

**MEETING #424**  
**OREGON STUDENT ACCESS COMMISSION**  
**Friday, November 30, 2012**  
**Oregon Student Access Commission**  
**Columbia Room**  
**Eugene, OR**

**COMMISSIONERS**

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

**STAFF**

Bob Brew, Interim Executive Director  
Vic Nunenkamp, Interim Chief Operating Officer  
Joyce Berman, Philanthropy Specialist  
Lora Carson, Budget & Finance Manager  
Peggy Cooksey, Grant Administrator  
Cheryl Connelly, Scholarship Processing Coordinator  
Lori Ellis, ASPIRE and Outreach Administrator  
Susan Degen, Oregon Opportunity Grant Administrator  
Lacie Morgan, Executive Assistant

**GUESTS**

Brent Wilder, OAICU  
Debbie Pillsbury-Harvey, DAS Human Resources  
Sherry Carter, DAS Human Resources  
Emma Kallaway, OSA

**CALL TO ORDER**

Commission Chair Gary Weeks called the meeting to order at 9:32 am. Having a quorum present, the meeting proceeded.

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

Chair Weeks introduced Sherry Carter from DAS Human Resources. Ms. Carter will be replacing Debbie Pillsbury-Harvey as OSAC's HR client manager.

According to Chair Weeks, he met with Ben Cannon since the last commission meeting. The subject of the meeting was the Governor's Recommended Budget (GRB) which was released today (11/30/2012). The budget has mixed news for OSAC. The Oregon Opportunity Grant program showed a 15% increase in funding. Chair Weeks reported that the Governor has done a good job using resources in this economy not just in education but in other areas as well. The GRB includes restructuring of the education system and oversight including a new department that will include all post-secondary entities with the exception of Portland State and University of Oregon. Chair Weeks reported the GRB does not include funding for an OSAC Executive Director. As well, he reported that the challenge for OSAC is to how to manage the uncertainty to the current governance and oversight structure for education and to continue to provide services to schools, students, and families through our programs. Chair Weeks reported that Ben Cannon and the Governor's office understand the importance that members of the HECC need to have a good understanding of student aid in order to provide appropriate insight as a governing body. Short discussion followed.

**CONSENT CALENDAR**

Commissioner Melton moved to approve consent calendar which included meeting minutes from October 26, 2012 Commission Meeting #423. Commissioner Holland seconded the motion. The motion passed unanimously.

**EXECUTIVE DIRECTOR'S REPORT**

Bob Brew, Executive Director, provided a handout that provides the budget packages that OSAC had requested and the status of these budget packages. The Governor's Recommended Budget will be officially released at 10:00am today. Mr. Brew reported that he has not seen the actual budget and is therefore reporting on what he has been briefed by the Budget Analyst. Mr. Brew reported that he will provide the commission with a more detailed report in January and this is a high-level overview. Mr. Brew presented the handout regarding the budget packages.

- Package 101 was a request to fund a replacement to our Financial Aid Management System. The initial request was for \$1.5 million, but after discussions with Enterprise Security and our state budget analyst, the request was scaled back to \$200,000 to hire a consultant to help us determine the needs and solid cost numbers. Mr. Brew reported that this package has been approved for \$200,000.
- Package 102 was a request to continue the ASPIRE program. This was a request for the state General Fund to provide funding for the program, which was decimated by the loss of a College Access Challenge Grant in the current biennium. The various education entities seem to agree with our request, and it appears that it is fully funded in the GRB.
- Package 103 is the first phase of the expansion plan to expand ASPIRE sites in every school district in Oregon. This package is also going forward at slightly less than requested, but substantially intact, which is a very positive show of support for the program.
- Package 104 asks for additional money to expand the Oregon Opportunity Grant to support and award more students. There was a limit in the total dollar increase that OSAC could ask for all programs combined, but we did ask for an approximate 15% increase in OOG money this biennium. The package was approved and the total OOG appropriation is going from roughly \$99 million to \$114 million for the 2013-2015 biennium. Mr. Brew reported that this shows great support for the Oregon Opportunity Grant program. Mr. Brew reported that this 15% increase was the largest percentage increase of any educational request in the budget.
- Package 205 was just a housekeeping matter that was essentially rejected. It was a request to restructure our scholarship funds from being limited funds (that is, requiring budget approval to be spent) to being unlimited funds (meaning, if there are new scholarship funds, they can be awarded without legislative budget action). Mr. Brew reported that it was not anticipated that this request would be approved.
- Package 123 was the OSAC component of a larger request to create a unified research unit for the four larger education agencies (OSAC, Department of Education, Community Colleges and Workforce Development (CCWD), and the Oregon University System (OUS)). This package was approved. This research unit would be housed in the new Department of Post-Secondary Education, and details will be forthcoming.
- Package 401 moved the budget for the Office of Degree Authorization from the OSAC budget to the new Department of Post-Secondary Education. This was simply housekeeping, and it was approved.
- The last package was number 070. It simply recognizes the reduction in our projected budget from the loss of the College Access Challenge Grant, creating the hole that was filled by package 102. This was essentially housekeeping and was approved.

