

MEETING #437
OREGON STUDENT ACCESS COMMISSION
Friday, March 28, 2014
Oregon Student Access Commission
1500 Valley River Dr., Ste. 100
Eugene, OR

COMMISSIONERS

Glenda Melton
Merriam Weatherhead
Bart Howard
Shawn Fincher (phone)
Gary Weeks (phone)

STAFF

Bob Brew, Interim Executive Director
Vic Nunenkamp, Chief Operating Officer
Lora Carson, Budget and Finance Manager
Lori Ellis, ASPIRE and Outreach Administrator
Vickie Potoski, ASPIRE Technical Assistant
Lisa Brookshier, ASPIRE Access Specialist (phone)
Becky Wilson, ASPIRE Access Specialist

GUESTS

Belle Cantor, The Oregon Community Foundation (phone)
Brent Wilder, Oregon Alliance of Independent college and Universities (phone)
Tricia Tate, The Ford Family Foundation (phone)
Bill McGee, DAS Office of the Chief Financial Officer
Doug Wilson, DAS Legislative Fiscal Office
Denise Callahan, The Ford Family Foundation
Colin Wallace, Moss Adams
Stephanie Carnahan, Chancellor's Office
Mario Parker Milligan, The Oregon Student Association

CALL TO ORDER

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

CONSENT CALENDAR

Vice Chair Melton called for a motion to approve the minutes from meeting #436. Commissioner Howard moved to approve the minutes from meeting #436. Chair Weeks seconded the motion. The minutes were approved unanimously.

CHAIR'S/COMMISSIONER'S REPORT

Chair Weeks reported that he and Mr. Brew have continued to meet with the Higher Education Coordinating Committee (HECC) subcommittee on financial aid to determine the future appearance of the grant program when it is administered by the HECC. A survey of committee members was conducted to identify priorities resulting in overall consensus for key elements of the grant program. Meetings are scheduled for April 2 and 21, 2014. The committee goal for the last meeting is to prepare recommendations for submittal to the Governor's office, the HECC Board, and the legislature.

Vice Chair Melton opened the meeting for questions regarding Chair Weeks's report or other items from other Commissioners. There being no questions or additional reports, the meeting continued.

EXECUTIVE DIRECTOR'S REPORT**FINANCIAL UPDATE**

Lora Carson, Budget and Finance Manager, presented the Financial Report provided in the commission meeting packet. Ms. Carson stated that the report is through February 28, 2014, and that overall the agency is under 33% in operations, and a little over in special payments. Overall financials are in good shape.

Chair Weeks asked for clarification regarding asterisks in the report relating to General Fund and comments about IT professional services. Ms. Carson stated that Services and Supplies in General Fund is \$579,000, with \$200,000 broken out and set aside for the Financial Aid Management (FAM) system business case.

Chair Weeks asked if a presentation on IT will be ready within the next few months or if the FAM business case decision will fall to the HECC. Ms. Carson stated that she felt it would still be under the agency and asked for input from Mr. Brew. Mr. Brew stated that he is working with DAS procurement to identify a vendor to prepare a business case for future emergency board consideration.

Chair Weeks asked, given that the last Commission meeting is in June, if the Commission would be in a position to make a recommendation to move forward based on the business case once completed. Mr. Brew stated it is his hope to have the project lined up as such by the last commission meeting but he cannot guarantee the timeline.

Commissioner Howard asked Ms. Carson for further clarification regarding a set of asterisks appearing in the Services and Supplies section of the financial report. Ms. Carson stated that the asterisks are intended to direct reader attention to other related information found in the lower portion of the report.

Oregon Opportunity Grant (OOG) UPDATE

Mr. Brew provided an OOG update, stating that the agency is 15 months into the 2013-14 Opportunity Grant cycle with applications being down 6.5% from the prior year. Awards totaled \$55.6 Million for the 18-month period with 24,220 students served. Application numbers appear to be even lower for the 2014-15 cycle. Additionally, it appears \$2.3 Million in lottery funds previously held back during the last legislative session will be freed up, which means the agency will be able to serve even more students with a portion of these funds.

