



Oregon

Tina Kotek, Governor

Higher Education Coordinating Commission

Office of the Executive Director

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April 14, 2023

Co-Chair, Senator Lew Frederick
Co-Chair, Representative Susan McLain
Joint Committee on Ways and Means, Subcommittee on Education

Dear Co-Chairs Frederick and McLain,

Thank you for the opportunity to answer questions that arose during the **April 12, 2023** Higher Education Coordinating Commission presentation to the Ways and Means Subcommittee on Education.

On slide 193, Representative McIntire asked about the cost structure related to the State Authorization and Reciprocity Agreement (SARA). Each state makes its own determination regarding SARA participation fees. These fees range nationally, from a low of \$0, to a high of \$18,000 for the largest participating schools in the most expensive state (Arizona). Oregon charges fees as follows:

- \$2,000/year for institutions with fewer than 2,500 FTE students
- \$4,000/year for institutions with between 2,500-9,999 FTE students
- \$6,000/year for institutions with 10,000 or more FTE students

For schools that would otherwise seek authorization from every state, SARA participation provides an average cost avoidance of \$69,757 per year.

On Slide 208, Senator Dembrow asked about the community college students who applied for financial aid. We calculated this for community college students who enrolled in at least six credits in any single term, which is the minimum enrollment for public grants. Thus, among community college students who could be eligible for federal and state grants, 40% applied for and received aid, 33% applied and did not receive aid, and 27% did not apply for aid. The parallel numbers for university students are calculated for Oregon resident admitted undergraduates. Among these students, 40% applied for and received financial aid, 38% applied for and did not receive aid, and 22% did not apply for aid.

On Slide 221, Senator Dembrow asked about the reasons behind the decline in earnings of Black/African American university graduates over the last decade. In general, as the slide notes, earnings grew more slowly for graduates of color than for White graduates and graduates overall. In addition, the two data points shown illustrate only part of the trend. For most years of the decade, Black/African American graduates' earnings rose. In addition, median wages are

more likely to fluctuate from year to year when a group is smaller, which is the case for the group of Black/African American graduates. It is also the case for Native American/Alaska Native and Native Hawaiian/Pacific Islander graduates. We show both the earnings and the number of graduates with those earnings in Appendix A.

Senator Dembrow also asked whether differences in majors might explain differences in earnings outcomes. Graduates who identify as Black/African American have similar majors as graduates who identify with other groups, also shown in Appendix B. We do note that inequities in the labor market contribute to lower earnings for most graduates of color, compared to White graduates.

At the conclusion of the presentation, Representative McLain asked for greater information on the Office of Workforce Investments budget. A summary of this portion of our budget and activities is attached as Appendix C.

Corrections

During the hearing, we stated that HECC does not act on program terminations. While public universities do not need to notify HECC for program deletions, HECC does work with the community colleges for these programmatic changes. For community college program and course approval, HECC's Office of Community Colleges and Workforce Development plays an active role in program and curriculum changes, including suspension and deletion of programs. Colleges are required to provide the following information and it is reviewed by staff to ensure its completeness and to ensure there is a sufficient plan for students who may be affected.

The college is required to submit a suspension letter along with the completion of forms related to the suspension or deletion. These forms contain information related to the reason for the suspension, what are the plans to support students in the completion of the program (also known as a "teach out"). A college can request to reinstate a program that is suspended for up to three years from the date of suspension. Once that date has passed, a program is considered deleted and must go through the full program approval process after that time.

