



INTRODUCTION: HIGHER EDUCATION IN OREGON

PRESENTED TO THE HOUSE
EDUCATION COMMITTEE

Ben Cannon, Executive Director, HECC

January 21, 2021

A Vision for Oregon Postsecondary Education

*“The Higher Education Coordinating Commission (HECC) envisions a future in which **all Oregonians** -- and especially those whom our systems have underserved and marginalized – **benefit from the transformational power of high-quality postsecondary education and training.**”*

*“It is a future where **innovative colleges, universities, and training providers**, both public and private, help Oregonians to reach their highest potentials, **build trajectories to family-wage careers, foster a more just society, and break patterns of intergenerational poverty.**”*

*“It is a future where **postsecondary education fuels a resilient economy** by anticipating workforce needs and by fostering innovation, research, and knowledge. In the future we envision, all Oregonians enjoy well-lived lives thanks to the myriad benefits of postsecondary education and training...”*

Oregon's 40-40-20 Goal for Young Adults



By 2025, 40 percent of young adult Oregonians will complete a four-year degree or more, 40 percent will complete a two-year degree or short-term career certificate, and the remaining 20 percent will earn a high school diploma or equivalent. ORS 350.014

40%

4-year degree or more

40%

2-year degree or short-term career certificate

20%

High school diploma or equivalent



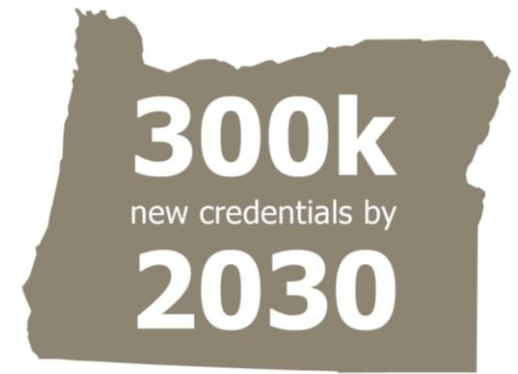
WHY?

- Higher levels of education are tied to: higher wages, lower unemployment, more civic and community engagement, and greater economic mobility.
- Young adults need equitable opportunities to build trajectories to family-wage careers, reach their highest potential, and help their communities thrive.

More on educational attainment goals and progress toward them [on our website here:](https://www.oregon.gov/highered/about/Pages/state-goals.aspx)
<https://www.oregon.gov/highered/about/Pages/state-goals.aspx>

Oregon's Adult Educational Attainment Goal

Between 2020 and 2030, 300,000 adult Oregonians will earn a new degree, certificate, or other credential of value. Oregon will reduce the adult educational attainment gaps by half for underserved people of color, low-income learners, and rural learners during this decade.



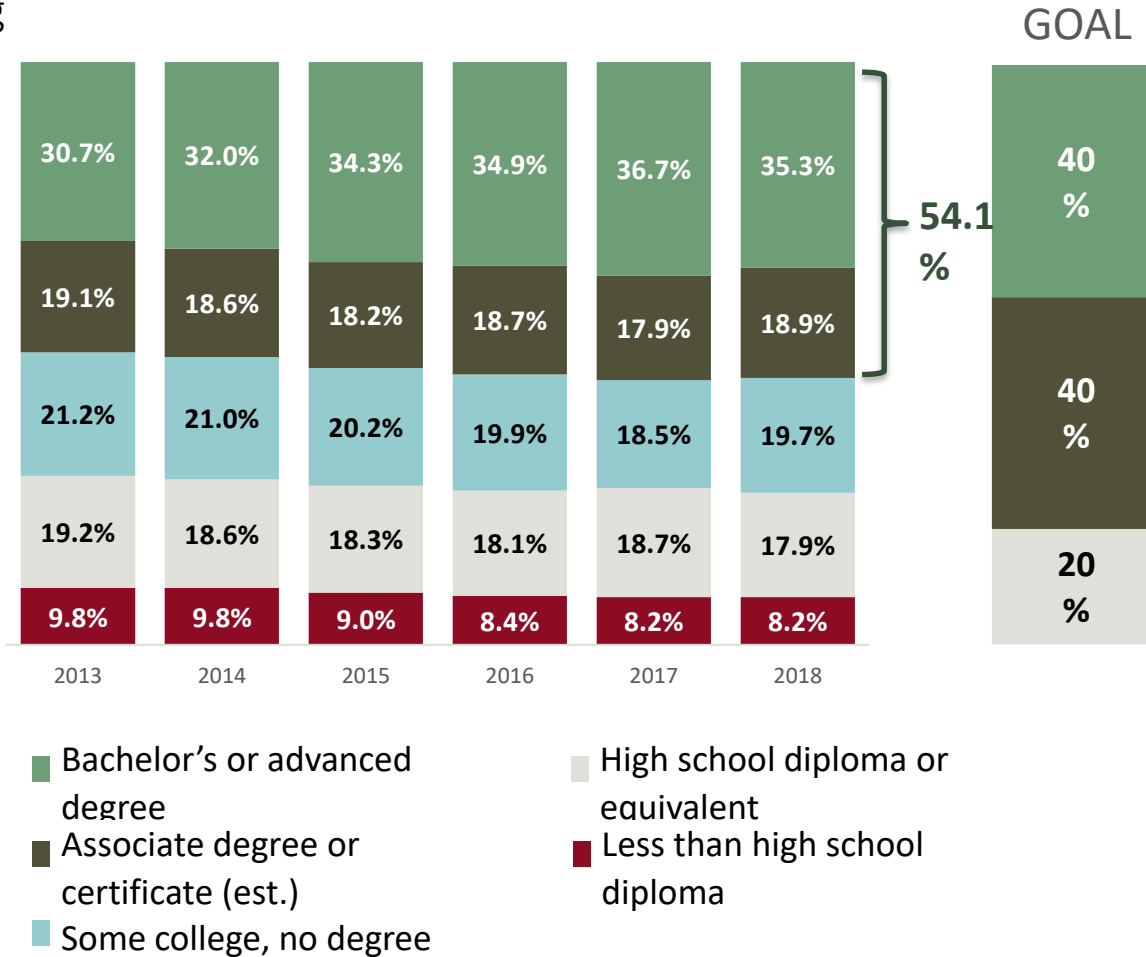
WHY?

- Too many adults lack the financial stability that more education and training can provide.
- The number of jobs requiring education and training beyond high school is projected to outpace the number of adults earning credentials.

Progress toward Oregon's state educational attainment goals

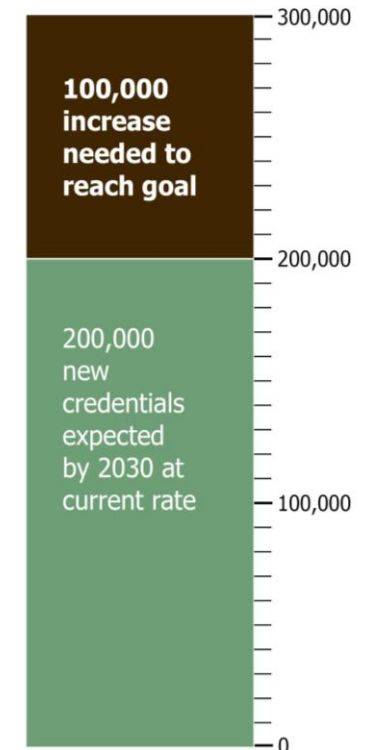
PROGRESS TOWARD 40-40-20: KPM #4: Percent of all young adults with increasing levels of education and training

The share of young Oregonians with a post-secondary credential stabilized in the most recent year. Rates come from survey data, which can have slight fluctuations from year to year. However, even with potential survey variance, attainment remains well behind the 80% goal.



