

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Meeting of the Iowa College Student Aid Commission
Date: June 10, 2002

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission met on May 9, 2002, at St. Ambrose University in Davenport. The Executive Director, who represents the Regents on the Commission, was in attendance at this meeting.

Noteworthy items of business at the meeting are detailed below.

Notice of intended action was approved for administrative rules allowing the Commission to take action to disallow state licensure for individuals who are not in satisfactory repayment of defaulted student loan obligations owed to the Commission.

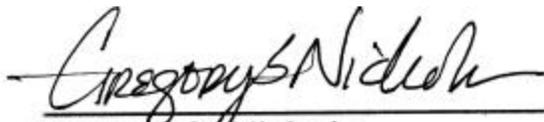
Legislative and budgetary actions related to FY 2003 appropriations for student aid programs were discussed. Reductions in most programs, including tuition grants for independent college students, vocational-technical grants at community colleges, and other programs, are expected. It was noted that the overall reductions in various state appropriations for student aid would also result in a loss of federal matching funds that provide for Iowa Grants to over 1,000 students, many of whom attend Regent institutions. Further review of program and administrative budgets will be undertaken after completion of action on the budget by the Governor in June. The Commission also authorized transfers of funds in FY 2002 between programs in order to meet shortfalls experienced during the latter part of the year. These transferred funds would normally be used for 'late year' awards to students.

Authorization to extend the contract with the National Student Loan Clearinghouse was given by the Commission. This is a non-profit entity providing automated student enrollment verification support to postsecondary institutions. As of this year, all three Regent universities are participating in this clearinghouse program.

A report on student loan guarantee volume projections for the Commission programs was received. It is estimated that approximately \$265 million in guaranteed loans--both subsidized and unsubsidized--to students and their families will be outstanding as of June 30, 2002. This would represent an increase of more than 10% compared to June 30, 2001 figures.

The Commission members and staff also spent time in discussion with Dr. Steven Crow, the Executive Director of the Higher Learning Commission of the North Central Association of Colleges and Schools (NCA). Dr. Crow described the role of NCA in accreditation of postsecondary institutions and programs, indicators of quality, and contemporary issues and problems arising in Iowa and surrounding states in accreditation and quality assessments. These issues are especially important to the Commission in making determinations about which institutions should be able to access general student aid programs for their students and, due to the role of the Commission, in state law related to 'registration' of institutions.

The next scheduled meeting of the Commission is scheduled for July 16, 2002.



Gregory S. Nichols