

MEETING #434
OREGON STUDENT ACCESS COMMISSION
Friday, November 8, 2013
Oregon Student Access Commission
State Capitol Building
Salem, OR

COMMISSIONERS

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

STAFF

Bob Brew, Interim Executive Director
Vic Nunenkamp, Chief Operating Officer
Lora Carson, Budget and Finance Manager
Lacie Morgan, Executive Assistant
Susan Degen, OOG Administrator

GUESTS

Tricia Tate, The Ford Family Foundation (phone)
Mary Robinson, Oregon University System.
Karen Hale, 2h Systems
Pete Hale, 2h Systems
Denise Callahan, The Ford Family Foundation

Bill McGee, DAS Office of the Chief Financial Officer
Susie Hosie, DAS Human Resources
Doug Wilson, Legislative Fiscal Office
Belle Cantor, Oregon Community Foundation (phone)
Ben Cannon, Higher Education Coordinating Commission

CALL TO ORDER

Commission Chair Gary Weeks called the meeting to order at 10:07 am. Having a quorum present, the meeting proceeded.

CONSENT CALENDAR

Chair Weeks called for a motion to approve the minutes from meeting #433. Commissioner Howard moved to approve the minutes from meeting #433. Commissioner Fincher seconded the motion. The minutes were approved unanimously.

CHAIR'S/COMMISSIONER'S REPORT

Chair Weeks reported that Mr. Brew's evaluation was completed and distributed the final copy among Commissioners. Chair Weeks summarized the evaluation by saying that it was very positive and the Commission is pleased and satisfied with the performance of Mr. Brew throughout the past year. Chair Weeks reported that he attended a meeting by telephone conference of the Higher Education Coordinating Commission Financial Aid Work Group. This work group is charged with responding to a number of broad questions that include reviewing the current methodology for awarding Oregon Opportunity Grants and whether aid should be redesigned to reward success and completion..

EXECUTIVE DIRECTOR'S REPORT

Bob Brew, Interim Executive Director, thanked the commission for their support in his position as Interim Executive Director. Mr. Brew reported that this job would be impossible without Vic Nunenkamp by his side and a wonderful staff that has a great amount of patience.

Mr. Brew reported that the Governor named Ben Cannon as the Executive Director of the Higher Education Coordinating Commission (HECC). Mr. Cannon was previously the Governor's Education Policy Advisor and prior to that he was an Oregon State Legislator. Mr. Cannon brings a broad variety of experience to the position. Mr. Brew reported that he has been meeting bi-weekly with Mr. Cannon and has attended two meetings to date. Mr. Brew has asked for a vision of the organizational structure of

the HECC. He and Mr. Cannon will meet regarding this item next week. Mr. Brew asked Mr. Cannon to address the commission and provide an update on his new role and the HECC.

The Oregon Education Investment Board (OEIB) assigned the HECC to review the Oregon Opportunity Grant (OOG) and determine if any improvements can be made. The Chair of the HECC, Tim Nesbitt appointed a work group for this. Chair Weeks is a member, and Bob Brew from OSAC is a resource person. Mr. Brew distributed a document from Tim Nesbitt that provides the working group with the original charge from the OEIB and direction for the Work Group. He reported that OUS, Community Colleges, The Alliance, OSA, OCF, and Private Colleges are all represented on the Work Group. Mr. Brew provided the Work Group with an overview of how the OOG currently works, including current award methodology, pros of the Shared Responsibility Model (SRM), and challenges with SRM as it has been implemented. OSAC was asked to perform some assignments in preparation for the next Work Group meeting. Chair Weeks said that this is a broad group and not completely financial aid professionals. Chair Weeks stated that Bob's presentation was very informative and allowed the group a good starting point to determine the best way to use OOG funds.

Mr. Howard asked about the commission's role: is it to step back and answer questions as they come? They are not asking for input from the rest of the commission other than what information is provided by Chair Weeks? Mr. Brew stated yes this is true. Mr. Weeks stated that there will be a time when ideas begin to formalize, and then OSAC will have to debate these ideas and discuss how we feel about this, how we can help refine proposals, and how we can help add information to these ideas. Discussion followed.

Mr. Brew commented that the challenge with the SRM is that it was originally envisioned to be the last dollar provided to the student. Obviously we cannot meet that for at least a percentage of our students. The annual funding gap for a full-need student is around \$6000 and the OOG award is \$2000. This means students are actually providing the first dollar and the last dollar. There is nothing in the SRM that discusses when this isn't fully funded how the money is supposed to be rationed. This is not an obtainable goal now or in the near future. Discussion followed.

