

TARGETED INVESTMENTS IN COLLEGE AFFORDABILITY

*STRATEGIC PROGRAMS AND INVESTMENTS TO
EXPAND ACCESS AND COLLEGE SUCCESS FOR
ALL OREGONIANS*

PRESENTED TO:
JOINT COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON EDUCATION



Days 3-4

BEN CANNON, Executive Director, HECC
BOB BREW, Executive Director, OSAC
Campus Representatives

The Affordability Challenge in Oregon

BEN CANNON, Executive Director, HECC



OREGON OPPORTUNITY GRANT REQUEST

POP 131, HB 2407

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
Financial Aid: Oregon Opportunity Grant	Oregon Opportunity Grant POP 131: Expansion (See also HB 2407: OOG redesign)	\$113.9M GF/LF/OF -- Total: \$113.9M	\$117.3M GF/LF/OF + \$25.9M GF/LF/OF Total: \$143.3M

FACTORS IN AFFORDABILITY: A STUDENT PERSPECTIVE

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What did I spend?

What did I get?

How did it pay off?

Cost, Outcome, Earnings

A SIMPLIFIED VIEW

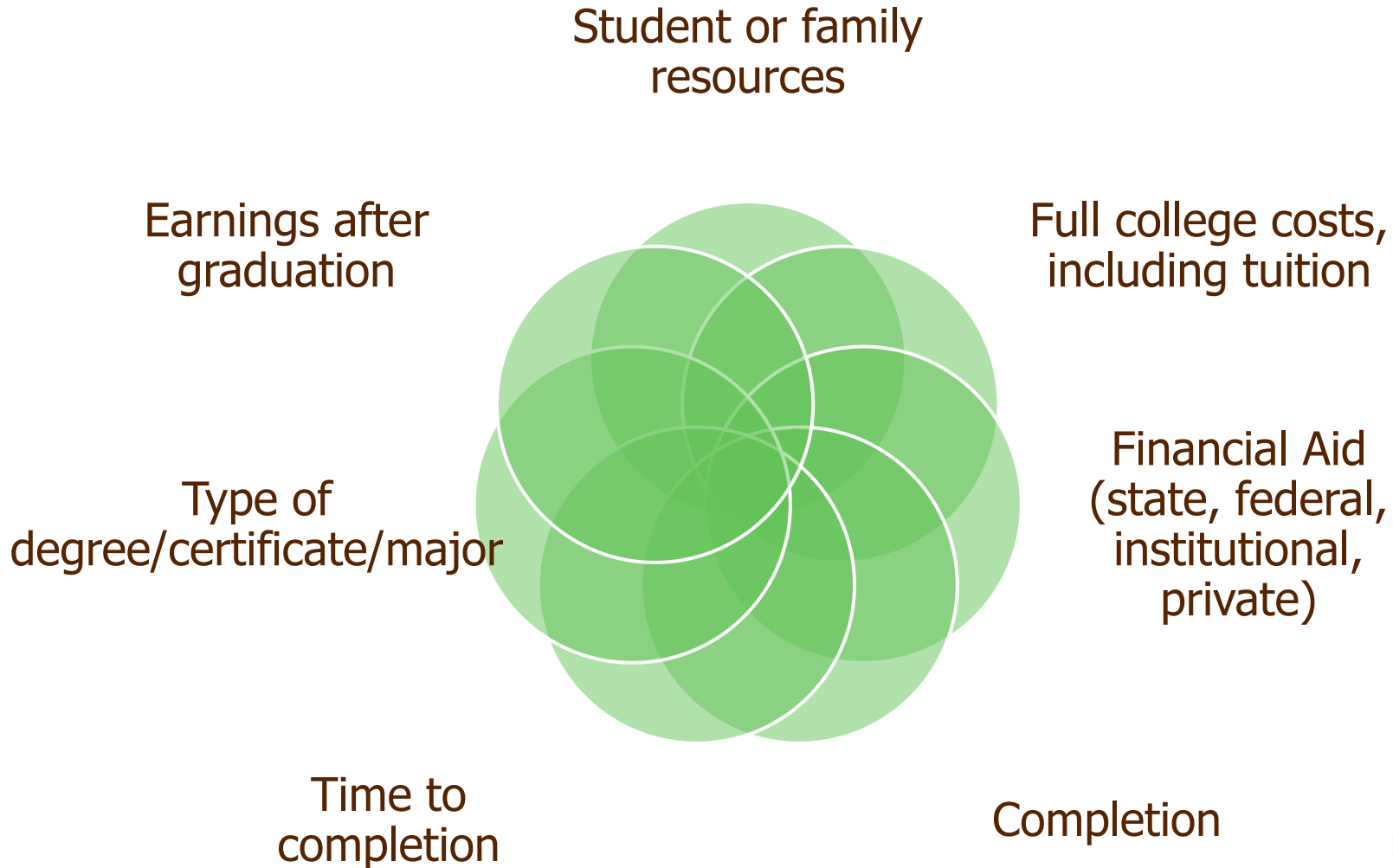
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	Cost*	Outcome	Earnings	Affordable?
Student 1	high	no degree	low	no
Student 2	high	degree	high	yes
Student 3	low	degree	high	yes
Student 4	low	no degree	low	no

