



Oregon  
University  
System

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*Expanding Higher Education Access &  
Affordability Requirements for a  
Sound Oregon Economy*

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Co-Chair, Access & Affordability Working Group(AAWG)  
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*July 23, 2004*

# **OSBHE Access & Affordability Working Group**

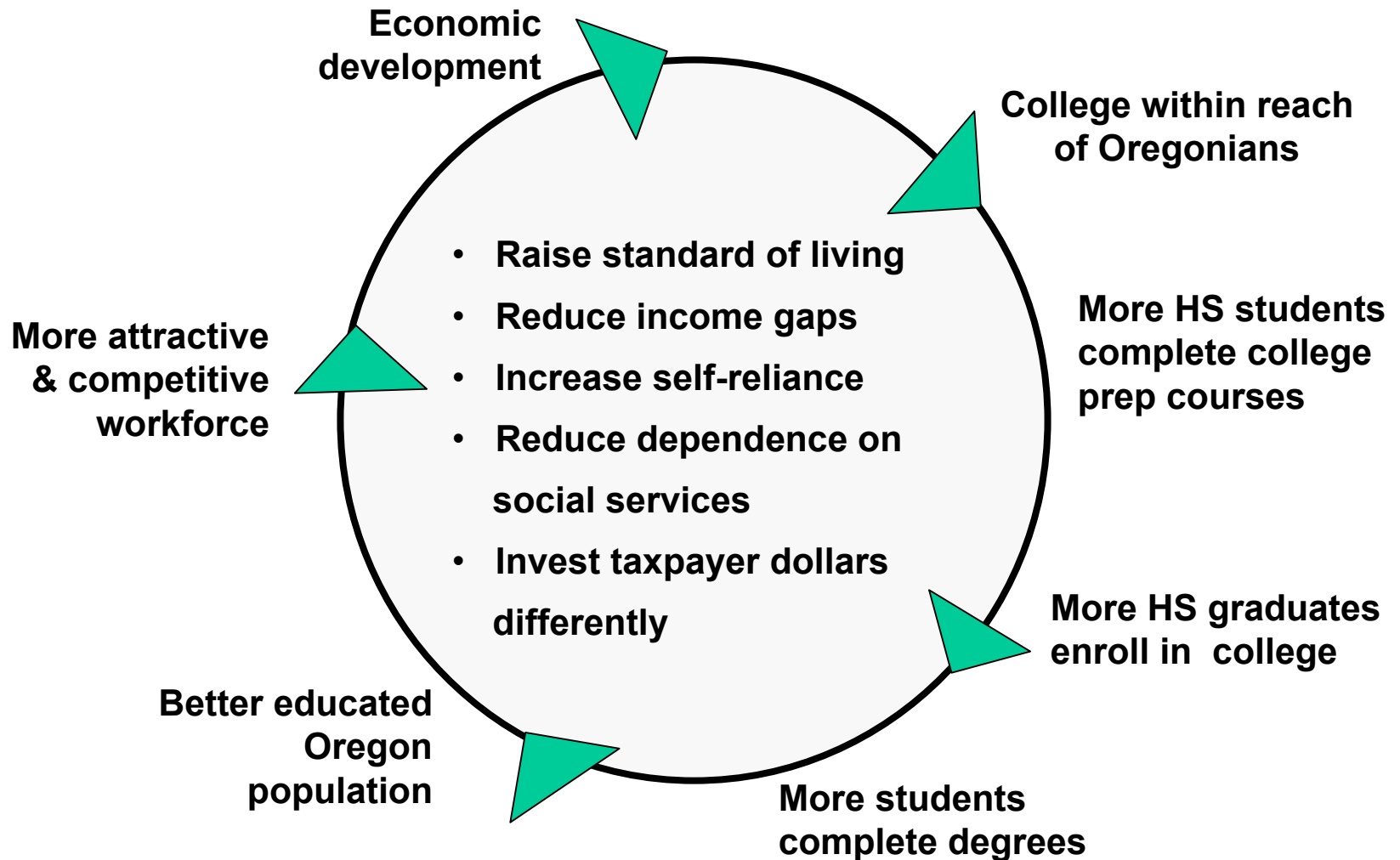
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<b>Nan Poppe</b>	<i>President, PCC-Extended Learning Campus</i>
<b>Howard Sohn*</b>	<i>OSBHE &amp; President, Lone Rock Timber Co.</i>
<b>Paul Bragdon</b>	<i>President, Lewis &amp; Clark College</i>
<b>Sam Brooks</b>	<i>President, Brooks Staffing and OAME</i>
<b>Bridget Burns*</b>	<i>OSBHE Oregon State University Class of 2004</i>
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<b>Vanessa Gaston</b>	<i>President, Portland Urban League</i>
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# **AAWG Resource Experts**

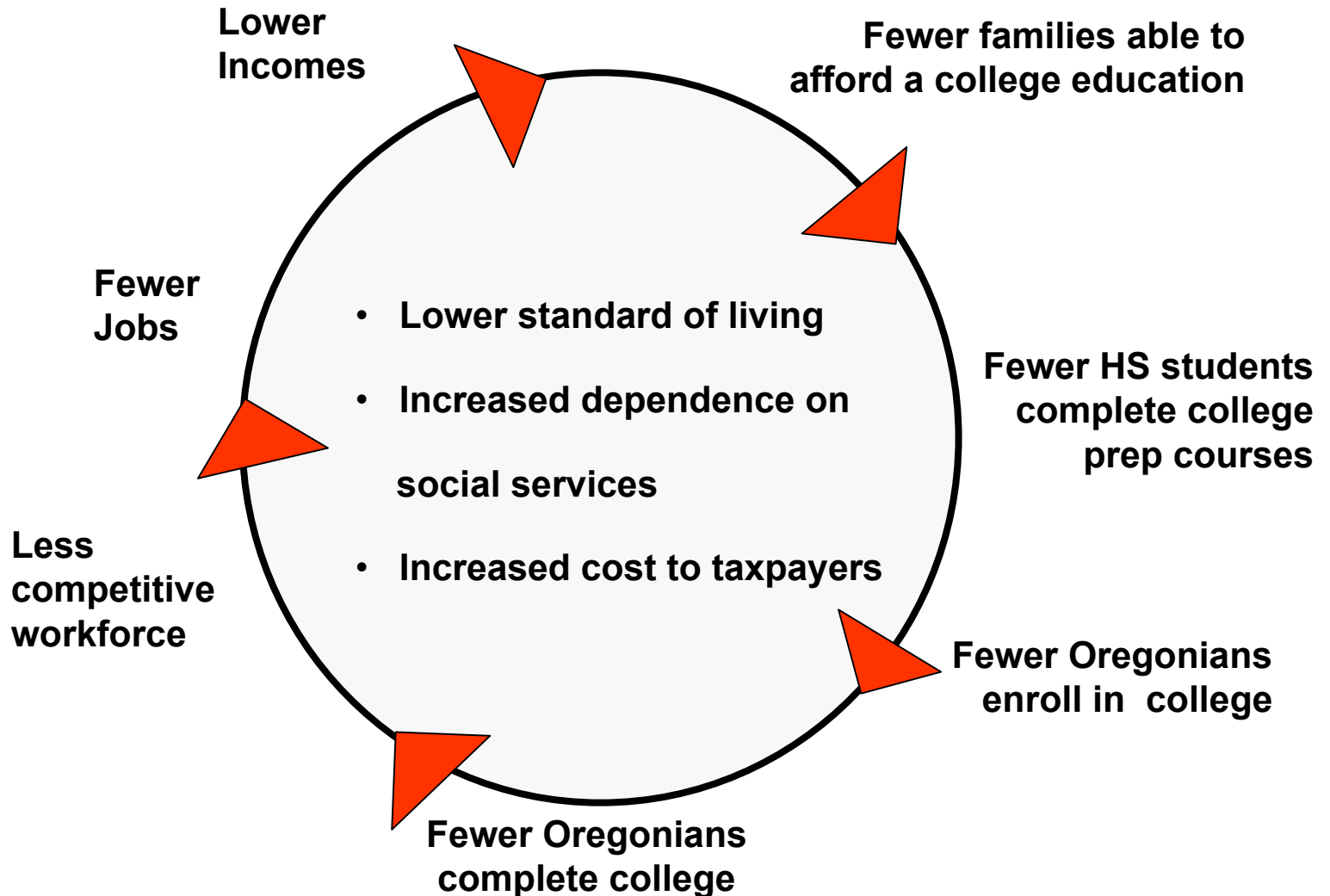
<b>Gary Andeen</b>	<i>Oregon Independent Colleges Assn. (OICA)</i>
<b>Brian Clem</b>	<i>Oregon Student Assistance Commission</i>
<b>Cam Preus-Braly</b>	<i>Oregon Community Colleges and Workforce Development (OCCWD)</i>
<b>Julie Suchanek</b>	<i>Oregon Community Colleges Association</i>
<b>Mardilyn Saathoff</b>	<i>Governor's Office</i>
<b>Jeff Svejcar</b>	<i>Oregon Student Assistance Commission</i>
<b>John Wykoff</b>	<i>Oregon Student Association (OSA)</i>