Bob Brew reported that he attended NASSGAP conference in the Washington DC; there were 26 states represented. Mr. Brew also attended ORCAN conferences, where approximately 100 people gathered with a common interest of getting students to explore and engage in post-secondary education.

Mr. Brew reported that last week he met with Mario Parker-Milligan and Emma Kallaway from the Oregon Student Association. He also attended a symposium regarding student debt at Portland State University. Mr. Brew reported that he had a conference call with staff from Ben Cannon's office, Senator Mark Hass's office, and the Federal Department of Education regarding a proposal from Senator Hass called the "Oregon Promise," which would guarantee students who meet certain criteria, the first two years at a community college at no cost to them.

Mr. Brew reported that OSAC has received approval to hire for the Limited Duration Accounting Tech. 2 position that was approved by the Commission at the last meeting, and we are in the process of getting this position posted and hope to get a person hired within the next month.

Mr. Brew distributed a handout regarding the Oregon Spirit Scholarship (OSS), which was previously spearheaded by Joyce Berman along with Bart Howard and Dave Mesirow. This is a draft briefing memo of the OSS. Mr. Brew summarized the handout by saying the OSS is to recognize students that

have demonstrated the Oregon Spirit, be good students, have community involvement, and have shown commitment to their education. Eligible students would have a 3.0 GPA, be in the final year of their program, have some demonstrable community involvement, complete an essay describing what the Oregon spirit means to them. This program has always been envisioned, but the challenge was in how to fund the scholarship. Approximately one year ago, OSAC discovered that there was an estimated one million dollars in surrendered JOBS Plus money that is transferred to OSAC and used for the OOG. These funds come in at a low and unpredictable rate, so they are not being used because they have been treated as an emergency fund. A proposal was made at a meeting with Ben Cannon to get statutory approval to direct these monies to the OSS endowment, with a dollar-for-dollar match to private-sector money. If the endowment had a corpus of \$2 million and OSAC spent about 4% a year, the OSS could fund \$4000 scholarships for one student from each of the seven four-year OUS Universities and 17 community colleges. This is a preliminary discussion.

Bart Howard commented that the committee envisioned a slightly different scholarship than what has been presented. The committee had envisioned a very high profile scholarship with an award amount of around \$10,000. The committee had thought about students who had loan debt specifically, and members were interested in directing the scholarship at good students who were finishing their program to help reduce their loan debt. It would be a public/private funded scholarship designed to help address the 40/40/20 completion goal and encourage good students to aspire to be 'Oregon Spirit Scholars.' Candidates would be nominated by their school and the selection process would not be open to just anyone who wanted to apply: much like the Fulbright and Truman scholarships in operation and prestige. It would be Oregon's highest honor to bestow on a student. Bart Howard feels that the current draft resembles another state program, and he wishes that they would increase the profile of this scholarship even more. This would require a legislator that would champion this cause. Discussion followed regarding the OSS.

Mr. Brew distributed the OSAC Scholarship Application press release. Mr. Brew gave an interview to *The Oregonian* regarding to tips for students applying for student aid.

FINANCIAL UPDATE

Lora Carson, Budget and Finance Manager, presented the Financial Report provided in the commission meeting packet. The report is through September 30, 2013, and therefore represents the first three months of the biennium. Overall OSAC is spending at a lower level for Services and Supplies and Personal Services.

SCHOLARSHIP AND ACCESS PROGRAMS

Vic Nunenkamp, Chief Operating Officer, reported that ASPIRE held their Fall Conference at Reed University on October 25, 2013. There were over 255 people in attendance with 16 presentations and Hilda Rosselli from OEIB was the keynote speaker. There were repeated comments that this was the "best ASPIRE conference ever." ASPIRE has 131 sites, and staff has completed 83 site visits. The University of Oregon and Clackamas Community College are interested in becoming ASPIRE sites. ASPIRE has created an electronic newsletter. Ms. Nunenkamp distributed a copy of the newsletter. ASPIRE staff have attended seven college fairs and four OUS Financial Aid Counselor conferences. Lori Ellis is actively involved in the Career and College Readiness Workgroup to improve student access to career and college readiness across Oregon with the OEIB. Oregon is focused on strategies that can help ensure a more successful and seamless transition for students into postsecondary education or the workforce.

Chair Weeks asked if all the ASPIRE coordinator positions were filled. Ms. Nunenkamp replied yes.

