

**MEETING #412**  
**OREGON STUDENT ASSISTANCE COMMISSION**  
**Friday, September 23, 2011**  
**Columbia Room**  
**Eugene, OR**

**COMMISSIONERS**

Lucero Castaneda  
Caspar Sharples, Vice Chair  
Bart Howard, Chair (Phone)  
Glenda Melton  
Gary Weeks (Phone)

**STAFF**

Josette Green, Executive Director  
Don Charlton, Director of Administrative Services  
Vic Nunenkamp, Director of Scholarships and Access  
Jennifer Diallo, Interim ODA Administrator  
Lacie Morgan, Executive Assistant

**GUESTS**

DeeDee Hartley, Children First for Oregon  
Pamela Butler, Children First for Oregon  
Sam Jones, Oregon Foster Connection

**CALL TO ORDER**

Commission Vice Chair Caspar Sharples called the meeting to order at 9:47am. Having a quorum present, the meeting proceeded.

**CHAIR'S/OTHER COMMISSIONER'S REPORT**

Chair Howard had no report to present.

**EXECUTIVE DIRECTOR'S REPORT**

**State Legislative Update**

Executive Director Josette Green reported that the State Legislature is in session this week with Education Hearings occurring this morning. Ms. Green reported that SB 909 is receiving a lot of attention in Salem this week. Tim Nesbitt, Investment Project Manager for the Governor sent out part of the presentation for SB 909 which includes a model of the Oregon Education Investment Board (OEIB). Ms. Green reported that the structure and model of the Investment Board continues to evolve and change. On this current structure OSAC is reporting directly to the OEIB. Earlier structures had OSAC reporting to the OEIB through the Chief Education Officer. Ms. Green reported that the OEIB meets for the first time Friday September 30 and OSAC will be present at that meeting. However the Investment Board members have not yet been confirmed by the Senate so it is questionable how the meeting will proceed. Commissioner Sharples asked if at some point was there a model in which OSAC reported to Higher Education Coordinating Commission. Ms. Green reported that SB 242 was originally written with that model but current amendments in SB 242 kept that from occurring.

Ms. Green reported that conversations have occurred with Governor's office, Tim Nesbitt, Oregon Community Foundation and various other entities to drive efforts to increase the college going culture with ASPIRE at every school and replication of community based scholarship programs. Ms. Green

reported that she also met with Ben Cannon, the Governor's new Education Advisor. These conversations have resulted in a lot of promise and a lot of interest in these strategies. ASPIRE has done some costing as to what it would be for the state to invest in ASPIRE.

Ms. Green reported that on November 1, 2011, there is a 40/40/20 summit at Oregon State University and all Commissioners have been invited along with the managers at OSAC. This is a daylong event that is free of charge.

Ms. Green reported that OSAC has been asked to provide a projection of up to a 10% cut in anticipation of the future forecasts being down. Ms. Green reported that this is a projection and not a definitive cut. OSAC is expecting to be able to handle this cut given cost savings found in our lease and other personnel changes.

Ms. Green reported that OSAC had a meeting with DHS to discuss HB 3471 which is the bill that gives tuition waiver and priority OOG funding to foster youth. At the meeting, it became apparent that this discussion needed to include OUS, Community Colleges and DHS. Currently, we are setting up a meeting with all of the parties to determine how OSAC will be able to access the list of foster youth.

### **Federal Update**

Ms. Green reported that legislation has been introduced to retain the Pell grant amount of \$5,550 for 2012-2013 with cuts on the interest subsidies on direct loans during grace period for undergraduate students. Currently interest subsidies have already been removed for graduate students. It would be a concern in Oregon if the Pell was cut. Oregon has received \$360 million dollars in Pell for 99,000 students.

### **Audit**

Ms. Green reported that the commission had requested that Colin Wallace of Moss Adams present a report at this meeting highlighting the overall risks to the agency. After the meeting, it was decided that Collin Wallace will provide a written report to commissioners by Oct. 7 and then if the commission feels necessary Colin would be present at the October commission meeting for questions. Ms. Green also reported that the IT audit approved by the commission on August 26, 2011 will occur in spring 2012 due to many changes occurring in IT. OSAC will remain in compliance as long as the internal audit is completed within the course of this fiscal year.

