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**Docket Item:**

House Tuition Equity Report (Bill 2787, 2013)

**Summary:**

In 2013, the Oregon Legislature passed House Bill 2787 (Oregon Revised Statute 352.287) to expand access to in-state resident tuition and fee rates to certain non-citizens and veterans. The program, known as, "Tuition Equity," applies to both undergraduate and graduate students who are:

- (1) Not citizens or lawful permanent residents of the United States or who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States and
- (2) Citizens or lawful permanent residents of the U.S. and who resided outside of Oregon while serving in the Armed Forces of the United States

The statute requires an annual report to the Legislature that includes the number of students who applied and were accepted into public universities under the program and the financial impact on the universities of the program. This report satisfies those requirements by presenting data from the 2018-19 academic year.

In 2018-19, each of the seven universities enrolled students under the program. In total, 610 undergraduate students and 14 graduate students enrolled in the program. These students represent less than one percent of all Oregon resident students at the universities.

Students granted Tuition Equity may have enrolled in a public university primarily because the program provided a financial means to do so, or they may still have enrolled in the public university even if the program did not exist. The financial impact of the Tuition Equity program for the public universities may thus be positive, negative, or both. There can be a fiscal benefit from increased enrollment, if students in the program enrolled at the university because of the program, and there can be a fiscal cost associated with the difference between resident and non-resident tuition, if students in the program would have enrolled at the university even without the program.

The maximum potential benefit to the institutions totaled \$5,609,820 statewide and represents the total possible revenue institutions would have received if all students in the program enrolled because of the program. The maximum potential cost to the institutions totaled \$9,698,136 and represents the total difference between resident and nonresident tuition and fee rates, if all students in the program would still have enrolled (and paid nonresident rates) without the program. In addition to these impacts, the program has significant fiscal impacts on students' budgets. In 2018-19, a full-time undergraduate would save \$12,060 to \$23,580, depending on the institution.

**Material:**

Report attached.

**Staff Recommendation:**

Approval of report.

# HOUSE BILL 2787 (2013): Tuition Equity at Oregon Public Universities



This report was prepared by Elizabeth Martinez and Amy G. Cox in the Office of Research and Data at the Oregon Higher Education Coordinating Commission. October 2020.

## PREFACE

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In 2013, the Oregon Legislative Assembly passed House Bill 2787 (Oregon Revised Statute 352.287) to expand access to in-state resident tuition and fee rates to certain non-citizens and veterans. The program, known as, “Tuition Equity,” applies to both undergraduate and graduate students who are:

1. Not citizens or lawful permanent residents of the United States or who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States and
2. Citizens or lawful permanent residents of the U.S. and who resided outside of Oregon while serving in the Armed Forces of the United States

The statute requires an annual report to the Legislature that includes the number of students who applied and were accepted into public universities under the program and the financial impact on the universities of the program. This report satisfies those requirements by presenting data from the 2018-19 academic year. It should be of interest to Legislators and the Governor, to students, to leadership and staff at Oregon’s public universities, and to policymakers and scholars in the fields of postsecondary education, especially as it relates to immigrants and veterans.

This report was undertaken by staff in HECC’s Office of Research and Data. As the single state entity responsible for ensuring pathways to higher educational success for Oregonians statewide, the HECC sets state policy and funding strategies, administers numerous programs and over \$1.2 billion annually of public funding, and convenes partners working across the public and private higher education arena to achieve state goals. More information about HECC can be found at [www.oregon.gov/highered](http://www.oregon.gov/highered). Questions about the HECC should be directed to [info.HECC@state.or.us](mailto:info.HECC@state.or.us), and questions about this report should be directed to the Director of the Office of Research and Data, Amy Cox, at [amy.cox@state.or.us](mailto:amy.cox@state.or.us).

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## EXECUTIVE SUMMARY

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In 2013, the Oregon Legislature passed House Bill 2787 (Oregon Revised Statute 352.287) to extend access to in-state resident tuition and fee rates to two groups of students, certain non-citizens and military veterans. The program, known as, “Tuition Equity,” applies to both undergraduate and graduate students who are:

- (1) Not citizens or lawful permanent residents of the United States or who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States and
- (2) Citizens or lawful permanent residents of the U.S. and who resided outside of Oregon while serving in the Armed Forces of the United States

In 2018-19, each of the seven universities enrolled students under the program. In total, 610 undergraduate students and 14 graduate students were in the program. These students represent less than one percent of all Oregon resident students at the universities.

