

**Iowa College Student Aid Commission
January 21, 2011**



IOWA COLLEGE STUDENT AID COMMISSION

Guiding Statements

Our Mission

We advocate for, and provide a continuum of services to support, Iowa students and families as they explore and finance educational opportunities beyond high school.

Our Motto

Your Financial Aid Connection.

Our Vision

All Iowans can achieve an education beyond high school.

Our Guiding Principles

We believe in the value of education and our commitment is to:

- Put students first.
- Uphold the public trust.
- Develop and empower a motivated, compassionate, and professional team.
- Create and nurture internal and external partnerships that benefit our customers.
- Provide services to our customers that exceed expectations and address their changing needs.
- Respect and honor the dignity of each other and all those we serve.

IOWA COLLEGE STUDENT AID COMMISSION

A G E N D A

January 21, 2011

10:00 A.M.

Iowa College Student Aid Commission – Conference Room

- * 1. Minutes of Meeting.....Tab A
 - November 19, 2010
- 2. Executive Director’s ReportTab B Misjak
- * 3. Postsecondary Registration.....Tab C Small
 - Hamilton Technical College
 - University of South Dakota
- *4. Administrative Rules.....Tab D Leeper
- 5. Banker’s Trust PresentationTab E..... Anderson
- 6. Committee ReportsTab F
 - *-Legislative Committee.....Commissioner Adams
- 7. Staff Reports.....Tab G
 - FY 10 Expenditure Summary Misjak
 - The Condition of Higher Education in Iowa Misjak
- 8. Adjournment

* *Indicates Action Item*

UPCOMING MEETING DATES:

March 18, 2011

May 20, 2011

IOWA COLLEGE STUDENT AID COMMISSION

MINUTES OF MEETING

November 19, 2010

10:00 a.m.

**Iowa Association of Community College Trustees
855 East Court Avenue, Des Moines, Iowa 50309
Conference Room**

Members Present:

Janet Adams	Timothy P. Cole
Robert Denson	Bob Donley
Crystal Ford	Greg Forristall
Shazia Manus	Frederick Moore
Herman Quirnbach	Kelli Todd
Roger Utman	Cindy Winckler

Members Absent:

Randy Feestra
Terrence Martin

Staff Present:

Michael Anderson	Todd Brown
Julie Leeper	Karen Misjak
Bobbi Pulley	Carolyn Small
Ashley Wendt	

Guests Present:

Laurie J. Becvar, University of South Dakota
Matt Brown, Iowa Student Loan
Mark A. Christy, Hamilton Technical College
John Parker, Iowa Student Loan

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on November 19, 2010. Commission Chair Adams called the meeting to order at 10:00 a.m. with a quorum present.

Minutes of September 17, 2010

Motion: Commissioner Moore moved to approve the September 17, 2010 meeting minutes as written. Commissioner Denson seconded the motion which passed unanimously.

Executive Director's Report

Ms. Misjak said the office is officially moved to the new location and was only shut down for three hours. Staff is still currently unpacking and getting situated.

The Commission received a letter from the Governor's office requesting transition documents be sent to the Governor-elect by November 24, 2010. Commissioner Denson requested a copy of the letter and transition information that is sent to the Governor-elect.

Ms. Misjak said she has spent the last week attending the Midwest Higher Education Compact (MHEC) meeting in Detroit, and then traveled to Indianapolis to meet with other guaranty agencies to discuss best practices and to work on collaboration in the future to save time, and money. Ms. Misjak said that next year's MHEC meeting will be held in Iowa.

Representative Forristall said that he had just returned from Indianapolis, as well. During his trip he learned information about the Lumina Foundation and their goal to provide a quality college degree at a small fee. Ms. Misjak said the Lumina Foundation does provide grant funding to agencies and that is one of the reasons why the Commission is seeking to set up a 501(c)3.

Administrative Rules

Ms. Leeper presented the proposed amendments to Administrative Rules Chapter 1, Chapter 34 and Chapter 35. In Chapter 1 the change corrects the rule by aligning the wording with 2010 legislative action and changes address information due to the move of the Commission's offices. In Chapter 34 and 35 the change eliminates unnecessary requirements of manually matching applicants with past recipients of each program to ensure that new applicants did not receive funding under the old programs.

Motion: Commissioner Utman moved to propose amendments to Administrative Rules Chapter 1 - Organization and Operations; Chapter 34 - Registered Nurse and Nurse Educator Loan Forgiveness Program; and Chapter 35 – Iowa Teacher Shortage Loan Forgiveness Program. Commissioner Manus seconded the motion which passed unanimously.

External Collection Management Contract Extension

Ms. Pulley requested approval to authorize staff to exercise the option for a one-year extension of the External Collections Management contract with Diversified Collection Services, Inc.

Motion: Commissioner Moore moved to authorize staff to exercise the option for a one-year extension of the External Collections Management Contract with Diversified Collection Services, Inc. Commissioner Utman seconded the motion which passed unanimously.

Default Aversion Assistance Services Contract Extension

Ms. Pulley requested approval to authorize staff to exercise the option for a one-year extension of the Default Aversion Assistance Services Contract with Student Loan Counseling Service.

Motion: Commissioner Ford moved to authorize staff to exercise the option for a one-year extension of the Default Aversion Assistance Services Contract with Student Loan Counseling Service. Commissioner Denson seconded the motion which passed unanimously.

Postsecondary Registration Hamilton Technical College

Ms. Small reported that Hamilton Technical College (HTC) was originally told they were exempt from registering with the state. However, it has been determined that there is no exemption under Iowa Law, and that their original exemption is no longer applicable. Since the school was notified that they would need to register with the state, they have responded quickly and the application is now before the Commission for approval. Ms. Small said there are three policies that the school must develop, two of which are a condition of registration. Conditions for registration therefore include:

- Develop and implement a policy for the refund of tuition charges to Iowa residents who must withdraw from HTC that meets the requirements of Iowa Code Section 714.23.

- Develop and implement a policy that meets the requirements of Iowa Code Section 261.9(1)(g). Iowa residents impacted by this policy are members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, who must withdraw because of a call to active state or federal military service or duty.
- Incorporate into the school's catalog the policies required by Iowa Code Sections 714.23 and 261.9(1)(g).
- Provide an institutional refund that at least meets the requirements of Iowa Code Sections 714.23 or 261.9(1)(g), as applicable, to any Iowa resident that withdraws from a HTC program on or after the effective date of the Commission's HTC registration approval.
- Develop (as applicable) and implement an institutional policy on sexual abuse that meets the requirements of Iowa Code Section 261.9(1)(f).
- Provide documentation of the outcome of the Accrediting Commission of Career Schools and Colleges' consideration of HTC's accreditation renewal application.

Ms. Small said Commission staff is requesting to approve the application for postsecondary registration for Hamilton Technical College (HTC), with the stipulation that HTC accomplish all of the 6 criteria to the satisfaction of Commission staff within 90 calendar days after November 19, 2010.

Motion: Commissioner Utman moved to approve the application for postsecondary registration for Hamilton Technical College (HTC), with the stipulation that HTC accomplish the 3 policies to the satisfaction of Commission staff within 90 calendar days after November 19, 2010. Commissioner Manus seconded the motion. Motion dies with no vote

Commissioner Quirnbach asked why action is needed at this time if they are not in compliance with the six listed items. Ms. Small explained that the application does not make clear that the school must be in compliance at the time of application, and only asks that they become compliant. Ms. Small said she would review what is on the website about what is required and see what else can be provided so that schools are more prepared.

Motion: Commissioner Denson moved to table the recommendation until all requirements are met. Commissioner Ford seconded the motion which passed unanimously.