Mr. Brew reported that since the GRB provides for OSAC to somehow transition into the Department of Post-Secondary Education (DPSE) in the next biennium, OSAC would no longer need an Executive Director. As of July 1, 2013, Vic Nunenkamp and Bob Brew will return to their pre-October 1, 2013 roles. There is currently no a clear direction on the reporting structure.

Chair Weeks asked if OSAC was going to become a part of the DPSE or just transition into reporting directly to the Executive Director of the Higher Education Coordinating Commission (HECC)? Mr. Brew reported that his understanding is that the 12 educational agencies will be transitioned into two departments – the Department of Education and DPSE. DPSE will include OSAC, CCWD, OUS Chancellor's office, and the Office of Degree Authorization with two new boards – one to oversee the 'new' Department of Education and one to oversee DPSE. The board that will oversee DPSE will essentially be the HECC.

Commissioner Castañeda asked where the proposed changes to the education system stemmed from. Mr. Brew reported that he believes these changes came through the Governor, the Education Funding Team, and the Oregon Education Investment Board. Commissioner Castaneda reported that it is important to listen to the conversations regarding independent local boards for PSU and University of Oregon because students do not want this to occur.

Mr. Brew reported that, with the transition into the new DPSE, the budget submitted to the legislature will be a joint budget with the other education agencies. It is uncertain at this time who will testify on behalf of OSAC or the DPSE.

Mr. Brew reported that the largest project going on at the agency right now is the rewrite of the OSAC scholarship application. Mr. Brew reported that Ms. Nunenkamp will talk more about this later in the meeting. It is extremely impressive with how the entire staff has rallied around this project to either get it up and running or to actively support the staff working on the project. Mr. Brew reported that OSAC had an exciting visit by Greg Darnieder from the Federal Department of Education and Ms. Nunenkamp will report on that and the great work that came out of that event.

Mr. Brew reported that a policy has been written addressing the maintenance and safekeeping of information assets. This policy sets forth the guidelines for safeguarding the personal information we have on so many students, and fits nicely with existing policy that is currently in place. This policy has never been in place and was something that the auditors made us aware of so we fixed it. Mr. Brew reported that another policy regarding the Liquidation of Delinquent Accounts has been created. There is lot of student loans on our books that students have long since stopped paying for a variety of reasons. When it has made sense, these accounts were sent to the Department of Revenue for collection, but the time has long since passed and these old loans should be written off. Mr. Brew reported that statute says that this cannot be done without a written policy. The policy is being reviewed by the Attorney General's Office, and a list of the loans to be written off is being assembled. Mr. Brew reported that lastly a policy is being written to allow the use of personal cell phones for state business. This policy will allow for staff to each carry a single phone, and save the agency money. This policy is being based on policies that are already in place in other agencies.

Mr. Brew reported for many years, OSAC has avoided administering any scholarships that have specific race or ethnicity requirements. This has caused OSAC to turn away customers, and even given up some scholarships that were previously administered. Mr. Brew reported that he has asked the Attorney

General's office to give us an opinion on our legal options. Mr. Brew reported that he believes it will be easy to make the case that administering private funds for these clients is perfectly legal and acceptable, if certain steps are taken, and that the previous policy was based on an overabundance of caution. It becomes complicated is the administration of public money targeting specific races or ethnicities. This becomes an issue because at least two committees are looking at creating targeted publicly funded scholarships to increase the number of African-Americans and Latinos in the teaching profession as well as what are known as the STEM fields (Science, Technology, Engineering and Mathematics). If funding becomes available for these scholarships, OSAC would be well positioned to either take on the administration or well prepared to clearly explain why OSAC cannot. Mr. Brew reported that he hopes have the Attorney General's opinion later in the month of December, and expects to bring it to the Commission for discussion at the January meeting. If the Attorney General's opinion is favorable but nuanced or complicated and the Commission decides to go forward, we will draft a policy or set of policies to guide our implementation and procedures going forward.

