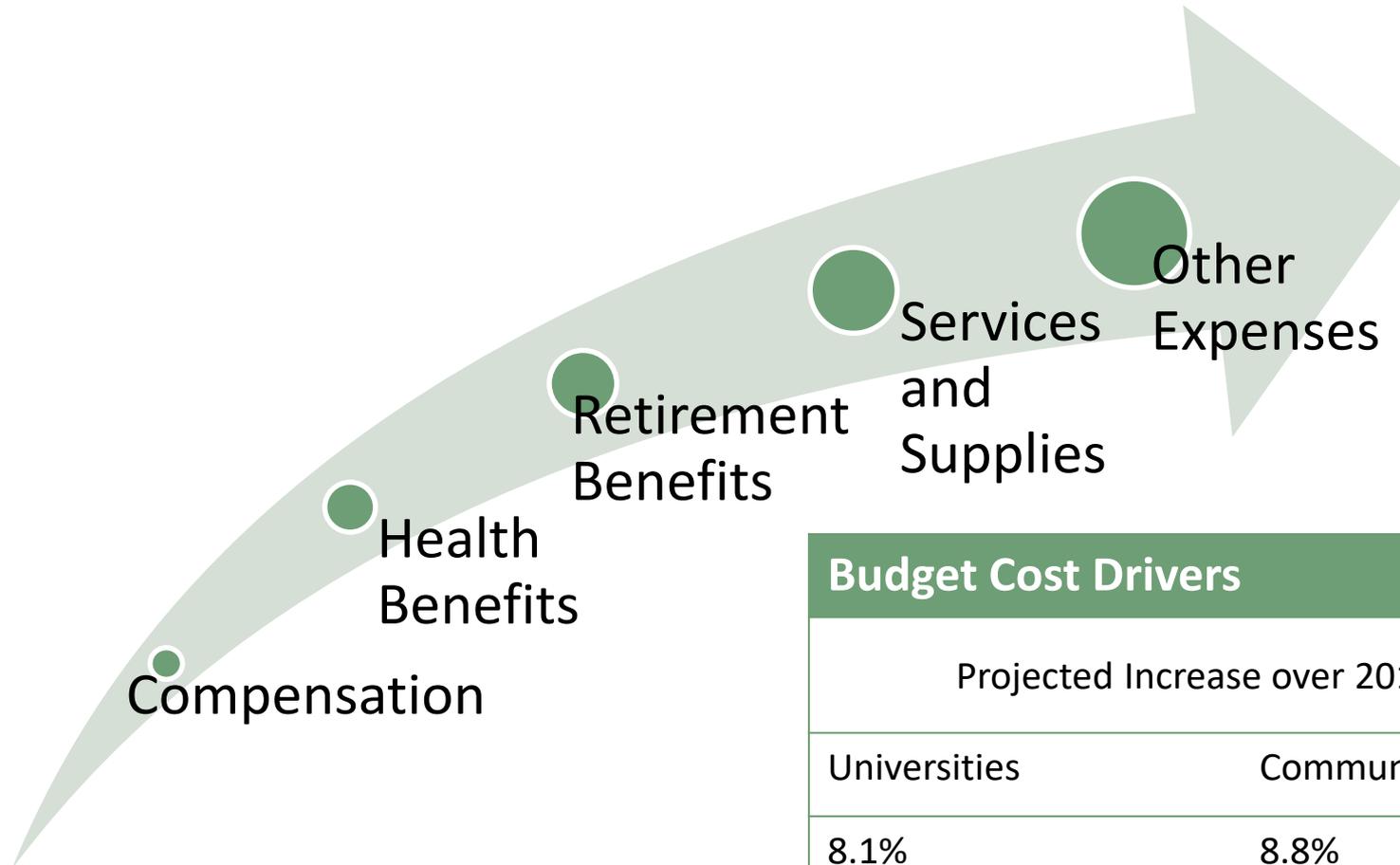
- Since FY 2008 (Pre-Recession), Oregon has increased public funding per FTE student by only 0.1%.
- Since FY 2013, Oregon has increased public funding for higher education by 47.1%, more than any other state in the country.

Oregon continues to rank low (38<sup>th</sup>) for public appropriations per FTE student: \$6,237 vs. \$7,860 for the U.S. in FY 2018.

## How does Oregon Rank? SHEF National Data 2018 (Fiscal Year 2018)

	Increase in appropriations per FTE since 2008 (Pre-Recession)	Increase in appropriations since per FTE since FY 2013	Educational appropriations per FTE
Oregon Rank	<b>10th</b>	<b>1st</b>	<b>38<sup>th</sup></b>

# While Oregon Has Struggled with State Investment, Public Institution's Face Significant Cost Drivers



# How Are Tuition and Fees Set?

Proposed tuition and fee levels are impacted by the costs and revenue of the institutions, so are closely related to state appropriations.