Commissioner Howard asked if the intent is to award all of the money, if possible. Mr. Brew affirmed.

Chair Weeks asked why the application numbers are down. Mr. Brew stated that the downturn appears to be primarily at the community college level, which mirrors the unemployment rate. Many people have completed two year programs or found jobs and left school resulting in fewer applications.

Commissioner Howard asked if there is evidence to suggest those completing two years of community college are moving on to four year programs in greater numbers. Mr. Brew stated he was reluctant to speculate and that he had not heard of any changes to what the numbers have traditionally been.

Commissioner Howard stated he would like an indication of the numbers, if possible. Mr. Brew stated he will look into it.

FAFSA Completion Project

Mr. Brew reported he and Susan Degen are working with private contractor, Dan Adams, on a FAFSA completion project. Phase one will identify schools doing a good job of getting seniors to complete FAFSA and their common characteristics, and to look at the schools that would benefit the most from increased FAFSA completion. Phase two will be a school-by-school, customized rollout based on demographics and district needs with best practices put in place to increase FAFSA completion. The initial phase may possibly include assistance from private foundations. Results from this initial phase will springboard a petition to the 2015-17 legislative session to fund a position to do the work full time.

Mr. Brew stated the project is very timely because the federal government has a similar project called the FAFSA Completion project. Privacy restrictions inhibit the ability of education entities to share student data. However, the Federal Department of Education has come out with guidance for data sharing based on a pilot project allowing agencies to work individually with schools to share specific information. The guidance allows OSAC, with an agreement in place, to share information with an ASPIRE high school regarding FAFSA filers. This would allow agency outreach efforts to focus on students who need help rather than those who have already completed the FAFSA.

Commissioner Howard asked if the data-sharing agreement will pass privacy muster. Mr. Brew affirmed stating only directory data such as name and birth date would be shared.

Commissioner Howard asked to what extent Lori Ellis and her staff would be involved in the project. Mr. Brew stated Lori Ellis and Susan Degen are both involved in a coordinated effort to bolster and revamp agency outreach efforts. The agency wants to carve out a program and budget specifically for outreach, and the FAFSA project will be part of the overall outreach program.

Mr. Brew reported a model letter of agreement is under review by the Attorney General. The agency has asked the Federal Department of Education to provide a ruling on sharing data with the education entities of the nine recognized tribes. The tribes have a great interest in receiving data and the agency is awaiting a decision by the Attorney General.

Mr. Brew reported the issue of pickup rates is also tied to the FAFSA completion project. The agency awards twice as many Opportunity Grants as students actually claim. The project would allow the agency to identify and reach out to the students to find out why they do not pick up the award.

Commissioner Howard stated he would like a matrix of the students broken down particularly by urban and rural profiles. Mr. Brew agreed stating there is a lot of data the agency could mine with an adequate research capacity in place.

OOG Redesign Workgroup

Mr. Brew provided background on the shared responsibility model, stating that although intention was laudable, the lack of funding created a first-come-first-served award process. The workgroup goal is to create a model that is scalable in accordance with legislative cutbacks and/or increases. The scalable model would ensure the neediest students are prioritized properly and that underserved communities are awarded first by way of a tiered award system tied to income.

Commissioner Howard asked if the award would be tied to median income. Mr. Brew affirmed.

Commissioner Howard asked if there had been any discussion that the approach will serve independent students at a higher rate. Mr. Brew stated the workgroup is considering using median income of family of four for dependent students and median income of family of two for independent students. The item is pending further discussion.

Chair Weeks commented there is a lot of interest in the workgroup to develop performance standards for students that are funded through Opportunity Grant funds as they progress through the system.

Discussion followed regarding current Opportunity Grant qualifications and potential use of credits completed to measure performance rather than strictly grade point average, as students move from year one to year two. The proposed progress measure is twelve credits for full time; six credits for half time.

Commissioner Howard asked if there had been discussion of making academic performance standards higher than the federal standard for normal academic progress. Mr. Brew stated the current thinking is to look at credits completed, which would be an absolute number for years one and two. Standards beyond year two are yet to be discussed but may include higher academic expectations.

