



Higher Education Appropriations

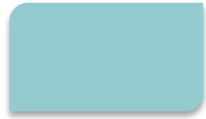
Joint Interim Committee on
Public Education Appropriation

Ben Cannon, Executive Director

September 8, 2023

Statewide Higher Education Goals

Multiple Statutory Goals, Focused on Outcomes, Not Quality



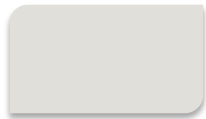
40/40/20 Goal – ORS 350.014



Fundamental Goals of Higher Education – ORS 350.009



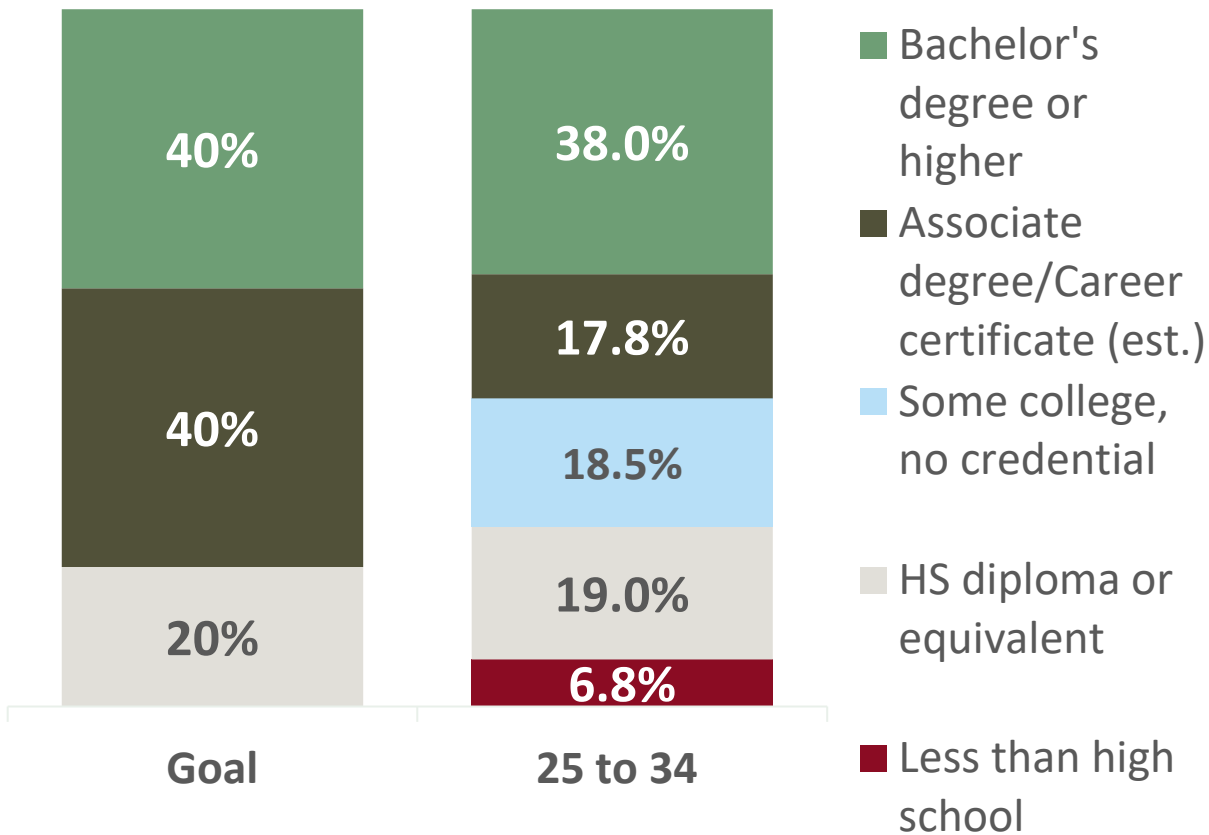
Legislative Findings – ORS 350.001 to .005