- **Public Universities**

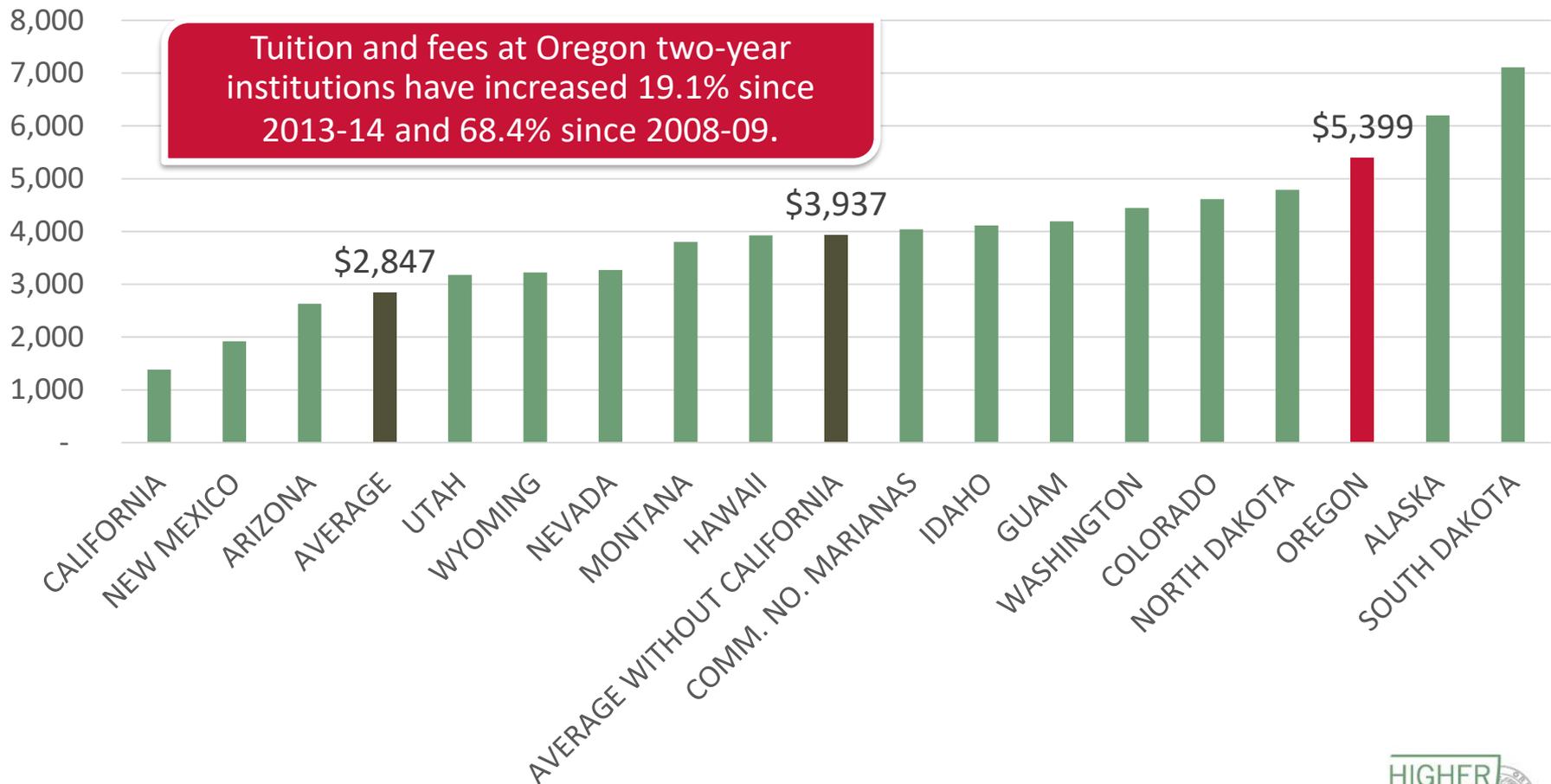
- Tuition and fees are generally set by the Board of Trustees of each university on an annual basis.
- Each campus has community and stakeholder processes to inform and shape the proposed increases that are sent to Board of Trustees.
- **Should the combined annual increase in resident undergraduate tuition and mandatory enrollment fees exceed 5% for a public university, the HECC or the Oregon Legislature must approve the increase.**

- **Community Colleges**

- Tuition and fees are set by the locally elected governing board of each community college on an annual basis.

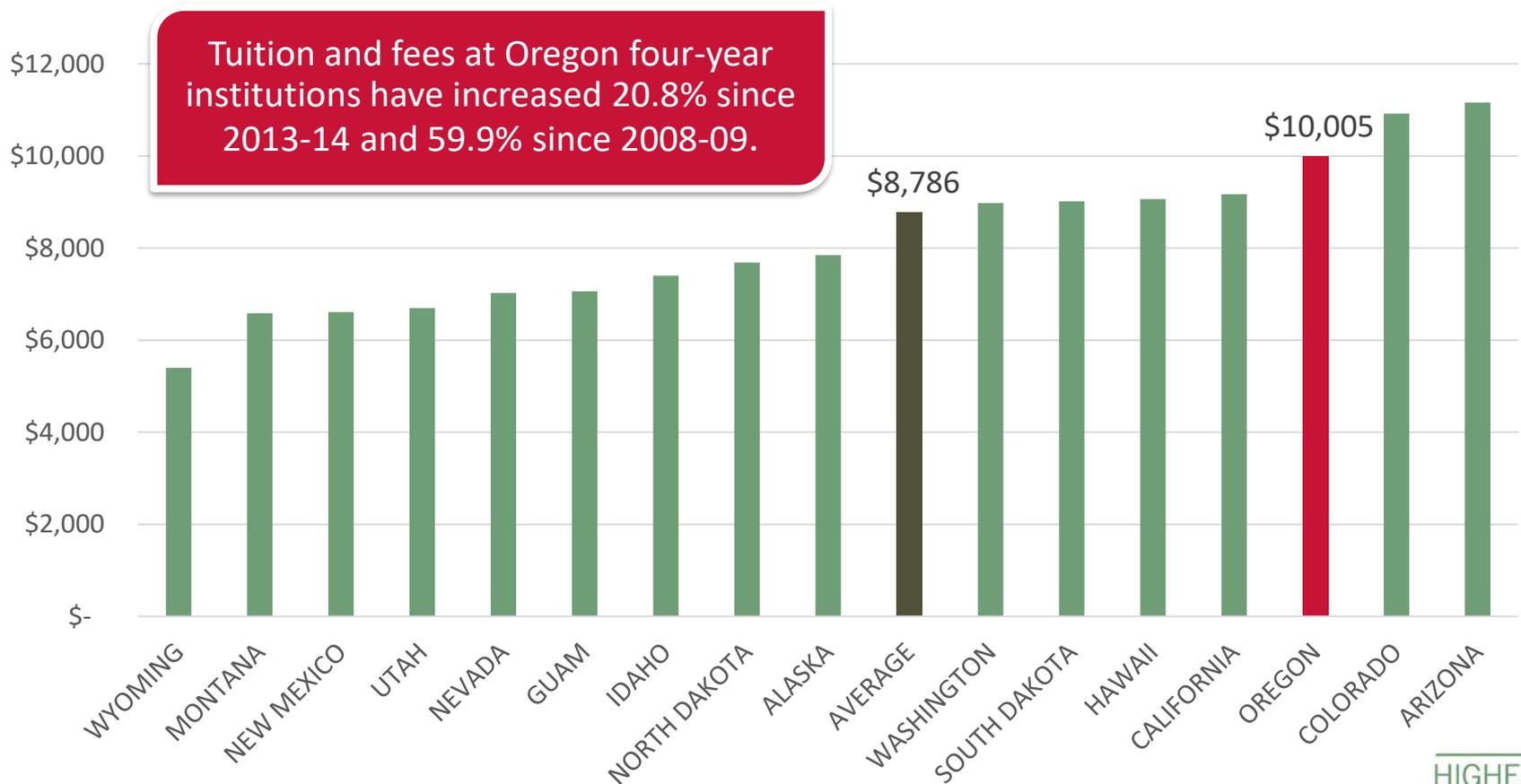
# Oregon Two-Year Tuition and Fees Are Third Highest in Western (WICHE) States

