Oregon Coast CC

AFFORDABILITY IN OREGON HIGHER EDUCATION

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February 7, 2017

Presented to: House Committee on Higher Education and Workforce Development

HIGHER EDUCATION COORDINATING COMMISSION

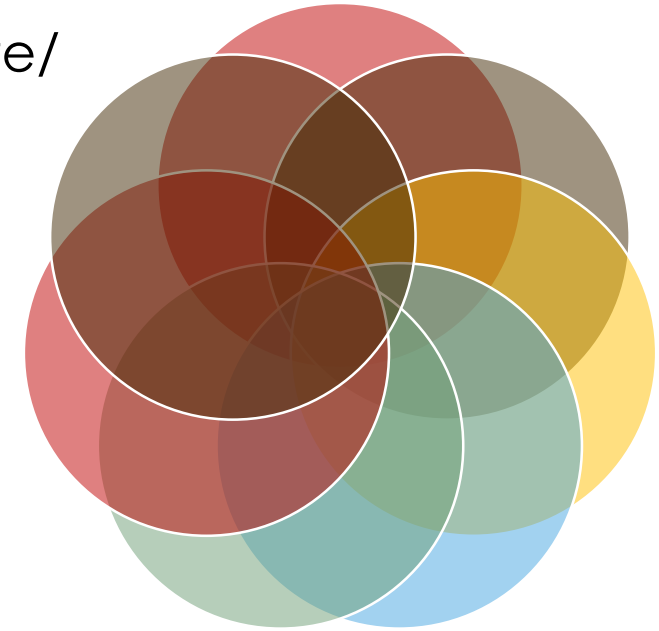
HOW AFFORDABLE IS OREGON HIGHER EDUCATION?

AFFORDABILITY: A MULTI-DIMENSIONAL ISSUE

Student or family resources

Type of degree/certificate/ major

Tuition



Other costs of attendance
(room and board, textbook, supplies, transportation etc.)

Time to completion

Financial Aid
(state, federal, institutional, private)

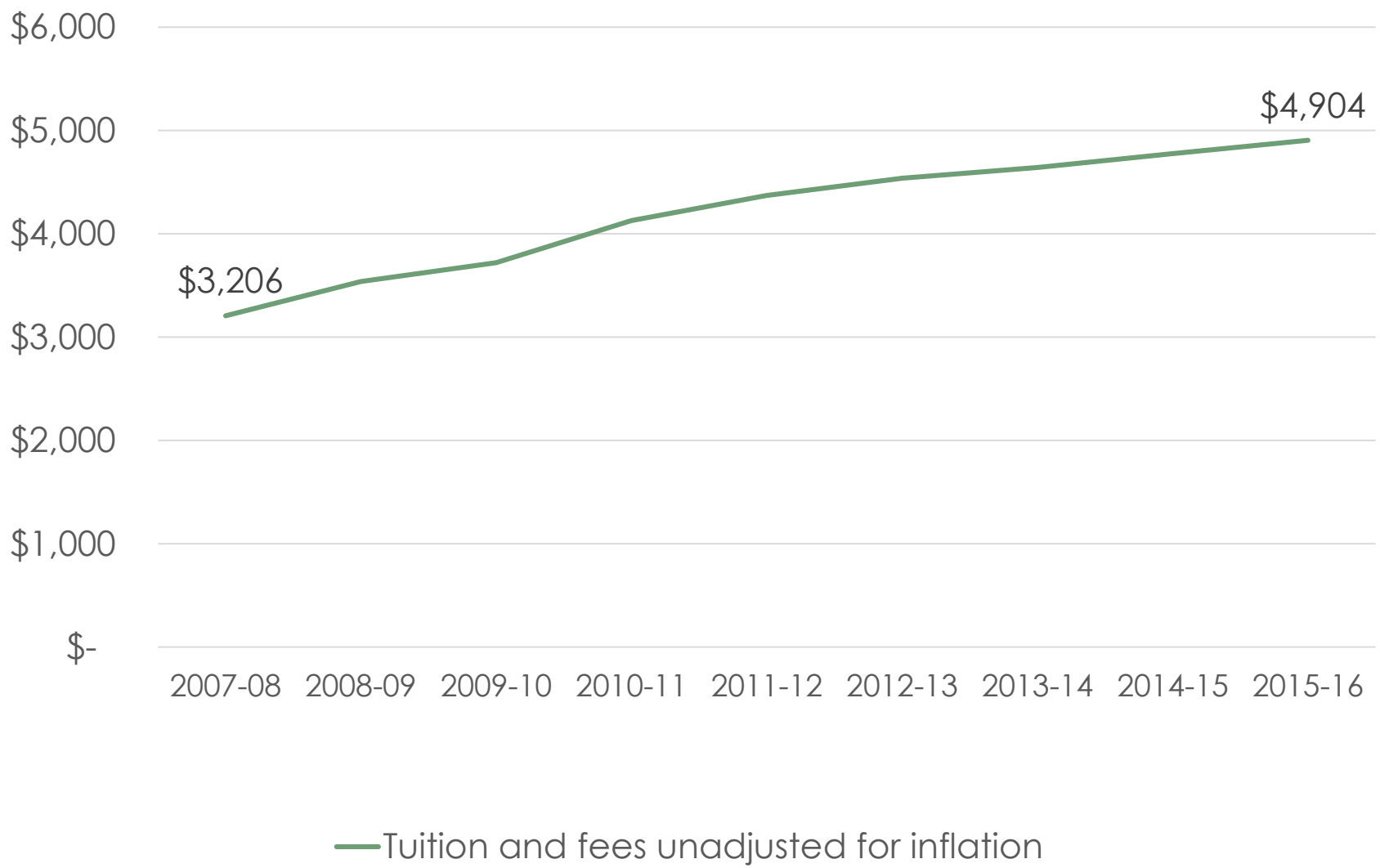
Completion

MEASURING AFFORDABILITY

Tuition:	*okay*
Cost of attendance:	*good*
Net price:	*better*
Net price to income:	*best*
Other factors:	*not systematically quantified*

