

MEETING #350
OREGON STUDENT ASSISTANCE COMMISSION
Oregon Department of Revenue
1600 Valley River DR STE 310
Eugene, OR 97401
Friday, October 20, 2006

ATTENDANCE:

COMMISSIONERS:

Dean Wendle, Chair
Bridget Burns, Vice-Chair
Cap Sharples
Erin Devaney
Tony McCown

STAFF:

Dennis Johnson, Executive Director
Alan Contreras ODA Administrator
Vicki Merkel, Scholarship & Access Programs Director
Susanne Ney, Office Manager
Susan Degen, OOG Administrator
Anna Hopt, Fiscal Analyst

GUESTS:

Brett Rowlett, Oregon Student Association (OSA)
Margie Lowe, Governor's Office
Gary Andeen, Oregon Independent Colleges Association (OICA)
Julie Suchanek (OCCA)
Bob Weil, former OSAC Commissioner

CALL TO ORDER

Chair Wendle called the meeting to order at 9:30 a.m. Introductions were made around the room. Quorum of four commissioners, Wendle, Sharples, Burns, and McCown. Ms. Devaney joined later via conference call.

APPROVAL OF MINUTES

Minutes from meeting 349 were submitted for approval. The minutes were approved unanimously.

CHAIR'S REPORT

Chair Wendle and Mr. Johnson met with Hans Bernard, policy advisor for the Senate majority leader regarding where we are going with the Opportunity Grant.

Shared Responsibility Model - Chair Wendle said that in the future, there will have to be a cooperative effort between all of the players-OSAC, the schools, and the Governor's Office, etc., to make the new model work. Last year's unspent money has made some legislators happy, and others not, however, our hands were tied when we tried to go to the E-Board to get permission to use it.

Measure 41 – allowing tax payers use the federal deduction on state tax returns. Bill Sizemore and a millionaire from Nevada have brought it forward. Middle to higher income brackets would see largest savings, while low income people wouldn't see any relief. The cost to the state would be \$400,000 in revenues \$800,000 per biennium, and could be retroactive. Chair Wendle says that it could pass. It is a regressive tax, not fairly distributed among the entire population.

Measure 48 – TABOR Bill. Tax spending would be limited to last year's spending plus inflation and population growth. If Measure 48 passes, we'll never see the Shared Responsibility Model come to pass. Freezing of spending limits would cripple education and other services throughout the state.

Ms. Burns said it would be helpful for Commissioners to talk about legislative strategy and how we could come up with offensive strategies rather than defensive, especially in a public relations sense. Rather than try to defend the \$14 million left over in the OOG last year, we should try to put emphasis on other things the agency does that are positive, such as the impact of the ASPIRE program. Mr. Johnson responded just last week, an interview was done with a KVAL-TV reporter. The final report had a very positive emphasis regarding the OOG, and Mr. Johnson had Ms. Piper come in and talk about the ASPIRE program as well. The reporter also went out to LCC and interviewed the Financial Aid Director and a student who is an OOG recipient. We emphasize the opportunities for students. Unfortunately, campuses don't coordinate their offices, and admissions doesn't always talk with financial aid, etc. Financial aid offices react to the students who come to them. We need to educate the leaders, especially at community colleges. OUS schools do a better job, but there is still a lot of misinformation. There was an article in the Portland State University *VanGuard* after the beginning of the term which inaccurately reported that students must be full-time to qualify for the OOG, and did not report that part-time students are now eligible. OSAC had to go back and clarify/correct information.

Chair Wendle says Ms. Burn's idea a good one, we should meet in November after new commissioners have been appointed to discuss strategic planning.

Ms. Burns is hearing that some people in government, people who should know about OSAC and what we do, are misinformed and saying we should have a consistent message. There is a lot of confusion, and inaccurate statements are made regarding OSAC. We can't just rely on reporters coming to us, but need to find a way for OSAC to get the true story out to legislators and the public.

Ms. Burns said that she would prefer that in the future, if there is a report on agency programs, that the report should be written out in advance and sent to commissioners to review and then an actual discussion could take place at the commission meeting, rather than passively sitting and listening to the report during the meeting. Mr. Johnson commented that the Commission has had work sessions to proactively work on programs.

Chair Wendle said that James Sager from the Governor's Office has indicated that ASPIRE funding looks to be moving forward.

EXECUTIVE DIRECTOR'S REPORT

Mr. Johnson introduced Susanne Ney and the changing role of the Executive Assistant now working as an Office Manager. There are currently two commission vacancies. There is a gentleman from Powell Butte who it appears will be appointed, leaving one vacancy.

3182 Reductions – Every biennium, agencies must submit 10% reductions as part of the budget process. If Measure 41 passes, we have to identify the things we would have to stop doing. We would probably have to cut the Nursing Services program. There would be OOG reductions. There would probably also be cuts that would affect private scholarships, federal match LEAP/SLEAP funds, and we could expect General Fund reductions.