Mr. Brew reported that Carrie Matsushita, our marketing and communications professional, is developing one-page fact sheets for each of our programs that can be provided to legislators. These will be very high-level flyers that can be shared and each will contain four or five critical factoids about our individual programs. Individualized reports for each legislator that show them how many recipients from their districts received an Opportunity Grant, how many students received OSAC-administered scholarships, and which schools have ASPIRE sites are currently being developed. The goal is to make our programs specifically relevant to each legislator we come in contact with. In addition, a communication plan for the agency is being developed by Carrie and Lori Ellis. OSAC: At A Glance which is a larger, more in depth look at the agency and our programs is also currently being updated, and Susan Degen has taken the lead on this. It will be a very useful tool, and all the commissioners will receive a copy.

Mr. Brew welcomed Lora Carson. Lora has worked with OSAC for quite a while and as of November 1<sup>st</sup>; she joined us on a job rotation basis. She's here in Eugene three days a week and in Salem two days a week. Mr. Brew asked Lora to step forward and discuss the current state of finances.

Mr. Brew reported as mentioned in our last meeting, OSAC staff will be going to an off-site all staff training on December 14<sup>th</sup>. The Commission is invited to join us for all or part of that day. At least some of the day will be devoted to discussions on the strategic plans of the agency as OSAC moves into the new biennium. That same evening, there will be a potluck dinner in conjunction with our annual Christmas Party.

Lora Carson presented a one-page summary that outlines where OSAC is as of the close of October 2012. As of October 2012, it is 67% through the biennium and to date OSAC has spent 68% through the biennium. Ms. Carson reported that a lot of annual expenditures have already been paid so this isn't concerning and this is a good position for OSAC.

### **SCHOLARSHIP AND ACCESS PROGRAMS**

Vic Nunenkamp, Interim COO, reported that OSAC staff is delighted by the news of the GRB that was released this morning.

### **SCHOLARSHIP PROGRAM:**

Ms. Nunenkamp reported that the IT Team has worked over 300 hours of overtime (all paid for through a grant from The Oregon Community Foundation) in order to ensure the application was functional,

stable, and secure before it was released. In preparation for the release of the new application, three of the Scholarship Team members were pulled off of their usual assignments in order to do data entry of each and every of the 450 scholarship funds. This was very time consuming; those involved put in over 70 hours of overtime to support the application and its release in November. On Monday, November 19<sup>th</sup>, OSAC in unison released the “Beta Version” of the application. It was made very clear that this is a newly released application that is still being worked on and users are being encouraged to report bugs or errors that they may incur. To date, there are 1746 users as of this morning at 9:00am. In order to prioritize work, the IT team including the scholarship application support team gets together every morning to discuss errors or improvements or other items that have changed since the previous day.

Ms. Nunenkamp reported that the scholarship team continues to work on revising and updating policies and procedures specific to the Scholarship Program. The scholarship team is looking to find better and more efficient ways to support its vital work and, toward that effort, 20% of Lacie Morgan’s time has been reassigned to work in support with donor development and 55% of her time will be devoted to cross-train with CJ Gallagher, our research analyst, who runs the queries which identify eligible students for each scholarship fund. This effort will speed up the query process and help us provide our deliverables ahead of schedule; it will also provide time for CJ to pass along her 27+ years of incredible knowledge to a capable, competent, and enthusiastic colleague. In this effort to enhance efficiencies, it is intended to look further at the work of the Scholarship Team and redesign who does what enhance efficiencies.

Ms. Nunenkamp reported that a new pricing structure for administrative fees will be identified and it will give flexibility in charging for services received because not every donor requires the same level of service from OSAC in administering their funds. This flexibility offers the best possibility of bringing in more donors and thus more scholarships for Oregon students.