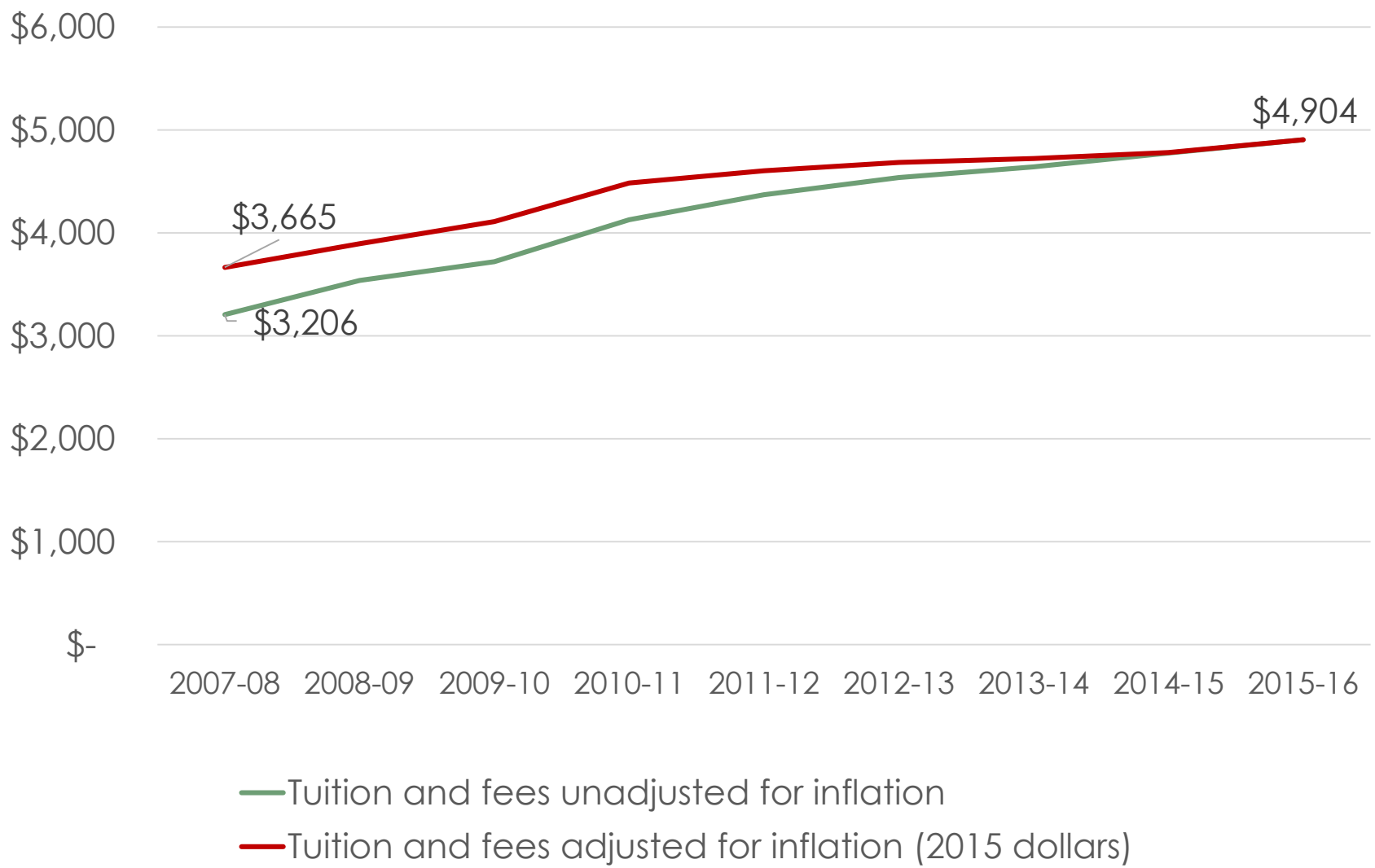
Also … debt.

COMMUNITY COLLEGE TUITION AND FEES



Source: HECC analysis of community college and HECC data

COMMUNITY COLLEGE TUITION AND FEES



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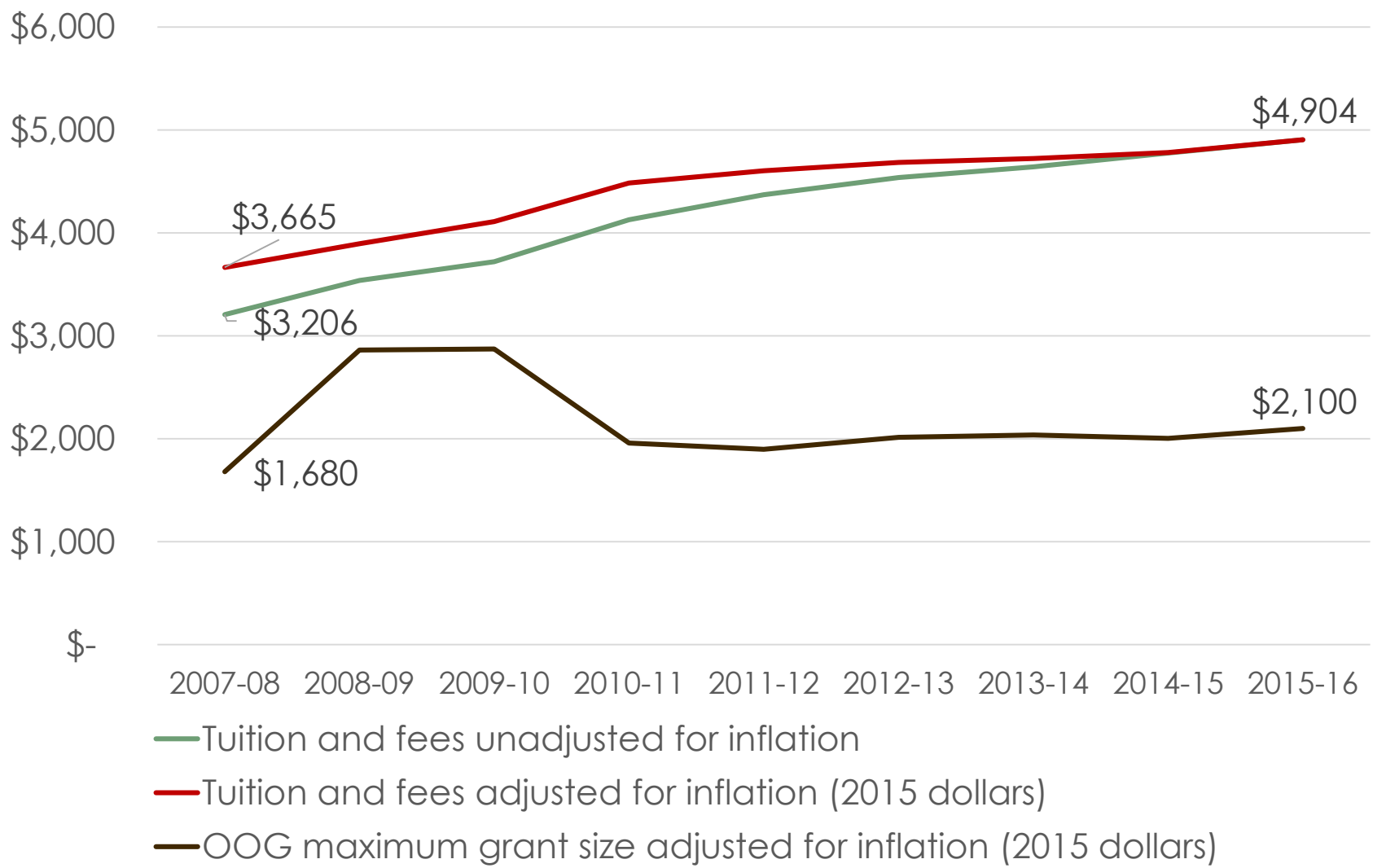