**Cost = Price (tuition) plus living expenses, minus grants and scholarships*

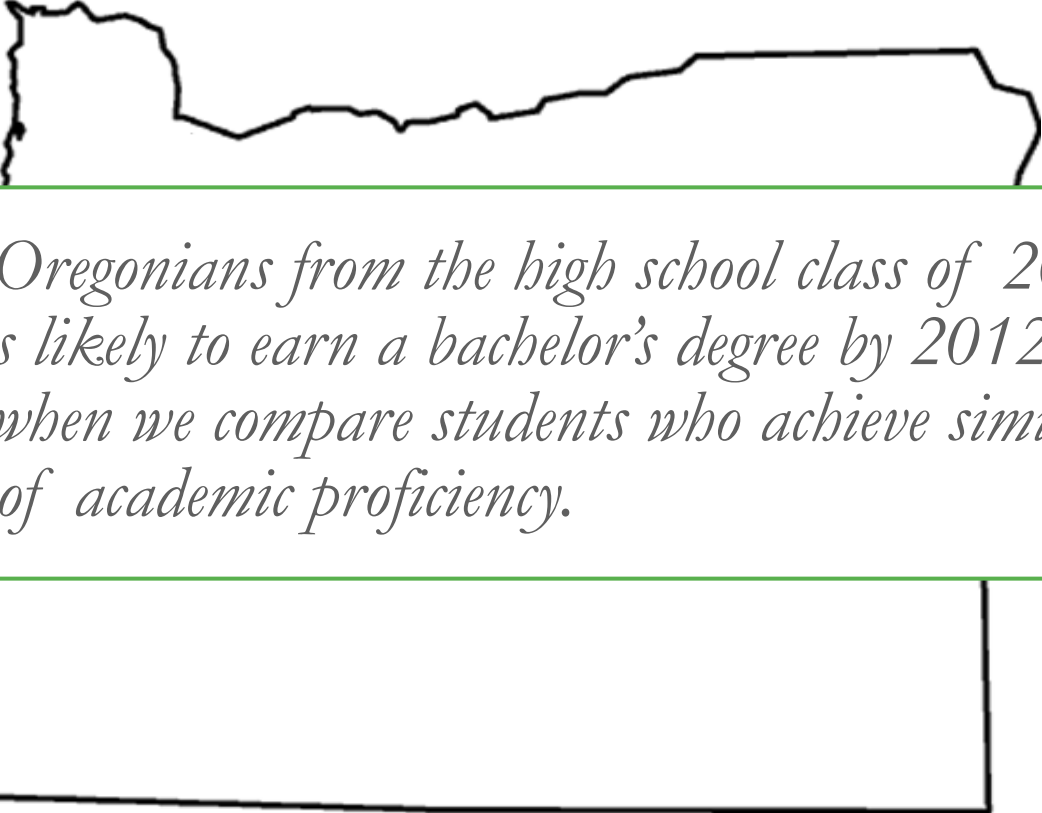
AFFORDABILITY: NUMEROUS FACTORS

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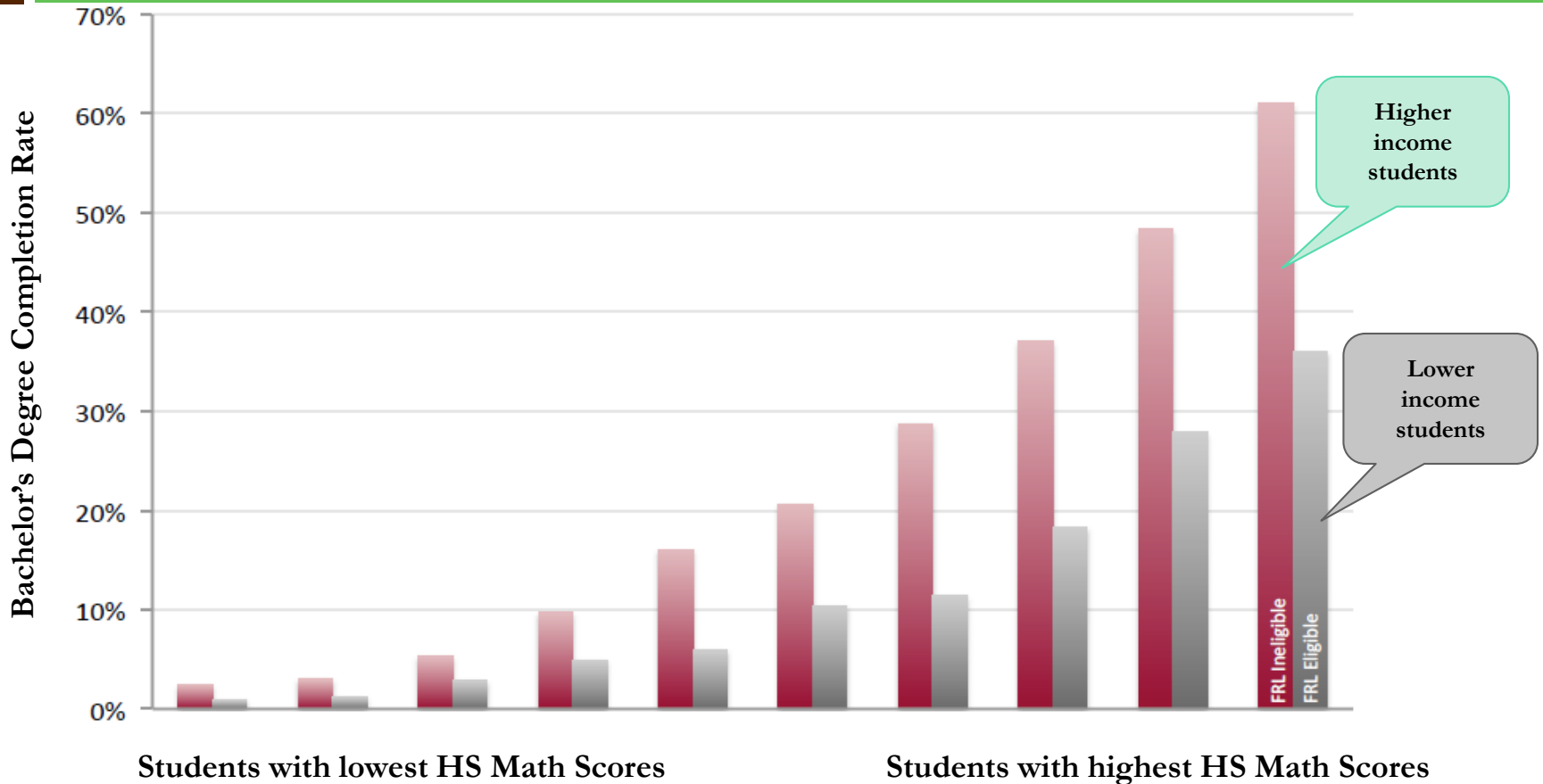
THE AFFORDABILITY BARRIER

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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.

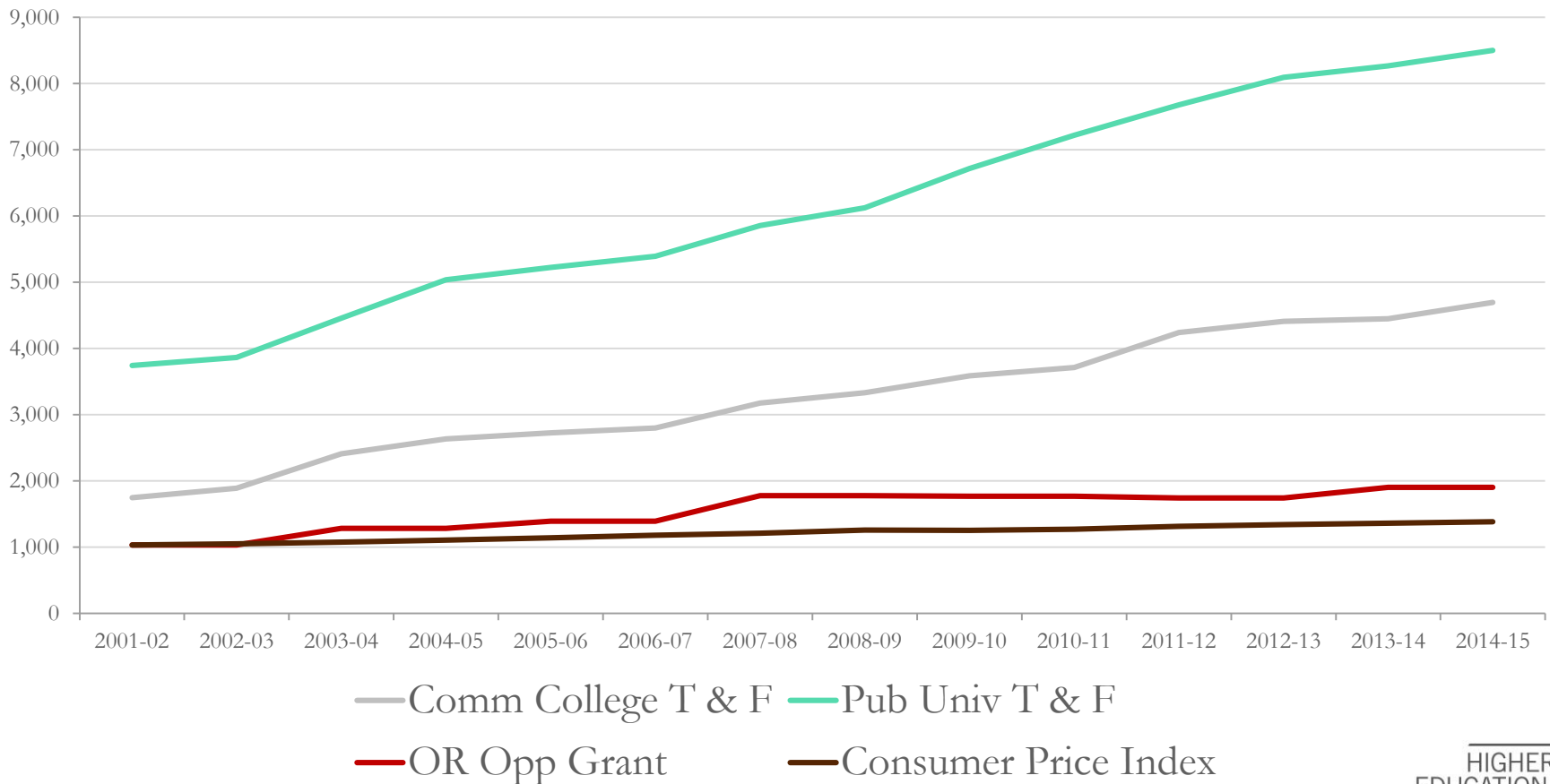
STUDENTS IN POVERTY COMPLETE COLLEGE AT LOWER RATES REGARDLESS OF THEIR ACADEMIC SKILL LEVEL



