
MEMORANDUM

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To: Members of the Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office
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Date: June 5, 2013

Subject: Oregon Student Access Commission
HB 5032 Work Session Recommendations

Oregon Student Access Commission – Totals

| | 2009-11 Actual | 2011-13 Legislatively Approved | 2013-15 Current Service Level | 2013-15 LFO Recommended |
|--------------------|----------------------|--------------------------------------|-------------------------------------|-------------------------------|
| General Fund | 87,759,413 | 99,891,570 | 108,584,620 | 118,101,705 |
| Lottery Funds | 6,632,734 | 2,630,172 | 344,599 | 246,223 |
| Other Funds | 6,814,902 | 21,659,086 | 21,107,569 | 20,112,578 |
| Federal Funds | 917,968 | 0 | 0 | 0 |
| Total Funds | \$113,094,530 | \$124,180,828 | \$130,036,788 | \$138,460,506 |
| Positions | 32 | 28 | 26 | 28 |
| FTE | 27.00 | 26.33 | 24.67 | 25.67 |

Background Information

The Oregon Student Access Commission (OSAC) provides post-secondary financial assistance to eligible students through the Oregon Opportunity Grant program (General Fund and Lottery Funds) and also administers a number of scholarship programs for outside entities such as the Oregon Community Foundation and Ford Family Foundation. OSAC also administers the Access to Student Assistance Programs in Reach of Everyone (ASPIRE) program which is a volunteer network operating in over 130 schools providing mentoring and information about college and career choices. The Office of Degree Authorization was transferred to the Higher Education Coordinating Commission for 2011-13, but its budget remained part of the OSAC budget for the 2011-13 biennium.

Almost all of the General and Lottery Funds are used to fund the Oregon Opportunity Grant program with smaller amounts used for administration and the ASPIRE program. The Lottery Funds represents 25% of the total interest earnings of the Education Stability Fund. The decline in Lottery Funds is due to the draw-down in the balance of the Education Stability Fund in 2009-11 and 2011-13. The majority of Other Funds are the

value of the scholarships and the administrative fees the Commission receives for processing and distributing scholarships for various foundations and other entities. A large part of the Commission's budget (Other Funds) and staff time is spent on processing scholarships that the Commission administers for other entities

Funding for the Oregon Opportunity Grant Program has not kept pace with the rising number of students and the cost of tuition. While overall General Fund/Lottery Funds funding for the program has decreased slightly from 2007-09 (\$102.7 million in 2007-09 to \$99.3 million in 2011-13) there has been a larger decline in recipients (65,823 in 2007-09 to an estimated 59,884 for 2011-13). Average grant size did increase from \$1,560 in 2009-11 to an estimated \$1,608 in 2011-13. Average annual tuition increases for the Oregon University System (OUS) was 7.2% during this period and 7.3% for Community Colleges.

The Governor had proposed transferring all of the programs and budget of OSAC to a new Department of Post-Secondary Education along with the funding for OHSU, the University System and the Department of Community College and Workforce. That proposal does not seem to be moving forward at this time, but HB 3120 does transfer the responsibilities currently held by the OSAC Commission as it relates to programs and budget of OSAC to the Higher Education Coordinating Commission (HECC) in the second year of the biennium.

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Student Access Commission. It contains the following:

- Work Session Presentation Report – LFO Analyst Recommended
- Legislatively Proposed 2013-15 Key Performance Measures

Adjustments to Current Service Level:

Major changes to this recommended budget in relation to the Current Service Level (CSL) are:

- Funding for the Oregon Opportunity Grant program is set at \$113.5 million General Fund and \$0.2 million Lottery Funds, an increase of \$8.3 million over Current Service Level and \$14.4 million over the \$99.3 million for 2011-13. It is estimated that this will provide approximately 63,000 awards at an average amount of \$1,800.
- The ASPIRE (Access to Student Assistance Programs in Reach of Everyone) is appropriated \$1.4 million General Fund (7 positions/5.00 FTE) to provide sufficient resources to have 145 sites across the state, the number in the first year of 2011-13. The program has lost funding including a major federal grant. There are ongoing discussions underway to add additional resources for the ASPIRE program as proposed in the Governor's budget which would expand the number of sites by another approximately 150 sites. This funding may be added later.

