

# Oregon State Board of Education

*June 23, 2016*

<p><b>SUBJECT:</b> Establishment of Post Graduate Scholar Programs / 581-021-OAR # and Post Graduate Scholar Programs</p> <p><b>STAFF NAME &amp; OFFICE:</b> Dawne Huckaby, Office of Teaching and Learning</p> <p><b>SUMMARY:</b> During the 2016 legislative session SB 1537 establishing post graduate scholar programs passed. The Department of Education is creating rules to govern this legislative action.</p> <p><input checked="" type="checkbox"/> <b>New Rule</b>    <input type="checkbox"/> <b>Amend Existing Rule</b>    <input type="checkbox"/> <b>Repeal Rule</b></p>	<p><input checked="" type="checkbox"/> <b>Consent Agenda</b></p> <p><input type="checkbox"/> <b>First Reading</b></p> <p><input checked="" type="checkbox"/> <b>Action (Adoption)</b></p> <p><input type="checkbox"/> <b>Information</b></p>
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## **BACKGROUND**

There have been concerns about the use of state school funds by districts to offer “5<sup>th</sup> year” programs to students. In the effort to create targeted programs that limit the use of state school funds, SB1537 establishes guidelines and criteria for the establishment of post-graduate scholar programs. The State Board of Education has the responsibility of creating rules to govern the programs established under this legislation. Oregon Department of Education will collect data on the participation and costs of these programs and convene stakeholder groups to review data and discuss implementation of the programs for the purpose of creating recommendations for legislation to establish appropriate and permanent funding mechanisms for post-graduate scholar programs. The report will be given to the legislature no later than November 1, 2018.

The rules before the Board establish the criteria for implementing post-graduate scholar programs and eligibility of students participating in these programs.

## **SUMMARY OF PREVIOUS BOARD ACTION**

This is a new topic for the Board. The Board heard a first read of these rules in May 2016.

## **POLICY ISSUE OR CONCERNS (IF APPLICABLE)**

Stakeholder groups were involved in the drafting of the legislation. There have been discussions with stakeholders about the implementation of the legislation, but there have been concerns about the timing of the guidance.

Issues:

- 1) To participate in post-graduate scholar programs students must have completed the FAFSA, if eligible and either be ineligible for federal aid grants or be eligible for a grant in aid less than the average cost of tuition, books and fees at an Oregon Community College. The Office of Student Access and Completion will be setting this amount. It was decided to use prior year cost and tuition numbers to help provide timely information to school districts.
- 2) For ease of understanding it is recommended that we use the definition of “legal residence” that corresponds with the State School Fund definition.

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- 3) There are concerns from the field about programs that are designed to be 5 year programs. This legislation requires that students have the opportunity to complete graduation requirements within 4 years and not be counseled to take 5 years.

### **CHANGED SINCE LAST BOARD MEETING? (IF APPLICABLE)**

- N/A; first read—hasn't been before board  
 No; same as last month  
 Yes - As follows:

OARs are simplified.

### **EFFECT OF A "YES" OR "NO" VOTE (AS APPROPRIATE)**

This legislation has an emergency clause and goes into effect upon passage. School Districts are in need of guidance and rules as they are already advising students on their participation in post-graduate scholar programs for fall 2016 implementation.

### **STAFF RECOMMENDATION**

- Approve     Approve next month     No recommendation at this time

**Hearing Date:**

**Prompted by:**

- State law changes     Federal law changes     other

### **FISCAL ANALYSIS (AS APPROPRIATE)**

Implementation Costs – Technical Assistance

The program is a brand new program with requirements that will likely be viewed as complicated by school districts. We believe this will likely require OAR's to be drafted, FAQ to be written and presentation at conferences in addition to questions from school districts. This FTE would also assist with the report writing. These activities will be ongoing.

- Write OARs.
- Provide technical assistance as needed.

Education Specialist 2 - .25 FTE - April, 2016 and beyond \$30,887

SSF Collection Modification (Medium Project: 400 hours, One-Time Construction)

Modify SSF allocation for these students to .85 in 2017-18 school year and .75 thereafter.

State School Fund changes staffing requirements

Information Systems Specialist 7 – 400 hours \$32,946

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### **Effect on State School Fund**

It is difficult to estimate the number of students who will participate in the program due to all of the special requirements in the bill. Based on information collected by the sponsor the number of students who meet the bill requirements is around 130. We believe that because of the complexities and the timing of the program becoming law, for the 2016-17 school year we would not see growth in the number of districts offering the program. Below is an estimate of the impact of the program on the SSF that assumes the addition of one new district.

# of Students	100% SSF Funding 2016-17	85% SSF Funding 2017-18	75% SSF Funding 2018-19 and beyond
150	\$1,044,150	\$ 887,528	\$ 783,113

NOTE: Funding assumes current funding level of \$6,961 per weight

While these programs are only in a few districts now, once the legislature has clearly supported their legality, some people expect more districts to offer them. However, because of the restriction in the program that students must not qualify for the Oregon Promise based on GPA (currently at 2.5) it is also believed that it is unlikely that more than about 450 students would participate statewide even if all districts started to offer the program.

### **ATTACHMENTS**

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Attachment 1: OAR 591-021-0576 to 0582