



Co-Chair, Senator Rod Monroe  
Co-Chair, Representative Betty Komp  
Joint Committee on Ways and Means, Subcommittee on Education  
March 26, 2015

Dear Co-chairs Monroe and Komp,

Thank you for the opportunity to answer questions that arose during the March 25 Higher Education Coordinating Commission's presentation to the Ways and Means Subcommittee on Education.

Representative Taylor requested the 4- and 5-year graduation rates for Oregon's seven public universities, and inquired about the shift to reporting on 6-year rates. The 4- and 5-year graduation rates are available and are included in the chart A on the next page. The basis for widespread use of the 6-year graduation rate is the "Student Right to Know Act of 1990" passed by the US Congress. That act required that institutions receiving federal financial aid report a 6-year graduation rate. We agree with the correlation Representative Taylor pointed out between student debt and time to degree and appreciate the attention to this issue. The relationship is illustrated in table B, showing cumulative loan aid received for a cohort of students at Oregon public universities who graduate in 4, 5, and 6 years. The link between affordability and timely completion is one reason HECC is working with institutions on finalizing outcomes-based models for funding allocations.

Representative Taylor also asked for the percentage of debt load arising from the cost of living expenses, as opposed to educational expenses. While we cannot calculate a reliable percentage of this, we can provide the average student debt and the average costs for each category of student expenses based on type of institution. The average cumulative student debt at graduation for those receiving a bachelor's degree in Oregon in 2013 is \$25,777 and the proportion of graduates with debt is 60%.<sup>1</sup> Please note that this debt data is for graduates of public 4-year universities and private not-for-profit 4-year colleges and universities combined, but not for community colleges. A standard budget for Oregon community colleges, public universities, and private universities is included on the following pages in table C, and these average numbers demonstrate that non-tuition and fee expenses range from \$12,252 to \$14,858 annually. In actuality, these expenses vary widely from student to student according to numerous factors, such as housing choice and availability, textbook costs in a student's field of study, dependent status, and others. It is worth noting that in the financial aid awarding process, grant and other financial aid is awarded first to educational expenses, before awarding loans. Given that loans are considered a last resort after other aid has been applied to educational expenses, it is likely that the actual percentage of loans that go to living expenses is higher than their percentage of the total typical student budget.

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<sup>1</sup> Source: Project on Student Debt, 2013, <http://projectonstudentdebt.org/>. Note: this data differs from the data in Table B because it represents an average of all Oregon students who graduate in a given year in the sectors noted, while the Table B. data represents a cohort of students at the public universities.