Resident Undergraduate Tuition and Fees at Two-year Institutions, Oregon and Western States, 2018-19



# Oregon Four-Year Tuition and Fees Are Also 3<sup>rd</sup> Highest in Western (WICHE) States

Resident Undergraduate Tuition and Fees at Four-Year Institutions, Oregon and Western (WICHE) States, 2018-19



# Oregon's National Position in Funding Student Grant Aid: Room to Grow

	U.S. average	Oregon amount	Oregon rank
<b>2016-17</b>			
Need-based grant dollars per capita population	\$33	\$17	32
Need-based grant dollars per 18-24 year old in state	\$352	\$197	32
Percent of need-based grant dollars awarded to public colleges and universities	76.1%	92.9%	9

Oregon ranks in bottom third nationally for need-based grant dollars per Oregon resident

The great majority of need-based grant dollars go to students at public institutions, furthering state investments in public colleges and universities to foster equity and student success.

# COMPONENTS OF THE HECC BUDGET



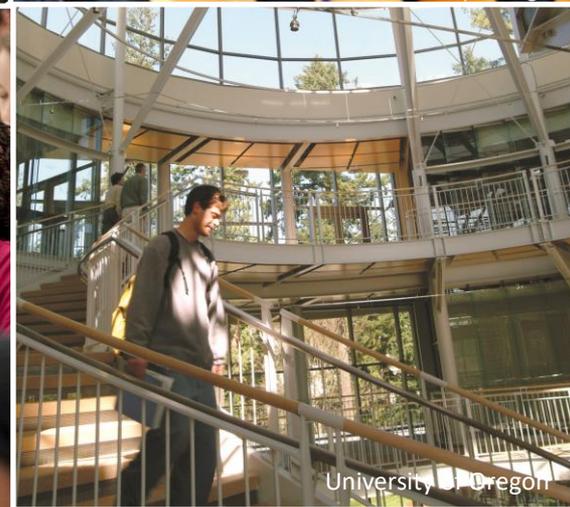
Oregon State University-  
Cascades



Oregon Coast  
Community College



Mt. Hood  
Community College



University of Oregon

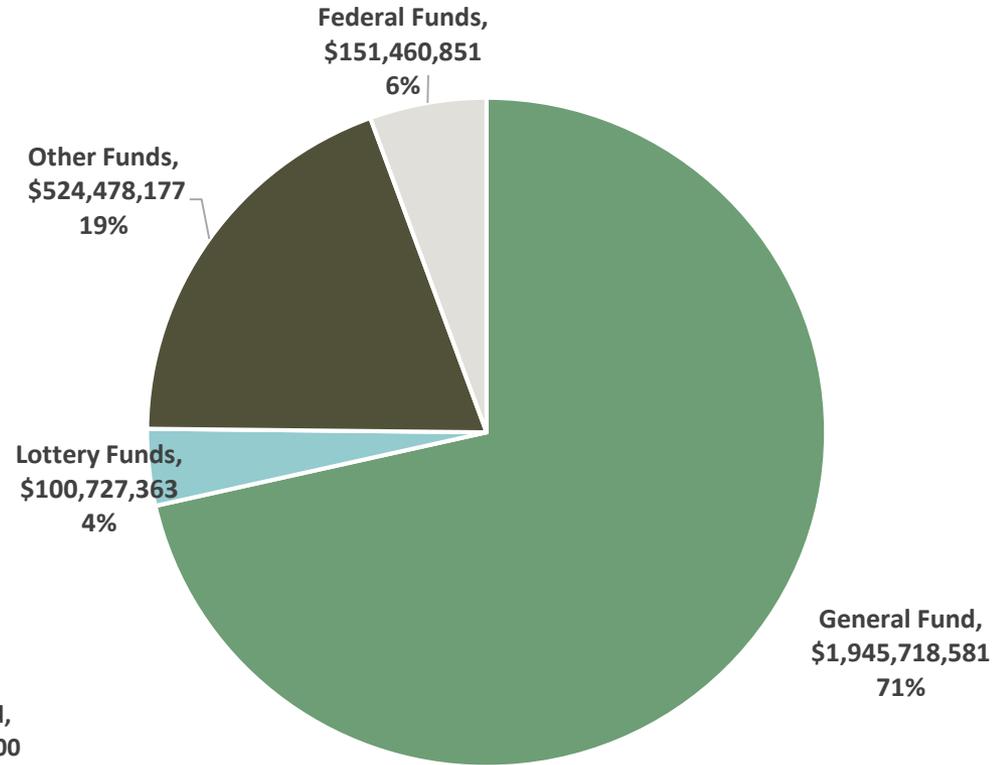
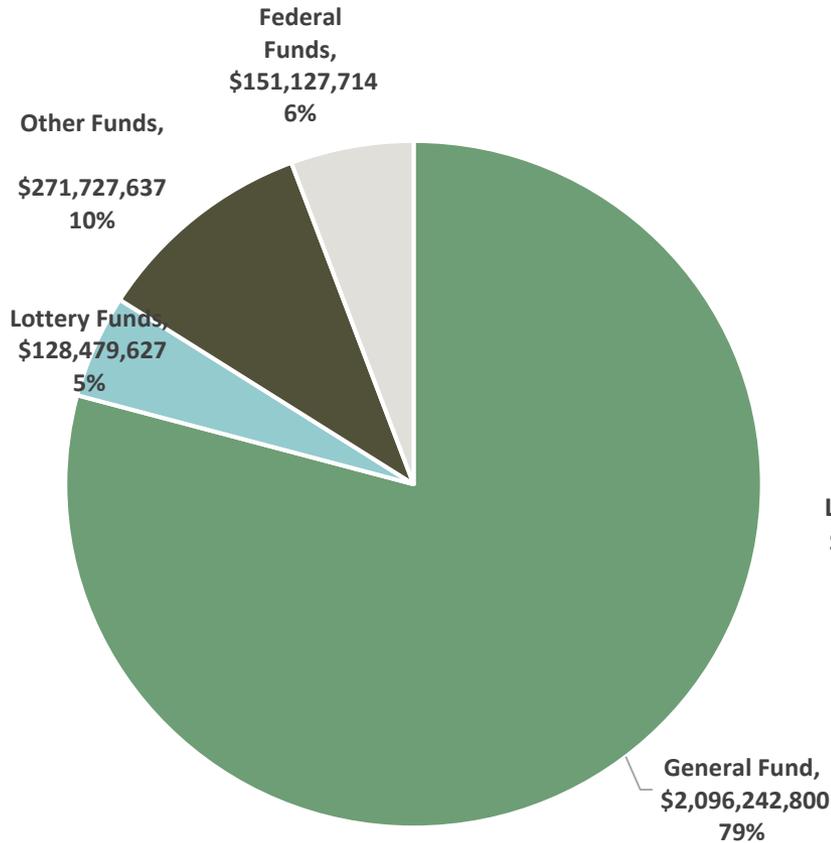
# HECC: Total Agency Budget