Postsecondary Registration University of South Dakota

Ms. Small said that the University of South Dakota began offering programs to Iowa residents through online delivery from the Tri State Graduate Center

located in Sioux City, Iowa. The University seeks to register with the State of Iowa because there is an in-person clinical component to its program. The purpose of registration is so they may continue to offer an Associate of Science Nursing Degree Program in partnership with the Evangelical Lutheran Good Samaritan Society, as well as expand its in-person program offerings in Iowa through a partnership with the Western Iowa Technical Community College in Sioux City. University of South Dakota requests approval, during the initial 4-year registration period, in-person instruction at WITCC facilities in the following:

- Degree completion (“2+2”) programs –
 - Bachelor of Science in Health Administration
 - Bachelor of General Studies
 - Bachelor of Business Administration
 - Bachelor of Science in Alcohol and Drug Studies
- Graduate programs –
 - Master of Science in Administration
 - Master of Business
 - Executive Masters of Public Administration
 - Master of Professional Accounting

Ms. Small said staff is requesting approval of the application for postsecondary registration for the University of South Dakota (USD) with the following stipulations:

- Within 60 days of the date of the Commission’s registration approval, USD must develop and implement a policy to address institutional charges for Iowa residents that meets the requirements of Iowa Code Section 261.9(1)(g) and that is satisfactory to Commission staff. Iowa residents impacted by this policy are members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, who must withdraw because of a call to active State of Iowa or federal military service or duty. USD must offer all of the options stipulated in Iowa Code Section 261.9(1)(g) to such a military service member, or the member’s spouse, as applicable, if the service member or spouse must withdraw from a program that USD offers in Iowa under its registration approval.
- Provide documentation satisfactory to Commission staff from the New Mexico Higher Education Department that USD has applied to that agency for approval of programs it offers in the state of New Mexico, or that the New Mexico Higher Education Department has exempted USD from postsecondary registration or licensure.
- Provide documentation satisfactory to Commission staff from the Iowa Board of Educational Examiners that USD has received approval from that agency to offer exclusively online educational administration programs to Iowa residents, or that such approval is not required.

Chair Adams asked for a motion and no motion was made.

Ms. Small said the registration application is not explicit about what the school needs to do to meet the requirements. The application asks institutions whether they will comply with the policy but does not explain the policy. Ms. Small informs schools to make sure they are fully aware of the policy so they are able to comply. Commissioner Winckler said that past practice was the application was approved and the Commission would make sure they complied. The Commissioners did not have that as a component of registration until Ms. Small took over postsecondary registrations. Commissioner Manus added that, to ensure compliance, all items should be completed and approved. Commissioner Winckler asked that staff address all currently registered schools to make sure they are in compliance accordance to the law. Commissioner Moore added that the Commission should ask for written verification of compliance from all schools that are currently registered.

Commissioner Utman said he would be willing to assist in updating the postsecondary registration application.

Motion: Commissioner Moore moved to table the recommendation until all requirements are met. Commissioner Denson seconded the motion which passed unanimously.

Human Resources\Nominations Committee Report

Chair Adams presented the committee appointments for FY11. Commissioner Moore said it is helpful to solicit interests from Commissioners as to which Committee they have interest in serving for future appointments.

Motion: Commissioner Denson moved to accept the committee appointments as presented. Commissioner Utman seconded the motion which passed unanimously.

Staff Reports

Ms. Misjak said staff is waiting on the Department of Management and the Department of Administrative Services to approve the replacement of Jami Weems at the Director of Finance. Jami resigned at the end of October.

Ms. Misjak presented the FY 11 Revenue and Expenditure Summary and the Guaranteed Student Loan Un-audited FY 10 Financials.

Ms. Leeper said that a paper was published by the Legislative Services Agency regarding the projected impact of the elimination of the Federal Family Education Loan Program.

Commissioner Quirnbach requested to change the remaining FY 11 Commission Meeting Dates to be held on Fridays. This will help ensure that our Legislators will be able to attend during the Legislative Session. Commissioners were in agreement and the remaining meetings will be held on January 21, 2011, March 18, 2011, and May 20, 2011.

Commission Adjourned at 12:30 pm.

JANET ADAMS, CHAIR

TIMOTHY COLE, VICE CHAIR

IOWA COLLEGE STUDENT AID COMMISSION

Executive Director's Report January 2011

2011-12 Iowa Financial Aid Application

The 2011-12 Iowa Financial Aid Application went live at 12:01a.m. on January 1, 2011, to coincide with the release of the 2011-12 FAFSA. Over the initial holiday weekend (Saturday and Sunday), 119 individuals accessed and/or completed the application. To date, 1,092 students have accessed the 2011-12 application.

General overview of the Iowa Financial Aid Application:

The Iowa Financial Aid Application combines applications for six undergraduate student financial aid programs into one application process. Collectively, these programs provided over \$7 million in funding for students in 2009-10 academic year. Students can apply for the following programs through the Iowa Financial Aid Application process:

- All Iowa Opportunity Scholarship (AIOS)
- Iowa National Guard Education Assistance Program (NGEAP)
- All Iowa Opportunity Foster Care Grant (FCG)
- Education Training Voucher (ETV)
- Robert C. Byrd Honors Scholarship
- Terry E. Branstad Iowa State Fair Scholarship

House File 2531

House File 2531, which passed during the 2010 Legislative Session, required the Governor's office to save \$83.7 million from the state's general fund during Fiscal Year 2011. Governor Culver ordered the implementation of the savings on Monday, January 3, 2011. Each state agency must make adjustments to its operating appropriations. The College Student Aid Commission's share of the reduction totals \$60,946 and was identified by the Department of Administration as follows:

SERIP Savings	\$52,551
Executive Order 20 Savings	\$ 471
Senate File 2088 Savings	\$ 1,584
Additional Savings	<u>\$ 6,340</u>
Total	\$60,946

The required savings is 20 percent of the original \$310,843 appropriated to the Commission for administration of state programs.

Talent Search Grant

Staff have submitted a proposal to the US Department of Education for a grant to implement a Talent Search program in partnership with schools in Cedar Rapids and Des Moines. The proposed program, called *Project Realize*, would serve some 630 students from disadvantaged backgrounds attending Roosevelt Middle, Wilson Middle, and Jefferson High Schools in Cedar Rapids and the Des Moines Charter School.

Higher education partners in *Project Realize* include Kirkwood Community College, the University of Iowa, and Des Moines Area Community College. Working closely with school and higher education partners, *Project Realize* would provide academic, career, and financial counseling to student participants and encourage them to graduate from high school and continue on to and complete their postsecondary education.

Talent Search is one of eight federal TRIO programs. It was created as part of the Higher Education Act of 1965. Eight Talent Search partnerships currently exist among schools and higher education institutions in Iowa; none of them, however, serve Cedar Rapids schools or the Des Moines Charter School. In 2010, the Talent Search grant competition was open for the first time to entities other than institutions of higher education, including public agencies and other organizations with experience serving disadvantaged youth. *Project Realize* would build on and complement such ongoing efforts as GEAR UP Iowa, I Have A Plan Iowa, and Iowa College Aid financial literacy programming. The agency proposed a grant of \$230,000 annually for five years beginning in the fall of 2011.

IOWA COLLEGE STUDENT AID COMMISSION

Hamilton Technical College Application for Postsecondary Registration in Iowa January 2011

RECOMMENDED ACTION:

Approve the application for postsecondary registration for Hamilton Technical College (HTC).

Registration Purpose

Iowa Code Section 261B.3 requires registration with the Commission for “a school that maintains or conducts one or more courses of instruction including courses of instruction by correspondence or other distance delivery method, offered in this state or which has a presence in this state and offers courses in other states or foreign countries. . .”. HTC is seeking initial registration in order to continue offering postsecondary vocational diploma and degree programs at its campus in Davenport, Iowa. HTC has been offering postsecondary vocational education in Iowa since 1969.

Background

Commission staff researched HTC’s registration status as the result of a public inquiry that staff first received on June 11, 2010. Initially, staff replied to that inquiry by indicating HTC was exempt from registration. However, after further investigation, staff determined that HTC did not qualify for any current registration exception under Iowa law. Therefore, staff required HTC to apply for registration. HTC did so promptly and has fully complied with staff requests pursuant to registration requirement.

