MEETING #397
OREGON STUDENT ASSISTANCE COMMISSION
Monday, May 3, 2010

Conference Call

COMMISSIONERS
Brian Lemos, Chair
Philip Shilts, Vice Chair
Cap Sharples
Bridget Burns
Bart Howard
Alethia Miller

STAFF
Mike Marsh, Interim Executive Director
Beverly Boyd, Executive Assistant
Susan Degen, Opportunity Grant Administrator
Cheryl Connolly, Operations Assistant

GUESTS
Belle Cantor, Oregon Community Foundation
Margie Lowe, Governor's Office
Trisha Tate, Ford Family Foundation
Twyla Lawson, Department Administrative Services
Kathy Campbell, Chemeketa College

CALL TO ORDER
Commission Chair Brian Lemos called the meeting to order at 12:30 pm. Having a quorum, the meeting proceeded. Commissioner Glenda Melton was unable to attend.

EXECUTIVE DIRECTOR RECRUITMENT
Discuss recruitment documents
Chair Lemos requested Mike Marsh and Twyla Lawson to work together on extending the recruitment timeline. Mr. Marsh confirmed that he would not be applying for the Executive Director position.

The new timeline is as follows.

- The position will open May 4, 2010
- The position will close May 31, 2010
- Review of applicants will begin week of June 7, 2010
- First interviews will begin week of June 21, 2010
- Final interview will commence by July 5, 2010

Commissioner Howard approved of the new dates and would like to be involved in the selection process. Commissioner Burns suggested continuing with appointing the committee and having the committee make the timeline decisions. Commissioner Shilts would like to see an extended 30-90 day timeline.

Commissioner Howard moved to accept the new timeline. Commissioner Burns seconded the motion. In Favor: Chair Lemos, Commissioner Sharples, Commissioner Miller, Commissioner Burns and Commissioner Howard. Opposed: Vice Chair Shilts. The motion passed five to one.

Twyla Lawson presented the Recruitment Announcement edits. Mike Marsh would like to add verbiage to item #10 to include, "and describe your management experience with a board, commission or public agency, including supervising staff and managing a budget." There were no objections.

Commissioner Burns moved to accept the Recruitment Announcement and the edits to the documents. Commissioner Sharples seconded the motion. The motion passed unanimously.

Choose recruitment interview panel
Twyla Lawson requested two or three Commissioners to serve with Mike Marsh on the recruitment interview panel. The panel would choose applicants for first round interviews and conduct the first interviews. Commissioner Burns, Commissioner Howard and Commissioner Sharples volunteered for the positions. Commissioner Lemos will be an alternate to serve in the event that a conflict of interest arises among the recruitment panel members. Twyla Larson stated that a statute is in place that prevents members of boards or commissions from applying to the position. The first interviews will take place during the week of June 21, if not the previous week.

Vice Chair Shilts moved to accept Commissioner Sharples, Commissioner Burns and Commissioner Howard as the recruitment interview panel. Commissioner Miller seconded. The motion passed unanimously.

OREGON OPPORTUNITY GRANT ISSUE
Discuss letter to Governor
Chair Lemos made edits to three areas in the letter to the Governor. Under Personnel, Chair Lemos added "along with your support of new leadership, voted unanimously to accept the resignation of former OSAC executive director Dennis Johnson."

Under Communications, Chair Lemos removed the statement "the communication gap and levels of mistrust that exist between the financial aid community charged with delivering the OOG funds to students and the Governor's office must be addressed." He believed this was stated twice. The following statement was left in place to convey the message, "The Commission must work to bridge the gap that divides the financial aid community from the executive and legislative branches of state government."

Under Analysis of This Year's Over-commitment, it states "Last summer the staff of OSAC recommended a mid-summer cut-off on funding applications for the program, fearing the overwhelming increase in applications that did indeed appear late in the summer. Instead, the Steering Committee heeded the advice of your staff that the increase was not at that time substantial enough to warrant such an early deadline and set a cut-off date of August 15, 2009." The portion from "Instead,...cut-off date of August 15, 2009" was removed.