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
<b>Higher Education Coordinating Commission Agency Budget</b>	Includes all special payments, personal services, services and supplies, and debt service funds for all HECC programs.	\$3,000.7M Total	\$2,647.6M Total	\$2,722.4M Total
		\$1,949.0M GF	\$2,096.2M GF	\$1,945.7M GF
		\$96.57M LF	\$128.5M LF	\$100.7M LF
		\$813.4M OF	\$271.7M OF	\$524.5M OF
		\$141.7M FF	\$151.1M FF	\$151.5M FF
Change from 2017-19			-9.27% from LAB +2.74% from CSL	

# Budget by Fund Type

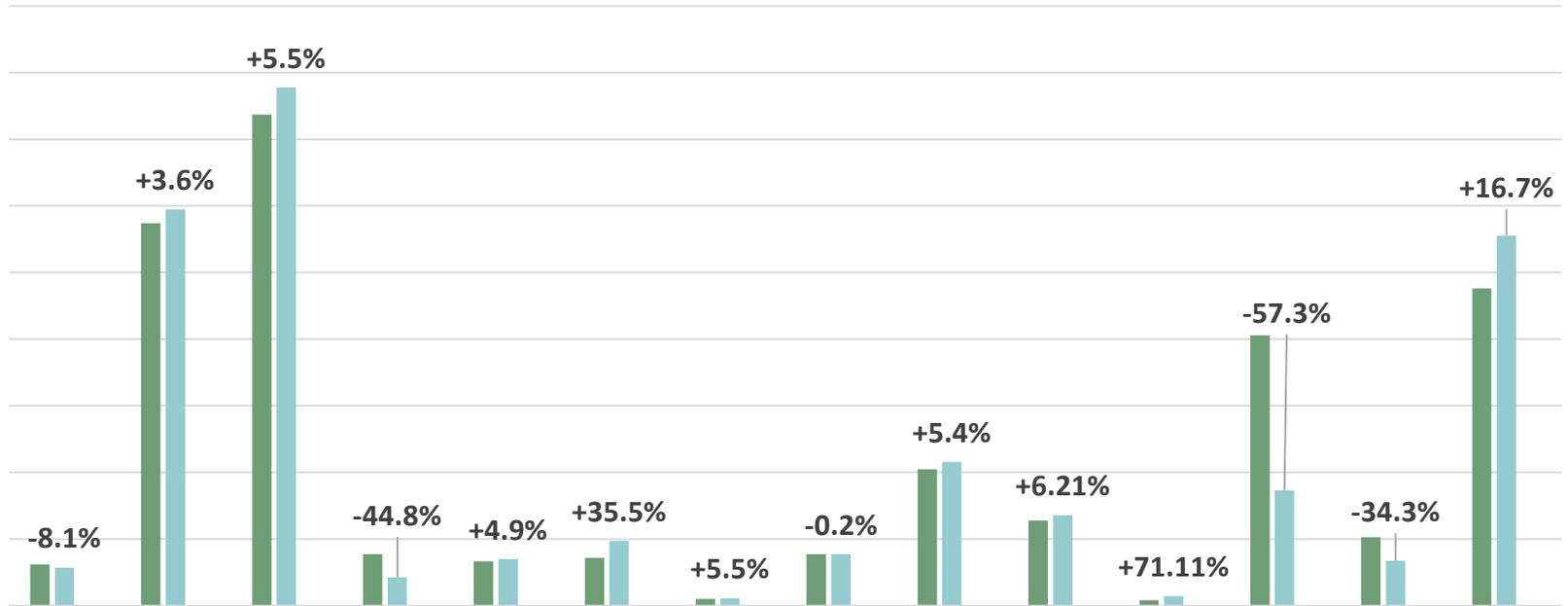
**2019-21 CURRENT SERVICE LEVEL BUDGET:  
\$2.648 BILLION**

