

MEETING #421
OREGON STUDENT ACCESS COMMISSION
Friday, August 24, 2012
Oregon Student Access Commission
Columbia Room
Eugene, OR

COMMISSIONERS

Gary Weeks (phone)
Glenda Melton
Bart Howard
Mike Holland
Shawn Fincher
Lucero Castañeda (phone)

STAFF

Josette Green, Executive Director
Vic Nunenkamp, Director of Scholarship and Access
Bob Brew, Director of Administrative Services
Vickie Potoski, Management Assistant

GUESTS

Brent Wilder, OAICU
Mary Robinson, OUS
Emma Kallaway, OSA (phone)

CALL TO ORDER

Commission Vice Chair Glenda Melton called the meeting to order at 9:30 a.m. Having a quorum present, the meeting proceeded.

CHAIR'S/COMMISSIONER'S REPORT

Chair Weeks reported that he and Commissioner Melton made a visit to OSAC and met with staff to discuss the future, expectations, and answer staff questions. He stated it was a good session and he appreciated the time spent with staff. Commissioner Melton reported that she was able to get to know staff in a more relaxed environment. Chair Weeks reported after the meeting with staff they had lunch with staff and then met with Josette Green.

Commissioner Howard reported he and Chair Weeks attended an OOG Advisory Committee meeting last week. He commented that the last several meetings he thought Susan Degen did good job of laying out issues and Josette Green did a good job of explaining issues going into the meeting. Chair Weeks reported that he believes the OOG Advisory Group meetings have been very helpful and a great opportunity to sit down with student financial aid administrators.

Commissioner Fincher reported that after the next meeting he is scheduled to spend time with OSAC staff and get to know and understand more about operations.

CONSENT CALENDAR

Commissioner Howard moved to approve consent calendar which included meeting minutes from June 29, 2012 Commission Meeting #420. Commissioner Holland seconded the motion. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Josette Green, Executive Director reported that her time has been devoted to preparing for the upcoming legislative session through engaging in the budget process and preparing the Agency Request Budget for Aug. 31, completing our legislative concepts and attending to various meetings and discussions that will drive policy going into the 2013 legislative session. Ms. Green reported that affordability is an important topic and consequently much of this report relates to the Oregon Opportunity Grant. The Governor has been clear that he would like to revitalize the OOG with additional funds. There have been a few different groups having conversations relating to the Oregon Opportunity Grant. First, there is the OOG Research Subgroup which is part of the Task Force on Higher Education Student and Institutional Success. This group has been tasked to address research design to understand the impact of the OOG on completion. Currently this group is working on contributing to the Task Force's report which is due to legislature in October.

Commissioner Howard asked for the list of members for this subgroup. Ms. Green provided group member as: Kathy Campbell and Doug Severs to represent the schools; Elizabeth Cox Brand and Bob Kieran representing researchers; Susan Degen and Josette Green. Also Jock Mills who is part of the task force itself and Cam Preus with CCWD. Commissioner Howard asked if OSA had an interest in this topic. Emma Kallaway, OSA answered in the affirmative and that they have already been contacted by both OSAC and the Treasurer's office to provide input. Ms. Green reported that this subgroup is a part of the task force and the members are at the discretion of the task force.

Ms. Green reported that another conversation is happening to try to determine how the state can fully fund students in their first two years of college with the OOG.

Ms. Green reported that the third discussion that is occurring with regards to the OOG is with the Treasury's office. Treasury is moving forward on the idea of debt financing to be dedicated to the OOG. Treasury has proposed 300 million in debt financing into an endowment for the OOG with 75 million added the endowment each year. These numbers are not final but only what has been proposed to the Governor. The Treasurer's office has decided to no longer pursue a redesign for the OOG. They do suggest modest modifications in grant making policy including directing OOG for STEM and other high-wage employment opportunities and to motivate students to complete their graduation on time with award incentives.

