

**MEETING #382
OREGON STUDENT ASSISTANCE COMMISSION
Friday, March 27, 2009**

Conference Call

COMMISSIONERS

Bridget Burns, Chair
Cap Sharples, Vice-Chair
Mike Filippelli
Dean Wendle
Philip Shilts
Bart Howard

STAFF

Dennis Johnson, Executive Director
Beverly Boyd, Executive Assistant
Susan Degen, Oregon Opportunity Grant Administrator
Alan Contreras, ODA Administrator
Jenny Ryan, Policy Analyst

GUESTS

Margie Lowe – Governor's Office
Bill McGee – Budget and Management Division

CALL TO ORDER

Commission Chair Bridget Burns called the meeting to order at 10:05 a.m. Commissioner Brian Lemos was not in attendance. Having a quorum, the meeting proceeded.

APPROVAL OF MINUTES

Commissioner Mike Filippelli made a motion to approve the minutes for Meeting #381 February 27, 2009. Commissioner Bart Howard seconded the motion, and by unanimous vote the February 27, 2009 minutes were approved.

COMMISSION CHAIR'S REPORT

Commissioner Burns is preparing for testimony on Monday and Tuesday, and thanked Dennis Johnson for preparing suggested comments for the Commissioners.

She stated that they had just heard the good news about the estimator, but is still concerned that we are basing our expectations on tuition levels that are in flux depending on budgets. We don't have any say in that and have no idea how that is going to go. She is grateful that we got the approval due to a lot of advocacy from different sectors to get that going, so the financial aid directors have an idea of what they may be offering students in the fall.

ODA ADMINISTRATOR'S REPORT

Alan Contreras, ODA Administrator, gave a brief overview of the ODA report. He stated that the trucking adverse impact case is over; the agreement has been signed and is now in effect. There are some issues still needing to be addressed.

Alan reminded the Commission that Carolyn Sinclair will be retiring this coming Tuesday.

EXECUTIVE DIRECTOR'S REPORT

Oregon Opportunity Grant Estimator

Dennis Johnson, Executive Director, stated that as of yesterday, we received the approval to post the online estimator for the Oregon Opportunity Grant. The screen shot that we provided to you shows the statement that

financial aid officers **must** put on each financial aid award letter, which states that the 2009-10 Oregon Opportunity Grant is an ESTIMATE, based on March 2009 state economic information, this amount may be adjusted when final state appropriation levels are known. The intent is to be sure that the message is clear, based on estimated information from March 2009. Aid officers are very familiar with this as they are always estimating on awards, based on federal tentative appropriations and other funding.

Commissioner Mike Filippelli asked when the numbers would be finalized. Margie Lowe stated that the Legislature is hoping to adjourn sometime in the month of June and would expect that the Commission's appropriations for the Opportunity Grant will occur sometime around the last week of the Legislative session.

Commissioner Dean Wendle asked to discuss the seven items regarding the estimate pool and parameters. He stated that the community colleges state funds are likely to be cut by 15 percent and will probably be cut by another 10-15 percent by the next forecast.

Mr. Johnson reminded everyone that the OOG awards are based for the current year on the previous year's tuition and fees. Using 2008-09 tuition and fees for the 2009-10 standardized budget is not unusual. The idea of projecting that into the second year of the biennium and holding that level is somewhat unprecedented.

Commissioner Wendle suggested rethinking the cutoff date item. It would be better to add funds to students rather than take away at the end. It is unfair and unreasonable to not consider cutoff dates going in. He sees the burden landing on community colleges again to help other sectors.

Chair Burns stated that she is sensitive to this but believes there are issues around messaging. She acknowledges that Commissioner Wendle's concerns are valid. In terms of the community college cutoff date, she thinks that is something that should be handed over to the Steering Committee with a specific request to select a cutoff date. If the Governor's Office is supportive of that, then we go with it.

Chair Burns stated that we are in a no-win situation since we know tuition is going to go up considerably, we also are aware that we are probably not going to get any additional funds.

Margie Lowe stated that the Governor is still advocating for an appropriation level higher than what was noted in the letter sent to the Co-chairs. They are pushing hard for a policy choice that will anticipate the higher demand level that we are already seeing in FAFSA traffic.

Chair Burns acknowledged that it is because of the advocacy of the Governor's Office that we are doing so well. She is not viewing it as there would be no additional funding to come, but an additional funding would be soaked up by the increase in students and would not translate into higher awards to offset the tuition increase. She asked Ms. Lowe if she thought implementing cutoff dates would inhibit our chances of receiving additional funds. Chair Burns feels like we have to balance our responsibility of the program on our hopes.

