



Oregon Tech



INTRODUCTION TO HIGHER EDUCATION FUNDING

BEN CANNON, DIRECTOR, HIGHER EDUCATION COORDINATING COMMISSION

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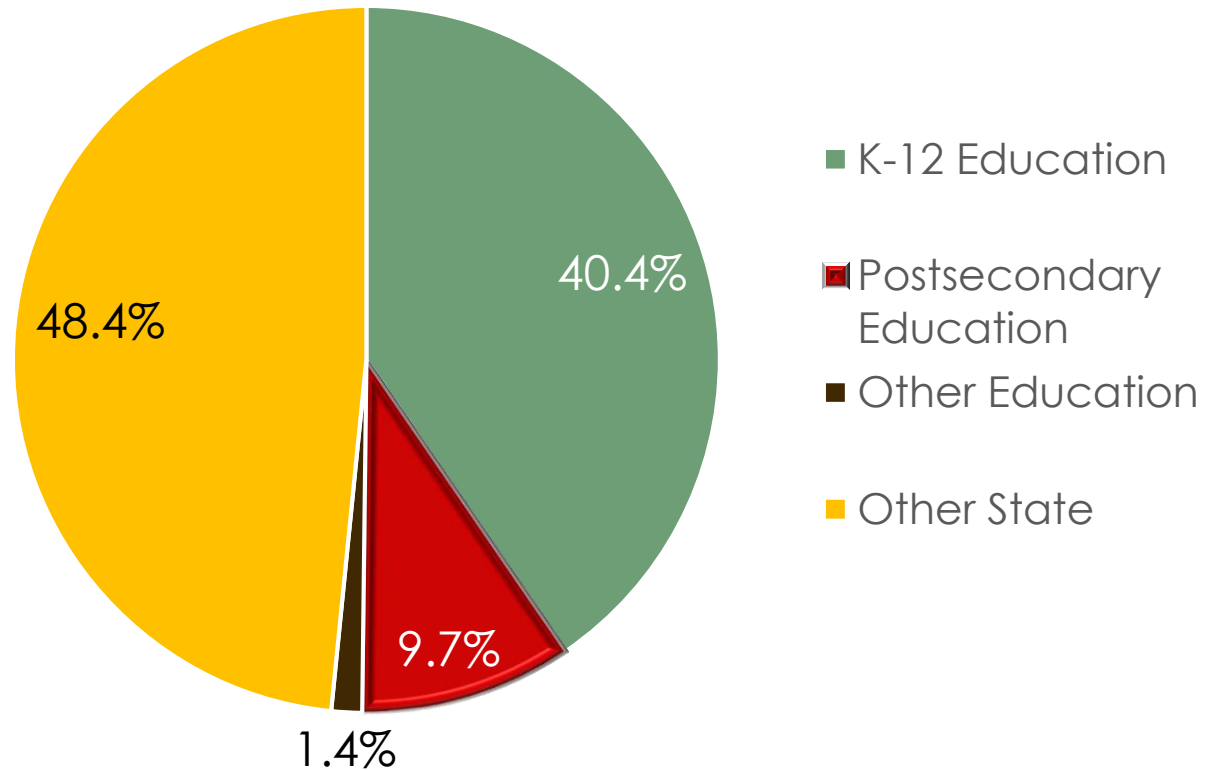
House Committee on Higher Education and Workforce Development



THE STATE BUDGET FOR HIGHER EDUCATION

POSTSECONDARY EDUCATION AS COMPONENT OF STATE BUDGET

2015-17 Percent of Total State General Fund/ Lottery Fund Expenditures (19.0 Billion Total)