- The budget for the Office of Degree Authorization is transferred to the Higher Education Coordinating Commission (HECC). The statutory authority for the program was transferred in 2011-13 but not the budget.

See attached "Work Session Presentation Report" dated 6/4/2013

Accept LFO Recommendation

Sen. /Rep. _____ moves the LFO recommendation to HB 5032.

Performance Measures

See attached "Legislatively Proposed 2013-15 Key Performance Measures" form.

Accept LFO Recommendation

Sen. /Rep. _____ moves the LFO recommendation on Key Performance Measures.

Budget Notes

There are no recommended Budget Notes.

Recommended Changes to Appropriation Bill:

The Legislative Fiscal Office recommends a budget of \$118,101,705 General Fund, \$246,223 Lottery Funds, and \$20,112,578 Other Funds; and that HB 5032 be amended accordingly.

Sen. /Rep. _____ moves the LFO recommended changes to HB 5032

HB 5032 Final Subcommittee Action:

Final Motion:

Sen./Rep. _____ moves HB 5032 to the full committee as amended with a "do pass" recommendation.

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------------|------------------|-------------------|---------------|------------------------|--------------------------|--------------------|-----------|----------------------------|
| 2011-13 Agy. Leg. Adopted | 99,921,326 | 2,630,172 | 21,457,426 | - | - | - | 124,008,924 | 28 | 26.33 |
| 2011-13 Ebds, SS & Admin Act | (29,756) | - | 201,660 | - | - | - | 171,904 | 1 | 0.33 |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2011-13 Leg Approved Budget | 99,891,570 | 2,630,172 | 21,659,086 | - | - | - | 124,180,828 | 29 | 26.66 |
| 2011-13 Leg Approved Budget (Base) | 99,891,570 | 2,630,172 | 21,457,426 | - | - | - | 123,979,168 | 28 | 26.33 |
| Summary of Base Adjustments | 244,023 | - | 138,553 | - | - | - | 382,576 | (2) | (1.66) |
| 2013-15 Base Budget | 100,135,593 | 2,630,172 | 21,595,979 | - | - | - | 124,361,744 | 26 | 24.67 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 2,332 | - | (6,255) | - | - | - | (3,923) | - | - |
| 020: Phase In / Out Pgm & One-time Cost | 3,712,622 | - | (987,932) | - | - | - | 2,724,690 | - | - |
| 030: Inflation & Price List Adjustments | 2,385,376 | 63,124 | 505,777 | - | - | - | 2,954,277 | - | - |
| 050: Fundshifts and Revenue Reductions | 2,348,697 | (2,348,697) | - | - | - | - | - | - | - |
| 2013-15 Current Service Level | 108,584,620 | 344,599 | 21,107,569 | - | - | - | 130,036,788 | 26 | 24.67 |
| 070: Revenue Reductions/Shortfall | - | - | (779,354) | - | - | - | (779,354) | (3) | (2.00) |
| Adjusted 2013-15 Current Service Level | 108,584,620 | 344,599 | 20,328,215 | - | - | - | 129,257,434 | 23 | 22.67 |
| Total LFO Recommended Packages | 9,517,085 | (98,376) | (215,637) | - | - | - | 9,203,072 | 5 | 3.00 |