Commission staff believe that HTC was previously treated as though it were exempt from registration under Iowa law. In fact, the school may have been exempt at one time under Iowa Code Sections 261B.2 (definition of “school”) and 261B.11(11). These provisions of law do not require a school that offers non-degree, specialty vocational programs to register with the Commission. For many years, HTC offered only postsecondary, vocational diploma programs. However, later, HTC expanded its program offerings to include postsecondary degree programs. Commission staff recommends no adverse action regarding HTC’s previously unregistered status.

HTC offers the following programs solely through in-person instruction on site at its Davenport campus:

- Electronics Communication Technology (diploma) – new program

- Process Control Systems Technology (diploma) – new program
- Electronics Engineering Technology (Bachelor of Science degree)
- Electronics Engineering Technology (Associate of Science degree)
- Medical Assisting Technology (diploma)
- Medical/Insurance Coding Specialist (diploma)

The school provided Commission staff with documentation substantiating that all of the aforementioned programs are approved by the institution's accrediting agency, the Accrediting Commission of Career Schools and Colleges (ACCSC).

Tuition and fee charges for these programs are as follows:

- Electronics Communication Technology (diploma) - \$14,875
- Process Control Systems Technology (diploma) - \$14,875
- Electronics Engineering Technology (Bachelor of Science degree) - \$39,625
- Electronics Engineering Technology (Associate of Science degree) - \$29,725
- Medical Assisting Technology (diploma) - \$11,275
- Medical/Insurance Coding Specialist (diploma) - \$11,275

Registration Compliance

As required by Iowa Code Section 261B.4, HTC disclosed its policy on refunding tuition charges for withdrawn students by providing a copy of its student catalog and training contract. The school's specific tuition refund policy is not a registration criterion for registration, however, staff note that HTC's tuition refund policy for Iowa residents meets the requirements of Iowa Code Section 714.23. See below under "Chapter 714 Compliance."

Administrative rules specifically require the school to comply with the requirements of Chapter 261.9(1) "e" through "h". (Note: Iowa Code Chapter 261.9(1)(h) does not exist.)

- Iowa Code Section 261.9(1)(e) requires a school to maintain and disseminate a drug and alcohol abuse policy that includes sanctions for violation of the school's policy and information about the availability of drug or alcohol counseling or rehabilitation. Iowa Code Section 261.9(1)(f) requires a school to maintain and disseminate a sexual abuse policy that includes information about counseling opportunities and reporting instances of sexual abuse to school officials and law enforcement. These requirements duplicate policies and disclosures required by the federal Department of Education for a school that participates in the federal student aid programs. At the time of the application HTC complied with the requirements of Iowa Code Section 261.9(1)(e) through disclosures provided to students in the HTC catalog. During the application review process, HTC worked cooperatively with Commission staff to develop a crime awareness policy that complies with Iowa Code Section 261.9(1)(f) and the federal Department of Education's

requirements for a Title IV participating school. These policies are incorporated into the school's catalogue for disclosure to students.

- Iowa Code Section 261.9(1)(g) requires a school to maintain a special policy concerning institutional charges for members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, when the service member or spouse must withdraw from the school because the service member has been called to active (Iowa) state or federal military duty or service. During the application review process, HTC worked cooperatively with Commission staff to develop a policy that meets the requirements of Iowa Code. HTC has decided that it will extend the flexibilities afforded by this policy not only to Iowa residents but to all students regardless of the student's state of residency. HTC's policy on military withdrawal is incorporated into the school's catalogue for disclosure to students.

On its registration application, HTC affirms its willingness to comply with the requirements of Iowa Code Chapter 261.9, as stipulated by Iowa Code Section 261B.4(8). Chapter 261.9 requires disclosure to students of information about the school's programs, charges, tuition refund policies, whether a certificate or diploma awarded by the school is applicable toward a degree program the school offers, and the identity of the school's accrediting agency. These disclosures are duplicative of the federal Department of Education's student consumer information disclosure requirements for a school that participates in the federal student aid programs, and are provided in the school's catalog.

HTC discloses its procedure for preserving student records in its registration application as follows:

All student files, which include admissions, academics and financial records, are stored in locked, fire-safe file cabinets on campus. These are locked each evening. Additionally, student information is stored by our administrative software, CampusVue. This information is secured with a two password system on local servers. This information is backed up every evening and the back-up is stored off site.

HTC provided contact information for an individual at its Davenport campus that a student may contact for academic transcript information.

HTC employs 17 full-time Iowa employees at its Davenport campus, of which 7 are full-time faculty.

HTC discloses that it will comply with the provisions of Iowa Code Section 261B.7, which states, "Neither a school nor its officials or employees shall advertise or represent that the school is approved or accredited by the commission or the state of Iowa *nor shall it use the registration as a reference in promotional materials.*" Commission staff believe that, provided a school does not claim "approval" or "accreditation," the school serves the public's interests if it

discloses that it is registered with the Commission, and provides contact information for the Commission to whom Iowa residents may direct inquiries or express concerns about the school. Commission staff request that the Commission permit this limited disclosure under the conditions described immediately above. Commission staff will work with HTC to ensure that the disclosure is appropriate.

HTC complied with the following additional registration requirements of administrative rules:

- HTC submitted copies of an audit conducted by an independent auditing firm, Blair, Thomsen and Co., P.C., for the fiscal year ending December 31, 2009. The auditing firm expressed its opinion that HTC's financial statements present fairly, in all material respects, the school's financial position.

The auditing firm also stated its opinion that HTC fairly represented, in all material respects, the school's compliance with two standards of financial responsibility that must be met by a school that participates in the federal student aid programs:

- A school must maintain a composite score, based on a three factor financial responsibility ratio, of at least 1.5 in order to be determined "financially responsible." HTC reports that its composite score is 1.78.
- A for-profit institution is prohibited from deriving more than 90% of its revenue from Title IV aid. HTC reports that it derives 90.0% of its revenue from Title IV aid.
- HTC's application and catalog provide sufficient substantiation that HTC maintains adequate learning resources and physical facilities for the school's programs.
- HTC provided Commission staff with a document entitled "Educational Administration and Faculty Qualifications" that includes sufficient information to substantiate that key staff (i.e., the Director of Education, Academic Dean, and Director) with an appropriate discipline are involved in developing and evaluating curriculum for the school's programs, and ensuring that faculty have the qualifications and experience necessary for their assignments.
- The application includes a signed statement executed by the school's chief executive officer, Maryanne Hamilton, attesting to the school's commitment to deliver programs HTC offers, and to find alternatives for teach-outs for students to complete programs at other schools if HTC closes a program before students have completed their course of study.

Verifications

Commission staff independently verified the following facts that are pertinent to HTC's registration eligibility:

- HTC has an active Certificate of Existence #65416 registered with the Iowa Secretary of State as a domestic, for-profit corporation.
- HTC is not required to seek approval of the Iowa Board of Nursing or any other Iowa state agency for its Medical Assisting Technology diploma program.
- The federal Department of Education reports that HTC is currently accredited by the ACCSC, an accrediting agency that the federal Department of Education recognizes.
- The ACCSC confirms that HTC is accredited and in good standing. ACCSC reconsidered HTC's accreditation renewal application during its November 2010 meeting and has renewed the school's accreditation until May 2015.
- The federal Department of Education reports that HTC is not subject to a limitation, suspension, or termination of its eligibility to participate in the federal student aid programs.

Additional Information

HTC disclosed the following additional information as required by the registration application. These data are provided for informational purposes only; they do not relate to registration criteria under Iowa Code or administrative rules.

- Federal Stafford Loan Cohort Default Rate (FFY 2008): 8.7%
 - FFY 2007 national average cohort default rate: 7%
- Average Debt Upon Graduation
 - Medical Assisting Technology diploma program \$8550.00
 - Medical/Insurance Coding Specialist diploma program \$8550.00
 - Associate of Science in Electronics Engineering Technology \$29,250.00
 - Bachelor of Science in Electronics Engineering Technology \$38,880.00
 - Electronics Communication Technology diploma program – no data; new program
 - Process Control Systems Technology diploma program – no data; new program
- Graduation rate (percentage of first-time, full-time students who graduated within 150% of the normal time for program completion):
 - Bachelor of Science in Electronic Engineering Technology 100%
 - Associate of Science in Electronic Engineering Technology 45%
 - Medical Assisting Technology diploma program 67%
 - Medical/Insurance Coding Specialist diploma program 58%

- Electronics Communication Technology diploma program – no data; new program
- Process Control Systems Technology diploma program – no data; new program
- Procedure for resolution of student complaints – detailed procedural information for students with complaints or grievances is provided in the school’s catalog. In addition, HTC maintains an internal procedure of requesting formal student critiques at the end of each semester. This procedure is administered by the Academic Dean and critiques are reviewed with each instructor.