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

Sincerely,



Ben Cannon
Executive Director

Appendix A: Earnings by Race/Ethnicity 2005-2015

Earnings Have Risen Over Time for Most Groups

Earnings of bachelor's degree graduates and number of bachelor's degree graduates employed in Oregon five years after graduating in 2005-06 to 2014-15, adjusted for inflation and shown 2021 dollars, by race/ethnicity and graduation year.

| | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Asian American/Asian | \$51,200 | \$52,900 | \$48,200 | \$46,000 | \$51,600 | \$51,100 | \$53,400 | \$52,700 | \$53,900 | \$54,000 |
| | 362 | 392 | 362 | 359 | 377 | 412 | 505 | 478 | 486 | 469 |
| Black/African American | \$46,900 | \$37,700 | \$38,600 | \$44,100 | \$43,100 | \$44,900 | \$45,200 | \$51,500 | \$45,400 | \$42,400 |
| | 80 | 95 | 94 | 93 | 114 | 138 | 140 | 138 | 132 | 145 |
| Latino/a/x/Hispanic | \$44,700 | \$46,100 | \$45,900 | \$44,300 | \$45,400 | \$47,800 | \$45,300 | \$48,200 | \$50,600 | \$49,800 |
| | 260 | 245 | 271 | 268 | 335 | 337 | 515 | 580 | 626 | 701 |
| Native American/Alaska Native | \$45,000 | \$41,100 | \$34,400 | \$40,700 | \$46,900 | \$51,100 | \$41,300 | \$47,100 | \$48,200 | \$51,500 |
| | 71 | 89 | 71 | 94 | 72 | 102 | 126 | 115 | 102 | 95 |
| Native Hawaiian/Pacific Islander | \$42,500 | \$55,700 | \$41,200 | \$44,700 | \$44,700 | \$34,100 | \$42,100 | \$46,300 | \$50,200 | \$54,600 |
| | 33 | 39 | 44 | 50 | 42 | 28 | 47 | 49 | 67 | 35 |
| Two or More | -- | -- | -- | -- | \$47,800 | \$42,100 | \$43,800 | \$50,200 | \$50,300 | \$49,200 |
| | -- | -- | -- | -- | 68 | 65 | 134 | 185 | 295 | 343 |
| White | \$44,300 | \$45,500 | \$43,400 | \$45,400 | \$47,400 | \$48,400 | \$46,800 | \$50,300 | \$49,700 | \$51,400 |
| | 5,512 | 5,128 | 5,041 | 4,948 | 5,197 | 5,416 | 6,132 | 6,403 | 6,439 | 6,122 |

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Source: HECC analysis of student data from all public universities, matched to Oregon Employment Department wage data. Shows median earnings for resident and nonresident graduates employed in Oregon the year after five years after graduation. Options for racial/ethnic identities changed in 2010 when the federal government instituted new categories for persons identifying Native Hawaiian/Pacific Islander and more than one racial/ethnic identity. Prior to 2010, persons identifying as Native Hawaiian/Pacific Islander were included with those identifying as Asian American/Asian. Where possible, we have used students' identities in 2010 or later to recognize their Native Hawaiian/Pacific Islander identity in the earlier years.