# Higher education is driver of opportunity, social mobility & economic progress

*Creates Virtuous Cycle*

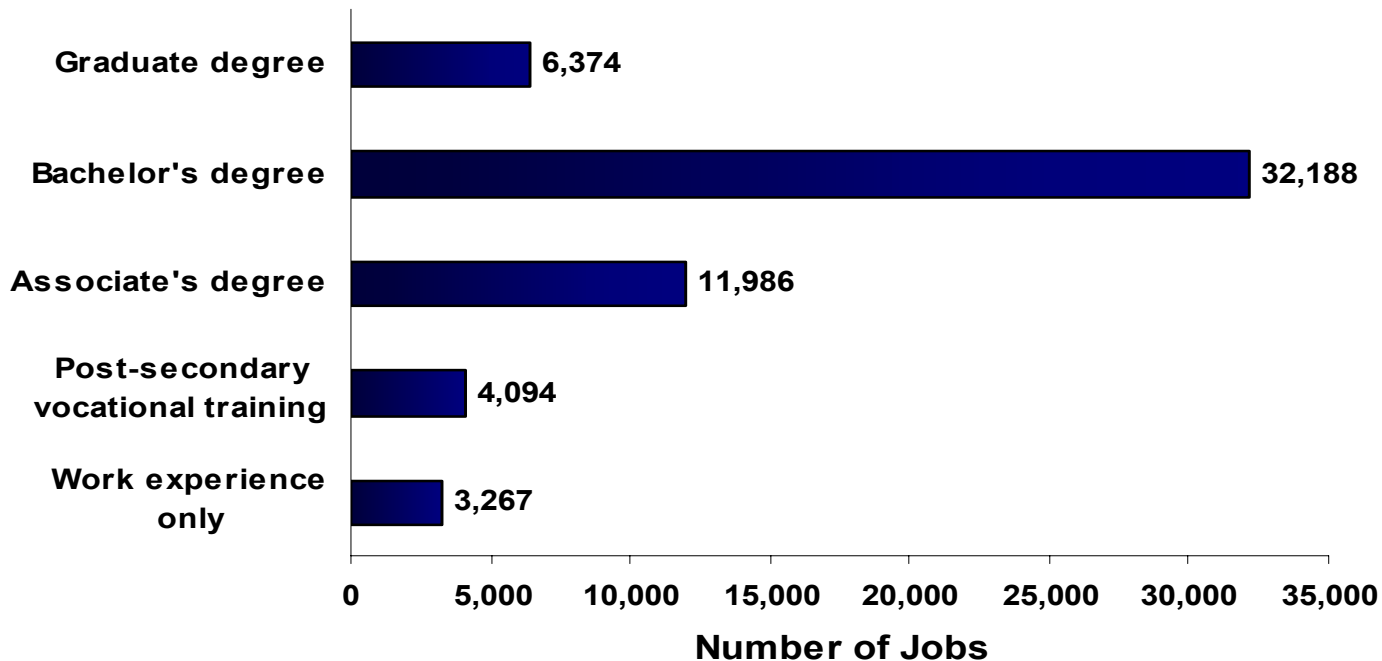


# If Families Cannot Afford a College Education... *Creates Vicious Cycle*



# New jobs require skills developed in degree programs

Projected New Jobs in Oregon (2000-2010)