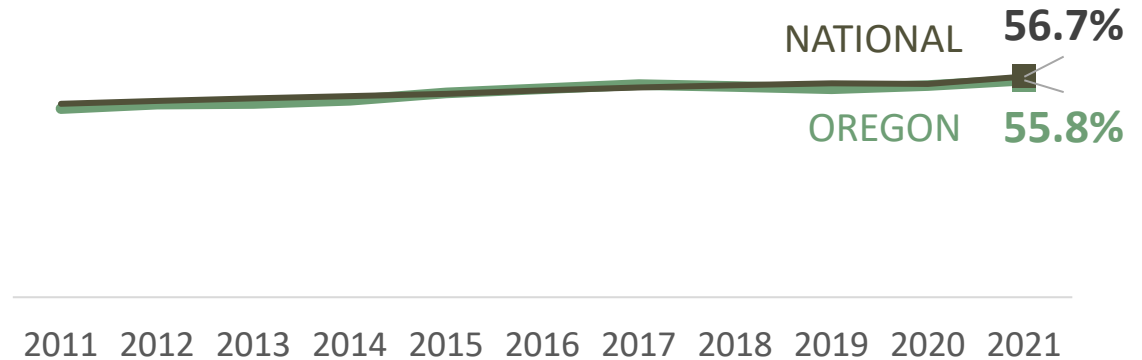
Adult Attainment Goal – ORS 350.018

Oregon Has Made Steady Progress Towards Its Goals

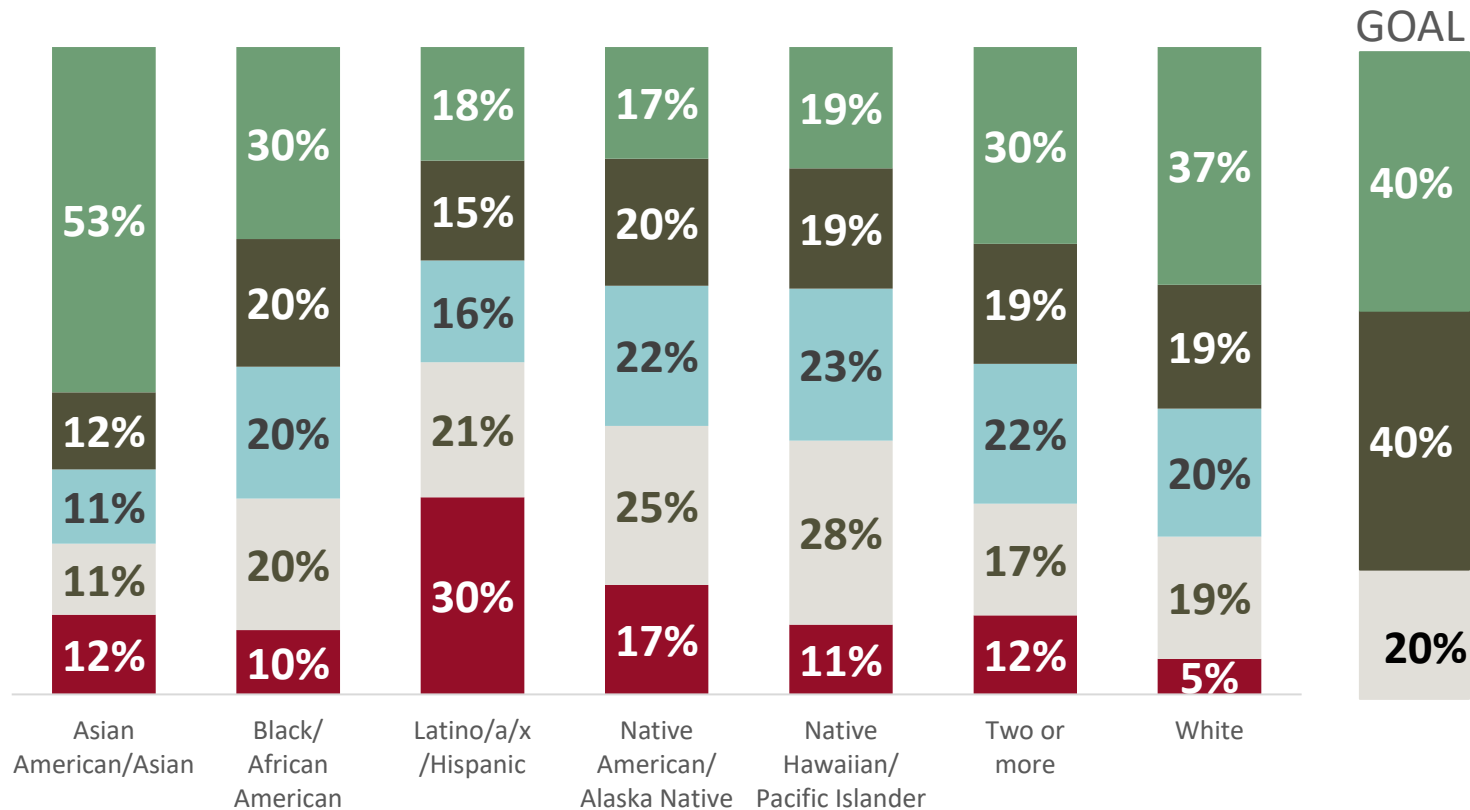
**Oregon Educational Attainment Rates 2021
Versus 40-40-20 Goal - Oregon Young Adults**



