

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Report on Meeting of the Iowa College Student Aid Commission

Date: June 5, 2000

Recommended Action:

Receive the report.

Executive Summary:

The Iowa College Student Aid Commission (ICSAC) met recently on May 3, May 15, and June 5, 2000. Items from these meetings of interest to the Board and Regent institutions include FY 2001 appropriations, FY 2001 Iowa Grant allocations, Foster Child Grant awards, Disaster Relief grant allocations, and development of a new strategic plan.

Background/Analysis:**FY 2001 Appropriations**

The following table describes the final action on legislative appropriations coordinated through ICSAC:

	<u>Adjusted FY 2000 Appropriations</u> (Dollars)	<u>Governor's Recommend. FY 2001</u> (Dollars)	<u>Final FY 2001 Appropriations</u> (Dollars)	<u>Change from Adjusted FY 00</u> (Dollars)
Scholarship Program	498,540	498,540	498,540	
Iowa Tuition Grant Program	47,664,750	48,830,075	48,830,075	1,165,325
Vocational Technical Tuition Grant	2,482,400	2,482,400	2,482,400	
College Work Study	2,950,000	2,950,000	2,750,000	-200,000
Iowa Grants	1,161,850	1,161,850	1,144,850	-17,000
National Guard Program	833,900	1,250,000	1,250,000	416,100
UHOMS Forgivable Loans	379,260	379,260	254,260	-125,000
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	525,000	275,000
Yes You Can Grants				
ACE Grants		500,000	250,000	
Subtotal	56,715,700	59,147,125	58,480,125	1,764,425
Scholarship and Grant Program Administration	325,801	344,397	325,801	-18,596
Total	57,041,501	59,491,522	58,805,926	1,764,425

The new Accelerated Career Education (ACE) program will provide grants to community college students studying in identified areas of need within the state.

FY 2001 Iowa Grant Allocations

The Iowa Grant Program was established in 1991 to provide statewide 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.

The Fiscal Year 2001 allocations for Iowa Grants include \$1,161,850 in state appropriations, \$322,339 in federal Leveraging Educational Assistance Partnerships (LEAP) funds, and \$107,466 in Supplemental Leveraging Educational Assistance Partnership (SLEAP) funds.

State legislation requires sector allocations of 37.6 percent for Regent institutions, 36.5 percent for independent institutions, and 25.9 percent for community colleges. Within sectors, allocations vary slightly from year to year because funding is based on the relative estimated need reported for students at each institution.

<u>Regent Institutions</u>	<u>1999-00 Total Allocation</u>	<u>2000-01 Total Allocation</u>
Iowa State University	\$ 209,204	\$ 227,520
University of Iowa	188,265	214,777
University of Northern Iowa	<u>142,170</u>	<u>156,158</u>
Total	\$ 539,639	\$ 598,455

Foster Child Grant Awards

Fifteen Iowa Foster Child Grant recipients were selected from 23 applicants. Ten students were selected last year and ten additional first-year awards were scheduled for this year. Additional awards are available this year to replace the students who have chosen not to re-enroll and because of the number of students pursuing two-year degrees. ICSAC staff anticipate six or seven students from last year's class to continue this fall.

Students receiving these awards plan to enroll next year at the American Institute of Business, Central College, Des Moines Area Community College, Hamilton College, Iowa Lakes Community College, Iowa State University, Kirkwood Community College, North Iowa Area Community College, Scott Community College, University of Iowa, University of Northern Iowa, and Western Iowa Technical Community College.

Disaster Relief Grant Allocations

Last November, ICSAC approved a plan to earmark \$1 million in interest earnings on the Commission's reserve recall account to provide debt management grants for Iowa families adversely impacted by the on-going farm crisis. ICSAC requested concurrence from the U.S. Department of Education that the interest could be used for this purpose before proceeding with that plan. While the department at first responded that providing grants was not an appropriate use of these funds, it eventually reconsidered, thanks in large part to the efforts of Senator Harkin and Governor Vilsack. ICSAC received official notification from the Department on May 19, 2000, that the Commission can "use the interest earnings on the reserve recall account to fund block grants to Iowa colleges and universities for resident families negatively impacted by the Iowa farm crisis".

ICSAC staff used the most recent Iowa Grant survey data to project institutional allocations. Allocations are based on need, as determined by the number of Iowa aid applicants and their average expected family contribution at each institution. The proposed allocations for Regent universities are as follows:

<u>Regent Universities</u>	<u>Distribution Based Upon Student Need (\$2,500 Minimum)</u>
Iowa State University	\$ 101,588
University of Iowa	80,225
University of Northern Iowa	<u>63,707</u>
Total	\$ 245,520

Development of a New Strategic Plan

ICSAC has been in the process of developing a new strategic plan for several months. The Commission has retained RSM McGladrey, Inc. to assist in this process.

The planning process to date has consisted of the following key components:

- Pre-retreat planning and preparation meetings with the staff.
- Telephone and personal interviews with commissioners, legislators and key stakeholders.
- A survey of financial aid directors.
- Research conducted by staff members.
- A two day planning retreat with ICSAC staff members and the Commission Chair. The agenda included the following subjects: current situation assessment, critical issue identification, key stakeholder needs identification, mission statement development, vision development, and the drafting of preliminary goals.
- Meeting with the ICSAC's Strategic Planning Subcommittee to review the initial draft and make appropriate revisions.
- Refinement of draft goals to support the recommended mission and vision.

ICSAC's new mission statement reflects a greater emphasis on advocacy for financial aid programs:

Proposed Mission Statement

The Iowa College Student Aid Commission advocates for Iowa students and administers scholarship, grant, loan and other programs to help students finance education at colleges and universities of their choice.

Former Mission Statement

The Iowa College Student Aid Commission administers income-sensitive student financing that promotes access to and choice among postsecondary opportunities. The Commission distributes public service information and conducts outreach activities that help families plan for college expenses. The Commission also collects and distributes Iowa higher education data.

ICSAC is expected to develop goals in the areas of Advocacy; Finance/Growth; Technology; Partnerships; Customer Service; and Administration/Operations.


Frank J. Stork