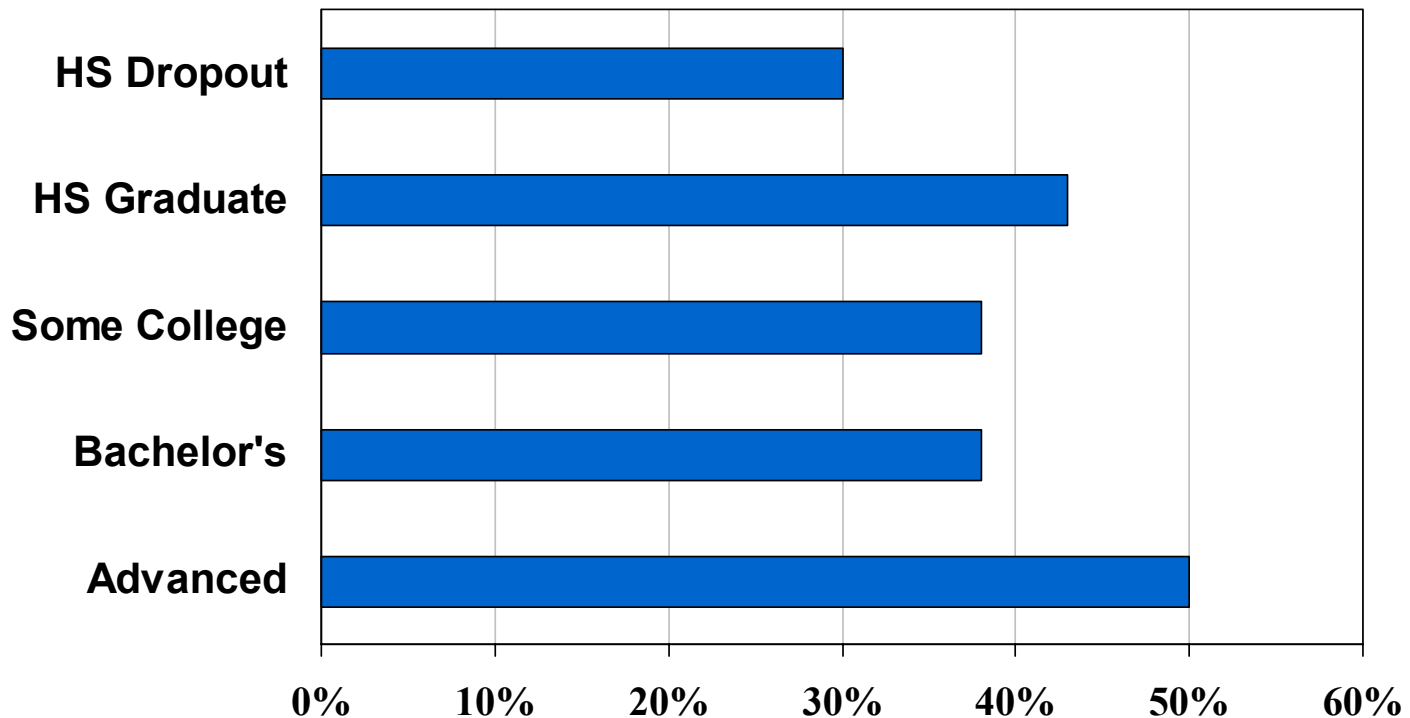


**87% of new jobs will require an Associate's Degree or higher**

In the Industrial Boom (1958 to 1973)...

## Income growth was enjoyed by **all**

Change in median earnings of males Age 25+ by educational attainment *adjusted for inflation*

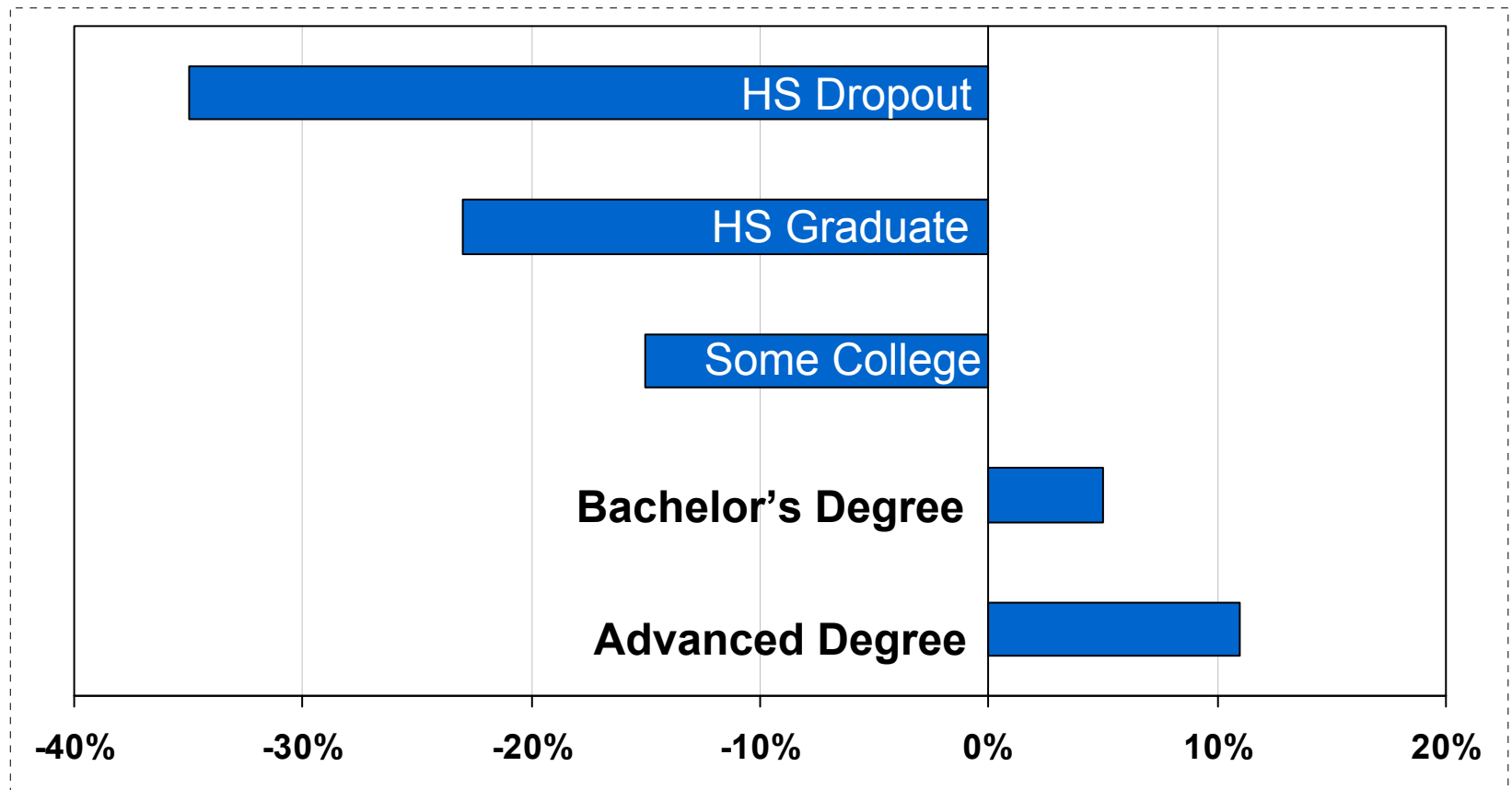


Sources: Postsecondary Education Opportunity, Current Population Survey, US Census Bureau

In more recent years (1973 to 2000)...