Commissioner Howard expressed agreement with Chair Weeks for establishing higher standards.

Commissioner Weatherhead expressed opposition to merit-based aid, stating that the majority of aid available is merit based and the Opportunity Grant is the only state need-based aid to help those who do not have support. Ms. Weatherhead stated merit-based requirements often favor students with money over those without and requested the agency not do away with need-based aid that many students rely upon.

Commissioner Howard expressed agreement not to do away with need-based aid and clarified that all students will have to clear the need hurdle first. However, there may be a need to move into a merit-based system when tough decisions have to be made about which students to retain if there is not enough money and award the needs students who have the best opportunity to complete college.

Chair Weeks agreed with Commissioner Howard, stating that if the agency is not able to award all who are in need, the priority should be to put the money in the hands of those who are making the greatest effort and who are on track to graduate within a reasonable time. The goal is to provide some incentive to perform at a level that will get them to completion within a reasonable period of time within the need-based framework.

Commissioner Howard stated the grant should not be tied to grade point average, rather it should be attached to making progress based on the number of credits completed.

Pay It Forward Workgroup Update

Mr. Brew provided an update on the Pay It Forward project focusing on a proposed program to allow students to attend college and not pay tuition or fees. Once they are out of college, students would pay a percentage of income for a period of 20-22 years, based on the number of credits taken and where they were taken. The project is receiving a lot of attention and is controversial. The workgroup will present a pilot proposal to the HECC in the near future.

Oregon Promise Workgroup Update

Mr. Brew provided an update on the Oregon Promise project, which is based on a proposal from Senator Mark Hass to allow Oregon graduates to attend two years of community college with no tuition or fees. The project essentially provides a continuation of public school. The workgroup will meet pending further discussion regarding eligibility, cost, and other program criteria. The HECC will develop a plan to prioritize and coordinate the project.

Treasurer's Oregon Opportunity Initiative

Mr. Brew provided an update on the Treasurer's Oregon Opportunity Initiative, which proposes to sell bonds with proceeds to go into an endowment with any excess funds to be used for student access. The Opportunity Grant, Pay It Forward, and Oregon Promise programs would all be eligible under this idea. The ballot initiative will be on the ballot in November 2014 to make the program eligible for bond funding.

Financial Aid Management System Update

Mr. Brew reported the agency is working with the DAS procurement office to hire a contractor to produce a FAM system business case.

Budget Update

Mr. Brew reported he and Lora Carson are working closely with the HECC and the department of Community Colleges and Workforce Development (C.C.W.D.) to develop a shared budget going forward. OSAC will remain an independent agency, but there are opportunities to combine the needs of all entities and pool resources where it makes good sense to do so. There may be opportunities to trade services or pool resources and hire a person to do the work rather than continue to pay for DAS services. The process of combining resources is underway, particularly in the areas of administrative and accounting services.

Mr. Brew reported there may be two different budgets prepared for 2015-17, depending on the outcome of the Treasurer's Initiative. The first version will be status quo, for lack of a better term. An alternate version will be prepared in the event that the Treasurer's Initiative passes and would include revitalization and expansion of the Outreach and ASPIRE program, funding for new projects such as FAFSA completion, and FAM system development and implementation.

Mr. Brew provided a history of options previously explored for replacement of the FAM system, stating that he believes the approach taken with the successful scholarship application redesign would serve the FAM project well. This approach may include up to two full-time, limited-duration employees to complete the project, if funded.

Commissioner Howard asked Mr. Brew if he had talked with users of "off the shelf" FAM systems. Mr. Brew stated he had talked to every state and, while many of them do ___??___FAFSA, none of them require the packaging of FAFSA integrated with a scholarship application, integrated with outreach to donors and schools. The agency would require several products if purchased off the shelf, and there would be additional time and costs associated with figuring out how to get them to all work together.

Commissioner Howard commented there are several features within pre-packaged systems that the agency does not require. Mr. Brew affirmed.

Mr. Brew continued with the budget update, stating that the agency may request breaking out certain items from the General Fund to capture costs more accurately but will have no impact on the overall existing budget. Breakout items would include calling out funds for an outreach program, and swapping out of some ASPIRE funds, which could save the state money in personnel costs.