**2019-21 GOVERNOR'S RECOMMENDED BUDGET:  
\$2.722 BILLION**



# Net Change in CSL From 2017-19 LAB

Overall Change: -11.77% or \$353,142,216 Reduction



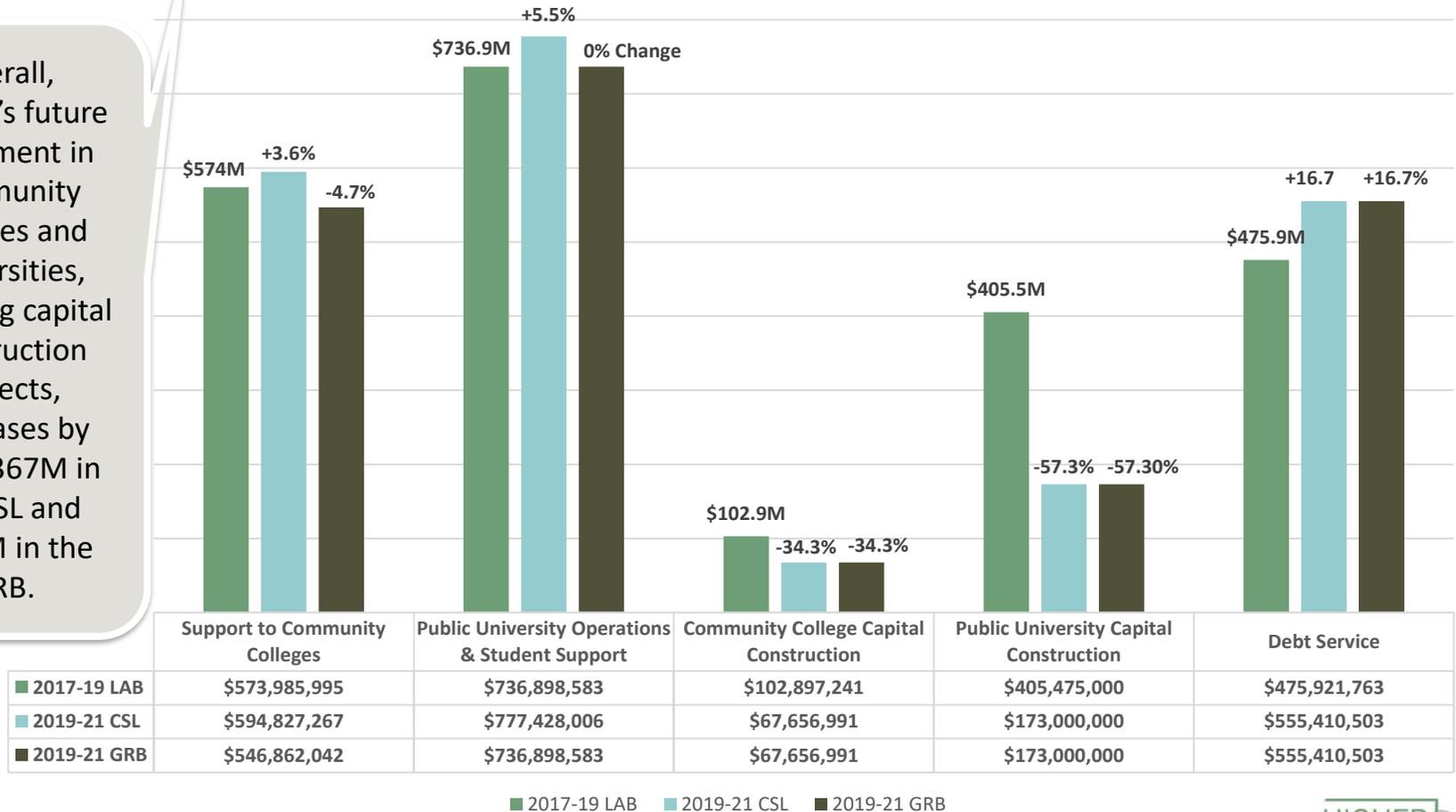
	Operations	Support to Community Colleges	Public University Operations & Student Support	Public University State Programs	Agriculture Experiment Station	Extension Service	Forest Research Laboratory	OHSU Programs	Student Assistance	Workforce & Other Special Payments	Sports Lottery	Public University Capital Construction	Community College Capital Construction	Debt Service
■ 2017-'19 LAB	\$62,086,828	\$573,985,995	\$736,898,583	\$77,182,087	\$66,468,861	\$71,717,403	\$10,224,041	\$77,277,432	\$204,642,271	\$127,702,489	\$8,240,000	\$405,475,000	\$102,897,241	\$475,921,763
■ 2019-'21 CSL	\$57,072,442	\$594,827,267	\$777,428,006	\$42,638,996	\$69,723,749	\$97,147,707	\$10,786,363	\$77,161,533	\$215,648,629	\$135,632,774	\$14,099,809	\$173,000,000	\$67,656,991	\$555,410,503
■ Net Change	-8.08%	3.63%	5.50%	-44.76%	4.90%	35.46%	5.50%	-0.15%	5.38%	6.21%	71.11%	-57.33%	-34.25%	16.70%

■ 2017-'19 LAB   ■ 2019-'21 CSL   ■ Net Change

# Net Change in CSL & GRB from 2017-19 LAB

## Public Institution Operational Funds, Capital Construction, and Debt Service

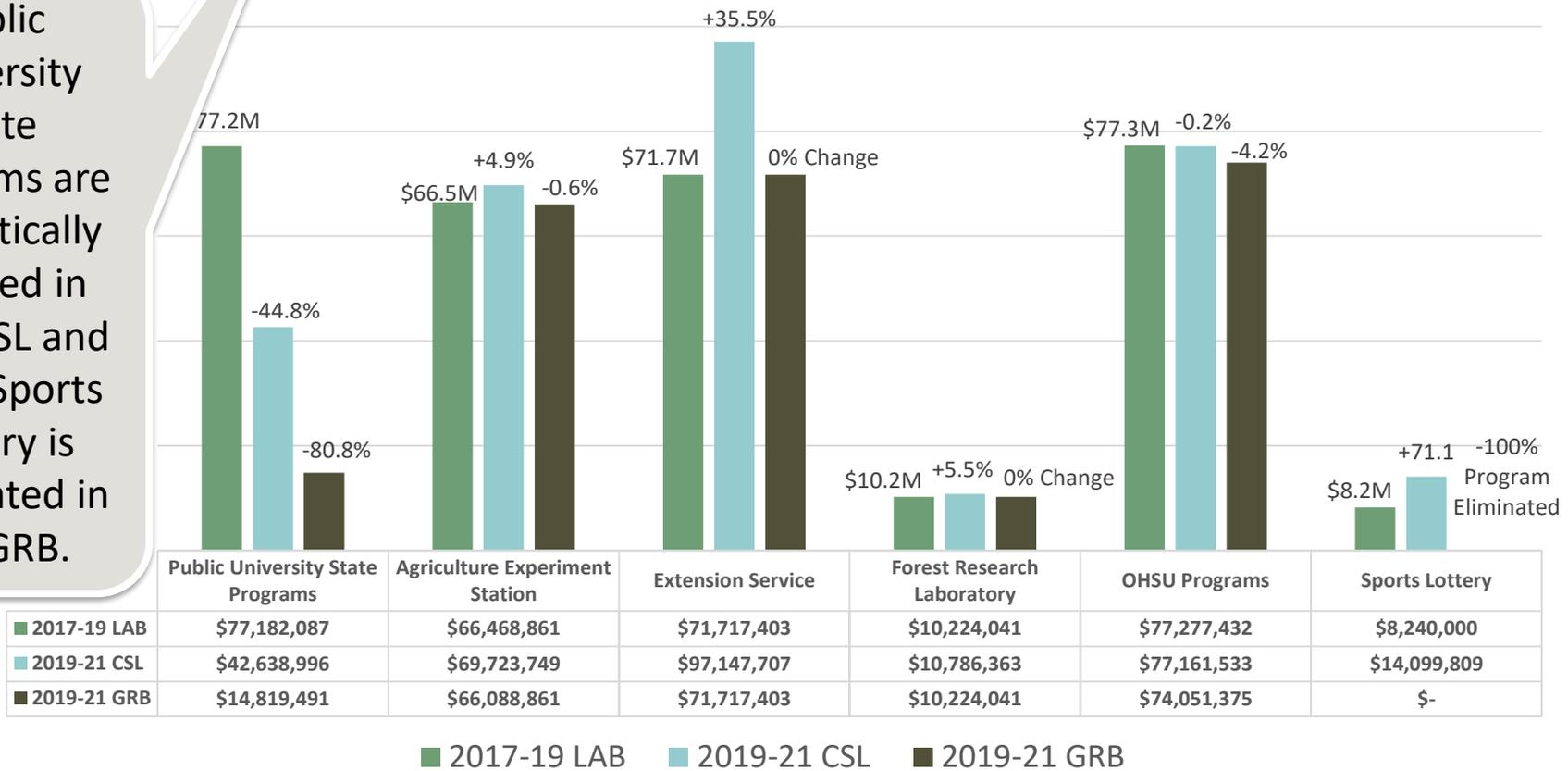
Overall, Oregon's future investment in Community Colleges and Universities, including capital construction projects, decreases by over \$367M in the CSL and \$294M in the GRB.



