

MEETING #430
OREGON STUDENT ACCESS COMMISSION
Friday, June 7, 2013
Oregon Student Access Commission
Columbia Room
Eugene, OR

COMMISSIONERS

Glenda Melton
Mike Holland
Shawn Fincher
Bart Howard
Gary Weeks
Lucero Castaneda

STAFF

Bob Brew, Interim Executive Director
Vic Nunenkamp, Interim Chief Operating Officer
Lora Carson, Budget and Finance Manager
Lacie Morgan, Executive Assistant
Thomas Ridder, IT Analyst

GUESTS

Larry Large, The Alliance
Ben Cannon, Governor's Office
Emma Kallaway, OSA (Phone)
Christina Classey, Moss Adams (Phone)
Stephanie Carnahan, OUS (Phone)

Tricia Tate, Ford Family Foundation (Phone)
Belle Cantor, OCF (Phone)

CALL TO ORDER

Commission Chair Gary Weeks called the meeting to order at 9:33 am. Having a quorum present, the meeting proceeded.

LEGISLATIVE UPDATE

Ben Cannon, the Governor's Education Policy Advisor, reported that the legislature is working toward adjournment in the next few weeks and has passed some of the larger agency budget bills. Currently there are ongoing discussions about whether there will be additional revenue along with the current spending plan.

Mr. Cannon reported that the Governor's Office is working closely with the Ways and Means Education subcommittee in regards to the education budgets. In OSAC's case, the Governor's priorities are aligned with the Ways and Means Education subcommittee. The Governor's Strategic Education Investments, proposed in HB 3232 and HB 3233, remain under discussion. The Governor's Recommended Budget (GRB) for these investments were \$90 million, and the current legislative plan proposes \$60 million for these investments, including the ASPIRE expansion plan.

Mr. Cannon reported that the expectation is to see tuition increases to community colleges and public universities of about 5% to 6%, which will have impact on college access. If there is additional revenue and PERS savings, additional resources will be targeted toward education including higher education.

Mr. Cannon reported that higher education governance policy in this legislative session has centered on proposals in SB 270 for institutional boards for Portland State University, University of Oregon, and possibly Oregon State University. In addition, a companion piece of legislation, HB 3120, would establish the state's mechanisms for coordinating the higher education system in the context of institutional college boards, community colleges, OSAC, and the HECC. HB 3120 establishes the Higher Education Coordinating Commission (HECC) as the citizen board responsible for coordinating higher education through program approval, resource allocation, mission approval, and oversight for state financial aid and access programs currently under OSAC's direction. The bill in its current form

states that the HECC would be reappointed this summer and assumes its authorities in July 2014. OSAC would remain a separate office from CCWD and the OUS Chancellor's Office. The Executive Director of the newly named Office of Student Access and Completion would report to the HECC as of July 1, 2014, as would the CCWD commissioner. HB 3120 offers clarification and consolidation of authorities for policies and administration of higher education. It was passed out of the House Higher Education committee and is now with the Joint Ways and Means education subcommittee awaiting further amendments. Among these is one that would change the newly appointed HECC to a 9-member commission not a 15-member group as before. The larger obstacle is SB 270, which has significant changes for the university system, including the dismantling responsibilities of the State Board of Higher Education. The Governor's expectation is that these bills will become laws.

Chair Weeks stated that the change on the composition of the HECC is positive. He also asked if there are any important amendments on SB 270. Mr. Cannon reported that there are no important current amendments, but some amendments are underway regarding board composition. Questions have also been raised about shared services currently provided through the OUS Chancellor's Office and what will happen when PSU, UO, and OSU pull out of the shared services model. The legal structure of the bill gives institutions the right to opt out of the shared services model. Mr. Cannon stated the other four institutions have asked why they cannot be offered this same opportunity. Mr. Cannon reported that SB 270 represents a change for public universities from a hierarchical model with one chancellor to a different direction with governance. There are some risks. The Governor has campaigned on greater levels of coordination in education, so he wouldn't move in this direction if it wasn't going to help coordination.