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PUBLIC UNIVERSITY TUITION AND FEES

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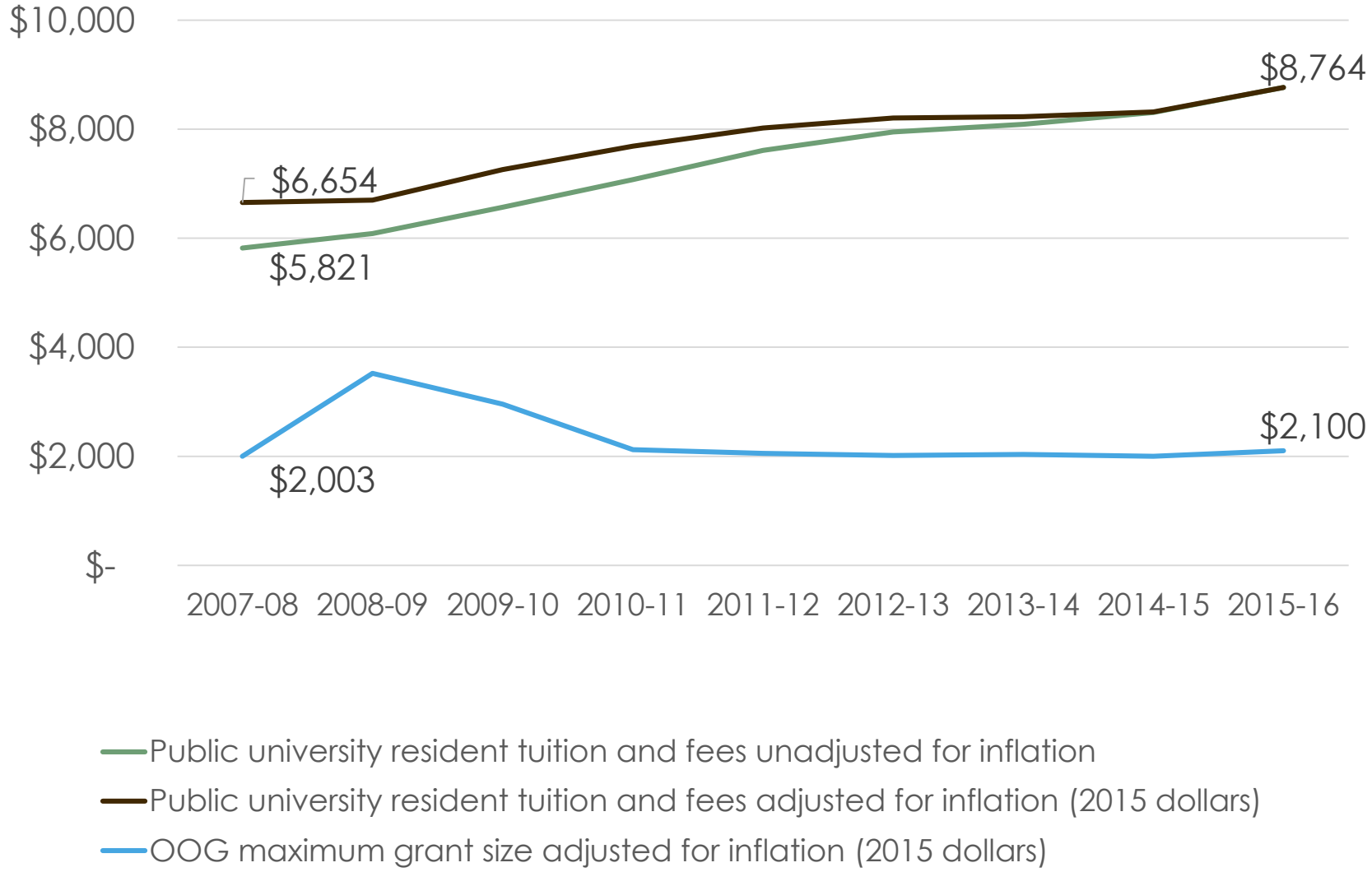


Source: HECC analysis of university and HECC data

TOTAL "COST OF ATTENDANCE"

Tuition ***plus*** **…**

…Mandatory fees

…Housing

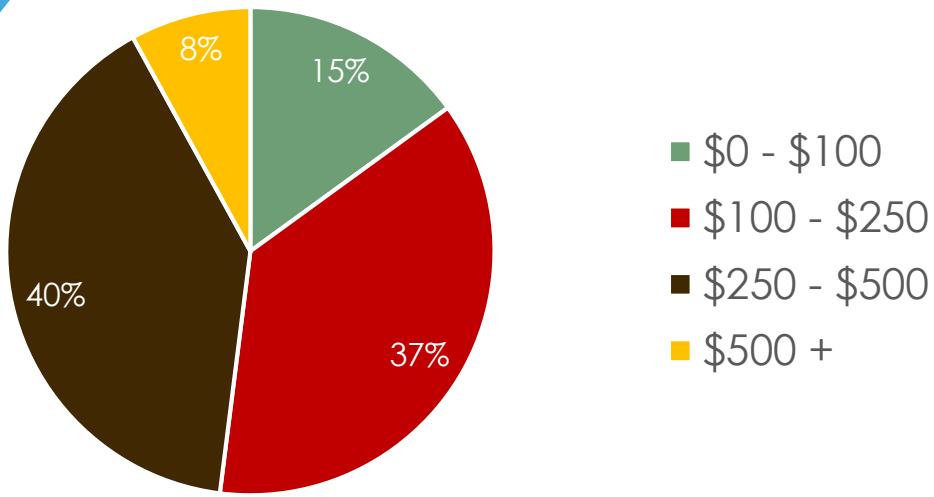
…Food

…Transportation

…Supplies

…Textbooks

HECC survey: For the Fall 2014 term, how much did you spend on textbooks?



