

MEETING #408
OREGON STUDENT ASSISTANCE COMMISSION
Friday, April 22, 2011
Oregon Student Assistance Commission
University of Phoenix
Salem, OR

COMMISSIONERS

Bart Howard, Chair
Cap Sharples, Vice Chair (phone)
Glenda Melton
Mike Holland
Gary Weeks
Ben Eckstein (phone)

STAFF

Josette Green, Executive Director
Jennifer Diallo, ODA Administrator
Mike McNickle, Director of Scholarship and Access Programs

GUESTS

Gary Andeen
Bret Rowlett (phone)
Brent, Incight (phone)
Gina Wicks (phone)
Emma Kallaway-OSA
Joel Fischer-NWCCF
Bill McGee-DAS

CALL TO ORDER

Commission Chair Bart Howard called the meeting to order at 9:35am. Having a quorum present, the meeting proceeded.

CHAIR'S/OTHER COMMISSIONER'S REPORT

Chairman Bart Howard reported that after the March meeting he looked into the possibility of the ODA administrator reporting to the OSAC Executive Director. He stated that a full report will be given at the appropriate time of the meeting. There were no other reports from the commissioners.

EXECUTIVE DIRECTOR'S REPORT

Update: Josette Green reported that Thursday April 21 was a critical time in the Legislature. Any bill that did not make it out of its first chamber died. Amendments to SB 242 have been completed; they incorporate our need to retain governance and all of the rights and responsibilities of the commissioners as they exist today. OSAC worked with the Ways and Means Education Subcommittee co vice-chair, Representative Dembrow, to get the amendments written in a way that best supports the agency to move forward. There will be some coordinating efforts between OSAC and HECC. Under SB 242 the agency's new name will be Oregon Student Access Commission. OSAC's relationship with the HECC is to work with coordinating financial aid and to work on budget and overall goals. SB 242 is currently sitting in the Ways and Means Committee; there has been a hearing. Commissioner Holland asked if the bill has a provision for OSAC to provide staff services to the HECC? Ms. Green responded no, that was in section 8a, which was taken out of the SB242, with new amendments. Commissioner Holland then asked if ODA will now answer to the HECC. Ms. Green responded in the body of the bill ODA is separated from OSAC and will no longer be under the oversight of the Commission as of January 1, 2012. The HECC will have authority to approve rules, which was important to ODA. The amendments also abolish the Shared Responsibility Steering Committee June 30, 2011.

SB 909 is of interest to OSAC because of how it reorganizes Higher Education funding. This involves the Governors investment board. The Senate Education Committee approved the bill with a “do-pass” recommendation and referred it to Ways and Means. There was one dissenting vote. Ms. Green sits on a Committee that includes individuals, The OUS Chancellor, the Commissioner of Community Colleges, and the Governor’s Education Policy Advisor Nancy Golden, that will flesh out what the board is suppose to look like. Ms. Green discussed a handout labeled “Educational Goals.” The first and second pages illustrate the education system as it currently exists. The third page begins the transition to the Higher Education Investment Board, the initial elements of it would retain the HECC and retain agencies such as OSAC and OUS as they currently exist. We would then begin working with the HECC and the Investment Board in transition. The Investment Board is trying to create individual groupings of students and working towards some outcomes for those students rather than focusing on a particular sector of college. It’s about looking at the students themselves and working on outcomes. The very last page of the handout is the board’s future structure. What is being proposed is an integrated 0-20 educational system. All commissions and boards would be removed, and all of the agency heads would then report to an Investment Board Executive Officer. The question is how to handle appointing commissioners, who may only serve for one year if SB 909 passes. Commissioner Holland asked what are the chances of these bills passing, either SB 242 or SB 909? Ms. Green responded those that are supporting the passage of SB 242 will be the first to say “we don’t know.” For as many people that support the bill there are many who oppose it. SB 909 does have the backing of the Governor. The Governor’s office has been secured \$100 million dollars from Nike for its formulation.

Members of the audience (Gary Andeen, Emma Kallaway and Bill McGee) were called on to report their observations on the passage of SB 242 and SB 909.