Commissioner Holland commented that he believes a member of OSAC commission would be a great asset to the subgroup that is working on the OOG research. Ms. Green reported that she is unsure if this group will continue to meet after the report is final. Chair Weeks stated that he will happily express to Cam Preus the interest of being a member of this group and participating in these conversations if the group continues to meet.

Chair Weeks commented on the grant being geared toward specific fields of study and employment and is troubled by state grant money going to high wage jobs. Commissioner Howard asked for clarification as to how 'high wage' jobs are defined. Ms. Green referred to and quoted from a draft white paper from State Treasury, which states that these ideas are based upon focus on insight from STEM task force group. There have been no meetings or further discussion on this subject. Commissioner Holland suggested more direct communication is needed to convey that wherever there are conversations or a task force formed discussing policy related to OOG, members of the OSAC commission should be included. Commissioner Weeks expressed agreement and stated that he will draft communication that

will be more inclusive. Ms. Green reported she will have more information this afternoon and update the commission on the task force report to the legislature.

Ms. Green reported that Dr. Crew began his new position effective July 1. He has challenged education agencies to drive new ideas that will derive improved outcomes for the coming year. Ms. Green reported that she met with him for the first time this week and we will resume meeting next Friday. The meeting was very positive and he demonstrated interest in OSAC and our programs demanding outcome information. Ms. Green reported that the current OEIB organizational chart is included in the commissioner's meeting packet.

Ms. Green reported that all performance appraisals were completed for all employees by the beginning of August. Also welcome to Jordi Humphreys who begins Monday as the new IT programmer. Office of Degree Authorization has successfully moved to the Higher Education Coordinating Commission and is now located in Salem.

Ms. Green reported she will be on vacation September 1st – 10th; Vic Nunenkamp will have signing authority to operate in her absence.

SCHOLARSHIP AND ACCESS PROGRAMS

Vic Nunenkamp, Director of Scholarship and Access Programs, reported that the scholarship program is nearing the end of the awarding cycle and is in the clean-up mode as we prepare for the new school year. The OSAC scholarship guide has been produced in partnership with ECMC. The scholarship guide provides information on where and how to submit the scholarship application, information on ASPIRE, OOG, college fairs, programs, etc. all driving students to the OSAC website. The scholarship program is currently sending out "Teaser Packets" to Oregon high schools, colleges, employment offices, public libraries, tribes and selected employers. These packets contain the: OSAC Guide, ECMC Opportunities booklet, The Ford Family Foundation packet of materials, and additional college information flyers. The scholarship team has begun dispersing fall funds.

Ms. Nunenkamp reported that OSAC will be a recipient of funds from the Oregon State Employee Charitable Fund Drive for the first time which kicks off in September. OSAC is writing stories to be featured on the state website; as well, OSAC will be a highlighted organization on this website. The funds from the Charitable Fund Drive will go towards the Oregon Spirit Scholarship. The initial members of the Advisory Committee have come together to develop criteria for the scholarship and plan to enlist the support of the Oregon Community Foundation. The Committee is looking for potential members to enhance and expand the Advisory Committee.

Ms. Nunenkamp reported that the Scholarship Team is working hard at marketing and are writing articles on establishing scholarships to be published in all Senior Publications in six counties in Oregon. Articles have been submitted for the Oregon Banking Association newsletter to target the charitable trust market in banks and credit unions. For the first time, OSAC is creating press releases to highlight our award recipients in targeted media areas throughout the State.

Ms. Nunenkamp reported the ASPIRE has received an extension for the CACG (College Access Challenge Grant) through October 15 in order to finish up paperwork and bring our contracts to conclusion. The Foster Youth Conference was July 30 – August 2 at Willamette University and it was a great success. ASPIRE will be hosting a strategic planning session with partners, stakeholders, funders to help formulate ideas around funding to help ASPIRE get through this year. Ms. Nunenkamp reported

that Greg Darnieder, U.S. Secretary Education's Senior Advisor on the College Access Initiative, will come to Oregon for two days to work with ASPIRE and the Oregon College Access Network (ORCAN) to strategize on best practices. He will also spend a day with Lane County educators and partners including OSAC and ASPIRE to create a pilot program for Lane County agencies working to achieve 40/40/20.