Students granted Tuition Equity may have enrolled in a public university primarily because the program provided a financial means to do so, or they may still have enrolled in the public university even if the program did not exist. The financial impact of the Tuition Equity program for the public universities may thus be positive, negative, or both. There can be a fiscal benefit from increased enrollment, if students in the program enrolled at the university because of the program, and there can be a fiscal cost associated with the difference between resident and non-resident tuition, if students in the program would have enrolled at the university even without the program.

The maximum possible benefit to the institutions totaled \$5,609,820 statewide and represents the total potential revenue institutions would have received if all students in the program enrolled because it provided a means to do so. The maximum possible cost to the institutions totaled \$9,698,136 and represents the total difference between resident and nonresident tuition and fee rates, if all students in the program would still have enrolled (and paid nonresident rates) without the program. In addition to these impacts, the program has significant fiscal impacts on students’ budgets. In 2018-19, a full-time undergraduate would save \$12,060 to \$23,580, depending on the institution. The number of students in the program make the potential impacts relatively small for institutions but quite meaningful for Oregon students.

# INTRODUCTION

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## BACKGROUND

In 2013, the Oregon Legislature passed House Bill 2787 (subsequently yielding Oregon Revised Statute 352.287) that expanded access to in-state resident tuition and fees to two groups of students: (1) individuals who are not citizens or lawful permanent residents of the United States or who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the United States and (2) individuals who are citizens or lawful permanent residents of the U.S. and who resided outside of Oregon while serving in the Armed Forces of the United States. This program exempting these groups of students from paying non-resident tuition and fees is known as “Tuition Equity.”

The exemption from paying non-resident tuition and fees applies to both undergraduate and graduate students. If eligible for the program, students are allowed the exemption for up to five years from initial enrollment at an Oregon public 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

The program allows eligible veterans to pay Oregon resident tuition without having to re-establish Oregon residency. 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, the 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

## Annual report

The statute requires a report be submitted annually to the Legislature that details: (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 (HECC), as the entity that now coordinates postsecondary education and training across the state, has received responsibility for completing this report.

## Previous Findings

The 2018 annual report on HB 2787 found statewide growth in the number of students participating in Tuition Equity, from 2013-14 to 2017-18; non-citizen and military students showed similar numbers of participation and rates of growth. Undergraduate students comprised the vast majority of students participating in the program and all seven public universities enrolled students under the Tuition Equity program. While well-utilized, it's important to note that total number of undergraduate students participating in Tuition Equity (529 students in 2017-18) represent less than one percent of the total statewide undergraduate student headcount. Thus, the program provides strong impacts in terms of cost savings on the students receiving the tuition exemption, but these students represent a very small numerical minority to institutions.

Still, the program has financial impacts to the public universities. As the prior report discussed, Tuition Equity yields two potential fiscal impacts to the institutions: (1) a fiscal benefit from increased enrollment (i.e., these students may not have otherwise enrolled at the institution if not for the program) and (2) a fiscal cost associated with the difference between resident and non-resident tuition for the Tuition Equity students.

We do not know whether students granted Tuition Equity would still have enrolled in the public university without the program or whether they enrolled in the public university primarily because the program provided a means to do so. Without the program, students may have paid nonresident tuition at the public university, may have enrolled in an institution that had easier or no residency requirements instead of a public university, or may not have enrolled in postsecondary education at all.<sup>1</sup> Therefore, the financial impact to the public universities may be positive, negative, or both.

On the positive side, the resident tuition due to the institutions by students in the Tuition Equity program totaled \$3,961,780.84 statewide in 2017-18. This is the increased revenue institutions would have received if students enrolled because of the program; it represents the maximum possible benefit. Regarding the fiscal cost to the institutions, the difference between resident and nonresident

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<sup>1</sup> As Perez (2007) notes, many students are not aware of their undocumented status until they face a structural constraint, such as being unable to secure a job or internship or when applying to college. Facing this constraint could force children of immigrants in particular to choose the most affordable postsecondary option. (Perez, W. (2009). *We are Americans: Undocumented students pursuing the American dream*. Stylus Publishing, LLC.)

tuition totaled \$7,742,484.99 in 2017-18 statewide. This represents the maximum possible cost of the program.