Ms. Green reported that the new lease for the agency's building space is now at Department of Justice for review and then it will go to each party for signature. The implementation date on the lease is Oct. 1, 2011.

Ms. Green reported that the agency is moving forward in technology to match the communication tools of our students. The agency is making technology a priority by developing the new website, updating the look and feel of the new scholarship application and developing a marketing plan to capture

technology tools to use in better promotion of our scholarships. Ms. Green reported that these items will allow us to provide better customer service to our students and customers.

### **Strategic Planning**

Ms. Green reported that on September 2 the Strategic planning group met for a full day meeting with DAS facilitator, Tim Rahschulte. The next meeting is scheduled for October 10. The group may meet for one additional meeting after that and then be prepared to present to the commission. The presentation will include mission statement, vision statement, values and strategy.

### **Personnel**

Ms. Green reported that the ODA Administrator position has been reposted. In the past month, candidates from the first recruitment were interviewed and the decision was made to repost. Ms. Green reported that a national search is underway and the position will open until filled with a first round review of applications around Oct. 10.

Ms. Green reported that accounting functions will be officially turned over to Shared Client Services, of the Department of Administrative Services (DAS), this Monday (September 26). It was determined transferring the Accounting 3 functions to DAS brought OSAC the best talent and the most cost effective solution.

## **SCHOLARSHIP AND ACCESS PROGRAMS**

Vic Nunenkamp, Director of Scholarships and Access, reported that the scholarship program is working on looking at lessons learned by identifying items that they could perform better and more efficiently.

Ms. Nunenkamp reported that the ASPIRE program will hold their annual Fall Conference on October 7 at Willamette University. Susan Castillo will be the keynote speaker and ASPIRE appreciates her support and is excited to have her.

Ms. Nunenkamp reported that the ASPIRE sites are maintaining and the ASPIRE staff is focusing on getting sites reactivated, training volunteers and empowering volunteers and sites with the mission to expand and bring in more students to get them to go to college.

Commissioner Sharples asked when the scholarship application will be available. Ms. Nunenkamp reported that the scholarship application will be available November. This scholarship application will have a new skin, which will have a nicer appearance and be easier to work with. Ms. Green reported that students will see a more inviting application that is easier to use by the end of the year.

Commissioner Castaneda asked how many ASPIRE sites need to be reactivated. Ms. Nunenkamp responded that currently there are 130 active sites and of those sites 120 are high schools, 10 are middle schools. Our maximum is 145 active sites due to staffing limitation.

## **ADMINISTRATIVE SERVICES**

Don Charlton, Director of Administrative Services reported on the Shared Responsibility Model (SRM) components of the Oregon Opportunity Grant for the 2012-2013 year and these components are listed on

the handout provided in the meeting packet. Mr. Charlton stated that the nothing has changed with the calculation of shared responsibility with the exception of the numbers that go into the calculation.

Mr. Charlton reported that the SRM calculation components are as follows:

**Cost of Education:**

- Community College = \$16,539
- 4-year Institutions = \$19,976
  - Average Community College tuition & fees = \$4,239
  - Average OUS tuition & fees = \$7,676
  - Average non-tuition costs = \$12,300

**Student Share:**

- \$5700 for community colleges,
- \$8700 for students at public or private 4-year institutions.

**Family share:**

- No change = EFC comes off FAFSA contribution.

**Federal share:**

- No change (Maximum Federal Pell Grant is \$5,550. Maximum American Opportunity Credit is \$2500; \$1000 refundable portion will not be assessed for students whose assumed credit eligibility is less than \$1000.)

**State Share**

- \$1,950 flat award for all sectors (approved by the Commission on 8/26/2011)

Commissioner Sharples asked if the only difference in the cost of education between community college and 4 year institutions is the cost of tuition. Ms. Green reported that this is a simplistic cost of non-tuition items and that these items are the same for whether a student attends a 4 year institution or community college. The non-tuition cost is based on a survey of all the schools non-tuition costs.