# Income growth **only** to the well educated

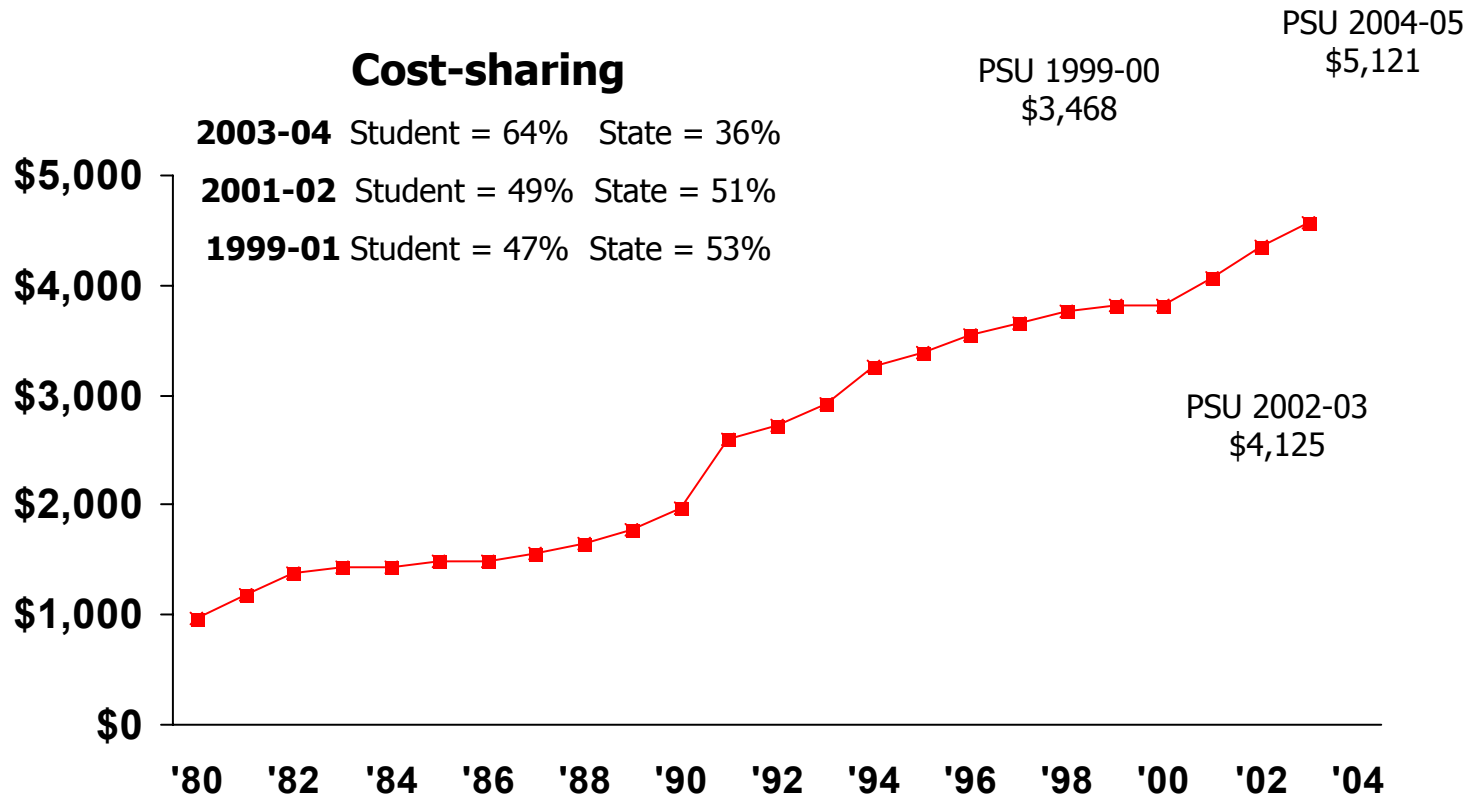
Change in median earnings of males Age 25+ by educational attainment adjusted for inflation



Sources: Postsecondary Education Opportunity, Current Population Survey, US Census Bureau

# OUS undergraduate tuition and fees

1980-2004

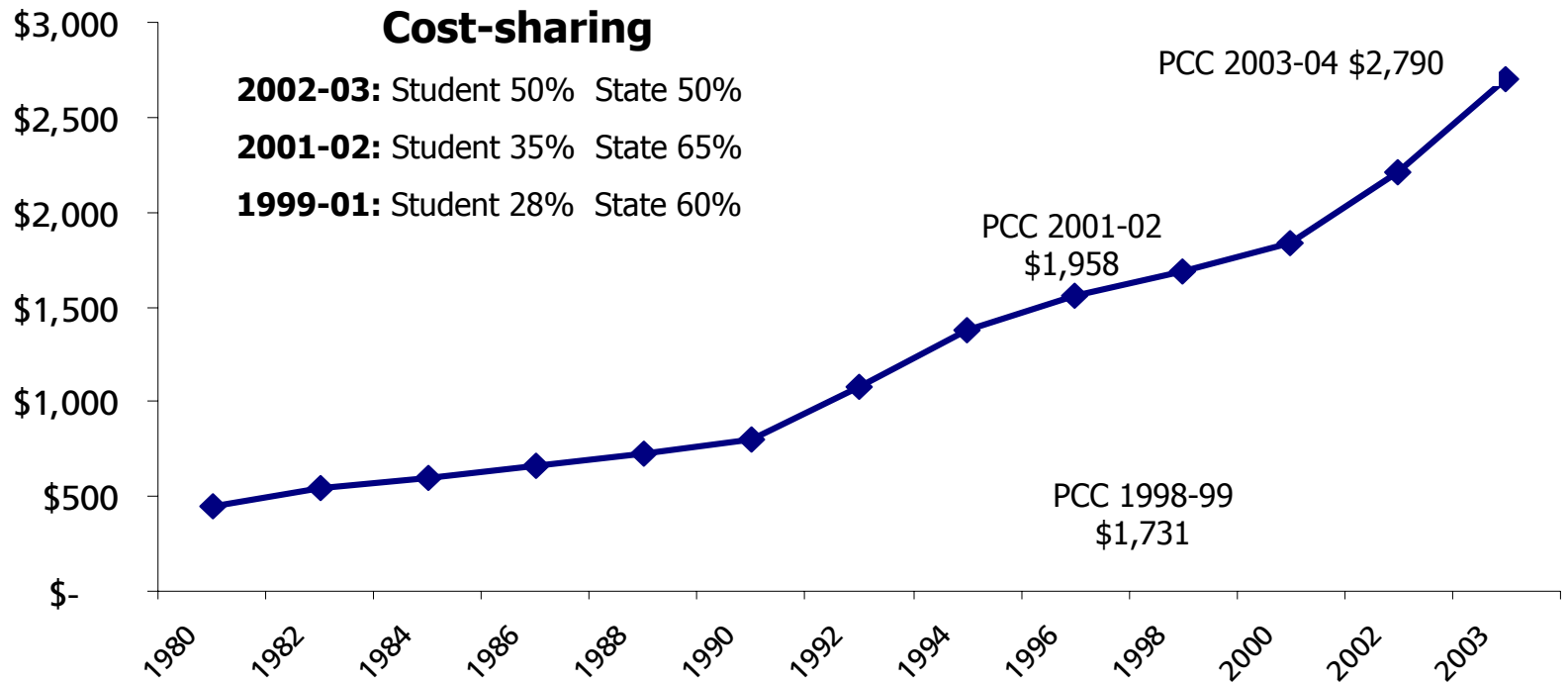


Tuition and fees in OUS have grown an average\* of 25% over a two-year period (PSU = 24%), and 48% over a five-year period (PSU 47%).

\*based on 15 credit hours; tuition lower at 12 credit hours (\$4,311), also considered full time