Ms. Nunenkamp reported that the scholarship program has 479 total funds with four new programs added this month from the Oregon Community Foundation. Staff attended the National Scholarship Provider Association (NSPA) conference in Portland in October. At the NSPA, OSAC and The Ford Family Foundation were co-sponsors and did a panel presentation regarding our partnership; Commissioner Bart Howard was the facilitator.

SCHOLARSHIP APPLICATION UPDATE

Pete Hale, Systems Architect and Project Manager from 2h Systems reported that, since the last commission meeting, 46 major tasks were completed, not including bug fixes or standard changes that occur from year to year. Mr. Hale reported that changes to both the process and the infrastructure are occurring, including how the development team operates, improving communication between the query team and IT developers, and ensuring that the developers don't overwrite each other's work. Mr. Hale reported that the expanded stakeholder testing was successful and completed a lot of work regarding the stress testing of the system. In order to perform this test, OSAC had to purchase software, install it correctly, and then write scripts to mimic the actions of the application. Mr. Brew says it replicates by 1000 what a student would do while completing an application and shows the effect of that on our system. Mr. Hale reported that this software will not run with bugs in the system but it ran well for our system.

Mr. Hale reported that an official check and balance system "Dev to Test policy" was created that allows for secondary oversight for when things are passed from the development environment to the test environment to production. With this policy, two people are required to make the choice to publish to the test environment. Mr. Hale reported that OSAC is working on integrating a messaging system for each page in the application, so if there is an issue with a particular page we can communicate to the student about the bug. A data exporter program was built and implemented, and a query UI is being built.

During stress testing, it was discovered that our capacity is more than before due to the hardware upgrades. Mr. Hale reported that there are two major dates where there is a spike in usage – February 15 (Early Bird) and March 1 (Final Deadline). Last year at 1200 users per hour on March 1 the system was crashing, and this year we can comfortably load 1500 users per hour as the system currently stands. Mr. Hale reported that it was discovered that scholarship list page is very convoluted and memory intensive and has the most impact on the system. The strategy for mid-December is to put together improvements on that page that are not changes to the code but rather how the student navigates to the page. Mr. Hale reported that the application is getting a lot of use. Lacie Morgan stated that as of this morning approximately 2400 applications have been created. Mr. Hale reported that there has only been one help desk call.

Bob Brew stated that he appreciates the work that Pete and Karen Hale at 2h systems have done in facilitating this process, keeping people focused, and not overreaching. Denise Callahan from The Ford Family Foundation said they have not received any negative feedback and the only calls they have received are regarding general information about their programs and where to find the application. The Donor Portal is working correctly.

OREGON OPPORTUNITY GRANT UPDATE

Susan Degen, Oregon Opportunity Grant Administrator, reported that the estimated total awards for fall is 56,300. The actual disbursements for fall term will be reported this month. Disbursement reporting begins next week and ends the Wednesday prior to Thanksgiving. The \$112 million in awards include former foster youth who have applied before and after the deadline. There are approximately 900 foster youth, which represent slightly less than \$ 2 million in awards. Last year only about 50% of foster youth used their grant.

Ms. Degen reported that she has had multiple questions regarding OOG eligibility in the past month. The first question asked whether or not incarcerated students are eligible for the OOG from the staff at the Oregon Youth Authority. OOG eligibility used to align with eligibility for Federal Financial Aid programs, Pell Grants, Stafford Loans, etc. In the past there was federal money in the OOG, so we had to align the program with federal requirements. Since we no longer have federal money in the OOG, there is no reason we couldn't make awards to incarcerated students. However, we do not now receive FAFSA data for these students. Currently these students pay out of pocket for college courses. The two outstanding questions are – Would these students be eligible and, if they are eligible, how would we get FAFSA data if they cannot file a FAFSA?

The second question regarding OOG eligibility was whether or not undocumented students would be eligible for the OOG. This question arose because California changed their statute, so undocumented students are now eligible for the Cal Grant. The same issue applies for these types of students as with incarcerated students. California created a variation of the FAFSA that is posted on their website for this purpose. OSAC doesn't have that ability, and it would require a change in statute for that to occur.

Commissioner Howard asked if both of these questions need to be addressed legislatively and should they come through OSAC. Ms. Degen responded that the undocumented students would require a legislative action. The incarcerated students are not currently addressed in statute, so may not require legislative action. Mr. Brew reported that under Pell regulations, you are not eligible for federal aid while you are incarcerated but once you are released you are eligible. This does not apply to convicted sex offenders or those convicted of certain drug related offenses.

Chair Weeks asked if this has been discussed with the Attorney General to determine if there is some statutory prohibition that we are not aware. Ms. Degen reported that this has not been done but that the correct question needs to be asked in order to minimize expense.