Ms. Nunenkamp reported that Ms. Berman has agreed to work 5 extra hours a week in donor development. OSAC and OCF continue to work collaboratively to create marketing materials in support of their efforts to target high school scholarship funds. Ms. Nunenkamp reported The Oregon Spirit Scholarship criteria on the scholarship background and goals are being finalized. Ms. Berman is working with Sherrill Kirchoff to develop the introductory piece to potential donors/ advisory council/ etc. Ms. Nunenkamp reported that five new scholarship funds have been finalized this past month. These funds include: the Oregon Albacore Commission Scholarship with 4 awards at \$1,000 annually, Weller Family Scholarship -1 award at \$1,000 annually, John Straus Scholarship -\$3,000 annually in awards, Homebuilders Foundation Scholarship - 4 separate scholarships totaling \$9,500 in annual awards and the Chessman Merit Scholarship in the Arts.

### **ASPIRE**

Ms. Nunenkamp reported that OSAC has received gracious gift from The Oregon Community Foundation of \$142,000 to bridge the budget gap and partially fund the ASPIRE Program through June 30, 2013. This grant will allow Gretchen Beckner to return to full time; as well as there will be dollars for partnership grants for ASPIRE sites. ASPIRE is also working to find better and more efficient ways to support the ASPIRE team and its incredible work. Toward this effort, Kristin Vreeland has been hired as the GEAR UP Grant Liaison. Vickie Potoski’s responsibilities have been restructured so she can work 80% of her time in ASPIRE as the ASPIRE and Outreach Technical Assistant. A Partnership Agreement with Oregon’s 529 College Savings Board has been signed to perform outreach and shared presentations on college access and financial aid.

**OUTREACH**

Lori Ellis, ASPIRE and Outreach Administrator thanks the Commission for their support of the ASPIRE Program and staff. Ms. Ellis reported that Greg Darneider, Senior Advisor to the Secretary of the US Department of Education on the College Access Initiative, was in Eugene on November 1 and November 2. On November 1, Greg spent the day at the OSAC office meeting with ASPIRE in the morning, OSAC staff for lunch, and the Oregon College Access Network (OrCAN) board in the afternoon. Friday, November 2, OSAC hosted an invitation only meeting in the morning at the Springfield School District Office to discuss what is happening with college access on a federal level and throughout other states. In the afternoon, a smaller group of individuals spent time discussing how Lane County can create a path to 40-40-20. This event brought different sectors together to create a steering committee and collaborate on how 40-40-20 can be achieved not only in Lane County but also statewide. The newly created steering committee will be working with other collective impacts around the state and the county to determine what they are doing to achieve 40-40-20 so that efforts are not duplicated and therefore build best practices for Lane County.

The commission thanked Lori Ellis and the ASPIRE for all of her work with ASPIRE, keeping the program running despite all the obstacles, and gaining statewide support for the program.

**OREGON OPPORTUNITY GRANT UPDATE**

Susan Degen, Oregon Opportunity Grant (OOG) Administrator, reported that after reviewing the minutes from the prior meeting, the commission had asked for guidelines or a policy on how to approve exceptions to the fall attendance requirement. This would be for the rare cases where students were not able to attend fall term due to circumstances well beyond the student's control. Ms. Degen presented a one-page handout entitled "Oregon Opportunity Grant – Exception to Fall Enrollment Requirement."

Ms. Degen reported that the key points of this policy are:

- Requiring the request to come from the financial aid director. The student could initiate the process but the request would need to go through the financial office.
- Students that have already been awarded the Oregon Opportunity would be considered. This process would not make a new award for some who doesn't enroll until mid-way through the academic year.
- The requests would be required to be submitted before the end of second term to ensure that this information is received within a few months after the end of fall term. The draft of the policy says March 1, which could be flexible based on OOG Advisory Group input and discussion.
- The decision to allow for the exception would be made by OSAC staff and the decision would be made based upon available funds. If no funds are available then no award will be made.

Commissioner Howard asked if this has been discussed with the financial aid community. Ms. Degen reported no, but OSAC has had similar processes in the past. Chair Weeks reported that this will be discussed at next week's OOG advisory group meeting.