Appendix B: Majors by Race/Ethnicity

Top 10 Majors of Bachelor’s Degree Graduates, by Race/Ethnicity, 2021-22

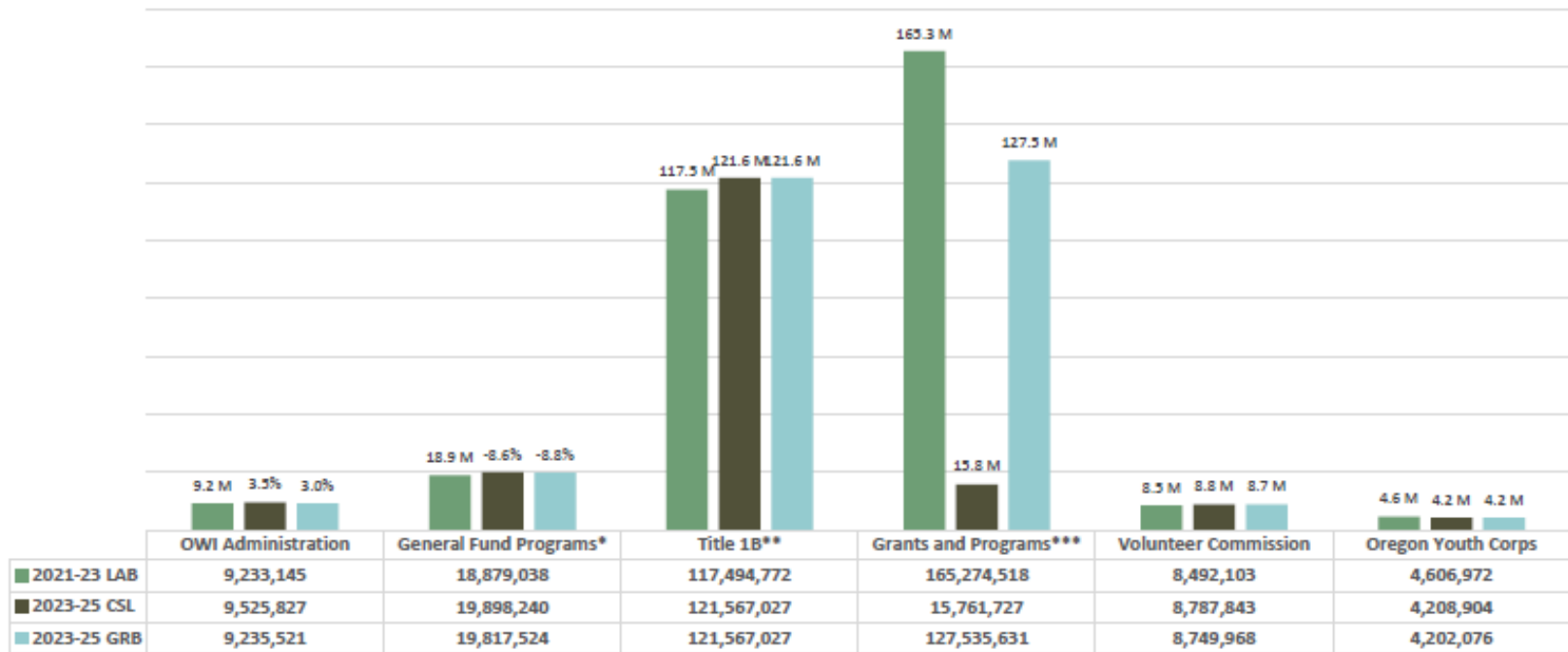
| | Asian American/Asian | Black/African American | Latino/a/x/Hispanic | Multiracial | Native American /Alaska Native | Native Hawaiian /Pacific Islander | White |
|----|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|-------------------------------------|
| 1 | Business/Mgmt/Marketing | Business/Mgmt/Marketing | Business/Mgmt/Marketing | Business/Mgmt/Marketing | Business/Mgmt/Marketing | Business/Mgmt/Marketing | Business/Mgmt/Marketing |
| 2 | Health Professions/Related Programs | Social Sciences | Education | Social Sciences | Education | Education | Education |
| 3 | Biological/Biomedical Science | Education | Social Sciences | Education | Social Sciences | Social Sciences | Engineering |
| 4 | Computer and Information Sci. | Health Professions/Related Programs | Psychology | Engineering | Psychology | Communication and Journalism | Social Sciences |
| 5 | Engineering | Public Admin./Social Service | Health Professions/Related Programs | Biological/Biomedical Science | Engineering | Health Professions/Related Programs | Health Professions/Related Programs |
| 6 | Psychology | Psychology | Engineering | Psychology | Health Professions/Related Programs | Biological/Biomedical Science | Biological/Biomedical Science |
| 7 | Social Sciences | Engineering | Biological/Biomedical Science | Health Professions/Related Programs | Computer and Information Sci. | Engineering | Psychology |
| 8 | Education | Communication and Journalism | Public Administ./Social Service | Visual and Performing Arts | Public Administ./Social Service | Public Administ./Social Service | Computer and Information Sci. |
| 9 | Multi/Interdisciplinary Studies | Biological/Biomedical Science | Communication and Journalism | Visual and Performing Arts | Multi/Interdisciplinary Studies | Visual and Performing Arts | Visual and Performing Arts |
| 10 | Visual and Performing Arts | Multi/Interdisciplinary Studies | Visual and Performing Arts | Communication and Journalism | Communication and Journalism | Homeland Security /Protective Service | Communication and Journalism |

³ Source: HECC analysis of student data from all public universities. Includes all Oregon resident bachelor’s degree graduates.

Appendix C: Office of Workforce Investments Budget and Program Activity

Net Change from 2021-23 LAB to 2023-25 CSL and GRB

Office of Workforce Investments Detail



* All GF - Includes OYEP, OYC, OCC (staffing), WTDB and Talent Plan, LWDB Grants (Work Experience, Industry Engagement, Competitive Strategies), and Talent Grants

**This is mostly expenditure limitation, the actual federal award we receive is estimated to be \$65M this coming biennium

*** OCC (one-time), Future Ready, ODHS TANF Youth program

■ 2021-23 LAB ■ 2023-25 CSL ■ 2023-25 GRB



Title I of the Federal Workforce Innovation and Opportunity Act

Title I of the federal Workforce Innovation and Opportunity Act (WIOA) funds workforce development activities, including job training and related services, to unemployed or underemployed individuals and establishes the governance and performance accountability system for WIOA. HECC administers the Title I-B programs through grants to Oregon's nine local workforce development boards, and, through the Workforce and Talent Development Board, HECC is responsible for Oregon's WIOA governance and performance accountability system.

- **Youth Program:** The WIOA Youth Program serves eligible youth, ages 14-24, who face barriers to education, training, and employment. The WIOA Youth Program focuses primarily on out-of-school youth and prioritizes work experience opportunities.
- **Adult Program:** The WIOA Adult program serves individuals and helps employers meet their workforce needs. It enables workers to obtain good jobs by providing them with job search assistance and training opportunities.
- **Dislocated Worker Program:** The Dislocated Worker Program is designed to help workers get back to work as quickly as possible and overcome barriers to employment. When individuals become dislocated workers as a result of job loss, mass layoffs, global trade dynamics, or transitions in economic sectors, the Dislocated Worker program provides services to assist them in re-entering the workforce. These services include workforce education, training, and employment programs, and related services.
- **State Workforce Board:** The Workforce and Talent Development Board (WTDB) – Oregon's State Workforce Development Board – advises the Governor, recommends strategies, and convenes State, regional, and local workforce system and partners, to:
 - Enhance the capacity and performance of the workforce development system; and
 - Assist to achieve the State's strategic and operational vision and goals as outlined in the State Plan.

The WTDB also administers the Strategic Innovation Grant program, providing grants to workforce organizations to pursue innovative solutions to workforce development issues.

WIOA requires the state board to develop with partners and agencies a four-year plan to align workforce development programs to support a comprehensive and streamlined workforce development system. States must have an approved plan in place to receive funding for programs.

Federal Discretionary Grants

The HECC, as one of Oregon's federally-defined workforce agencies, is eligible to apply for many of the discretionary grant opportunities that the U.S. Department of Labor provides. Recent grants the HECC's Office of Workforce Investments have received include:

- **Dislocated Worker Grants (DWGs):** In recent years, the HECC received \$17 million from the U.S. Department of Labor (USDOL) for two DWGs to assist dislocated workers in COVID-affected communities and one DWG to assist dislocated workers in wildfire-affected communities. These grants provides dislocated workers with temporary employment opportunities, career, training, and supportive services, humanitarian assistance, and disaster relief assistance.
- **Apprenticeship Grants:** Since 2019, the HECC has received three apprenticeship grants from USDOL totaling approximately \$5.5 million. These grants are intended to expand Registered Apprenticeships in Oregon. Going forward, the Bureau of Labor and Industries will apply for apprenticeship grants from USDOL when they are an eligible applicant.