| 2013-15 Legislative Actions | 118,101,705 | 246,223 | 20,112,578 | - | - | - | 138,460,506 | 28 | 25.67 |
| Net change from 2011-13 Leg Approved Budget | 18,210,135 | (2,383,949) | (1,546,508) | - | - | - | 14,279,678 | (1) | (0.99) |
| Percent change from 2011-13 Leg Approved Budget | 18.2% | (90.6%) | (7.1%) | 0.0% | 0.0% | 0.0% | 11.5% | (3.4%) | (3.7%) |
| Net change from 2013-15 Current Service Level | 9,517,085 | (98,376) | (215,637) | - | - | - | 9,203,072 | 5 | 3.00 |
| Percent change from 2013-15 Current Service Level | 8.8% | (28.5%) | (1.1%) | 0.0% | 0.0% | 0.0% | 7.1% | 21.7% | 13.2% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|------------------|---------------|------------------|---------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| 2011-13 Agy. Leg. Adopted | 2,087,252 | - | 2,676,703 | - | - | - | 4,763,955 | 26 | 24.33 |
| 2011-13 Ebds, SS & Admin Act | (29,756) | - | - | - | - | - | (29,756) | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2011-13 Leg Approved Budget | 2,057,496 | - | 2,676,703 | - | - | - | 4,734,199 | 26 | 24.33 |
| 2011-13 Leg Approved Budget (Base) | 2,057,496 | - | 2,676,703 | - | - | - | 4,734,199 | 26 | 24.33 |
| Summary of Base Adjustments | 254,643 | - | 86,676 | - | - | - | 341,319 | (2) | (1.66) |
| 2013-15 Base Budget | 2,312,139 | - | 2,763,379 | - | - | - | 5,075,518 | 24 | 22.67 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 2,760 | - | (13,694) | - | - | - | (10,934) | - | - |
| 020: Phase In / Out Pgm & One-time Cost | 44,692 | - | 87,942 | - | - | - | 132,634 | - | - |
| 030: Inflation & Price List Adjustments | 41,827 | - | 89,539 | - | - | - | 131,366 | - | - |
| 2013-15 Current Service Level | 2,401,418 | - | 2,927,166 | - | - | - | 5,328,584 | 24 | 22.67 |
| 070: Revenue Reductions/Shortfall | - | - | (443,786) | - | - | - | (443,786) | (3) | (2.00) |
| Adjusted 2013-15 Current Service Level | 2,401,418 | - | 2,483,380 | - | - | - | 4,884,798 | 21 | 20.67 |
| Total LFO Recommended Packages | 774,784 | - | 155,283 | - | - | - | 930,067 | 7 | 5.00 |
| 2013-15 Legislative Actions | 3,176,202 | - | 2,638,663 | - | - | - | 5,814,865 | 28 | 25.67 |
| Net change from 2011-13 Leg Approved Budget | 1,118,706 | - | (38,040) | - | - | - | 1,080,666 | 2 | 1.34 |
| Percent change from 2011-13 Leg Approved Budget | 54.4% | 0.0% | (1.4%) | 0.0% | 0.0% | 0.0% | 22.8% | 7.7% | 5.5% |
| Net change from 2013-15 Current Service Level | 774,784 | - | 155,283 | - | - | - | 930,067 | 7 | 5.00 |
| Percent change from 2013-15 Current Service Level | 32.3% | 0.0% | 6.3% | 0.0% | 0.0% | 0.0% | 19.0% | 33.3% | 24.2% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 070 Revenue Shortfalls