Percent of Adults age 25-34 with any Postsecondary Credential: Oregon, Nation



Educational Attainment Varies Widely by Race/Ethnicity (2021)



We have far to go to ensure that all Oregonians are served equitably by the education system. Equity gaps in educational attainment by race/ethnicity continue to be severe.

- Bachelor's or advanced degree
- Associate degree or certificate (est.)
- Some college, no degree
- High school diploma or equivalent
- Less than high school diploma

Postsecondary Education Generates Upward Mobility...

However, Too Few Students Access This Route to Upward Mobility

For Oregonians from low-income families who enroll in college as young adults, **67%** become middle-income or high-income earners by their mid-30s.

→ Compared to **39%** of those who never went to college

Students from low-income families who become middle and high-income earners by their mid-30s:

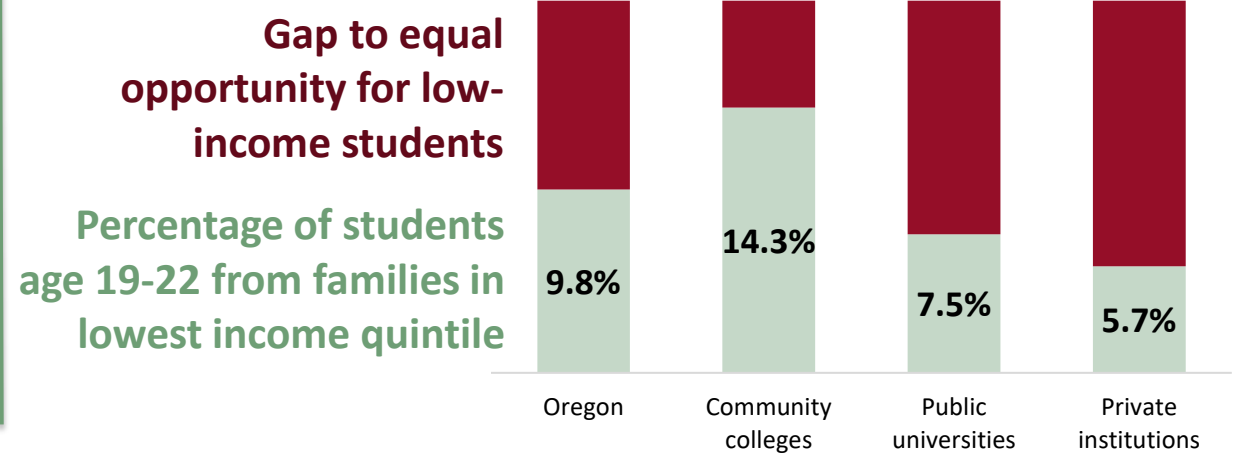
Community Colleges: **61%**

Public Universities: **75%**

Private institutions: **70%**

HOWEVER, students from low-income families are less likely to enroll, especially at more selective schools

Only **9.8%** of Oregon college/university students age 19-22 were from the lowest income families (from the lowest 20% of incomes)



Notes: "Middle-income and high-income earners" includes those with earnings in the top 60% of earners. Data exclude two community colleges with too few students to include in the analysis.

Private institutions include 10 institutions from the Oregon Alliance of Independent Colleges and Universities and two additional degree-granting private institutions. Trend in percentage of students from low-income backgrounds reflects difference between 1980 and 1991 birth cohorts.

Source: Chetty, R., Friedman, R.J., Saez, E., Turner, N., and Yagan, D. 2017. *Mobility Report Cards: The Role of Colleges in Intergenerational Mobility*. <https://opportunityinsights.org/data/>.

