



Linn Benton CC



Oregon Tech



Chemeketa CC



THE AFFORDABILITY CHALLENGE IN HIGHER EDUCATION

BEN CANNON, DIRECTOR, HIGHER EDUCATION
COORDINATING COMMISSION

March 29, 2017

Presented to: Joint Ways and Means, Education Subcommittee



PRESENTATION SCHEDULE

Day 1-2, March 27-28

- Introduction to Higher Education Structure and Students, Progress toward State Goals, Quick Funding History

Day 3-4, March 29-30

- Affordability: Key Factors, State Financial Aid Programs + Intro to Student Pathways

Day 5, April 3

- Student Pathways and Transitions: Precollege, Inter-college, Private Postsecondary, Workforce

Day 6, April 4

- Public Testimony

Days 7-8, April 5-6

- State Support for Community Colleges
- Community College presentations

Day 9, April 10

- Public Testimony

Days 10-11, April 11-12

- State Support for Public Universities
- University presentations

Day 12, April 13

- Capital Construction, Other Missions of Universities

Day 13, April 17

- Public Testimony

Day 14, April 18

- OHSU Budget and Public Testimony

Day 15, April 19

- An Integrated postsecondary agency, HECC Operations, Conclusion

BUDGET PRIORITIES: AFFORDABILITY

Invest in College Affordability and Opportunity

- Increasing and sustaining investments in Oregon's key financial aid programs, to ensure the opportunity for postsecondary success is within reach for Oregonians who are struggling financially
- Increase state **need-based aid (Oregon Opportunity Grant)** for the lowest-income Oregonians, including working adults
- Fully fund the **Oregon Promise** grant program, providing nearly tuition-free access to community college for recent high school graduates, protecting college access for families of all income levels

OREGON OPPORTUNITY GRANT: PROPOSED EXPANSION

The GRB proposes expanding the Oregon Opportunity Grant (OOG) by **8.1% above the 2015-17 LAB** in order to ensure that Oregon's highest-need students receive the necessary financial support to both consider entering and successfully completing college.

Increasing the state's investment to **\$151M**

will:

- Serve approximately **5,000** additional Oregon students facing affordability challenges

OREGON PROMISE: PROPOSED CONTINUATION

The GRB proposes continuation of the Oregon Promise at **\$39.7M** in order to support the upcoming high school and GED cohorts in affording community college.

Continuing the state's investment at **\$39.7M**

will:

- **Serve upcoming cohorts of eligible students (HS Classes of 2017 and 2018 and GED recipients)**
Two new cohorts of eligible students in the upcoming biennium
- **Continuing funding for current recipients** through the 2nd year of their community college studies or until they reach 90 college credits, as the Oregon Promise was designed.

AFFORDABILITY RELATED KEY PERFORMANCE METRICS

Data will be
presented
with HECC
Agency
Operations,
Appendix

KPM 13: Earnings of community college completers

KPM 14: Earnings of community college leavers

KPM 21: Earnings of public university bachelor's degree completers

KPM 22: Percentage of resident enrolled students who are incurring unaffordable costs, CCs and universities

KPM 23: Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid, CCs and universities

KPM 24: University graduate debt

KPM 25: Student loan default rates (CC, universities, and all higher ed)

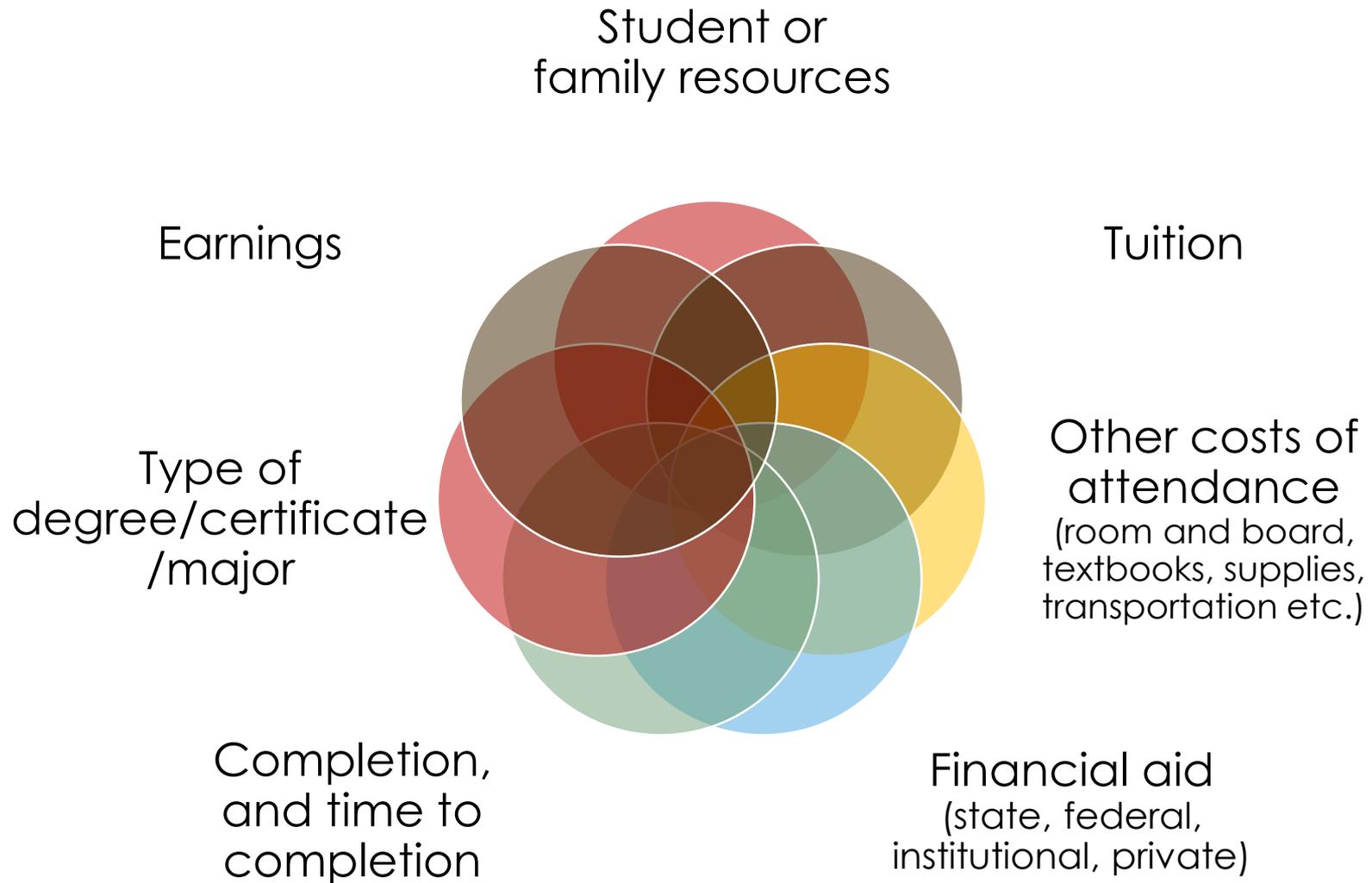
KPM 26: Average cost of attendance, public universities

KPM 27: Average statewide tuition and fees minus grant aid and net assessed tuition and fees per resident, undergraduate FTE (colleges and universities)

DIMENSIONS OF COLLEGE AFFORDABILITY



AFFORDABILITY: A MULTI-DIMENSIONAL ISSUE



TERMS USED WHEN CALCULATING STUDENT COST

Tuition and Fees:

- The primary cost for credits and coursework, which often includes instructor costs, lab costs, library use, and a wide variety of campus services. Typically, schools will price courses by the credit.

Room and Board:

- Housing (e.g. dorms, apartments or houses) and food costs, which could include a meal plan offered by the school.

Books and Supplies:

- Books, notebooks, and other required supplies. For example, health sciences students can expect to pay for medical equipment, while graphic design students will need specialty art supplies.

Personal and Transportation:

- Personal items—such as a computer, clothes, personal care items—and the cost of travel during school, as well as returning home during holidays and breaks.