ADULT ATTAINMENT GOAL

OREGON AIMS FOR 300,000 CREDENTIALS BY 2030



Source: US Census Bureau American Community Survey (ACS), Table #B15001, 1-year estimates. Includes current Oregon residents who completed their education and training in other states, before becoming an Oregon resident. Estimates of certificate attainment derived with estimates from Ewert and Kominski (2014), <https://www.census.gov/prod/2014pubs/p70-138.pdf>

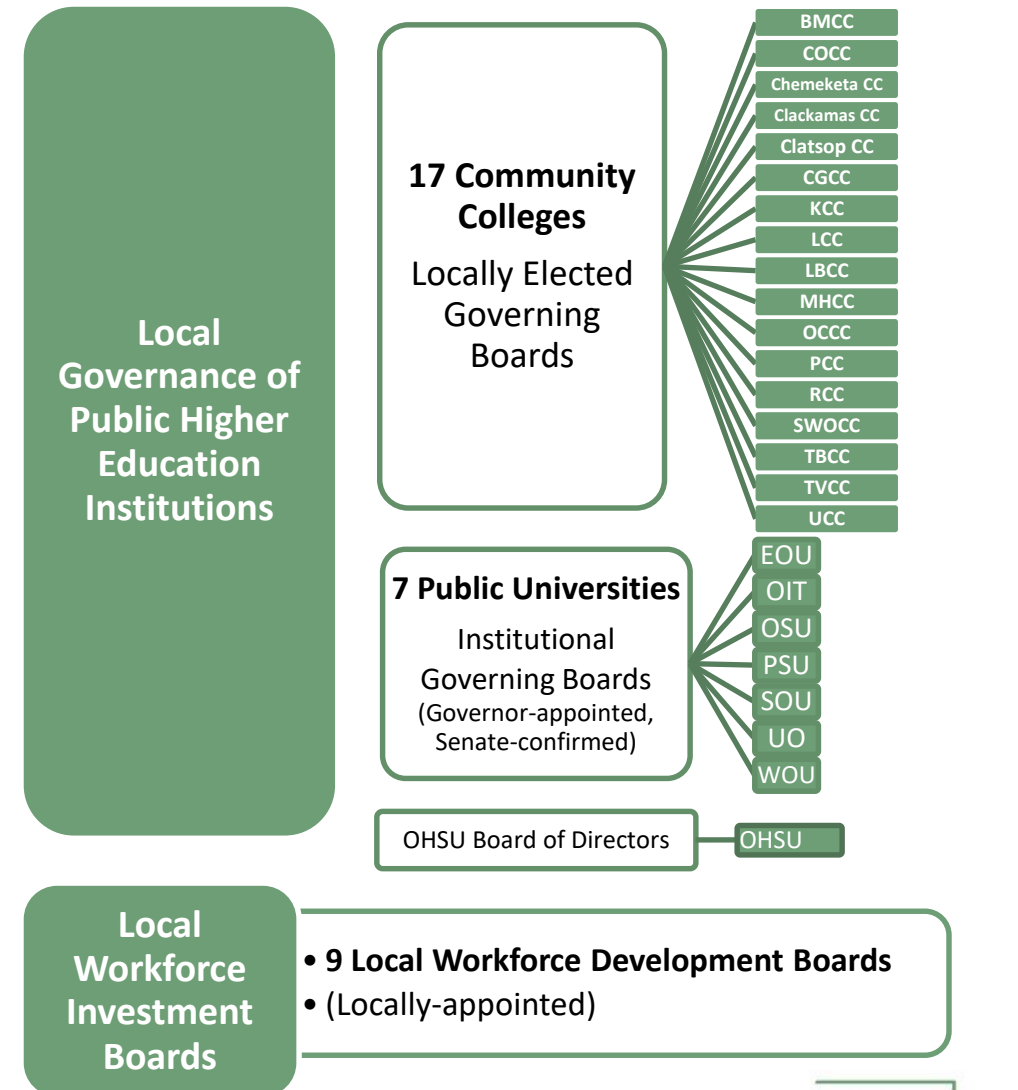
State Postsecondary Education Structure and HECC's Coordinating Role

HECC

- Statewide coordination of postsecondary education policy and funding:
 - Responsibility across all sectors of higher education and workforce, public and private
 - A clearly-defined focus on coordination, not governance
 - The agency's work is guided by the HECC 14-member Commission (*Governor-appointed, senate-confirmed*).
 - The Agency is organized in 8 offices.
 - In addition to the HECC Commission, the HECC Office of Workforce Development is guided by the following state boards:
 - Oregon Volunteers Commission
 - STEM Investment Council
 - Workforce and Talent Development Board
 - Oregon Youth Corps

State of Oregon Partners

- Oregon Governor
- Oregon Legislature
- State Agencies and Boards/Commissions
 - Early Learning Council
 - Youth Development Council
 - Oregon Department of Education, Oregon State Board of Education
 - Teachers' Standards and Practices Commission
 - Employment Department



Major Areas of HECC Responsibility

Setting a strategic vision

- Strategic planning to achieve state goals, and advising state leaders
- Postsecondary enterprise budgetary recommendations
- Support for five leadership/advisory boards

Administering state funding

- Within statutory parameters, determining how to allocate \$1.4B/year in postsecondary education funding to community colleges, public universities, and students

Authorizing postsecondary programs and degrees

- Approval of new academic degree programs
- Authorization of private degree-granting colleges and universities
- Licensing of private career schools

Administering financial aid, workforce, and other programs

- State financial aid and outreach programs (OOG, Oregon Promise, ASPIRE, etc.)
- With partners, workforce programs/strategies supported by federal Workforce Investment and Opportunity Act (WIOA)
- Support for Adult Basic Skills, GED, OYC, and more

Evaluating and reporting

- Statewide data collection, analysis, research, and reporting
- Legislative reports and research as directed

Four Strategic Action Areas Guide

HECC's Work to Achieve Four Key Goals

REPORTING to steer progress:

- Through advanced data analysis, evaluation, and reporting, HECC will build public and institutional commitment to meeting achievement goals and closing equity gaps.

FUNDING for success:

- HECC will develop an approach to state funding higher education and workforce that is directly linked to student success.

Streamlining Learner PATHWAYS:

- HECC will promote clear onramps to education and training, reduce barriers for transfer students, and link graduates with careers.