Mr. Milligan asked if the agency would ask for student parent child care funds. Mr. Brew affirmed and stated that he would like to hear the Oregon Student Association's perspective on this subject in the near future.

Mr. Brew reported review of administrative rules is underway in preparation for the integration of the HECC with other agencies; it includes agency name changes, substantive changes to align authorities; and bigger policy changes, as needed. He and Susan Degen undertook review of the Oregon revised statutes last year in an effort to clean up outdated verbiage and programs and will put forward applicable cleanup proposals.

GEAR UP Scholarship Update

Mr. Brew reported the GEAR UP scholar program is running low on funds and is concerned about meeting student funding obligations. The agency is working cooperatively with Stephanie Carnahan and other partners at Oregon University System to help keep students funded. The agency was requested to reduce the standard administrative fee for the GEAR UP 1 program from 10% to 5% for the current year and for the next three years. The agency has agreed to the reduction. There is a new grant called GEAR UP 2, which is a series of scholarships for a new set of schools for which the agency has been asked to also reduce administrative fees to 5%. There are a lot of pieces involved, and schools also may assume some of the administrative duties in the future. A decision has not yet been made regarding reduction of the fee for the new grant program.

Mr. Brew asked Stephanie Carnahan to speak to the topic.

Commissioner Howard asked why funds were running short and if it's due to better participation, or if costs were higher than anticipated, or were funds given in such a way that they could not be invested such as to keep up with cost of inflation. Ms. Carnahan confirmed the shortfall was due to 'all of the above', except the latter, stating that the Oregon University System has invested the funds wisely, well and aggressively since 2002. Unfortunately, they lost money in the 2008 stock market crashes. They had great pickup and return rates. Also, the budget did not take into account a significant increase in Pell Grants to which the scholarship is tied. Lastly, the administrative fees were not allocated into the forecast formula. They are reviewing possible reduction of the scholarship amount. Ms. Carnahan thanked Tina Wilson, Cheryl Gallagher, and Holly Willeford for their tremendous work in support of the GEAR UP Administration.

Chair Weeks asked Mr. Brew if the fiscal office had been informed of the loss of revenue due to the reduction in administrative fees. Mr. Brew confirmed, stating that the agency has delayed hiring of some positions and moved costs appropriately to offset an anticipated \$60,000 revenue reduction for the current year.

Birkman Instrument

Mr. Brew reported staff will participate in team building exercises using the Birkman instrument. The exercise is intended to improve day-to-day communications and understanding to foster customer service, and will stage the agency well for upcoming strategic planning.

Governor's Food Drive

Mr. Brew reported the agency, under the leadership Tanja Jenson, well exceeded prior years for dollars and food donated. All were invited to attend a celebratory lunch with staff in honor of this achievement following the close of the meeting.

Commissioner Howard asked if there was a number associated with the Treasurer's Initiative. Mr. Brew stated the challenge is that returns expected on bonds and the amount to be paid is speculative. The amount to be paid is fairly expensive with low rates of return at the beginning.

Mr. McGee stated as of the last analysis he reviewed, the state will pay more in debt services for 20+ years. There are lots of policy choices that need to be made before it generates money for financial aid.

SCHOLARSHIP AND ACCESS PROGRAMS

Vic Nunenkamp, Chief Operating Officer, reported on the application season, stating that 31,805 applications were created and 14,559 submitted. Of those submitted, 12,010 were valid. The process of running queries for eligible applicants per fund is underway, and the agency has begun providing data to selection committees. All deadlines had been met and many were early, with the exception of one little glitch the day prior. Staff is working collaboratively to resolve the issue. There are four new funds for the Oregon Community Foundation, one of which could be substantial. The agency is very excited about the future.

