

# *Prepared Testimony of the Oregon Alliance of Independent Colleges & Universities*

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I am Tom Hellie, President of Linfield College, here today representing the 18 private, nonprofit institutions of the Oregon Alliance of Independent Colleges and Universities.

Although our colleges are individually quite diverse, the Alliance is entirely comprised of regionally-accredited, nonprofit institutions of higher learning.

Each is founded on and guided by a mission imbued with these important social principles:

- Education is the key to ending poverty, fostering economic and social mobility.
- Education builds community, preparing adults for lives of meaningful work and citizenship.

Thank you for the opportunity to talk about independent higher education in Oregon, our partnership in supporting the state's educational attainment goals, and our shared stake in the state's current and future economic and social well-being.

As state policy makers, I'm sure you are hearing what public and private college and university presidents also hear from Oregon's business leaders. They urge us to graduate students who can compete in knowledge-based industries and global economies.

Accordingly, our state educational attainment goals call for all Oregonians to be high school graduates; for 40% to hold associate's degrees or equivalent credentials; and for another 40% to hold bachelor's or higher degrees, by the year 2025.

At present, the HECC reports that about 35% of Oregonians ages 25-34 hold bachelor's or higher degrees, just 5% short of the goal, eight years away from the deadline.

The Alliance has been the state's long-time partner in this effort to increase the educational attainment of Oregon residents.

Currently, **one in five** undergraduate students at a four-year college or university in Oregon is enrolled at an Alliance member school.

Collectively, our member schools confer **22%** of the state's undergraduate degrees, and nearly **half** of masters and doctoral degrees.

The fastest-growing occupational fields - STEM professions, including health professions - demand higher levels of postsecondary education.

Alliance-member colleges and universities confer significant percentages of STEM degrees as well.

Specifically:

- 20% of the state's core STEM bachelor's degrees
- 24% of Business Management & Marketing bachelor's degrees
- 22% of Economics & Political Science bachelor's degrees
- 34% of Mathematics & Statistics bachelor's degrees

- 22% of Public Administration & Social Service Professions bachelor's degrees
- 22% of Arts & Humanities bachelor's degrees
- 38% of Education bachelor's degrees
- 35% of all Health Professions bachelor's degrees (including 60% of all Nursing degrees)
- 34% of International Relations/Affairs bachelor's degrees

That said, Oregon's private, independent colleges and universities cost the state very little. Our schools receive no direct allocations from state coffers. Opportunity Grants, which represent a small but important fraction of the state's higher education resources, are allocated directly to Oregon students, who can put those resources toward their expenses at any Oregon college or university, public or private.

In 2016, **92 percent** of the state's total Opportunity Grants went to students enrolled in **public** colleges and universities; about **8 percent** to students enrolled at Alliance member institutions (approximately 2500 students). Oregonians make up 72% of Linfield College's students; a quarter of them rely on the Oregon Opportunity Grant to attend college.

As those are our state's most economically disadvantaged students, that support is much appreciated. So Alliance member schools seek to make Opportunity Grant dollars go as far as possible, leveraging them with our own institutional aid by as much as **475%** in support of that student's education.

An August 2017 study conducted by the TIAA Research Institute for the Council for Independent Colleges <sup>1</sup> showed that a bachelor's degree from a public institution is **6.4 times** more costly to state taxpayers than a bachelor's degree from a private institution. For example, if the undergraduates at Alliance member schools were instead enrolled at state institutions, their undergraduate educations would cost taxpayers an estimated **\$166 million dollars** from start to finish.

So every time an Oregon student chooses a private nonprofit institution instead of a public one, it saves the state money because that student's education is primarily paid through private college tuition and donor dollars, as opposed to state tax revenue.

There are a lot of myths about private higher education; let me dispel one of the most common myths: that we serve predominantly white students from middle class and upper middle class families.