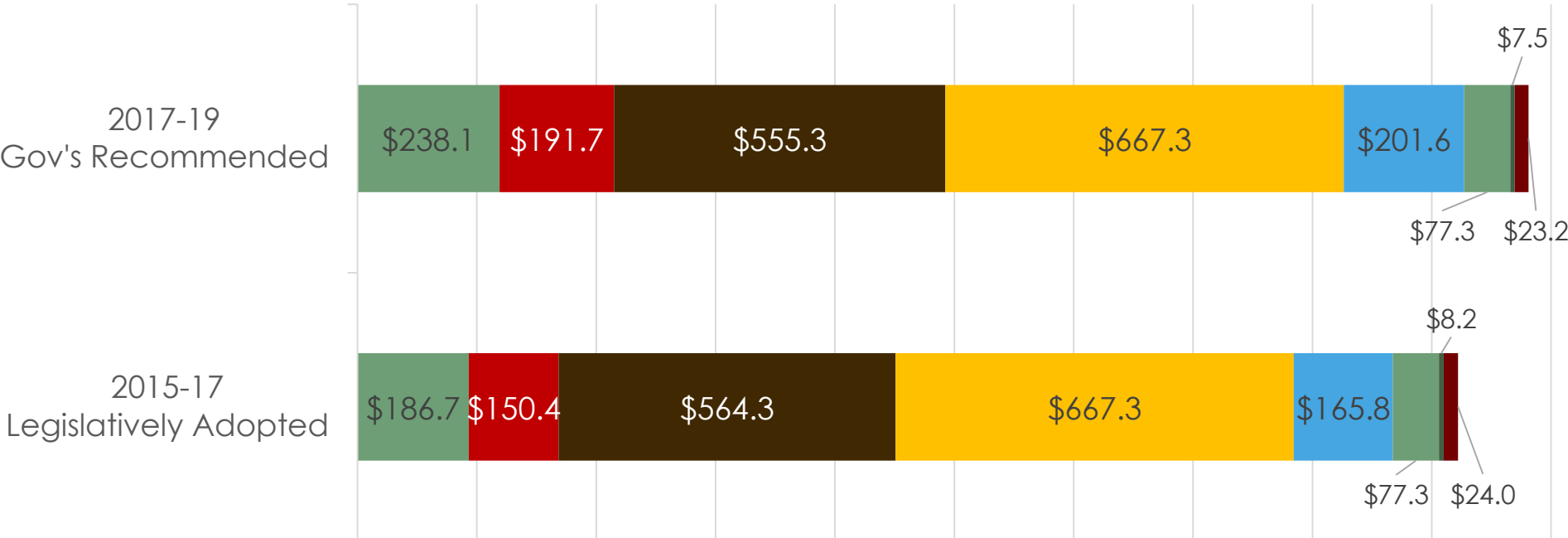


NOTE: The "Other Education" category includes Early Learning programs, Youth Development programs, and Chief Education Office

Source: HECC analysis of Legislative Fiscal Office, "2015-17 Budget Highlights Update"

HOW DOES THE STATE INVEST IN POSTSECONDARY EDUCATION?

State Investment in Post-secondary Education (GF/LF, in millions)



- Debt Service
- State Financial Aid
- Community College Support
- Public University Support Fund
- Other University Support*
- OHSU
- Workforce Investments
- HECC Agency Operations

* Includes Agriculture Experiment Station, Extension Service, Forest Research Laboratory, Other State Programs, and Sports Action Lottery. 2017-19 GRB includes \$44 million LF to implement Measure 99 (Outdoor School Program).

HECC ALLOCATION OF THE PUBLIC UNIVERSITY SUPPORT FUND

Reward public universities for resident student success

- **Incentivize progress to degree:** Completed resident student credit hours
- **Incentivize degree outcomes:** Completed resident degrees
- **Incentivize underrepresented population:** Completed resident degrees
- **Incentivize in-demand degrees:** Completed STEM, Health, Bilingual Education degrees/credentials

Support valuable public service activity and regional context

- **Differential mission support:** Program-specific and public service funding
- **Regional university support:** Recognize the fiscal challenge of regional university operations
- **Research support:** Promote productive institutional research activities

Provide transitional and institutional stability

- **Data averaging:** Smooths data spikes
- **Phased-in focus on completion:** Provides limited time for institutional strategy implementation
- **Stop Loss/Stop Gain:** Brackets change in allocation for limited time

HECC ALLOCATION OF THE COMMUNITY COLLEGE SUPPORT FUND (CCSF)

The CCSF allocates funding based on Full Time Equivalent (FTE) student enrollment in approved courses, including Career and Technical Education (CTE), Adult Basic Skills (ABS), Postsecondary Remedial, Lower Division Collegiate, and Workforce Development

CCSF Distribution has three primary components

- **Categorical Funding** – Taken off the top to support Contracts out of District, Department of Corrections, Distance Learning, and Strategic Fund. Approx. 2.1% of CCSF in 2015-17 (\$11.45m)
- **Base Funding** – Provides stable, predictable funding for basic district operations. Weighted to provide sufficient resources to small districts. Approx. 5.1% of CCSF in 2015-17 (\$28m)
- **Distribution Formula** – Calculation considers Total Public Resources (General Fund and property taxes) to ensure equity; three-year weighted average of enrollment to ensure stability; and Growth Management to prevent erosion of the level of funding per student and provide predictability.