The ASPIRE contracts are coming to an end. The translator contract ends September 30, the evaluator contract deliverables are due September 28. Vic Nunenkamp provided media samples followed by a viewing of the recently completed ASPIRE informational/promotional video. The commission was very pleased and applauds the great work that went into the video. Commissioner Fincher said he applauds the great work; appreciates the diversity in the video but suggested for next time or if it's not too late for this video, to get 30 more seconds to convey full diversity and representation. Ms. Nunenkamp reported that there may be time for this video.

Commissioner Howard asked if OSAC was still participating in college fairs even though we have less staff. Ms. Nunenkamp responded yes and we are getting funding for staff to travel to do these events. These events are very important because it is a good way to connect students and parents to the ASPIRE program. These events are especially important to students and their extended families.

Commissioner Holland commented on the video; he said that the video is done very well and said he appreciates Commissioner Fincher's comments. He wants to find a diplomatic way to insert thanks to the Legislature and the Governor for their support of the ASPIRE program which in turn gives them a pathway to access college or postsecondary training. This is a very positive thing and would be well received if we were to thank them publically and acknowledge their support in the video. Ms. Nunenkamp stated that there is still have time to edit and she loves the comment and will address it.

ADMINISTRATIVE SERVICES

Bob Brew, Director of Administrative Services reported that during the past two months he has been in this position he has spent time learning and preparing for the budget process. Bob also reported that he has been working closely with Lora Carson, our contracted accountant from Shared Client Services. Shared Client Services is a program run by the state that provides specialized finance and human resources talent to smaller agencies that couldn't really justify hiring a full-time person.

Mr. Brew reported on the internal audit that was presented at the June 29 commission meeting and had hoped that each commissioner had received their copy of the audit. The audit contained six findings and recommendations. Two of these items were marked by the auditors as closed, meaning they'd been resolved between the time the issue was observed and when the audit report was produced. Since that time, at least two more items have been substantially completed, and the remaining two items are being actively addressed. Mr. Brew reported that we have set an internal performance measure that all audit findings will be addressed within six months and that deadline will be met with this audit.

Mr. Brew reported that with the departure of Sue Strauslin, we promoted Brandon Fox into the ISS5 position which created an opening for the ISS4. As of Wednesday, we hired Jordi Humphreys and he starts on Monday. Jordi has an extensive IT background and will be a huge asset to the agency. In the beginning, Jordi will be working closely with Brandon on getting the new scholarship application up and running.

2013-2015 AGENCY REQUEST BUDGET REVIEW

Bob Brew presented an overview and explanation of the state budget process for the commission. The 2013-2015 Agency Request Budget is the first step in the process and is what is being reviewed and approved by the commission today. Mr. Brew provided a detailed presentation of the handout entitled "Oregon Student Access Commission Agency Request Budget for 2013-2015 biennium by explaining the four expenditure categories: Personal Services, Services and Supplies, Capital Outlay and Special Payments and the five types of fund. Mr. Brew also explained the process of Current Service Level Budgeting which is what is used within the State of Oregon.

Commissioner Holland asked if BAM provides the figures and increases for the personal services. Mr. Brew confirmed that BAM does indeed determine these figures and provides them to us. PERS cost increased 34% for the coming biennium while health insurance costs remained relatively the same.

Mr. Brew presented page 2 of the handout which shows the detail of OSAC's Policy Option Packages or POP. POPS are used in the budgeting process when an agency wants or needs to do something different in the coming biennium, they have to request the budgetary authority from the legislature to do it. POP 101 is the agency's highest priority request. It is intended to fund the replacement of our current Financial Aid Management System to ensure our data is secure and our system is efficient. Any specific questions will be addressed after the meeting. Mr. Brew reported that OSAC may be going to the Emergency Board in December to ask for budgetary authority earlier. If that occurs and it is approved, this POP request will be removed or modified downward, as needed.