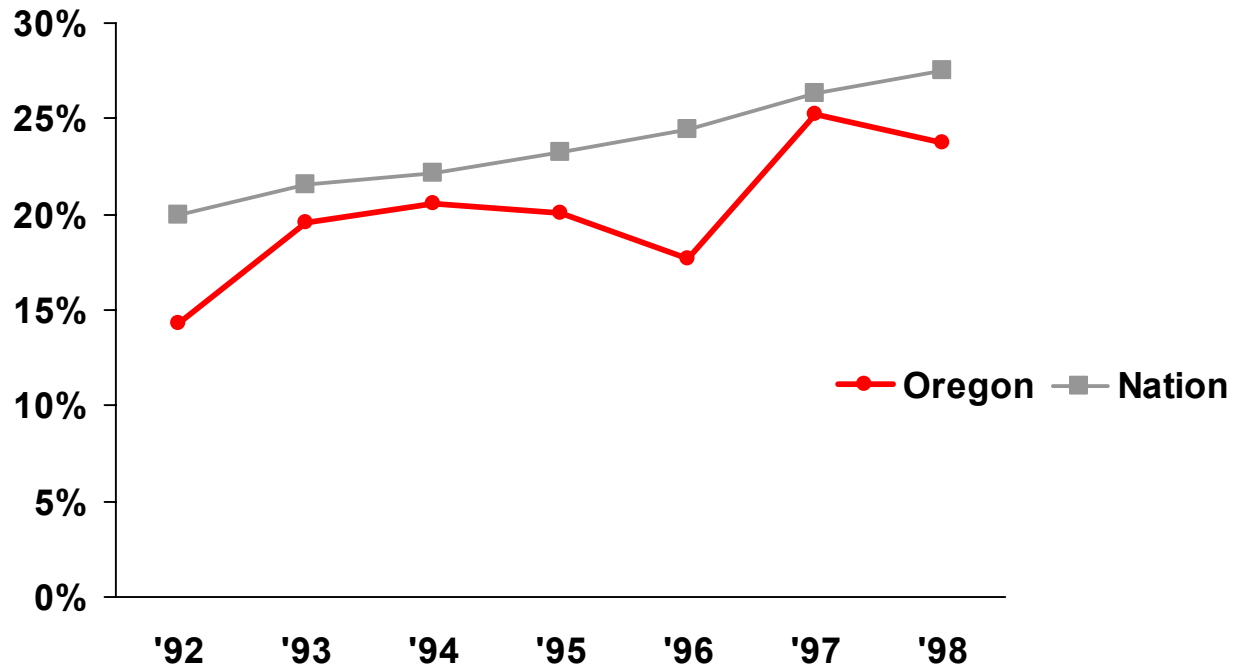
# Community college tuition and fees 1980 - 2003



**Tuition and fees in the Community Colleges have grown an average of 40% over a two-year period (PCC = 42%) and 60% over a five-year period (PCC = 61%).**

# Oregon is below average in college enrollment of low-income students

Percent of low-income students\* attending college 1992-1998 (fall)



\*Free or Reduced Lunch Program participants

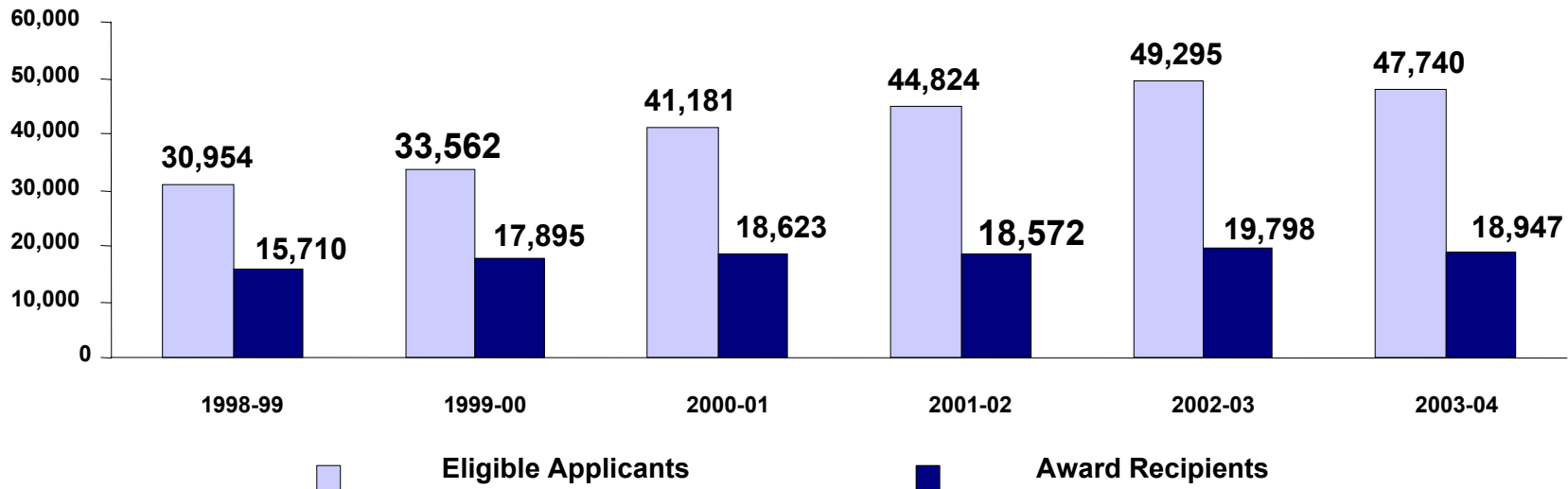
Source: *Postsecondary Opportunities* ([www.postsecondary.org/archives](http://www.postsecondary.org/archives))

Middle-income families at risk

# Funds ran out for 30,000 eligible students

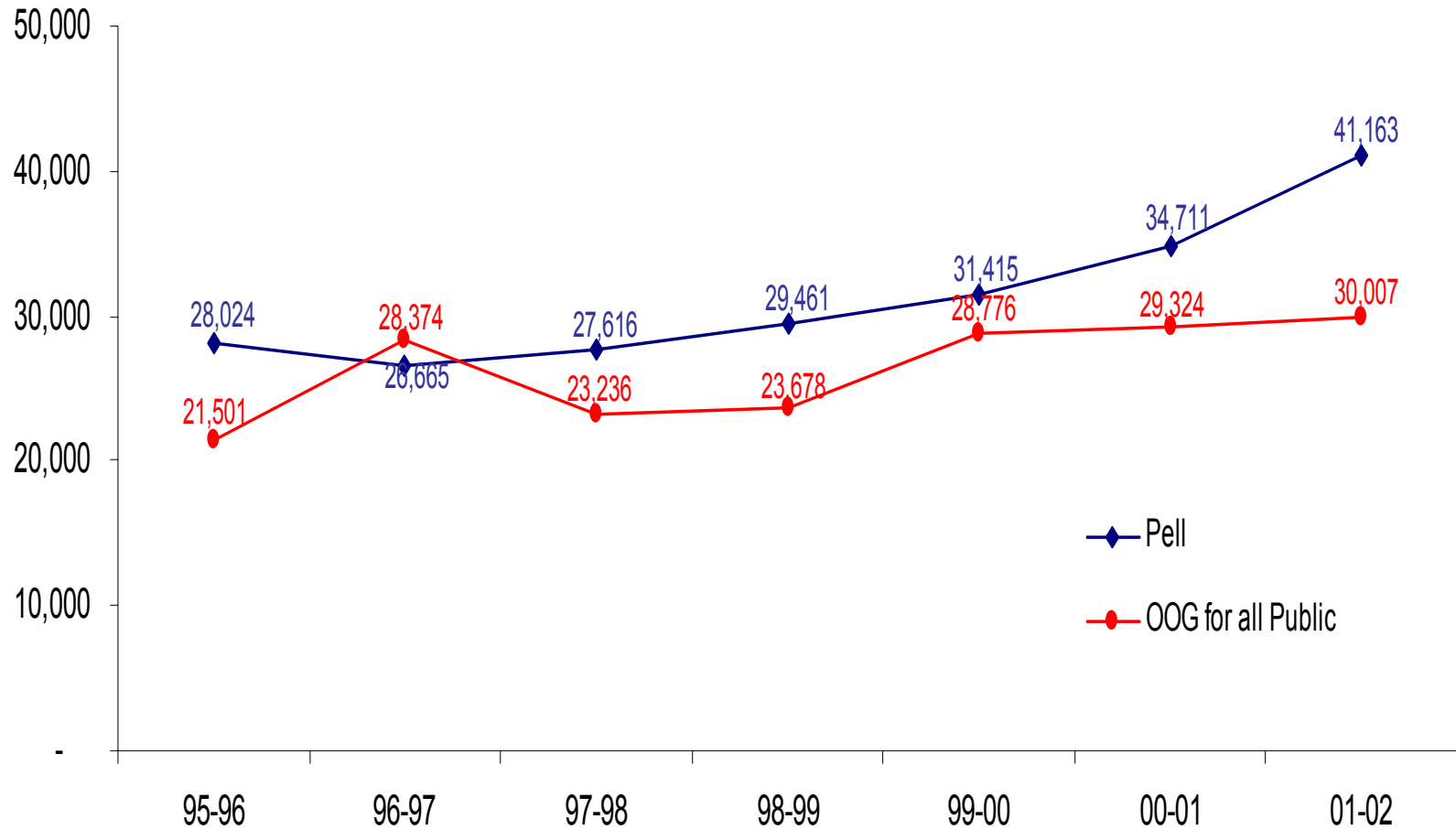
## Oregon Opportunity Grant:

### Eligible Grant Applicants and Award Recipients

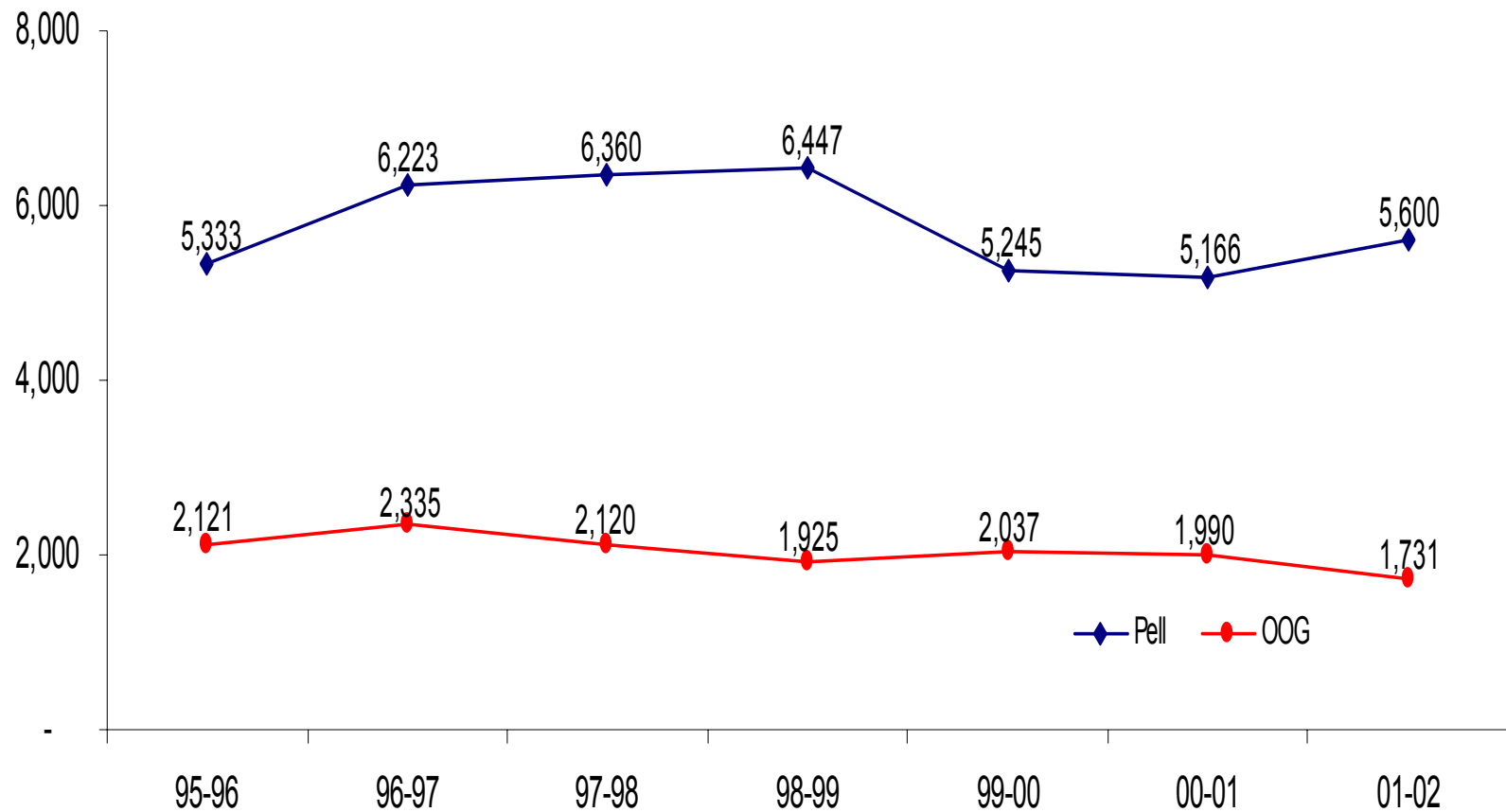


In 2002-03, \$17 million in grants awarded. To meet full need in the state (@ 55% MFI, an additional \$34 million (estimated) would be required, or a **total of \$51 million per year.**

# Federal Pell Grant Recipients Compared to Oregon Opportunity Grant Recipients Enrolled in a 2- or 4-Year Institutions in Oregon, 1995-96 to 2001-02