The ten pairs of red/gray bars above show all Oregon students divided into 10 equal-sized groups based on their high school math scores. The vertical bars show the Bachelors degree completion rate for students eligible for free/reduced price lunch vs. those who are not eligible.

TUITION INCREASES OUTPACE CPI AND OPPORTUNITY GRANTS

Tuition and Fees and Oregon Opportunity Grant versus CPI for Two- and Four-Year Public Colleges and Universities

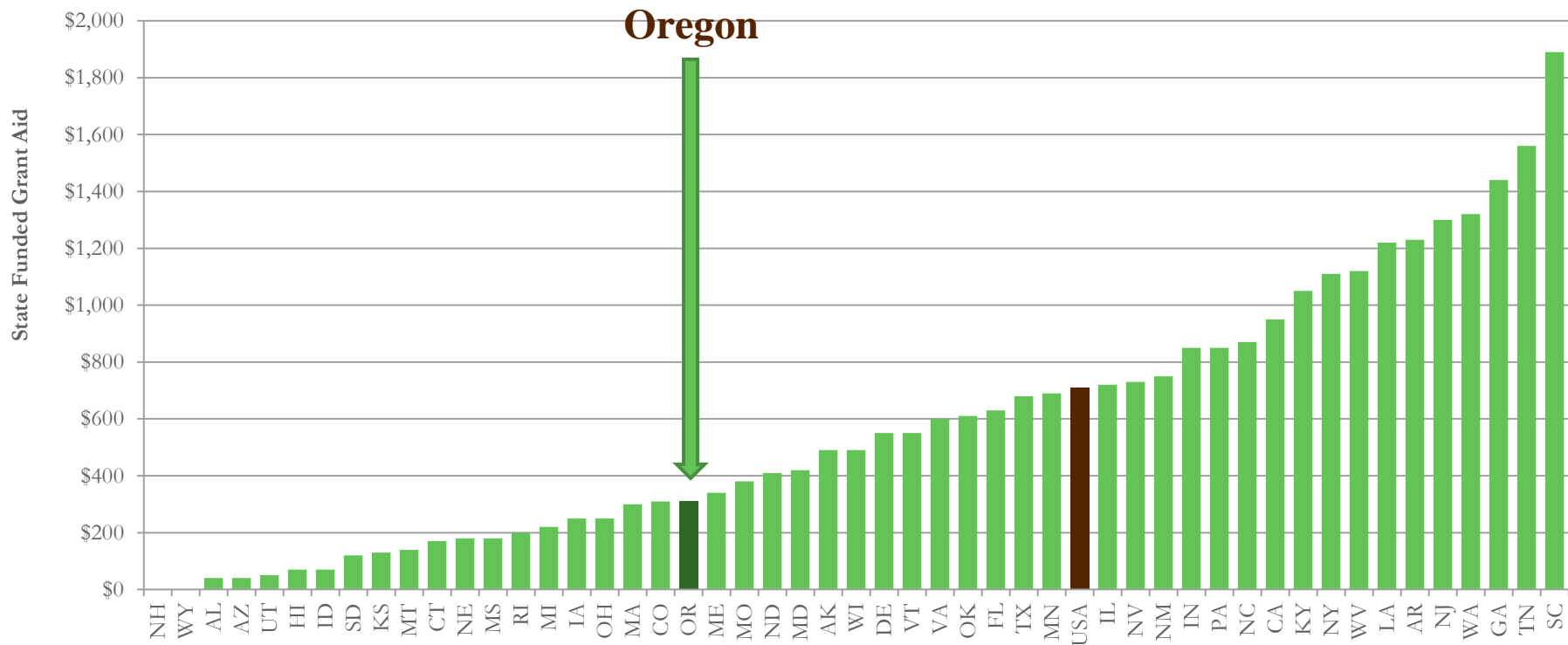


Source: Oregon postsecondary institutions, OSAC, and Department of Labor



PER STUDENT STATE FUNDED GRANT AID

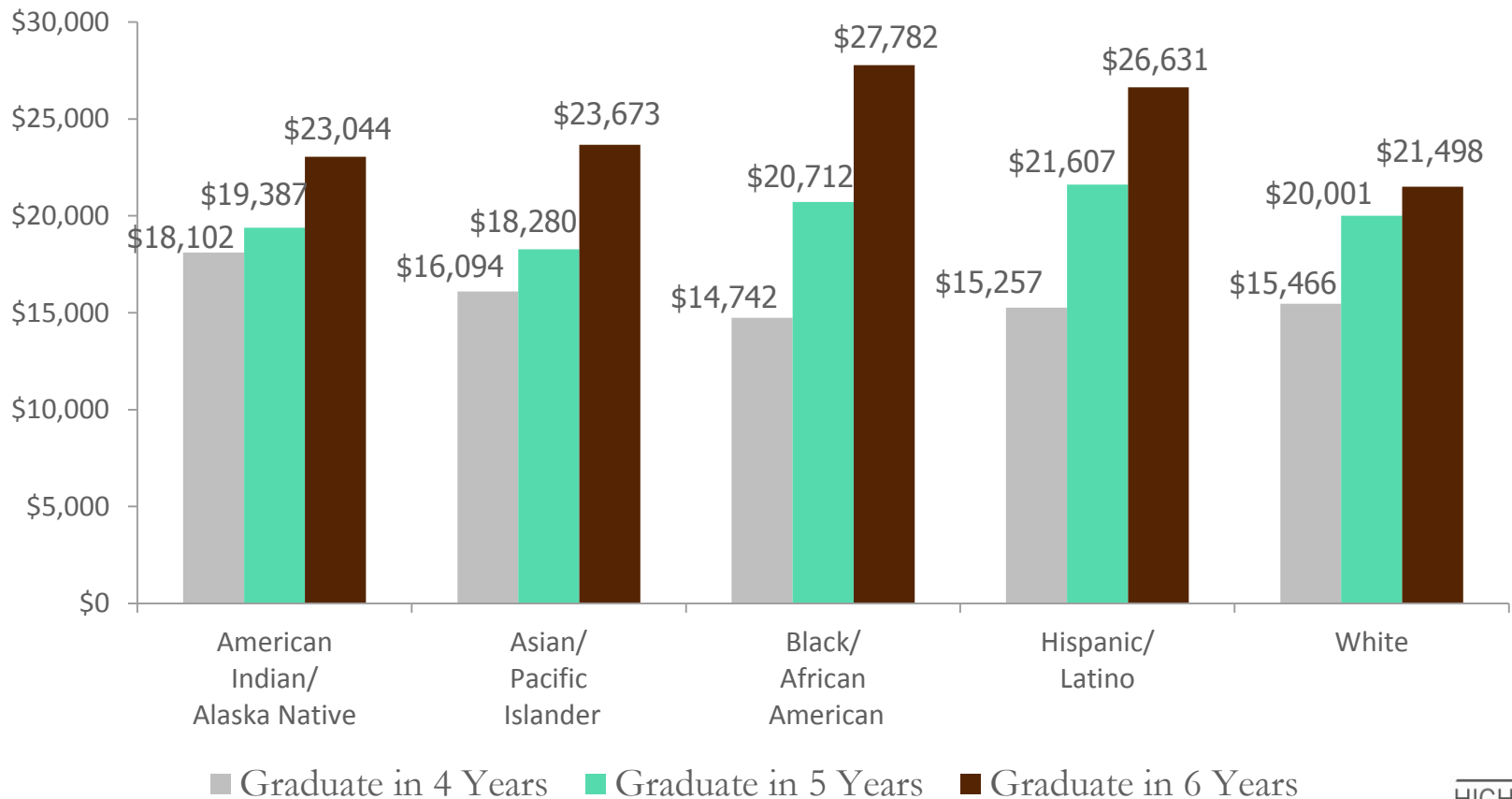
State Funded Grant Aid Per Resident Undergraduate Student (2012-13)