Importantly, Tuition Equity also results in significant cost savings for students, with students saving an average of \$13,728 in tuition costs in 2017-18. Over the course of a bachelor’s degree program, the total savings for an individual student and their family is tens of thousands of dollars.

## DATA & METHODS

This year’s report examines the use and impact of Tuition Equity during academic year 2018-19. Specifically, we examine:

- The number of students participating in Tuition Equity
- The savings per student for those participating in Tuition Equity
- And the financial impacts of Tuition Equity on the institutions

We use two sources of data to measure these metrics: (1) student records submitted to the HECC by the individual institutions and (2) tuition and fees information published by each institution. Tuition equity use and impact during academic year 2018-19 are evaluated.

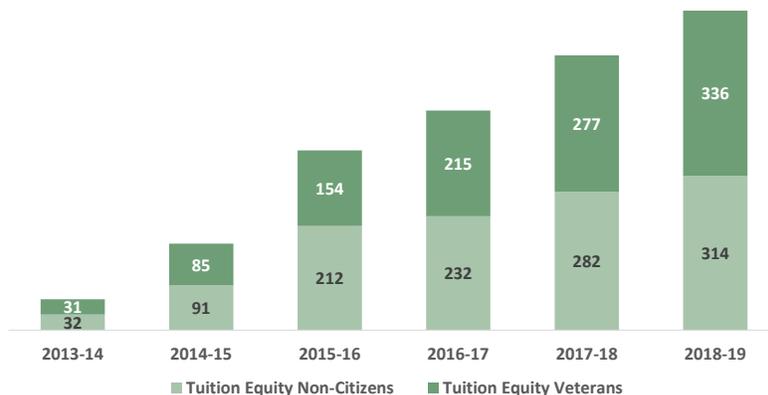
## USE & IMPACT OF TUITION EQUITY

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### STUDENT ACCESS & AFFORDABILITY

During academic year 2018-19, a total of 650 students participated in Tuition Equity across the Oregon public universities. This is an increase of 91 students, or 16 percent, over 2017-18 and represents the latest in a steady increase of students in the program since its inception (Figure 1). During the six years of the program, the number of students in both the Tuition Equity for Non-Citizens program and the Tuition Equity for Veterans program have risen steadily.

**Figure 1: Tuition Equity Participation, 2013-14 through 2018-19.**



Source: HECC analysis of student records.

As in previous years, undergraduate students made up the vast majority of those participating in the program in 2018-19, totaling 610 of the 650 students in the program (Table 1). Just over half of the undergraduates, 322 students, utilized the Tuition Equity for Non-Citizens program, and the remaining 288 undergraduates utilized the Tuition Equity for Veterans program. These 610 Tuition Equity undergraduate students represent just under one percent of all resident undergraduate students attending the public universities in 2018-19. In comparison, only 14 graduate students participated in the Tuition Equity for Non-Citizens program and 26 graduate students participated in Tuition Equity for Veterans, representing less than 1 percent of all resident graduate students.

While 650 students participated in Tuition Equity in 2018-19, not all students attended full-time. Among undergraduate Tuition Equity students, the full-time equivalent (FTE) among non-citizens was 244 and among veterans was 235.2, for a total of 479 FTE. Among graduate students, FTE among non-citizens was 12.1 and among veterans was 26.1, for a total of 38.2 FTE.

**Table 1: Tuition Equity Participation, 2018-19**

	<b>Tuition Equity for Non-Citizens (Headcount)</b>	<b>Tuition Equity for Veterans (Headcount)</b>	<b>Tuition Equity for Non-Citizens (FTE)</b>	<b>Tuition Equity for Veterans (FTE)</b>
<b>Undergraduate</b>	<b>322</b>	<b>288</b>	<b>244</b>	<b>235.2</b>
EOU	10	29	6.7	13.3
OIT	14	53	11.0	40.6
OSU	47		38.6	
PSU	136		97.6	
SOU	11	34	10.0	29.1
UO	35	145	30.4	132.8
WOU	69	27	49.4	19.4
<b>Graduate</b>	<b>14</b>	<b>26</b>	<b>12.1</b>	<b>26.1</b>

Source: HECC analysis of student records.