Source: HECC, *Textbook Affordability Workgroup: Final Report and Recommendations*, May 2015

"NET PRICE"

- "Cost of attendance" **minus** grant aid (e.g. Pell, OOG, Oregon Promise, institutional aid)
- Varies by student
- Can be expressed as an average

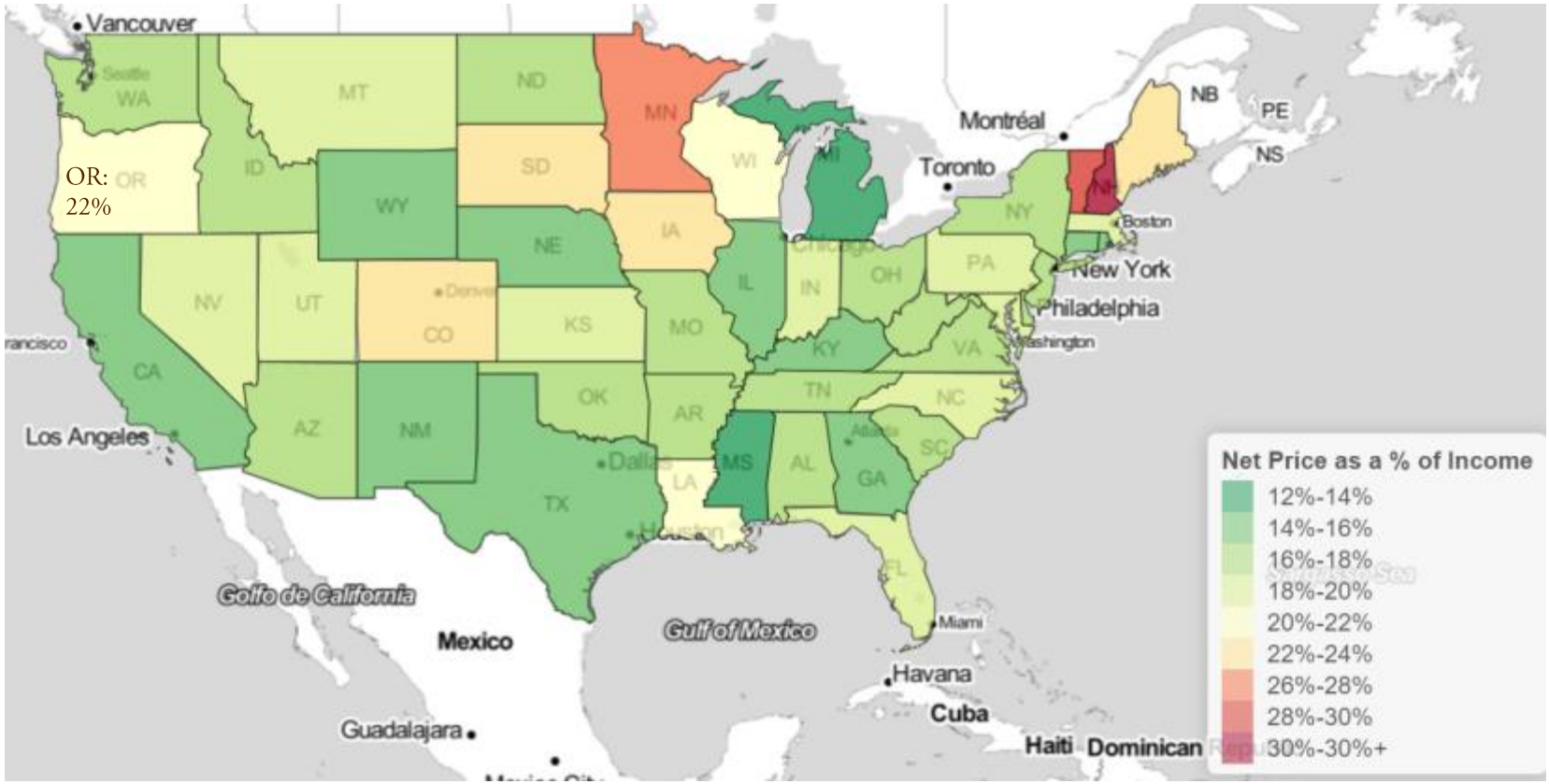
NET PRICE RELATIVE TO OREGON FAMILY INCOME

What percent of family income would be need to attend college full time at Oregon higher education institutions?

	Percent of Income (2013)	Weeks of Work at Minimum Wage	Oregon's Ranking
Public Two-Year	22	19	42
Public Four-Year Nondoctoral	32	31	41
Public Research	34	32	39
Private Four-Year Nondoctoral	51	48	39

Source: Penn Graduate School of Education, "2016 College Affordability Diagnosis for Oregon" http://www.gse.upenn.edu/pdf/irhe/affordability_diagnosis/Oregon_Affordability2016.pdf

NET PRICE AS PERCENT OF INCOME, PUBLIC TWO-YEAR COLLEGES



Source: Institute for Research on Higher Education. (2016). College Affordability Diagnosis: National Report. Philadelphia, PA: Institute for Research on Higher Education, Graduate School of Education, University of Pennsylvania. http:// www2.gse.upenn.edu/irhe/affordability-diagnosis.
Map link: http://peabody.vanderbilt.edu/research/studies/affordability/maps_cc.php

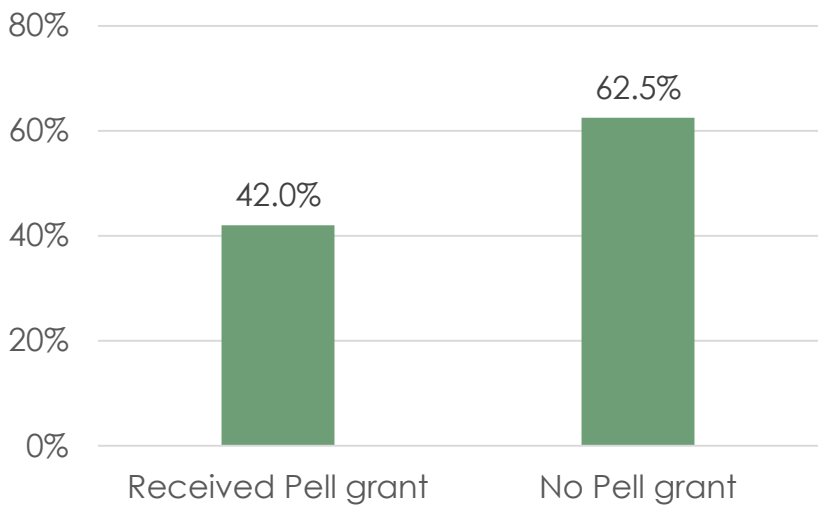
STUDENT DEBT, OREGON GRADUATES

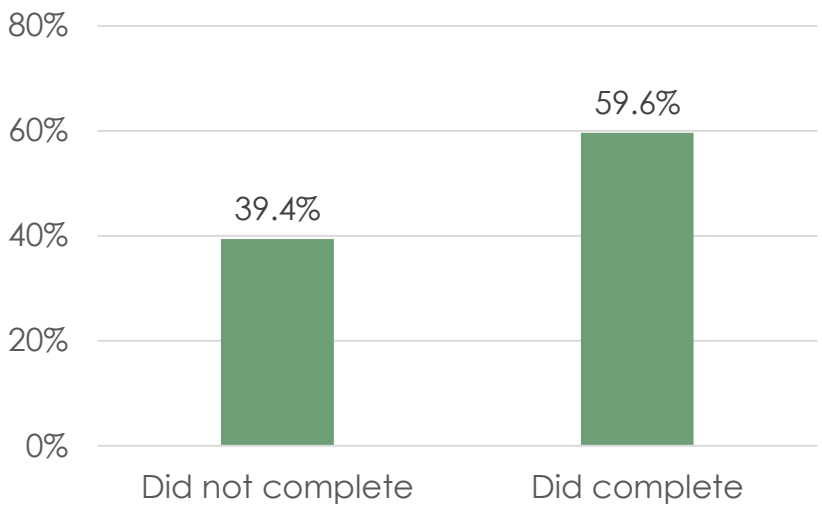
Students graduating from 4-year institution (public or private)	Oregon	U.S.
Percentage with loans	63%	68%
Median amount of loans	$27,697	$30,100

Source: The Institute for College Access & Success. 2016. "Project on Student Debt, State by State Data." http://ticas.org/posd/mapstate-data#.