HECC ALLOCATION OF THE STATE SCHOLARSHIP/GRANT FUNDS

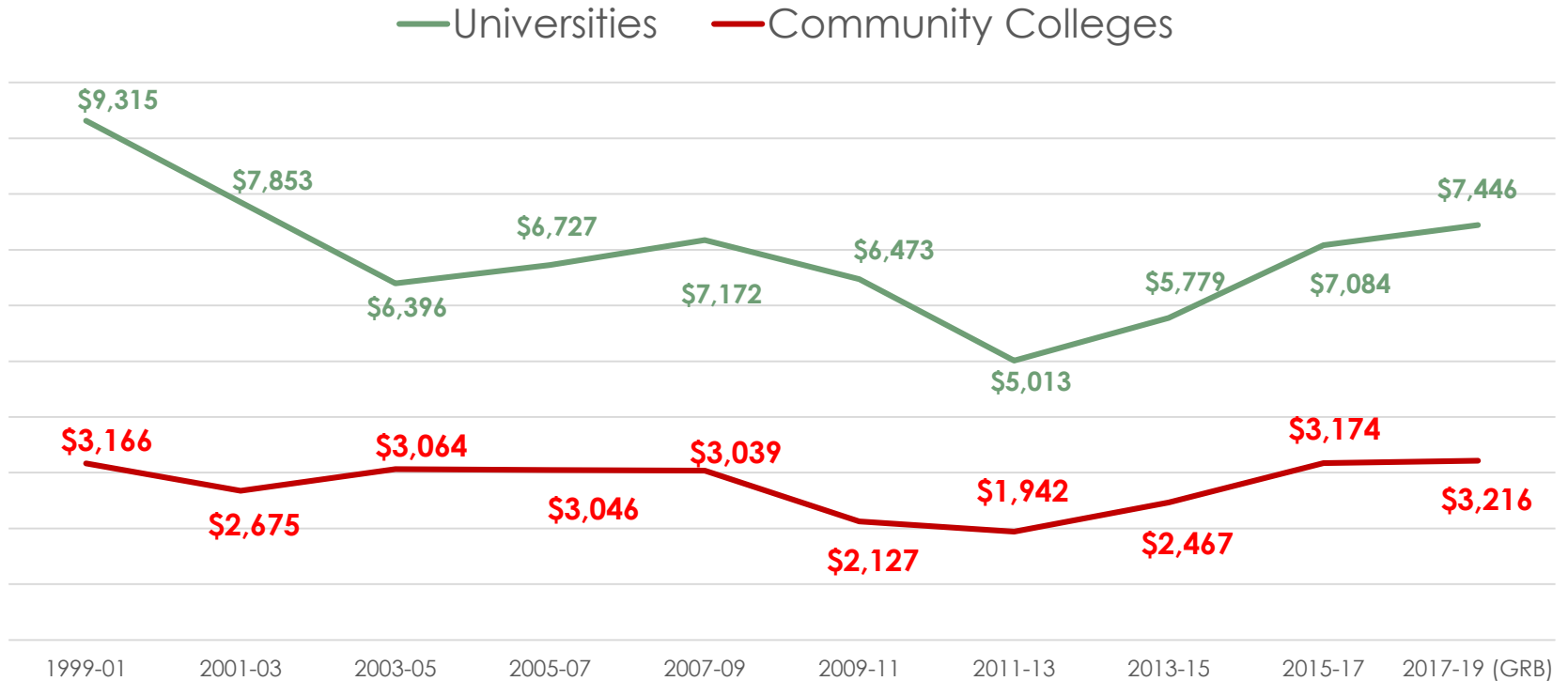
The Oregon Opportunity Grant provides up to \$2,250 awards to approximately 42,000 low-income students annually.