Ms. Lowe stated that she has urged the Steering Committee, with support from Commission staff, to come up with a prioritized method of what should happen with the Opportunity Grant program both on the up- and down-side. She thinks it is really important in these rather unpredictable times for the Commission to have a menu of choices, where priorities are in place if you have to add or subtract funds. In addition to that, it is important to articulate the impact of those choices to the students and the state as a whole.

Chair Burns stated that while she agrees with having a menu of choices, the only item that needs to be announced is a time cutoff. She asked Ms. Lowe if she thought announcing this would inhibit our chances of gaining additional funding.

Ms. Lowe believes it is important to not publish cutoff dates. We are pushing for a program that we see as not having cutoff dates. It may mean we have to make some compromises in the tuition and fees categories and will have to absorb that in the second year of the biennium. It is more important to serve more students rather than increase award sizes. Some schools may have to use their net increase to offset that added cost to the highest need students. There are ways in which schools can mitigate some of the impact of what they may need to do for tuition and fees. They would prefer that we hold the line on shutting the door on student eligibility later in the year.

Commissioner Wendle noted that the schools that have the resources to help students are not the community colleges, they have the least resources. As unemployment goes up, the economy goes down, more people are going back to school. As funding goes down, fewer will get it. They will carry the burden of not getting fully

funded through the OOG. He said that 85 percent of the late enrollees were community college students, and they got nothing. He agrees with the Steering Committee taking a look at it and coming back with scenarios.

Commissioner Philip Shilts agrees that there was inequity for community college students not getting aid. He would like the Steering Committee to look at this and come up with a better system to do cuts. We all agreed that we wanted a more organized and institutional process.

Dennis Johnson said there should be a Steering Committee meeting between now and the April Commission meeting.

Chair Burns agreed that we should push this to the Steering Committee agenda. Believes it is critical that we be prepared to act and be as responsible as possible.

Commissioner Mike Filippelli asked about having a line next to the estimator saying that funds are limited and the earlier you apply the better chance you have of receiving funds.

Mr. Johnson noted that the estimator has not been posted for students to use. This is only for financial aid officers at this time.

Chair Burns stated that she doesn't think we should post an estimator for students at this time, the intention of the estimator online is to drive up traffic, but we are no longer in the position of trying to spend the funding. She does not want us to appear that we are making promises to students that we can't follow through on. Financial aid officials understand how tentative the estimator is, but students may have some confusion around it.

Ms. Lowe stated that an alternative to posting the estimator for students would be a message to all high school counseling offices, college admissions and financial aid offices, to encourage students to complete the FAFSA as early as possible because of the uncertainty of resources. It would help to make our case to confirm to the Legislature how critical this program is because we could show rising need amongst students who are eligible for the program.

Mr. Johnson stated that we are already up 19 percent from last year's record level. He does not know how much more we could get by sending out even more messages. He believes it would cause more confusion and could call attention to a situation that already needs to be contained.

Ms. Lowe thought that some people may be still under the assumption that we will have year-round awarding, so it is important to get the word out that we hope to do year-round awarding but we are not certain of that and because of that uncertainty it is important for students to be encouraged to complete the FAFSA early.

Mr. Johnson said that another factor is sending emails to all viable candidates who complete their FAFSA's, urging them to get to their admissions' office early rather than waiting. As we saw last year, students who did not get their paperwork in before the cutoff did not receive awarding that they otherwise may have been eligible for.

Chair Burns said that we need to come to some agreement on messaging. She believes it is understood by most that we are pushing the message to apply early.

The Commission agreed that this should go to the Steering Committee and will then make a decision in April.

LEGISLATIVE UPDATE

Bill Tracking

Mr. Johnson gave an overview of the bill tracker sent to Commissioners earlier today.

Hearing Schedule

Mr. Johnson stated that he and Chair Burns will be presenting at the Ways and Means hearings Monday morning. He noted that Tuesday's hearing will be public testimony and stated the importance of having people testifying to the importance of the OSAC programs.

He gave a brief overview of other hearings coming up.

OTHER BUSINESS AND ADJOURNMENT

Upcoming Meetings and Venues

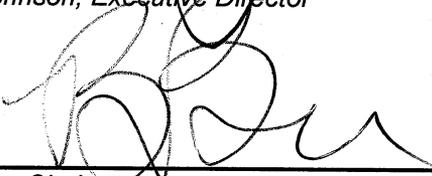
Mr. Johnson discussed the option of having the April 24, 2009 meeting in Salem. All agreed that Salem would be good for the April meeting in the afternoon. We would then have a conference call for the May meeting, and back in Eugene for the June meeting.

There being no other business, Commissioner Burns moved to adjourn the meeting at 11:05 a.m. and Commissioner Filippelli seconded the motion.

Respectfully submitted,



Dennis R. Johnson, Executive Director



Bridget Burns, Chair



Cap Sharples, Vice-Chair

Mike Filippelli, Commissioner



Dean Wendle, Commissioner



Philip Shilts, Commissioner