Package Description This package reflects the loss of funding for the ASPIRE program from the loss of the funding from the federal College Access Challenge Grant (CACG) program. This change in limitation reflects the staffing component of the lost revenue, a similar package is found in the Other Programs budget unit. The package has been adjusted for final 2013-15 PERS rates.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | - | - | (443,786) | - | - | - | (443,786) | (3) | (2.00) |
|-----------------|---|---|-----------|---|---|---|-----------|-----|--------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 090 Analyst Adjustments

Package Description This package shifts the funding for the Executive Director, Administrative Services Director, and Executive Assistant to 85 percent General Fund, 15 percent Other Funds. The funding for the Scholarships Director position is shifted to 50 percent General Fund, 50 percent Other Funds and the Scholarship Assistant funding is shifted to 100 percent Other Funds. Overall General Fund savings from package is \$219,796.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|-----------|---|---------|---|---|---|---|---|---|
| LFO Recommended | (219,796) | - | 219,796 | - | - | - | - | - | - |
|-----------------|-----------|---|---------|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 091 Statewide Administrative Savings

Package Description This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|----------|---|----------|---|---|---|----------|---|---|
| LFO Recommended | (17,284) | - | (23,869) | - | - | - | (41,153) | - | - |
|-----------------|----------|---|----------|---|---|---|----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---------|---|---------|---|---|---|----------|---|---|
| LFO Recommended | (8,930) | - | (4,521) | - | - | - | (13,451) | - | - |
|-----------------|---------|---|---------|---|---|---|----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|----------|---|----------|---|---|---|-----------|---|---|
| LFO Recommended | (71,355) | - | (36,123) | - | - | - | (107,478) | - | - |
|-----------------|----------|---|----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 101 Replace FAMS for Security and Privacy

Package Description OSAC's primary information data system – Financial Aid Management System – was originally built in-house. A primary concern is security, since this system has access or contains personal data including names, tax information, and addresses for more than 2.8 million current and former students who applied for financial aid using the Federal Student Aid or FAFSA application. Consultants hired by the Commission believe security, as well as productivity, could be vastly improved by a new system based on a commercially available system. This package includes \$200,000 General Fund to complete the business plan and other necessary steps prior to going forward with full funding for a replacement system. agency's financial aid information system.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---------|---|---|---|---|---|---------|---|---|
| LFO Recommended | 200,000 | - | - | - | - | - | 200,000 | - | - |
|-----------------|---------|---|---|---|---|---|---------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 102 ASPIRE continuation

Package Description This package restores the Aspire program to the level and number of sites (145) that the program had during the first year of the 2011-13 biennium prior to the loss of the federal grant and other funding. The package adds 7 positions. The added positions are five Access Specialists (PA1) which represent the field staff for the program, a part-time training position for training of volunteers and staff, and a part-time support position (OFF Spec 1). The package is adjusted for the 2013-15 final PERS rates.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---------|---|---|---|---|---|---------|---|------|
| LFO Recommended | 892,149 | - | - | - | - | - | 892,149 | 7 | 5.00 |
|-----------------|---------|---|---|---|---|---|---------|---|------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 103 ASPIRE Expansion – Phase 1

Package Description This package provides the staffing the agency estimates is required to add an additional 150 ASPIRE sites across the state by the end of the 2013-15 biennium. Added are four part-time positions (PA 1), two at 0.50 FTE and two at 0.25 FTE. Total cost of this package is \$276,158 and it has been adjusted for the PERS savings. A companion package is found in the Other Programs budget unit for the non-staff related costs.

LFO Recommendation At this time don't approve this package pending final discussions on the final allocation of funding for the various Governor's education initiatives. If included in that final version, funds will be added later in session.

LFO Recommended - - - - -

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 400 Transfer to Dept of Post-Sec Ed

Package Description The Governor proposed to transfer the programs within this agency to a new Department of Post-Secondary Education along with other units including the Oregon University System and the Department of Community Colleges and Workforce Development. This package had been included in all budget units for the agency.

LFO Recommendation Do not approve the packages since the proposed new agency is not going forward. It should be noted that some elements of the proposal are going forward including the transfer of the governing and oversight responsibilities of the Oregon Student Access Commission for the agency's programs to the Higher Education Coordinating Commission in the second year of the biennium. The OSAC Commission would be abolished but not the agency.

LFO Recommended - - - - -

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| 2011-13 Agy. Leg. Adopted | 941,624 | - | 18,287,308 | - | - | - | 19,228,932 | - | - |
| 2011-13 Ebds, SS & Admin Act | 34,152 | - | - | - | - | - | 34,152 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2011-13 Leg Approved Budget | 975,776 | - | 18,287,308 | - | - | - | 19,263,084 | - | - |
| 2011-13 Leg Approved Budget (Base) | 975,776 | - | 18,287,308 | - | - | - | 19,263,084 | - | - |
| Summary of Base Adjustments | - | - | - | - | - | - | - | - | - |
| 2013-15 Base Budget | 975,776 | - | 18,287,308 | - | - | - | 19,263,084 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | (58,562) | - | (1,087,407) | - | - | - | (1,145,969) | - | - |
| 030: Inflation & Price List Adjustments | 22,013 | - | 408,223 | - | - | - | 430,236 | - | - |
| 2013-15 Current Service Level | 939,227 | - | 17,608,124 | - | - | - | 18,547,351 | - | - |
| 070: Revenue Reductions/Shortfall | - | - | (335,568) | - | - | - | (335,568) | - | - |
| Adjusted 2013-15 Current Service Level | 939,227 | - | 17,272,556 | - | - | - | 18,211,783 | - | - |
| Total LFO Recommended Packages | 510,000 | - | 42,900 | - | - | - | 552,900 | - | - |
| 2013-15 Legislative Actions | 1,449,227 | - | 17,315,456 | - | - | - | 18,764,683 | - | - |
| Net change from 2011-13 Leg Approved Budget | 473,451 | - | (971,852) | - | - | - | (498,401) | - | - |
| Percent change from 2011-13 Leg Approved Budget | 48.5% | 0.0% | (5.3%) | 0.0% | 0.0% | 0.0% | (2.6%) | 0.0% | 0.0% |
| Net change from 2013-15 Current Service Level | 510,000 | - | 42,900 | - | - | - | 552,900 | - | - |
| Percent change from 2013-15 Current Service Level | 54.3% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 3.0% | 0.0% | 0.0% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 070 Revenue Shortfalls