Additional Resources to Local Workforce Development Boards

In addition to the grants to local workforce development boards (LWDBs) under WIOA Title I, the HECC administers several other grant programs for the LWDBs.

- **Industry Engagement:** LWDBs use these general fund grants to support employer-driven and community supported local industry engagement. LWDBs identify priority industry sectors in their strategic plans and these funds support the convening of those industries in order to identify needs and solve problems that allow businesses to grow with a competitive and trained workforce.
- **Work Experience:** LWDBs use these general fund grants to provide work experience or training programs including customized training, incumbent worker training, apprenticeship related training and internship programs. Funds must be matched 1:1 with federal dollars.
- **Competitiveness Strategies:** LWDBs use these general fund grants to assist in supporting LWDBs as they effectively manage programs and business engagement. This includes support of their strategic plans and strategies to engage with business as well as implementation of the WorkSource Oregon Operational Standards.
- **Prosperity 10,000:** Funded with general funds and federal ARPA funds through Future Ready Oregon (SB 1545 (2022)), LWDBs use these grants to provide Oregonians with:
 - Career coaching, occupational training, and job placement services,
 - Wraparound supports and services that are necessary to facilitate re-engagement in the workforce, including, but not limited to, transportation, child care, and rental assistance,

- Paid work experiences, including stipends and wages, and other income, supports for individuals from priority populations, and
- Targeted recruitment and engagement efforts.

OregonServes

The HECC supports the OregonServes Commission and its grant programs. The Commission's role is to promote and elevate service, volunteerism and civic engagement in Oregon Communities. OregonServes staff administer Oregon's AmeriCorps State programs through federally-funded grants to local organizations. These grants require state general fund match. AmeriCorps members serve throughout Oregon, gaining work experience, earning education awards, and contributing to communities.

Staff also coordinate with partner agencies and other organizations to ensure communities are equipped to prepare, respond, and recover from disaster.

Oregon Youth Employment Program

The HECC receives general funds to administer the Oregon Youth Employment Program (OYEP). Through grants to local workforce development boards, OYEP provides meaningful paid work experiences (internships, pre-apprenticeships, summer jobs, etc.), workforce preparation, and academic support to Oregonians age 16-24.

Oregon Youth Corps

HECC administers the Oregon Youth Corps (OYC) with a mix of general, other, and, when available, federal funds. Through grants to youth workforce development providers, including federally recognized Tribes, OYC provide corps-based work experiences to young Oregonians with a focus on community-based and stewardship-focused projects. In OYC, youth are introduced to work, gain valuable educational advancement, employment and leadership skills, and work towards their high school diploma or GED.

Oregon Conservation Corps

The Oregon Conservation Corps (OCC) was created through SB 762 (2021) and funded with one-time general funds. Continued programmatic funding for OCC was not included in the Governor's Request Budget. OCC provides paid work experiences to young Oregonians who perform fuels reduction work within Oregon's Wildland Urban Interface. It's a win-win: young Oregonians experience the workforce, are exposed to careers in natural resources and receive workforce training, and at-risk communities throughout Oregon get the help they need to become fire-adapted and maintain defensible space.

ODHS TANF Youth Employment Program

Through an intergovernmental agreement with the Oregon Department of Human Services (ODHS), HECC administers the ODHS TANF Youth Employment Program through grants to

LWDBs. The program is designed to create employment experiences for youth in the JOBS Program, with a focus on TANF eligible teen parents, non-parenting teens, young parents, and TANF related youth in the Child Welfare Independent Living Program and Vocational Rehabilitation Program between the ages of 16-24.

National Career Readiness Certificate

The HECC receives general funds to support the National Career Readiness Certificate (NCRC). The NCRC is a nationally recognized certificate providing objective documentation of work-related skills. The NCRC provides Oregon employers with a valid and reliable tool to hire, train, and retain qualified employees, while allowing workers to prove their skills to prospective employers.