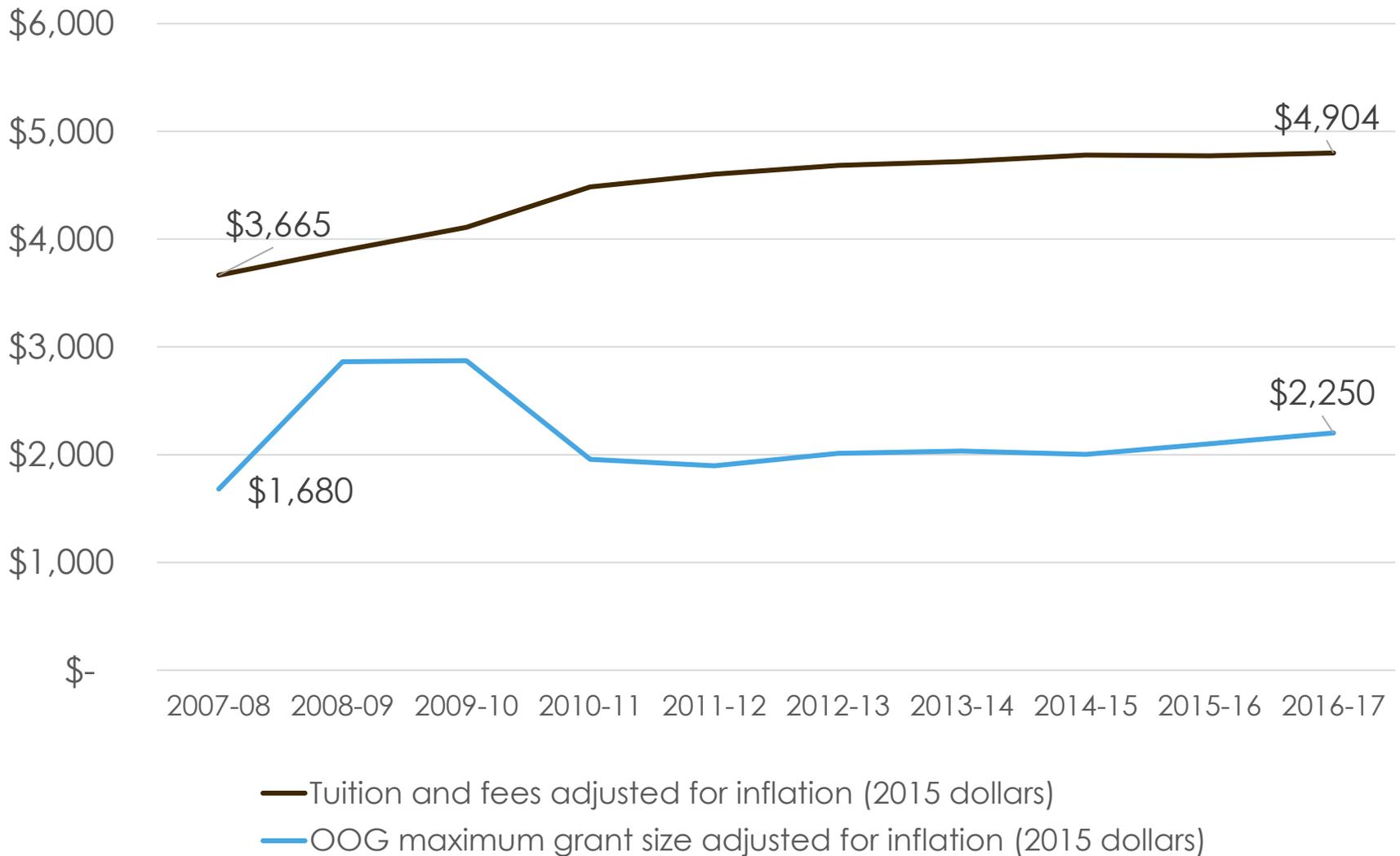
Total Cost of Attendance:

- The total amount it will cost to attend school—usually stated as a yearly figure. Generally includes tuition and fees; room and board; and allowances for books, supplies, transportation, loan fees, dependent care, and miscellaneous and personal expenses.

Net Price:

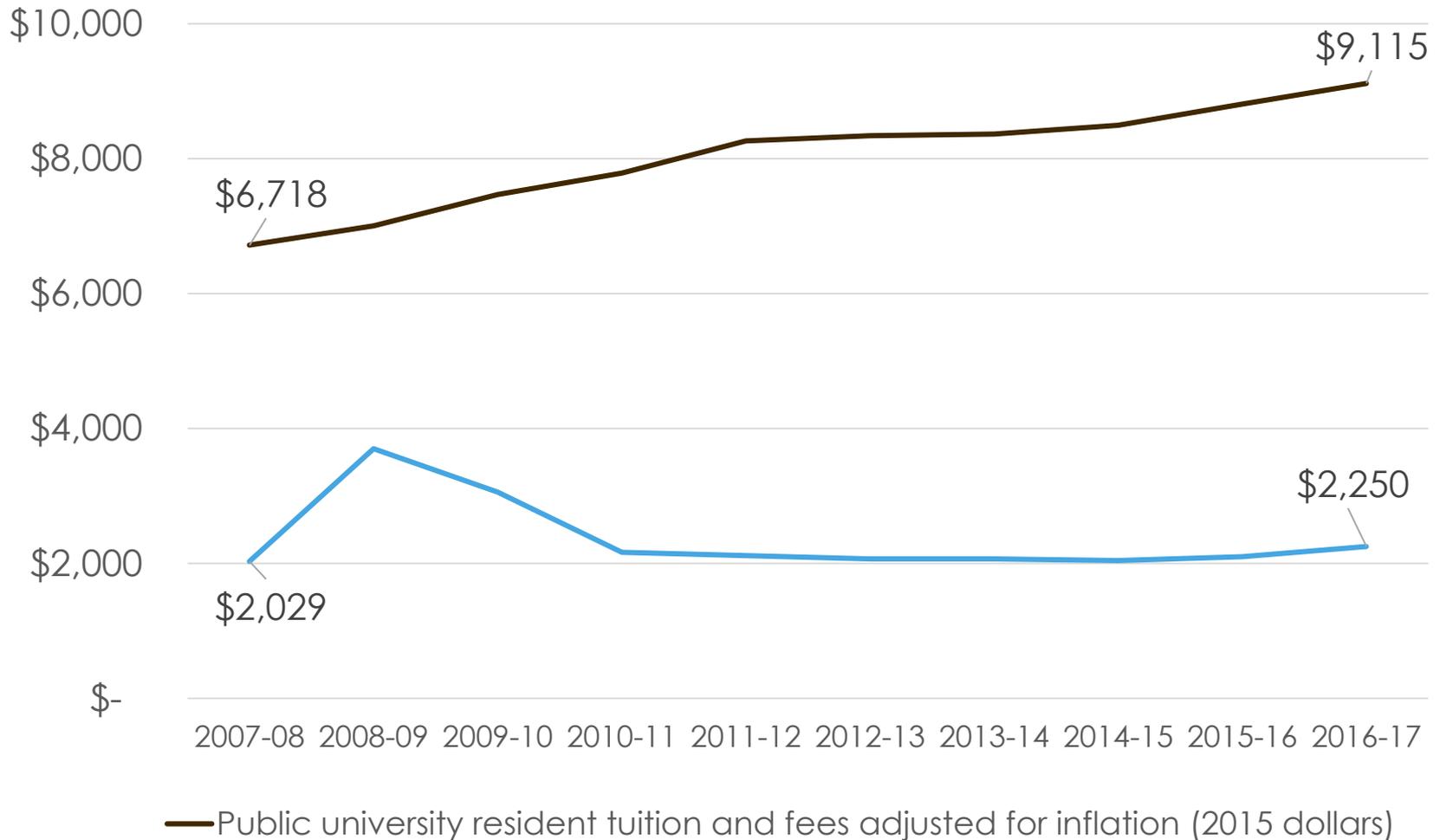
- The amount a student pays to attend an institution in a single academic year, after subtracting student scholarships and grants received. Scholarships and grants are forms of financial aid that do not have to be paid back.

COMMUNITY COLLEGE TUITION AND FEES IN RELATION TO STATE NEED-BASED AID



Note: Tuition and fees based on 15 credits. Inflation adjustment based on Portland CPI-U, with the exception of 2016-17 which retains its current value. Source: HECC analysis of community college and HECC data.

PUBLIC UNIVERSITY TUITION AND FEES IN RELATION TO STATE NEED-BASED AID



Notes: Tuition and fees based on 15 credits. Inflation adjustment based on Portland CPI-U, with the exception of 2016-17 which retains its current value. Source: HECC analysis of university and HECC data.

Slide corrected 4.12.17

HOW ARE TUITION AND FEES SET?

Public Universities

- Tuition and fees are generally set by the Boards 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 Boards 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.

*The HECC uses a weighted average in tuition calculations when evaluating tuition increase proposals. Average tuition figures in this presentation are based on the average of listed prices, not weighted average.

STUDENTS FACE COST CHALLENGES BEYOND TUITION

Tuition **plus** ...

...Mandatory fees

...Housing

...Food

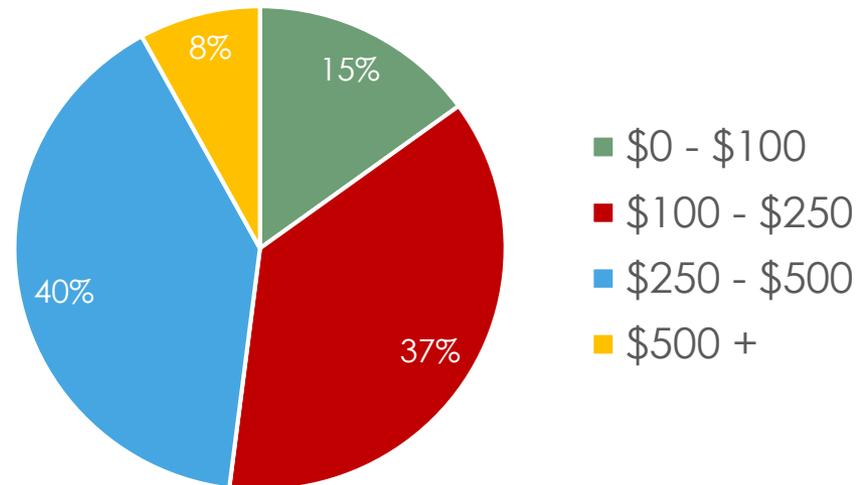
...Transportation

...Supplies

...Textbooks

...Dependent Care

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



AVERAGE STUDENT BUDGETS: OREGON POSTSECONDARY INSTITUTIONS, 2016-17

| | Tuition and Fees | Books and Supplies | Room and Board | Personal Expenses + Transportation | TOTAL |
|---------------------|------------------|--------------------|----------------|------------------------------------|-----------------|
| Public Universities | \$9,115 | \$1,280 | \$11,077 | \$2,895 | \$24,367 |
| Community Colleges | \$4,904 | \$1,474 | \$8,719 | \$2,691 | \$17,788 |
| Oregon Private* | \$31,738 | \$1,116 | \$10,968 | \$2,654 | \$46,476 |

These are average estimates. 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.