The bill is very fluid right now, this hand out came from the Governors press release and some of it has already changed. Emma Kallaway of OSA stated, “I currently sit on a coalition with all education lobbyists and I think that the transition model is interesting. When I saw the dash 4 amendments of SB 909 I thought that they were moving towards a really strong task force. What the transition model and the end model is all about is getting to a less expensive more connected type of government. By integrating the government they are looking to reduce costs. One of the reasons that I think we are seeing momentum on this is that there is no commitment to a final product with SB 909 and that leaves a lot of discussion for how so you manage a state agency with one Executive Director and no commission to discuss small details. Those questions will be able to be answered in the interim. Most people seem to feel comfortable voting for this because they don’t feel like they are trapping themselves into the final product.” Commissioner Holland asked if OSA thinks that the bill as written will produce the transition with a task force to get us to something in 2012 that may look like the final version with some modifications depending on what the task force recommends. Emma Kallaway responded that she doesn’t think so. That is just the feeling that I get from talking with a lot of k-12 folks. People are not comfortable spending money without having a clearer picture of what the coordinating commission will be. I think we will get a bill that will look more like the transition in 2012. Commissioner Howard then asked Bill McGee to comment on the conversation. Bill McGee commented, that he thinks SB242 is closer to being passed.

Ms. Green reported the Investment Board plan is to have it fleshed out by May 31st. On May 16th OSAC staff and Commissioners will meet with the OOG Advisory Group to discuss the OOG plans for the upcoming year. We hope to have a lot of the details about the Investment Board sorted out by then for discussion. Emma Kallaway asked is the Investment Board addressing the concerns that a lot of teachers have about funding to outcomes. Ms. Green responded that he Investment Board is tasked with looking

at these groups of students and their outcomes. The Board is in the beginning phases of drafting that; it has been more about doing the research and pulling the numbers. There is lots of data, thanks to the Governor securing the \$100 million the Board will be able to have researchers working on this. Ms. Green met with one researcher this week to talk about the OOG and what kind of formulas we are looking at for funding going forward to make sure we are getting to our neediest students. The Investment Board has not addressed specifics yet it is working on formulating the plan.

Ms. Green reported the HB 2117, which has amendments specifically for ODA, has been passed to Ways and Means with a “do-pass” recommendation.

Ms Green reported on HB 3471 which covers tuition waivers for foster youth. Originally OSAC was not part of this bill but through the formulation of amendments OSAC was incorporated. This bill has the greatest impact on our daily administration. It requires community colleges and OUS to provide a tuition waiver for foster youth. What was written into the bill was that the student first has to have their eligibility determined for Pell grant and OOG. After that any remaining funds will be covered by the college or university. It requires OSAC to retain a portion of the OOG funds to award later in to the year. For the current year OSAC had funds sufficient to award only through January. If the bill passes OSAC will be keeping an amount that it feels the foster youth need to access to the side and continue to award the rest at a later date then already occurs. Approximately 300-400 youth under the age of 25 would be eligible for that award. Ms. Degen commented that the original estimate is \$600,000. Ms. Green reported that OSAC doesn't know who the foster youth are and that is part of the burden OSAC would encounter. OSAC would have to work with DHS in identifying who the foster youth are and then award accordingly. Commissioner Holland commented that he doesn't know if the Commissions conversation should be limited to what is doable for OSAC or if they have the license to think about the policy itself. It bothered him to single out foster youth for this award. Not because they do not deserve it but because there are other classes of disadvantaged youth that would be just as deserving that are not included under this policy. Commissioner Howard commented that Vicki Merkel felt very strongly about supporting foster youth. She had some good reasons for thinking that. She felt that this was one way that the state could break that cycle of poverty with a large group of people. He asked if OSAC had taken any stands before, particularly in testimony at the capital.

Mrs. Degen reported that OSAC has taken stands in past years but it has been in different context. OSAC does currently have a scholarship fund for foster youth and in previous budget cycles has requested funding for that scholarship fund. It was funded 2001-2003 and the scholarship was not renewed. It exists but in a different context. In reference to HB 3471 the agency didn't know that it was going to include OSAC. The amendments state that OSAC is supposed to prioritize the OOG for this particular group of students. The other groups of students that are treated in the same way are the children of deceased or disabled public safety officers. The cut off days for the OOG do not apply to this group as well. That would be the same for foster youth if HB 3471 goes through.

Emma Kallaway commented that the debate right now seems to be should anyone moved to the front of the line, and if a group is going to be singled out shouldn't it be the largest most disadvantaged group. Commissioner Weeks suggested that OSAC would be better served to work with the foster parents association directly and publicize current grants and aide foster youth in getting through the process the regular way. The way the bill is currently written OSAC will have to deny some students that may have the same financial need but didn't grow up in foster care.

