



Priorities for Affordable Access and Completion (2015-17)

***Our Goal** is to ensure that Oregonians from all backgrounds have the opportunity to access, afford, and complete postsecondary education. The Higher Education Coordinating Commission has recommended an integrated approach to improving affordability, with targeted actions to ensure that all Oregonians can afford to succeed in degree, certificate or training programs, preparing them to make positive contributions to our economy, workforce, and communities.*

About Oregon's College Affordability Challenge

Facing rising college costs and burdensome levels of student debt, the challenge of paying for college is a major obstacle to Oregon students attaining their postsecondary goals.

As the state has disinvested in higher education in recent decades, more and more college costs have shifted to Oregon students and their families. Oregon's college affordability barrier is especially pronounced for low-income populations, who complete college at lower rates than their peers. Low-income Oregonians from the high school class of 2006 were about half as likely to earn a bachelor's degree by 2012 as their peers—even when we compare students who achieve similarly on a key measure of academic proficiency.

Due to state budget constraints in recent years, Oregon's public institutions and its state financial aid program have been underfunded and unable to keep pace with escalating student need and enrollment increases. Oregon ranks in the bottom 10% for state appropriations per student (47th of 50) in its public colleges and universities, and tuition rates grew most dramatically in the past two biennia when the state was unable to sustain funding levels.

Between 2005-07 and the current biennium, the state's per student investment at Oregon's public universities decreased by 8.4% and the per-student investment at community colleges decreased by 6.0%.

Additionally, Oregon lags significantly behind other states in need-based financial aid investment, with per-student state grant figures that are 40% lower than the national average and less than a third of state investments in Washington and California. □

College Affordability Priorities 2015

WHO WILL BENEFIT: The 2015 affordability recommendations will benefit all Oregon public postsecondary students and provide targeted support for Oregon's highest-need students who are more likely to not finish college goals due to financial challenges.

For the 2015-17 budget, the HECC has prioritized investments in the following strategic levers:

1. Expand and strategically redesign the Oregon Opportunity Grant, targeting more state financial aid grants to thousands of Oregon's highest-need students who are on track to succeed academically but struggling with college costs.
2. Balance targeted grant aid with increased institutional funding, empowering community colleges and public universities to intentionally focus on student success and keep tuition levels manageable.
3. Support prospective students and families in planning for postsecondary success, and how to pay for it, through continuation and expansion of successful pre-college outreach programs.

In addition to the budget priorities described, recent initiatives and activities to improve and expand affordability include:

- Expansion of Free Application for Federal Student Aid (FAFSA) Outreach to maximize opportunities for Oregon families to take advantage of federal and state student aid. Building upon a 2014 pilot program, the Office of Student Access and Completion is expanding K-12 partnerships to provide additional assistance to students completing the FAFSA. Completion of the FAFSA is a major barrier for many, particularly those who are the first in their family to pursue college.
- Research and campus forums on textbook affordability to assess the scope of this challenge, and best solutions, including a student survey that had over 9,000 student responders.
- Ongoing work to improve seamless and efficient completion and transfer of credits and to prepare secondary students for success. This includes dual credit and other accelerated learning opportunities for high school students, as well as adoption of state guidelines for dual credit coursework. □

A Closer Look at 2015-17 Affordability Priorities

1. Expand and Strategically Redesign the Oregon Opportunity Grant

The OOG is a successful program for the students it reaches. OOG recipients demonstrate higher university graduation rates than those who do not receive the grant (see Table A.)

OOG recipients	64.1%
No OOG	59.6%
Difference	+ 4.5%

This successful program, however, is severely underfunded. In 2013–14, the grants reached only 23.5% of more than 145,000 eligible students, and the program does not have a mechanism to strategically prioritize limited funds. As a result, grants are awarded on a first-come-first-serve basis—preventing students from being able to predict and plan their college financing and viability.

The HECC proposes expanding the OOG by 25.6% and redesigning the program to ensure that highest need students receive the necessary financial support to both consider entry and then successfully complete. Increasing the state's investment to \$143.3M will:

- Expand the program to serve approximately 16,000 additional Oregon students facing affordability challenges.
- Target the grant to serve students with the highest financial need who are on track academically.
- Improve predictability by funding the program to allow an extended rolling application period in lieu of the first-come-first-serve approach, allowing students and families better planning options.

2. Increase Per-Student Funding to Improve On-Time Completion of Career Training, Certificates, and Degrees

A key element of affordability is helping students complete their individual educational goals on time and as planned. The HECC recommends a sustained reinvestment in Oregon campuses starting in 2015–17, including a continuation of the tuition offset

investment approved in 2013, thereby preventing the need for community colleges and public universities to “catch-up” with tuition increases that were not imposed last biennium.

Specifically, the HECC supports the Governor's recommendation for a \$589M investment in Oregon's public universities and a \$500M in Oregon's community colleges to support education and operational needs, debt service for previously approved capital projects, and funds to offset tuition increases. These investments increase per-student funding from \$4,483 to \$4,918 at public universities, and from \$2,297 to \$2,684 at community colleges.

The HECC is in the culminating stages of developing a restructured budgeting model for its public institutions—shifting the basis for this significant increase in state funding distributions from enrollment to persistence and completion, and providing resources to support campus-level innovations to increase student success and diminish time to degree.

At the Legislature's direction, the HECC has also carefully considered two innovative affordability initiatives: the Pay It Forward proposal, and the Viability of Tuition-Free Community Colleges in Oregon. More information on these models and the HECC's analysis for Oregon Legislators can be found under Reports and Presentations at www.Oregon.gov/HigherEd

3. Support for Students and Families in Preparing for College Success

College planning is a critical step to student success. The HECC proposes that Oregon continue the volunteer-based ASPIRE program at its 145 current sites and work toward an expansion for the year 2016. In addition to providing mentoring, on-site trainings, college guidance, and more, ASPIRE has recently integrated a financial planning curriculum into its college outreach program. □

SOURCES:

1. Low-income data: ECONorthwest longitudinal analysis.
2. Rating of 47th State Higher Education Finance, 2013, State Higher Education Executive Officer Association.
3. Need based aid: 44th Annual Survey Report on State-Sponsored Student Financial Aid, National Assoc. of State Student Grant and Aid Programs.
4. Table A: Oregon University System, Graduation Rate by First Time Freshmen Cohort 2006-07, fall term, includes inter-OUS transfers.

About the Higher Education Coordinating Commission: The HECC coordinates policy and funding recommendations across all postsecondary education in Oregon to foster accessible, quality higher education pathways and better student outcomes. It provides a comprehensive view of education and training programs, including community colleges, public universities, private colleges, trade schools, financial aid, and workforce training. The State's 40-40-20 goal has guided the HECC in strategically aligning the state's resources with the most critical levers for student success.