STUDENT DEBT, LOAN REPAYMENT RATES

Federal student loan repayment rates*, 3 years after leaving school





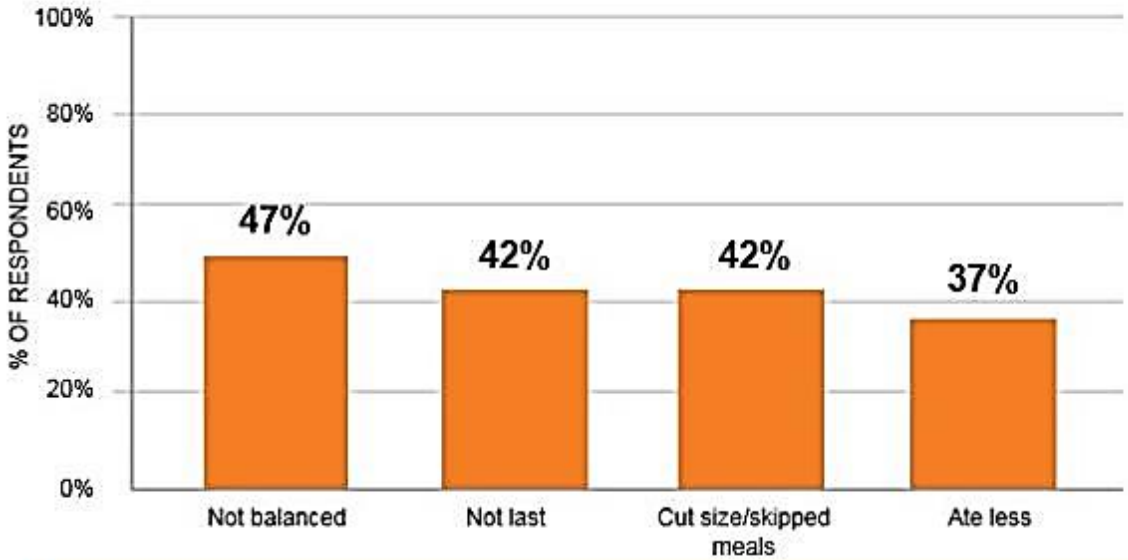
Student loan repayment is concentrated among those from higher income backgrounds who complete their degrees

*Repayment rates measure the percentage of students who have successfully paid off at least $1 of loan principal.

Source: U.S. Department of Education data, as reported in New America. 2017. "New Data Show Wider Repayment Gap Between Low- and High-Income Borrowers." https://www.newamerica.org/education-policy/edcentral/new-data-show-repayment-gap-between-low-and-high-income-borrowers-wider-realized/

FOOD INSECURITY

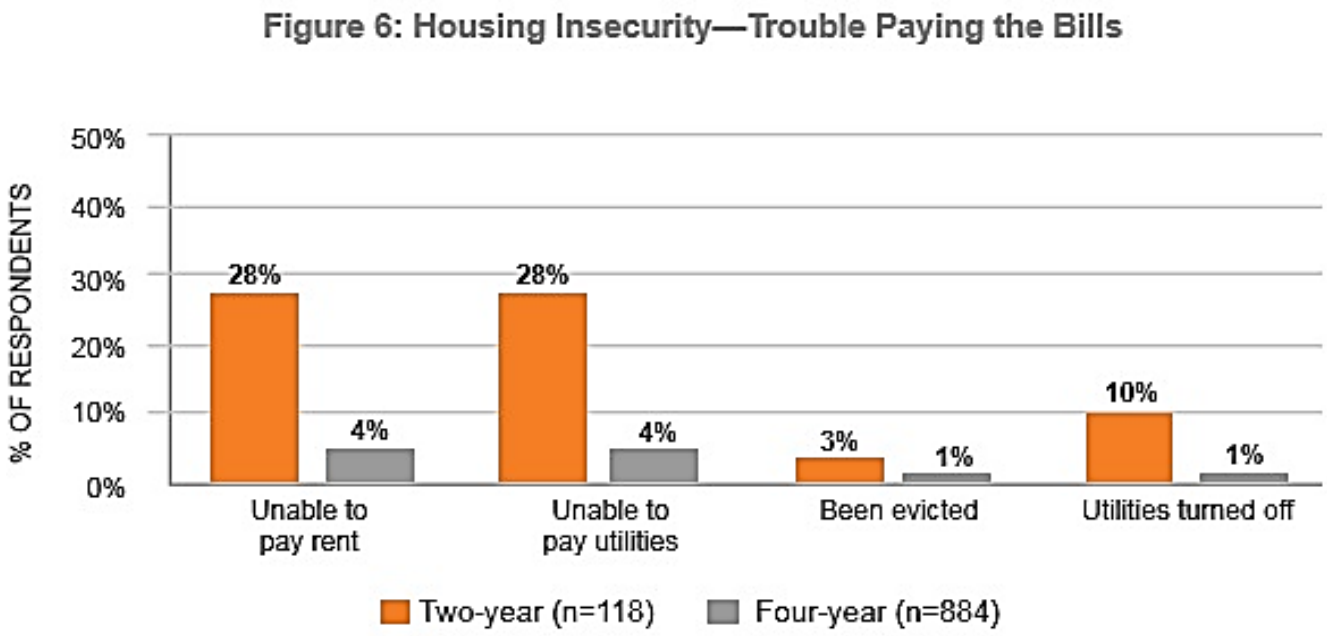
Figure 1: Food Insecurity on College Campuses—A Common Experience



During this academic year, since September 2014...	
Not balanced	I could not afford to eat balanced meals (sometimes/often true)
Not last	The food that I bought just did not last, and I did not have money to get more (sometimes/often true)
Cut size/skipped meals	Ever cut the size of your meals or skipped meals because there was not enough money for food (true)
Ate less	Ever eaten less than you felt you should have because there was not enough money for food (true)

