

**IOWA COLLEGE STUDENT AID COMMISSION  
MINUTES OF MEETING  
December 4, 2015  
10:00 a.m.**

**Members Present:**

Janet Adams	Michael Ash
Amy Brace	Roger Claypool
Crystal Ford	Tedd Gassman
Tim Kraayenbrink	Frederick Moore
Katie Mulholland	Herman Quirnbach
Doug Shull	Jeremy Varner
Karolyn Wells	Cindy Winckler

**Staff Present:**

Todd Brown	Jethro De Lisle
Jayna Grauerholz	Julie Leeper
Kris May	Karen Misjak
Christina Sibouih	Carolyn Small
Ashley Wendt	

**AG Present:**

Sarah Scott

**Guests Present:**

Gretchen Bartelson	Northwest Iowa Community College
Matt Brown	Iowa Student Loan
Susan Huppert	Des Moines University
Dave Epley	House Democratic Staff
Robin Madison	Legislative Services Agency

## **Call to Order**

The Iowa College Student Aid Commission met for a regularly scheduled meeting on December 4, 2015. Commission Chair Adams called the meeting to order at 10:02 a.m. with a quorum present.

## **Executive Director's Report**

Ms. Misjak shared that the Commission presented the budget requests in front of the Governor and Lt. Governor on Wednesday of this week and Commissioners Janet Adams and Crystal Ford attended the hearing. (a copy of the presentation was given to Commissioners) During this presentation we endorsed the Future Ready Iowa goal that 70% of Iowans in the workforce will hold 2-4 year degrees, certificates or other industry credentials by 2025. The Georgetown University Center on Education and Workforce report shows that Iowa is behind on Bachelor's Degrees by 3%.

Iowa Tuition Grant, Vo-Tech and the Kibbie Grants were highlighted and showed the purchasing power of each program. We also showed that over 50% of Community College students receive both the Kibbie and Vo-Tech grant.

Chair Adams presented on behalf of the Commission at the Budget Hearing and requested an increase for all programs of 5% and explained the need to increase administrative funding to cover the cost of the annual maintenance, support and hosting of the new grant and scholarship system.

Ms. Misjak stated the Commission has been involved and invited to participate in the Reach Higher Initiatives hosted by the White House in Florida. Several individuals from Iowa attended, including Rachel Scott from our staff who presented at the meeting on Iowa's College and Career Readiness Roadmap. Last month Keyli Keifer from our staff presented on our FAFSA Completion Initiative and reported the success of our program in Washington DC.

Ms. Misjak said there continues to be discussion around the announcement from the President that families can use prior prior year tax information and can start completing the form in October 2016 for the 17-18 academic year. The issue for states with this change is that it is almost impossible for states to provide awarding parameters around state programs earlier than the current time frame since the awarding parameters are based on final state appropriated dollars. Ms. Misjak continued that the USDE will stop providing colleges with the lists of the student's school choice and are also saying that they will not provide the list of schools to the states in future years. If states do not receive this information from the FAFSA, they will have to collect this information directly from the student. Ms. Misjak said staff will continue to monitor what the USDE plans to do regarding providing student's school choice to states.

Ms. Misjak introduced Jayna Grauerholz as the new Compliance Officer 1 working with Carolyn Small on Postsecondary Registration. Another new staff member, Zachary Rhein started at Iowa College Aid on November 30. He will be responsible for identifying and applying for grants to help fulfill our mission.

Commissioner Winckler requested as staff is looking at the grant availability, that she would like to know how many grants we are ineligible for because the Commission does not have the 501(c)(3) status. In addition, Commissioner Quirnbach requested a list of the specific grants.

### **Minutes of Meeting**

Motion: Commissioner Ford moved to approve the meeting minutes for September 18, 2015 as written. Commissioner Shull seconded the motion which passed unanimously.

### **Administrative Rules**

Motion: Commissioner Varner moved to adopt the rule to rescind Administrative Rules Chapter 27- Iowa Grant Program. Commissioner Wells seconded the motion which passed unanimously.

Motion: Commissioner Shull moved to propose amendments to Administrative Rules Chapter 36- Governor Terry E. Branstad Iowa State Fair Scholarship. Commissioner Wells seconded the motion which passed unanimously.