Package Description This package reflects the loss of funding for the ASPIRE program from the loss of the funding from the federal College Access Challenge Grant (CACG) program. This change in limitation reflects the lost funding for the small grants provided to schools for some local staffing assistance as well as equipping the ASPIRE school sites. A similar package is found in the Operations budget unit.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (335,568) | - | - | - | (335,568) | - | - |
|-----------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 102 ASPIRE continuation

Package Description This package restores the Aspire program to the level and number of sites (145) that the program had during the first year of the 2011-13 biennium prior to the loss of the federal grant and other funding. This package provides the resources for small grants to schools to help in funding ASPIRE school staff and to equip the ASPIRE offices in the schools. Each school is required to have at least a part-time ASPIRE Coordinator whose responsibilities include recruiting and coordinating ASPIRE volunteers. Other Funds expenditure limitation is for potential grants and donations.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---------|---|--------|---|---|---|---------|---|---|
| LFO Recommended | 510,000 | - | 42,900 | - | - | - | 552,900 | - | - |
|-----------------|---------|---|--------|---|---|---|---------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 103 ASPIRE Expansion – Phase 1

Package Description This package provides the resources for the grants to schools the agency estimates is required to add an additional 150 ASPIRE sites across the state by the end of the 2013-15 biennium. There is a companion package in Operations for the costs of the OSAC staff related to this proposed expansion.

This package includes \$210,000 General Fund and \$202,050 Other Funds to add up to an additional 150 ASPIRE sites by the end of the biennium. Other Funds expenditure limitation is added for grants and donations.

LFO Recommendation At this time don't approve this package pending final discussions on the final allocation of funding for the various Governor's education initiatives. If included in that final version, funds will be added later in session.

LFO Recommended - - - - -

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 400 Transfer to Dept of Post-Sec Ed

Package Description The Governor proposed to transfer the programs within this agency to a new Department of Post-Secondary Education along with other units including the Oregon University System and the Department of Community Colleges and Workforce Development. This package had been included in all budget units for the agency.

LFO Recommendation Do not approve the packages since the proposed new agency is not going forward. It should be noted that some elements of the proposal are going forward including the transfer of the governing and oversight responsibilities of the Oregon Student Access Commission for the agency's programs to the Higher Education Coordinating Commission in the second year of the biennium. The OSAC Commission would be abolished but not the agency.