ASPIRE Showcase:

Lori Ellis presented an ASPIRE program overview, annual report, and statistics, explaining the material provided covered 2011 through the current academic year. The recently developed evaluation workbook as well as the first ASPIRE Annual Report were implemented. The annual report was sent to roughly 30 recipients, including President Obama, First Lady Michelle Obama, Arne Duncan and Greg Darneider of the US Department of Education, Ellen DeGeneres, Oprah Winfrey, and Legislators. Restoration of a full team this year has allowed staff to focus on rebuilding the ASPIRE program and site support. Efforts to ramp up the middle school/GEAR UP grant program are underway, and middle school site visits are in progress.

Ms. Ellis reviewed data provided in the meeting packet, stating that the focus for the current year has been on building the program back up rather than active site recruitment. The consistent 1:6 volunteer-to-student ratio data shows the program is streamlined and efficient. Volunteer hours and market value is significant, with more than 48,000 volunteer hours for 2012-13 valued at over \$1 Million at the Oregon rate for volunteer hours. Data pertaining to the OSAC scholarship application shows ASPIRE sites receive more dollars and more awards than non-ASPIRE sites, with a 17% increase in ASPIRE scholarships awarded for 2012-13.

Ms. Ellis stated she is looking forward to implementation of the FAFSA Completion project. The ability to identify and follow up with students who start but do not submit an application will be of significant value to ASPIRE sites. Staff will work directly with sites and with College Goal Oregon to provide lists of students for direct follow up, which should significantly increase the number of applications submitted.

Ms. Ellis stated that she believes outreach efforts on the part of ASPIRE and OSAC staff are the reason for an increase in both the FAFSA and OSAC scholarship applications. Outreach includes administering College Goal Oregon, Finding Funds presentations, Oregon College Savings Plan co-presentations, financial aid nights; college fairs, College Night Oregon, and College Application Week for which the majority of locations are ASPIRE sites.

Commissioner Howard commented that the outreach effort is much greater than the prior year. Ms. Ellis stated the agency seeks out partnership opportunities to do as much outreach as is authorized. Previously outreach specialists were hired to conduct regional outreach. However, the past couple of years it has been ASPIRE staff doing outreach in addition to serving their sites. The agency is looking forward to a separate budget to build outreach capacity.

Ms. Ellis demonstrated the online Coordinator Toolkit. The toolkit was designed to be very user friendly for both seasoned and new site coordinators, and content is updated annually.

Chair Weeks requested a link to the site be provided to commissioners. Ms. Ellis affirmed, stating that she would provide a link and guest login and password information for commissioners' access.

Demonstration of toolkit content continued. Ms. Ellis reported content includes a quarterly newsletter, list serve, a presence on Facebook, and a Pinterest account. People are "re-pinning" ASPIRE pins. Podcasts are still in use and, though Twitter was just recently implemented, the program has over 145 followers. Followers are re-tweeting ASPIRE tweets, meaning they feel the program information is important enough to repeat to their followers. ASPIRE also has its own YouTube channel with promotional and training videos. Content includes links to Oregon College Tours, which are virtual college tours for sites that are not able to take students on a campus tour. Content is added by way of Rich Site Summary (RSS) feed to reach out to other, related blogs/content. The toolkit has been a huge hit with the sites and has received a lot of positive feedback.

Commissioner Howard asked who was responsible for pulling the toolkit content together. Ms. Ellis reported she and Kyra Mathews began with a template the prior summer. Content and input from staff was then added and maintenance is now part of the trainer's position description. Kyra Mathews is phenomenal and supporting maintenance until a new trainer is in place. This was a tremendous team effort.

Ms. Ellis stated she will create a commissioner username and login and asked that they please send feedback and suggestions via the link in the toolkit.

Mr. Brew commented there have been prior issues of sites using agency content and revamping it to give to another school that has not agreed to the terms and conditions and guidelines required of ASPIRE sites. While the agency doesn't mind a school using content, there is a risk of having the agency name on a poorly run program.

Vice Chair Melton opened the meeting for questions or comments on the ASPIRE update.

Ms. Wilson commented that she had been with the ASPIRE program in its early years. She recently returned after a two-year absence and was completely blown away by the progress made. She commended staff and all who had a part in the amazing tools developed adding the final product is inspiring and that she is very proud to be associated with the program.