### **Administrative Rules-Chapter 21 Postsecondary Registration**

Motion: Commissioner Ash moved to propose amendments to Chapter 21, "Approval of Postsecondary Schools," Iowa Administrative Code as recommended by the Commission's Legislative Committee; and, further moved that the amended language be submitted through the administrative rules process as an Amended Notice of Intended Action so that comments can be received on the new proposed language. Commissioner Moore seconded the motion.

### **Discussion:**

Assistant Attorney General Sara Scott said, because comments received and amendments that have been recommended, she thought it would be beneficial to delay the rule until the January Commission meeting to allow staff and the Attorney General's (AG's) office to review this rule again prior to further Commission action. Ms. Scott said there could be concerns about conflict of interest because the rules apply specific requirements to schools. Although she did not feel that there was an issue, she would like to thoroughly review to be sure Commissioners are not placed in a situation where their action could be questioned. In response to Ms. Scott, Commissioner Moore made the argument, if Commissioners have a conflict of interest on this issue, they would likely be disqualified on every vote as Commissioners represent institutions and sectors and have done so historically as they serve on the Commission. Ms. Scott understood

Commissioner Moore's comment and said she was referring to this specific rule. Commissioner Moore felt Ms. Scott and staff were being too cautious on this issue.

Commissioner Varner asked about the specifics of the motion. Ms. Leeper said the motion made by Commissioner Ash would mean, the rule would be submitted as an Amended Notice of Intended Action, which would ensure additional time for public comment and restart the timeline for adoption and implementation.

Commissioner Quirnbach said he felt there has been a significant misinterpretation of the SARA legislation. He expressed concern that some individuals believe if the NC-SARA agreement doesn't require certain information that the Commission cannot also require it. Commissioner Quirnbach read from Iowa Code Chapter 261G.4, paragraph 2. His interpretation is that the Commission must follow NC-SARA requirements but can require more. Commissioner Quirnbach also read from Iowa Code Chapter 261G.3 and noted the law says the Commission can only move forward with NC-SARA if it believes there are adequate measures of consumer protection established. The Code does not specifically lay out consumer protection, but it does lay out what is required for out-of-state schools. There is plenty of precedent of what the legislation requires, and those requirements were included in a previous draft of the rule. The current version of the rule does not include some important items included in the prior version and he felt the Commission should go back and think through the requirements, as the AG has requested, to ensure that adequate consumer protections are included.

In response to Commissioner Gassman, Ms. Leeper said the fee is still included in this proposal, but has been changed to a sliding scale depending on student FTE counts at schools.

Commissioner Winckler said the fees have had quite a bit of discussion and fees should be set to cover the administrative costs of the program and the fee structure, as proposed, would not cover the costs of the program.

Chair Adams stated there is currently a process in place for out-of-state schools to register in Iowa, and asked if staff knew how many in-state schools have already registered using the current process. Ms. Leeper said there are some in-state schools that have already registered using the current process and listed Des Moines University, Kaplan University and Waldorf University. Drake University has contacted Commission staff and will be preparing their application under the current rule. Ms. Leeper said Briar Cliff College will also be registering because they have students in another state that require SARA participation or registration in that state. Staff's intent is to allow those schools to register and become SARA eligible.

Commissioner Ash stated the two things he heard from the discussion were: 1. The Attorney General's office would like time to review the rule to make sure we are not missing anything and 2. That more conversation is needed to ensure the rule has not gone too far outside the consumer protection requirements. Commissioner Quirnbach

noted the Attorney General's Office wanted more time to think through the issues and move forward with confidence and that no conclusion was being offered.

In response to Commissioner Ford, Ms. Leeper said a rule is currently in place for schools required to register and Iowa schools can voluntarily register under the current rule. The state of Iowa has been approved to participate in NC-SARA. The Commission cannot approve schools under a proposed rule but schools can use the current rule already in place.

Commissioner Moore felt the Commission needed to take action and did not feel there was a conflict of interest. He also said the rule has been recommended by the Legislative Committee and action should be taken by the full Commission.

Commissioner Winckler said when legislation was passed allowing participation in NC-SARA, it was made very clear that the Commission would ask schools to register to participate in SARA and they would register under 261B. She said the proposed rule creates a two-tiered system not identified in Code requiring out-of-state schools follow one set of rules and in-state schools follow different rules. She said she is very concerned the Commission will create a process that is no longer a transparent process. She was not comfortable recommending different sets of rules for schools. Commissioner Quirnbach added he felt there should be one set of rules for consumer protection standards for all schools and consumer protection was the top priority. He did not feel the rule before the Commission relays that priority.