Ms. Degen reported on the issue surrounding modified diplomas. A federal law passed 1.5 years ago affected student eligibility for federal aid programs. Students who did not have a high school diploma used to be able to take an ability-to-benefit test to qualify for federal aid. If they passed this test or if the student took an academic term's worth of college classes and passed them successfully, the student would be eligible for federal financial aid. This option was eliminated effective July 1, 2013, for all new students.

Ms. Degen distributed the DRAFT version of the 2014-15 FAFSA and pointed out the issue arises from question 26 – “When you begin college in 2014-15, what will be your high school completion status? High School Diploma, GED, Home School or none of the above.” According to a ruling from the US Department of Education that was posted on the Oregon Department of Education website, the feds do not consider a modified diploma to be the equivalent a standard Oregon high school diploma. New college students who received a modified diploma have lost eligibility for Pell grants etc. Ms. Degen reported that from what we can determine these students are still eligible for an Oregon Opportunity Grant. There were two bills in the last legislation – HB2898, specifically denying financial aid solely

because a student had a modified or extended diploma, and HB2743, which established a task force to look into this issue and determine how to council these students and replace some of the financial aid that these students may have lost. This task force meets November 22.

Ms. Degen reported that modified diplomas are diplomas that have a slightly different core credit requirements that that of the standard diploma. Mr. Brew reported that the problem is that if a student doesn't answer the FAFSA question correctly, i.e., they report that they have a high school diploma. Students who answer the question correctly are penalized by losing access to federal student aid. Sometimes when community college students are selected for verification, the school determines there is a modified diploma from grade transcripts. This is not a policy question the commission should be aware of the issue. The OOG rules or statutes do not mention a diploma of any type. Discussion followed.

Ms. Degen reported the following changes to the FAFSA for the upcoming 2014-15 academic year:

- Terminology is changing for the parent income information – the terms “father” and “mother” will be changed to “parent 1” and “parent 2.” The purpose of this is to collect more financial information about dependent students who are living in families where the parents are not married but cohabitating.
- The FAFSA instructions now state that the student MUST CORRECT estimated tax information after filing taxes. Students need to estimate income information in order to file FAFSAs early. In the past, there were encouraged to update tax information after filing, but they will now be required to update tax information.

HIGHER EDUCATION COORDINATING COMMISSION UPDATE

The Commission welcomed Ben Cannon, Executive Director of Higher Education Coordinating Commission (HECC), who was appointed by the Governor to the position in early October. The position was created in 2011 legislative session but was not funded or hired until it was included in the 2013-15 budget in consideration of the new authorities the HECC inherits effective July 1, 2014.

Mr. Cannon reported that at the HECC planning meeting on November 18, the Chair and Mr. Cannon will ask for the consideration of six major focus areas that have been identified. One of these focus areas has already established a Workgroup, which is the HECC Financial Aid Workgroup. This workgroup will advise the HECC on potential changes and allocations for the OOG. The second of the six groups will focus on the “Pay it Forward” approach to financing student’s higher education. The remaining four topic groups include pathways for student success, a consolidated higher education budget (including appropriations for OSAC, CCWD and public universities), funding allocations for community colleges and public universities, and oversight of the process for reviewing and approving proposed programs at community colleges and public universities. Current there is no staffing for the HECC. Mr. Cannon reported that he is endeavoring to establish a new agency, one that is integrated with CCWD and OSAC and that reflects a clear and orderly transition of responsibilities from the OUS Chancellor’s office to the HECC.

Chair Weeks commented that this is a huge endeavor and these are tough issues and the Commission appreciates the opportunity to be a part of the conversation regarding the OOG and OSAC. Mr. Cannon acknowledged the Commissions support and stated that Bob Brew has been very much a part of the work regarding the OOG as well the consideration for a new agency. What is clear from OSAC commissioners and staff is the support, participation and desire to want to be a part of this larger whole

that is higher education. Mr. Cannon appreciates the role that Bob is playing in the development of this new structure of higher education in Oregon.

PUBLIC COMMENT

No public comment

The commission decided that it was not necessary to hold another meeting in November; therefore, the next OSAC meeting will be on January 17, 2014, in Eugene.

OTHER BUSINESS AND ADJOURNMENT

Chair Weeks called for other business to come before the commission at this time. There being no further business, Commissioner Fincher moved to adjourn the meeting. The meeting was adjourned at 11:59 am.

Respectfully submitted,

Approved by Commission at Meeting #435 on January 17, 2014

Gary Weeks, Chair