Compliance with Iowa Code Chapter 714

Section 714.18 – Evidence of Financial Responsibility

As an addendum to its registration application, HTC applied for an exemption from filing evidence of financial responsibility under Iowa Code Section 714.18. HTC claimed a trade or vocational school exemption under Iowa Code Chapter 714.22. Iowa Code Chapter 714.22 requires that the trade or vocational school submit evidence of a current, continuous corporate surety bond in favor of the State of Iowa in the amount of \$50,000, or a CPA’s sworn financial statement showing that the net worth of the school (or the school’s parent company) is at least five times the amount of the bond. Based on the vocational focus of all of its program offerings, Commission staff believe HTC qualifies as a trade or vocational school, and the school has fulfilled the conditions of the claimed exemption by filing evidence of a bond in the requisite amount. Commission staff separately approved the school’s exemption claim.

Section 714.23 – State Tuition Refund Policy

Iowa Code Section 714.23 requires “a person offering a course of instruction at the postsecondary level, for profit, that is more than four months in length and leads to a degree, diploma, or license...” to provide a refund of tuition to a student who withdraws from the school’s program in an amount that at least meets the formula specified in Section 714.23. During the application review process, Hamilton Technical College worked with Commission staff to develop a tuition refund policy for Iowa residents who withdraw. HTC’s policy complies with the provisions of Iowa Code Section 714.23 and has been incorporated into the school’s catalogue for disclosure to students.

IOWA COLLEGE STUDENT AID COMMISSION

University of South Dakota Application for Postsecondary Registration in Iowa January 2011

RECOMMENDED ACTION:

Approve the application for postsecondary registration for the University of South Dakota (USD).

Registration Purpose

Iowa Code Section 261B.3 requires registration with the Commission for “a school that maintains or conducts one or more courses of instruction including courses of instruction by correspondence or other distance delivery method, offered in this state or which has a presence in this state and offers courses in other states or foreign countries. . .” USD seeks registration so that it may continue to offer an Associate of Science in nursing degree program in partnership with the Evangelical Lutheran Good Samaritan Society (Good Samaritan Society). The Good Samaritan Society offers senior living, assisted living, skilled nursing, rehabilitation, long-term care, and home care services to elderly persons through facilities and centers throughout Iowa and other states. The Good Samaritan Society provides this program to its employees as a career advancement opportunity and calls it the “Growing Our Own” RN program. USD awards credit for the program and confers the Associate of Science in nursing degree. USD provides classroom and clinical instruction in this program through a combination of online and in-person delivery methods. The classroom component is offered through an online delivery method. The clinical component is offered in person at the following locations in Iowa:

- Floyd Valley Hospital, 714 Lincoln Street, LeMars, IA
- Horn Physician’s Clinic, 700 East 2nd Street, Ida Grove, IA
- Orange City Area Health System, 1000 Lincoln Circle SE, Orange City, IA

Clinical instruction is overseen by other eligible Good Samaritan employees who are hired by USD as adjunct faculty for this purpose.

USD also proposes to expand its in-person program offerings in Iowa through a partnership with the Western Iowa Technical Community College (WITCC), 4647 Stone Ave., Sioux City, IA. USD requests approval through registration to pursue its proposal to offer, (during the initial 4-year registration period) in-person instruction at WITCC facilities in the following:

- Degree completion (“2+2”) programs –
 - Bachelor of Science in Health Administration
 - Bachelor of General Studies

- Bachelor of Business Administration
- Bachelor of Science in Alcohol and Drug Studies
- Bachelor of Science in Criminal Justice
- Graduate programs (delivered in hybrid format with select classes offered through in-person instruction and the remainder offered through distance education) –
 - Master of Science in Administration
 - Master of Business
 - Executive Masters of Public Administration
 - Master of Professional Accounting

USD's application includes a letter from the President of WITCC, Dr. Robert Dunker. Dr. Dunker expresses his support for USD's proposal to expand their Iowa program offerings to include "2+2" baccalaureate degree completion programs hosted on the WITCC campus. USD will contract for space use with WITCC upon receiving the Commission's approval to operate in Iowa.

USD also discloses the following programs that it offers to residents of the Sioux City, Iowa, area exclusively through the distance education delivery method. Please note that, in and of themselves, these online program offerings do not invoke the requirement of Iowa law to register with the Commission:

- Undergraduate Certificate in Alcohol and Drug Studies
- Graduate Certificate in Alcohol and Drug Studies
- Graduate Certificate in Disaster Mental Health
- Graduate Certificate in Long-Term Care Management
- Graduate Certificate in Literacy Leadership and Coaching
- Associate of Arts in General Studies
- Bachelor of Science in Alcohol and Drug Studies
- Bachelor of General Studies
- Bachelor of Science in Health Sciences
- Master of Science in Administration/Alcohol and Drug Studies
- Master of Science in Administration/Criminal Justice
- Master of Science in Administration/Health Services Administration
- Master of Science in Administration/Long-Term Care Administration
- Master of Science in Administration/Interdisciplinary Studies
- Master of Science in Administration/Organizational Leadership
- Executive Master of Public Administration
- Master of Science in Technology for Education and Training
- Master of Arts in Addiction Studies
- Master of Arts in Educational Administration/Adult and Higher Education
- Master of Arts in Educational Administration/Elementary School Principal
- Master of Arts in Educational Administration/Secondary School Principal

- Master of Arts in Educational Administration/Pre-K – 12 School Principal
- Master of Arts in Educational Administration/School District Superintendent
- Master of Business Administration
- Master of Business Administration Health Services Administration
- Education Specialist Degree Educational Administration/Elementary School Principal
- Education Specialist Degree Educational Administration/Secondary School Principal
- Education Specialist Degree Educational Administration/Pre-K – 12 School Principal
- Education Specialist Degree Educational Administration/School District Superintendent
- Transitional Doctorate in Physical Therapy

Background

USD is a public institution governed by the South Dakota Board of Regents. USD is not registered with the Secretary of State in either South Dakota or Iowa. Commission staff confirmed with the Commission's legal counsel that such registration is not applicable given USD's status as a public institution authorized by the laws of South Dakota. USD's main campus is located at 414 East Clark Street, Vermillion, South Dakota 57069. USD's President and Chief Executive Officer is James W. Abbott, J.D. Dr. Laurie Becvar, Dean of the USD Division of Continuing and Distance Education, provides oversight for the Iowa-based programs listed above. USD provides comprehensive support services for students enrolled in this and its other distance education programs through its web-based home page at <http://www.usd.edu/continuing-and-distance-education/student-resources.cfm>.

USD has a memorandum of understanding with the Tri-State Graduate Center in Sioux City, Iowa, to provide educational programs in northwestern Iowa. The Tri-State Graduate Center is a nonprofit consortium of colleges and universities in Iowa, Nebraska, and South Dakota that assesses the educational needs of students in northwestern Iowa and helps students find local programs that meet their educational needs. According to a letter included in USD's application from the school's President, James Abbott, the Tri-State Graduate Center invited USD to offer programs in Iowa. The Tri-State Graduate Center does not charge students for its services.

Staff at the Tri-State Graduate Center are well versed in programs that USD offers in Iowa. USD offers the Tri-State Graduate Center as an Iowa contact point:

Carrie Radloff
 Tri-State Graduate Center
 Suite 318
 1520 Morningside Ave.
 Sioux City, IA 51106
 712-274-8733

USD also lists as an Iowa contact the Dean of Instruction at Western Iowa Technical Community College, Dr. Mary C. Mohni, 4647 Stone Ave, Sioux City, IA 51102; 712-274-1277.

