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Commissioners Direct State Agency to Seek Alternatives

EUGENE, Ore. (9/7/04) In a special August 20 meeting, the Oregon Student Assistance Commission (OSAC) directed staff at the state agency to evaluate alternatives available to guarantee student loans in Oregon besides the OSAC-operated system currently being used. The commission made its decision based on several factors, including the recommendation of the recently concluded "Futures Workgroup," chaired by former State Senator Cliff W. Trow of Corvallis and his wife Jo Anne, retired 30-year administrator from Oregon State University. OSAC's Commissioners met to finalize a report due to the Legislative Emergency Board in mid-September on the status of OSAC's loan program.

In a prepared statement, the Workgroup, established in conjunction with the Governor's Office, noted that the student loan program as it currently operates is not viable. It recommended that the commissioners consider options for the loan program including partnerships with other guarantors, divestiture, or reversion to the federal government.

"Whatever option we choose, our plan is for this transition in loan guarantee to have minimal impact on students and schools," said Brian Clem, chair of the Commission. "We're focusing now on helping our schools and making the change as seamless as possible."

Regarding OSAC's other functions, the Workgroup noted in its statement that "There is consensus within the Workgroup that additional funding should be directed toward expanding the Oregon Opportunity Grant, ASPIRE and Scholarship Services, so as to increase access for the growing number of students in need." OSAC's Commissioners agreed with this statement in its meeting, as well as the Workgroup's recommendation that OSAC remain an independent agency uniquely qualified to administer these programs that enhance college access and affordability.

Workgroup members included representatives from student associations, public and private universities, community colleges, SEIU Local 503, the State Department of Education, the Department of Administrative Services, OSAC, and the Legislative Fiscal Office. The Workgroup's conclusions will contribute to OSAC's presentation to the Legislative E-Board in mid-September.

More information is available on OSAC's website at www.osac.state.or.us
<<http://www.osac.state.or.us>>.