Mr. Charlton reported that the financial statement containing budget vs. actual is included in the meeting packet. Mr. Charlton reported that this financial statement will be re-cast for the next meeting to make it more informative. It was presented in this format to be consistent with how the financial statement has been presented in the past. As presented currently, this financial statement mixes fund types and lists resources as revenue which can make this statement confusing to review.

Commissioner Weeks commented that he would like to see this financial statement divided up by general fund, other funds and federal funds so that it lists expenditures by fund type along with program type. Commissioner Weeks asked if we should be concerned that this financial statement shows that we are 2 million dollars over budget in the Oregon Opportunity Grant program. Mr. Charlton reported that this financial statement shows that OSAC is under budget on everything. General fund money is similar to a credit card, they give OSAC \$94 million to spend and OSAC returns what is left which is an appropriation amount not a revenue amount. OSAC is actually 2.8 million under appropriation amount on the Oregon Opportunity Grant. Commissioner Weeks asked is the revenue figures come off the quarterly allotment forms. Mr. Charlton responded that the revenue figures do not come off quarterly allotment forms but out of the accounting systems.

Mr. Charlton reported that he hopes to create a new financial statement that splits out fund types between governmental, which are general and lottery funds and non-governmental fund types, which are operations. With governmental fund types, OSAC is looking for a zero number because what we don't use of governmental funds goes back into the general fund. With other funds, OSAC would like to show a profit and loss financial statement.

Ms. Green asked Mr. Charlton to summarize the 2009-2011 biennium. Mr. Charlton replied that the OSAC is in good shape. There is some accounting to be completed and analysis of the expenditures that needs to be completed and determine what needs to be refinanced to different fund types.

Chair Bart Howard asked how long it will take to get the financial statements revised so that they are more understandable for all. Mr. Charlton responded that Monday is the transition to Shared Client Services and therefore over the next month can work with them to revise the display, hopefully by the next commission meeting.

Commissioner Sharples asked if there will be General Fund money left over that will have to be given back. Mr. Charlton replied that it is not the intention to have money left over. Ms. Green commented that the critical factor for OSAC is Oregon Opportunity Grant and we have spent 100% of the general fund for 2009-2011.

### **ODA ADMINISTRATOR'S REPORT**

Jennifer Diallo, Interim Administrator for the Office of Degree Authorization reported that the ODA's emphasis for the past month has been to keep up with program reviews and continue to use tracking systems that have been put into place to manage the additional workload of online approvals caused by the new federal regulation.

ODA is continuing to work with licensing boards to close the gaps between our respective regulatory functions. Conversations discussing how ODA and licensing boards can work together to ensure students are prepared for licensure have been occurring with a few of the boards and their staff, and these are going well. Since the last report, most of these conversations have been related to the nursing field. One of the biggest issues we are facing in that sector of higher education is that hundreds of online nursing programs are available and have been requesting approval to place students in Oregon hospitals and clinics. The increasing pressure on existing sites is approaching the capacity of available clinical placement opportunities, particularly in the metro area. Ms. Diallo reported that she attended a Nursing Board meeting yesterday (September 22) where this issue was raised and discussed. Over the past month, ODA and the staff responsible for approving nursing placements for the Nursing Board have learned more about our respective processes for clinical placement approval. As a result, ODA is re-evaluating its own approval process and may want to change a few of our requirements for what we expect from online schools with practicum or clinicals in this state to ensure that ODA is not having a negative impact on students attending schools located in this state. We are both finding that many online programs do not coordinate placements themselves and instead send students out to self-arrange these practicum experiences. As a result, some metro area hospitals and clinics are inundated by an ever-increasing number of requests and some are closing their doors to clinical placements entirely, exacerbating the already scarce supply for these experiential learning opportunities, which also is having a negative impact on access to placements for existing Oregon schools.