Commissioner Howard asked, as HECC becomes more fully functional, what their coordination would be with independent colleges. Mr. Cannon said that 40/40/20 relies on contributions from the independent colleges. Larry Large, Executive Director of The Alliance, stated that the existing HECC and the new HECC have been very accommodating and have invited independent colleges to have a voice. Our interests in the independent colleges are closely aligned with the state's. Without a strong higher education system, public education system, and a robust economy, our institutions will not do well. The independent colleges gain from being in the conversation.

Chair Weeks thanked Mr. Cannon for including Bob Brew and himself in the conversation. Mr. Cannon thanked the Commission for their service.

CONSENT CALENDAR

Chair Weeks noted two corrections to the minutes from meeting #429. With these corrections, Chair Weeks called for a motion to approve the minutes as changed. Commissioner Howard moved to adopt the minutes with Chair Weeks's changes. Commissioner Melton seconded the motion. The minutes were approved unanimously.

CHAIR'S/COMMISSIONER'S REPORT

Chair Weeks reported that he was contacted the day before HB 3120A went to committee and asked to write a letter discussing the commission's positions. Chair Weeks distributed the letter that he provided to the legislature. Chair Weeks reported that the letter reflects his own opinions, not the commission as whole. Chair Weeks reported that HB 3120 will be scheduled for hearing next week in Ways and Means. Chair Weeks reported that Ben Cannon gave his approval to continue Bob Brew in and Vic

Nunenkamp in their current positions. The Commission agreed to wait until the June 28, 2013, meeting to revisit these appointments in order to determine which direction the legislature will be headed.

Chair Weeks reported that he has talked with the Governor's Office about the three commissioners whose terms expire June 30, 2013. These commissioners should continue until they know the status of the legislation that affects OSAC. Commissioner Holland expressed concern, given the prior situation that happened with a former Commissioner. Chair Weeks reported that he has significant documentation from the Governor's Office stating that the Commissioners with expiring terms are to continue for one more year.

EXECUTIVE DIRECTOR'S REPORT

Mr. Brew reported that OSAC budget bill, HB 5032, passed out of the Joint Ways and Means Education Subcommittee. It includes \$200,000 for the study on replacing OSAC's financial aid management system. It also includes General Fund support to restore ASPIRE to 2011-13 staffing levels, and the 15% increase in the Oregon Opportunity Grant. The only part of OSAC's request that was not in this bill is the ASPIRE expansion part, which part of HB 3232, the Governor's strategic investments. Commissioner Holland asked if the ASPIRE expansion is in the \$60 million budget presented by the legislature. Mr. Brew and Chair Weeks both reported that the ASPIRE expansion is in the \$60 million budget.

Mr. Brew reported that HB 3232 also includes \$3 to \$5 million to be used to pay for a college student's first college class, a program to be administered by OSAC and the Department of Education. Mr. Brew reported that he believes that \$2 million is to be used to pay for Advanced Placement (AP) classes in high school and the other \$3 million to pay for community college tuition. The bill's language says that this is to serve underserved students. Commissioner Howard asked who defines how this would be administered. Mr. Brew reported that he believes it would be OSAC, but he would have to check. Mr. Brew reported that this money could be in the form of a block grant available to schools to use to fund AP courses.

Mr. Brew reported that there has been speculation that HB 3120 and SB 270 may not pass this session, which is why Mr. Brew has asked the commission to hold off on making decisions until the fate of these bills is known. Mr. Brew reported that the fiscal impact for HB 3120, as proposed, is \$1.4 million – less than the original proposal.

Emma Callaway from OSA asked if the OSAC commission would maintain an advisory role to the HECC or if all OSAC commission duties would be assumed by the HECC. Mr. Brew stated that there is nothing in writing for the HECC to have an advisory group, but there is intent for this to happen. Chair Weeks said that the HECC will have the authority to appoint advisory groups to assist them in making decisions.

Ms. Callaway asked what the total is for the increased Oregon Opportunity Grant. Mr. Brew reported that it is \$114.6 million, as in the Agency Request Budget.

Mr. Brew noted that Pete Hale and OSAC's IT team had been present at the last commission meeting. He reported that he had been directed to make a decision based on all the information for a plan on what to do for the next application season. Mr. Brew reported he pulled together a team from the Oregon Community Foundation, The Ford Family Foundation, and Community Colleges and Workforce Development for a state data perspective to discuss the pros and cons of each system.