Expanding Opportunity through OUTREACH:

- HECC will develop a comprehensive outreach plan to ensure all Oregonians have access to affordable, relevant options for postsecondary training

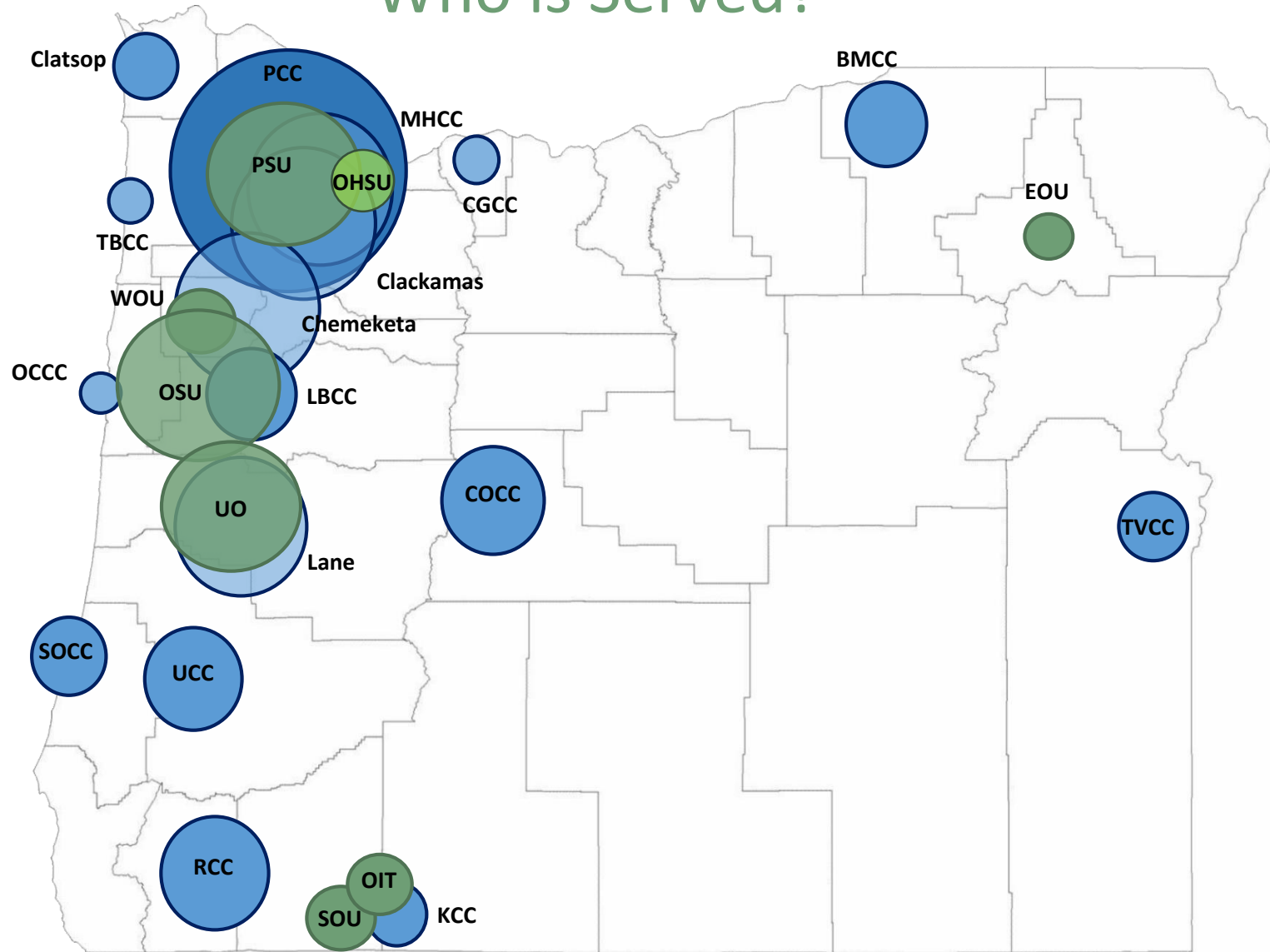
Student
Success

Equity

Affordability

Economic and
Community
Impact

Who is Served?



ENROLLMENT 2019-20

Academic Year Headcount

Public Institutions

Universities	68,932
Community Colleges	229,146

Private Institutions

Oregon Health & Science University	3,017
Private Degree-Granting Postsecondary Institutions	13,222
Private Career Schools	18,289

Workforce Investment Services

Career Services	54,199
Training Services	5,165
OR Youth Conservation Corps	355
Oregon Volunteers	
- Students served by K-12 Success Prgm.	3,500
- Students served by College Success Prgm.	1,438

1. Total headcount may contain duplicates for students who attended multiple institutions during the same academic year.
2. Source: HECC analysis of student-level data from public universities, community colleges and private degree granting and career schools. All data are for the 2019-20 academic year.

HECC Pandemic Response

View HECC COVID-19 resources at:
<https://www.oregon.gov/highered/about/Pages/COVID19.aspx>

Guidance, convening, coordination, and communication

- Serving as a conduit between institutions, the Governor's office, and OHA on safe operations
- Providing public facing guidance and information on COVID-19 and higher education
- Monitoring federal relief efforts and engaging institutions and national partners

HECC program modifications

- Flexibility in utilizing state financial aid programs to allow students to maintain eligibility
- Temporarily authorizing out-of-state institutions to provide instruction to Oregon students now learning from their Oregon homes
- Allowing private institutions to temporarily suspend operations without facing regulatory barriers to restarting instruction
- Allocating state and federal stimulus funding to students in need
- Commencing a project to develop an online course exchange