The second bullet, third sentence, pinpoints the advertising campaign. Chair Lemos stated that it was already in the letter at the top stating "the major increase came at the end of summer 2009, many believe that this was encouraged by the state wide advertising." Commissioner Howard stated that the original verbiage also included the Employment Department and others. Commissioner Howard asked Chair Lemos why he took out this portion when the campaign is still going on, even though anyone that applies will not be considered. Commissioner Shilts pointed out that it was still in the letter but reduced to one line that states, "Many believe this was encouraged by the statewide advertising campaign." Commissioners Howard, Sharples, Miller and Shilts would like the stronger language to remain in the letter. The final verbiage states, "While the tsunami of applicants for financial aid and resulting enrollment increases this year have been well documented, the timing of this increase continues to be unclear to some people. The major increase came at the end of the summer of 2009. Many believe this was encouraged by the statewide advertising campaign. Also involved were other state agencies such as the Employment Department and the Department of Human Services, advising many recently unemployed, dislocated workers of increases in federal Pell Grants and the OOG, making it possible for many to enroll in college when other benefits ran out. In effect, the Pell Grant and the OOG have become, for many, another social safety net in this severe recession."

Commissioner Lemos confirmed that the Governor's office had no influence in the changes made to the letter.

Commissioner Sharples pointed out another deletion to the letter. The fifth bullet under the Analysis of This Year's Over-commitment heading has been deleted by Chair Lemos. Commissioner Sharples read the removed point, "Had mid-year reductions of $400 for full-time students and $200 for half-time students been implemented as approved by the Commission the savings would have been around $10 million, ensuring more funds available for 2010-11 awards." Chair Lemos stated that he had taken this point out because he did not believe this information needed to be shared. Commissioner Howard stated that the Governor would want to know that the Commission was trying to be responsible and the reasons why it had not followed thru. Commissioner Lemos asked "who stopped us from doing this?" Commissioner Miller believes it was the Governor's office, because the $400 amount was a full award and that it was stated that it was illegal to take away a full award. Chair Lemos wanted to stick with facts. Commissioner Miller stated that this was exactly what Margie Lowe stated at the Steering Committee meeting and that they could not take away an entire award. Commissioner Howard stated that the Commission is taking away complete awards going forward into next year. Commissioner Sharples stated that the Commission did the $400 and $200 because they saw signs of serious overrun. The Steering Committee met after that and the Steering Committee did not feel it needed to be done. The Commission adopted the Steering Committee recommendation. The minutes of the Steering Committee meeting will need to be checked to verify this information. Commissioner Miller stated that she believes this is what happened, but the Commission could have still voted to do a $200 full-time student and a $100 half-time student reduction. At the next Commission meeting the decision was made not to implement this reduction. Commissioner Miller requested to leave in the full bullet point verbiage. Commissioner Shilts stated that his recollection was if the Commission went ahead with the $400 and $200 reductions, they would need to make a temporary rule to allow the action to be legal. Commissioner Shilts also remembered being told that they did not want to reduce the number of students that were receiving awards. The Steering Committee later made the recommendation to do smaller awards of $60 and $120. If the bullet point is correct it should be left in. Commissioner Miller stated that the bullet point is correct. Commissioner Shilts stated that it should be left in. Commissioner Lemos stated that the signature at the bottom of the letter will ultimately have his signature on it and Commissioners are going off of a lot of memory, the information facts are not pin-pointed, so it should be removed. Commissioner Sharples stated that the Governor has asked the Commission for an analysis, in the interest to keep the program as healthy as possible we need to have a good analysis and this is certainly part of it. The interaction and decision making processes between the Commission and the Steering Committee are in question here and it needs to be figured out to give the Governor a complete answer. The minutes need to be reviewed before the letter is sent to the Governor. The Commission had the opportunity to stop the bleeding and somehow it escaped us. Commissioner Sharples would like to have it investigated and figured out. Chair Lemos asked if they were suggesting that the minutes be gone back thru to determine exactly what happened. Commissioner Miller, Commissioner Sharples and Commissioner Shilts replied "Yes." Chair Lemos stated that the letter needs to be in the Governor's hands by end of day. Commissioner Shilts agreed that if the letter is indeed a letter from Chair Lemos that he should have the final say in the content, but the Commission designated the sub-committee to write the letter, it was Commissioner Shilts' understanding that the letter was not just from Chair Lemos but from the Commission. Commissioner Shilts stated that the two options are to (a) send the Governor the letter that was approved at the last Commission meeting or (b) take the time to review the minutes to ensure that everything is correct. Chair Lemos stated that there was not enough time to research the minutes. Commissioner Sharples stated that the bullet-point statement is correct. It does not state anything about the Steering Committee, the statement by itself is correct. Commissioner Sharples stated

