

Higher Education Coordinating Commission

Ben Cannon, Executive Director 255 Capitol Street NE, Third Floor Salem, OR 97310 www.oregon.gov/HigherEd

March 30, 2017

Co-Chair, Senator Rod Monroe Co-Chair, Representative Barbara Smith Warner Joint Committee on Ways and Means, Subcommittee on Education

Dear Co-Chairs Monroe and Smith Warner,

Thank you for the opportunity to answer questions that arose during the March 29 Higher Education Coordinating Commission's presentation to the Ways and Means Subcommittee on Education.

Representative Whisnant asked for the percentages of students living on campus versus students living off-campus. For Oregon public universities, approximately 82 percent of first-year students and 15 percent of all undergraduates live in college housing.¹ Only four Oregon community colleges provide some on-campus housing: Central Oregon Community College can accommodate 160 students; Lane Community College can accommodate 276 students; Treasure Valley Community College can accommodate 330 students; and Southwestern Oregon Community College can accommodate 390 students. We do not have data on the percentage of students who take advantage of this housing, but it is limited due to capacity.

In reference to slide 88, "Affordability Factors: Undergraduate Completion Rates," Co-Chair Smith Warner asked for clarification on why the analysis was completed utilizing student completion date (2014-15) instead of enrollment date. Using a common graduation date allows for a single, recent comparable year for colleges and universities. The most recent graduation rate data available is from 2014-15, and the national standard for reporting graduation rates to allow three years for community college students and six years for universities. Thus, using 2014-15 as the year of expected graduation means looking at the community college cohort that began in 2011-12 and the university enrollment cohort that began in 2009.

We wish to offer a new point of clarification on slides 85 and 86, pertaining the net price relative to Oregon family income for community colleges and universities. These slides cited the number of work hours that would be required per week at minimum wage for a student to

¹ Source: Housing data from the Common Data Set (CDS), College Board, <u>www.collegeboard.org</u>

meet the net price at public institutions. This work-hour data presented did not consider the tax liability of students. After factoring in tax liability to provide a more accurate depiction, community college students earning minimum wage would have to work an even higher number of hours per week than previously reported (20 hours a week, on average), and university students would also have to work an even higher amount than reported (33 hours a week, on average) to fully cover the average net price associated with full-time enrollment in those sectors, respectively.

In reference to the time to completion data for public postsecondary students (slide 89), Representative Whisnant asked for comparative information on time to completion for private university students, as well as a comparison of Oregon data with other states. The Oregon Alliance of Independent Colleges and Universities does not have time to completion data for private schools in Oregon. Nationally,² the median time to completion for bachelor's degree students is 52 months. For students at public institutions, the national average time to completion is 55 months; for students at private nonprofit institutions the national average time to completion is 45 months; and for students at private for-profit institutions, the national average time to completion is 108 months.

When presented with average student loan debt for Oregon students compared to the national average, Senator Monroe asked why Oregon students incur loan debt at amounts less than the national average. Senator Monroe also requested more information regarding factors that contribute to student loan rates. A combination of factors in Oregon - that tuition rates are higher than the national average, state investment is lower than the national average, and state aid is lower than the national average - would suggest that Oregon students would incur more loan debt than the national average. Upon investigating the following hypotheses, we were unable to determine a clear cause and more research would be required:

- Does Oregon have a higher Pell amount? No. The mean size of Pell grants to Oregon college students (both public and private institutions) is \$3,581, compared to \$3,683 for students nationally.³
- Do students in Oregon have more money from employment? Not necessarily. Oregon has the sixth highest minimum wage in the country, suggesting that students have higher earnings.⁴ However, Oregon has a relatively high cost of living, the thirteenth

² Source: National Center for Education Statistics, 2016, <u>https://nces.ed.gov/fastfacts/display.asp?id=569</u>.

³ Source: <u>https://www2.ed.gov/finaid/prof/resources/data/pell-institution.html</u>

⁴ Source: <u>http://www.csmonitor.com/Business/2016/0208/Which-state-has-the-top-minimum-wage-A-ranking-from-lowest-to-highest/Oregon-9.25</u>

highest in the country, which likely counteracts the effects of the higher minimum wage. 5

Do students at private colleges and universities in Oregon take on less debt than in other states? No. The Oregon Alliance of Independent Colleges and Universities reports that 72 percent of graduates from Alliance schools graduate with debts (averaging \$27,741), compared with 64 percent of graduates from private nonprofit schools nationally (averaging \$29,657).⁶

Finally, Co-Chair Smith Warner requested information on Oregon Promise recipients as a percentage of the student population at each community college. This information has been provided in Appendix A.

If you have any further questions, please do not hesitate to contact Kyle Thomas, Director of Legislative and Policy Affairs, at <u>kyle.thomas@state.or.us</u> or at 503-480-9596.

Sincerely,

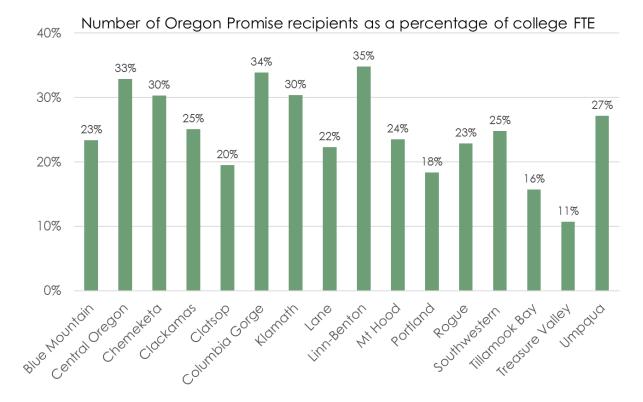
Ben Cannon

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⁵ Source: <u>https://www.missourieconomy.org/indicators/cost_of_living/index.stm</u>

⁶ Source: Alliance analysis of data from The Institute for College Access & Success, College InSight, <u>http://www.college-insight.org</u>

APPENDIX A.



Source: HECC analysis of student-level data (Oregon Promise recipients) and college report of fall, fourth week FTE, 2016.