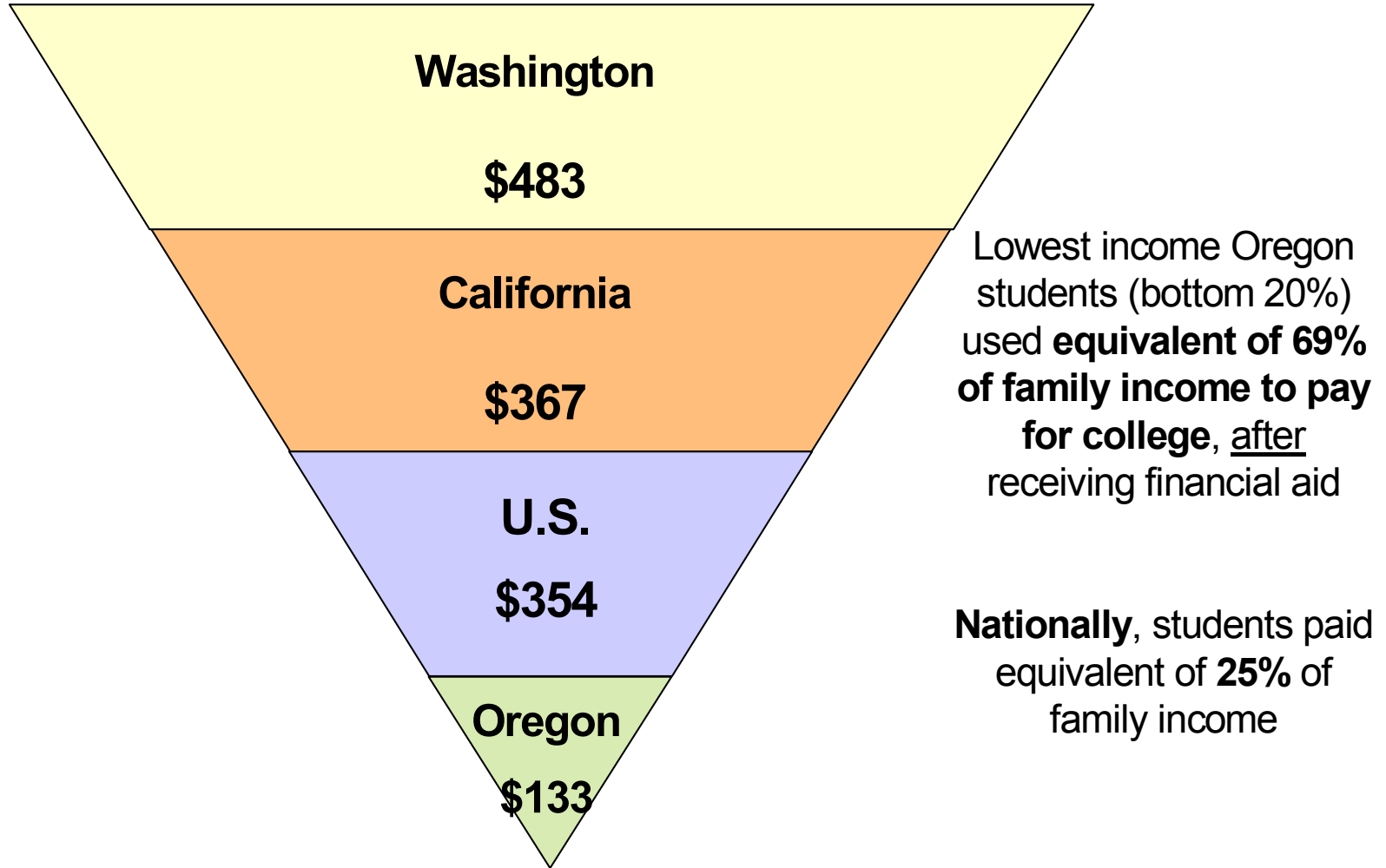
# Federal Pell Grant Recipients Compared to Oregon Opportunity Grant Recipients Enrolled in a Non-Profit Independent/Private Institution in Oregon, 1995-96 to 2001-02





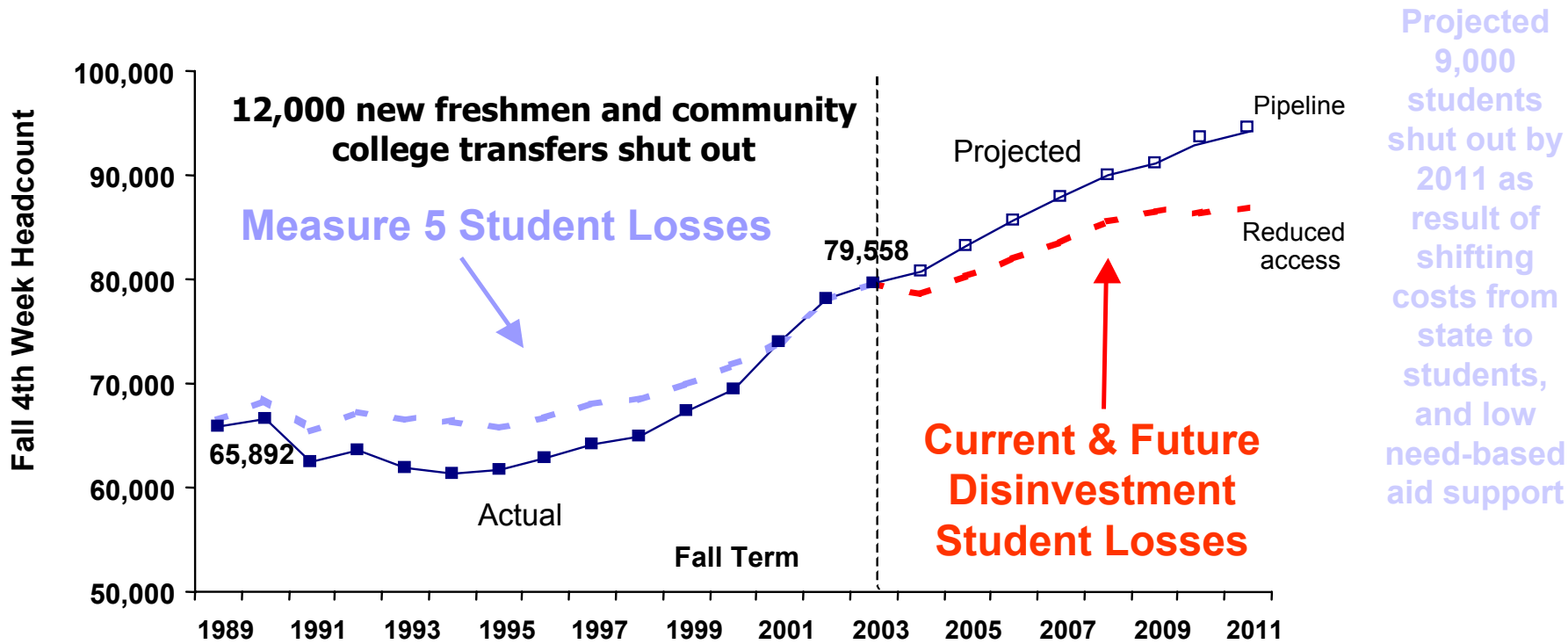
# Oregon **under-investing** in need-based grants