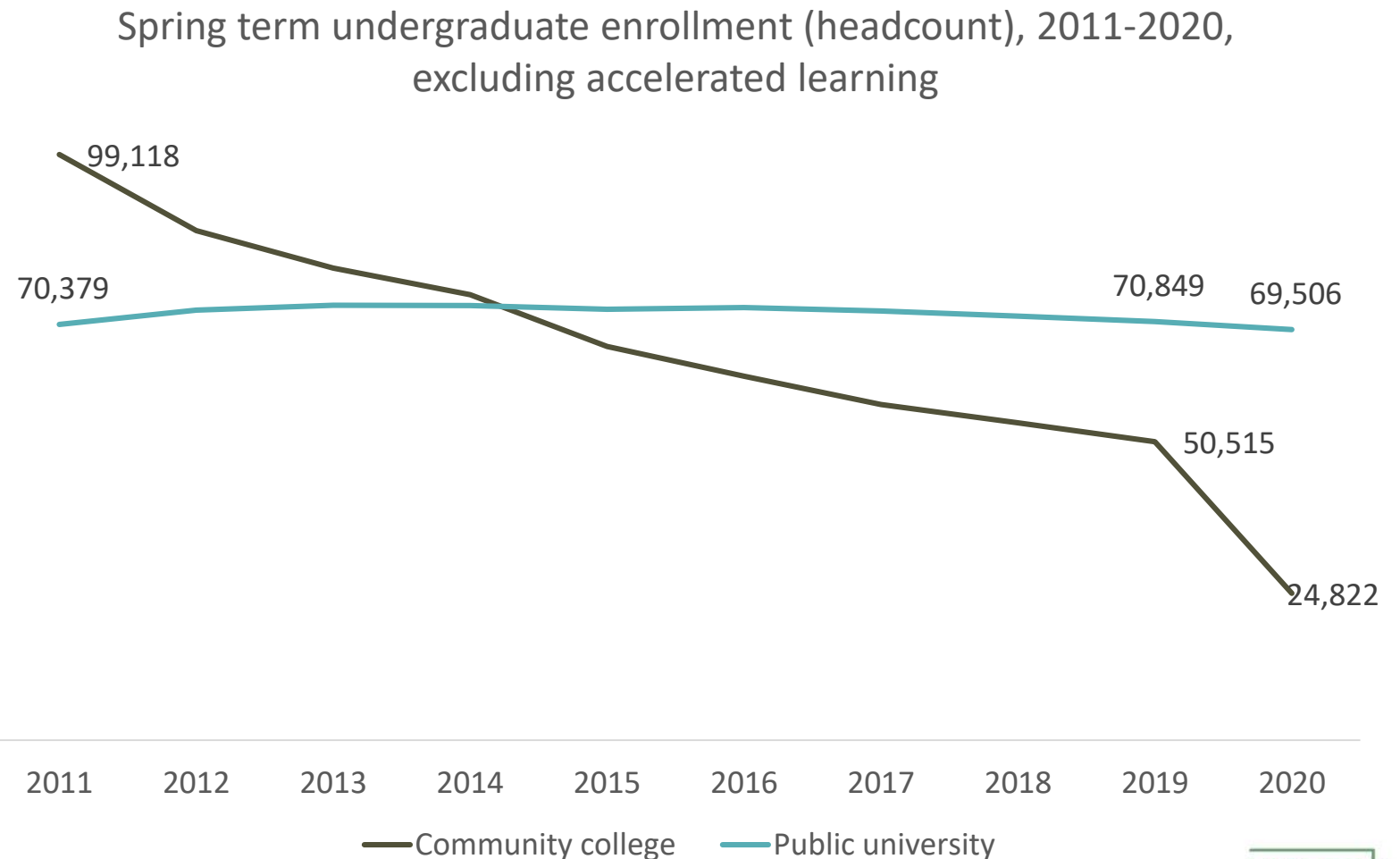
HECC workforce supports

- Commissioned ECONorthwest and thought leaders to develop reports on key workforce issues
- Managing additional federal workforce grants provided in the early stages of the pandemic

In spring 2020, enrollment held steady at public universities, but it fell sharply at community colleges

When the pandemic hit, enrollment fell at community colleges

CTE programs were hit especially hard, falling 46% in full-time equivalent enrollment, compared to a 17% decline in LDC enrollment



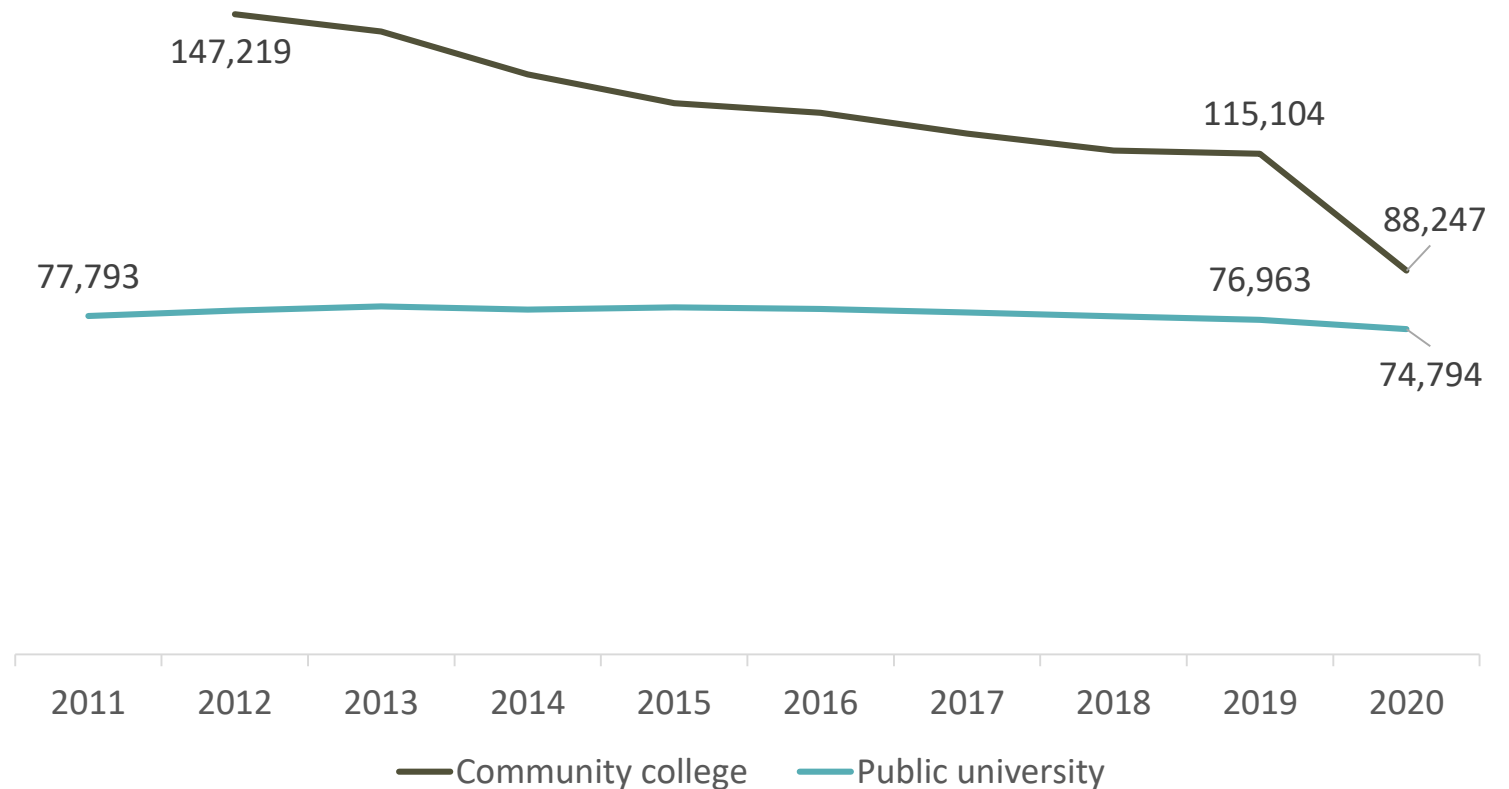
Enrollment declines continued into fall, sharply at community colleges and slightly at public universities

- At 4-year universities, enrollment of admitted undergraduates fell 2.8%.
- For Oregon residents it fell 3.3%.
- At the community colleges, total enrollment fell 23%.
- CTE and adult basic education fell more sharply.

Declines were steeper statewide for:

- Native American/Alaska Native students
- Rural students
- Institutions near wildfires

Fall term undergraduate enrollment (headcount), admitted undergraduates at public universities and all students at community colleges, 2011-2020



Why postsecondary education?