USD provided Commission staff with documentation substantiating that all programs offered to Iowa residents, including those offered exclusively through an online delivery method, are accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The HLC's Statement of Affiliation Status (SAS) for USD indicates that USD is approved to offer programs to the Tri-State Graduate Center in Sioux City, Iowa. The SAS for USD also indicates that the University is approved for the HLC's Streamlined Review Process, which permitted an institution approved for that process to offer existing programs at a new location with notice to HLC versus pre-approval. The HLC discontinued the name Streamlined Review Process, and replaced it effective July 1, 2010, with a policy for institutional changes that require notification or approval. (See the HLC policy document entitled "Overview of Commission Policies and Procedures for Institutional Changes Requiring Notification or Approval" at <http://www.ncahlc.org/information-for-institutions/institutional-change.html>). Under this policy, USD is approved for access to the notification program for additional locations. USD is therefore not required to seek prior HLC approval to initiate program offerings at WITCC, but must notify HLC of its additional location at WITCC before USD begins instruction at that location.

In its application materials, USD also provided documentation from the Iowa Board of Nursing stating that the Iowa Board of Nursing honors the South Dakota Board of Nursing's approval status for USD's nursing education programs offered in Iowa.

Charges for the programs USD offers to Iowa residents are set by the South Dakota Board of Regents. The South Dakota Board of Regents sets credit-hour charges for off-campus programs at \$258.80 per hour for an undergraduate program, and \$343.75 per credit hour for a graduate program. Additional fees do not apply to off-campus programs with the exception of nursing. Charges are disclosed to students on the USD Continuing and Distance Education website. Total charges for programs offered to Iowa residents are as follows:

- Associate of Science in Nursing - \$26,755.20 (tuition, fees, books, and supplies)
- Undergraduate level programs Sioux City - \$33,126.40 (typical undergraduate program of 128 credit hours)
- Graduate level programs Sioux City - \$11,343.75 - \$12,375 (typical master's program of 33 – 36 credit hours)
- BS in Health Science (WITCC) - \$16,563.20 (typical student would require 64 credit hours for program completion)
- Degree completion baccalaureate programs (WITCC) - \$16,563.20 (typical student would require 64 credit hours for program completion)
- Online undergraduate program - \$33,126.40 (typical undergraduate program of 128 credit hours)

- Online graduate program - \$11,343.75 - \$12,375 (typical master's program of 33 – 36 credit hours)

Registration Compliance

As required by Iowa Code Section 261B.4, USD disclosed its policy on refunding tuition charges to withdrawn students by providing a copy of the South Dakota Board of Regents Policy Manual. This information is directly disseminated to students in USD's undergraduate and graduate catalogs, in its online Business Office policies, and for distance education students, in its online course enrollment confirmation. USD is not required to comply with the Iowa tuition refund policy in Iowa Code Section 714.23, which applies only to a for-profit institution.

Administrative rules specifically require the school to comply with the requirements of Chapter 261.9(1) "e" through "h". (Note: Iowa Code Chapter 261.9(1)(h) does not exist.)

- Iowa Code Section 261.9(1)(e) and (f) require the school to maintain and disseminate a drug and alcohol abuse policy that includes sanctions for violation of the policy and information about the availability of drug or alcohol counseling or rehabilitation. Iowa Code Section 261.9(1)(f) requires that the school maintain and disseminate a sexual abuse policy that includes information about counseling opportunities and reporting instances of sexual abuse to school officials and law enforcement. These requirements duplicate policies and disclosures required by the federal Department of Education for a school that participates in the federal student aid programs. USD complies with these requirements, and discloses its compliant policies to students, through publication of its 2010-2011 Jean Clery Report and its Student Conduct Code.
- Iowa Code Section 261.9(1)(g) requires a school to maintain a special policy concerning institutional charges for members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, who must withdraw from the school because of a call to active state or federal military duty or service. Specifically, Iowa law requires a registered school to adopt a policy that provides at least the following options to the withdrawn military servicemember or, as applicable, the servicemember's spouse who must withdraw:
 - Withdrawal from the student's entire registration and receipt of a full refund of tuition and mandatory fees, or
 - Arrangements with the student's instructors for course grades, or for incompletes for all or a portion of courses that shall be completed by the student at a later date. If such arrangements are made, the student's registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

South Dakota Board of Regents policies 2:30, 5:7, and 2:10 provide for special tuition refund and other policies that take affect when students are required to report for active military duty during a term. USD asserts that these policies, in combination, provide at least the options required by Iowa law to an activated military servicemember who must withdraw. Relative to the spouse of a military servicemember, USD asserts that South Dakota Board of Regents policies 5:7 and 2:10 permit USD to grant the same options as required by Iowa law to a student who is the spouse of an activated military servicemember, under provisions for circumstances beyond a student's control. Please see the separate memorandum dated January 10, 2011, to the Iowa College Student Aid Commission from Dr. Laurie Becvar, Dean of the USD Division of Continuing and Distance Education/Graduate School. USD provided the applicable South Dakota Board of Regent policies to Commission staff for review.

On its registration application, USD affirms its willingness to comply with the requirements of Iowa Code Chapter 261.9, as stipulated by Iowa Code Section 261B.4(8). Chapter 261.9 requires disclosure to students of information about the school's programs, charges, tuition refund policies; whether a certificate or diploma awarded by the school is applicable toward a degree program the school offers, and the identity of the school's accrediting agency. These disclosures duplicate student consumer information disclosures required by the federal Department of Education for a school that participates in the federal student aid programs, and are provided in the school's undergraduate and graduate catalogs, and through disclosures posted on the USD Division of Continuing and Distance Education website.

USD discloses in its registration application the South Dakota Board of Regents' policy on Student Academic Folders, which addresses the preservation of student records:

Retention: Retain current in office. Microfilm student academic folder when volume warrants and maintain film for 75 years.

USD provided contact information for an individual from the USD main campus in Vermillion, SD, from whom a student may request academic transcript information.

USD employs a full-time Iowa faculty member, Nancy Denker. Ms. Denker is a full-time Assistant Professor in USD's online programs, and works remotely from her home in Denison, Iowa, 605-202-0958 (work cell). USD also employs part-time adjunct faculty members who will work with Iowa students enrolled in the Associate of Science in nursing degree program clinicals. USD provides the following information about the qualifications of faculty associated with the Associate of Science in nursing degree program:

- Primary Teaching Faculty

Nancy Denker: Licensed RN (Iowa license # 067980); MS (1995); 21 years of teaching experience in nursing education.

Lorall Karpuk: Licensed RN (Iowa license # 053402); MS (1995); 8 years teaching experience in nursing education.

- Clinical Coordinator

Barbara Stolle: Licensed RN (Iowa license # 068027); MS (1995); 10 years teaching experience in nursing education

- Part time Clinical Faculty

Floyd Valley Hospital, LeMars, IA: Lorraine Murphy: Licensed RN (Iowa license # 113230); BS (1996); pending MS 2010

Orange City Area Health System, Orange City, IA: Marian Wess: Licensed RN (Iowa license # 112757); BS (2008)

If the Commission approves USD's registration request to expand programming to WITCC, USD intends to assign a program manager to serve students and faculty in Iowa. At this time, USD cannot commit to the number of hours a program manager would spend exclusively in Iowa.

USD discloses that it will comply with the provisions of Iowa Code Section 261B.7, which states, "Neither a school nor its officials or employees shall advertise or represent that the school is approved or accredited by the Commission or the state of Iowa *nor shall it use the registration as a reference in promotional materials.*" Commission staff believes that, provided a school does not claim "approval" or "accreditation" by the Commission, it serves the public's interests if the school discloses that it is registered with the Commission, and provides contact information for the Commission to whom Iowa residents may direct inquiries or express concerns about the school. Commission staff requests that the Commission permit this limited disclosure under the conditions described immediately above. Commission staff will work with USD to ensure that the disclosure is appropriate.