Risk Assessment and Mitigation Update & Potential Project for 2014

Mr. Wallace of Moss Adams provided background on agency risk assessment and internal audit requirements and practices. Mr. Wallace reported he had recently met with agency management to report his understanding of current risks, confirm validity of previously identified risks, report any newly identified areas of risk, and to present the current year potential internal audit plan.

Mr. Wallace reviewed the risk key map provided in the meeting handout, noting their approach for the category of areas of high risk will always include items previously audited and addressed, as they may need to be revisited in the future. During this year's field work visits, they will follow up specifically to gather evidence to verify that what management said was being done to resolve previously identified areas of risk are indeed being done. Areas of focus include turnover of key personnel and query design and data integrity. The latter is in the list for future review, as it is not the right time to audit due to changes currently underway with the scholarship application process.

Other areas of risks are scholarship administration and the lack of an IT sustainability plan to ensure the agency is keeping pace with technology and to ensure there are no budgetary surprises.

Commissioner Weatherhead asked if the risk assessment will change as OSAC advisory authority transfers to the HECC. Mr. Wallace stated that operations will stay largely intact. They will be able to identify any new risks once any needed internal changes are made and then provide recommendations.

Mr. Brew stated there is a great benefit to the agency in working with Moss Adams. Projects have been timely identified and fixes put in place to move forward over several years.

Mr. Wallace stated that he did not see any of the current risks going away with the restructure. Rather, he sees potential for new risks as the merger happens. However new risks cannot be identified until key decisions are made as a result of agency integration.

Chair Weeks thanked Mr. Wallace for the review and asked for confirmation that the areas of risk in the red area are typically areas of high risk for any organization. He added that he would like to know if there are risks that need to be mitigated as soon as possible but are not necessarily reflected in the update. Mr. Wallace affirmed stating the information sought will be available in their next report, which will include management's response and mitigation details.

Chair Weeks asked when the report will be available. Mr. Wallace answered June-July, after the end of the biennium. Discussion followed regarding the timing of the report. Mr. Brew stated he will work with Mr. Wallace to report on or before the last commission meeting.

Chair Weeks stated he did not want a significant problem unidentified or unaddressed before they close out as a commission. He would like enough information during the last meeting of June 2014 to be able to say they are closing OSAC down with the knowledge that they are not transferring significant risk to the HECC. Mr. Brew stated he will work with Mr. Wallace to provide the information requested.

Commissioner Howard asked Mr. Wallace what his feelings were in terms of the level of communication on the part of administrative heads toward understanding what is needed to conduct a decent internal audit. Mr. Wallace stated OSAC management has been very transparent and very up-front about risks or new risks that are brought forward.

Discussion followed regarding the timing and content of the update. Mr. Wallace offered to meet with the commission to provide a more detailed review, after field work is completed but prior to the April 2014 commission meeting. Chair Weeks stated another meeting would be helpful.

Mr. Wallace recommended an internal audit of the private scholarship cost structure and development of a formal sustainability plan as an advisory project. He recommended both items for review and/or completion prior to June 2014.

Commissioner Howard asked for timeline clarification for reporting. Mr. Wallace stated they would start field work in late March and wrap up a final report in June of 2014.

Mr. Brew expressed appreciation for Moss Adams' flexibility due to tight timelines and various challenges this year. He thanked Mr. Wallace and his whole team.

PUBLIC COMMENT

Vice Chair Melton opened the meeting for public comment.

Ms. Callahan acknowledged Ms. Nunenkamp and Mr. Brew for the current scholarship award season, stating that the difference from the year prior is phenomenal. She thanked OSAC management and the entire team, stating that they had been very transparent and had really allowed The Ford Family Foundation to be a part of the process and that they are very pleased.

Vice Chair Melton thanked Ms. Callahan.

OTHER BUSINESS AND ADJOURNMENT

Vice Chair Melton called for other business to come before the commission at this time. There being no further business, Chair Weeks moved to adjourn the meeting. Commissioner Fincher seconded the motion. The meeting was adjourned at 11:42 a.m.

Respectfully submitted,

Approved by Commission at Meeting # 438 on April 25, 2014

Glenda Melton, Vice Chair