# Net Change in CSL & GRB from 2017-19 LAB

State Programs, Statewide Programs, OHSU, Sports Lottery

Public University State Programs are dramatically reduced in both CSL and GRB. Sports Lottery is eliminated in the GRB.



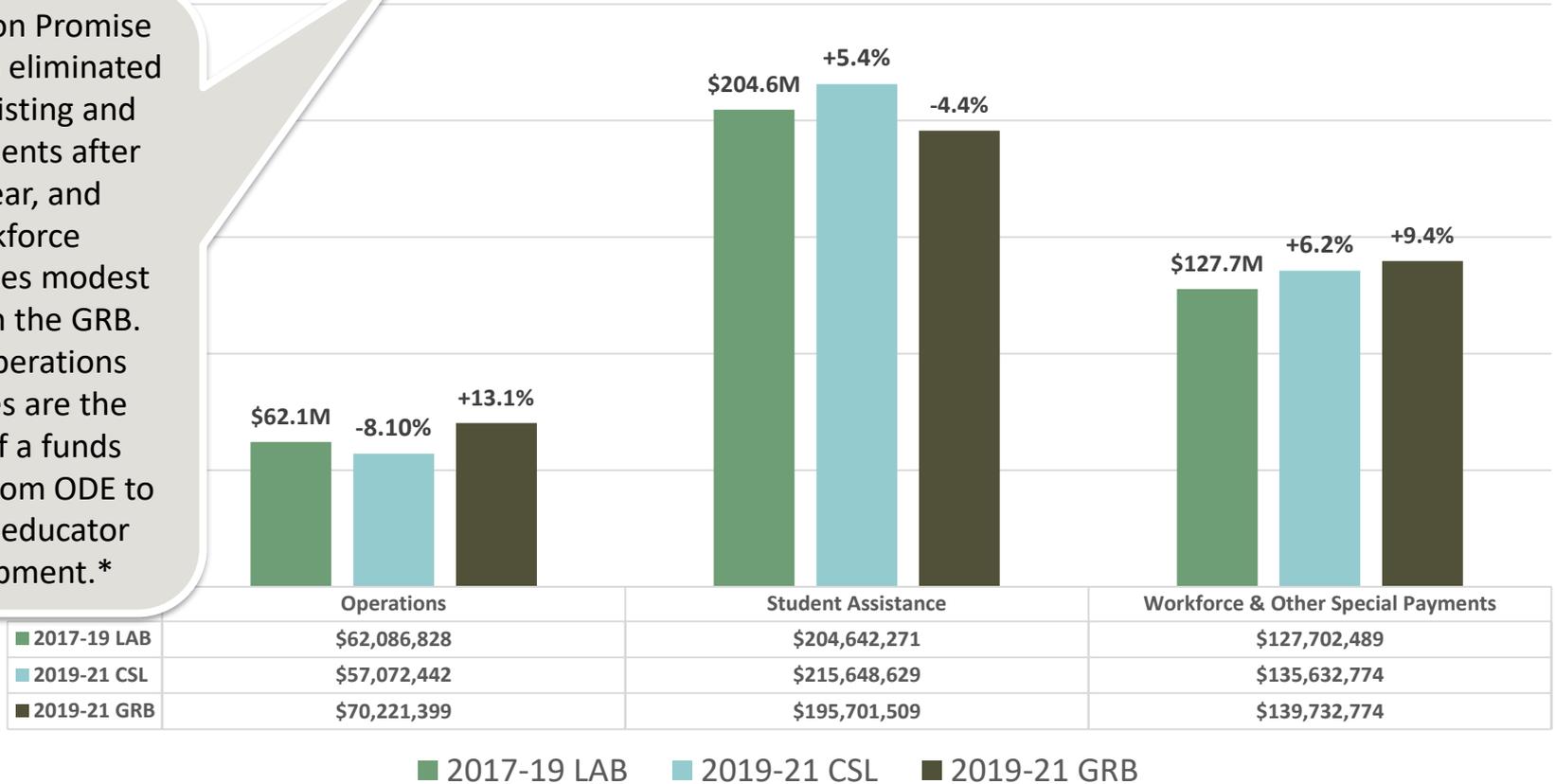
	Public University State Programs	Agriculture Experiment Station	Extension Service	Forest Research Laboratory	OHSU Programs	Sports Lottery
2017-19 LAB	\$77,182,087	\$66,468,861	\$71,717,403	\$10,224,041	\$77,277,432	\$8,240,000
2019-21 CSL	\$42,638,996	\$69,723,749	\$97,147,707	\$10,786,363	\$77,161,533	\$14,099,809
2019-21 GRB	\$14,819,491	\$66,088,861	\$71,717,403	\$10,224,041	\$74,051,375	\$-