Oregon's Public Investment in Higher Education has Increased in Recent Years but Remains Well Below the National Average, Ranking 32nd Among States

Higher Education Appropriations per FTE Student (inflation adjusted)

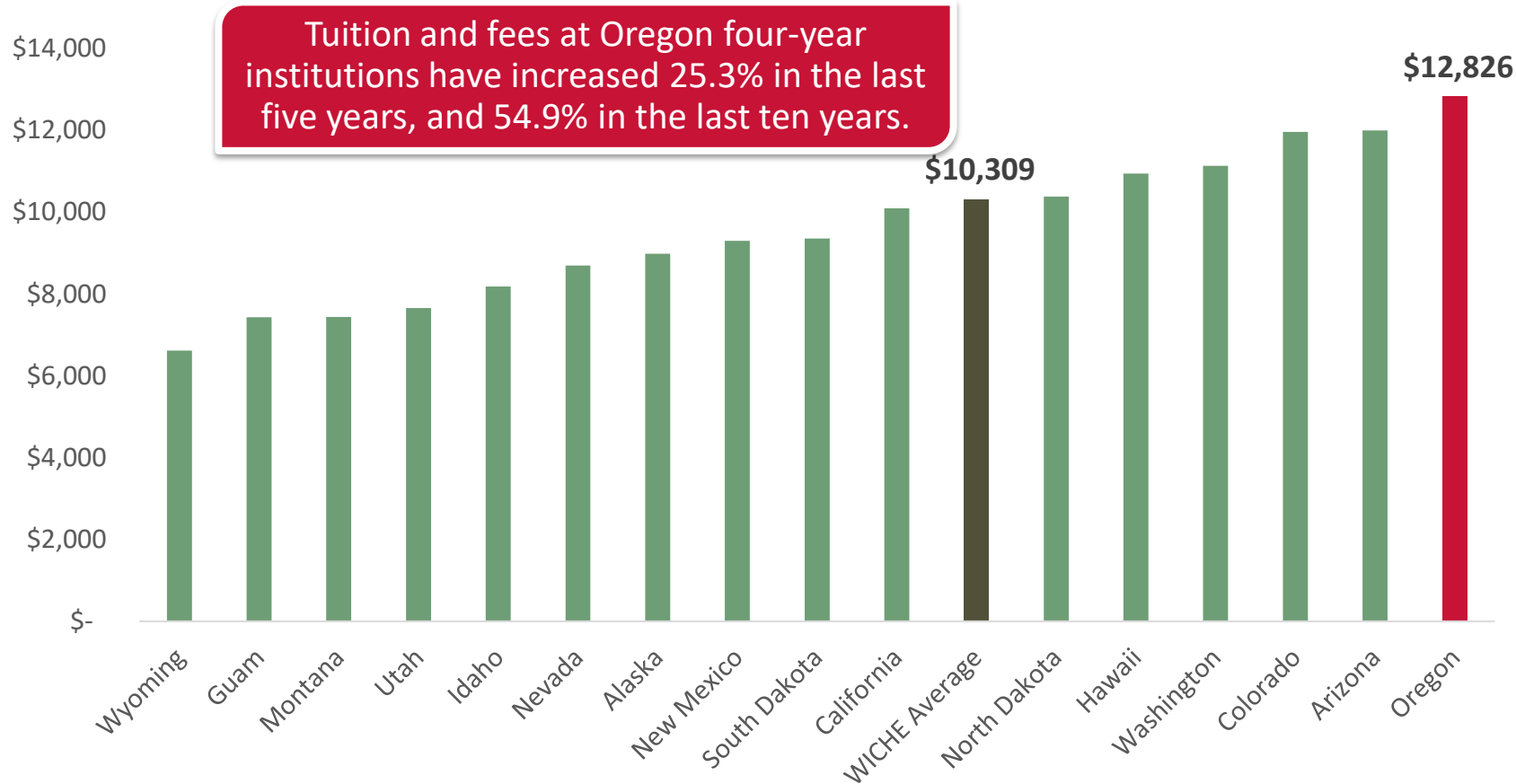


Oregon's largest budget categories included in this:

- Community College Support Fund
- Public University Support Fund
- State Financial Aid to Students (Oregon Opportunity Grant, others)

Oregon Four-Year Tuition and Fees are the Highest the West

State Average Resident Undergraduate Tuition and Fees at Four Year Institutions, Weighted, 2022-23



Tuition and fee levels are impacted by the costs and revenues of the institutions, and are closely impacted by state appropriations.

University tuition and fees are set by the Board of Trustees. Each campus has community and stakeholder processes to inform and shape the proposed increases.