Commissioner Howard asked if we are approaching the Emergency Board with anything else. Mr. Brew confirmed that OSAC has nothing else to present to the Eboard.

Mr. Brew reported that the following three POPs 102, 103 and 070 need to be considered together. POP 070 recognizes the lost a significant source of grant funding this year that paid for many positions in ASPIRE. In effect, it is saying that we can't use current service level budget for ASPIRE because the revenue won't come in to support it. This POP adjusts the ASPIRE budget downward and reduces the position count and FTE. POP 102 asks for General Fund money to make up for the loss of grant money, and returns ASPIRE to its current configuration with just another source of funds. It also makes the temporary ASPIRE positions permanent. POP 103 asks to allow to implement Phase 1 of the ASPIRE Expansion. This is the year one of the four year plan that has been presented to get ASPIRE in every high school and middle school in Oregon.

Mr. Brew reported that POP 205 for the Private Awards Fund Shift and POP 401 for the ODA transfer to the HECC are housekeeping items. POP 205 asks that scholarship funds be changed from Limited Other Funds to Non-Limited Other Funds which means that as soon as a check from a donor for a new scholarship arrives, the scholarship can be awarded and we do not have to wait for an Emergency Board or Legislature to increase our expenditure limit. POP 401 simply moves the Office of Degree Authorization budget out of the OSAC budget. The Higher Education Coordinating Commission will have a POP to bring ODA into their fold.

OSAC has participated in the Governor's funding teams with our partners from the Oregon Department of Education, Community Colleges and Workforce Development agency, and the Oregon University System. This work resulted in POP 123. This is a collaborative POP with our three partners; each agency will be writing their own POP and contributing staff to begin a new educational research unit. OSAC will contribute one researcher, but the work unit as envisioned could have eight or more employees.

Mr. Brew reported that POP 104 allocates the remaining allowed limitation increase dollars to the Oregon Opportunity Grant. This amount was calculated to be approximately \$8.4 million.

Mr. Brew reported that the last column on the front of the handout is the total agency request budget which the commission is being asked to approve. This takes our current service level and all of the POPs that have been requested. This approval enables us to submit this proposed budget to the Office of Budget and Management for their consideration.

Commissioner Castañeda asked how the POPs prioritized, or have they been prioritized by commissioners to identify which ones we prefer for approval. Mr. Brew reported that yes the POPs have been prioritized to a certain extent although some POPs are tricky because general and other funds are treated differently. "Housekeeping" POPs 205 and 401 may or may not be approved as they don't cost legislature anything. The top priority continues to be FAM system and he deferred to Josette Green regarding priority of ASPIRE Continuation vs. OOG; even though the dollar amounts are so different it is tough to prioritize. These are new factors that will be engaged and will have insight on what the priorities are. It's important for the commissioners to weigh in on what our priorities are as well. We will know more based on conversations in the coming months.

Chair Weeks commended Mr. Brew on his presentation and work on the budget and said that it was very understandable. Chair Weeks stated that the commission needs to outline the budget priorities and then ensure that we support those priorities. Commissioner Holland stated that he doesn't feel like the commission has established priorities for the budget. Commissioner Holland stated his first priority is the audit report and the security and privacy of our data and address this problem as soon as possible.

Commissioner Howard agreed and asked what kind of discussion is taking place within staff regarding POPs. Chair Weeks stated that the POPs have not been prioritized and that is the reason that this commission meeting is being held this week so that the budget could be review and approve the budget and the priority of the POPs.

Mr. Brew addressed Commissioner Holland's concern and reported that he and Ms. Green met with BAM analyst to request going to the Emergency Board in September to start the process of the FAM replacement project. The Jobs Plus money was identified and lottery fund monies not spent. BAM decided not to support this request. For the December Emergency Board, OSAC will need to go forward and request General Funds for the FAMs system. Ms. Green commented that OSAC is being as assertive and creative as possible to have discussions and move forward to get the situation resolved as quickly as possible.