- **Awards are prioritized based on financial need.**
- Students may attend any eligible Oregon public or private college or university.
- Students must be enrolled half-time or greater.

The Oregon Promise provides up to \$3,398 awards to approximately 7,000 students annually.

- **Students must be recent high school or GED graduates with GPAs of 2.5 or higher.**
- Serves all eligible students.
- Students must attend an Oregon community college and stay continually enrolled half-time or greater.

STATE APPROPRIATIONS TO PUBLIC COMMUNITY COLLEGES AND UNIVERSITIES PER STUDENT (FTE), ADJUSTED FOR INFLATION

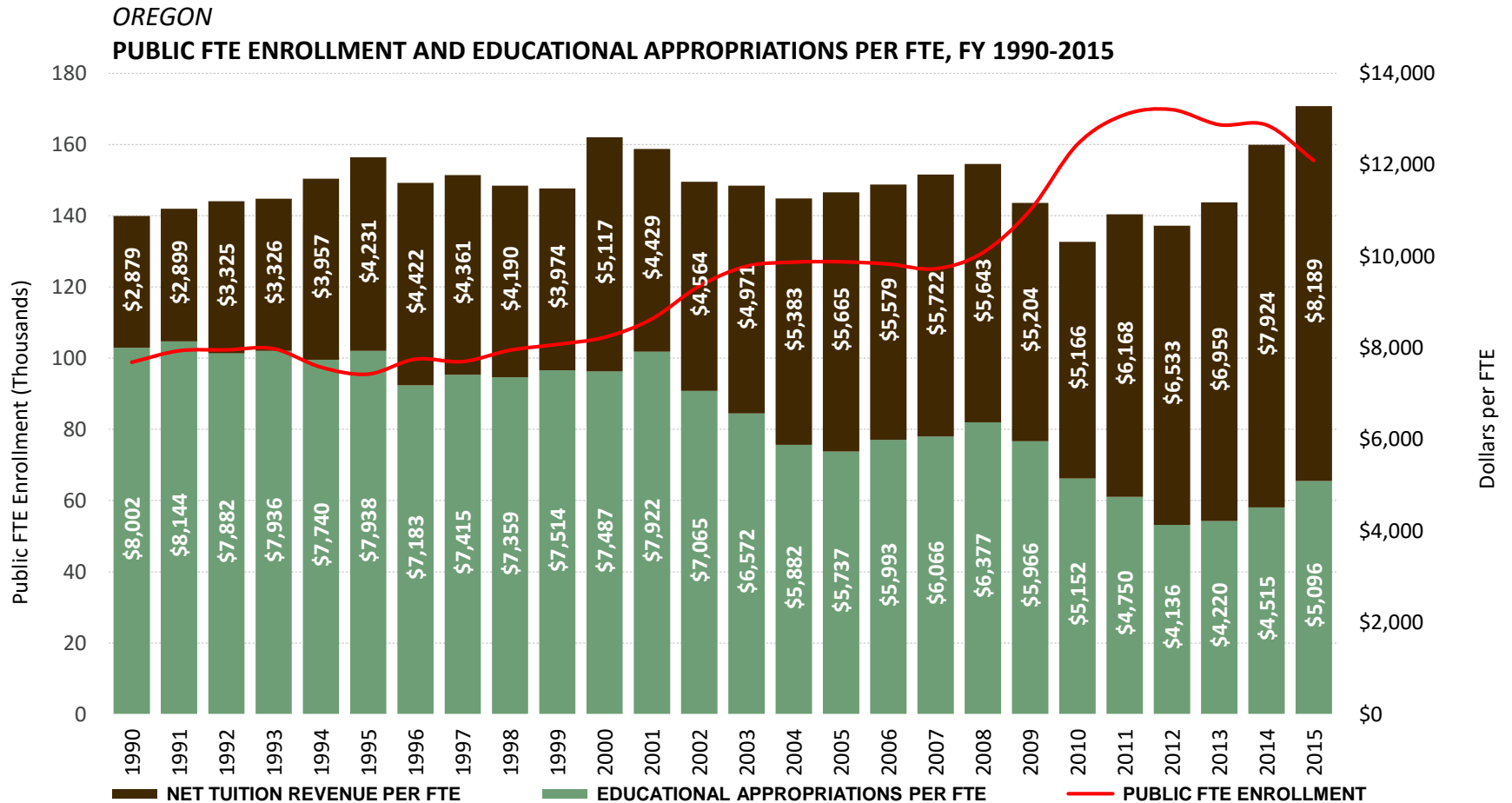


Notes:

- Includes Debt Service
- University data includes PUSF and State Programs
- Community College data includes only CCSF distributed by funding formula
- Enrollment for 2017, 2018, 2019 assumed at 2016 levels
- Inflation adjustment based on Portland CPI-U

Data Source: HECC

OREGON PUBLIC FTE ENROLLMENT AND EDUCATIONAL APPROPRIATIONS PER FTE, FY 1990-2015

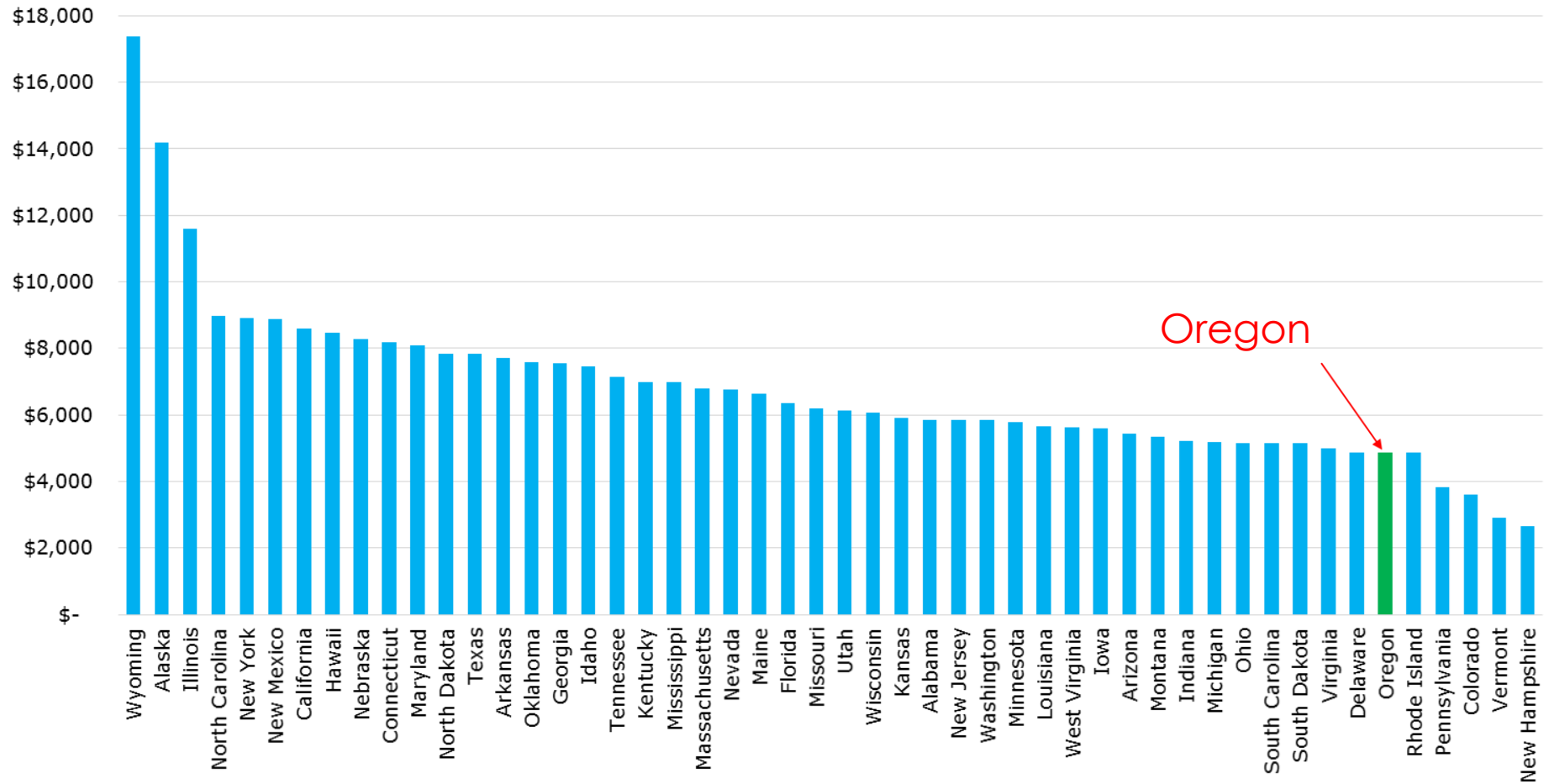


NOTES: Data adjusted for inflation using the Higher Education Cost Adjustment (HECA). Full-time equivalent (FTE) enrollment equates student credit hours to full-time, academic year students, but excludes medical students. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. Net tuition revenue is calculated by taking the gross amount of tuition and fees, less state and institutional financial aid, tuition waivers or discounts,

Data Source: 2015 State Higher Education Finance Report, SHEEO, <http://www.sheeo.org>

STATE HIGHER ED APPROPRIATIONS PER FTE, DIFFERENCES FROM U.S. AVERAGE

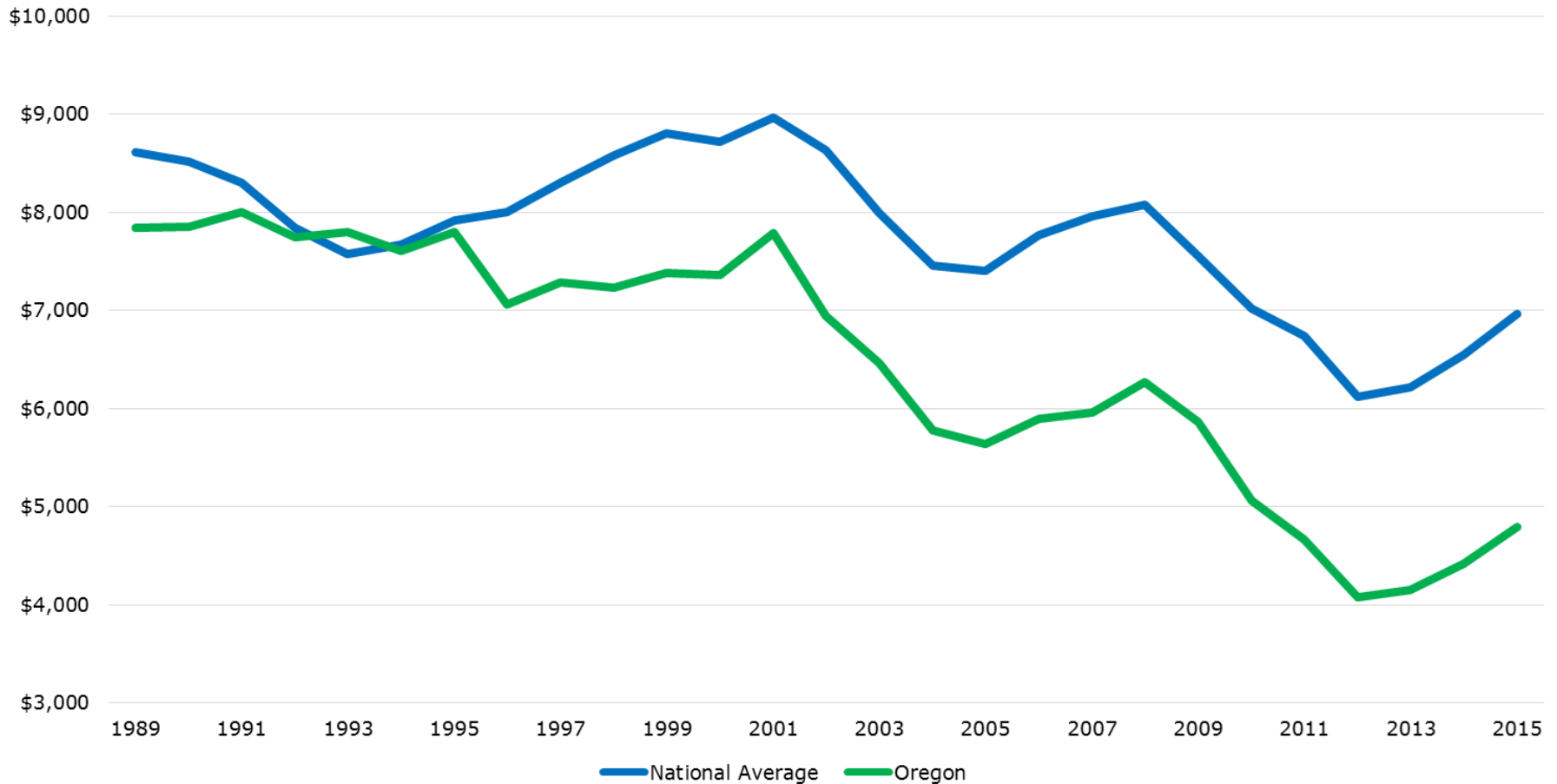
2015 Educational Appropriations per Student