Source: NASSGAP Annual Survey, 2012-13, Table 12.

COST TRENDS: DEBT

Debt at Graduation for OUS Students Graduating in 4, 5, and 6 Years by Race/Ethnicity, 2002-03 Cohort



2002-03 Fall First-Time Freshman Cohort completing by September 2008
 Source: OUS Institutional Research

UNDERGRADUATE DEBT, 2011-12 GRADUATES

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	BA (48%)	AA (36%)	Certificate (16%)
No Debt	30%	50%	34%
Less than \$10,000	10%	19%	30%
\$10,000 to \$19,999	13%	14%	25%
\$20,000 to \$29,999	18%	9%	6%
\$30,000 to \$39,999	12%	4%	3%
\$40,000 or more	18%	4%	2%

GRADUATE SCHOOL DEBT, 2011-12 GRADUATES

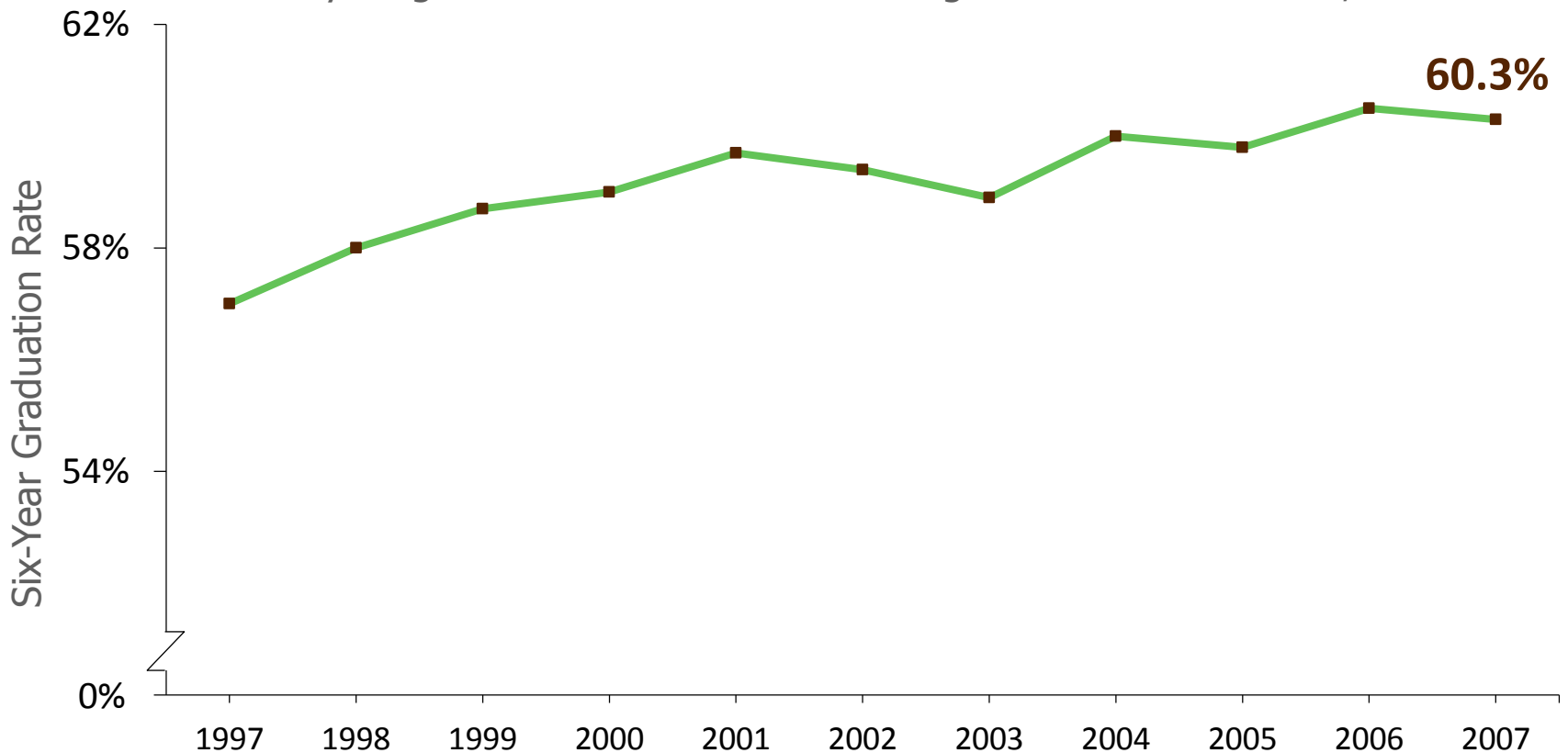
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	All Graduate Degrees
No Debt	27%
\$1-\$19,999	12%
\$20,000-\$39,999	14%
\$40,000-\$59,999	12%
\$60,000-\$79,999	11%
\$80,000-\$99,999	8%
\$100,000+	16%