Mrs. Degen reported that the way the bill is worded is interesting. The original intent of the bill was for public institutions to cover tuition and fees for foster youth. If they are covering the cost of tuition and fees then that leaves the rest of the cost of attendance to be covered by Pell, OOG, and the Chafee

award. The original bill made sense but by amendment that wording has changed. It now states that students are to use OOG and Pell first to pay tuition and fees then the institution would pick up the rest of the tab. The living expenses are to be covered by Chafee, but Chafee is only \$6,000.

Ms. Green reported that conversation with Representative Dembrow and Wingard (co-sponsors of the bill) was to drive consideration of total educational costs including room and board when providing assistance to these students. Foster youth need the full cost of attendance covered. The bill was structured this way because of the cost it would incur for community colleges and OUS. There is an identical bill in the Senate but it has not been amended.

Commissioner Howard said that he can see OSAC taking a stand on this bill. The bill is trying to address foster youths need with the OOG but OSAC has a whole other branch of the Commission that tries to deal with special kinds of scholarships. He then asked for Mr. McNickle to take up a task force to talk about other creative ways to help these students. Commissioner Melton has some concern that by singling out the foster youth from other groups that deserving students are being left out. Commissioner Howard commented that it would be easier of Ms. Green to carry the Commission's viewpoint on SB 3471 forward if a motion was made.

A statement was then made by Commissioner Weeks for the Commission to take a position on SB 3471 that expresses their concern about creating priorities of students to be served above others. The Commission's goal of serving certain priority populations of students can be better achieved by working directly with those organizations and individuals who represent the student populations the Commission is trying to assure access to. Commissioner Holland moved Commissioner Week's statement as a motion and Commissioner Melton seconded it. Unanimous vote to approve the motion.

Ms Green reported that HB 2732 states that anyone who is to receive a high school diploma either have an application for higher education in, an internship, or go onto a military assignment. Student's in some way need to secure additional training or education. This bill was reported on because it is interesting potential for ASPIRE.

Ms. Green reported on the OOG: Status for 2011-13. Indications are the amount of the OOG will be between \$92 and \$114 million. A News article yesterday indicated that Kitzhaber signed K-12 budget bill which added \$100 million over GRB. Kitzhaber said he would sign as long as there are no reductions from his budget for early childhood and higher education. Ms. Green has been in contact with the Governor's Office to determine what their definition of higher education includes and how OOG fits into that budget. The process for determining award amount for 2011-12 was as follows.

- Conversation with Governor's Office who sought a recommendation from BAM
- BAM gave three choices of recommendations and the Governor's Office chose \$92 million as amount to move forward with.
- Governor's Office asked Ms. Green to meet with the Co-Chairs of Ways and Means. Brian Shipley had already had initial conversations with each office.
- Ms. Green and Mr. McGee (Budget Analyst) met with Ways and Means Co-chairs Rep. Buckley, Rep. Richardson and Sen Develin. There was no opposition to the Governor's recommended amount of \$92 million for OOG, and all indicated that we "stay the course" with this recommendation.

- Mr. McGee reported that the \$92 million for initial awards. They did not indicate that the Governor had moved off the \$114 million but it made sense to go with what we asked for unless otherwise indicated. The co-chair did not give any support one way or another.
- Josette Green and Bill McGee took the opportunity at OSAC's budget hearing to discuss the Governor's recommended budget for OOG of \$92 million. There was no opposition to OSAC moving forward in awarding funds to students for the 2011-12 academic year. All members of the Ways and Means Education Subcommittee were fully informed of the situation.
- Josette reported back to the Governor's Office on the discussion with all entities and with all parties informed (Governor's Office, BAM, Ways and Means Co-Chairs, Ways and Means Education Subcommittee) OSAC could move forward with awarding funds totaling \$46 million for 2011-12. The Governor's Office conformed in writing this end result and approval.
- If the foster youth bill were to be passed it would go into effect for the next school year (2012-13).

Ms. Green reported OSAC the progress of the Risk Assessment which the Commissioners received a copy of in December. There were ten audit exceptions with a deadline date of April 1st for those exceptions to be completed. OSAC has completed all of those by the date indicated. OSAC does currently have a financial audit in progress. Moss Adams has been in our office the first two weeks of April and on Monday Ms. Green will meet with the auditors to discuss our initial findings.

