

(AAWG) Access  
& Affordability  
Working Group

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WICHE Presentation:

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# A New Look AT OOG

## *Earned Opportunity* to Affordable Oregon Higher Education

# Earned opportunity partners

Student share as principal beneficiary

- 50%
- from work, savings, scholarships, and/or borrowing

Parents share

- determined using federal methodology

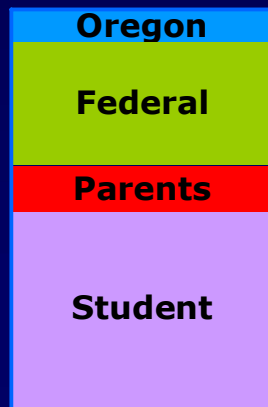
Federal share

- includes Pell & tax credit/deduction

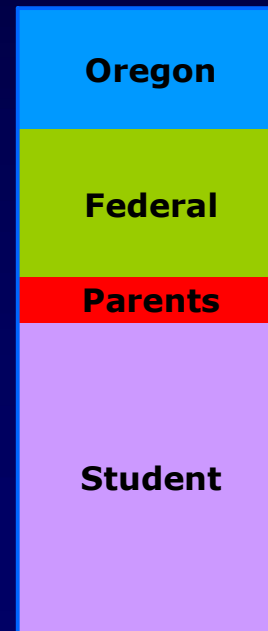
Oregon share

- filling the gap

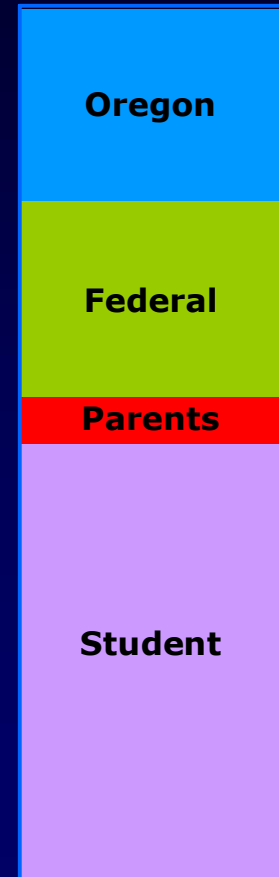
Public 2-yr  
\$12,497



Public 4-yr  
\$14,995



Private  
\$19,216



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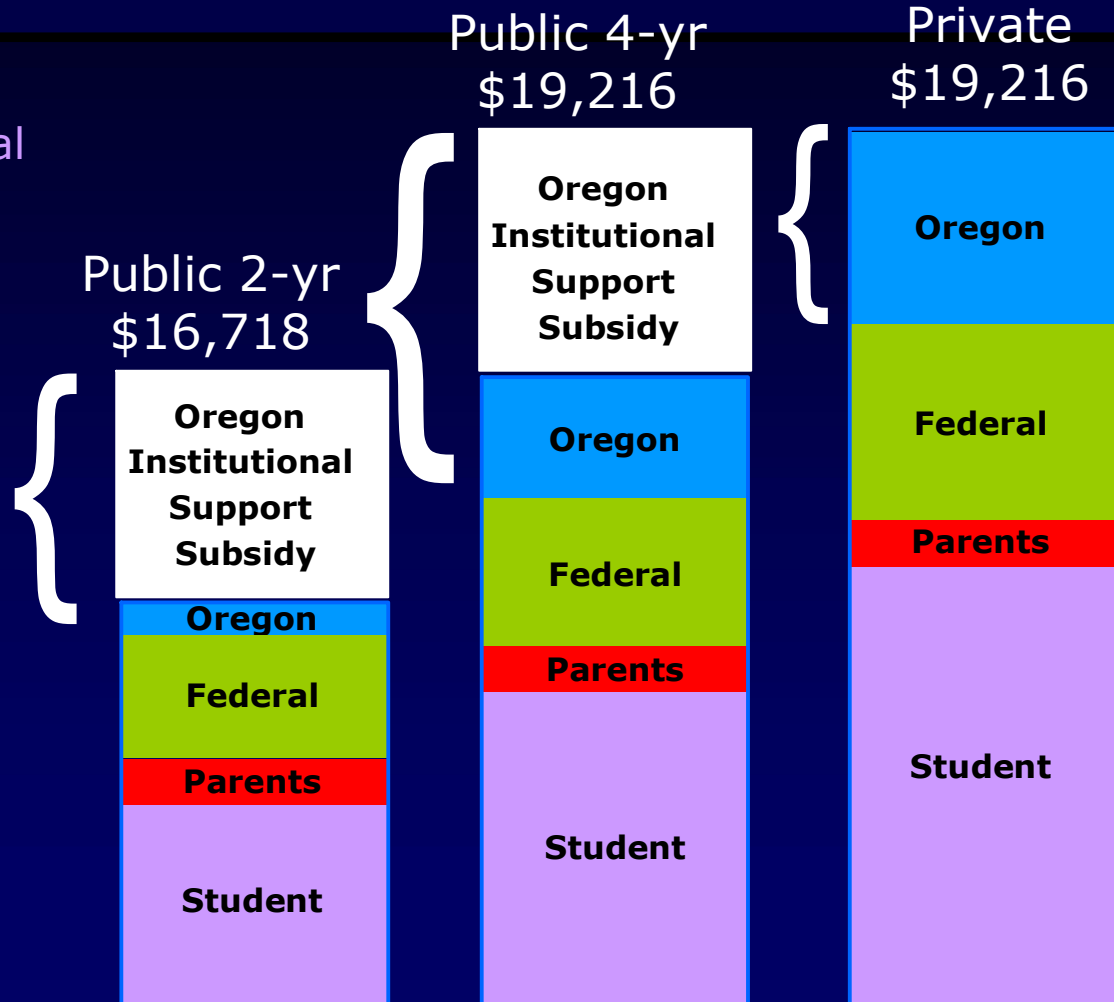
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Oregon share