Source: National Postsecondary Student Aid Study, 2012

OUTCOME TRENDS: GRADUATION RATES

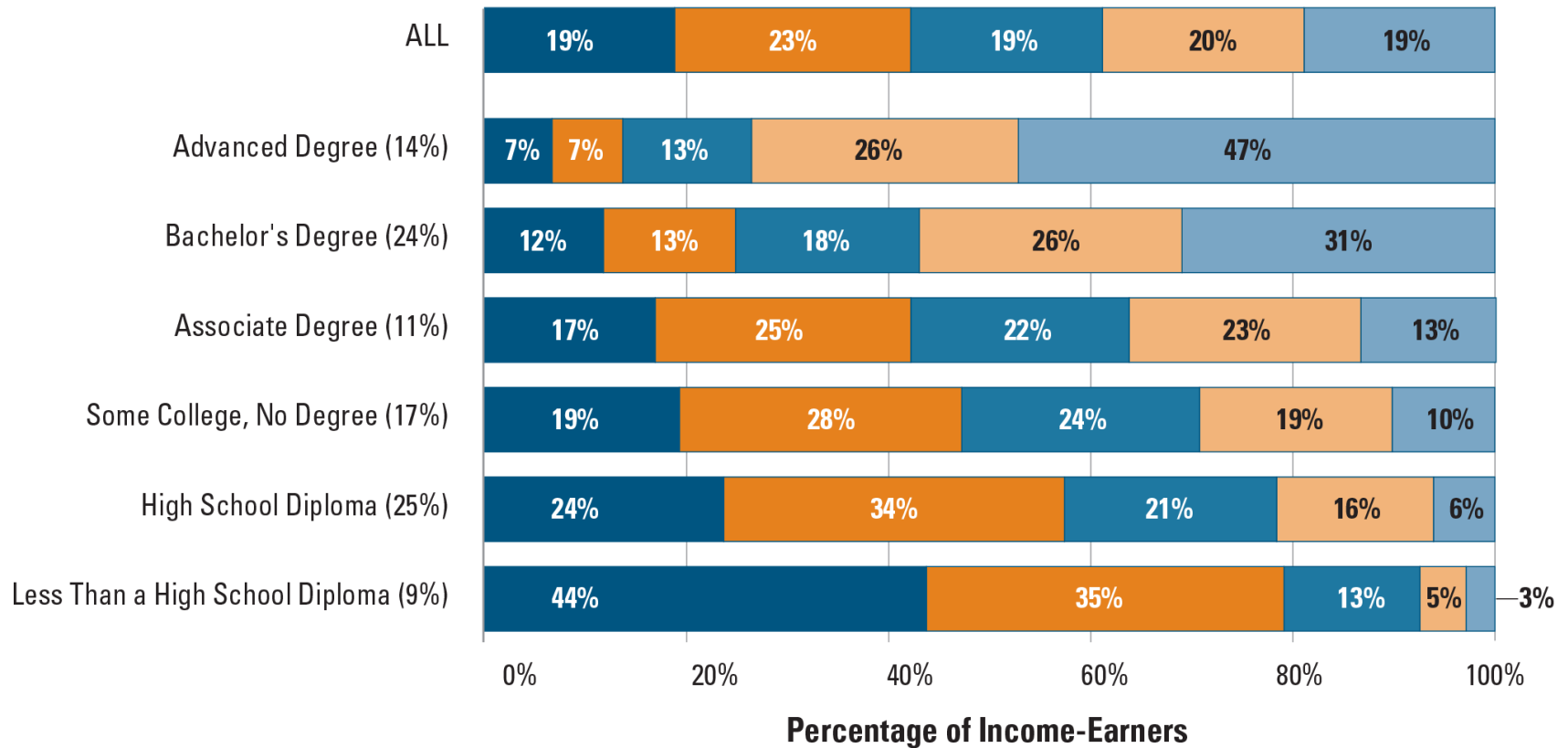
Six-year graduation rate of OUS entering Freshman Fall Cohort, 1996-2007



Source: Oregon University System Office of Institutional Research

EARNINGS TRENDS: BY DEGREE (U.S.)

■ \$1 to \$17,499
 ■ \$17,500 to \$32,499
 ■ \$32,500 to \$47,499
 ■ \$47,500 to \$72,499
 ■ \$72,500 and over



- Distribution is expressed for all income-earners ages 35-44.
- SOURCES: U.S. Census Bureau, 2012.
- NOTE: Percentages may not sum to 100 because of rounding.

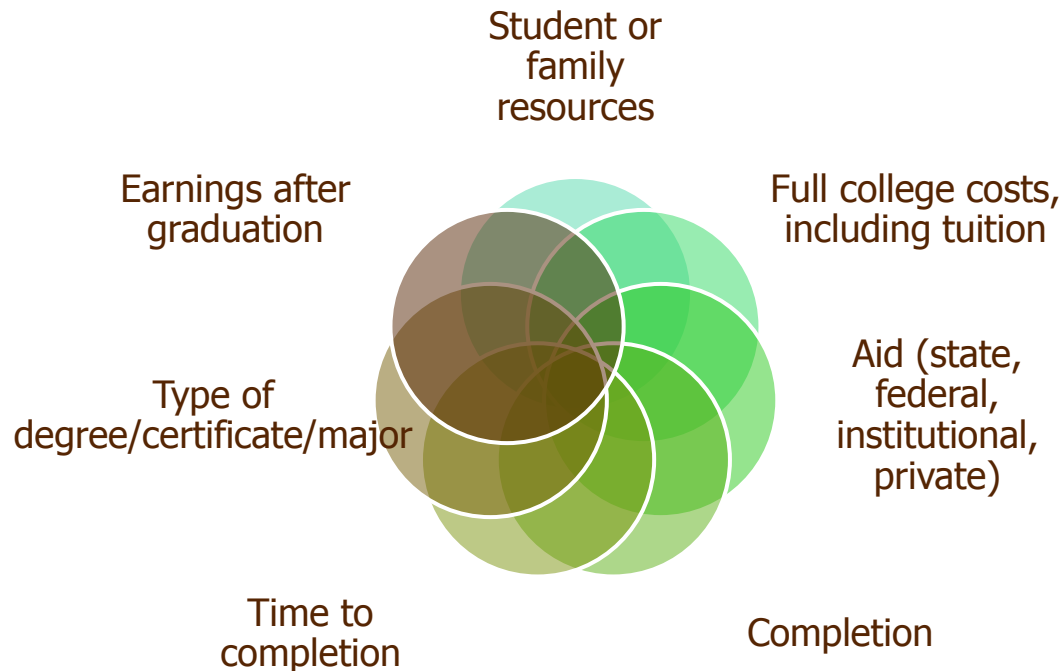
KEY TAKEAWAYS

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Tuition is not the entire story

Financial aid, particularly need-based aid, matters

Outcomes and earnings matter



Affordability Priorities: Expanding and Restructuring Need-Based Financial Aid

BOB BREW, Executive Director, OSAC



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HECC AFFORDABILITY PRIORITIES: AN INTEGRATED APPROACH

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Expansion and strategic redesign of the **Oregon Opportunity Grant**, by 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.

Balance targeted grant aid with **increased institutional funding**, by empowering community colleges and public universities to **intentionally focus on student success and keep tuition levels manageable**.

Help prospective **students and families to plan for postsecondary success**, and how to pay for it, through continuation and expansion of successful pre-college outreach.

OREGON OPPORTUNITY GRANT

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

Oregon's only state-funded, need-sensitive grant program that helps low- and middle-income Oregonians achieve academic success.

FACTORS IN REDESIGN AND EXPANSION

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The OOG is a successful program for the students it reaches.

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

Graduation Rates at Oregon Public Universities

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

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

FACTORS IN REDESIGN AND EXPANSION

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This successful program, however, is severely underfunded.

- In 2013–14, the grants reached only 23.5% of more than 145,000 eligible students.

The program does not have a mechanism to strategically prioritize limited funds.

- As a result, grants are currently awarded on a first-come-first-served basis to students/families with annual incomes of up to \$70,000.

PROPOSED EXPANSION

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The HECC proposes expanding the OOG by 25.8% 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 creating an extended, rolling application period.
- Improve predictability by guaranteeing the grant in second year to eligible students who receive it their first year.