Mr. Johnson introduced the 2007-2008 unified scholarship application. The application is unique; no other state has it in the country. This year, it is out months earlier (usually it comes out in mid-December). We already have representatives out giving presentations in Western and Southern Oregon. Although the paper application is used for presentations, we are seeing more electronic submissions than ever. Ms. Merkel commented last year we had two-third submissions by electronic applications. Mr. Johnson reminded us of the February 15th Early Bird submission deadline. Twenty-three Early Bird scholarships were awarded last year, and we are adding an Early Bird ONLINE scholarship. Mr. Sharples said the benefit is for the student applying for

multiple scholarships using one unified application. The student is able to use their application and essays to apply to different programs. Mr. Johnson mentioned that now there are four essay questions, and asked if there had been any response from the field yet. Ms. Merkel replied that NELA Student Success Center in Portland has given early feedback, and students are more comfortable with the new process. Mr. Sharples commented shorter essays may be hard for good students, who are verbal and accomplished writers. Ms. Merkel said we will be evaluating the new essays and OSAC is offering an electronic feedback forum. Mr. Johnson mentioned that the Activity Chart is now electronic as well.

ECMC booklet – there is a new look from the previous year’s tri-fold. We worked with ECMC to develop the Oregon booklet inside the packet, as well as giving input to the national booklet. See page 25 – a sample award letter. Using the information, any high school counselor can do a presentation with this booklet. There is a new process to ordering applications. Ms. Merkel said that we are allowing high schools to order, and OSAC is sending “teaser” packets to schools, partners, etc., explaining how to order on-line. We’ve had a terrific response to so far. We have 40,000 of the booklets. Mr. Johnson said he attended talks with high school counselors at Western Oregon University and had a good experience explaining the potential for use of these booklets at financial aid presentations.

College Goal Oregon –Mr. Johnson asked Ms. Merkel to discuss the program. Sarah Piper is the site supervisor, and Jennifer Satalino of NELA is a key player in organizing the program. OSSFA has come on board, and has helped provide 16 target sites for event. Focus of this program is FAFSA training, the application for the OOG. We need to put the spin on these events to make it about Oregon, not just federal aid available through the FAFSA. Search, Apply, and Compete trainings will also be held at these sites. The target of marketing is students and families who aren’t necessarily going to complete the FAFSA, to help them file the forms. Bilingual volunteers will be available at all sites, and ECMC has paid for the materials to be translated into Spanish.

OOG Disbursements – A handout was provided that showed the total number of recipients and dollars disbursed for 2005-06. We disbursed to 19,000 recipients in 2004-05 and increased to 24,299 recipients in 2005-06 for a total of \$29,338,851. The handout provided a breakdown of recipients by sector and school. Ms. Degen said that the handout is a year-end reconciliation, and shows an increase of about \$24 million disbursed. The average OOG disbursed at community colleges was \$924, at OUS schools was \$1362, and at private colleges \$3019. The overall statewide average was \$1207.

Mr. Andeen asked how we are doing on awarding part-time students. Ms. Degen said we will have statistical information nearing the end of the fall term. Mr. Johnson is concerned about the disconnect on campus regarding part-time eligibility in the OOG. The community college sector has been rather passive. For the ECMC booklet OSAC paid \$5000 toward distribution (\$4000 was previously paid just to distribute our old tri-fold). Partnerships are important to promote.

Mr. Johnson said he wanted to point out on the same day as the November 17th meeting; the OSAC OOG Advisory Committee will also be meeting. The OOG handbook will be available. It is a manual for financial aid administrators and provides reference tools. It is available on-line and in hard copy. Mr. Sharples commented on the OOG workbook as being an excellent resource and thanked Ms. Degen.

Mr. McCown asked about members of work groups and schedules of advisory teams. Mr. Johnson said that the advisory teams are anxious to meet with commissioners.

QUARTERLY BUDGET REPORT

Mr. Johnson asked Ms. Houpt to present the quarterly budget report. Mr. Johnson said that he, Ms. Houpt, and Chair Wendle had worked together to provide information that will hopefully be understandable to the group as a whole.

Ms. Houpt said that revenue and expenses were included, per Commission request and feedback. Revenue for office operations (not including ODA): the bulk of incoming Private Awards donation and administrative fees are received in the fall, which makes revenue received look higher than normal. It will even out as it is used throughout the year.