*Includes only Oregon degree-granting private institutions that are eligible for Oregon Opportunity Grant funds

Sources: public tuition and fees--HECC Research & Data for Average; all other figures--HECC-OSAC, 2016 Standard Student Budgets for Oregon Public Postsecondary Institutions: http://www.oregonstudentaid.gov/osac-doc/Student_Budgets.pdf 14

MANY FORMS OF FINANCIAL AID: FEDERAL, INSTITUTIONAL, STATE, AND PRIVATE

Federal Pell Grant

Other Federal Grants
(Supplemental
Education
Opportunity Grants,
TEACH grants, others)

Federal Work Study

Federal Student
Loans

Institution or Program
Scholarships
(Privately funded)

Institutional Fee
Remissions (Tuition
Discounts)

Private Scholarships
and Grants

Campus Work Study

Private Student Loans

State Grants (Oregon
Opportunity Grant,
Oregon Promise)

FEDERAL PELL GRANT: SIGNIFICANT AID SOURCE FOR OREGON LOW-INCOME STUDENTS AT PUBLIC INSTITUTIONS

Average Pell Grant to Oregon students 2015-16: \$3,440

- The average Pell Grant in 2015-16 at Oregon's public institutions was **over twice the size** of the average Oregon Opportunity Grant

Maximum Pell Grant to Oregon students 2015-16: \$5,775

- The maximum Pell Grant in 2015-16 at Oregon's public institutions was **2.6 times** the maximum Oregon Opportunity Grant

More than half of all degrees awarded at Oregon public institutions in 2015-16 went to students who have received a Pell Grant

- 61% of Associate degrees at community colleges
- 53% of Bachelor's degrees at public universities

Source: HECC analysis of student-level and program data. Pell Grant amount averages are for students of Oregon public colleges and universities.

OREGON'S LARGEST STATE-ADMINISTERED FINANCIAL AID PROGRAMS

Oregon Opportunity Grant (OOG):

- Oregon's largest state-funded, need-based grant program, prioritizing the lowest-income Oregon students, including young students and adults, attending eligible public and private Oregon colleges and universities.

Oregon Promise:

- Oregon's new state grant program, providing grants toward tuition at Oregon community colleges for recent high school graduates and GED recipients.

Private Scholarships Administered by OSAC:

- HECC-Office of Student Access and Completion administers over 500 privately-funded scholarships for Oregon students, and hosts a central application portal.

Other Programs:

- Chafee Grant (federal) for current or former foster care youth, Student Childcare Grant (state), and more.

GRANT AID SUPPORTS STUDENT SUCCESS

Students who receive financial aid are more likely than otherwise similar students to:

- Earn a higher grade point average
- Transfer from a two-year to a four-year institution
- Stay in school longer (reduces dropouts)
- Earn a Bachelor's degree

Every \$1000 of need-based federal or state grant aid increases graduation rates for low-income students by about 2.5%.

However, every \$1000 in unsubsidized loans *reduces* graduation rates by 5.6%

Sources: <https://www.insidehighered.com/news/2014/04/04/study-shows-positive-impacts-government-aid-graduation-rates> . http://www.ppic.org/content/pubs/report/R_1014HJR.pdf
<https://www.uhd.edu/president/Documents/texas-grant-symposium-presentation.pdf>

A CLOSER LOOK AT “NET PRICE”: COLLEGE COST MINUS GRANT AID

The amount a student pays to attend an institution in a single academic year, after subtracting scholarships and grants received.

- “Cost of attendance” minus grant aid (e.g. Pell, Oregon Opportunity Grant, Oregon Promise, institutional aid)
- Varies by student
- Often expressed as an average

NET PRICE RELATIVE TO OREGON FAMILY INCOME, OREGON COMMUNITY COLLEGE, 2014-15

| Income | Net Price at Oregon Community College | Percent of Income Required to Pay Net Price |
|------------------|---------------------------------------|---|
| \$0—30,000 | \$8,000 | 47% |
| \$30,000—48,000 | \$9,000 | 23% |
| \$48,000—75,000 | \$10,500 | 17% |
| \$75,000—110,000 | \$12,500 | 14% |
| \$110,000 + | \$12,500 | 7% |

Students would have to work **17 hours a week**, on average, at Oregon minimum wage to pay for the average net price to attend a public two-year institution full time.

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

NET PRICE RELATIVE TO OREGON FAMILY INCOME, OREGON PUBLIC UNIVERSITY, 2014-15

| Income | Net Price at Oregon Public University | Percent of Income Required to Pay Net Price |
|------------------|---------------------------------------|---|
| \$0—30,000 | \$12,500 | 72% |
| \$30,000—48,000 | \$13,500 | 35% |
| \$48,000—75,000 | \$16,000 | 26% |
| \$75,000—110,000 | \$19,500 | 22% |
| \$110,000 + | \$20,000 | 11% |

Students would have to work **27 hours a week**, on average, at Oregon minimum wage to pay the average net price to attend a public four-year university.

Source: Penn Graduate School of Education, "2016 College Affordability Diagnosis for Oregon", 2016.

http://www.gse.upenn.edu/pdf/irhe/affordability_diagnosis/Oregon_Affordability2016.pdf Public universities include: tuition, mandatory fees, room/board and books minus all financial aid (federal, state and institutional).

FOOD AND BASIC NEEDS INSECURITY

Food insecurity high among Oregonians

Food insecurity even higher among college students. Housing insecurity is also a challenge.

Approximately **16.1% of Oregon households were food insecure** from 2013-15. Oregon showed the sharpest increase in food insecurity of any state between 2010-12 and 2013-15.

In a survey of students at **2- and 4-year institutions in 12 states, 48% reported food insecurity** in the previous 30 days. Insecurity was more prevalent among students of color and first-generation students.

In a recent study of a selection of community colleges in 24 states, **2/3 of community college students were food insecure. About half of community college students were housing insecure, and 13 to 14 percent were homeless.**

Sources: *[Oregon's Spike in Food Insecurity Worst Among All States](#), Oregon Center for Public Policy, Nov. 2016 ***Hunger on campus, The Challenge of Food Insecurity for College Students*, by James Dubick, Brandon Mathews, and Clare Cady, October 2016. ***[Hungry and Homeless in College](#). By Sara Goldrick-Rab, Jed Richardson, and Anthony Hernandez, Wisconsin HOPE Lab. March 2017.

AFFORDABILITY FACTORS: UNDERGRADUATE COMPLETION RATES

For the full-time freshman cohort who began in 2011-12 at Oregon community colleges,
17.3%
graduated with an Associate degree within 3 years (2014-15)



Students who complete have higher incomes and lower unemployment rates than students who do not complete.*

For the full-time freshman resident cohort who began in fall 2009 at Oregon public universities,
63.0%
graduated with a Bachelor's degree within 6 years (2014-15)



Student loan repayment rates are higher among those from higher income backgrounds who complete their degrees.**

Sources: Universities: HECC analysis of student-level data for full time, first-time freshmen. Community Colleges: IPEDS 3-year graduation rates include first-time, full-time students seeking an associate's degree and are aggregated data reported by Oregon's community colleges to the U.S. Department of Education (<https://nces.ed.gov/ipeds/Home/UseTheData>). *Source: 2015 American Community Survey, U.S. Census. **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."

AFFORDABILITY FACTORS: TIME TO COMPLETION

The average community college student takes **4 years** to complete an Associate degree (2015-16).



Increased credits translate to increased cost.

The average Oregon public university student transferring from an Oregon community college or another college takes **3 years** at the university to complete a Bachelor's degree (2014-15).



In addition, some financial programs have time limits. For example, the Pell Grant lifetime limit is 6 years (full time-full-year enrollment), and the Oregon Opportunity Grant limit is 4 years (full time-full-year enrollment).

The average Oregon public university student entering directly from high school takes **4½ years** to complete a Bachelor's degree (2014-15).



Source: HECC analysis of student-level data. Transfer students are those who first enter universities with at least 24 credits. Refers to 2015-16 Associate Degree graduates, and 2014-15 Bachelor's Degree graduates.

THE NEED FOR STUDENT LOANS

The majority of public postsecondary students in Oregon seeking financial aid do not receive enough to meet college costs without loans.

Among Oregon community college FAFSA filers in 2015-16, **74.9% had unmet need** after grant aid and expected family contribution are applied.

Among Oregon's public university FAFSA filers in 2015-16, **83.0% had unmet need** after grant aid and expected family contribution are applied.

STUDENT DEBT, OREGON'S GRADUATES

Average loan debt for Oregon students graduating from 4-year institutions (public or private) is slightly lower than US average.

63% of Oregon 4-year graduates take out loans, compared with 68% nationally

The median loan amount for Oregon 4-year graduates is \$27,697, compared to \$30,100 nationally

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

ADDRESSING 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

Reduce barriers to fields/careers associated with high earnings

Support innovations that reduce student costs (e.g. Open Educational Resources)

Date: March 29-30, 2017

OREGON STATE- ADMINISTERED FINANCIAL AID PROGRAMS

PRESENTED BY:

JUAN BÁEZ-ARÉVALO,
INTERIM DIRECTOR,
HECC OFFICE OF
STUDENT ACCESS AND
COMPLETION (OSAC)





Date: March 29, 2017

OREGON
OPPORTUNITY
GRANT:
IMPACT AND
RECENT
CHANGES

NEED-BASED AID: THE OREGON OPPORTUNITY GRANT (OOG)

Oregon's only state-funded, need-sensitive grant program to help low-income Oregonians, including young people and adults, achieve their academic goals.

- \$2,250 grant toward postsecondary expenses*
- Used at eligible public and private Oregon colleges and universities.