■ 2017-19 LAB   ■ 2019-21 CSL   ■ 2019-21 GRB

# Net Change in CSL & GRB from 2017-19 LAB

## HECC Operations, Student Assistance (Financial Aid), Workforce & Other Special Payments

The Oregon Promise program is eliminated for all existing and new students after one year, and Workforce experiences modest growth in the GRB. HECC Operations increases are the result of a funds transfer from ODE to support educator development.\*

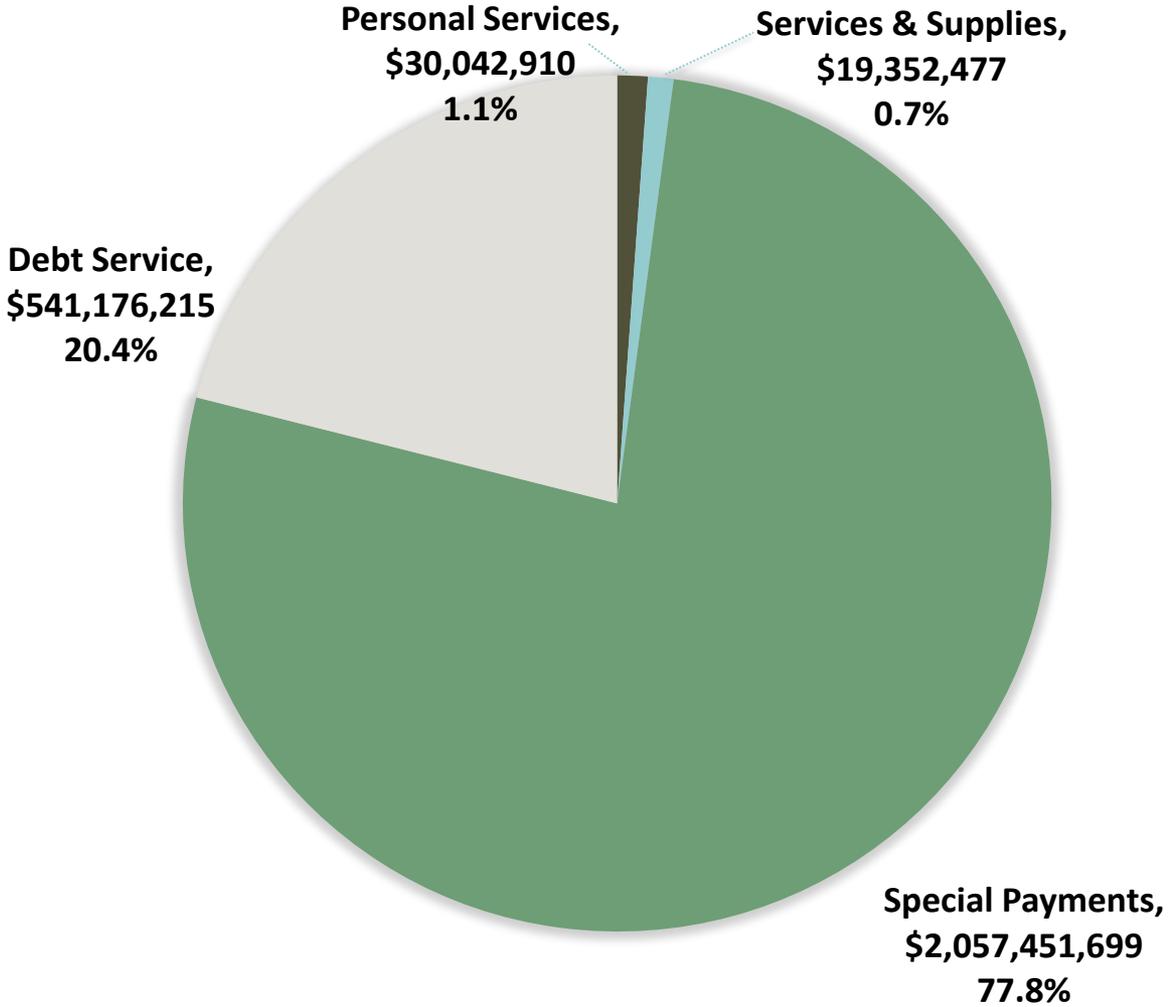


\*2019-21 Operations budget includes a \$9M funds transfer from ODE to increase the number of adults enrolling in early childhood programs at community colleges and universities, as well as to support the Oregon Teacher Scholars Program