Source: 2015 State Higher Education Finance - State Higher Education Executive Officers (SHEEO)

OREGON HIGHER ED APPROPRIATIONS PER FTE, DIFFERENCES FROM U.S. AVERAGE

State Appropriations per Student (1989-2015)



Source: 2015 State Higher Education Finance - State Higher Education Executive Officers (SHEEO)

STATE FUNDING: NATIONAL DATA

In recent years, Oregon public funding for higher education has been ranked among lowest nationwide:

- Oregon ranked 45th in public educational appropriation per student in 2015.
- Between 2008-2015, Oregon public funding per student dropped more than in all but 19 other states.

But, the 2015 Legislative session produced significant increases to Oregon higher education funding that have not yet been accounted for in national comparisons.

OREGON'S NATIONAL POSITION IN FUNDING STUDENT AID: ROOM TO GROW

2014-15	U.S. average	Oregon number	Oregon rank
Need-based grant dollars per capita population	\$32	\$14	33
Need-based grant dollars per 18-24 year old in state	\$333	\$159	33
Percent of dollars awarded to public colleges and universities	72.2%	91.9%	9

Oregon in bottom third

OOG reinforces state investments in public colleges and universities

Source: National Association of State Student Aid and Grant Programs. 2016. *46th Annual Survey Report on State-Sponsored Student Financial Aid: 2014-15 Academic Year*. http://www.nassgap.org/survey/NASSGAP_Report_14-15_final.pdf



CREATING
AFFORDABLE
BACCALAUREATE
DEGREE PATHS
(HB 2973, 2015)

AFFORDABLE BACCALAUREATE OPTIONS

Stemming from HB 2973 (2015), HECC researched new and existing models of bachelors' degrees that were designated or had significantly lower costs to students. Several were examined:

- Western Governors' University (WGU) – a fixed price per term model (\$5780) is possible due to its lack of a traditional campus infrastructure. All instruction is distance learning/online.
- “\$10,000” models – several high profile state initiatives in Texas and Florida were launched in 2012 that aimed for a much lower cost degree.
- Oregon-specific programs – PSU has the 4 Years Free model. SOU has the Accelerated Baccalaureate.

AFFORDABLE BACCALAUREATE OPTIONS

Texas Affordable Degrees

- Two programs: one for adults with prior learning, another for high achieving STEM students
- High levels of subsidy from state and philanthropy
- Serve small student cohorts in a few majors at rural state campuses
- These two programs, while affordable, produce less than 1 percent of Texas' baccalaureates.

Florida's "10K" challenge for state colleges (not universities)

- \$5M in startup funds from the state for STEM degrees
- Serve a small cohort of students, have produced very few graduates so far out of a state total annual enrollment of over 800,000 per year in the Florida College System.

AFFORDABLE BACCALAUREATE OPTIONS

PSU Four Years Free (4YF): a “last dollar” model that leverages Pell Grants, Opportunity Grants and other aid. If the student maintains academic progress, can graduate in four years virtually tuition free. **High HS GPA required, first time freshmen only.**

SOU Accelerated Baccalaureate: a three year program that cuts tuition and fees by about $\frac{1}{4}$ (\$8,000). **High HS GPA and high GPA required to maintain eligibility.**

PSU and OIT offer completion grants and awards to assist students who are close to degree but have stopped for financial reasons. Example: PSU’s “Last Mile.”