GOAL: To increase college enrollment, completion, and affordability for Oregon students who have demonstrated financial need.

*Based on full-time (12 credit/term) full-year enrollment in academic year 2016-17.

OREGON OPPORTUNITY GRANT: STUDENTS SERVED IN CURRENT BIENNIUM

Awards and Funds to Students, 2015-2017 (projections)

| | |
|------------------------------------|--------|
| Estimated Total Awards to Students | 81,181 |
| Estimated Total Funds To Students | \$137M |

A total of 81,181 OOG awards to students are projected for the current biennium, totaling \$137M.

A total of 41,852 low-income students are projected to receive awards totaling approximately \$71M in the 2016-17 academic year.

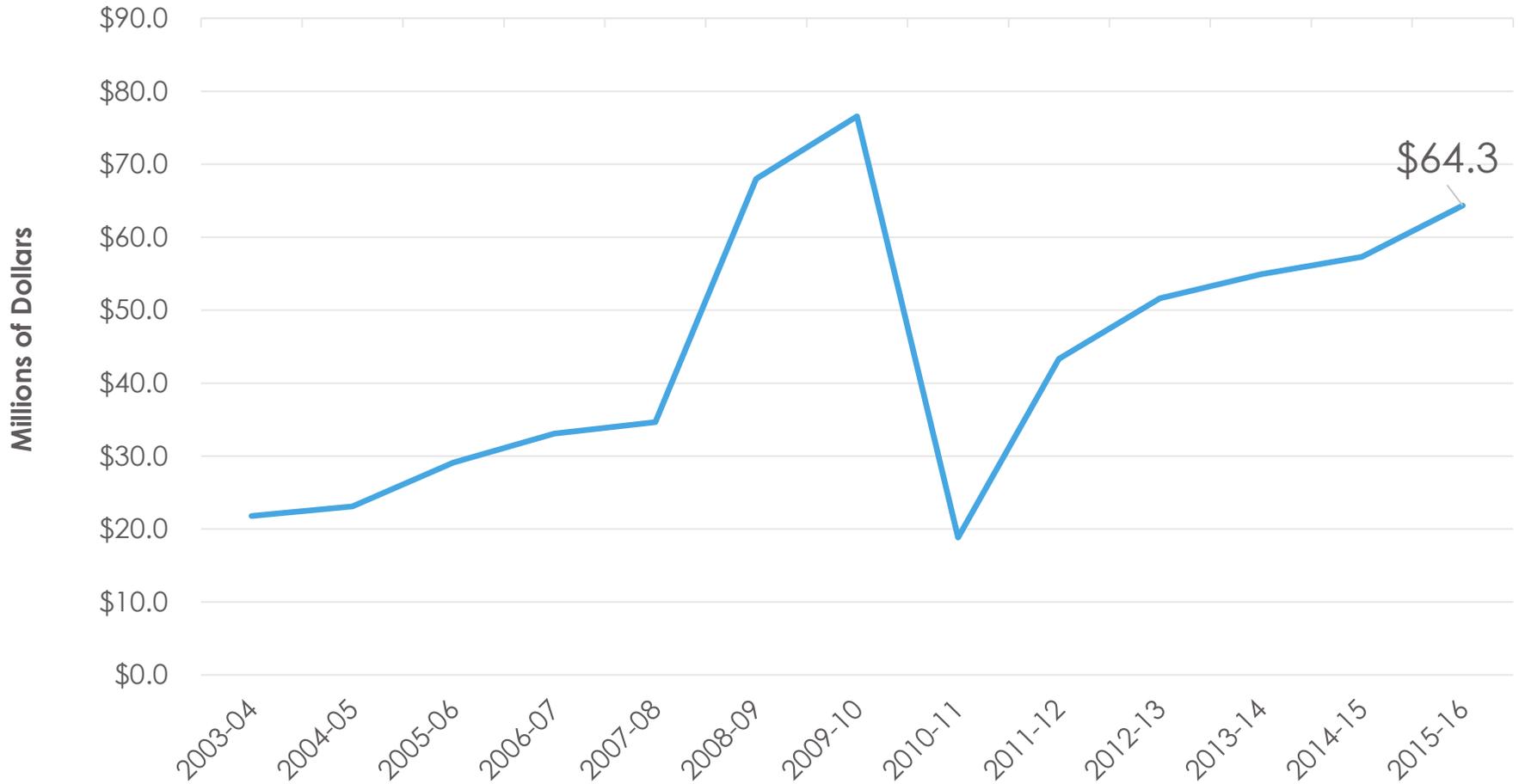
OOG Source of Funds 2015-2017

| | |
|----------------|----------|
| General Fund | \$131.0M |
| Lottery Funds* | \$6.1M |
| Other Funds | \$1.2M |

*Current Lottery Funds are below DAS projections.

TOTAL OOG FUNDS DISBURSED OVER TIME

Total OOG Funds Disbursed - 2003-04 to 2015-16



Source: HECC analysis. 2016-17 total funds are not yet available.

OREGON OPPORTUNITY GRANT: IMPACT OF 2015-17 INVESTMENT

The Oregon Legislature's 2015-17 investment made an impact, but many eligible applicants still do not receive the grant.

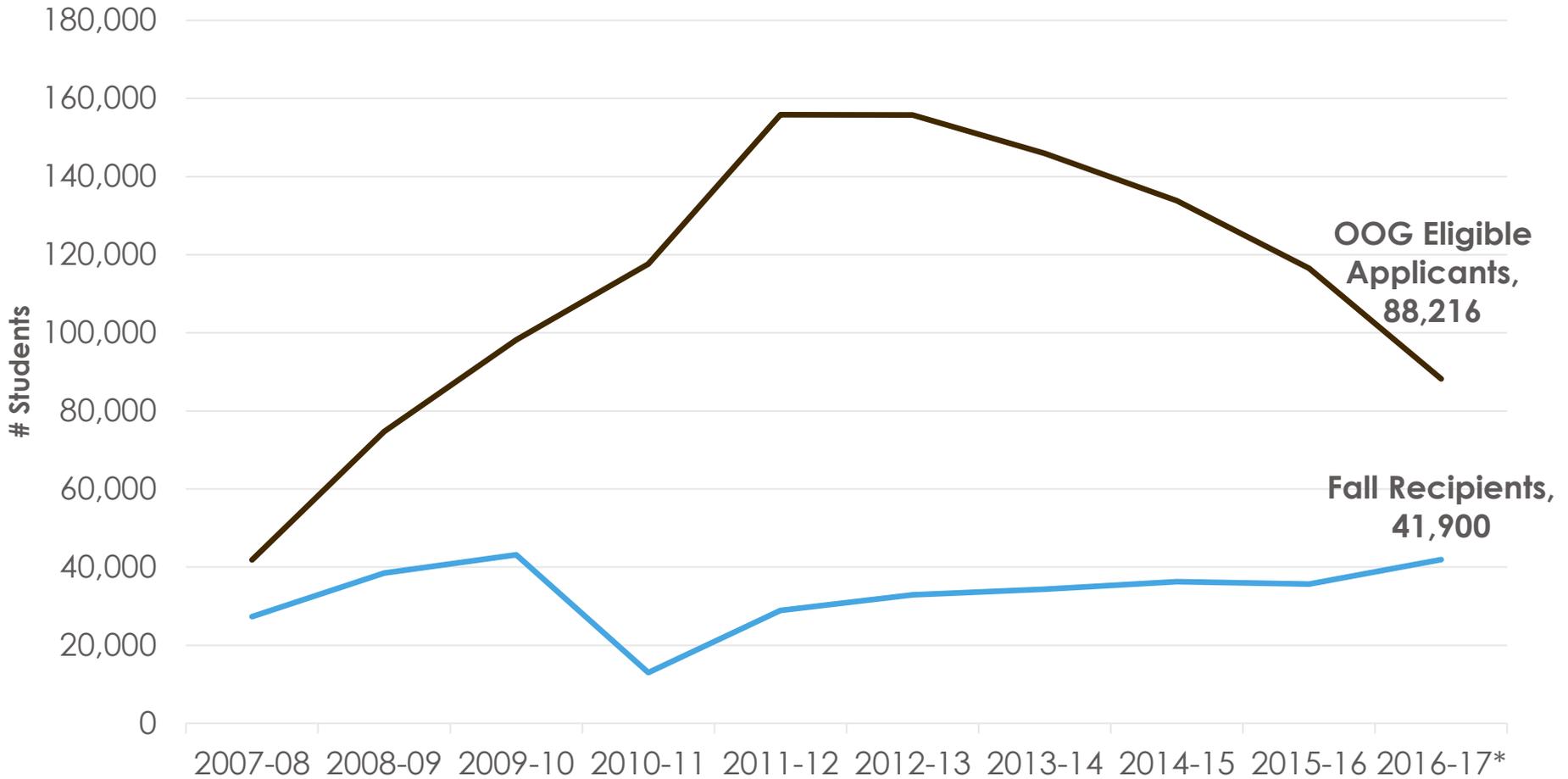
In 2014-15, the grant served 27% of eligible students. In 2015-2016, grants reached more than 31% of eligible students, and in 2016-17, grants are expected to reach approximately 47% of eligible students.

- The improvement in 2016-17 reflects the increased funds and a change in the number eligible due to the HB 2407 (2015) redesign.