Source: Wisconsin HOPE Lab, January 13, 2016, *"What We're Learning: Food and Housing Insecurity among College Students A Data Update."*

HOUSING INSECURITY

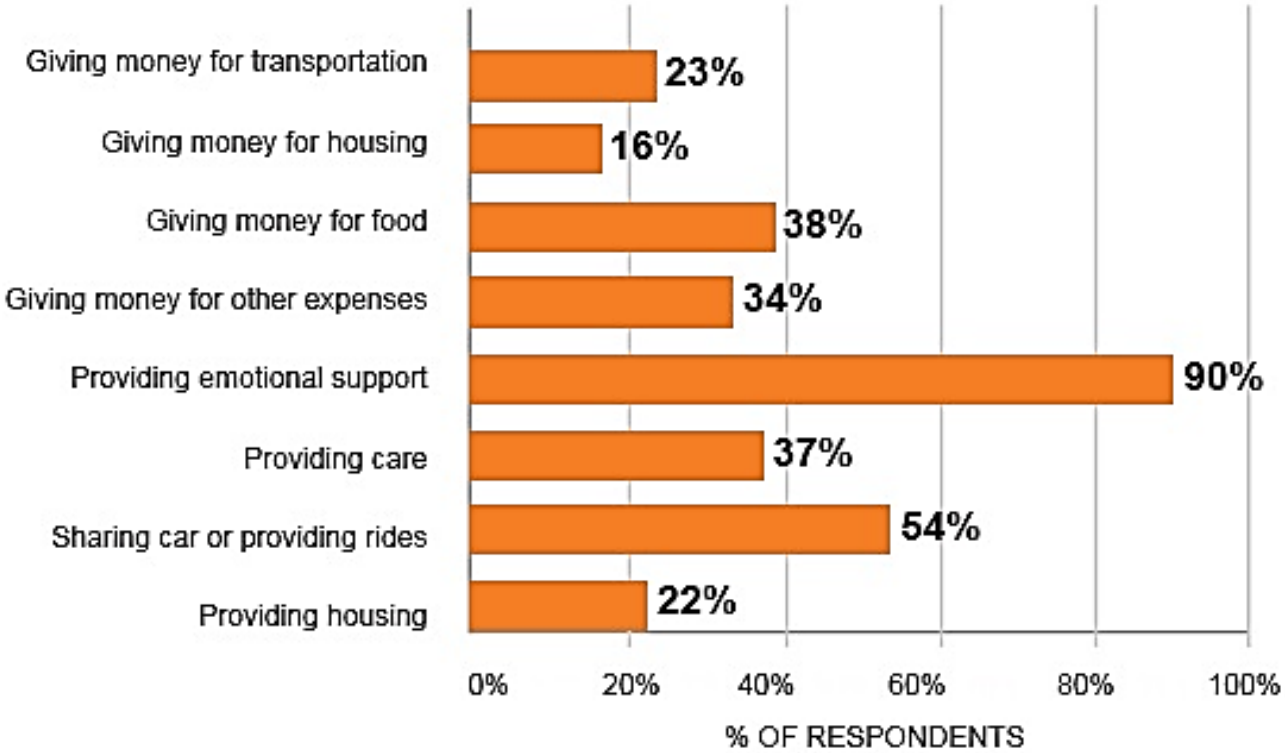


At any time during this academic year, since September 2014, have you ever…	
Unable to pay rent	…been unable to pay your rent or mortgage on time?
Unable to pay utilities	…been unable to pay the gas, oil, or electrical bill on time?
Been evicted	…been evicted for failure to pay your rent or mortgage?
Utilities turned off	…lost your gas, oil, or electricity for failure to pay your bill?

Source: Wisconsin HOPE Lab, January 13, 2016, "What We're Learning: Food and Housing Insecurity among College Students A Data Update."

STUDENT FINANCIAL CONTRIBUTIONS TO FAMILIES

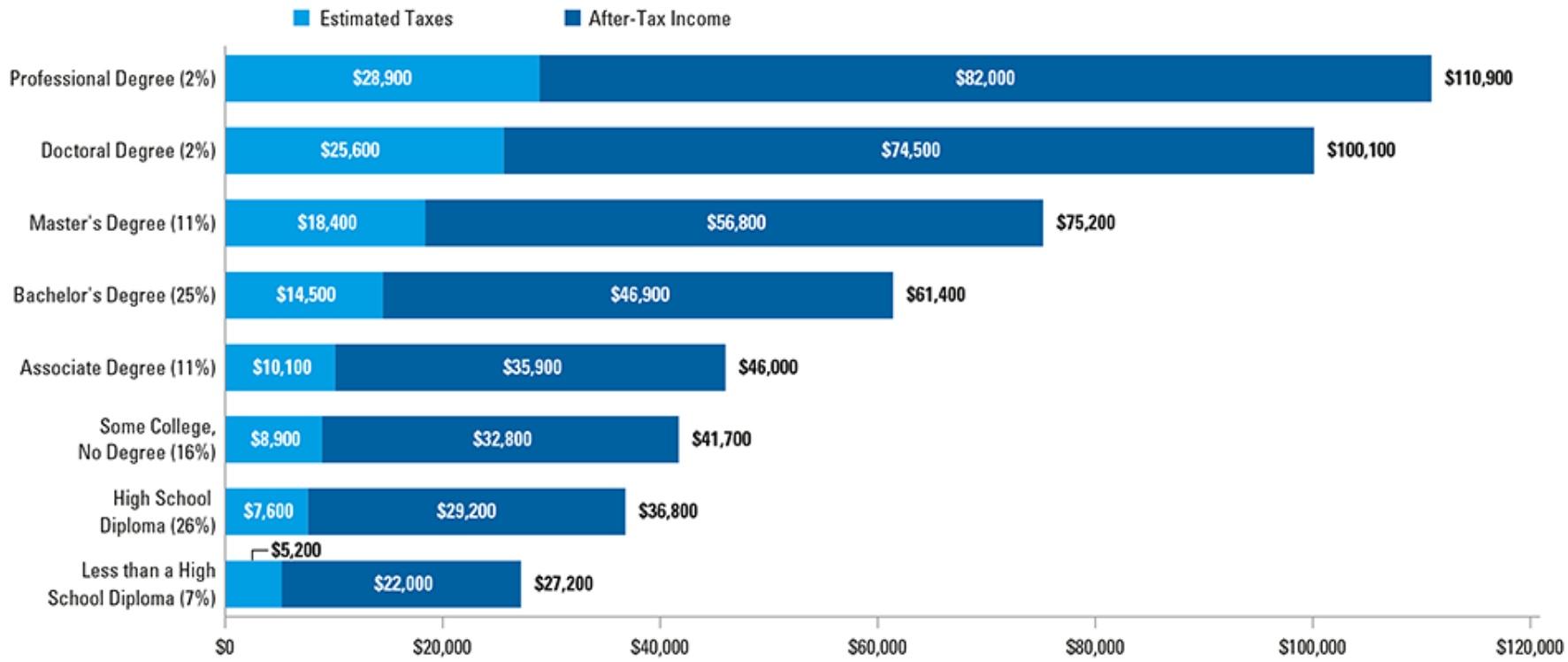
Figure 1: How do college students help their families?