Ms Green extended a welcome to Mike McNickle he started with OSAC on April 4th. Brandon Fox starts on Monday as a programmer. Beverly Boyd is scheduled to return on Tuesday April 26th from her medical leave. OSAC is in the process of replacing four Commissioners whose terms are ending in June. Ms. Green provided Bart with the deadline of May 4 for providing names to the Governor's Office with the first one in May. Commissioner Howard said that the two student commissioners are up, Glenda, and Cap are about to expire. Glenda questioned if her term is up and Ms. Green responded that she would confirm the actual date. Recommendations will be given to the Governor's office. It has been concluded that current Commissioners want to continue in their current positions. Commissioner Howard will pass that on to the Governor's office. Commissioner Miller will be graduating so a new recommendation will need to be made for her.

Ms. Green indicated that OSA is holding a student rally on Monday, April 25 on the capitol steps and would like OSAC to be present in support. She encouraged commissioners to attend to represent OSAC.

ODA ADMINISTRATOR'S REPORT

Program Administrator Jennifer Diallo reported that ODA has received 14 new reviews since the report was written. 21 program reviews at four schools have been completed since last report. ODA received 12 more applications for new programs since the last report. There are still 72 reviews in-house, as well as more than 90 requests for approval of online programs that have arrived in recent months. ODA made some progress on reviews that were counted in last month's report, but more applications have come in since then. ODA has received 104 applications for approval of online programs. Oregon doesn't require approval of online programs, but these programs want a piece of paper to prove that they can operate in

the state of Oregon. ODA cannot in good conscience give approval until ODA has at least looked in to the fact that if a person received a degree from that program it would be valid in the State of Oregon. This has been taking a lot of time because the process is new to ODA. Ms. Diallo will be attending a conference and meeting with other state administrators of private post-secondary programs and will seek insight from others as to best practices for online program regulation to handle the new rules and regulations that include online programs operating in Oregon.

Ms. Diallo also shared work time needed for various reviews to clarify how progress is made, and time commitment for the work that needs to be done, a normal administrative review takes on average 10 work hours. Degree validations are unpredictable and come from a variety of sources – licensing boards, employers, and individuals. They require about five work hours to complete. A full program review requires a minimum 15 work hours to complete. ODA also receives inquiries about fake degrees, diploma mills, and other states requesting information. At this time, the workload has increased exponentially, while the staff is down to one person. Most of the program reviews due before the end of the biennium have now arrived, so it will be possible to make progress if Ms. Diallo is able to hire additional staff. There are only six programs on the ODA review schedule for 09-11 that have not come in yet. These are due in May. Commissioner Holland asked how Ms. Diallo has been able to help organizations such as CCWD and OUS. Ms. Diallo responded that she has responded to requests for clarification of the federal regulations from both of these offices and also communicated with the Private Career Schools division to share information. She is responding to various schools outside Oregon who are asking for information about Oregon's rules and has developed some prepared responses to send out to schools, and also posted this information on the ODA website, to facilitate them getting the right forms and going through the application process without needing to talk to her for help. Commissioner Howard expressed that he knows that staffing is an issue; he then asked what Ms. Diallo's plan was to get extra staff. Ms. Diallo responded that she was working with the Executive Director on a staffing plan. After the start of the fiscal year a permanent position will be posted.

SCHOLARSHIP AND ACCESS PROGRAMS

Commissioner Howard welcomed Mr. McNickle to the OSAC team. Mr. McNickle then reported that the ASPIRE program has added four new sites, seven more waiting for approval and eighteen application requests. The goal of fifty new sites for a total of 165 is attainable at this point. Scholarships are on track and on schedule. Currently Scholarships has 154 queries performed this far and 354 to go; scholarships are exactly where they are suppose to be. Mr. McNickle had a conversation with Joe Holliday recently on the College Access Challenge Grant. OSAC is working out a plan to take over CACG's adult learning piece. OSAC is going to use some money from that grant to update the website and workbooks. Scholarships has a report, that is part of the CACG report, due on May 15, 2011. Ms. Green stated that if the maintenance of effort (MOE) is not met then there is a possibility that CACG funding will not continue and currently there is question if the MOE can be met.

OREGON OPPORTUNITY GRANT (OOG)

Opportunity Grant Administrator Susan Degen reported that the OOG Advisory Group will meet on May 16th. The Group is intentionally a very small. It is comprised of two or three Commissioners, Ms. Green, Ms. Degen, and one financial aid experts from each of the three participating sectors (Kathy Campell, Leslie Limper, and Donna Fossum). OSAC has found that having a smaller group allows members to be more candid during discussions and get a lot more done. The Advisory Group will bring forward recommendations to present to the Commission at its May meeting. The group will review award criteria for the current year, how it is awarded, and what the components of the formula are. The group will be reviewing the awarding process used for the 2011-12 awards in which OSAC over-awarded funds by specific percentages based on pickup rates in recent years. Overawarding is standard practice in financial aid. The next budget forecast is projected to come out May 12, so before the group meets we will have a better idea of how much money OOG is working with. Commissioner Sharples asked if OSAC sent out a caveat with the award lists. Ms. Degen responded yes; she has reminded financial aid administrators in a weekly email message that award amounts are considered estimates until OSAC's budget is signed, sealed and delivered. Ms. Degen would like to have all of the contingency plans in place for budget discrepancies instead of being forced into being reactionary. She hopes to have all plans in place and be able to inform the financial aid community as to what will happen in each scenario soon after the Advisory Group meets.