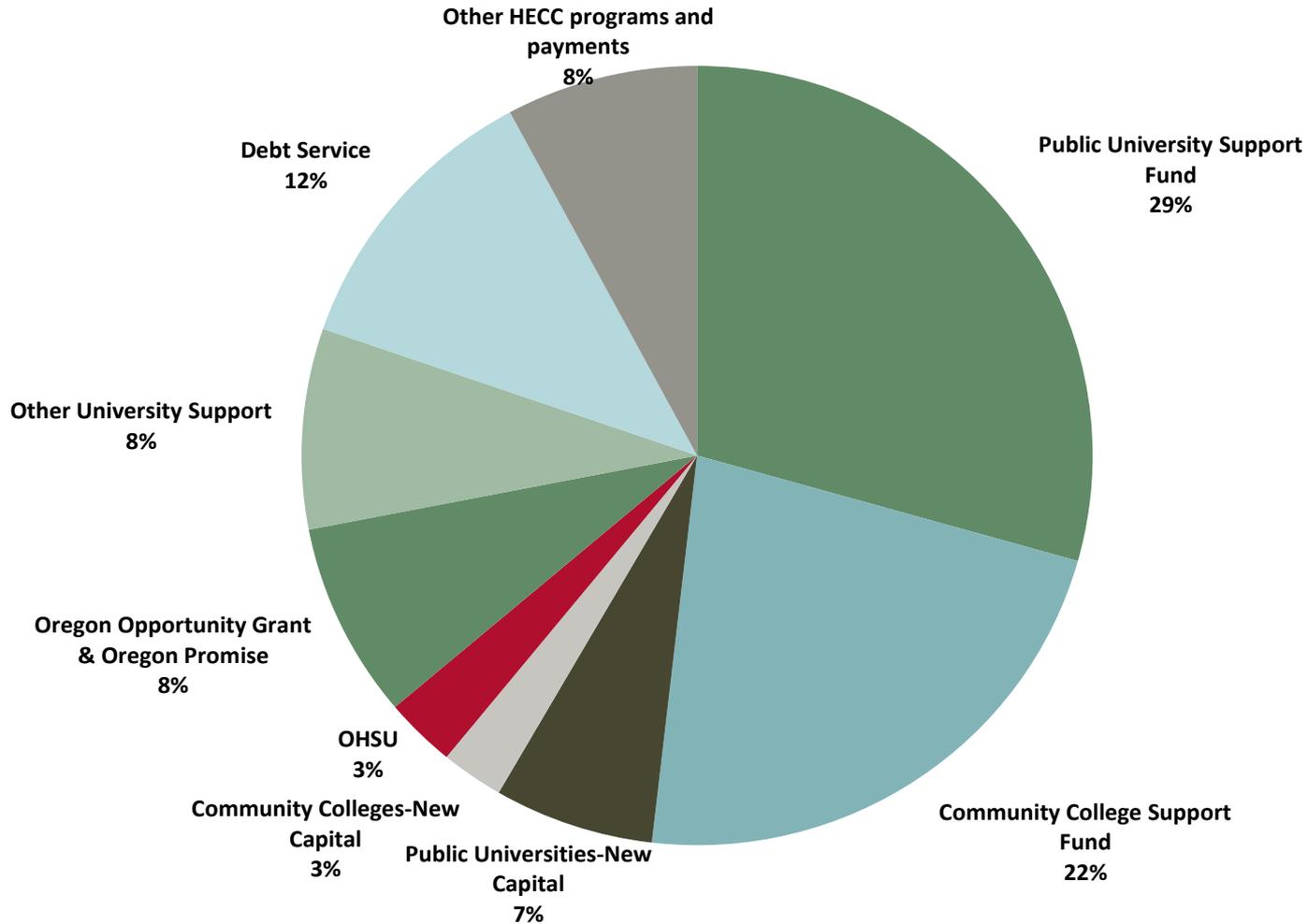
# 2019-21 Current Service Level Budget by Expenditure

*\$2.648 Billion*



Current Service Level (CSL):

# 92% of HECC Budget Directly Supports Universities and Community Colleges



# HECC-Sponsored Legislation

## HB 2028 (SB730): Building on College to University Credit Transfer Work

- Codifies the new transfer system into the Transfer Student Bill of Rights.
- Establishes the Oregon Transfer and Articulation Committee
- Requires a student and advisor facing transfer portal
- **STATUS: HB 2028 heard as SB 730 in Senate. SB 730: Public hearing held, awaiting work session.**

## SB 17: Electronic Transcripts for High School and Post-Secondary Students

- Establishes a task force to determine if a feasible, cost-effective electronic transcript system can pull data from multiple sources to create and send student transcripts to a receiving institution
- **STATUS: Public hearing held, awaiting work session.**

## HB 2029: Codifying Accelerated Learning Standards

- Codifies two new categories of Accelerated Learning (**Sponsored Dual Credit and Assessment-Based Learning Credit**), approved in 2016 by the HECC, along the sole currently existing category of 'Dual Credit.'
- Requires community colleges and public universities to report on participation rates in these new categories.
- **STATUS: Public hearing scheduled for 3/13.**

## HB 2030: Agency Minor Statutory Revisions

- Amends allowed use of education stipend for alumni of Oregon Youth Conservation Corps programs
- Corrects statute to reflect current funding practices for community colleges
- Provides HECC with implicit statutory authority equal to that of all other Oregon state agencies
- Clarifies public university eligibility for seismic rehabilitation grants
- **STATUS: Public hearing held, awaiting work session.**

# HOW DO WE MEASURE SUCCESS?



# HECC Agency Key Performance Metrics (KPMs) Revised with Increased Focus on Equity

At the end of the 2017 legislative session, HECC revised its KPMs

- Existing KPMs reflected the initial development of the HECC and included the KPMs from all of the previous organizations.
- Legislators requested a greater focus on equity to match the HECC Equity Lens.
- With the opportunity available to revise the KPMs, the Legislative Fiscal Office worked with agency staff to reduce the number and maintain a high-level focus.

The revised list reduces HECC KPMs from 29 to 16

- Eight did not change.
- Six are racial/ethnic disaggregations of other KPMs.

# HECC 2018 Key Performance Metrics (1 of 2)

Key Performance Metrics

KPM	Milestone	New in 2017
1	Oregon high school graduates attending college Percentage of Oregon students enrolled in college within 16 months of their 4-year high school cohort graduation date	
2	Racial/ethnic differences among Oregon high school graduates attending college	X
3	College credits earned by K-12 students Amount of postsecondary credit per graduate awarded to K-12 students	
4	Oregon educational attainment Percent of young Oregon adults with postsecondary degree or certificate	X
5	Community college completion and transfer rate Percentage of community college students who complete an associate degree or certificate or who transfer to the university system within three years	X
6	Racial/ethnic differences for community college completion and transfer rate	X
7	Public university graduation rate Percentage of public university college students who complete a bachelor's degree within 6 years	
8	Racial/ethnic differences for public university graduation rate	X

# HECC 2018 Key Performance Metrics (2 of 2)

## Key Performance Metrics

KPM	Milestone	New in 2017
9	Percentage of resident enrolled students who are incurring unaffordable costs Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid	
10	Racial/ethnic differences in percentage of resident enrolled students who are incurring unaffordable costs	X
11	Earnings of community college completers Median earnings of community college completers five years after completion	
12	Racial/ethnic differences in earnings of community college completers	X
13	Earnings of bachelor's degree completers Median earnings of graduates with bachelor's degrees five years after completion	
14	Racial/ethnic differences in earnings of bachelor's degree completers	X
15	Customer service (required) Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	
16	Commission best practices (required) Percent of total best practices met by the Commission	