

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Meeting of the Iowa College Student Aid Commission
Date: January 31, 2000

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission met on January 18, 2000. Items on the agenda of possible interest to the Board and Regent institutions include FY 2000 budget reductions, FY 2001 budget recommendations, and additional funding approved for the Iowa Grant Program. The Commission approved an additional allocation of \$373,450 in federal funds for the Program, which is not recommended for increased state funding in FY 2001.

Background/Analysis:

FY 2000 Budget Reductions.

The Commission was requested to reduce FY 2000 expenditures by \$18,596 in scholarship and grant administrative expenses, which will be accomplished by delayed hiring, a reduction in fees paid for state information technology support, and reallocations to the operating fund.

FY 2001 Budget Recommendations

The Governor's FY 2001 budget recommendations for programs administered by the Commission are as follows:

	<u>FY 2000 Appropriation</u>	<u>Commission Proposed FY 2001</u>	<u>Governor's Proposed FY 2001</u>	<u>Change from FY 00 to Governor's 01</u>
Scholarship Program	498,540	498,540	498,540	-
Iowa Tuition Grant Program	47,664,750	51,160,725	48,830,075	1,165,325
Vocational Technical Tuition Grant	2,482,400	2,730,000	2,482,400	-
College Work Study	2,950,000	2,950,000	2,950,000	-
Iowa Grants	1,161,850	3,075,440	1,161,850	-
National Guard Program	833,900	1,000,000	1,250,000	416,100
UHOMS Forgivable Loans	379,260	379,260	379,260	-
Physician Recruitment	395,000	395,000	395,000	-
Chiropractic Forgivable Loans	100,000	100,000	100,000	-
Forgivable Loans for Teachers	250,000	600,000	600,000	350,000
Yes You Can Grants		750,000	-	-
CORE Opportunity Grants			500,000	500,000
Subtotal	56,715,700	63,638,965	59,147,125	2,431,425
Scholarship and Grant Program Admin.	344,397	352,346	344,397	-
Total	57,060,097	63,991,311	59,491,522	2,431,425

The Career Opportunities and Resources for Education (CORE) program is intended to encourage vocational students to enroll in programs that will enhance skills in targeted work shortage areas. CORE grants are intended to be leveraged with existing student financial assistance and business support.

Iowa Grant Program

The Iowa Grant Program was established in 1991 to provide statewide, non-sector based grants similar to the Federal Pell grants. Students attending Regent universities, community colleges, and independent/private colleges and universities may receive Iowa Grants. Funds are allocated to institutions using a formula that measures the relative need to students attending each sector. Grants are awarded to students by campus administrators.

The Iowa Grant Program is intended to assist college and university students with the greatest need. Average family income of recipients is less than \$16,000.

The Program supports the following policy objectives:

- Increased opportunities for low income students.

- Increased Iowa college and university attendance.
- Economic development opportunities for communities throughout the state.
- Increased wages.

During its most recent session, Congress allocated \$40 million for the Leveraging Educational Assistance Partnership (LEAP – formerly SSIG) Program for academic year 2000-01, approximately 60 percent higher than the academic year 1999-00 allocation. LEAP funding is provided to states to encourage the retention and expansion of existing state grant programs. Iowa’s allocation from LEAP funding is slightly greater than one percent of the total.

Although \$40 million was authorized, required budget cuts likely will reduce LEAP funding to \$34 million for the upcoming academic year. The Commission staff anticipates that Iowa’s share of the overall funding will be approximately \$373,450.

The following chart provides Iowa Grant Program comparison data, including LEAP/SSIG funding for the past several years.

Iowa Grant Program Funding History

	2000-01 (proposed)	1999-00	1998-99	1997-98	1996-97
State Appropriation	\$1,161,850	\$1,161,850	\$1,161,850	\$1,397,790	\$1,397,790
LEAP/SSIG Funds	\$373,450	\$273,360	\$273,359	\$205,000	\$139,504
Total Funding	\$1,535,300	\$1,435,210	\$1,435,209	\$1,602,790	\$1,537,294
Percent Increase/Decrease	7%	0%	-11%	4%	-1%

In 1998-99, the General Assembly increased funding for the Iowa Vocational-Technical Grant Program to ensure level funding without reliance upon SSIG funds and reduced Iowa Grant Program funding under the assumption that level funding would be maintained through the reallocation of Iowa’s full federal SSIG appropriation into that program. Unfortunately, federal SSIG allocations were significantly reduced for the 1998-99 academic year, causing a drop in the overall funding available for the Iowa Grant Program.

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