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

OREGON OPPORTUNITY GRANT: FUNDING GAP

OOG Eligible Applicants vs. Recipients 2007-08 to 2016-17* YTD



Source: HECC analysis.
*Year-to-date estimates

OREGON'S NATIONAL POSITION IN FUNDING STUDENT AID: ROOM TO GROW (2014-15)

| 2014-15 | U.S. average | Oregon amount | 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 |

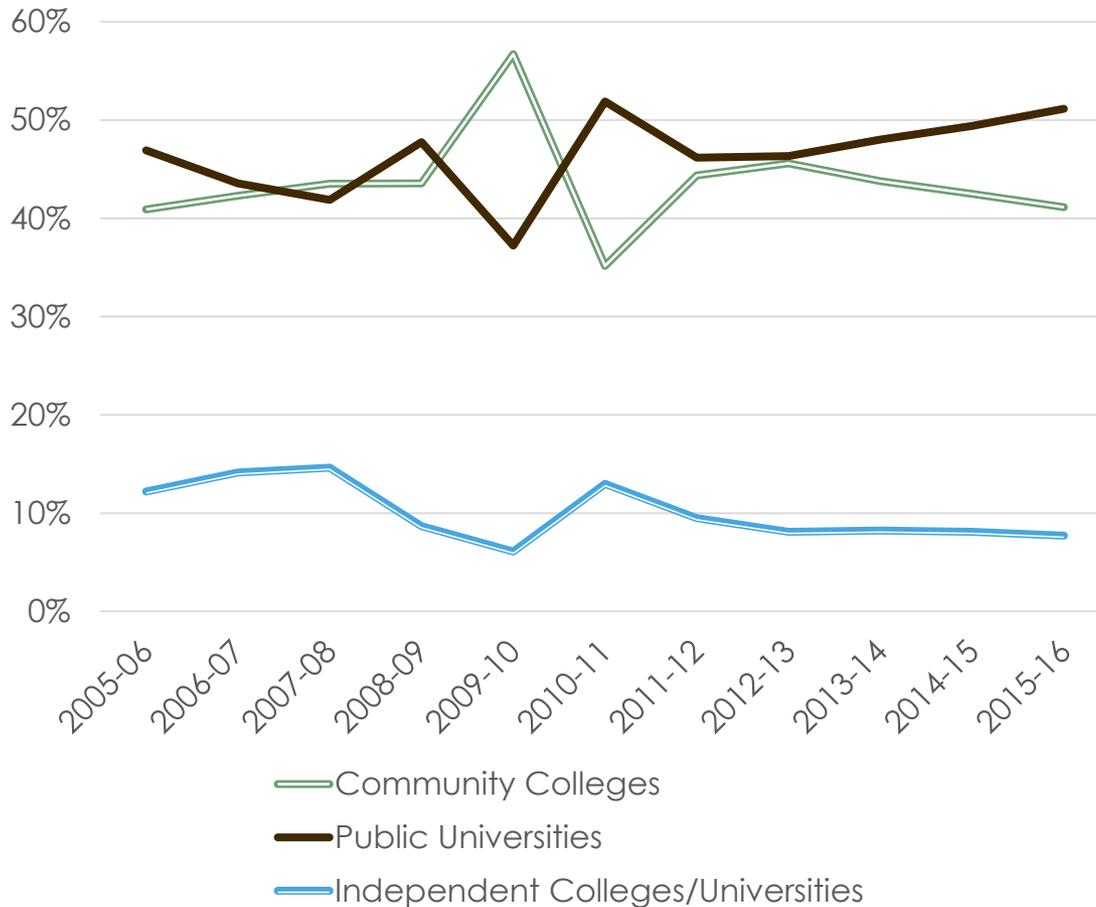
Oregon ranks in bottom third nationally for need-based grant dollars per Oregonian

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.

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

TOTAL OOG RECIPIENTS & DISBURSEMENTS 2015-16 BY SECTOR

OOG Disbursements by Sector



\$26.5 M disbursements to Oregon community colleges in 2015-16 supported 18,528 students.

\$32.9 M disbursements to Oregon public universities in 2015-16 supported 18,091 students.

\$5.0 M disbursements to Oregon private colleges and universities in 2015-16 supported 2,645 students.

Source: HECC analysis.

OREGON OPPORTUNITY GRANT: HB2407 RE-DESIGN

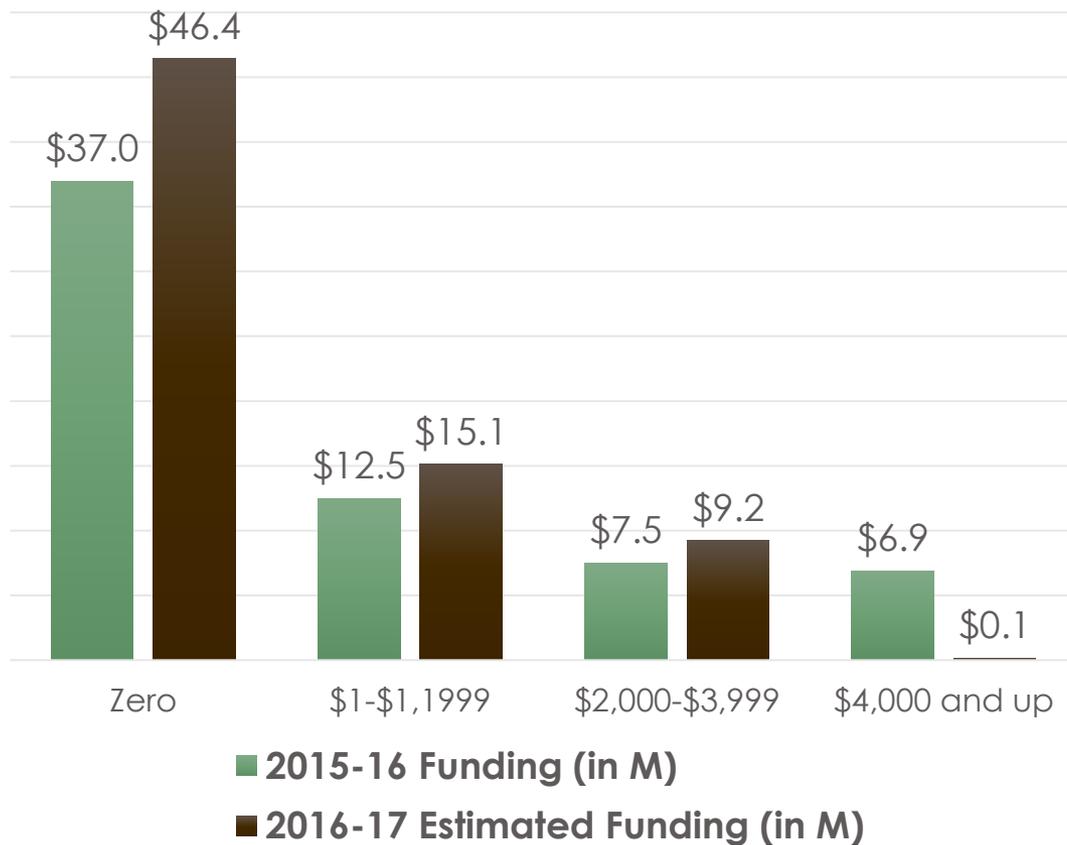
Through HB 2407 (2015), the OOG award process was redesigned to ensure that the highest-need students receive the financial support they need to access and succeed in college. Key changes:

- Prioritize awards based on students' financial need, not based on when students applied. As a result, for 2016-17, primarily students with EFCs of \$4,000 or less received awards.
- Award grants for a second year to those who continue to meet eligibility criteria and make a timely application for renewal (Second-Year Guarantee will first be implemented in 2017-18).

OOG DISBURSEMENTS BY EFC: BEFORE AND AFTER HB 2407 RESTRUCTURE

LOWER EFC = LOWER INCOME

OOG Funding by EFC Range, before and after restructure



In 2015-16, students with Expected Family Contributions (EFCs) of \$4,000 or less received a total of 89.2% (\$57M) of OOG funding.

In 2016-17, we project they will receive 99.8% of the funding (\$71M), including all of the \$7.0M year-over-year increase in funding for the program.

March 30, 2017

OREGON PROMISE GRANT: IMPACT AND INITIAL DATA



LOW-COST COMMUNITY COLLEGE: THE OREGON PROMISE

Oregon's newly launched grant program provides grants to support most community college tuition costs for recent high school graduates and GED recipients.

- Established by Senate Bill 81 (2015) to “provide a waiver of tuition for community college courses.”
- Grants apply after federal and state grant aid.
- Students may be eligible for up to approximately two years at full-time enrollment.
- Grant sizes ranged from minimum of \$1,000 to maximum of \$3,397 in 2016-17 (based on average CC tuition)

