

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Meeting of the Iowa College Student Aid Commission
Date: April 9, 2001

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission (ICSAC) met on March 27 in Des Moines. Highlights of the meeting included a report on proposed appropriations, ratification of a 28E agreement for an I-Link Service Center in partnership with the Iowa Student Loan Liquidity Corporation, and approval of FY 2002 allocations for the Iowa Grant and Work-Study Programs.

Background/Analysis:**Proposed Appropriations:**

The Governor's revised FY 2002 budget recommendations for programs administered by ICSAC are as follows:

	Governor's <u>Original</u>	Governor's <u>Revised</u>
Iowa Tuition Grant Program	\$ 49,930,075	\$ 47,748,131
Scholarship Program	498,540	476,754
Voc. Tech. Tuition Grant	2,482,400	2,373,919
College Work Study	2,750,000	2,486,380
Iowa Grants	1,144,850	1,094,820
National Guard Program	1,250,000	1,250,000
Forgivable Loans for Teachers	525,000	502,058
ACE Grants	250,000	250,000
Foster Child Grant Program	65,000	62,160
Osteopathic Forgivable Loans	379,260	362,686
Physician Recruitment	395,000	377,739
Chiropractic Forgivable Loans	100,000	95,630
Total	\$59,770,125	\$57,080,277

I-Link Service Center:

ICSAC has approved the establishment of a new customer service unit, through a 28E Agreement with the Iowa Student Loan Liquidity Corporation, to provide comprehensive financial aid support for colleges and universities in Iowa.

The two main goals of a new "I-Link Service Center" are to provide (1) a single point of contact for the transmission of electronic loan, scholarship and grant data, and (2) a single source of information and customer support for the financial aid-related inquiries. The I-Link Service Center will provide the following specific services:

- Process for schools to transmit electronic loan application-related data to multiple guarantors and lenders/servicers, and receive information back, using one point of contact;
- Support for the Iowa scholarship and grant programs;
- Support for the Iowa FFEL Program and issues concerning loans guaranteed by other guarantors;
- Resource for Title IV regulatory guidance;
- Loan application change requests on all ICSAC guarantees;
- Loan maintenance on all FFELP loans for I-Link participants, regardless of lender, servicer or guarantor;
- Return of funds from schools to lenders due to loan cancellations or overawards;
- Alternative loan processing support as requested by Iowa colleges and universities.

FY 2002 Allocations for Iowa Grant Program:

The FY 2002 allocation includes the Governor's recommended funding level of \$1,144,850 in state appropriations, \$322,339 in federal Leveraging Education Assistance Partnerships (LEAP) funds, and \$129,178 in Supplemental Leveraging Educational Assistance Partnership (SLEAP) funds.

State legislation requires sector allocations from state appropriations of 37.6 percent for Regent universities, 36.5 percent for independent colleges and universities, and 25.9 percent for community colleges. This year's allocation of federal funding was based on the relative estimated need of students at each college or university.

FY 2002 allocations to all sectors are expected to remain at approximately the same as the FY 2001 allocations – the total amount for Regent institutions would be \$600,235.

FY 2002 Allocations for Iowa Work-Study Program:

State allocations are based on the federally administered needs assessment used to allocate Federal Work-Study funds. By law, the first \$1.5 million in state funding is directed to public institutions, and the remaining funds are allocated to all institutions.

Total federal Work-Study funding available for Iowa students increased by approximately 2.75 percent. Federal allocations increased at 25 colleges and universities (from \$1,553,128 million to \$1,579,480 million at SUI; \$1,186,614 million to \$1,254,521 million at ISU; and \$637,902 to \$701,376 at UNI) and decreased or remained the same at the remaining 26 participating institutions.



Frank J. Stork