Should the combined annual increase in resident undergraduate tuition and mandatory enrollment fees exceed 5% for a public university, the HECC or the Oregon Legislature must approve the increase.



Oregon's National Position in Funding Student Grant Aid Has Been Significantly Lower than Average, Trailing our Neighbors

FY 2022	U.S. Average	Oregon amount	Oregon rank
State Financial Aid per FTE	\$990	\$699	24th

Oregon's investment is significantly lower than border states Washington and California, and is lower than the national average.

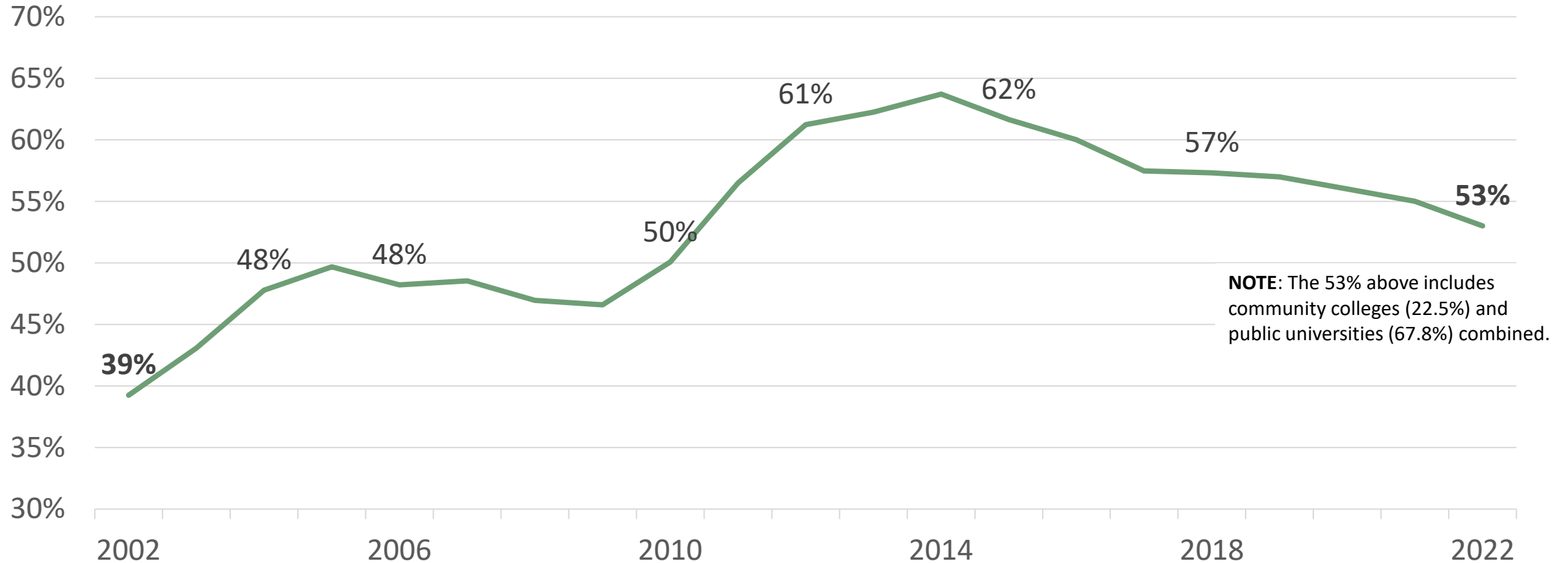
92.8% of Oregon's financial aid investments go to students attending public institutions.*