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# Starting With The Bottom Line

- Assumptions:
  - Average Budget for Other Than Tuition & Fees: \$9,771
  - 50% Student Share
  - Price Elasticity of Demand: 0-9.2% per \$1,000 in Grant Aid, per Thomas Kane NBER Research 2003.
  - True to Federal Methodology, except student contribution
- Caveats
  - Simulation Modeling is *MODELING*, not reality
    - A Good Proxy, but still a proxy
    - Aggregated "average" cells don't capture unique circumstances
  - Principle sources of data: OSAC, NPSAS, SHEEO(SHEF)

# Comparison of Current & Shared Responsibility OOG

	Current OOG	Shared Responsibility OOG
Eligibility		
#	42,859 (05-06)	64,151
\$	\$63 million (05-06)	\$101 million
Awards		
#	19,101 (04-05) 25,630 (est. 05-06)	64,151
\$	\$23 million (04-05) \$37 million (05-06)	\$101 million

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# Award Levels: Earned Opportunity — Dependent Students

Family Income	2 Yr Public	4 Yr Public	Private
20,000 FT	2,198	3,448	5,558
30,000 FT	1,478	2,728	4,838
40,000 FT	698	2,088	3,708
50,000 FT	698	2,088	3,669
Cut-off FT	55,000	60,000	65,000

# Award Levels: Earned Opportunity — Dependent Students

Family Income	2 Yr Public	4 Yr Public	Private
20,000 FT	2,198	3,448	5,558
PT	1,099	1,724	2,779
30,000 FT	1,478	2,728	4,838
PT	379	1,065	2,059
40,000 FT	698	2,088	3,708
PT		452	1,377
50,000 FT	698	2,088	3,669
PT			141
Cut-off FT	55,000	60,000	65,000
PT	35,000	50,000	55,000

# Award Levels: Earned Opportunity — Independent Students

Family Income	2 Yr Public	4 Yr Public	Private
20,000 FT	2,198	3,448	5,558
PT	1,099	1,724	2,779
30,000 FT	1,478	2,728	4,838
PT			285
40,000 FT			1,359
PT			
Cut-off FT	35,000	40,000	45,000

# Sensitivity Analysis

- Impact of Changes In Student Budget
  - Average Budget (\$9,771): \$101,219,644
  - Lowest Public Budget (\$7,875—Treasure Valley): \$61,880,846
  - Frugal Budget (\$8,771): \$79,644,513
- Impact of Changes In Student Budget
  - 50%: \$101,219,644
  - 55%: \$71,613,242
  - An alternative – designated amounts:
    - Work: \$4,750
    - Work & Modest Borrowing:  $\$4,750 + \$2,750 = \$7,500$
    - Work & Stretch Borrowing:  $\$4,750 + \$5,500 = \$10,250$
    - *IMPACT: \$71,075,888 (bye bye Part-time)*

# Sensitivity Analysis

- Impact of Equalizing Public/Private Budgets
  - Private awards w/ public subsidy:  
\$15,313,838
  - Private awards w/out public subsidy:  
\$8,693,328

# Enjoy your own simulations

- Simulations -- Adjustable Variables
  - Budgets
    - Tuition and Fees, by Sector
    - Other expenses, by Sector
  - Expected Earned Contribution
    - Percent
    - Fixed
  - Income Cut-off
  - Pell Eligibility