LFO Recommended - - - - -

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------------|------------------|----------------|---------------|------------------------|--------------------------|--------------------|-----------|----------------------------|
| 2011-13 Agy. Leg. Adopted | 96,764,828 | 2,630,172 | 154,745 | - | - | - | 99,549,745 | - | - |
| 2011-13 Ebds, SS & Admin Act | (34,152) | - | - | - | - | - | (34,152) | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2011-13 Leg Approved Budget | 96,730,676 | 2,630,172 | 154,745 | - | - | - | 99,515,593 | - | - |
| 2011-13 Leg Approved Budget (Base) | 96,730,676 | 2,630,172 | 154,745 | - | - | - | 99,515,593 | - | - |
| Summary of Base Adjustments | - | - | - | - | - | - | - | - | - |
| 2013-15 Base Budget | 96,730,676 | 2,630,172 | 154,745 | - | - | - | 99,515,593 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | 3,726,492 | - | - | - | - | - | 3,726,492 | - | - |
| 030: Inflation & Price List Adjustments | 2,321,536 | 63,124 | 3,714 | - | - | - | 2,388,374 | - | - |
| 050: Fundshifts and Revenue Reductions | 2,348,697 | (2,348,697) | - | - | - | - | - | - | - |
| 2013-15 Current Service Level | 105,127,401 | 344,599 | 158,459 | - | - | - | 105,630,459 | - | - |
| Adjusted 2013-15 Current Service Level | 105,127,401 | 344,599 | 158,459 | - | - | - | 105,630,459 | - | - |
| Total LFO Recommended Packages | 8,348,875 | (98,376) | - | - | - | - | 8,250,499 | - | - |
| 2013-15 Legislative Actions | 113,476,276 | 246,223 | 158,459 | - | - | - | 113,880,958 | - | - |
| Net change from 2011-13 Leg Approved Budget | 16,745,600 | (2,383,949) | 3,714 | - | - | - | 14,365,365 | - | - |
| Percent change from 2011-13 Leg Approved Budget | 17.3% | (90.6%) | 2.4% | 0.0% | 0.0% | 0.0% | 14.4% | 0.0% | 0.0% |
| Net change from 2013-15 Current Service Level | 8,348,875 | (98,376) | - | - | - | - | 8,250,499 | - | - |
| Percent change from 2013-15 Current Service Level | 7.9% | (28.5%) | 0.0% | 0.0% | 0.0% | 0.0% | 7.8% | 0.0% | 0.0% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 090 Analyst Adjustments

Package Description The Opportunity Grant program receives 25% of the total interest earning of the Education Stability Fund and this package reflects the December 2012 forecast of Lottery Revenues and biennial interest earnings. A fund shift of \$24,421 is made to keep the program at the same level of funding as Lottery Revenues were projected to fall.

Funding for Opportunity Grant program is adjusted to December 2012 forecast.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|--------|----------|---|---|---|---|---|---|---|
| LFO Recommended | 24,421 | (24,421) | - | - | - | - | - | - | - |
|-----------------|--------|----------|---|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 104 Oregon Opportunity Grant Expansion

Package Description This package provides an additional \$8.3 million General Fund for the Oregon Opportunity grant bring the total General Fund resources for this program to \$113.4 million. At the CSL level, the estimated number of awards for 2013-15 was just over 58,000, less than the estimated 60,000 for 2011-13. This increase is estimated to provide sufficient funding for the grant program to fund an estimated 63,000 awards during the 2013-15 biennium. Average award size for 2013-15 is estimated at \$1,800.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|-----------|---|---|---|---|---|-----------|---|---|
| LFO Recommended | 8,250,499 | - | - | - | - | - | 8,250,499 | - | - |
|-----------------|-----------|---|---|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 400 Transfer to Dept of Post-Sec Ed

Package Description The Governor proposed to transfer the programs within this agency to a new Department of Post-Secondary Education along with other units including the Oregon University System and the Department of Community Colleges and Workforce Development. This package had been included in all budget units for the agency.

LFO Recommendation Do not approve the packages since the proposed new agency is not going forward. It should be noted that some elements of the proposal are going forward including the transfer of the governing and oversight responsibilities of the Oregon Student Access Commission for the agency's programs to the Higher Education Coordinating Commission in the second year of the biennium. The OSAC Commission would be abolished but not the agency.

LFO Recommended - - - - -

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 810 LFO Analyst Adjustments

Package Description Based on the most recent estimate of interest earnings on the Education Stability Fund, the amount which is dedicated to the Opportunity Grant program will be \$73,955 less than what is assumed in the Co-Chairs' budget. Based on previous practice, any shortfall in Lottery Funds is offset by an equal increase in General Fund to keep the program funding at stable levels.