that all of the sub-committee member's names should also be on the letter. Chair Lemos stated that he had spoken with sub-committee member Commissioner Burns that morning; Commissioner Burns stated that she was fine with all of the changes Chair Lemos had made to the letter. This gave Chair Lemos two out of three sub-committee members approval of the edits. Commissioner Lemos asked to approve the letter with the changes made, with exception to the mid-year reduction piece. Commissioner Shilts stated that at the last Commission meeting all of the Commissioners were happy with the letter and this was after the letter had left the sub-committee, and now these changes are troubling to a few of the Commissioners. Commissioner Shilts was surprised by the changes. Commissioner Howard asked "if this is being decided by the sub-committee, why is it being presented again at a Commission meeting?" Chair Lemos stated that the sub-committee was going to discuss the contents of the response letter, then out of respect for the other Commissioners the sub-committee would let them know what the response letter was so they would have time to look at it. Commissioner Howard asked to confirm that the letter does not require the approval of the Commission, even though a vote was taken at the last Commission meeting to approve the letter. Chair Lemos stated that it was information only for the other Commissioners. Commissioner Howard called for a point of order to ask the question "does the Commission approve the letter or not?" Mike Marsh responded that the letter will represent the Commission but the Commission does not have to vote on it. There would need to be some kind of concurrence to move the letter forward. Chair Lemos agreed. Chair Lemos asked if they wanted to stop progress with the disagreement on the one piece. Commissioner Sharples believes strongly that this piece should be in the letter, but is confused about who has the final decision. The letter is representing the Commission, but if Chair Lemos has the final say he can do whatever he wants. The analysis gives a historical background as to how the over-awarding happened. The Commission made the decision to implement mid-year reductions, the fact that those did not happen is an important part, and another important part is the confusion as to why it did not happen. Commissioner Shilts also feels it is important because the letter from the Governor was not just addressed to the Executive Director or the manager of the program. It is important to include that discussions were had and efforts were made to take drastic steps to get this program back into budget. It is important to note that the discussion happened. Commissioner Miller stated that she agreed with Commissioner Shilts and does not understand why Chair Lemos would not want the statement in the letter, Commissioner Miller asked Chair Lemos to explain his removal of the statement. Chair Lemos stated that he thinks there is confusion about who stopped the Commission from implementing the award cuts. Commissioner Miller stated it was obviously the Steering Committee. Chair Lemos stated that if we know who stopped it that would need to be pinpointed. Commissioner Sharples stated that there was no guessing, the statement as it is written is completely accurate. Commissioner Miller stated that she was concerned as to why Chair Lemos does not remember that the Commission voted and it was a unanimous decision. Chair Lemos is still unclear as to who stopped the decision from moving forward. Commissioner Shilts stated that concern from the Governor's Office that awards were being taken away, along with the Steering Committee recommendation, the Commission ended up going with the recommendation in the next meeting. Commissioner Shilts believes that the Commission can be comfortable in the letter not being 100 percent clear as to why the Commission did not continue thru with the award cuts, a reference to the meeting minutes where the decision was overturned could be included. Due to the time sensitivity we cannot have the answer in the letter directly. Chair Lemos stated that the question is why the Commission did not implement it, who stopped them from implementing it and why they did not do it. Commissioner Miller said "it does not say in the bullet point exactly who stopped us". Commissioner Shilts suggested adding a sentence stating "in the next meeting the Commission decided to accept the Steering Committees recommendation of smaller reductions." The Commission had serious discussions about how to get this program back in budget and it needs to be included, so that the Commission does not look irresponsible. Chair Lemos stated that enough concern has been stated and he feels there are

some valid points that Commissioners want to keep it in. Chair Lemos will be leaving this bullet point in the letter.

Mike Marsh stated that the Commission did take additional action to stop professional judgments and to set student maximum award amounts based on the first FASFA. This shows additional controls by the Commission and this should be in the letter.

Chair Lemos stated that he did not need to take action on the letter, he had the consensus of the Commission and no vote is needed.

There being no other business, Commissioner Shilts moved to adjourn the meeting. Commissioner Howard seconded the motion. The meeting was adjourned at 1:30pm.

Respectfully submitted,

APPROVED AT COMMISSION MEETING #398 MAY 21, 2010

Mike Marsh, Interim Executive Director

Brian Lemos, Chair

Philip Shilts, Vice Chair

Cap Sharples, Commissioner

Bridget Burns, Commissioner

Bart Howard, Commissioner

Glenda Melton, Commissioner

Alethia Miller, Commissioner