USD complied with the following additional registration requirements of administrative rules:

- USD submitted a copy of an auditor's report dated March 31, 2010, from the State of South Dakota, Department of Legislative Audit. The report expresses the Department's opinion that USD's financial statements for the fiscal year ending on June 30, 2009, fairly represent the school's financial position.
- USD submitted administrative procedures for the development of distance education programs, including processes for hiring adjunct faculty and course development.

Courses are subject to the approval of the Continuing and Distance Education Dean, Dr. Laurie Becvar, and the appropriate College or School Dean.

- The application includes a signed statement executed by USD's President attesting to the school's commitment to deliver programs offered in Iowa, either through USD or another alternative in the event that any of these programs close before students have completed their courses of study.

Verifications

Commission staff independently verified the following facts that are pertinent to USD's registration eligibility:

- USD discloses that it operates or maintains a presence in the following states:
 - South Dakota: USD is specifically authorized by South Dakota law, Chapter 13, Section 57-1, to provide undergraduate and graduate programs of instruction in the liberal arts and sciences and professional education in business, education, fine arts, law and medicine, and other courses or programs as the Board of Regents may determine. Staff verified that the nursing education programs offered by USD are approved by the South Dakota Board of Nursing.
 - North Dakota: Per correspondence from the North Dakota Department of Career and Technical Education, USD is exempt from licensure in that state because it is a public institution. The North Dakota Board of Nursing did not respond to staff inquiry.
 - Kansas: The Kansas Board of Regents exempted USD from licensure in that state. The Kansas Board of Nursing reports that USD is approved to offer nursing programs in Kansas.
 - Wisconsin: Per correspondence from the Wisconsin Educational Approval Board, USD is exempt from licensure because it is a public institution. The Wisconsin Department of Regulation and Licensing did not respond to staff inquiry.
 - Nebraska: The Nebraska Coordinating Commission for Postsecondary Registration reports that USD is exempt from registration in Nebraska. The Nebraska Health and Human Services system reports that USD is in good standing with the Nebraska Board of Nursing because they are approved by the South Dakota Board of Nursing to offer nursing education programs.
 - New Mexico: The New Mexico Higher Education Department reports that state law requires public institutions to request approval for programs offered in New Mexico. USD is aware that it must register in New Mexico and reports that it is currently working on a New Mexico registration application. The New Mexico Board of Nursing did not respond to staff inquiry.

- Minnesota: The Minnesota Office of Higher Education reports that state law requires public institutions that offer programs with an on-the-ground component in Minnesota to register. USD reports that it is aware it must register in Minnesota, and is currently working on a Minnesota registration application. The Minnesota Board of Nursing reports that USD is exempt from state approval for its nursing education programs.
- Idaho: The Idaho State Department of Education reports that USD is exempt from registration. The Idaho Board of Nursing reports that USD is in good standing because USD is approved by the South Dakota Board of Nursing to offer nursing education programs.
- Iowa: USD is in good standing with the Iowa Board of Nursing because USD is approved by the South Dakota Board of Nursing to offer nursing education programs.
- Contact with the Commission's liaison at the Iowa Department of Education, Kris Crabtree-Goff, reveals that the Iowa Department of Education does not require approval of USD's exclusively online education-related programs because they are not teacher preparation programs. Ms. Crabtree-Goff forwarded staff's inquiry to the Iowa Board of Educational Examiners. Susan Fisher from the Board of Educational Examiners reports that the Board does not pre-approve out-of-state programs.
- The Iowa Board of Nursing's online license verification system confirms that the primary faculty, adjunct faculty, and clinical coordinator for the Iowa-based Associate of Science in nursing program are currently licensed in Iowa as registered nurses.
- The federal Department of Education reports that USD is currently accredited by the HLC, an accrediting agency that the federal Department of Education recognizes.
- The HLC's web-based accreditation record for USD indicates that USD is currently accredited and has no stipulations on its affiliated status.
- USD has minimum standards for hiring regular and adjunct faculty, as determined by the South Dakota Board of Regents, to ensure that instructors and professors who provide instruction to Iowa residents have, as applicable, graduate degrees, special training, and experience that qualifies them for their assignments.
- The federal Department of Education reports that USD is not subject to a limitation, suspension, or termination of its eligibility to participate in the federal student aid programs.

Additional Information

USD disclosed the following additional information as required by the registration application. These data are provided for informational purposes only; they do not relate to registration criteria under Iowa Code or administrative rules.

- Federal Stafford Loan Cohort Default Rate (FFY 2008): 2.6%

- FFY 2008 national average cohort default rate: 7%
- Average Debt Upon Graduation: \$22,676
- Retention Rate (percentage of first-time students in fall 2008 who returned to the school to continue their studies in fall 2009): 72%
- Graduation rate (percentage of first-time, full-time students who graduated within 150% of the normal time for program completion): 46%
- Procedure for resolution of student complaints detailed procedural information for students with complaints or grievances is established by the South Dakota Board of Regents and disclosed to students in academic policies available through the USD secure University Portal “myu.”

Attachment:

Memorandum dated January 10, 2011, to the Iowa College Student Aid Commission from Dr. Laurie Becvar



The University of South Dakota

GRADUATE SCHOOL
DIVISION OF CONTINUING AND DISTANCE EDUCATION
McKusick Technology Center
414 East Clark Street • Vermillion, SD 57069
800-233-7937 • 605-677-6240
www.usd.edu/grad • www.usd.edu/cde

January 10, 2011,

To: Iowa College Student Aid Commission Board of Directors
From: Dr. Laurie J. Becvar
Dean
Division of Continuing and Distance Education/Graduate School
Re: Additional Information for Iowa Registration

This memo explains how The University of South Dakota's policies and practices comply with the Commission's requirements to provide the following three options to students (and their spouses) who are members of the Iowa National Guard or other reserve forces of the United States and are ordered to state military service or federal service or duty.

- Withdrawal from all classes for the term with full refund of tuition and fees,
- Arrangements to complete all courses for the term through a grade or Incomplete option--tuition and fee charges remain intact,
- Withdrawal from some courses for the term with full refund of tuition and fees and complete some courses for the term through a grade or Incomplete option.

The University of South Dakota meets or surpasses the above options through South Dakota Board of Regents' (BoR) policies, 2:3, 5:7, and 2:10.

South Dakota BoR Policy 2:3 addresses options for military students called to military service. Under this policy, military students whose academic programs are disrupted have the right to re-enter and resume academic progression of the same program after their release from active duty. Moreover, this policy references the special refund and course grading options in BoR Policy 5:7 available to students called to military service.

South Dakota BoR Policy 5:7, Section 6, confirms that students called to military service may:

- receive a grade for all or some of their courses for the term if 4 or fewer calendar weeks remain for the term or if 75% or more of the class is complete;
- withdraw from all or some of their courses for the term and receive a 100% refund of tuition and fees for courses withdrawn.

South Dakota BoR Policy 2:10 allows any student including military students and their spouses to:

- receive an Incomplete (I), In Progress (IP), or Normal Progress (NP) grade in one or more courses for the term at any time during the term when such action is necessary. Academic disruption due to military service of a student or the spouse of a student is considered an acceptable extenuating circumstance beyond the student's control. The dean for the Division of Continuing and Distance Education in concert with the respective faculty member(s), is the designated official who acts upon such situations for off-campus students on behalf of the Vice President for Academic Affairs and the University with appeal rights to the Provost.

Finally, in regards to a withdrawal and full refund option for the spouse of a military student who was called to service, again, South Dakota BoR Policy 5:7 would provide such a provision. Section 4E allows a designated official of the University to extend a registration cancellation which results in a full refund of tuition and fees to any student who has an extenuating circumstance beyond the student's control. The military service of spouse (with our without dependents) meets that tenet. Again, on behalf of the University, the decision maker for registration cancellations and refunds for off-campus students is the dean for the Division of Continuing and Distance Education with appeal rights to the Provost.

Additionally, under South Dakota BoR Policy 5:17, 4C, 1.c, the Vice President of Academic Affairs or his/her designee may approve a student who has an extenuating circumstance for a leave of absence. Such a strategy provides another option for students dealing with refunds of federal financial aid. Per policy, acceptable extenuating circumstances include military duty and other circumstances beyond the student's control. Again, the dean of Continuing and Distance Education addresses these concerns initially for off-campus and distance students.

