

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Meeting of the Iowa College Student Aid Commission
Date: October 6, 2003

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission met on September 15, 2003 in Des Moines, and in a teleconference on September 26, 2003. The Executive Director, who represents the Regents as a member of the commission, participated in both meetings.

The major items of business included the following:

1. Approval was given for renewals of Iowa registration for out-of-state higher education institution operations for Hannibal LaGrange College and Southwest Minnesota State University. The latter approval was a conditional one granted after much debate due to the lack of Department of Education certification allowing program graduates to qualify for certification as school administrators in Iowa.
2. The commission, as a result of the conversation about Southwest Minnesota's application, also directed staff to prepare a revised administrative rule that would require, in the future, out of state institutions to meet all certification, accreditation, and approval standards established for Iowa colleges and universities which offer substantially similar programs if those out-of-state institutions seek approval to operate in Iowa.
3. FY 2005 state appropriations requests were approved which would, in the aggregate, increase state support by \$4.91 million to assist an additional 5,200 Iowa undergraduate and medical students. The three main components of the incremental state appropriations requests were as follows:
 - Reinstatement of \$2.75 million in funding for the state work-study program, unfunded in recent years, which would serve over 4,300 students seeking college work opportunities;
 - An increase of \$1.91 million in funding for Iowa Tuition Grants to allow an additional 600 students to be served;
 - Reinstatement of funding of \$250,000 in osteopathic forgivable loans (with an institutional match) to provide meaningful loans to 117 students.
4. A financial and program review indicated that outstanding student loan commitments as of the end of August 2003 totaled \$2.07 billion, and originations in the first two months of the fiscal year were \$145.2 million.

5. Discussion was held on potential federal changes, both regulatory and legislative, in student aid programs. A concern was raised with a particular U.S. Department of Education proposed regulation. This regulatory change would recalibrate the definition of financial need for students by raising the 'expected contribution' to college costs from students and their families. Language in an appropriations bill passed by the U.S. Senate could, if adopted by Congress and the President, nullify this change.

The next planned meeting of the Commission is scheduled for November 18, 2003.



Gregory S. Nichols