Educational Attainment	Average Annual Earnings
Graduate degree	\$83,000
Bachelor's degree	\$64,000
Associate's degree	\$46,000
Some college, no degree	\$43,000
High school diploma	\$39,000



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers, 2019.
Source: Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

But those benefits are inequitably distributed

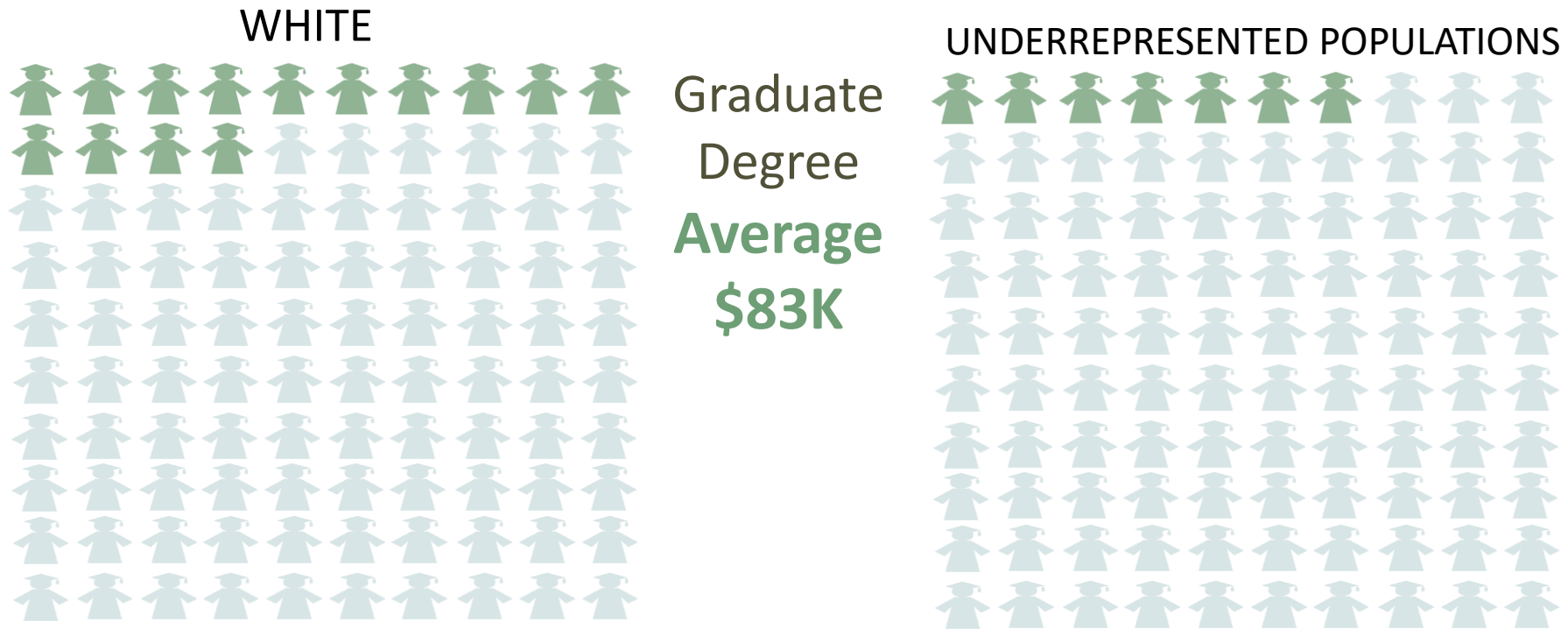
Percentage of individuals within a demographic group with each credential

Educational attainment level	Average annual earnings	% of White Population with...	% of Underrepresented Populations with... (Black, Hispanic, Native American, and Native Hawaiian combined)
Graduate degree	\$83,372	14%	7%
Bachelor's degree	\$64,896	23%	13%
Associate's degree	\$46,124	19%	18%
Some college, no degree	\$43,316	16%	16%
High school diploma	\$38,792	22%	25%
Less than a high school diploma	\$30,784	7%	22%

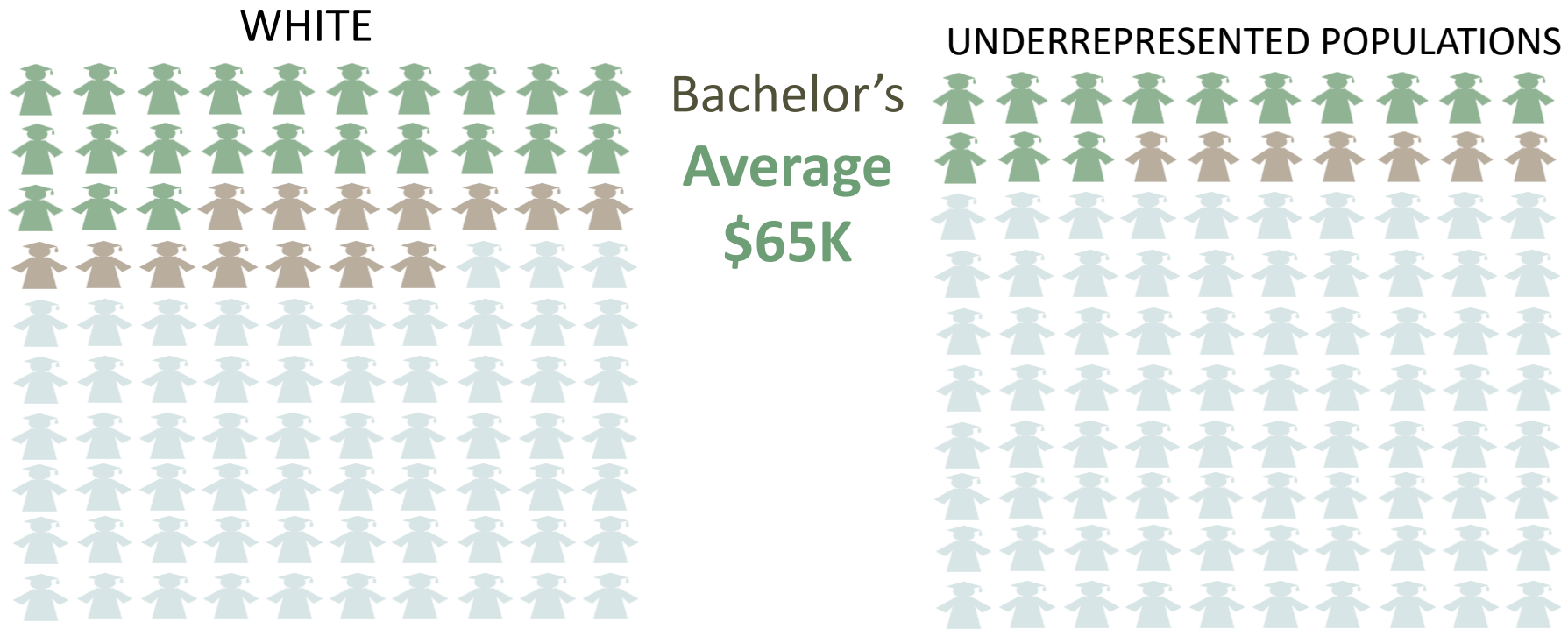
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Source: Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