OSAC MISSION STATEMENT

Executive Director Josette Green brought to the table in her six months with OSAC she has noticed that people within the agency use different words to describe OSAC and refer to what OSAC does in many ways. The agency uses the words "attain," which is in the OSAC mission statement. OSAC uses the word "access," which comes into play when OSAC explains its purpose and goals to legislators what its purpose and goals are. In the OSAC name the word "assistance" is used. If SB 242 goes through the A in OSAC will stand for "access." Legislators have put that word forward and Ms. Green thinks it very well measures the mission of OSAC. Currently the A stands for "assistance". Ms. Green proposed the Commission change the word "attaining" in the mission statement to "accessing." This would create a streamlined message that OSAC can use in all public functions. Commissioners Howard and Eckstein agreed with Ms. Green in changing the word attaining to accessing. They would also like to see an emphasis on preparing students to access higher education. It was also brought to the table that, with a revised mission statement, OSAC's Key Performance Measures could be revised to reflect the day-to-day operations of the agency and not just attaining a degree. The commissioners wish to continue the conversation of revising the word "attaining" to "accessing" in the mission statement. With the possible changes being put forth by the legislature the commissioners suggest this topic be revisited in 6 weeks.

Gary Andeen added that for the last two years he had a twofold agenda for ASPIRE. One is the OSAC's existing ASPIRE program, and the other is to get everyone in the state to aspire to attend college. He has been trying to get a 529 savings plan established for every newborn Oregonian. The principal message is raise everyone's aspiration for higher education. Mr. Andeen noted that he did not

think any more money for education will come through unless the state's aspiration for higher education increases. Mr. Andeen is asked, "What could OSAC be doing to raise the aspirations for college in Oregon?" Ms. Green stated that OSAC takes the 40-40-20 very seriously. Having a clear message will also help OSAC attract different programs and funding that would be a good fit for the agency.

The next issue that Ms. Green brought to the table is that OSAC is continually asked to be a lender in proposed legislation. OSAC is asked to take on new loan programs or to administer loan repayment programs that help students who are already through their education relieve some of the financial burden they have accrued. Ms. Green asked for the Commission's thoughts on how OSAC should handle these types of inquiries. Josette wants Commissioners' support to say that OSAC is not a lender. The Commissioners requested the Ms. Green write a position statement to be presented at the next Commission Meeting.

ODA REPORTING ACTION ITEM

A motion was made by Commissioner Howard to approve the ODA Administrator to report to OSAC Executive Director for all administrative decisions. Commissioner Weeks seconded. Unanimous vote to approve the motion.

PUBLIC COMMENT

Emma Kallaway Legislative Director for the Oregon Student Association (OSA), commented that OSA is opposed to SB 405, which delegates the authority to campuses to add fully armed police officers to their payroll. OSA would like to see the funds that would go to weaponry and the salaries of officers on campus used for other academic items. Ms. Kallaway added that OSA will be hosting a rally on the steps of the capital building on Monday April 25, 2011 AT 1:00 p.m. and she invited OSAC to participate. Students will march at 12:30 and the Governor will speak at 1:15.

CONSENT CALENDAR

Commissioner Bart made the motion to approve meeting minutes #407, Commissioner Weeks seconded. The minutes were approved unanimously by the 6 Commissioners in attendance. The May 27, 2011 Commissioner Meeting was unanimously approved. Commissioner Melton moved the motion and the Commissioner Weeks seconded. Unanimous vote to approve the minutes.

OTHER BUSINESS AND ADJOURNMENT

Commissioner Holland commented that it is not prohibited to have a quorum of Commissioners present at a meeting as long as a public meeting notice is sent out prior. Ms. Degen responded that she had hoped to limit the number in attendance by not having to announce the meeting so that those present could feel free to speak more candidly. It had been previously decided that the meeting will not be public.

The meeting was adjourned at 12:05p.m.

Respectfully submitted,

Bart Howard, Chair