OREGON OPPORTUNITY GRANT

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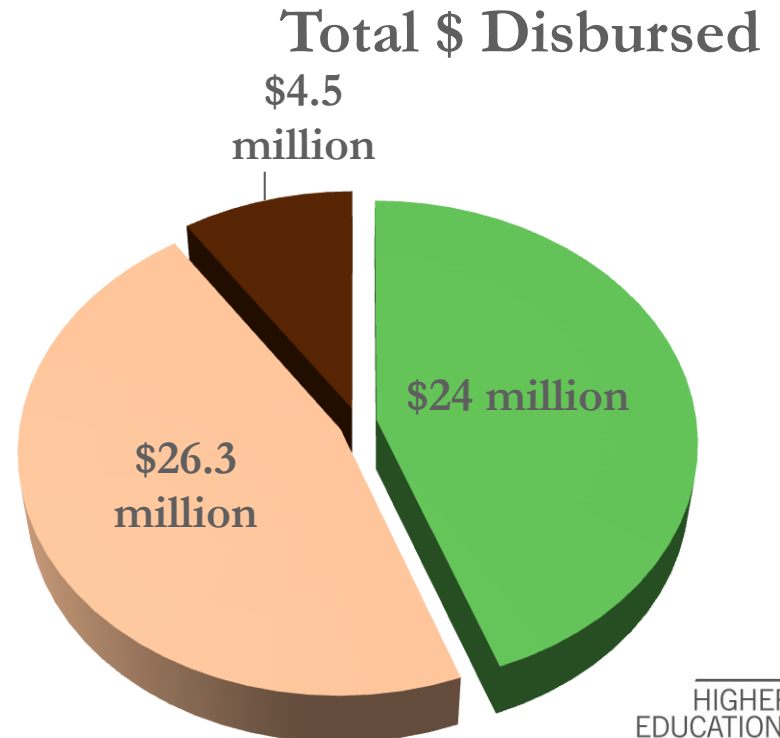
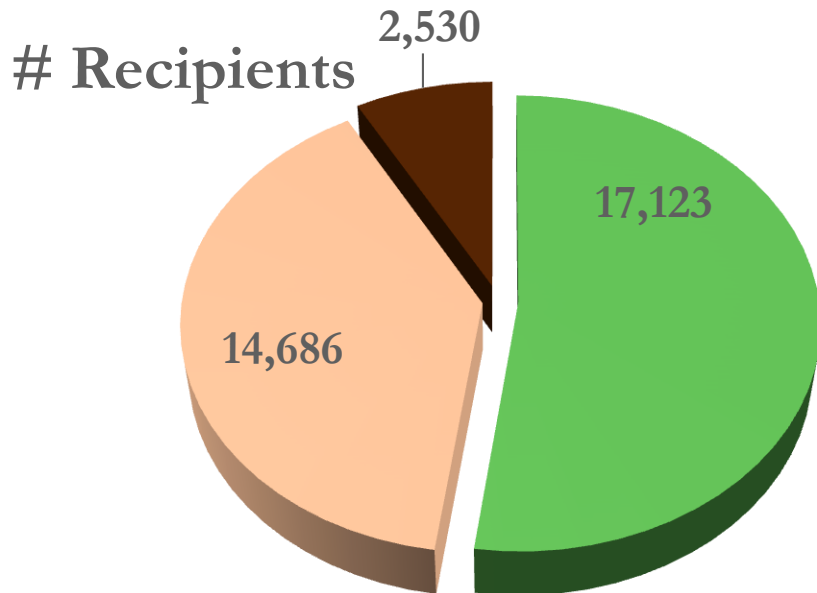
Source of funds 2013-15

- General Fund = \$111.2M (97.6% of total)
- Lottery Funds = \$2.5M (2.2% of total)
- Other Funds = \$.16M (.014% of total)

Projections for 2013-15

- Estimated Total Recipients = 70,240
- Estimated Total Funds to Students = \$113.9M

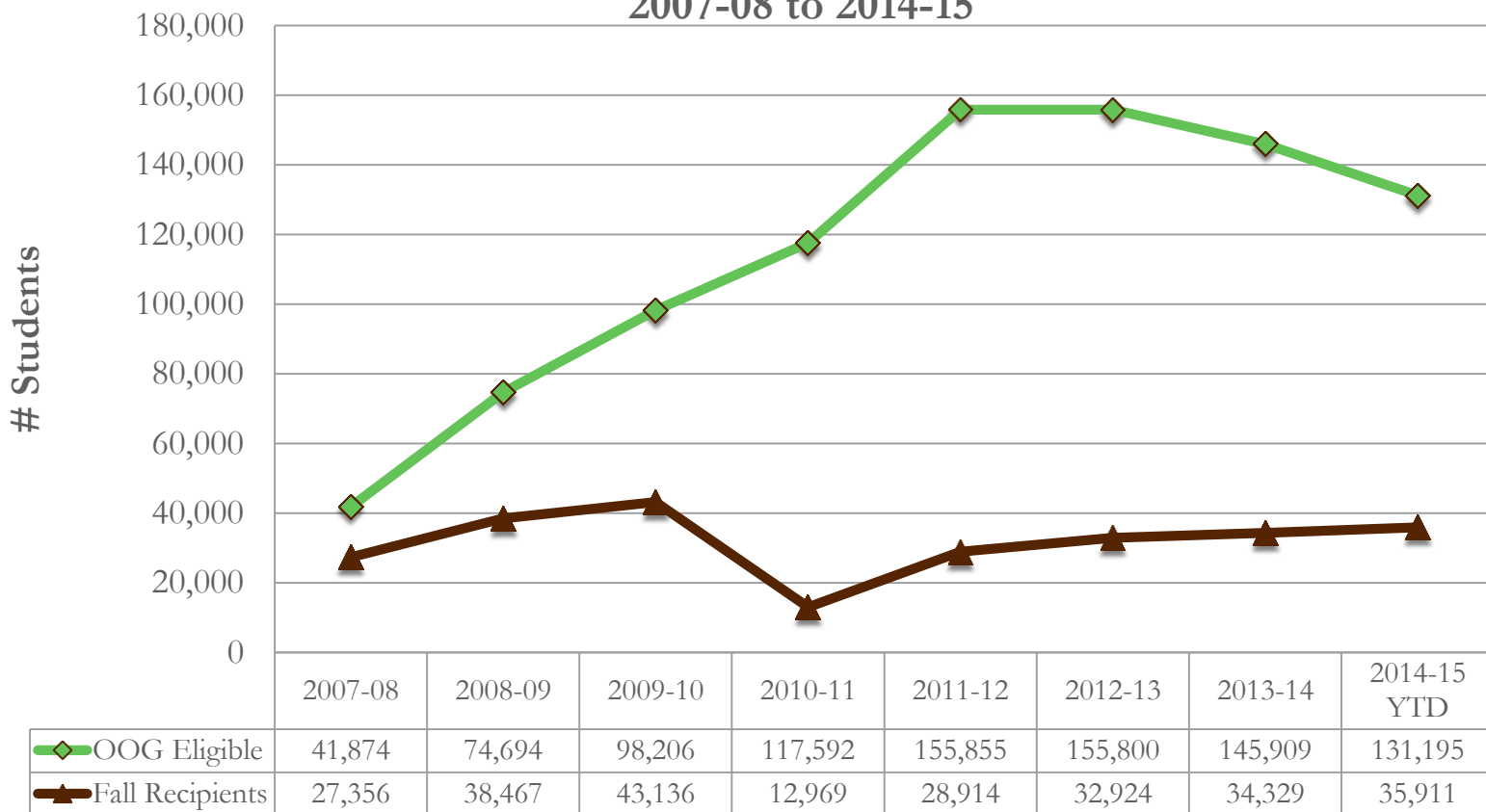
OREGON OPPORTUNITY GRANT – 2013-14



- CC
- OUS
- IND

OOG ELIGIBLE APPLICANTS VS. RECIPIENTS

OOG Eligible Applicants vs. Recipients 2007-08 to 2014-15



Other Federal, State, and Campus Affordability Programs

**Bob Brew, Executive Director, OSAC
Campus Representatives**



OTHER GOVERNMENT PROGRAMS

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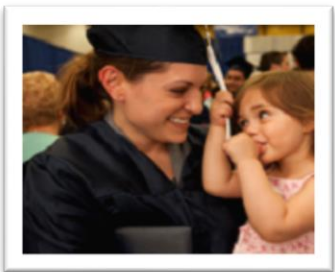
CHAFEE EDUCATION & TRAINING GRANT (FEDERAL)