Notes: Due to small sizes, the number of graduate students participating in Tuition Equity are not able to be broken out by institution. Blank indicates no Tuition Equity participation.

All seven public universities enrolled undergraduate students who participated in Tuition Equity for Non-Citizens and all but two enrolled students who participated in Tuition Equity for Veterans. Due to the small numbers of graduate students participating in Tuition Equity and in order to protect student identity, the graduate student numbers cannot be broken out by institution. However, six out of the seven public universities enrolled graduate students participating in either Tuition Equity for Non-Citizens or Tuition Equity for Veterans.

Undergraduate students participating in Tuition Equity experience considerable savings on their postsecondary costs (Table 2), ranging from \$12,060 to \$23,580 per academic year (based FTE and assuming enrollment of 15 credits per term). For students enrolled for five years (the maximum length of the Tuition Equity program), total savings range from \$60,300 to \$117,900. These savings

are meaningful and substantial for all Tuition Equity students, though particularly so for students participating in Tuition Equity for Non-Citizens who are often not eligible for federal student aid.

**Table 2: Undergraduate Tuition & Fees at Oregon Public Universities, 2018-19**

	<b>Resident Tuition + Fees</b>	<b>Non-resident Tuition + Fees</b>	<b>Tuition Equity Savings Per Student</b>
EOU	\$ 8,679	\$ 20,739	\$ 12,060
OIT	\$ 9,987	\$ 28,055	\$ 18,068
OSU	\$ 11,211	\$ 30,141	\$ 18,930
PSU	\$ 9,105	\$ 27,060	\$ 17,955
SOU	\$ 9,654	\$ 25,584	\$ 15,930
UO	\$ 11,898	\$ 35,478	\$ 23,580
WOU	\$ 9,540	\$ 26,415	\$ 16,875

Source: HECC analysis of student records.

Notes: Tuition and fees reflect base tuition and enrollment in 15 credits per term for fall, winter, and spring terms.

Savings for graduate students are also considerable though not as stark (Table 3), ranging from \$3,366 to \$11,502 per academic year (based on FTE and assuming enrollment of 12 credits per term). It's more difficult to estimate the total savings for graduate students, as graduate programs can considerably vary in length. However, for a two-year Master's program Tuition Equity yields a total savings of \$6,732 to \$23,004.

**Table 3: Graduate Tuition & Fees at Oregon Public Universities, 2018-19**

	<b>Resident Tuition + Fees</b>	<b>Non-resident Tuition + Fees</b>	<b>Tuition Equity Savings Per Student</b>
EOU	\$ 14,448	\$ 17,814	\$ 3,366
OIT	\$ 17,085	\$ 27,519	\$ 10,435
OSU	\$ 14,331	\$ 25,563	\$ 11,232
PSU	\$ 16,314	\$ 24,090	\$ 7,776
SOU	\$ 17,394	\$ 21,282	\$ 3,888
UO	\$ 16,659	\$ 28,161	\$ 11,502
WOU	\$ 16,596	\$ 25,956	\$ 9,360

Source: HECC analysis of student records.

Notes: Tuition and fees reflect base tuition and enrollment in 12 credits per term for fall, winter, and spring terms.

## FINANCIAL IMPACT ON INSTITUTIONS

To assess financial impact, we calculate the difference in total resident and non-resident tuition and fees for students participating in Tuition Equity (FTE) by institution. As shown in Table 4, the maximum potential cost to the universities to participate in Tuition Equity for undergraduate students ranged from \$240,396 to \$1,752,807 in 2018-19, or \$9,291,108 statewide. This large range is due to the difference in tuition and fees as well as the variation in the number of Tuition Equity students enrolled at the institution. Statewide, the maximum potential cost for undergraduate Tuition Equity in 2018-19 is \$9,291,108. The total potential cost would be realized if all students in the

program would have enrolled in the public universities even without the program, paying nonresident tuition.

