

Education

OREGON STUDENT ASSISTANCE COMMISSION

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$33,466,514	\$39,364,345	\$36,331,151	\$34,125,819
Lottery Funds	5,066,421	5,151,298	2,965,741	3,726,802
Other Funds	13,489,842	13,956,740	14,360,223	17,102,997
Federal Funds	867,253	1,412,084	1,412,084	1,425,468
Other Funds (Nonlimited)	43,701,989	50,511,609	50,511,609	54,174,750
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$96,592,019	\$110,396,076	\$105,580,808	\$110,555,836
Positions	91	93	93	98
Full-time Equivalent	90.50	92.21	92.21	97.17

Overview

The Oregon Student Assistance Commission administers, evaluates, coordinates, and promotes financial aid programs to help Oregon students obtain postsecondary education. The Commission administers over 250 state-funded and privately-funded grant and scholarship programs, including the state Opportunity Grant program. The agency also runs the student loan guarantee program in Oregon called the Federal Family Education Loans Program.

The agency's two major programs are Grants and Loans. The Grant Division administers the following programs:

- Opportunity Grants for needy Oregon undergraduate students.
- The federal Leveraging Educational Assistance Partnership, which provides federal resources for the state Opportunity Grant.
- Oregon Nursing Services Program, for nurses working in nursing shortage areas.
- Rural Health Services Loan Repayment program.
- Scholarship Program for Former Foster Children.
- Over 250 privately-funded scholarship programs.
- Individual Education Accounts in the JOBS Plus program.
- Robert C. Byrd Scholarship program.
- Access to Student Assistance Programs in Reach of Everyone (ASPIRE) Volunteer Advisory Program.

Education

The Loan Division administers the Federal Family Education Loans Program. Under this program, credit unions, banks, and other lenders make loans to students or their families. The Oregon Student Assistance Commission, in conjunction with the federal program, guarantees lenders that the loans will be repaid. If the borrower becomes delinquent in repaying the loan, the Commission works to resolve the delinquency. The agency purchases defaulted loans from the lender and works to collect the defaulted amounts.

The Office of Degree Authorization is a statutory office that reviews postsecondary programs and ensures the quality of degrees. The Office grants approval for postsecondary institutions to offer degrees. They also work to protect Oregonians from the use of fraudulent or substandard degrees.

Balanced Budget

The Governor's balanced budget is \$110,555,836 total funds. This is a 4.7 percent increase from the 2001-03 Legislatively Approved Budget through the Fifth Special Session. The increase results from several new positions to meet increased workload demands in the loan program, and to continue the ASPIRE program. Loan volumes continue to increase. Private scholarship awards are also increasing. Over 50 new private award programs have been added since last biennium.

The balanced budget reduces funding for Opportunity Grants to \$37.3 million, a 2.0 percent decrease from the 2001-03 level after the Fifth Special Session. At this funding level, about 33,000 low-income students will receive awards to attend college. Nearly 25,000 students who are eligible for the program will not receive awards during the biennium. Over the past few years, the percentage of eligible students served by the program has fallen, as enrollments have increased, college costs have risen, and funding has not kept pace.

Revenue

General Fund is used to support the Opportunity Grant program and associated staff. It also funds the distribution of financial aid information and some agency administrative support. Lottery Funds come from the Education Stability Fund. Twenty-five percent of the interest earnings from this Fund are allocated to the Commission for Opportunity Grants. Ballot Measure 19, passed in 2002, converted the Education Endowment Fund into the Education Stability Fund, and allowed \$150 million of the fund to be distributed to K-12 schools. This will reduce the interest earnings in 2003-05 by half.

The agency receives Other Funds from loan processing fees, retained receipts from defaulted loans, operating expenses reimbursed by the federal government under an administrative cost allowance formula, and interest on the accumulated loan program revenues. It also receives service charges to defray the costs of administering private grant and scholarship programs. Federal Funds are received from the U.S. Department of Education through the Leveraging Educational Assistance Partnership and Special Leveraging Educational Assistance Partnership programs. They are used to supplement the Opportunity Grants.