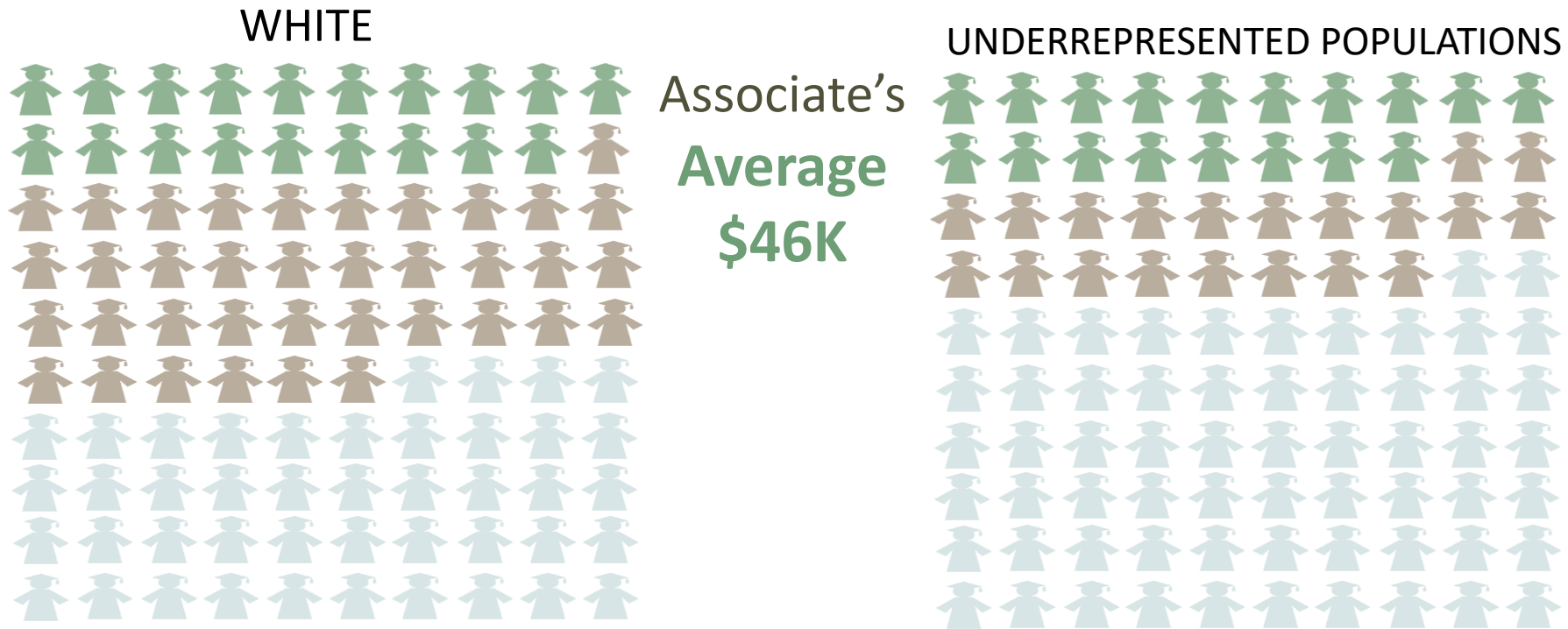
Shown another way, out of every 100 people in each demographic group, how many have this credential and benefit from the increased earning power?



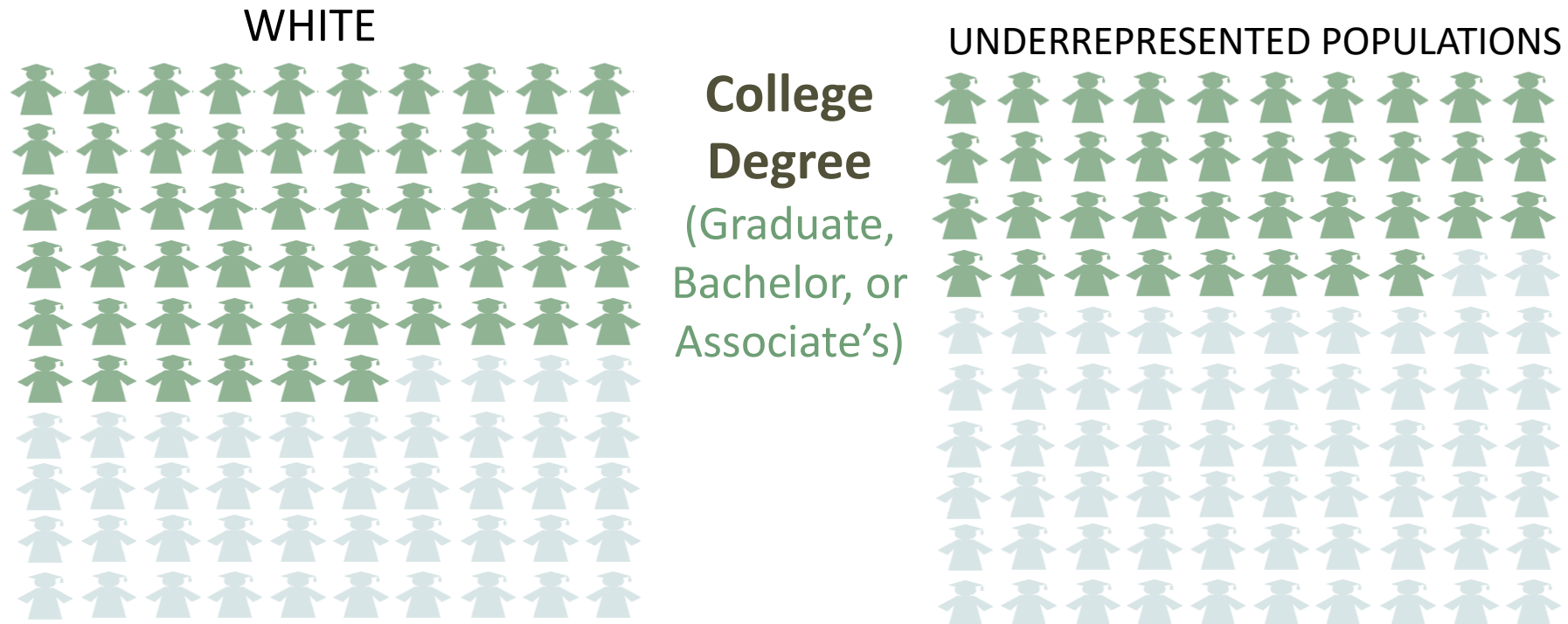
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Even for those with the same degree or level of education, young adult (25-34) Black and Hispanic people earn less than white people

Educational attainment	Annual earnings conversion	White	Black, Hispanic combined
Graduate degree	\$64,980	\$63,560	\$56,603
Bachelor's degree	\$54,700	\$57,740	\$43,078
Associate's degree	\$39,960	\$42,730	\$35,484
Some college, no degree	\$36,300	\$37,960	\$34,688
High school diploma	\$34,880	\$37,410	\$30,976
Less than a high school diploma	\$27,880	\$34,920	\$26,846

