

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Meeting of the Iowa College Student Aid Commission
Date: October 7, 2002

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission met on September 17, 2002, at the Commission office in Des Moines. The Regents Executive Director, who represents the Board on this Commission, was in attendance at the meeting. Notable items of business discussed at that meeting are detailed below.

Commission staff was authorized to engage a firm to perform lender and school reviews for institutions participating in the guaranteed student loan program. Biennial reviews are required under federal legislation.

Commission staff was authorized to extend the current collections vendor contract for six months, and seek proposals from vendors for a new contract to be awarded thereafter.

The Commission approved an amendment to the registration criteria for new academic programs to be offered in Iowa by out-of-state institutions. In addition to the previous registration criteria, the Iowa Coordinating Council for Post-High School Education will be asked to review and comment on such applications in the future. Representatives of all sectors of Iowa higher education, including three Regents representatives, serve on the Coordinating Council.

The FY 2003 student loan program budget was approved. Administrative resources generated from operations of federal student aid programs will be directed toward the following initiatives:

- Staff development and training in the areas of technology, customer service, and product development;
- Expanded client services to colleges, universities, and lenders;

- Development of electronic commerce initiatives; and
- Research partnerships with Iowa colleges and universities on issues related to family college financing options, recent state and federal initiatives, service quality of existing programs, and customer expectations.

FY 2004 program budget requests and state appropriations requests were also given approval by the Commission. Lengthy discussion of this item centered on the question of how to balance increasing student needs with the fiscal realities of flat state revenues in terms of determining the level of requested state support. The reduction in state support for numerous student aid programs in recent years was also highlighted. Ultimately, the staff recommendation to focus on the following initiatives in incremental state appropriations increase requests for FY 2004 was adopted:

- Increase Iowa Tuition Grant funding \$2.7 million;
- Increase Vocational-Technical Tuition Grants \$106,000;
- Reinstate the Iowa Work-Study program at a level of \$2.7 million; and
- Reinstate appropriations for the Osteopathic Loan Program at a level of \$100,000.

A report was presented on the final FY 2002 loan program utilization in Iowa for Stafford and PLUS loan programs. The report indicated that there were 47,349 borrowers taking out a total of \$273,535,768 in loans, or an average loan amount of \$5,777. Total outstanding loan volume at the end of FY 2002 was 1.1% greater than at the end of FY 2001.


Gregory S. Nichols