LFO Recommendation approve the package.

| | | | | | | | | | |
|-----------------|--------|----------|---|---|---|---|---|---|---|
| LFO Recommended | 73,955 | (73,955) | - | - | - | - | - | - | - |
|-----------------|--------|----------|---|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| 2011-13 Agy. Leg. Adopted | 127,622 | - | 338,670 | - | - | - | 466,292 | 2 | 2.00 |
| 2011-13 Ebds, SS & Admin Act | - | - | 201,660 | - | - | - | 201,660 | 1 | 0.33 |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2011-13 Leg Approved Budget | 127,622 | - | 540,330 | - | - | - | 667,952 | 3 | 2.33 |
| 2011-13 Leg Approved Budget (Base) | 127,622 | - | 338,670 | - | - | - | 466,292 | 2 | 2.00 |
| Summary of Base Adjustments | (10,620) | - | 51,877 | - | - | - | 41,257 | - | - |
| 2013-15 Base Budget | 117,002 | - | 390,547 | - | - | - | 507,549 | 2 | 2.00 |
| 010: Non-PICS Pers Svc/Vacancy Factor | (428) | - | 7,439 | - | - | - | 7,011 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | - | - | 11,533 | - | - | - | 11,533 | - | - |
| 030: Inflation & Price List Adjustments | - | - | 4,301 | - | - | - | 4,301 | - | - |
| 2013-15 Current Service Level | 116,574 | - | 413,820 | - | - | - | 530,394 | 2 | 2.00 |
| Adjusted 2013-15 Current Service Level | 116,574 | - | 413,820 | - | - | - | 530,394 | 2 | 2.00 |
| Total LFO Recommended Packages | (116,574) | - | (413,820) | - | - | - | (530,394) | (2) | (2.00) |
| 2013-15 Legislative Actions | - | - | - | - | - | - | - | - | - |
| Net change from 2011-13 Leg Approved Budget | (127,622) | - | (540,330) | - | - | - | (667,952) | (3) | (2.33) |
| Percent change from 2011-13 Leg Approved Budget | (100.0%) | 0.0% | (100.0%) | 0.0% | 0.0% | 0.0% | (100.0%) | (100.0%) | (100.0%) |
| Net change from 2013-15 Current Service Level | (116,574) | - | (413,820) | - | - | - | (530,394) | (2) | (2.00) |
| Percent change from 2013-15 Current Service Level | (100.0%) | 0.0% | (100.0%) | 0.0% | 0.0% | 0.0% | (100.0%) | (100.0%) | (100.0%) |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 092 PERS Taxation Policy

Package Description This package reflects the policy change in SB 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30%.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|-------|---|-------|---|---|---|---------|---|---|
| LFO Recommended | (294) | - | (779) | - | - | - | (1,073) | - | - |
|-----------------|-------|---|-------|---|---|---|---------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 093 Other PERS Adjustments

Package Description This package reflects the policy change in SB 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2%.

An administrative action by the PERS Board, as directed by a budget note in the SB 822 budget report, will reduce state employer contribution rates by up to an additional 1.9%. However, no employer rate is reduced below its 2011-13 biennium rate.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---------|---|---------|---|---|---|---------|---|---|
| LFO Recommended | (2,351) | - | (6,228) | - | - | - | (8,579) | - | - |
|-----------------|---------|---|---------|---|---|---|---------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 400 Transfer to Dept of Post-Sec Ed

Package Description The statutory authority for the Office of Degree Authorization was transferred to the Higher Education Coordinating Commission during the 2011-13 biennium but its budget remained within the budget of the Oregon Student Access Commssion (OSAC). Unlike the other programs and budgets of OSAC, this program and its budget is to be moved. The transfer is not to a new Department of Post-Secondary Education but to the Higher Education Coordinating Commission.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|-----------|---|-----------|---|---|---|-----------|-----|--------|
| LFO Recommended | (113,929) | - | (406,813) | - | - | - | (520,742) | (2) | (2.00) |
|-----------------|-----------|---|-----------|---|---|---|-----------|-----|--------|

Legislatively Proposed 2013-2015 Key Performance Measures

Agency: STUDENT ACCESS COMMISSION, OREGON

Mission: To create a college-going culture for all Oregonians by providing access through information, mentoring, and financial support