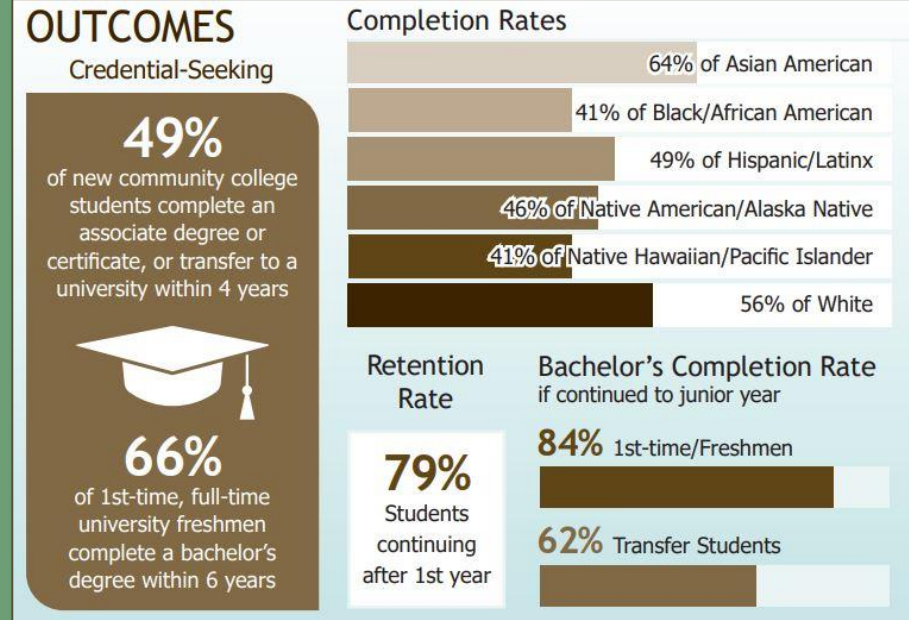
Source: National Center for Educational Statistics, 2018.
https://nces.ed.gov/programs/digest/d19/tables/dt19_502.30.asp?referer=raceindica.asp

HECC Statewide and Institutional Snapshots

- 49% of community college students complete an associate degree or certificate, or transfer to a university within 4 years.
- 66% of first-time, full-time university freshmen complete a bachelor's degree within six years.
- The completion gap between students of color and their white classmates continues to be significant.

Oregon Resident Students at Public Institutions, 2018-19

<https://www.oregon.gov/highered/research/Pages/snapshots.aspx>



Just a few of many equity challenges we need to face

Access and Affordability Challenges

- Students and their families bear most of the cost of higher education, charging high tuition, fees, textbook prices, and other costs.
- Complex pre-college outreach, admissions and financial aid systems that privileges those whose families have navigated it before
- College access based on tests/measures that are not strong predictors of student success
- Cultural signals perpetuating the stereotype that higher education is predominantly for white, 18-24 year old, full-time, residential students.

Just a few of many equity challenges we need to face...

Completion and Career Pathways Challenges

- Insufficient wrap-around support such as advising, tutoring, health services, for students to succeed and graduate.
- Transfer students seen as exception, not norm, so it is too difficult for students to efficiently transfer college credits.
- Inflexible delivery of higher ed, with class schedules often built around assumptions about “traditional” students.
- Campus climate that allows for subtle (and not-so-subtle) exclusion and micro-aggression
- Academic cultures and traditions Anglo/Euro-centric, not culturally-responsive.

What actions has HECC taken so far to improve equitable outcomes?



REVAMPED FUNDING FORMULA FOR UNIVERSITIES

In 2015, we overhauled the way we allocate state funding to the seven public universities. Oregon now significantly weights outcomes for students of color in our funding distribution.

FINANCIAL AID FOR DACA AND UNDOCUMENTED STUDENTS

Working with the Legislature, we have helped Oregon to become one of just a handful of states nationwide that administers its financial aid programs without regard to a student's immigration status.

TARGETED GRANTS

We have developed and/or administer several grant programs specifically geared toward driving equity outcomes and prioritizing service to marginalized communities.

TRANSFER COMPASS

Working to implement groundbreaking 2017 legislation to significantly improve transfer credit pathways from 2 to 4-year public institutions.

EQUITY LEADERSHIP

After years of HECC proposing it, the Legislature in 2019 finally created and funded the agency's first permanent position focused on diversity, equity, and inclusion.

LUMINA TIE PARTNERSHIP

With the support of a privately funded "Talent, Innovation, and Equity Partnership" grant, we are bringing more diverse leaders to the public policy table than we ever have before.

Funding Public Institutions (Formula Funding Only)

	COMMUNITY COLLEGES	PUBLIC UNIVERSITIES
Total Funding (19-21)	\$645.8m (\$3,777 per FY20 FTE)	\$836.9m (\$7,702 per FY20 FTE)
General Design	Enrollment driven based on fundable, full-time equivalent enrollment	Outcomes based approach in which student outcomes are funded
Students Funded	OR, ID, WA, NV, and CA residents taking courses in Oregon are included; hobby courses not funded	Only OR resident students are included; doctoral resident and non-residents included; DACA students are considered residents
Components	Categorical funding (set asides for Corrections, contracts out of district, distance learning, and strategic fund*) base payment, and enrollment-based funding	Mission funding, activities-based funding, and outcomes-based funding
Managing volatility	Three-year average of data; growth management component (stop-gain mechanism) included to prevent erosion of funding per FTE	Three-year average of data; ad hoc stop-loss/stop-gain included during transition
Differential funding	FTEs are all funded at the same rate; there is no difference for cost of instruction or type of instruction (i.e. GED, workforce, academic, etc.)	Differences in the cost of instruction by level of instruction and academic program are recognized; cost of instruction is based on data from other states
Equity (Defined as either equalized funding per FTE or an incentive based on student characteristics)	Institutional equity; funding is equalized across state and local property taxes to define total public resources (TPR) to address institutional funding equity and reimburse FTE at the same rate	Student equity; A specific incentive built in to the outcomes-based funding component; incentive is 50% for one category; categories include racial minorities, low-income, rural and military veteran

Public University Funding Formula Guiding Principles

PROMOTE RESIDENT STUDENT SUCCESS

- Incentivize progress to degree
- Incentivize degree outcomes
- Incentivize underrepresented population completions
- Incentivize in-demand degrees