Other States

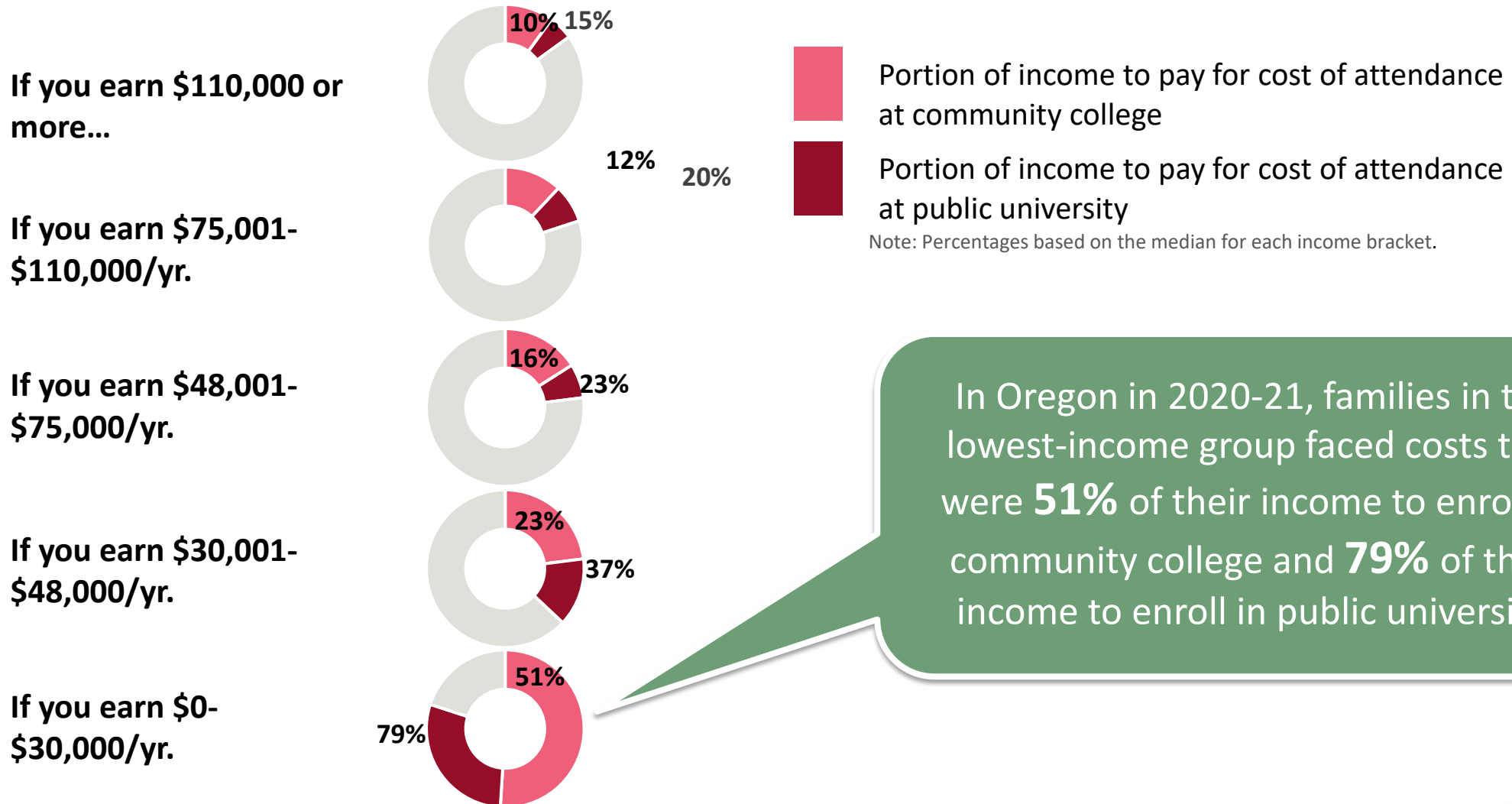
Tennessee amount	Georgia amount	Louisiana amount	Washington amount	California amount
\$3,234	\$2,418	\$2,358	\$1,753	\$1,113

The Result of State Investment: Students and Families Have Taken on an Increased Share of College Costs

