

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass and be Placed on the Consent Calendar
<b>Vote:</b>	8 - 0 - 1
<b>Yeas:</b>	Clem, Dallum, Greenlick, Komp, Lim, Roblan, Whisnant, Buckley
<b>Nays:</b>	0
<b>Exc.:</b>	Krummel
<b>Prepared By:</b>	Derrick Olsen, Administrator
<b>Meeting Dates:</b>	5/23

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**WHAT THE MEASURE DOES:** Eliminates student loan default statutes. Eliminates Student Loan Guarantee Fund used to guarantee loans made by eligible lending institutions. Eliminates Volunteers in Service to Oregon (VISTO) program. Declares an emergency; effective July 1, 2007.

**ISSUES DISCUSSED:**

- History of Student Loan Guarantee Fund
- History of Volunteers in Service to Oregon (VISTO)
- Other Oregon Student Assistance Commission (OSAC) programs
- Eliminating statutes for defunct programs

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** The VISTO program was adopted into law in 1989 to encourage community service and volunteerism among Oregon's youth. It has not been funded for several years.

In 2004, the Commission, in cooperation with the Governor's office formed a loan program workgroup that concluded the student loan program and the Commission's role as loan guarantor was not financially viable. The workgroup conclusion was adopted and the loan program was assigned to the Educational Credit Management Corporation.

The Senate Education and General Government Committee gave SB 199 a Do Pass recommendation with a 4-1-0 vote, and it passed the Senate 26-1-3.