In conclusion, the policies and practices identified above provide evidence that Iowa students affected by military service will be provided the necessary options required by the Commission. If the Board has any questions, they should feel free to contact me at Laurie.Becvar@usd.edu or by phone at 605-677-6926 or 605-661-7160.

IOWA COLLEGE STUDENT AID COMMISSION

Administrative Rules January 2011

RECOMMENDED ACTION:

Move to adopt and file amendments to Administrative Rules Chapter 1 – Organization and Operations; Chapter 34 – Registered Nurse and Nurse Educator Loan Forgiveness Program; and Chapter 35 – Iowa Teacher Shortage Loan Forgiveness Program.

During its November 2010 Commission meeting, the Commission proposed changes to Administrative Rules Chapters 1, 34, and 35. A synopsis of each change follows:

Chapter 1 provides information about the Commission's location and the makeup of the Commission. The rule change corrects the rule by aligning the wording with 2010 legislative action and changes address information due the move of the Commission's offices.

Chapter 34 describes the awarding of forgivable loans to registered nurses and nurse educators. The current rule is administratively burdensome and restricts eligibility for some applicants. Upon receiving applications for the Registered Nurse and Nurse Educator Loan Forgiveness Program, staff must manually match applicants with past recipients of the nurse forgivable loan program to ensure that new applicants did not receive funding under the old program. This rule is administratively burdensome, with very little likelihood that any new applicants were recipients of the forgivable loan program (last funded in 2006-07). The proposed rule change would eliminate this unnecessary and burdensome requirement.

Chapter 35 describes the awarding of forgivable loans to teachers. Upon receiving applications for the Iowa Teacher Shortage Loan Forgiveness Program, staff must manually match the applications with past recipients of the teacher shortage forgivable loan program to ensure new applicants did not receive funding under the old program.

One comment was received from the Iowa Nurses Association supporting the change to Chapter 34.

Staff recommends that the proposed changes be adopted as proposed.

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby amends Chapter 1, "Organization and Operation," Iowa Administrative Code.

The amendments in Chapter 1 describe the location of the Commission, contact information, and the makeup of the Commission. This amendment updates the rules to reflect the new location of the Commission's offices and Iowa Code changes affecting membership of the Commission.

Notice of Intended Action was published in the December 15, 2010, Iowa Administrative Bulletin as ARC 9271B. The adopted amendment is identical to that published under Notice.

This amendment was approved during the January 20, 2011, meeting of the Iowa College Student Aid Commission.

This amendment will become effective on March 16, 2011.

This amendment is intended to implement Iowa Code chapter 261.

The following amendment is adopted.

Amend subrules 1.2(1) and 1.2(2) as follows:

1.2(1) Location. The commission is located in the ~~Clemens Iowa Building, 200 Tenth Street, Fourth Floor,~~ 603 East 12th Street, 5th Floor, Des Moines, Iowa 50309-3609; telephone (515)~~242-3344~~ 725-3400; Web site www.iowacollegeaid.org. Office hours are 8 a.m. to 4:30 p.m., Monday to Friday. Offices are closed on Saturdays and Sundays and on official state holidays designated in accordance with state law.

1.2(2) The commission. The commission consists of ~~12~~ 14 members and functions under the leadership of a chairperson elected by the membership. Eight members are appointed by the governor to serve four-year terms. Three of the governor's appointees represent the general public, one represents Iowa lending institutions, one represents Iowa independent colleges and universities, one represents Iowa community colleges, ~~one represents the Iowa student loan liquidity corporation, and~~ one represents Iowa postsecondary students, ~~and one shall be an individual who is repaying or has repaid a student loan guaranteed by the commission.~~ The One member is appointed by the board of regents, The president of the senate, and the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives each appoint a one ex officio, nonvoting commission member. The director of the department of education serves as a continuous member of the commission and may appoint a designee to represent the department of education.

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission hereby amends Chapter 34, "Registered Nurse and Nurse Educator Loan Forgiveness Program," Iowa Administrative Code.

The rules in Chapter 34 describe the awarding of forgivable loans to registered nurses and nurse educators. This amendment updates rule 283—34.3(261) by eliminating restrictions on eligibility which originally ensured that applicants did not receive awards under both the current program and a program that has not been funded since fiscal year 2007.

Notice of Intended Action was published in the December 15, 2010, Iowa Administrative Bulletin as ARC 9272B. The adopted amendment is identical to that published under Notice.

This amendment was approved during the January 20, 2011, meeting of the Iowa College Student Aid Commission.

This amendment will become effective on March 16, 2011.

This amendment is intended to implement Iowa Code chapter 261.

The following amendment is proposed.

Rescind subrule **34.3(5)**.

COLLEGE STUDENT AID COMMISSION[283]

Adopted and Filed

Pursuant to the authority of Iowa Code section 261.3, the Iowa College Student Aid Commission amends Chapter 35, "Iowa Teacher Shortage Loan Forgiveness Program," Iowa Administrative Code.

The rules in Chapter 35 describe the awarding of forgivable loans to teachers. This amendment updates rule 283—35.4(261) by eliminating restrictions on eligibility which originally ensured that applicants did not receive awards under both the current program and a program that has not been funded since fiscal year 2007.

Notice of Intended Action was published in the December 15, 2010, Iowa Administrative Bulletin as ARC 9273B. The adopted amendment is identical to that published under Notice.

This amendment was approved during the January 20, 2011, meeting of the Iowa College Student Aid Commission.

This amendment will become effective on March 16, 2011.

This amendment is intended to implement Iowa Code chapter 261.

The following amendment is adopted.

Amend subrule 35.4(3) as follows:

35.4(3) *Extent of forgiveness.* Recipients may receive loan forgiveness for no more than five consecutive years. Recipients who fail to complete five consecutive years of teaching in the designated shortage areas will not be considered for subsequent years of forgiveness.

~~Applicants who received funding under the teacher shortage forgivable loan program will be eligible for funding under the Iowa teacher shortage loan forgiveness program for five years minus one year for each year that a loan was received under the teacher shortage forgivable loan program.~~

IOWA COLLEGE STUDENT AID COMMISSION

**Banker's Trust Presentation
January 2011**

Banker's Trust was selected as the administrator of the Trust Fund for GEAR UP Iowa. A presentation on the performance of the funds will be provided to Commissioners at the January 21, 2011 Commission Meeting.

Iowa College Student Aid Commission

**Legislative Action Committee
January 21, 2011**

The Legislative Action Committee will meet prior to the Commission Meeting and will provide a report during the January 21, 2011 Commission Meeting.

**IOWA COLLEGE STUDENT AID COMMISSION
GUARANTEED STUDENT LOAN ADMINISTRATION
SUMMARY OF RESOURCES AND EXPENDITURES
SFY 2011 as of December 31, 2010**

