

Appendix B

Pay It Forward Program Administration

The Office of Student Access and Completion (OSAC), which reports to the Higher Education Coordinating Commission (HECC), is proposed as the agency that would both disburse payments to institutions from, and receive contributions to, the Pay It Forward (PIF) program fund. While the fund would require an initial investment from the state, over time this amount to cover the pilot program would decrease and for that level of participation PIF would be self-sustaining.

OSAC has completed a detailed estimate of the administrative costs, figuring them at \$209,332 for the first year and to \$4,362,221 over 25 years. This estimate is based solely on people, and excludes any additional equipment that would have to be purchased – e.g., servers, other hardware, and software. Costs beyond staff could also include fees for the Attorney General to review applications and promissory notes for legality as the program is developed. There is an attached spreadsheet that includes detailed information on all requested staff.

While OSAC does have some ability to do collections related to a long discontinued loan program, it is possible they would need to strengthen their capacity in that area as well.

There are several specific tasks OSAC will need to undertake prior to the pilot rollout:

1. An application will need to be created, and it will need to be marketed to students.
2. A renewal form will need to be created, for students to submit their participation level each term. Summer term would be treated the same as other terms for PIF.
3. Data will need to be collected from institutions on the fourth week enrollment of PIF participants, to see if participation rates need to be adjusted based on dropped courses.
4. There will need to be a form to allow participants to notify OSAC that they have dropped PIF credits, for cases where participation does not include all the credits they are taking.
5. An estimated income form will need to be created for distribution when participation ends so those who have completed their studies can calculate their monthly or quarterly contribution at the cessation of their grace period.
6. An extension form will need to be created for participants who need to take a fixed amount of time off of school for childbearing or other life circumstances that preclude them from continued college attendance, but who intend to return at a specified time.

It is the workgroup's intent to minimize the administrative costs that would be borne by Oregon colleges and universities by having the data that would be reported to OSAC for PIF be identical to what is already required for the Oregon Opportunity Grant and other aid.

The creation of the processes and systems required to run a successful pilot will allow the program to be able to grow over time should the state see fit to expand participation in the future.