Source: Wisconsin HOPE Lab, January 13, 2016, *"What We're Learning: Food and Housing Insecurity among College Students A Data Update."*

SO, IS THE PRICE WORTH PAYING?

U.S. Median Earnings and Tax Payments of Full-Time Year-Round Workers Age 25 and Older, by Education Level, 2015



SOURCE: The College Board, Education Pays 2016, Figure 2.1

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WHAT CAN BE DONE TO IMPROVE AFFORDABILITY?

A MULTI-DIMENSIONAL PROBLEM REQUIRES MULTI-DIMENSIONAL SOLUTIONS

- Minimize the need for tuition increases
- Increase grant aid for the lowest-income students
- Create low-cost pathways to lower division and CTE courses
- Smooth transfer pathways to four-year institutions
- Improve graduation rates
- Maximize opportunity in high-return fields
- Support innovations that lower student costs (e.g. Open Educational Resources)

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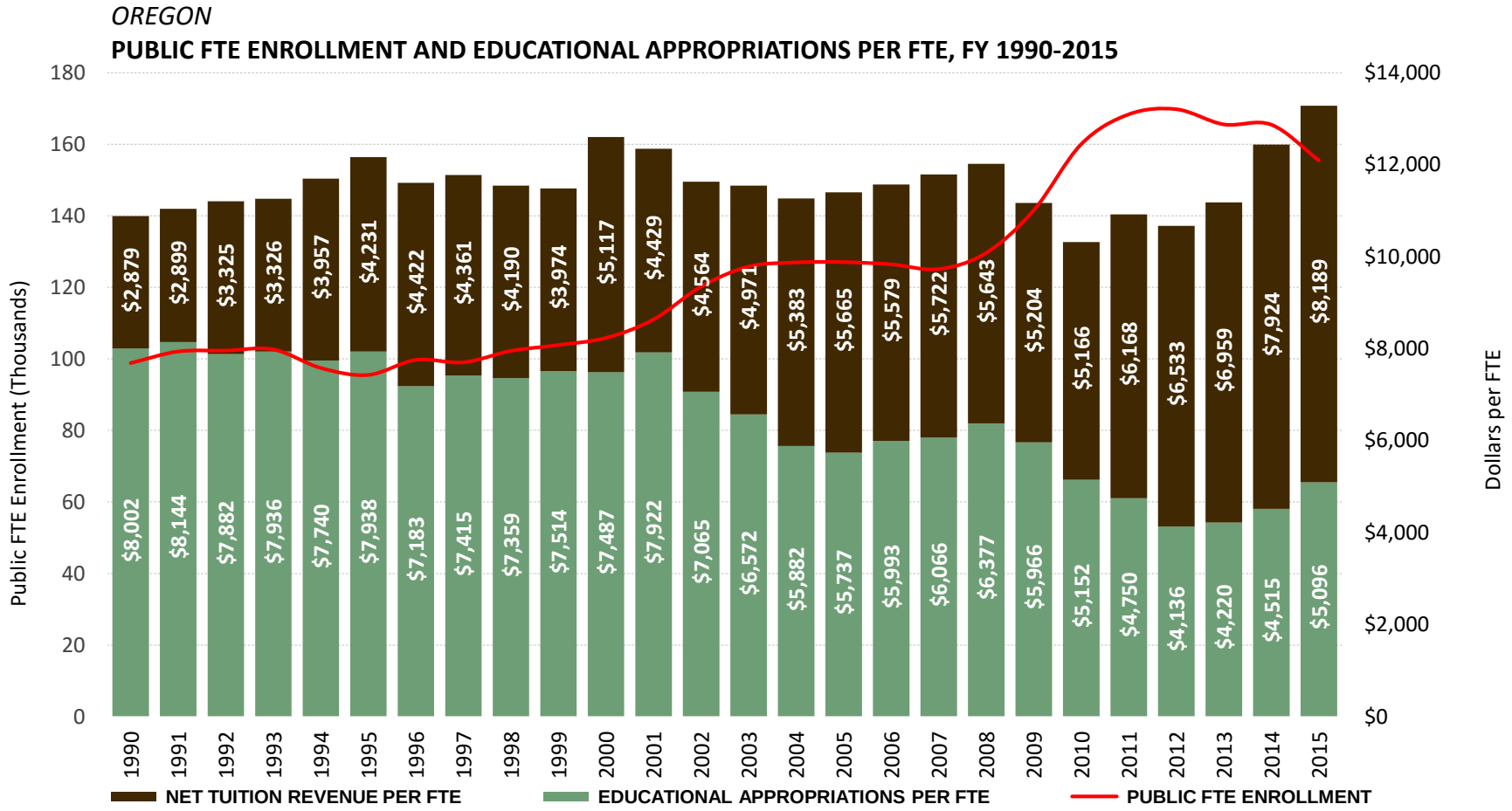
OREGON PUBLIC FTE ENROLLMENT AND EDUCATIONAL APPROPRIATIONS PER FTE, FY 1990-2015



