

OREGON STUDENT ACCESS COMMISSION

The Oregon Student Access Commission (OSAC) provides post-secondary financial assistance to eligible students through the Oregon Opportunity Grant program (General Fund) 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.

OREGON STUDENT ACCESS COMMISSION	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
General Fund	87,759,413	99,891,570	108,584,620	123,757,491	0	8.7%
Lottery Fund	6,632,734	2,630,172	344,599	320,178	0	-86.9%
Other Funds	6,814,902	21,659,086	21,107,569	202,693,785	0	-2.5%
Other Funds Nonlimited	10,969,513	0	0	0	0	
Federal Funds	917,968	0	0	0	0	N/A
TOTAL FUNDS	\$113,094,530	\$124,180,828	\$130,036,788	\$326,771,454	\$0	4.7%
Positions	32	28	26	31	0	-7.1%
FTE	27.00	26.33	24.67	26.17	0.00	-6.3%

Note: The Governor’s budget proposes a Department of Post-Secondary Education (DPSE) which includes the programs and funding under the Oregon Student Access Commission (OSAC). The figures in the 2013-15 Governor’s budget column represent the amount allocated to OSAC programs in the proposed agency

Major Revenues	Budget Environment	Comparison by Fund Type																								
<ul style="list-style-type: none"> • Almost all of the General and Lottery Funds (97%) 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. 	<ul style="list-style-type: none"> • The Governor’s budget assumes transfer of this agency to the proposed Department of Post-Secondary Education. • The ASPIRE program has been reduced as outside funding sources have dried up. • Funding for the Oregon Opportunity Grant program has not kept pace with the growing tuition costs as well as with the increasing number of post-secondary students. • 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. 	<p>OREGON STUDENT ACCESS COMMISSION</p> <p>Millions of Dollars</p> <table border="1"> <thead> <tr> <th>Year</th> <th>General Fund/Lottery</th> <th>Other Funds</th> <th>Federal Funds</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$94.4</td> <td>\$17.8</td> <td>\$0.0</td> </tr> <tr> <td>2011-13</td> <td>\$102.5</td> <td>\$21.7</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 CSL</td> <td>\$108.9</td> <td>\$21.1</td> <td>\$0.0</td> </tr> <tr> <td>2013-15 GB</td> <td>\$124.1</td> <td>\$202.7</td> <td>\$0.0</td> </tr> <tr> <td>2013-15</td> <td>\$0.0</td> <td>\$0.0</td> <td>\$0.0</td> </tr> </tbody> </table>	Year	General Fund/Lottery	Other Funds	Federal Funds	2009-11	\$94.4	\$17.8	\$0.0	2011-13	\$102.5	\$21.7	\$0.0	2013-15 CSL	\$108.9	\$21.1	\$0.0	2013-15 GB	\$124.1	\$202.7	\$0.0	2013-15	\$0.0	\$0.0	\$0.0
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MAJOR CHALLENGES AND DECISION POINTS

1. General Fund and Lottery Funds resources for the Oregon Opportunity Grant (OOG) have varied over the past four biennia growing from just over \$62 million in 2005-07 to over \$100.9 million in 2007-09, but dropping to \$90.4 million in 2009-11 and \$99.3 million for 2011-13. Funding for 2013-15 at CSL is set at \$105.4 million. The Governor's budget recommends a funding level of \$113.7 million.
2. 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. Enrollment at Community Colleges (based on the Formula Reimbursable FTE count) grew by over 19% between 2008-09 and 2010-11 and OUS institutions also saw significant growth during the same period. Enrollment growth has eased some during the past year.
3. The Oregon Opportunity Grant is based on a Shared Responsibility Model put in place during 2007-09 which allowed for more middle income families to access the program. It replaced a system where family income was the primary criteria and eligibility was much more limited. Eligibility is now based on family resources, cost of education, and available federal resources. Now more families are eligible and the Commission does not come close to serving the total number of eligible applicants. Between 2007-08 and 2011-12, the number eligible applicants increased by 272% while funding has increased by 51%. Last year only 18.6% of the eligible students were awarded grants. The Commission estimates that if all eligible applicants were awarded grants, the average grant would have been \$278 instead of the current \$1,608.
4. Over the past four years the amount allocated to Community Colleges has averaged over 45% with OUS students receiving slightly less (44.5%) and private institutions receiving just fewer than 10%. In terms of recipients Community Colleges students represent a proportionately higher share since there are more part-time students and tuition costs are lower.
5. At the CSL funding level of \$105.5 million General Fund/Lottery Funds the Oregon Opportunity Grant is anticipated to serve approximately 58,333 recipients for 2013-15, slightly less than the almost 60,000 recipients estimated for 2011-13. The anticipated lower number of students assisted is due to the assumption of fewer "lower cost" community college students. This means more grants will be given to higher cost four year students. As a result, average grants are expected to grow from a projected \$1,608 for 2011-13 to roughly \$1,800 for 2013-15. The 2013-15 Governor's budget includes an \$8.3 million expansion in the program; which based on similar assumptions, should assist approximately 63,000 students
6. The continuance of the ASPIRE program has depended on non-General Fund sources for a large portion of its funding. For 2011-13, 85% of the funding for ASPIRE came from foundation and federal grant sources, up from 38% for 2009-11. Unfortunately, only about \$200,000 in non-General Fund sources are available for 2013-15. This does not mean some additional funding may be identified during the biennium. During 2011-13 there were approximately 130 ASPIRE sites across the state serving an estimated 15,000 students on a one to one basis and another roughly 160,000 on a drop-in basis. Since funding would be roughly \$370,000 total funds under the 2013-15 CSL compared to \$1.1 million for 2011-13, the number of sites and students would likely have to be significantly reduced. The Governor has recommended \$2.1 million GF for the ASPIRE program in his budget serving an estimated 250 sites by the end of the biennium and an estimated 27,500 student on a one on one basis.

7. 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. The Governor’s budget 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.
8. The Governor’s budget proposes the creation of the Department of Post-Secondary Education (DPSE) which combines OSAC, Community Colleges and Workforce Development, and the funding streams for the Oregon University System, and the Oregon Health and Science University. All of OSAC’s programs and almost all of their staff are transferred to the new agency. Only the OSAC Executive Director position is not recreated in the new agency. In addition, it is assumed the Commission itself will be abolished and its responsibilities transferred to the Higher Education Coordinating Commission (HECC)
9. Besides the increases in the funding for the Oregon Opportunity Grant and the ASPIRE program mentioned above, the Governor’s budget includes \$5.5 million for the Chief Education Officer’s Post-Secondary Aspirations proposal. This program is to provide financial assistance aimed at insuring Oregon students access a first college-level class for free, especially first generation college students and underserved populations.