



Tuition in the Oregon University System

Although many factors determine whether a public university education is affordable, tuition regularly receives the most public attention. For this reason, both the level of tuition and size of annual increases can have a significant effect on college-going aspirations for many Oregonians, especially those from low- to moderate-income backgrounds.

Recent History of OUS Tuition

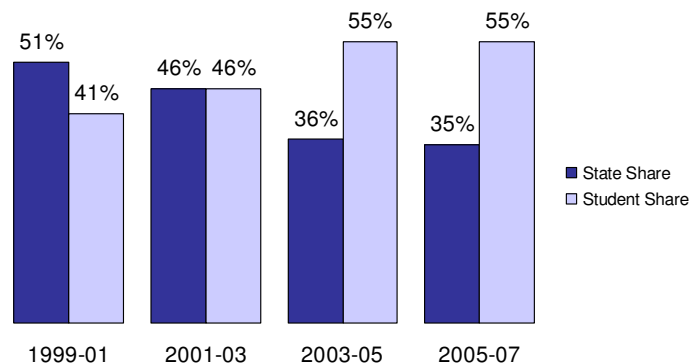
For the 2005-2007 biennium – with financial support from the Legislature – tuition increases for resident undergraduates across the OUS were limited to 3% per year. The Board of Higher Education feels strongly that tuition increases should not exceed increases in Oregon’s Median Family Income (MFI), a principle that was built into the OUS budget proposal for 2007-2009. If adopted, this will maintain average systemwide tuition increases in the 3% range for the coming biennium. In addition, the Board and the Governor propose major increases in the Oregon Opportunity Grant to further assist low- and middle-income families in managing college costs so that students stay in school through graduation.

During the recent recession in Oregon, state budgets were cut dramatically, and tuition increased at double-digit rates. From fall 2001 to fall 2006, resident undergraduate tuition at OUS campuses increased \$1,734 on average, or 46%, twice the rate of increase in Oregon’s MFI over the same period.¹

Relationship of Tuition to Financial Aid

Oregon once was a low-tuition, low-aid state. It still is a low-aid state, but increases have raised Oregon’s tuition to about the national average for 4-year public universities: this year, the national average is \$5,836, compared to \$5,576 for Oregon – 24th highest in the U.S.² As state investment in higher education has declined or stagnated, students have borne much of the burden through tuition increases, in spite of many campus efforts to cut budgets, find cost savings, and absorb more students without receiving accompanying increases in enrollment funding. While the Oregon Opportunity Grant funding increase of 77% in 2005 helped additional low-income students, per-student funding is still low, covering only about 11% of total student-borne costs. Oregon’s undergraduate need-based aid recently stood at \$176 per student, 30th in the U.S., compared to a national average of \$410, with Washington and California at \$581 and \$499, respectively³ (these per-undergraduate need-based aid amounts do not reflect Oregon Opportunity Grant increases made by the 2005 Legislature; updated numbers will be available in April 2007 and are expected to be higher). Additional changes proposed in the Opportunity Grant in the 2007 legislative session through a “shared responsibility” model would generally provide higher grants

State and Student Share of Costs



Other costs (primarily federal cost recovery) were 8% 1999 to 2003, increasing to 9% in 2003-05 and 10% in 2005-07.

¹ HUD

² Trends in College Pricing 2006, The College Board

³ National Association of State Student Grant and Aid Programs, 2004-05 Academic Year Report

to more students, extend grants to middle-income students, and decrease the amount of borrowing by grant recipients, while recognizing students as contributing stakeholders toward the costs of their college educations.

Affordability for Oregon Families

A recently released report, *Measuring Up 2006*, noted that Oregon families devote a very high percentage of their income to attend public 2- and 4- year colleges and universities, even after receipt of financial aid. And this percentage of income has increased significantly between 1992 and 2006. On average, Oregon families used 25% of their annual income in 1992 to pay for college expenses at an OUS institution, after receiving financial aid. By 2006, this had increased to 36%.

“Compared with best-performing states, families in Oregon devote a very large share of family income, even after financial aid, to attend public two- and four-year colleges and universities, which enroll 85% of college students in the state.”

The National Center for Public Policy and Higher Education, Measuring Up 2006, State Report Card

Many low- and middle-income families feel that they cannot afford to send their children to college based both upon the “sticker” price and the net cost to them. As seen in the chart below, larger than average increases in tuition have a direct relationship to freshman participation in the OUS. Whether due to factors such as recessions and lower state appropriations or the effect of various ballot measures, especially Measure 5, tuition increases do affect educational access and persistence in Oregon. That is why the promise of true affordability, with limited tuition increases and a major, additional infusion of grant aid from the state under the Shared Responsibility Model, is so critical to the future of the state and its residents.

The Impact of Tuition Increases on Freshman Participation in OUS 1974-75 to 2006-07