Commissioner Varner asked with the current motion if another public comment period is required. Ms. Leeper said yes and assumed it would also come before the administrative rules committee again. Commissioner Quirnbach said the Commission should come to an agreement before starting over in the Administrative Rules process. He felt the appropriate action would be to table the motion and have more discussion. When the full Commission is comfortable with the rule, the rule could move forward.

Sue Huppert from Des Moines University (DMU) was acknowledged by Chair Adams to speak before the Commission. Ms. Huppert said she has been working on SARA since the beginning and DMU has hosted several information meetings. She said the Commission was very clear with the process and hosted meetings providing information to schools. Ms. Huppert said DMU has completed its application for SARA participation in Iowa. DMU has also submitted applications for postsecondary registration in 38 other states, Wisconsin, being one of the most difficult and most expensive applications for DMU to complete. She said the Commission requirements are not difficult to meet.

Gretchen Bartelson from Northwest Iowa Community College was acknowledged by Chair Adams to speak before the Commission. She said Iowa is committed to education and is involved in distance learning. She asked the Commission to pass these rules and that SARA is necessary at her school; 20 to 25 percent of their students are online and they are the smallest community college with students in 28 states.

Chair Adams asked for the motion to be repeated and a roll call vote was taken.

The following Commissioners voted yea:

Roger Claypool  
Jeremy Varner  
Frederick Moore  
Michael Ash

The following Commissioners voted no:

Janet Adams  
Crystal Ford  
Doug Shull  
Karolyn Wells  
Amy Brace  
Katie Mullholland

The motion failed.

#### **ACT, Inc. Contract**

Motion: Commissioner Shull moved to authorize the Executive Director to enter into a five-year contract, with a one-year extension option, for assessment services to students in the GEAR UP Iowa cohort with ACT, Inc. Commissioner Ford seconded the motion which passed unanimously.

#### **NCCEP Outside Evaluation Auditor Contract**

Motion: Commissioner Shull moved to authorized the Executive Director to enter into a one-year contract, with five one-year extension options, for outside evaluation audit services for the GEAR UP Iowa Project with the National Council for Community and Education Partnerships. Commissioner Varner seconded the motion which passed unanimously.

#### **Audit and Finance Committee**

Ms. May shared that state auditors are currently in the office auditing the GAAP package and will start the review of our federal grants. This is their first year that the federal grants will be part of our audit. Ms. May stated the Commission posted a Notice of Sale for the Partnership Loan Programs (PLP) loans on October 29, 2015 and that bids were due on December 1, 2015. There has been a request from a possible vendor requesting an extension for a bid proposal. More information has been requested from the vendor and the deadline has been changed to December 8, 2015.

Ms. May said the committee discussed how to move forward on the Commission's request to provide a 5-7 year financial plan. The committee reviewed revenue and expenditure estimates from 2012 through 2014 and actuals to date. Staff members are identifying projects and services provided to lowans and will be working on 5-7 year cash projections and updating our estimated numbers. The Committee decided a seven year financial plan would tie to the expiration of the Great Lakes contract and allow the committee to review how revenues will change as the loans in the defaulted portfolio that Great Lakes is currently collecting on will decrease.

### **Legislative Committee**

No report given.

### **Commissioner Report**

Commissioner Varner provided an overview of the Final Report of the Secondary Career and Technical Education Task Force.

### **Staff Reports**

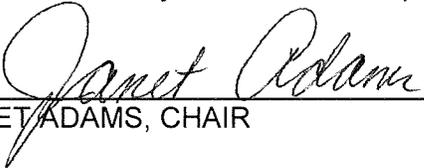
Ms. May provided an update of FY2015 year-to-date financials.

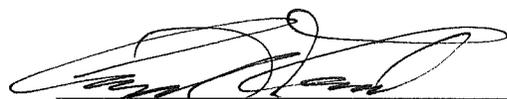
Ms. Small provided a report on an application of exemption from Postsecondary Registration in Iowa for Muscatine Assist to Succeed School.

Motion: Commissioner Claypool moved on the advice of agency counsel, approval of the application for exemption from Iowa registration for Muscatine Assist to Succeed School. Commissioner Wells seconded the motion which passed unanimously.

Mr. Brown provided a financial aid program update on the GEAR UP scholarship.

Commission Adjourned at 12:13 p.m.

  
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JANET ADAMS, CHAIR

  
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CRYSTAL FORD, VICE CHAIR