– For 2013-14, 227 students applicants received a total of \$539,421. For 2014-15, \$542,940 has been awarded to 190 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 at UO if at 4-year private Oregon institution. In 2013-14, 11 student received \$70,071.



OREGON STUDENT CHILDCARE GRANT (STATE) – For 2013-14, 87 students received a total of \$439,287. For 2014-15, expect 82 students to receive \$478,671. Amounts vary depending on ages and number of children needing care.

FEDERAL AND STATE PROGRAMS

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JOBS PLUS INDIVIDUAL EDUC. ACCOUNT (STATE)

– Each year, around 100 TANF clients earn funds to use for postsecondary training. In 2013-14, 94 clients redeemed \$63,289 from their IEAs.



OREGON YOUTH CONSERVATION CORPS (STATE)

– Each year, 26 to 60 recipients redeem scholarship vouchers totaling \$20,000 to \$50,000. In 2013-14, 33 students received \$25,763.



BARBER AND HAIRDRESSER GRANT (STATE)

– Grants based on interest earnings, vary from current low of \$225 to maximum of \$1000 per participant.

PRIVATE SCHOLARSHIP PROGRAM

NEARLY 500 SCHOLARSHIP FUNDS AVAILABLE

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OSAC Scholarships 2013-14: OSAC administers nearly 500 private scholarship funds.

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

More than \$18 million in private scholarships were awarded to nearly 3,500 students. (Average \approx \$5,300)

OSAC added 33 new scholarships to its portfolio of private scholarships.

OSAC's online Scholarship Catalog lists eligibility criteria and other details (GPA, enrollment, FAFSA requirements, additional essays, etc.). Applicants can use filters to search online or print entire document.

SCHOLARSHIP PROGRAM GOALS

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Award more scholarship dollars to students

Maintain a diverse portfolio of scholarship types to reach ALL Oregon students

Develop new partnerships to increase scholarship opportunities

Provide outreach at college fairs, college nights, and websites to reach more students

SCHOLARSHIP PROGRAMS

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▶ Scholarship Partners

- Scholarships administered in partnership with foundations, financial institutions, employers, membership organizations, unions, civic clubs, professional associations, and private individuals.
- Major partners are The Oregon Community Foundation and The Ford Family Foundation.

▶ Types of Programs

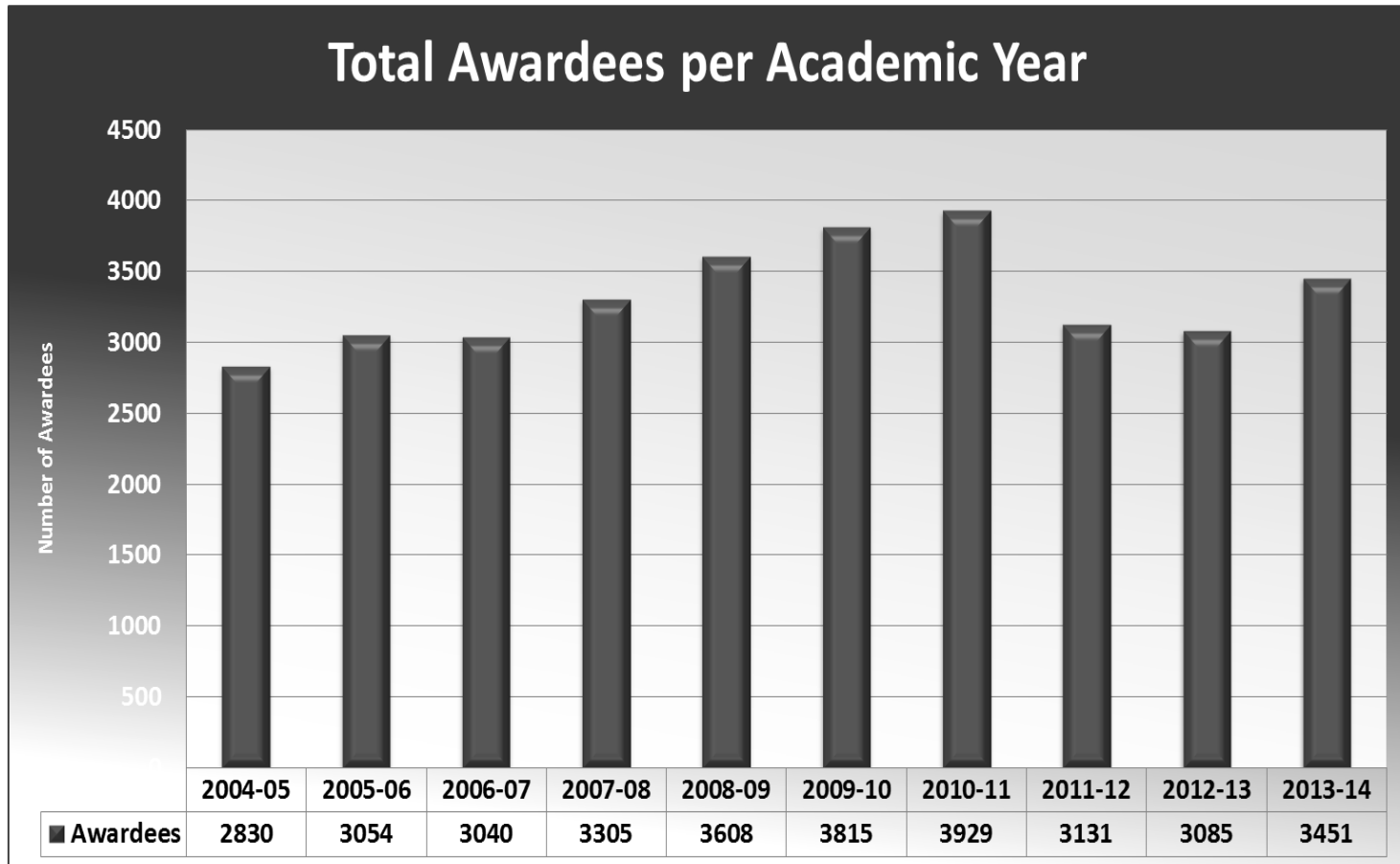
- Scholarship programs for foster youth, single parents, dislocated workers, merit scholars, students who have faced adversity, specific career field, specific college major(s), and more based on the intent of the donor.