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

THE OREGON PROMISE: ELIGIBILITY CRITERIA FOR GRANTS



Be a recent Oregon high school graduate or GED recipient



Be an Oregon resident at least 12 months prior to attendance



Have 2.5 cumulative GPA or higher



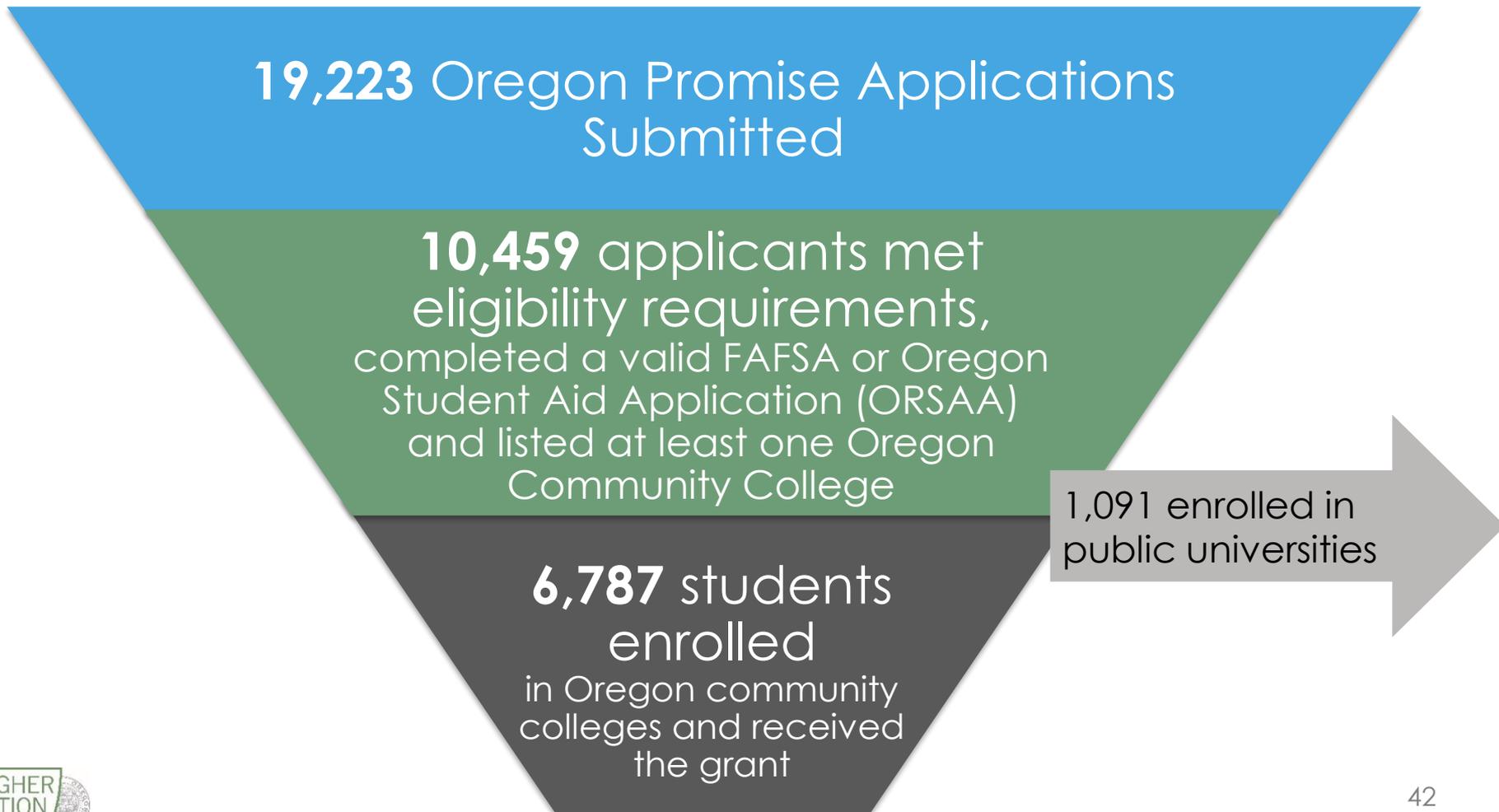
Plan to attend an Oregon community college within 6 months of graduation



Must not have more than 90 college credits completed or attempted

OREGON PROMISE: APPLICATION FUNNEL 2016

After launching the program and marketing its availability in 2015-16, OSAC processed 19,223 Oregon Promise applications.



THE OREGON PROMISE: INITIAL ESTIMATE OF IMPACT

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

+844 recent high school graduates¹

Including GED students, a total of 6,787 students enrolled in the Oregon Promise in Fall, 2016.

¹The actual increase in recent high school graduates 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.

OREGON PROMISE: GRANT AMOUNT IN RELATION TO EXPECTED FAMILY CONTRIBUTION (EFC)

LOWER EFC = LOWER INCOME



Student A: Lower Expected Family Contribution



Student B: Higher Expected Family Contribution



Student C: Highest Expected Family Contribution

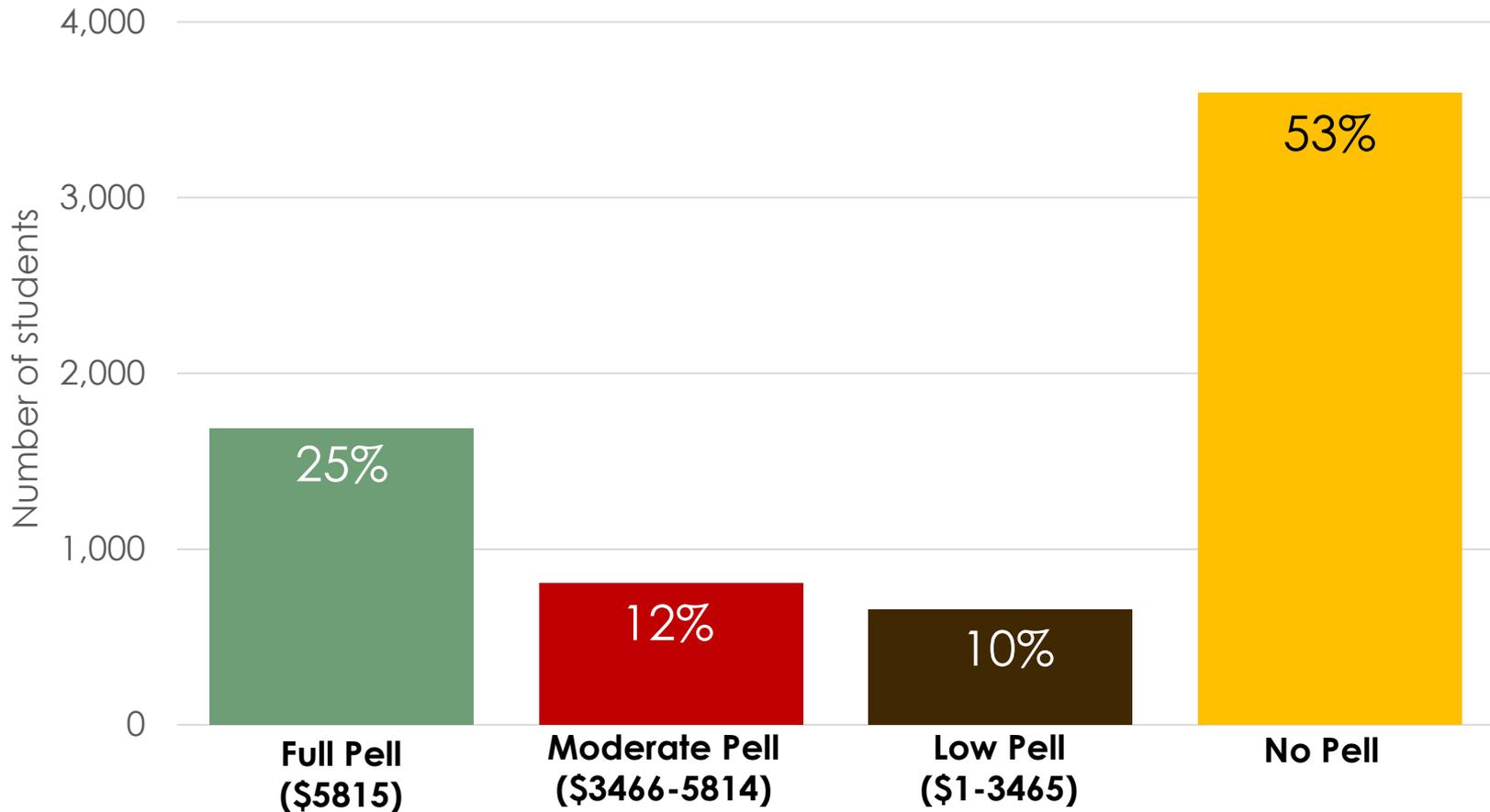


Oregon Promise covers tuition, up to 12 credits per term.

OREGON PROMISE: STUDENTS SERVED

Distribution of Oregon Promise recipients by Pell award amount

Low ← Family Income → High



Source: HECC analysis of student-level data (Oregon Promise recipients), 2016.

Note: Number of students total 6,745; data for remaining 42 students were not submitted in at the time of analysis.

PROJECTED OREGON PROMISE AID, BY EFC QUINTILE, 2016-17

| Projected awards, by EFC Quintile (Each quintile contains 1,327 projected ORP recipients) | EFC range | Projected ORP state funding* | Proportion of total ORP state funding* |
|--|--------------------|------------------------------|--|
| First | \$0 | \$1.0M | 7.8% |
| Second | \$0 - \$2,845 | \$1.1M | 8.5% |
| Third | \$2,846 - \$8,937 | \$3.1M | 23.8% |
| Fourth | \$8,938 - \$19,839 | \$3.9M | 29.9% |
| Fifth | \$19,840 and above | \$3.9M | 30.0% |