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2014 | Target 2015 |
|---|---------------------------|---------------------|---------------------|-------------|-------------|
| - Effective and timely communications with OOG awardees. | | Proposed New KPM | | | |
| - Determine the college-going culture of ASPIRE students by measuring the percentage of graduating senior ASPIRE participants who enroll in college. | | Proposed New KPM | | | |
| - Determine the college-going culture of Oregon Opportunity Grant awardees by measuring the percentage of OOG awardees who enroll in college and utilize OOG funds. | | Proposed New KPM | | | |
| - Determining the college-going culture of Foster Youth awarded OOG by measuring the percentage of foster youth who are awarded priority OOG and who enroll in college and utilize OOG funds. | | Proposed New KPM | | | |
| - Percentage of OOG awardees whose first college choice on the FAFSA was an out-of-state school but who attend an Oregon school and utilize OOG funds. | | Proposed New KPM | | | |
| 2 - Time to complete a degree program review. | | Proposed Delete KPM | 7.00 | | |
| 5 a - Percentage of new program proposals requiring ODA involvement – New program application denial rate. | | Proposed Delete KPM | 1.00 | | |
| 5 b - Total program applications processed by ODA. | | Proposed Delete KPM | 312.00 | | |
| 8 - Persistence rates over 4 years for students at 4-year institutions who are eligible and awarded an OOG. | | Proposed Delete KPM | 79.60 | | |
| 9 - Completion rates (graduated within 6 years) for students at 4-year institutions who are eligible and awarded an OOG. | | Proposed Delete KPM | 73.88 | | |
| 10 - Completion rates (graduated within 3 years) for students at community colleges who are eligible and awarded an OOG. | | Proposed Delete KPM | 19.92 | | |
| 16 - Remaining financial need after known grant assistance | | Proposed Delete KPM | 64.90 | | |
| 17 - Impact of Opportunity Grants on enrollment of eligible students. | | Proposed Delete KPM | 13.69 | | |

Agency: STUDENT ACCESS COMMISSION, OREGON

Mission: To create a college-going culture for all Oregonians by providing access through information, mentoring, and financial support.

| Legislatively Proposed KPMs | Customer Service Category | Agency Request | Most Current Result | Target 2014 | Target 2015 |
|--|-----------------------------|----------------|---------------------|-------------|-------------|
| 3 - Ratio of administrative dollars to private and public Scholarship dollars awarded to students. | | Approved KPM | 18.87 | 18.60 | 18.60 |
| 12 - Percentage of students of color served by OSAC programs (i.e., disaggregate measures to track race/ethnicity of beneficiaries of OSAC program services). | | Approved KPM | 26.58 | | |
| 14 - Percent of total best practices met by the Board of Commissioners. | | Approved KPM | 91.67 | 100.00 | 100.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Accuracy | Approved KPM | 84.41 | 90.00 | 90.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Availability of Information | Approved KPM | 78.90 | 90.00 | 90.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Expertise | Approved KPM | 73.10 | 90.00 | 90.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Helpfulness | Approved KPM | 73.89 | 90.00 | 90.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Overall | Approved KPM | 85.97 | 90.00 | 90.00 |
| 15 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information. | Timeliness | Approved KPM | 80.77 | 90.00 | 90.00 |

LFO Recommendation:

LFO recommends the accepting the Commission's proposed KPMs other than the final one which measures the percentage of Opportunity Grant awardees whose first school choice was an out-of-state school but chose an Oregon School. This KPM really does not measure what they were trying to measure.

KPMs # 2, 5a, and 5b are related to the Office of Degree Authorization which is transferring out of the agency and it is appropriate to delete these. The HECC will need to make sure to continue to collect this information as one of their KPMs.

KPMs # 8,9, and 10 are measures where the agency has little or no impact on the choices that students make.

KPMs #16 and 17 were added by the Legislature to measure the impact of the Student Resource Model. Since financial aid is only one of the factors that affect student choices as well as the Opportunity Grant is only one of financial aid programs these measures seem out of control of the agency.

The agency will need to provide targets for the proposed KPMs as they develop the next budget. In addition, the agency should review all of its remaining KPSs based on the Oregon Education Investment Board's goals and other measures.

Sub-Committee Action: