

Affordability for Higher Education 2009 Legislative Session

College affordability continues to be a major challenge for many Oregonians. Through the state’s support in balancing tuition and fees with need-based financial aid, OUS is committed to making and keeping college affordable for all Oregonians.

As a result of the 2007-2009 investments by the Legislature, student affordability and access were improved for the second consecutive biennium in Oregon. Average undergraduate tuition increases were kept at a maximum of 3.4% each year, maintaining the Governor’s and the Board of Higher Education’s goal for tuition increase controls. As a result of this combination of state investment and tuition controls, **student share of college costs decreased for the first time in several biennia** from 55% in 2005-2007 to 53% in 2007-2009, representing a visible commitment from the state to increase the affordability of higher education for Oregonians (see Table 1). In addition, increased funding in the need-based Oregon Opportunity Grant allowed more low- and moderate-income Oregonians to receive grant assistance to afford a college education.

TABLE 1: Student and State Share of Higher Education Costs

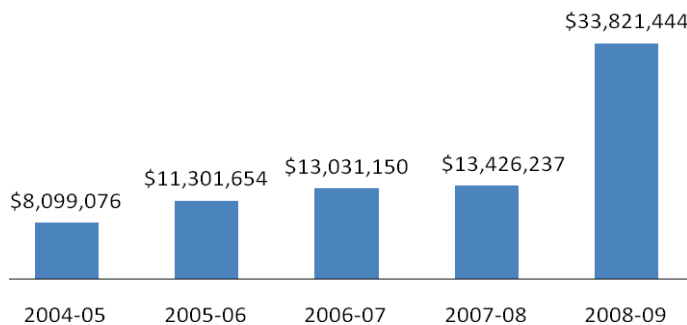
Biennium	Student Share	State Share	Other E&G
1999-2001	41%	51%	8%
2003-2005	55%	36%	8%
2007-2009	53%	37%	10%

Impact of the Oregon Opportunity Grant

The Oregon Legislature’s 2007 investment in the Oregon Opportunity Grant was implemented in 2008-2009 with the following results:

- A total of 15,433 OUS undergraduate students received the Oregon Opportunity Grant in 2008-09, **representing an 82% increase in OUS students served**. The **average grant size per OUS recipient increased \$586** from \$1,606 in 2006-07 to \$2,192 in 2008-09.
- **The total OOG dollars awarded at OUS institutions rose over \$20 million from \$13 million in 2006-07 to \$33.8 million in 2008-09.**¹ The total OOG dollars awarded to all eligible postsecondary sectors in 2008-09 was approximately 78.5 million.²

Chart 2: Total Opportunity Grant Dollars Awarded



Types of Financial Aid

OUS students fund their education using a myriad of resources according to their and their families’ needs, including the Oregon Opportunity Grant, college savings plans, federal student and parent loans, private

Oregon Opportunity Grant Recap

The Oregon Opportunity Grant funding was increased to \$106 million by the 2007 Legislature for the 2007-2009 biennium, an increase of almost 36% over 2005-2007, and a 240% increase over 2003-2005. The Opportunity Grant now uses the new **Shared Responsibility Model**, designed to more fairly share college cost responsibilities between the student, family, federal and state governments.

Enhancements Include:

- More full- and part-time students receive the grant.
- Average grant sized increased, with the size of each student’s grant determined by need factors.
- The income ceiling to receive a grant award was raised from \$33,000 to as much as \$70,000 (subject to income factors), expanding aid to more moderate-income families.

This funding is in the Oregon Student Assistance Commission budget.

¹ Source, Chart 2 and 3: OUS Institutional Research, Fall 4th Week. Data represent awards, not actual disbursements.

² Source: Oregon Student Assistance Commission; total reflects amount awarded up to suspension of processing, and does not reflect current factors such as reductions made to Spring quarter/semester awards.

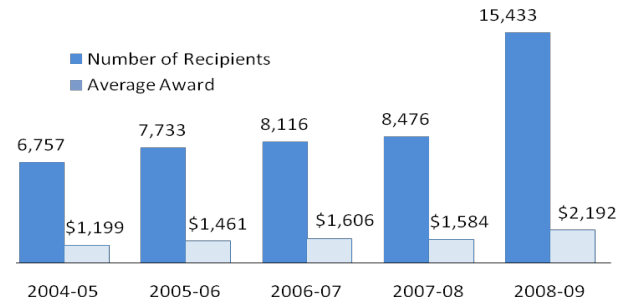
loans, grants, federal or campus work study, campus or other scholarships and fee remissions, and other sources.

Chart 3: Oregon Opportunity Grant Activity at OUS

Approximately 53% of OUS students enrolled in fall 2008 completed the Federal Application for Student Financial Aid (FAFSA) and were offered some form of financial aid.

Of OUS undergraduate students offered financial aid in 2006-07, 76% were offered federal student loans, 49% were offered campus, private and other aid*, 43% were offered federal grants and/or work study, and 23% were offered the Oregon Opportunity Grant. Some campuses, such as Oregon State University and the University of Oregon, were able to utilize institutional resources and

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College Savings

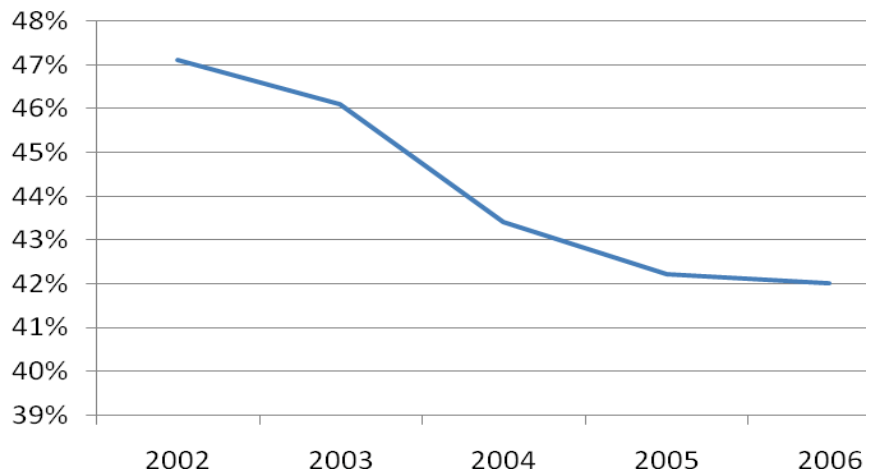
The state college savings plan, the Oregon 529 College Savings Network, is not administered by OUS but by the Office of the Treasurer. It offers Oregonians three college savings plans, with the benefit of an Oregon state tax deduction up to \$4,000 annually for contributions. Funds can be used at any eligible 2 or 4-year higher education institution nationwide.

Measuring Affordability at OUS

In an effort to track progress on college affordability, OUS now calculates a state performance measurement for costs covered by need-based aid.

The preliminary data in Chart 4 shows the percent of total cost of attendance at OUS covered by federal and state need-based aid for resident undergraduate financial aid recipients. Between 2002 and 2006, the percentage of the costs covered by need-based aid decreased from 47% to 42%, leaving more unmet financial need and burden for Oregon students. The increases in the Oregon Opportunity Grant in 2007 – which may cause a hoped-for reversal in this trend – are not yet illustrated in this measurement, which uses the most recent available data on financial aid (2006).

Chart 4: OUS Percent of Cost Covered by Need-Based Financial Aid,**
(including federal and state aid, student loans)



* Other aid includes but is not limited to institutional and private loans, scholarships, and grants, as well as lottery scholarships, institutional work study, and fee remissions.

** Need-based financial aid in this metric implies aid directly to the student, so does not include parent loans.

All data and chart sources: OUS Institutional Research.



Oregon University System