**Assuming no term-to-term enrollment fluctuation, 2016-17*

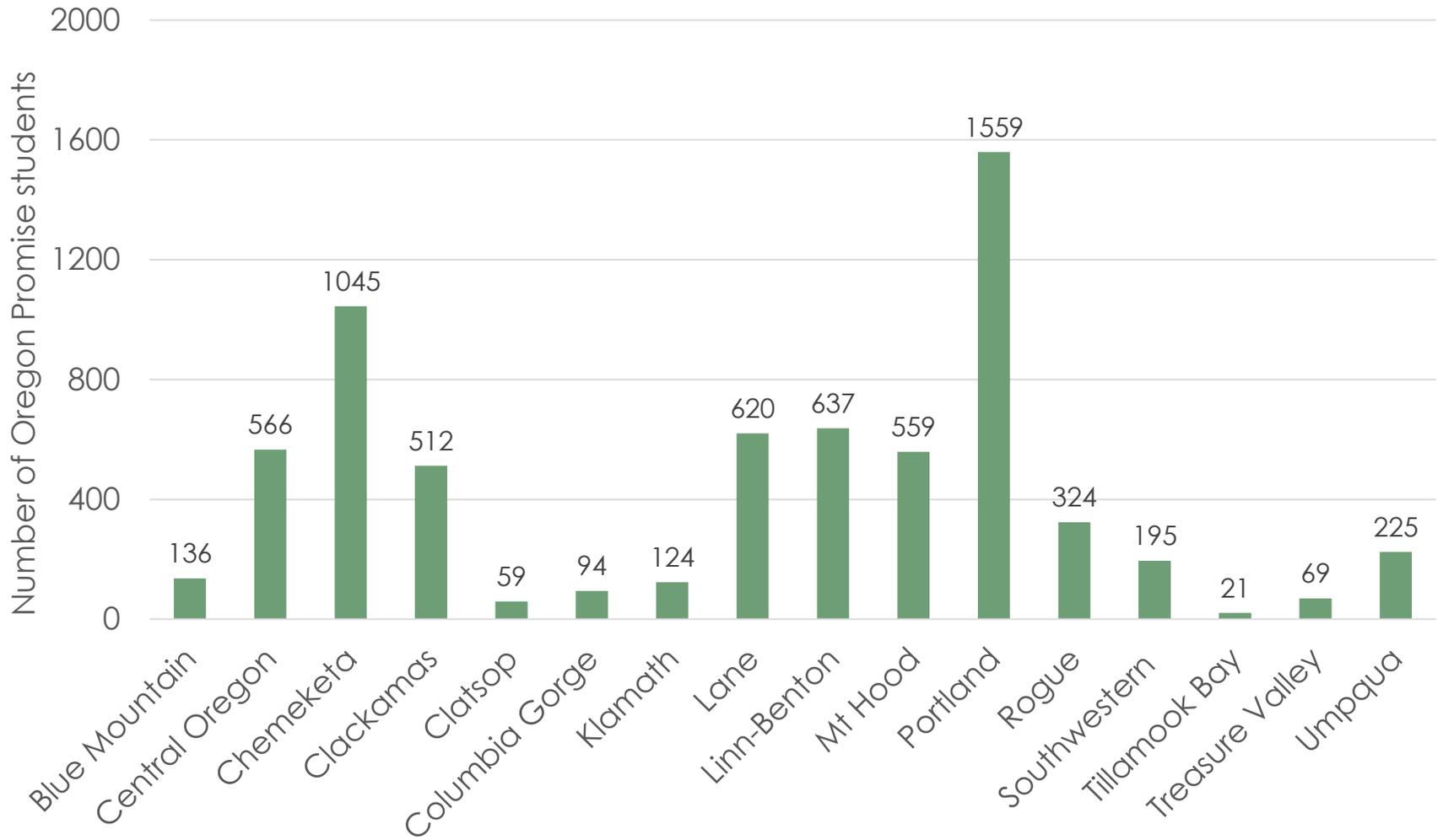
HIGH SCHOOL GRADUATES, AND OREGON PROMISE RECIPIENTS, BY RACE-ETHNICITY

| Race-ethnicity | 2016 high school graduates | Oregon promise recipients |
|----------------------------------|----------------------------|---------------------------|
| African American or Black | 2.3 | 1.3 |
| American Indian/Alaska Native | 1.4 | 1.0 |
| Asian American | 4.7 | 4.0 |
| Hispanic | 18.6 | 19.6 |
| Pacific Islander | 0.5 | 0.5 |
| Two or more racial/ethnic groups | 4.8 | 4.9 |
| White, non-Hispanic | 67.6 | 65.2 |
| Unknown* | N/A | 3.5 |

*Note: Public high school students or their families identify students' racial-ethnic groups. If they decline to state, school staff identify students' racial-ethnic group. Oregon Promise students self-identify their own race on the Oregon Promise application and 3.5 percent of these declined to state.

Source: Oregon Department of Education report of high school seniors and graduates. HECC analysis of student-level data on Oregon Promise recipients

OREGON PROMISE RECIPIENTS BY COLLEGE



Source: HECC analysis of student-level data (Oregon Promise recipients), 2016.

IMPACT ON FIRST-GENERATION STUDENTS

In a 2016 survey of 18-19 year old Oregonians who applied for financial aid:

- Nearly a third of first-generation Oregon Promise recipients agreed **they would not have gone to college without the program**, compared with 18 percent of non-first-generation Oregon Promise recipients.
- 75 percent of first-generation students who were familiar with the Oregon Promise agreed **the program helped them see that college could be affordable and made them think more about going to college**.

In fall 2016, an estimated 44 percent of Oregon Promise recipients were first-generation college students.

Source: Education Northwest; Fulfilling the Promise? Early Findings on Oregon's New College Grant Program and HECC analysis of student-level data (Oregon Promise recipients).

STUDENT VOICES

“Oregon Promise has made it possible for me to go to college and avoid crushing [student] debt ... If the Oregon Promise grant is renewed (PLEASE!), and I am able to get two years of community college tuition paid for, it is a huge head start in my quest for a bachelor’s degree in nursing.”

“My dad was unemployed for four years, and we were forced to spend all of my parents’ retirement and my college savings to survive. With Oregon Promise, I’m able to attend college without putting excessive pressure on my family, and they can rebuild their retirement!”

OREGON PROMISE GRANT: KEY FINDINGS FROM FIRST TERM

| Research question | Key findings |
|--|--|
| Has Oregon Promise changed Oregon high school graduates' enrollment in higher education? | <ul style="list-style-type: none"> Community college enrollment rates declined slightly overall, but preliminary results suggest that they rose among recent high school graduates University enrollment rates declined slightly |
| Who is participating in Oregon Promise, and who is not? | <ul style="list-style-type: none"> About half of Oregon Promise recipients come from lower income families (i.e., are eligible for a Pell grant), and about half do not Most Oregon Promise dollars go to recipients with higher incomes |
| Total participation | <ul style="list-style-type: none"> In fall 2016, 6,787 students received an Oregon Promise grant, and the awards totaled over \$4 million |



OTHER
GOVERNMENT
FINANCIAL AID
PROGRAMS
ADMINISTERED
BY HECC-OSAC

OREGON STUDENT CHILDCARE GRANT

State grant to offset college student childcare expenses. **Very small program** served 87 student-parents in 2015-16.

- Amounts vary depending on ages and number of children needing care.
- Priority is given to prior year recipients who reapply, then to new eligible applicants with financial need who are close to completing their academic goals.

Eligibility criteria:

- Oregon resident with a child or legal dependent age 12 and under, or, if over age 12, who satisfies special needs requirements
- Citizen or eligible non-citizen of the United States
- Enrolled or accepted for enrollment as an undergraduate student at Oregon postsecondary institution
- Maintain satisfactory academic progress
- Not be in default on federal Title IV loan or owing a refund on federal Title IV funds

GRB proposes modest increase from \$948K to \$984K for 2017-19.

OTHER GOVERNMENTAL FINANCIAL AID PROGRAMS

Chafee Education & Training Grant (FEDERAL)

- For 2015-16, 214 students applicants received a total of \$621,994. For 2016-17, \$775,816 has been awarded to 184 students to-date.

Scholarships for Children of Deceased or Disabled Public Safety Officers (STATE)

- Up to full tuition & fees at public Oregon institution or tuition & fees rates at UO if at 4-year private Oregon institution. In 2015-16, 10 students received \$71,519. For 2016-17, expect 7 students to receive \$39,271.
- Paid out of Oregon Opportunity Grant funds.

OTHER GOVERNMENTAL FINANCIAL AID PROGRAMS, CONTINUED

JOBS Plus Individual Education Account (STATE)

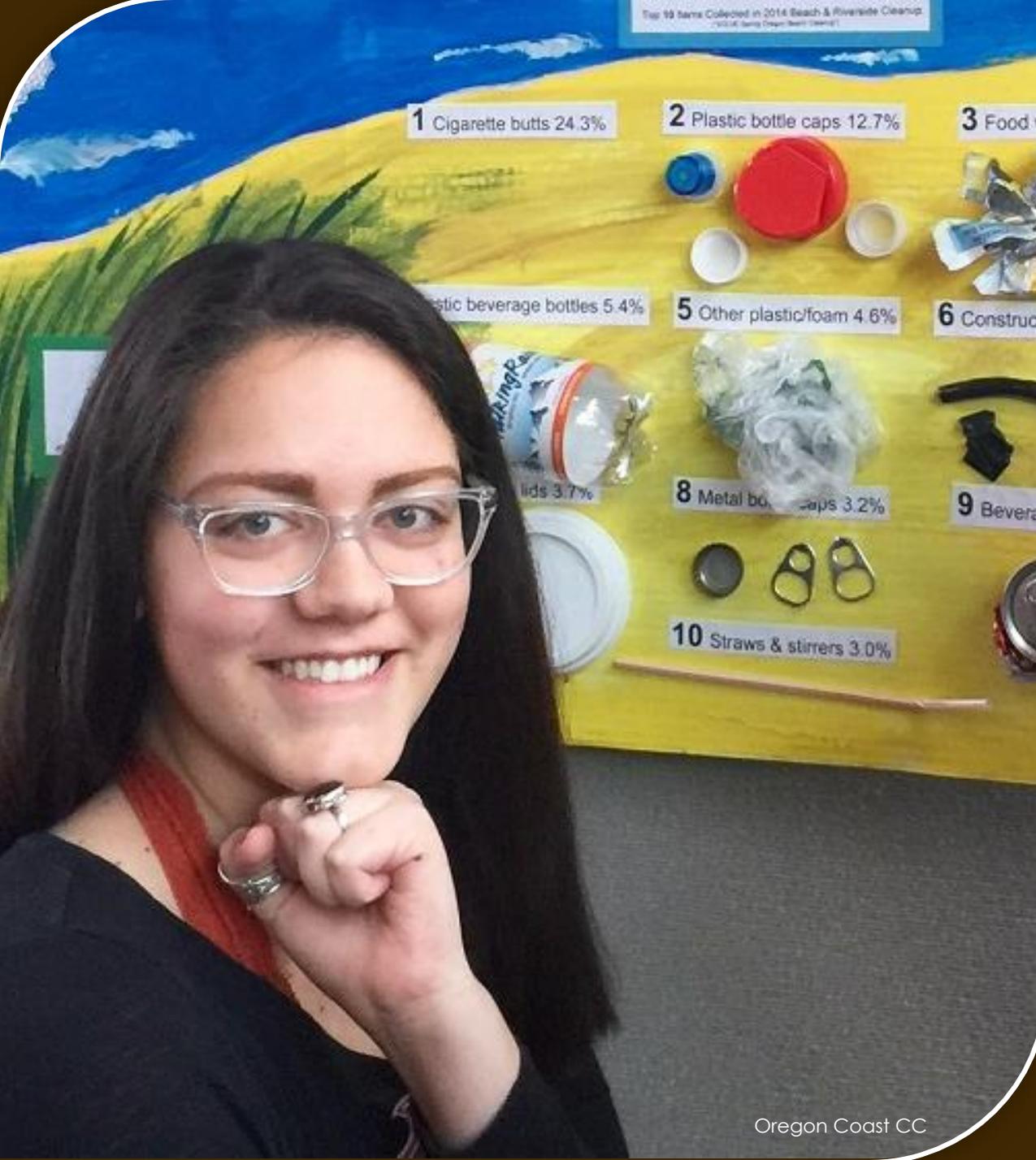
- Each year, around 100 TANF clients earn funds to use for postsecondary training. In 2015-16, 32 clients redeemed \$15,235 from their IEAs.