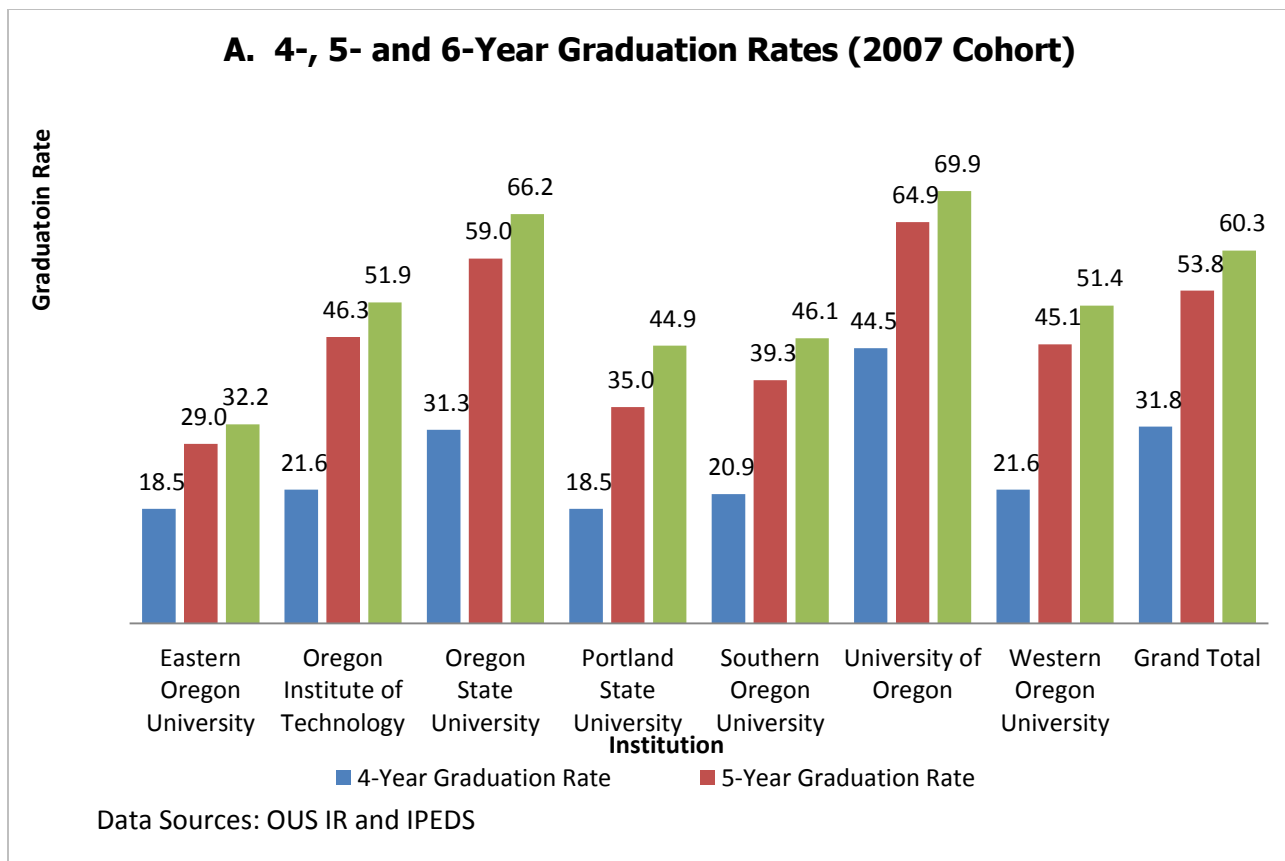
Finally, we offer two pieces of clarifying information. Representative Smith Warner requested the slide entitled “Cost Trends: Debt” with a view by percentages; this slide shows debt at 4- 5- and 6- year graduation by ethnicity, and is provided in chart D. Finally, we would like to clarify that slide 10 titled “Per-Student State-Funded Grant Aid” represents a comparison of grant aid that in some states is a combination of need- and merit-based. Oregon does not have a state merit-based financial aid program. Looking solely at need-based aid nationally, Oregon also lags significantly behind other states in financial aid investment, with per-student state need-based grant figures that are 40% lower than the national average.<sup>2</sup>

If you have further questions, please do not hesitate to contact our legislative deputy director Dana Richardson at [Dana.Richardson@state.or.us](mailto:Dana.Richardson@state.or.us).

Regards,



Ben Cannon  
Executive Director, HECC



<sup>2</sup> Need based aid: 44nd Annual Survey Report on State-Sponsored Student Financial Aid, National Assoc. of State Student Grant and Aid Programs.

<b>B. Cumulative Loan Aid Received</b>								
First-Time Freshmen Entering and Graduating from the Same OUS Institution within Six Years								
2007-08 IPEDS Fall Cohort								
All Institutions	Earned degree in:							
	4 years		5 years		6 years		Total	
	% Receiving Aid	Avg aid	% Receiving Aid	Avg aid	% Receiving Aid	Avg aid	% Receiving Aid	Avg aid
<b>Loan Aid (excludes PLUS)</b>	51.1	\$21,186	61.8	\$25,869	66.5	\$30,439	55.9	\$23,991

<b>C. Average Undergraduate Cost of Attendance - 2014-15</b>			
	Community Colleges	Public Universities	Private Nonprofit 4-year Institutions
<b>Tuition &amp; Fees</b>	<b>\$4,696</b>	<b>\$8,501</b>	<b>\$30,650</b>
<b>Nontuition</b>	<b>\$12,252</b>	<b>\$14,858</b>	<b>\$13,355</b>
Books & Supplies	\$1,624	\$1,411	\$1,088
Room & Board	\$7,683	\$9,867	\$9,609
Personal Expenses	\$1,417	\$2,269	\$1,545
Transportation	\$1,528	\$1,311	\$1,113
<b>Total COA</b>	<b>\$16,948</b>	<b>\$23,359</b>	<b>\$44,005</b>
<p>NOTE: These "standard" undergraduate student budgets are for informational purposes only. They are based on full-time, full-year enrollment at 15 credit-hours/term, as reported to OSAC, and do not include insurance, loan fees, non-mandatory fees, or special program-specific fees. Actual budgets will vary, depending upon program of study, courseload, dependency status, and housing situations. All costs are for a standard academic year (August/September to May/June). Generally, budgets reflect off-campus housing for community colleges and on-/off-campus housing for public universities. Housing costs for private nonprofit 4-year institutions is either off-campus or on-/off campus.</p>			

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