The 35,000 students on our campuses today reflect a diversity of communities and experiences:

- One in three of our students hail from demographic groups historically underrepresented on our nation's college campuses.
  - I should also note that one in three Oregon degrees (bachelor and higher) earned by students of color, and one in four STEM and health baccalaureate degrees earned by students of color are conferred by an Alliance member school.
  - And we currently have the highest graduation rate in Oregon among students of color.
- One in five of our students is the first in their family to attend college; and
- One in three is eligible for federal Pell Grants.

In short, our students are socially, economically, racially, and ethnically diverse.

Another private college myth is that it's only available to students of significant financial means. Obviously, that cannot be true if one in three of our students is Pell-eligible.

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<sup>1</sup> The Cost-Effectiveness of Undergraduate Education at Private Nondoctoral Colleges and Universities: Implications for Students and Public Policy. Zumeta, William; Huntington-Klein, Nick. *Council of Independent Colleges* <https://eric.ed.gov/?id=ED569209>

It is true the advertised price – which represents the *actual cost* of private college – is high. But, thanks to the generosity of generations of alumni, families, community partners, and friends, **93%** of students receive financial aid.

The average institutional grant across all Alliance schools is **\$20,000 per student** per year.

As a result, **28%** of our students graduate with **zero debt**. And the average debt load for students who have debt is about the same as the students graduating from Oregon’s public universities.

But finishing college – and finishing on time – also has important implications for out-of-pocket cost and student debt.

Currently, **three out of five** students, at private, independent colleges finish their undergraduate degrees in **four years**.

The HECC currently reports that 63 percent of students at state colleges and universities take **six<sup>2</sup>** years to complete their bachelor’s degree.

Oregon’s private colleges and universities offer a **12:1 student to faculty ratio**. Students engage in undergraduate research, internships, and other experiential learning. Small classes, ready access to academic and career advising, and other educational services provide critical support and guidance to keep students on track and, as Governor Brown puts it, “...to graduate on time, with a plan for their future.”

We know that every extra quarter or semester beyond four years that it takes a student to finish not only means additional out-of-pocket costs: tuition and fees, room and board. It also means delaying entry or reentry into the work force, and lost earnings. That’s a significant disadvantage for that student.

It also means *lost momentum*. There’s a growing national concern about student debt and how crippling that debt can be, both for those who finish college, but even more for those who don’t finish, who never reap the economic benefits of post-secondary degrees.

Our students’ loan default rates are the lowest in the state. And the fact that our default rates are collectively lower tells you something about the affordability of private college. Our graduation rates underscore our commitment to helping students finish, and finish on time.

Finally, Alliance schools are Oregon’s long-standing economic partners, contributing **\$3.2 billion** to the state economy each year.

- Collectively, we employ more than 8,800 people, more than \$400 million in earnings.
- Our students also spend money in our local communities - an estimated \$750,000 *per day* on lodging, transportation, and personal expenses.
- Our alumni love Oregon. We estimate that more than **400,000** alumni graduating from Alliance member schools – that’s about half – currently live here. Our graduates embark on a variety of careers, or continue their studies at graduate and professional schools. Or both.

Among our graduates are Oregon governors and secretaries of state, chief justices of the Oregon Supreme Court, members of Congress, and the Oregon House and Senate. Our alumni teach our children, provide our health care and take care of our elders; they are writers, artists, scientists, engineers, and entrepreneurs.

So here’s what I hope you will take away today:

- Oregon’s private, nonprofit colleges are long-standing partners in achieving the state’s attainment and workforce goals.
- We prioritize access and affordability, serving a diverse array of students and delivering excellent outcomes.

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<sup>2</sup>Public university 4-year completion data not available.

<http://www.oregon.gov/highered/research/Pages/student-data-univ.aspx>

- Student success depends on finding the school that's the right fit; different students learn differently, and student success will ultimately depend on matching students with colleges that best fit their approaches to learning. Independent colleges should be among the choices available to Oregon students.

On behalf of my presidential colleagues, I thank you for this opportunity to speak. I'd be happy to take any questions you might have.