Oregon Youth Conservation Corps (STATE)

- Each year, 20 to 60 recipients redeem scholarship vouchers totaling \$15,000 to \$50,000. In 2015-16, 21 students redeemed \$16,184 in scholarships.

Barber And Hairdresser Grant (STATE)

- Grants based on interest earnings, vary from a low of \$225 to maximum of \$1,000 per participant.



Top 10 Items Collected in 2014 Beach & Riverside Cleanup
(2014 OSAC Beach Clean-Up Report)

1 Cigarette butts 24.3%

2 Plastic bottle caps 12.7%

3 Food waste 10.1%

4 Plastic beverage bottles 5.4%

5 Other plastic/foam 4.6%

6 Construction materials 3.9%

7 Lids 3.7%

8 Metal bottle caps 3.2%

9 Beverage cans 2.8%

10 Straws & stirrers 3.0%



HECC-OSAC ADMINISTRATION OF PRIVATE SCHOLARSHIPS

PRIVATE SCHOLARSHIP PROGRAM

Oregon is one of two state agencies in the U.S. that provide centralized scholarship services

OSAC has a unique public-private partnership with The Oregon Community Foundation and The Ford Family Foundation

OSAC administers over 500 scholarships through one online application.

PRIVATE SCHOLARSHIP PROGRAM, DURING 2015-16

More than **\$18 million in private scholarships** were awarded to nearly **3,600 students**.

Award amounts range from **\$500 to \$18,000** with the average award at **\$2,500**.

OSAC added **25 new scholarships** to its portfolio thanks to its unique partnerships.

PRIVATE SCHOLARSHIP PROGRAM, ADMINISTRATION SELFSUSTAINABILITY REVIEW

For the last 18 months through December 2016, the program is demonstrating to be self-sustaining using the new cost allocation, which distributes office-specific and agency-wide indirect costs based on the direct labor costs for the program.

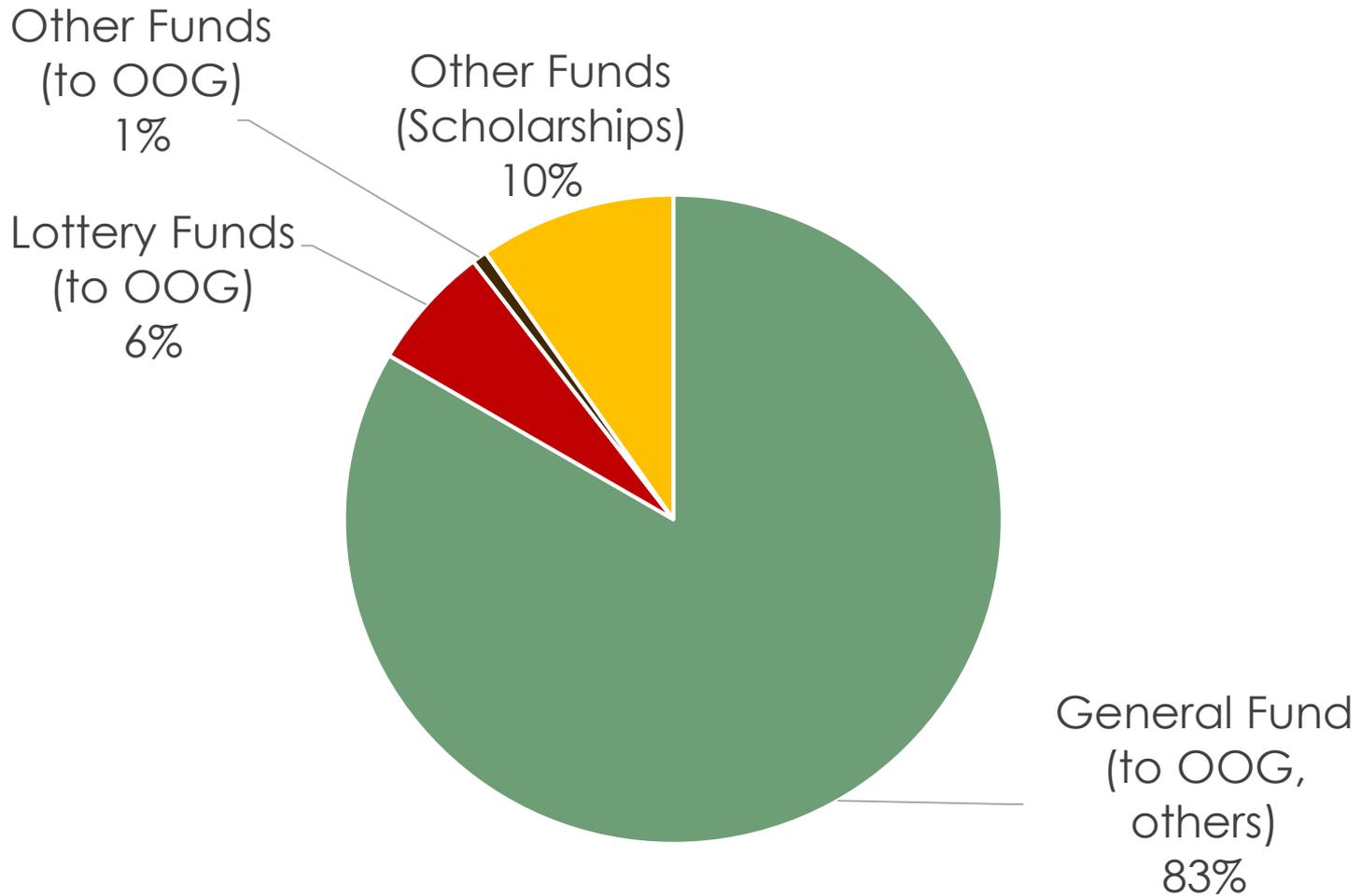
The forecast for the rest of the 15-17 biennium is that the program will end in the positive.

To increase the sustainability of the operations, at the beginning of 2016, OSAC began to require a set of minimum requirements for the establishment of new private scholarship funds, with a minimum deposit of \$3,600.



FINANCIAL AID BUDGET REVIEW

OSAC 2015-17 DISBURSEMENTS OF FUNDS TO STUDENTS BY SOURCE



Source: HECC analysis. Slide corrected 3.29.17.

GOVERNOR'S RECOMMENDED BUDGET (GRB): STATE-ADMINISTERED FINANCIAL AID PROGRAMS

| Activity | Description | 2015-17 LAB | 2017-19 CSL | 2017-19 GRB |
|--|---|--|---|--|
| Expand Oregon Opportunity Grant (OOG) | Expands funding for the Oregon Opportunity Grant, Oregon's primary need-based financial aid program serving the lowest-income Oregonians. | \$140.9M | \$146.1M (\$125.2M GF \$20.7M LF) | \$151.1M (\$132.4M GF \$18.5M LF) |
| Change from 2015-17 | | | | +8.1% from LAB +3.4% from CSL |
| Continue Oregon Promise Grant | Continues funding for Oregon Promise grant program, serving recent high school graduates and GED recipients of all income levels. | \$9.5M GF (funds first year of one student cohort only) | \$19.8M GF | \$39.7M GF (continues to fund first student cohort and funds upcoming eligible student cohorts for full biennium) |
| Change from 2015-17 | | | | Not applicable |
| Increase Student Childcare Grant | Modestly increases funding for a small HECC-administered grant program that supports student parents in paying for child care costs. | \$948K | \$984K | \$984K |
| Change from 2015-17 | | | | +4.0% from LAB +0.0% from CSL |

NOTE: This slide includes General Fund (GF) and Lottery Fund (LF) dollars, not Other Funds. LAB: Legislatively Adopted Budget, GRB: Governor's Recommended Budget, CSL: Current Service Level, M: millions.