State grant aid per enrolled undergraduate student in 2002-03



# Lost access = Lost assets

## for individuals and Oregon's economy

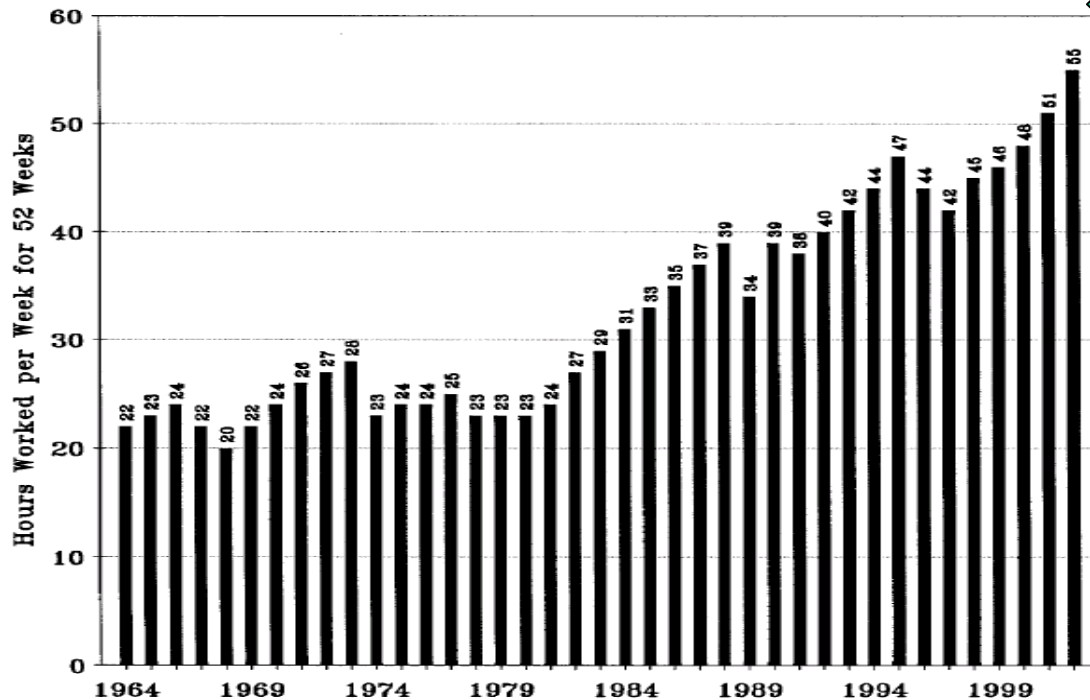


During these two periods of high tuition increases, **a total of 21,000 Oregon students** will have been priced out of public higher education\*, lowering educational attainment, increasing debt for those who stay in, extending time-to-graduation, forcing students to work more, increasing drop out and stop out rates, lowering the potential for increased tax revenues from higher wage earning graduates, and forcing businesses to import qualified workers from out of state.

\*Assumptions based on analysis of community college transfers, enrollment projections against actuals, freshman participation rates, historical data on drop out and stop out rates.

# Try working **your** way through college

Weekly Hours Worked for 52 Weeks at Minimum Wage to Finance Public University Attendance Costs 1964 to 2002p



22 hrs

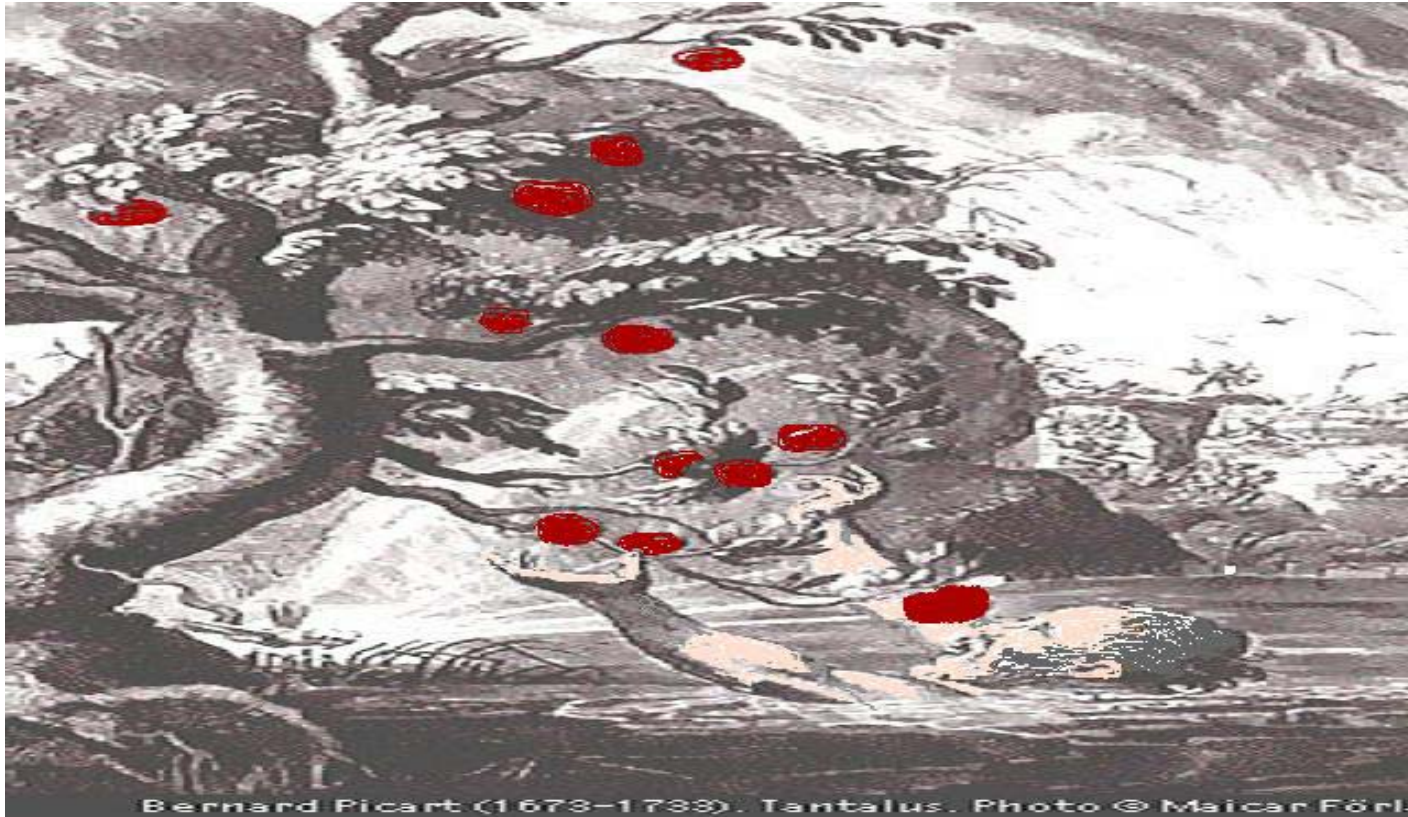
55 hrs

OR students at public 4-year and 2-year colleges have to work about 48 and 39 hours a week, respectively

*Today's students cannot earn the money needed to cover college costs by taking part-time and summer jobs as generations have before them.*

# Tragedy of Tantalus

## Metaphor for College Access & Affordability



Tantalus tries to reach the fruit to satisfy his hunger (knowledge and skills from a college degree), but winds (increasing tuition) blow fruit (college education) out of reach and when Tantalus reaches for water to quench his thirst (financial assistance), it dries up....

# ASET Design Parameters

Grant assistance will follow the student to eligible Oregon institutions

- Institutions currently eligible under OOG would remain eligible

Financial need determined by federal methodology

- Takes into account income and assets of **both** parents and students

Two-tiered grant program based upon student choice of two-year public or four-year public or private institution

1. Community Colleges
2. Four-year colleges/universities (public or private)

Extend eligibility

- 55% MFI cut off replaced with slope to help middle income families
- Increase award amount for neediest, serve more eligible students, and fund at levels to reduce financial barriers to success

Set aside up to 10% for extraordinary state needs

Put college access in the Oregon Constitution (need 10 years to build endowed trust)

Need bridge funding until endowment generates sufficient interest earnings

## Entering Second Phase

- ✓ Consider the partners and level of responsibility of each partner
  - Expert David Longanecker, WICHE*
- ✓ Figure out how much it would cost to make college affordable (develop a model with working parts)
  - Expert John Lee, JBL Associates*
- ✓ Identify sources of revenue
  - Today's meeting will focus on #1 and #2*