Ms. Diallo reported that the largest concentration of nursing programs is in the metro area where the largest hospitals are available for practicum or clinical opportunities. Placement opportunities for colleges located in the metro area are already limited and are becoming even more scarce due to the large number of nursing programs offered by online out of state schools, some of which are public universities and community colleges in other states. Hospitals and clinics are choosing to accept students from some non-profit online university students vs. students from Oregon campus of for-profit career colleges due to the reputation for more rigorous admission criteria at the schools offering online programs. Some students at ODA-approved schools in Portland are having to travel or relocate more than 100 miles away to complete their required placement due to this increase in demand for placements. Ms. Diallo reported that one of ODA's roles is to protect students, so we do have some responsibility to ensure that ODA's approval of placements doesn't contribute to a situation that unfairly benefits online schools or their students or makes it more difficult for students enrolled at Oregon community colleges, Oregon public universities, Oregon independent colleges, and ODA-approved schools located in Oregon to obtain a placement.

One of the advantages of our collaboration with the nursing board is that we are both doing a better job of making sure that schools offering online nursing programs to Oregon students have the right approvals to do so. ODA does have to approve clinical placements and these are not exempt from authorization under current rules. ODA approves nursing placements from an authorization perspective (meeting requirements to offer college credit and/or a degree in Oregon). The Nursing Board also approves clinical placements, but from a licensure perspective (meeting requirements for licensure in Oregon). We are working together to make sure that our processes are not unnecessarily redundant, as well as to close any regulatory gaps.

The coordination and development of clinical placement opportunities is not a function that is currently done by either ODA or the Board of Nursing, and is not something we would be involved in. However, we do have a role in these discussions. The demand for placement opportunities, and its impact on students, is a growing concern, and this issue was also raised by the Healthcare Workforce Development Committee in a recent meeting I attended. While ODA may not have a direct role in coordination, we are uniquely situated to provide information about our own approval process and other initiatives with regard to inter-state delivery of higher education programs that will help the board and others working on this issue in assessing and monitoring this growing demand for clinical placements.

### **COMMITTEE TO DISCUSS FOSTER YOUTH**

Chair Howard requested to table this agenda item until next meeting.

### **PUBLIC COMMENT**

No public comment.

Commissioner Weeks asked for discussion on performance measures. Commissioner Weeks commented that performance measures are suppose to be the kind of measure that OSAC's actions could improve or diminish the effect of the performance. Commissioner Weeks asked what actions that OSAC will take to improve or diminish the effect of the performance. Commissioner Weeks asked what actions that OSAC will take to improve the performance of the completion of applications and what actions does OSAC take to promote enrollment for awardees of the OOG. Ms. Green responded that the redesign of the scholarship application along with the increased marketing and visibility will help improve the completion of applications. As for increasing enrollment for awardees of the OOG, Ms. Green reported

that OSAC will be notifying students via email that they have received an Oregon Opportunity Grant award. Once these students are notified this will encourage them to enroll. OSAC is also determining what can be done to create the college going culture. Ms. Green reported that OSAC has put these measures in place and the staff is focused on how to meet these goals and are hopeful that staff will come up with new ideas or thoughts on how to drive these results. These measurements are used to inspire and encourage staff to move towards higher performance.

### **CONSENT CALENDAR**

Vice Chair Sharples called for a motion to approve the consent calendar which included #411 August 26, 2011 meeting minutes. Commissioner Melton moved to approve consent calendar. Commissioner Weeks seconded the motion. The motion passed with a unanimous vote.

Sam Jones from the Foster Youth Connection asked some general questions in regards to HB 3471 and its implementation along with what OSAC does with input from foster youth. Ms. Green reported that OSAC is working on moving forward with HB 3471 by meeting with DHS and tribal representatives in order to determine the individuals that are foster youth. Implementation of HB 3471 is generally an administrative task that may require rule changes and some procedural changes for the awarding of the Oregon Opportunity Grant. Ms. Green also responded that foster youth are very important to OSAC and we would appreciate if the Foster Youth Connection could notify students about our events, Chafee Grant, scholarship application and other OSAC services that benefit foster youth.

Due to schedule constraints, Commission Meeting 412 on October 28, 2011 will begin at 10:00am.

### **OTHER BUSINESS AND ADJOURNMENT**

Vice Chair Cap Sharples called for other business to come before the commission at this time. There being no other business, the meeting was adjourned at 11:10am.

Respectfully submitted,

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*Bart Howard, Chair*