Operating Fund	FY 2011 Operating Budget	FY 2011 Year to Date Budget	FY 2010 Dec-09 Mth Actual	FY 2011 Dec-10 Mth Actual	FY 2010 Year to Date Actuals	FY 2011 Year to Date Actuals	YTD Actual to Budget Variance
Revenues/Resources:							
Federal Account Maintenance Fees (AMF)	1,741,625	145,135	714,196	-	714,196	470,776	325,641
Federal Loan Processing Fee (LPIF)	-	-	-	-	1,377,290	110,421	110,421
Default Aversion Fees (DAF) (Net of rebates)	466,937	233,469	68,063.79	146,452	301,538.73	431,379	197,911
ICSAC Share Default Collections	5,024,068	2,512,034	293,956	290,452	1,826,732	2,323,641	(188,393)
Direct Loans Cons. (Net of 8.5% back to Fed Gov)	2,365,361	1,182,681	65,601	212,785	1,232,772	1,331,691	149,011 *
Iowa Access Grants Funds	189,000	78,750	-	39,832	-	139,187	60,437
Interest on Operating Fund	127,500	31,875	12,566	1,509	60,159	33,604	1,729
Other Revenue (includes TOP)	865,000	216,250	7,388	5,908	40,229	70,483	(145,767)
Est PLP Rev	263,046	131,523	22,198	53,840	128,439	421,954	290,431 *
Choices Receipts (\$250K from Def Aversion Fund)	-	-	-	-	-	-	-
Total Revenues/Resources	\$ 11,042,537	\$ 4,531,716	\$ 1,183,968	\$ 750,778	\$ 5,681,356	\$ 5,333,135	\$ 801,419
Expenditures:							
Personal Services - Loan Administration	3,057,733	1,476,147	332,058	186,922	1,557,791	1,418,265	(57,882)
Personal Services - CHOICES	-	-	12,609	-	63,832	-	-
Travel	93,722	46,861	6,364	5,945	27,427	25,787	(21,074)
Office Supplies	33,675	16,838	2,616	504	22,997	18,682	1,845
Equipment Repairs	3,500	583	-	-	721	483	(101)
Printing and Binding	104,669	52,335	10,735	19,039	127,112	60,347	8,013
Postage	24,908	12,454	1,851	4,311	12,135	14,712	2,258
Communications	46,648	23,324	4,716	4,799	23,822	20,170	(3,154)
Rentals	84,696	42,348	14,331	-	85,986	56,661	14,313
Professional & Scientific Services	44,500	18,542	9,238	1,945	17,190	8,767	(9,774)
Outside Services - SLMA	1,784,026	743,344	64,357	180,199	1,028,510	654,720	(88,625)
Outside Services - iLink	-	-	-	-	80,112	-	-
Outside Services - SLCS	445,000	185,417	45,530	50,998	246,441	288,804	103,387
Outside Services - Other	459,003	153,001	2,753	(55)	82,087	33,180	(119,821)
Intra-State Transfers	-	-	-	-	675	675	675
Advertising & Publicity	130,475	21,746	1,346	7,412	63,211	29,512	7,766
Attorney General	14,100	4,700	1,175	1,075	5,846	5,650	950
State Audits	27,200	6,800	(175)	6,179	(907)	5,854	(946)
State Reimbursements	25,185	8,395	1,553	5,658	10,053	12,441	4,046
ITE Reimbursements	261,275	130,638	4,839	9,568	26,814	163,389	32,751
Equipment	5,000	417	-	-	-	42	(374)
Office Equipment	-	-	-	-	-	36	36
IT Equipment & Software	34,900	2,908	4,992	-	13,590	1,345	(1,564)
Other Expenses & Obligations	28,958	12,066	399	-	22,699	18,484	6,418
Other Refunds	-	-	30	-	205	-	-
State Aid	1,680,000	-	-	-	-	-	-
Total Administrative	\$ 8,389,173	\$ 2,958,862	\$ 521,316	\$ 484,499	\$ 3,518,350	\$ 2,838,006	\$ (120,856)
Collection Expense	4,920,244	2,460,122	287,502	546,402	1,637,774	2,423,098	(37,024)
Collection Expense - PLP	12,000	6,000	690	35,542	5,040	243,047	237,047
Total Collection Expenses	\$ 4,932,244	\$ 2,466,122	\$ 288,192	\$ 581,944	\$ 1,642,814	\$ 2,666,145	\$ 200,023
Total Operating Expenses	13,321,417	5,424,984	809,508	1,066,443	5,161,163	5,504,151	79,167
Federal Default Fee	1	0	303,575	-	3,114,001	31,769	31,769
Total Federal Default Fee	\$ 1	\$ 0	\$ 303,575	\$ -	\$ 3,114,001	\$ 31,769	\$ 31,769
Total Expenditures	\$ 13,321,418	\$ 5,424,984	\$ 1,113,083	\$ 1,066,443	\$ 8,275,165	\$ 5,535,921	\$ 110,936
Net Gain(Loss)Operating Fund	\$ (2,278,881)	\$ (893,268)	\$ 70,885	\$ (315,665)	\$ (2,593,808)	\$ (202,785)	\$ 690,483

*Estimated

11-01-G1

This report is based on I-3 cash figures with estimates of Rev for Direct Loan Consol and PLP

**IOWA COLLEGE STUDENT AID COMMISSION
SCHOLARSHIP & GRANT ADMINISTRATION
SUMMARY OF EXPENDITURES
SFY 2011 - December 31, 2010**

	<i>FY 2010</i>	<i>FY 2011</i>	<i>FY 2011</i>	<i>FY 2011</i>	<i>Variance</i>
	<i>Actual</i>	<i>Budget</i>	<i>Year to Date</i>	<i>Year to Date</i>	<i>Over</i>
			<i>Budget</i>	<i>Actual</i>	<i>(Under)</i>
Expenditures:					
Salaries	\$ 270,410	\$ 280,401	\$ 135,366	\$ 118,158	\$ (17,208)
Travel	493	1,569	654	\$ 207	\$ (447)
Office Supplies	1,845	2,000	833	\$ 1,305	\$ 472
Equipment Repairs	135	200	67	\$ 41	\$ (25)
Printing	1,757	1,500	292	\$ 1,204	\$ 912
Postage	4,703	3,500	1,458	\$ 1,455	\$ (4)
Communications	2,013	1,500	625	\$ 884	\$ 259
Rental	15,718	8,353	4,177	\$ 5,588	\$ 1,412
Outside Services	1,062	500	208	\$ 2,006	\$ 1,798
State Transfers	-	75	31	\$ 75	\$ 44
State Reimbursements/Other	1,593	1,500	750	\$ 1,260	\$ 510
ITD Reimbursements	7,336	6,995	3,498	\$ 7,803	\$ 4,306
Office Equipment	10	200	17	\$ -	\$ (17)
IT Equipment & Software	171	2,500	208	\$ -	\$ (208)
Other Expenses & Obligations	6	50	4	\$ 6	\$ 2
Total Expenditures	\$ 307,252	\$ 310,843	\$ 148,188	\$ 139,992	\$ (8,195)

**IOWA COLLEGE STUDENT AID COMMISSION
 DEFAULT PREVENTION, FUND #0261
 SUMMARY OF RESOURCES AND EXPENDITURES
 SFY 2011 as of December 31, 2010**

	FY 2011 Budget	FY 2011 Year to Date Budget	FY 2011 Year to Date Actuals	Variance
Resources:				
Interest	\$ 12,750.00	\$ 3,187.50	\$ 3,458.04	\$ 270.54
Refunds & Reimbursements	\$ -	\$ -	\$ -	\$ -
Total Resources	\$ 12,750.00	\$ 3,187.50	\$ 3,458.04	\$ 270.54
Expenditures:				
Travel/State Vehicle	\$ 8,270.00	\$ 4,135.00	\$ -	\$ (4,135.00)
Office Supplies	\$ 500.00	\$ 250.00	\$ -	\$ (250.00)
Printing & Binding	\$ 10,000.00	\$ 5,000.00	\$ -	\$ (5,000.00)
Professional & Scientific Services	\$ 250,000.00	\$ 125,000.00	\$ -	\$ (125,000.00)
Outside Services	\$ 15,000.00	\$ 7,500.00	\$ -	\$ (7,500.00)
Advertising & Publicity	\$ 1,000.00	\$ 500.00	\$ -	\$ (500.00)
ITD Reimbursement	\$ -	\$ -	\$ -	\$ -
IT Equipment & Software	\$ -	\$ -	\$ -	\$ -
Aid to Individuals	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 284,770.00	\$ 142,385.00	\$ -	\$ (142,385.00)
Net Gain(Loss)	\$ (272,020.00)	\$ (139,197.50)	\$ 3,458.04	\$ 142,655.54

*Annual transfer to Choices approved by USDE in letter dated 2/7/06

Default Prevention Fund Balance 6/30/10	\$ 1,940,232.53
**Estimated Net Loss SFY 2010 09/30/10	<u>\$ 3,458.04</u>
**Estimated Fund Balance 09/30/10	\$ 1,943,690.57

**Estimated due to cash basis, no adjustments made for accrued expenses or revenues



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