It is now apparent we won't spend all of General Fund appropriations for the OOG. Changes to the budget, and personal service cost reflected in changes. There were increases of \$131,669 in Other Fund limitations. Office operations - over by \$931,000, in fact regular operations did quite a bit better than that that. We received a big surprise in the Young vs. Oregon case. We were originally told \$7900 would be due for payouts, but then received notice from joint payroll in Salem to pay \$44,000 instead at the next payroll. We were quite concerned about on additional limitation appropriation; we may receive additional appropriations from the E-Board to cover the cost, according to Bill McGee. So, on our future quarterly reports, it may look like our office operations are over budget until something happens with the E-Board. Private Awards appear over, but they are non-limited and will request additional limitation from Budget and Management. We talked last month about ODA overspending. We will not be spending lottery dollars because we have not spent all General Fund appropriations, so the lottery dollars carry over from biennium to biennium.

Ms. Lowe, Mr. Johnson, Chair Wendle, and all, thanked Bob Weil for his commitment and dedication. A service plaque was presented to Mr. Weil. Mr. Weil thanked the Commissioners and OSAC staff, and said it was a wonderful experience to work with everyone. Mr. Weil received a standing ovation.

Commissioner Erin Delaney joined via conference call.

ODA ADMINISTRATOR'S REPORT

Alan referenced the ODA workflow chart, sent to Commissioners earlier in the month, and discussed the Bible colleges going through the accreditation process. ODA is moving out of the regular cycle and into the review process. The workflow and revenue stream is up and down, on a three year cycle which doesn't match with the biennium cycle. There is a new naturopathic school coming into the programmer. Mr. Contreras discussed summary resource for Oregon employers regarding the nature of academic credentials. An article on a White House staff person found to be using fake degrees was mentioned-- OSAC involved in the investigation on this federal investigation process. Twenty-five Oregon residents purchased fake St. Regis degrees. ODA has an advisory committee that mainly meets via email or conference call. The members work with academic programs rather than financial aid. Mr. Contreras welcomes Commissioners to join. A summary submitted of current workload.

OAR 575 Rule Hearing – Criminal Background Check

Chair Wendle opened the hearing, and asked Ms. Merkel to explain the rule.

Ms. Merkel advised she would have Susan Degen assist in explaining the rule. An overview was handed out entitled "Overview of OSAC Rules for Criminal Background Checks."

The purpose of the rule is to provide for reasonable screening of subject individuals in order to determine if they have a history of criminal behavior such that they are not fit to work or volunteer in positions covered by OAR 575-007-0220 (s2). This rule is not to include current employees before rule implemented. Volunteers, developing a selection committee to make OSAC awards in

Private Awards programs, will be checked. ASPIRE volunteers at schools will be screened by the individual schools.

Utilizing the handout - Background check can be a series or level of a check (see 9-12) Results of each step of the review process determines whether or not to move forward with a more detailed background check. Once performed, employee has a right to ask to see the check and ask for a copy.

Chair Wendle asked for public testimony. No testimony was provided. The hearing was closed.

Discussion: Mr. McCown asked about the estimated cost. Ms. Merkel said that we have two potential vacancies coming up in the new biennium, and that would be at a cost of about \$100. there will be 20 volunteers or so. Ms. Merkel mentioned that not only is the background check done, interviews and reference checks are conducted as well. Mr. Wendle pointed out that an extraordinary amount of information can be found by anyone by checking someone's name on-line through Google. Mr. Contreras said that because it is also very possible to put false information onto the Internet, it is necessary to use only legitimate legal sources for the checks. Mr. McCown asked if there is going to be a specific policy in the agency outlining a scale or case-by-case consideration. Certainly certain offenses are an automatic "out", and less grievous offenses will be considered on a case-by-case.

Chair Wendle asked for a motion to accept. Ms. Burns made the motion, Mr. Sharples seconded. Chair Wendle asked for a vote; the vote was unanimous to accept the rule.

Executive Director Performance Evaluation

Chair Wendle said that we need to develop the process to evaluate Executive Director performance. Chair Wendle said there should be a whole day Executive Session in November, to determine how far we want to go on involving external customers, internal customers, and evaluate the process. The Vice-Chair runs the review process. We need to start now so that we can send out evaluations and have time to receive them back after determining the exact process.

OAR 583-050-0026 -- ODA Rule Hearing

Chair Wendle opened the rule hearing. Commissioners Burns and Devaney attended via conference call, bringing the total to five Commissioners attending, one more than a quorum.

Mr. Contreras briefly explained the changes to the rule. It was recommended to us by the Department of Justice. The proposal would allow us to send an inquiry letter to an individual regarding the nature of their degree without offering a hearing. Prior to any penalty, we would be required to offer a hearing if the individual requests it.

Chair Wendle closed the hearing closed and asked for public testimony. No discussion followed. Chair Wendle asked for a motion to approve. Mr. McCown moved to approve, Ms. Delaney seconded the motion. Chair Wendle asked for a vote; it was passed unanimously.

OTHER BUSINESS

No other business was brought forward. The meeting was adjourned.

Respectfully submitted,

Dean Wendle, Chair

Dennis R. Johnson, Executive Director

Bridget Burns, Vice-Chair

Cap Sharples, Commissioner

Tony McCown, Commissioner