Scholarship Application Requirements

- Student profile
- 4 Personal Statements
- Activities Chart
- Transcripts
- Scholarship-specific essays and other documents may be required

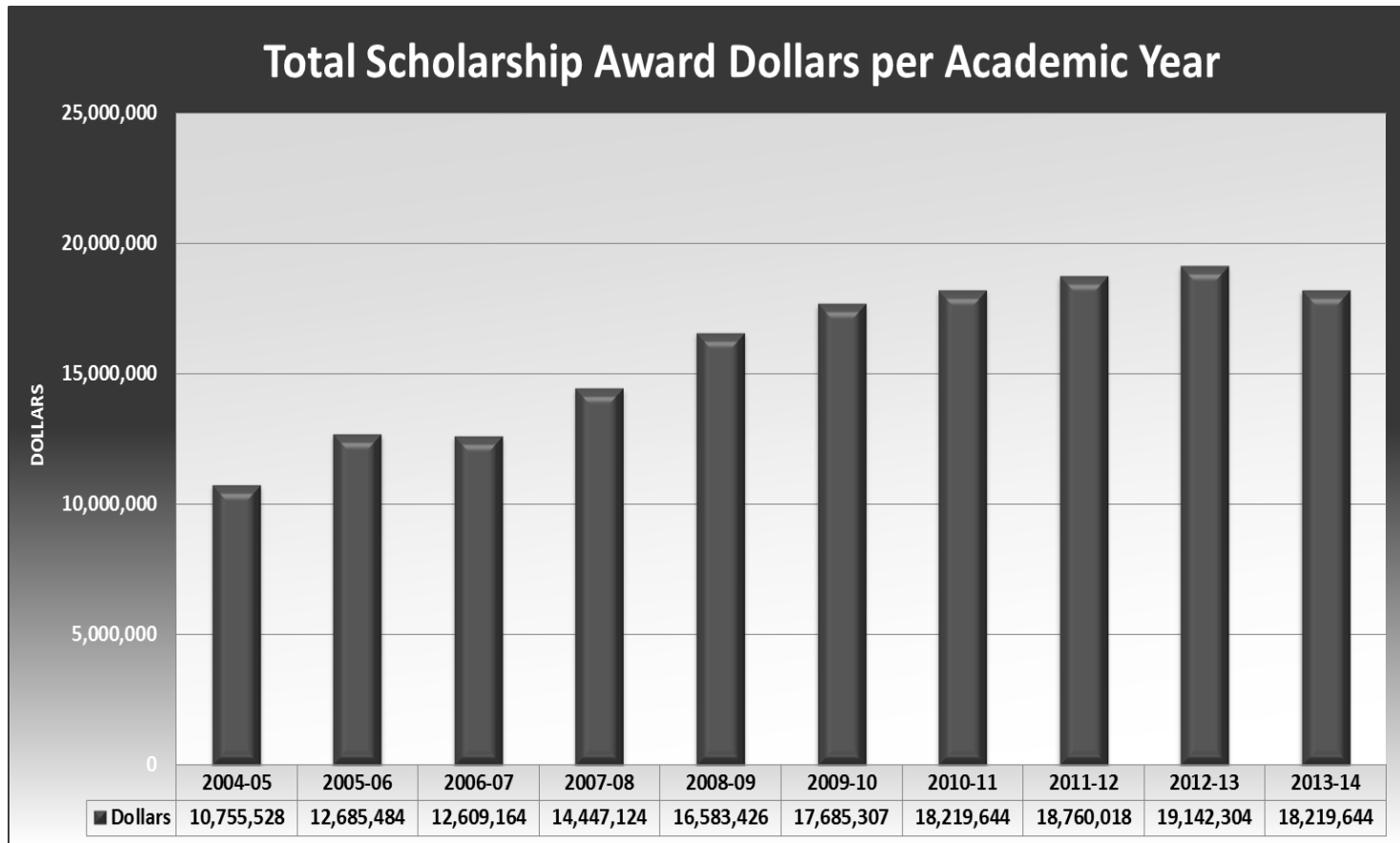
PRIVATE SCHOLARSHIP PROGRAM: AWARDEES

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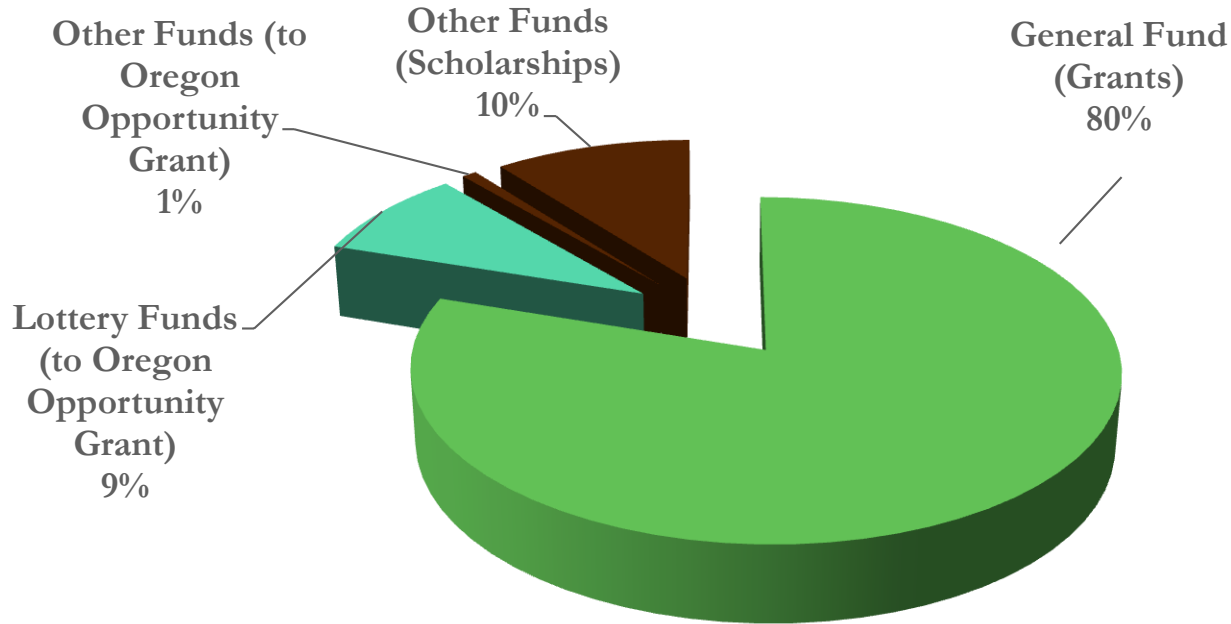
PRIVATE SCHOLARSHIP PROGRAM: AWARD DOLLARS

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DISBURSEMENTS TO STUDENTS

2015-17 Governor's Balanced Budget Disbursements to Students



General Fund (Grants)	\$128,111,514	80.0%
Lottery Funds (to Oregon Opportunity Grant)	\$13,888,486	8.7%
Other Funds (to Oregon Opportunity Grant)	\$1,263,213	0.8%
Other Funds (Scholarships)	\$16,797,810	10.5%

RESULTS FOR OREGON STUDENTS: PROPOSED KEY PERFORMANCE MEASURES, AFFORDABILITY

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Measure

Percentage of resident enrolled students who are incurring unaffordable costs

Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid

Average debt amount of Bachelor's graduates

Default rates

Average cost of attendance for resident undergraduates minus grant aid as a % of median income

Tuition and fees

- Average statewide less grant aid
- Net per resident undergraduate FTE

Public comment