Mr. Brew reported that his plan is to hire a project manager for the upcoming scholarship season. For 2014-15, OSAC will use the legacy system application, and for 2015-16, OSAC will release a new application that is not as ambitious or complicated as the one released this year.

Chair Weeks stated that the legacy system will be used in 2013 and then a new system in 2014. Chair Weeks then asked if we are using of the technology from the new application or are we starting from scratch.

Mr. Brew reported that the current application tried to replace many of the processes that currently occur in the legacy system, whereas the new application to be built for 2015-16 will just be an application and not an entire database with new processes. We will continue to use the items that have worked well and can be tested.

Chair Weeks stated it sounded like it was not going to be an object-oriented database. Mr. Brew referred that question to Thomas Ridder, who explained that the newly developed scholarship application used the object-oriented database to track questions that appeared as students filled out the application . The change would be that we use the front end from the current year but put the data into the legacy database.

Chair Weeks asked if we have plans to utilize any piece of the current application and spent a significant amount of money on. Mr. Brew reported that we will salvage what we can but will not hesitate to trash the entire application in order to have a good working system. Chair Weeks reported that he wants to be able to provide an honest answer if asked how much money, time, and resources we spent on the application and the end results that were produced.

Commissioner Howard asked whose idea it was to move away from a relational database. Mr. Brew stated that the decision was made in-house.

Belle Cantor, Oregon Community Foundation (OCF), asked what OSAC's plan is to rebuild relationships with its partners. Mr. Brew reported that OSAC recognizes the need to rebuild relationships and trust. Mr. Brew has not put together a formal plan, but it has been discussed with leadership.

Chair Weeks stated that the first step was the planning group that was put together to discuss on how to fix the application. Mr. Brew reported that he had a good meeting with Denise Callahan at The Ford Family Foundation and has a lunch planned for June 26 with the Southern Willamette Valley OCF staff.

Chair Weeks asked when the project manager will be hired. Mr. Brew stated the request for proposal had to be published for seven working days then the proposals are evaluated and scored. Once the proposals are scored we will work with the State Procurement office to award the contract.

Commissioner Howard asked that Commissioners help with repairing these relationships, once the plan is in place. Belle Cantor agreed that this was a good plan and will help repair the relationship.

Mr. Brew thanked Sue Strauslin, who has agreed to work as a temporary employee for OSAC and has been working on the legacy system and the financial system as well as some security issues.

Mr. Brew also reported that as of yesterday OSAC adopted a formal communication plan and style guide. He also reported that Moss Adams has contacted OSAC to perform the annual audit, which will be focused on financial processes and policies.

Lora Carson, Budget and Finance Manager, presented a financial handout and reported that, as of the close of April 2013, OSAC is 93% spent and should be at 92% of the budget spent. Payroll is decreasing. There will be a reversion of unspent General Fund Oregon Opportunity Grant money .

SCHOLARSHIPS

Ms. Nunenkamp reported that the scholarship team is busy running programs and awarding students. Any staff that can be involved in assisting with the scholarship team has been, including Bob Brew, Thomas Ridder, and herself.

Ms. Nunenkamp reported that at the end of June there will be a full report for ASPIRE and the expansion. All the programs will provide an annual report at the end of the year, which will be available at the end of June.

PUBLIC COMMENT

Larry Large commented that the dual-credit bill continues to be worked on by the HECC and subcommittees. Mr. Large stated that one or two colleges would be involved in testing the dual-credit bill. He asked that OSAC be careful not to exclude independent institutions in administrative rules.

Commissioner Holland stated that he appreciates all of Gary Weeks's hard work during this legislative session. Commission Holland told Mr. Brew that the good news regarding Ways and Means and OSAC's budget bill does not happen by accident. It is a testament to the hard work of Mr. Brew and the OSAC staff. The rest of the commission echoed Mr. Holland's comments.

The commission agreed that the June 28, 2013 meeting should be held in Salem.

OTHER BUSINESS AND ADJOURNMENT

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. The meeting was adjourned at 11:11 a.m.

Respectfully submitted,

Approved by Commission at Meeting # 431 on 6-28-2013

Gary Weeks, Chair