Student Share of Total Educational Cost



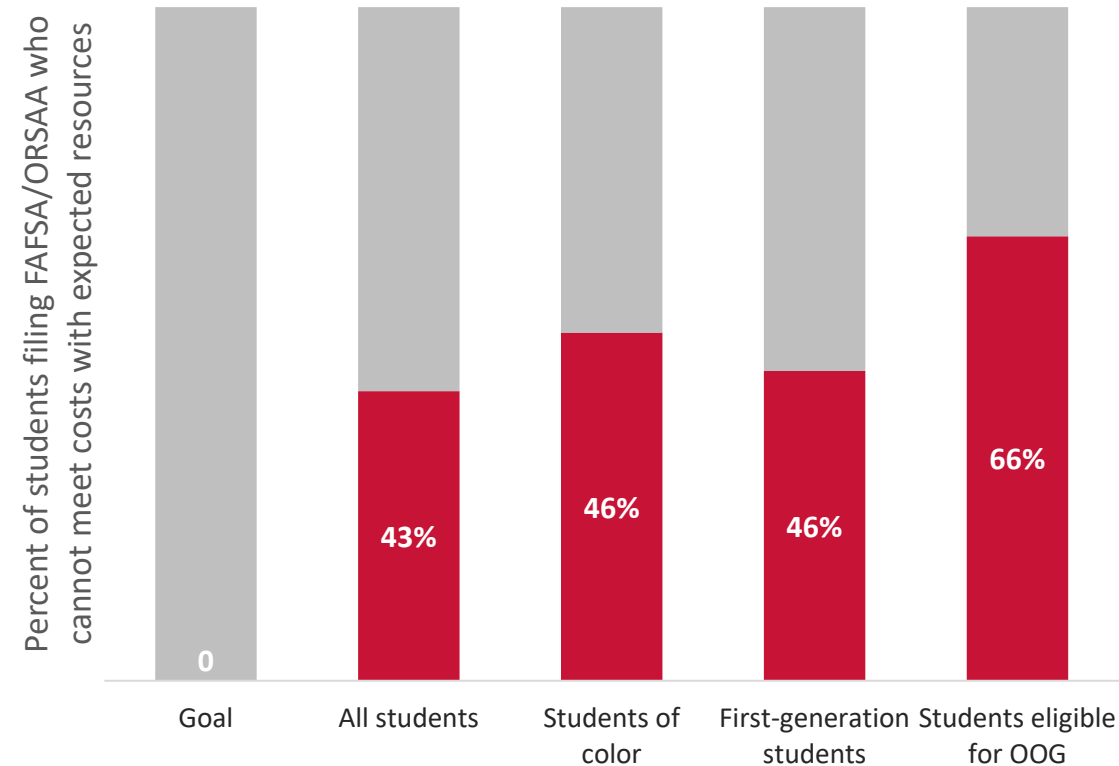
Despite Public Grants, the Financial Burden of College Remains Much Greater for Low-Income Families



In Oregon in 2020-21, families in the lowest-income group faced costs that were **51%** of their income to enroll in community college and **79%** of their income to enroll in public university.

Current financial support is inadequate for students overall, and it does not fully level the playing field for students in historically underserved groups

Nearly half of students cannot afford the cost of education with expected resources



Resources include expected family contribution; grants, scholarships, and most institutional aid; an estimate of student earnings

But State appropriations can make a difference

- Any grant aid (public or private, need-based or merit-based) increases students' probability of completing their degree programs
- **State grant aid** increases the probability that a student will complete their degree, by 2.5 to 3.0 percentage points
- Students who received the Oregon Opportunity Grant had **higher** graduation rates than other low-income students (those who were eligible for a Pell grant but whose expected family contribution was above the OOG limit)

Sources: Reference: Nguyen, T. D., Kramer, J. W., & Evans, B. J. (2019). The Effects of Grant Aid on Student Persistence and Degree Attainment: A Systematic Review and Meta-Analysis of the Causal Evidence. *Review of Educational Research*, 89(6), 831-874.

11 (<https://journals.sagepub.com/doi/abs/10.3102/0034654319877156>)

HECC analysis of student-level data

Oregon Public Postsecondary Students Today – 2021-22

1ST GENERATION STATUS

(note: available for FAFSA filers only)

- 16% 1st gen
- 30% not 1st gen
- 54% not known

AGE

- 44% 25+
- 38% 18-24
- 18% <18

FINANCIAL AID

- 51% of FAFSA/ORSAA filers got Pell or OOG
- 64% of degree-seeking students filed a FAFSA/ORSAA

BASIC NEEDS (national data)

- Food Insecure 29-39%
- Housing Insecure 43%-52%
- Homeless 14%

FULL-TIME/ PART-TIME

- 53% PT
- 8% FT
- 26% Non-credit
- 14% High school (all PT)

LEVEL

- 4% graduate
- 71% undergrad for-credit
- 25% non-credit only

RURAL/URBAN/MIXED

- 73% urban
- 15% rural
- 12% unknown/other

Sources: Data on basic needs insecurity from The Hope Center for College, Community, and Justice. (2021). “#RealCollege 2021: Basic Needs Insecurity During the Ongoing Pandemic.” Philadelphia, PA. <https://hope.temple.edu/sites/hope/files/media/document/HopeSurveyReport2021.pdf>

All other data from HECC analysis of student records from public institutions and reflect Oregon resident, undergraduate-level students, including high school students taking dual-credit courses and community college students taking non-credit courses. Data are from 2021-22. Data on first-generation status and Pell status are only available for students who file for financial aid.