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,

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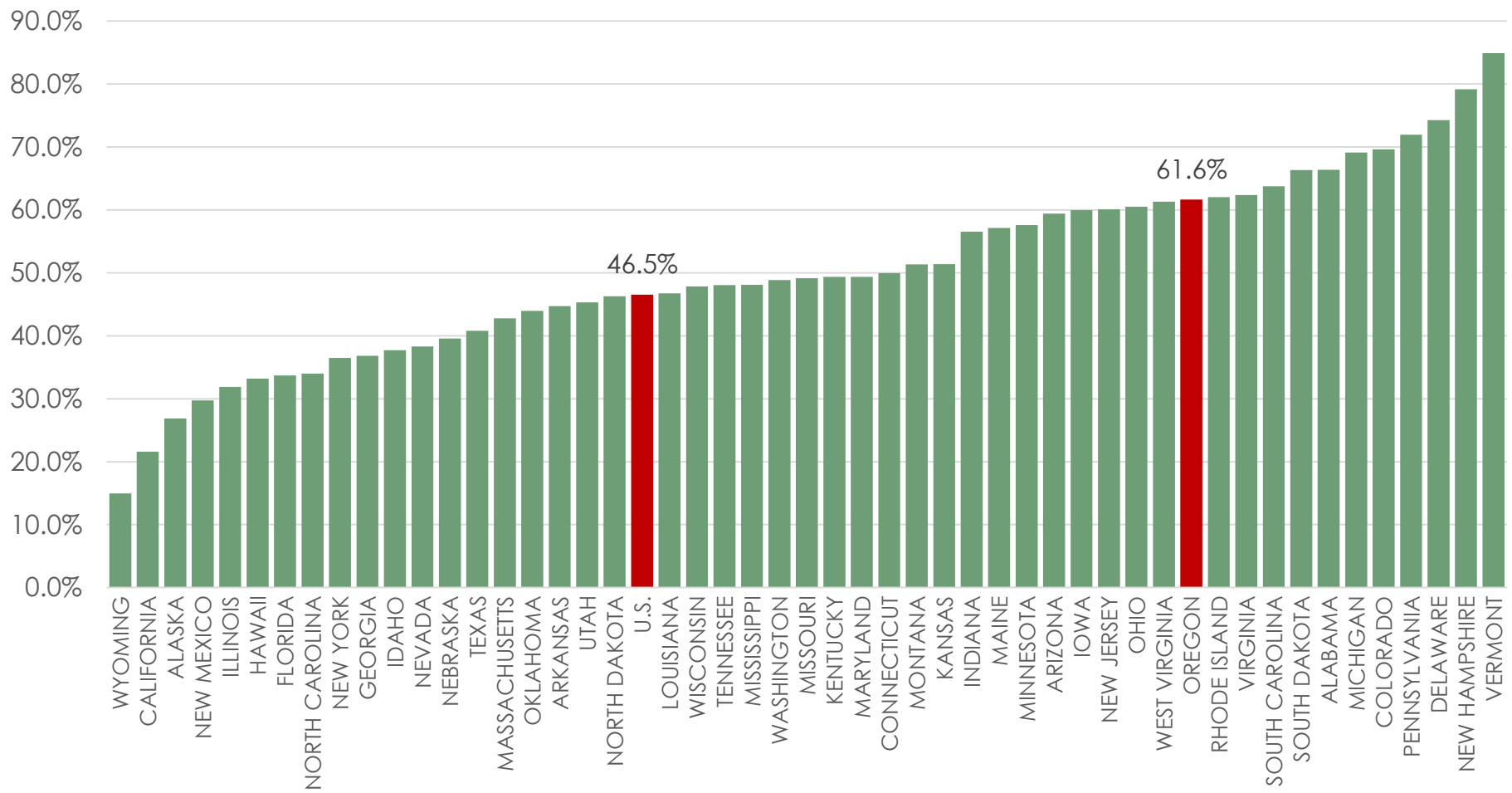
Data Source: 2015 State Higher Education Finance Report, SHEEO, http://www.sheeo.org

STUDENT SHARE: NET TUITION AS A PERCENT OFF TOTAL EDUCATIONAL REVENUE, FY 2015



Data Source: 2015 State Higher Education Finance Report, SHEEO, http://www.sheeo.org

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STATE FUNDING: NATIONAL DATA

According to the 2015 State Higher Education Finance (SHEF) Report, Oregon public funding per student was still ranked among lowest nationwide:

- Oregon ranked 45th in the actual public educational appropriation per student in 2015 ($4,788 per student compared with $6,966 nationally).
- Since the 2008 recession, Oregon saw the 20th highest rate of decrease in public funding per student, showing that investments did not kept pace with enrollment over this time.
- **This SHEF report addresses funding for 2015 and earlier. It does not take into account the significant new higher education investment the Oregon Legislature made in the 2015-17 biennium.**

2017 preliminary numbers show significant increases, but Oregon is still accounting for years of under-investment.

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OREGON'S MAJOR HECC-ADMINISTERED FINANCIAL AID PROGRAMS

Oregon Opportunity Grant	**39,000 students** received OOG awards totaling $64 million in the 2015-2016 academic year.
Oregon Promise Grant	**About 7,000 students** projected to receive Oregon Promise awards totaling $11 - $13 million in 2016-2017.
Other programs	Over 500 HECC-administered private scholarships, plus Chafee grants for former foster youth, and more.

NEED-BASED AID: THE OREGON OPPORTUNITY GRANT

Oregon's only **state-funded, need-sensitive grant program that helps low- income Oregonians** achieve their academic goals.

Goal: To help Oregon students who have demonstrated financial need pay for college.

OREGON OPPORTUNITY GRANT: IMPACT

Graduation Rates at Oregon Public Universities	
OOG recipients	64.1%
No OOG	59.6%

Source: Oregon University System, Graduation Rate by First Time Freshman Cohort 2006-07, fall term, includes inter-OUS transfers.

+4.5%
DIFFERENCE

OOG recipients demonstrate higher university graduation rates than those who did not receive the grant.

OREGON OPPORTUNITY GRANT: FOCUSED ON LOWEST-INCOME STUDENTS

Only students with Expected Family Contributions **at or below $4000** received awards in 2016-2017.

In 2015-2016, grants reached more than **30% of eligible students**, a slight increase over the **27% eligible students** served in 2014-2015.

This is a successful program, however, **it does not meet demand.**

OREGON'S NATIONAL POSITION IN FUNDING STUDENT AID: ROOM TO GROW

2014-15	U.S. average	Oregon number	Oregon rank
Need-based grant dollars per capita population	$32	$14	33
Need-based grant dollars per 18-24 year old in state	$333	$159	33
Percent of dollars awarded to public colleges and universities	72.2%	91.9%	9

Oregon in bottom third

OOG reinforces state investments in public colleges and universities

Source: National Association of State Student Aid and Grant Programs. 2016. *46th Annual Survey Report on State-Sponsored Student Financial Aid: 2014-15 Academic Year.* http://www.nassgap.org/survey/NASSGAP_Report_14-15_final.pdf

LOW-COST COMMUNITY COLLEGE: THE OREGON PROMISE

Senate Bill 81 (2015) established a program to "provide a waiver of tuition for community college courses."

Covers most tuition costs for up to 90 credits attempted (approximately two years at full-time enrollment).

- Minimum grant of $1,000 for a student enrolled full time, full year
- Maximum grant at $3,398 for 2016-17, based on average CC tuition costs

GOAL: To increase college enrollment, completion, and affordability for recent high school graduates and GED recipients.

THE OREGON PROMISE: IMPACT

	Fall, 2014	Fall, 2016
Number of recent high school graduates who enrolled at a community college, 6+ credits	5,709	6,553

+844 students[1]

[1]The actual increase from 2014 to 2016 was likely much greater. Due to data resolution issues, the 2014 figure includes all same-year high school graduates, including those who had a high school GPA lower than 2.5. The 2016 figure includes Oregon Promise recipients only. It does not include community college students who were recent high school graduates but ineligible for the Promise due to a GPA lower than 2.5 or other reasons.

OTHER EFFORTS UNDERWAY

- Minimize the need for tuition increases
- Increase grant aid for the lowest-income students
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- Maximize opportunities in high-return fields
- Support innovations that lower student costs (e.g. Open Educational Resources)