Commissioner Holland stated his concern with the language in the policy that says "beyond the student's control." He is concerned that there will be lots of requests due to loss of job, loss of apartment, etc. This needs to be restrictive in its language, for example limited to medical emergencies, injuries, death in the family. Mr. Brew responded that this policy is limited to students that were awarded but for whatever reason were unable to enroll for fall term. This will be a small population of students.

Commissioner Melton asked if this was a necessary policy to implement or could OSAC just continue the appeals process that they have used in the past. Ms. Degen is that is a possibility but the appeals process that currently exists is for the denial of the Oregon Opportunity Grant award. These students were awarded and would receive an award but due to cost saving measures put in place, students are now required to enroll and attend fall term in order to receive their OOG.

Chair Weeks asked for Commissioner Castañeda's opinion on this policy. Commissioner Castañeda reported that she believes that some of these situations will be applicable to students. Ms. Castaneda believes that the policy contain the language 'beyond student control'.

Chair Weeks asked whether, if this policy is adopted, staff would be able to provide the commission with a report of these requests for review at a later time. Ms. Degen stated yes that staff would be able to generate these reports.

Sherry Carter, DAS HR asked if there was a communication plan with financial aid offices. Ms. Degen responded that she communicates with financial aid offices in a number of ways. Ms. Carter commented that is important that OSAC treats everyone fairly so that OSAC doesn't open the agency up for discrimination claims. Ms. Degen commented that this is one of the reasons that the policy states the requests need to come from the financial aid office and not the student.

Commissioner Holland moved to adopt the policy entitled: Oregon Opportunity Grant – Exception to Fall Enrollment Requirement. Commissioner Castañeda seconded the motion. The motion passed unanimously.

Ms. Degen presented the handout entitled: Oregon Opportunity Grant - Statistics for the 2011-13 Biennium through November 2012. These are current statistics for the Oregon Opportunity Grant. \$19.4 million dollars have been disbursed for fall term and finalized information will be available shortly.

Mr. Brew reported that there has been clear direction from Rudy Crew and Ben Cannon that OSAC needs to explore other awarding structures for the Oregon Opportunity Grant and to move away from the first come-first serve model that is currently being utilized.

Mr. Brew presented the draft of a white paper document, "Redesigning the Award Process for Oregon Opportunity Grants." Appendix B of the white paper outlines some of the proposed options for redesign of the award process, along with the pros and cons of each proposed option.

Mr. Brew reported that OSAC staff recommends prioritized funding for the first two years of college and done in such a way that students who make satisfactory academic progress and still require need will then be prioritized for the second year. Priority would go to the incoming freshman with the greatest need first. The reason for this proposal is because freshmen and sophomores currently make up approximately 75% of the applicants. Mr. Brew reported that the idea for a grant is funding that is open to every person and that using the OOG as a mechanism to fund special populations is not a good direction. This recommendation was circulated among the OOG advisory group members, and there has only been feedback from one member.

Commissioner Holland asked if there would be an application timeline and then after the applications were in we would sort by need. Mr. Brew reported that there would have to be the process to sort

through these applications and determine the order to award. Discussion followed regarding the awarding of the Oregon Opportunity Grant and the commission agreed that the priority in the 40-40-20 goal needs to be addressed before OSAC decides on which direction to revise the awarding process.

Mr. Brew asked for the commissioners to review the draft provided and provide him with any comments or questions. Mr. Brew believes that OSAC will have to develop a recommendation before the 2013 legislative session begins.

### **PUBLIC COMMENT**

Emma Kallaway reported that OSA found a student that the Governor's Office would like to appoint to the OSAC Commission in the vacant student commissioner spot. The student is Nagini Reddy from Oregon State University; she is a second-year student studying graphic and textile design. She is highly engaged in student government. She will be confirmed by the Senate on December 11.

### **OTHER BUSINESS AND ADJOURNMENT**

Mr. Brew reported that the presentation of the budget today is a testament to the great work that this staff has done and the fact that all of our programs were funded pays great tribute to the leadership of our staff. Mr. Brew acknowledged the contribution that Josette Green made by raising the profile of OSAC in Salem.

Chair Weeks called for other business to come before the commission at this time. There being no further business, Commissioner Melton moved to adjourn the meeting. Commissioner Holland seconded the motion. The meeting was adjourned at 12:01pm.

Respectfully submitted,

*Approved by Commission at Meeting # 426 - February 22, 2013*

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*Gary Weeks, Chair*