Mr. Brew reported that the prioritization came from earlier discussions and prior budgets submitted. The FAM System and OOG are one and two; third priority would be ASPIRE Continuation; fourth is ASPIRE Expansion.

Chair Weeks commented on the priority list by stating that ASPIRE Continuation needs be the second priority so that we can get staff back to stay stable. Next then expansion of ASPIRE or OOG would come after stabilizing the ASPIRE program once the staff is back in place. Further discussion followed and the prioritization was agreed upon as follows: 1). FAMs Purchase 2). ASPIRE Continuation 3). OOG 4). ASPIRE Expansion. Commissioner Howard asked what the perception and impact may be if the ASPIRE continuation was a higher priority than OOG. Ms. Green responded that currently affordability is a critical factor going into legislature. The costs for ASPRIE continuation are very reasonable because the program is volunteer based. The legislature is proud of ASPIRE in the state and thinks it would be fine if ASPIRE continuation was a higher priority than OOG. Chair Weeks reiterated he would like to move more funds to ASPIRE stability (taking from ASPIRE expansion) so there is some cushion. Commissioner Holland confirmed that is what he would propose. After more discussion it was agreed that management will attempt to change the title to “stabilization” as opposed to “continuation” as well as determine if money can be transferred from the ASPIRE Expansion POP to the ASPIRE Continuation POP and if so the dollar amount would be determined by management.

Chair Weeks moved to approve the Agency Request Budget for 2013-15 budget with changes that have discussed as follows: Reprioritizing the POPs priorities to be 1. Replace FAMs system, 2. Stability of ASPIRE with some increase, 3. Provide OOG Expansion, 4. ASPIRE Expansion Phase 1, 5. Education Research Unit, 6. Private Awards Fund Shift, 7. Transfer of ODA to HECC. 8. Revenue Shortfall. Commissioner Holland seconded. The motion passed unanimously.

Commissioner Castañeda asked that management submit the final numbers and budget to the commission once it is submitted.

OOG ADVISORY GROUP UDATE

Ms. Green reported that the OOG Advisory Group met last week. The outcomes of the meeting were reviewed and provided as a handout entitled “OOG Advisory Group Recommended Components of the SRM Formula for 2013-14 Opportunity Grants”.

Commissioner Castañeda asked about criteria used for determining the amount awarded to a student. Discussion of the SRM formula and considerations followed. Commissioner Castañeda asked which statute says the loan is part of the student share. Ms. Green stated that ORS 348.205 (OOG Program Rules) fully explains the shared responsibility model including the portion where a loan is considered part of the students share.

Chair Weeks moved to accept the 2013-14 SRM recommended components as outlined in the meeting packet handout. Commissioner Howard seconded the motion. The motion passed unanimously.

BOARD RETREAT DISCUSSION

Ms. Green presented ideas for the possibility of having a board retreat to focus on common items and there was discussion about the value of doing so, which could include: training for commissioners on commissioner performance and the KPM that relates to that, training on agency programs, discussion on current topics in legislature and various task force entities; 40/40/20; meeting with Dr. Crew or Governor; strategy for coming year; review and recommit to mission/vision/values and SWAT analysis; performance measures overall (KPMs and internal). After discussion it was agreed Chair Weeks and Josette and others will form a plan for discussion at the September meeting, and get potential dates to commissioners via email to start pulling in other ideas.

PUBLIC COMMENT

Mary Robinson, of OUS commended Vic Nunenkamp on the video for ASPIRE and said it's very encouraging; should be in every school in the state.

Brent Wilder, of OAICU said he agreed with Mary in regards to the ASPIRE video and thanked Bob Brew for all the good work on budget.

OTHER BUSINESS AND ADJOURNMENT

Vice Chair Melton asked if there was any other business to come before the commission. There being no further business, Vice Chair Melton adjourn the meeting at 12:05 p.m.

Respectfully submitted,

Approved by the Commission at Meeting # 422 - 09/28/2012

Gary Weeks, Chair