However, some or all of these students may not have enrolled in these institutions without the Tuition Equity program. Institutions could also have experienced a financial benefit from attracting students through the program. The maximum potential benefit of the program ranged from \$173,001 to \$1,941,754 across the institutions, or \$4,987,117 statewide. The total potential benefit would be realized if all students in the program enrolled in the public universities primarily because they were able to pay resident tuition rates.

**Table 4: Cost of Undergraduate Students Receiving Tuition Equity at Public Universities**

	<b>Tuition Equity for Non-Citizens (FTE)</b>	<b>Tuition Equity for Veterans (FTE)</b>	<b>Total Resident Tuition + Fees, Maximum Fiscal Benefit</b>	<b>Total Non-resident Tuition + Fees</b>	<b>Maximum Fiscal Cost to Institutions</b>
EOU	6.7	13.3	\$ 173,001	\$ 413,397	\$ (240,396)
OIT	11.0	40.6	\$ 515,100	\$ 1,447,027	\$ (931,928)
OSU	38.6		\$ 432,990	\$ 1,164,109	\$ (731,119)
PSU	97.6		\$ 888,850	\$ 2,641,657	\$ (1,752,807)
SOU	10.0	29.1	\$ 378,222	\$ 1,002,324	\$ (624,102)
UO	30.4	132.8	\$ 1,941,754	\$ 5,790,010	\$ (3,848,256)
WOU	49.4	19.4	\$ 657,200	\$ 1,819,700	\$ (1,162,500)
<b>Total</b>	<b>244</b>	<b>235.2</b>	<b>\$ 4,987,117</b>	<b>\$ 14,278,225</b>	<b>\$ (9,291,108)</b>

Source: HECC analysis of student records.

Notes: Blank indicates no Tuition Equity participation.

In comparison, the maximum statewide cost of graduate-level Tuition Equity in 2018-19 is \$407,028. This smaller cost, compared to the cost for undergraduates, is due to the many fewer students participating in the program as well as the smaller difference between resident and non-resident graduate tuition. This total potential cost would be realized if all of the graduate students in the program would have enrolled in the public universities whether or not the program were in place.

The maximum statewide benefit of graduate-level Tuition Equity in 2018-19 is \$622,703. This total potential benefit would be realized if all of the graduate students in the program enrolled in the public universities primarily because of Tuition Equity.

**Table 5: Cost of Graduate Students Receiving Tuition Equity at Public Universities**

	<b>Tuition Equity for Non-Citizens (FTE)</b>	<b>Tuition Equity for Veterans (FTE)</b>	<b>Total Resident Tuition + Fees, Maximum Fiscal Benefit</b>	<b>Total Non-resident Tuition + Fees</b>	<b>Maximum Fiscal Cost to Institutions</b>
<b>Total</b>	<b>12.1</b>	<b>26.1</b>	<b>\$ 622,703</b>	<b>\$ 1,029,732</b>	<b>\$ (407,028)</b>

Source: HECC analysis of student records.

Notes: Due to small sizes, the number of graduate students participating in Tuition Equity is not able to be broken out by institution.

The overall statewide impacts of Tuition Equity – including both undergraduate and graduate students – in 2018-19 are a maximum potential cost of \$9,698,136 and a maximum potential benefit of \$5,609,820. While both the negative and financial impacts are significant, each amount represents tuition and fee differences from less than one percent of the undergraduate and graduate students enrolled at the public universities.

## CONCLUSIONS

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Tuition Equity provides access to more affordable postsecondary education for two important groups of students: (1) individuals who are not citizens or lawful permanent residents of the U.S. or who are financially dependent upon a person who is not a citizen or a lawful permanent resident of the U.S. and (2) individuals who are citizens or lawful permanent residents of the U.S. and who resided outside of Oregon while serving in the Armed Forces of the United States.

The program saves undergraduate students from \$60,300 to \$117,900 across five years, while graduate student savings range from \$6,732 to \$23,004 across two years. These are large savings for individual student and family budgets. For institutions, financial impacts of the program can be positive, yielding up to \$5.6 million, or negative, costing up to \$9.7 million. In context, the program enrolls less than one percent of resident undergraduate and graduate students at the public universities, making the potential impacts relatively small for institutions but quite meaningful for Oregon students.