SUPPORT PUBLIC SERVICE ACTIVITY AND REGIONAL MISSIONS

- Differential mission support
- Regional university support
- Research support

PROVIDE FUNDING STABILITY

- Data averaging
- Phased-in focus on completion
- Stop Loss/Stop Gain

■ Current Formula Design

Mission Differentiation – 17%

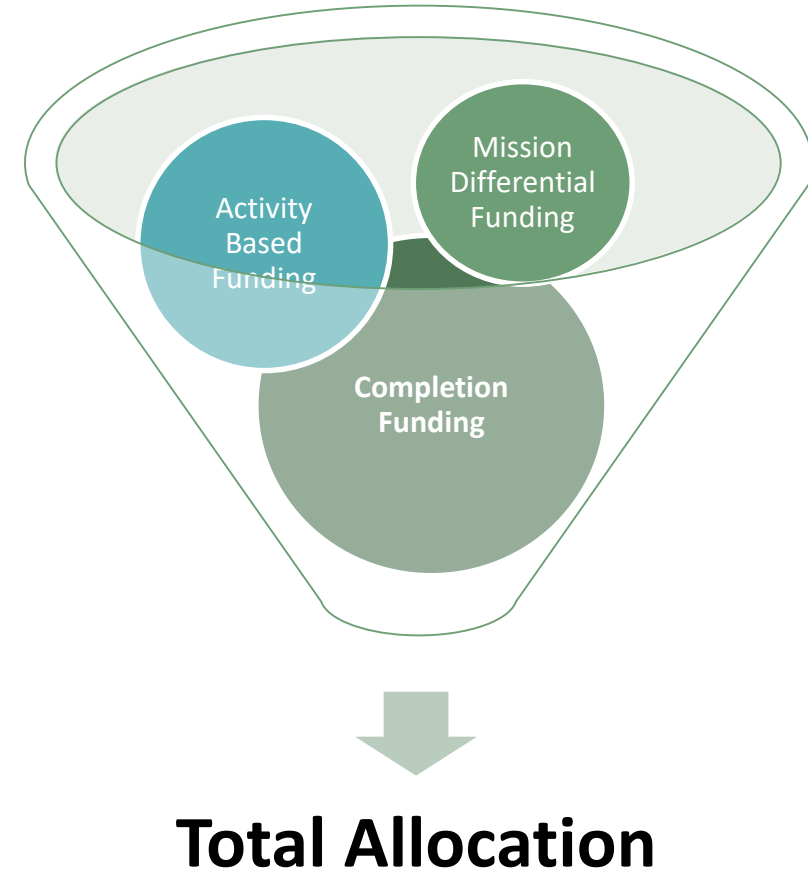
- Allocation off the top
- Based on historical levels + inflation
- Provides funding stability for regional institutions and acknowledges mission specific needs

Activity-Based – 33%

- Based on course completions
- Cost-weighting of courses by discipline

Outcomes-Based – 50%

- Includes degree completions at all levels
- Transfer bachelor degrees are discounted
- Additional weights for underserved students and completions in critical areas



A Focus on Equity

Current

\$30.6 million for equity
Average incentive of
\$5,463



Revised

\$33.0 million for equity
Average incentive of
\$5,891

One of fifteen states to include race as a consideration; weights vary from 20-100%

Recommendation is to increase the targeted population bonus from 40% to 50% (for one criteria; 55-60% for two or more criteria)

Interim advisory group to consider progress and additional design changes

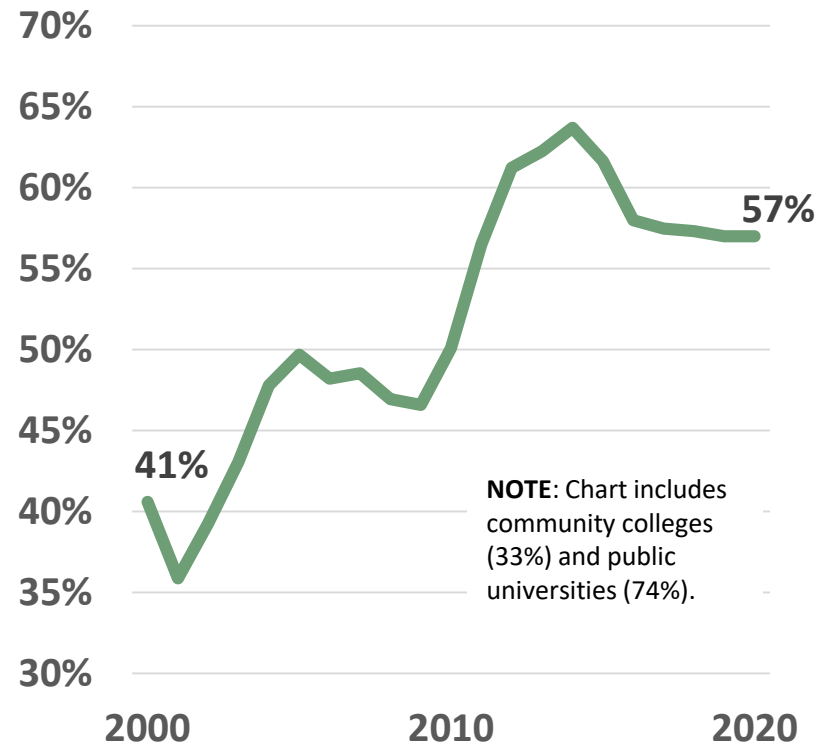
Finally: The Bigger Picture

Public funding 31st in nation

18% below national average

10% reduction in per FTE funding since 2000 (adjusted for inflation)

Tuition as Share of Total E&G Revenue



Note: Total revenue includes tuition, fees, and public appropriations.
Source: [2019 State Higher Education Finance \(SHEF\) Report](#), Tables 3.2, 3.4 and 3.5.

For every extra \$1,000 per student a state spends on its public, four-year colleges...

- A student's odds of earning a bachelor's degree by age 25 increases by 1.5%
- The likelihood a student will take on debt decreases by 2%
- The total amount a student borrows decreases by over \$5,000 by age 35

State Investment in Higher Education: Effects on Human Capital Formation, Student Debt, and Long-Term Financial Outcomes of Students, Federal Reserve Bank of New York, September 2020.

HB 2093: Redesigning Student Financial Aid Programs - Problem

Higher education costs are increasing faster than wages and inflation

In 2008, the Oregon Opportunity Grant covered 81% of tuition and fees at colleges and 53% at public universities.

- Today those numbers are 53% and 48%.

We serve fewer than 40% of students with need

We also operate the Promise program, which sends a significant share of resources to individuals without need

HB 2093: Redesigning Student Financial Aid Programs - Solution

EQUITY:

Provide the most resources to those that need them the most

SCALABILITY:

Have award amounts gradually increase/decrease by income, not jump sharply from bracket to bracket

CREDENTIAL SUPPORT:

Create a structure that helps working adults pursue short-term credentials or gain new skills

DEDICATED RESOURCES:

Protect pipeline students from the impact of adult learners returning to schools during economic downturns

FLEXIBILITY:

Eliminate barriers that prevent pipeline and adult students from qualifying for state financial funds

SUSTAINED SUPPORT:

Make benefit eligibility windows four years, regardless of prior credits

HB 2092: Providing Youth with Meaningful Employment Opportunity - Problem

Unemployment for youth, particularly minority youth is significant

- 22.8% for Black youth (pre-pandemic)
- 14.8% for Latino youth (pre-pandemic)
- 8.4% overall rate (pre-pandemic)

Oregon has youth employment programs on the books, but does not provide state general funds

- One program, funded with tax proceeds on gaming machines, has faced budget cuts. One is entirely unfunded.

HB 2092: Providing Youth with Meaningful Employment Opportunity - Solution

Governor proposed \$11.4m in youth employment funds

HB 2092:

- Combines the programs under one umbrella
- Ensures that 75% of these funds target high youth unemployment areas
- Ensures participants are paid at least minimum wage
- Ensure program participants are exposed to growing career areas
- Requires program partners to engage with communities they are seeking to serve

SB 76: Credit Transfer - Problem

Since 2017, HECC has worked with partners to ensure a common core of general education courses and lower division major coursework is universally transferable

HB 2998 (2017) establishes the framework for that work

This is a problem of growing significance

Significant gaps and challenges in the law:

- Expectations
- Enforcement mechanisms
- Incentives and disincentives
- Monitoring and Reporting

SB 76: Credit Transfer - Solution

We've introduced a bill as a placeholder that makes some incremental changes

We're working with the Senate Education Committee on major modifications to the work

Addressing the key gaps:

- Expectations
- Enforcement mechanisms
- Incentives and disincentives
- Monitoring and reporting