

**IOWA COLLEGE STUDENT AID COMMISSION
MINUTES OF MEETING
May 20, 2016
10:00 a.m.**

Members Present:

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

Members Absent:

Roger Claypool	Tim Kraayenbrink
----------------	------------------

Staff Present:

Todd Brown	Jethro DeLisle
Jayna Grauerholz	Julie Leeper
Tristan Lynn	Jesse Martinez
Kris May	Karen Misjak
Julie Ntem	Zach Rhein
Christina Sibouih	Carolyn Small
Darcie Sprouse	Ashley Wendt

AG Present:

Sara Scott

Guests Present:

Cindy Axne	Axne Consulting
Matt Brown	Iowa Student Loan
Justin Carley	Banker's Trust
Angela Carlson	Capri College
Charlotte Eby	LS2 Group Representing Iowa Student Loan
Grant Dugdale	Attorney General's Office
Elizabeth Keest Sedrel	General Public
Robin Madison	Legislative Services Agency
Braden Renaud	Banker's Trust
Melissa Stover	Banker's Trust
Laurie Wolf	DMACC

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on May 20, 2016. Commission Chair Adams called the meeting to order at 10:02 a.m.

Executive Director's Report

Ms. Misjak said the Annual Performance Report for Year 2 of the GEAR UP Iowa Grant was submitted in April to the United States Department of Education. There are currently 6300 students in the cohort. A survey was done with both parents and students to obtain data to provide in the report as well as all services provided to this cohort along with the academic progress data. Ms. Misjak said staff has put into place a better tracking and evaluation process for schools to report student services to create a college going culture. The report highlighted both the activities and program impact in the report. This cohort of students is completing the 8th grade and staff will transition to working in the high schools across the state as the cohort starts 9th grade.

The first Annual GEAR UP Conference was hosted in April this year entitled: Share. Plan. Mobilize. Together We Rise. Ms. Misjak said over 100 educators attended the conference. There were great speakers and attendees were able to network and discuss best practices. The transition for students from middle school to high school was also discussed.

Ms. Misjak shared that staff is in the process of providing our Local College Access Network communities the second round of grants under the College Changes Everything Initiative. The goal for the communities is to increase college attainment rates. The funds used for these grants come from the College Access Challenge Grant we received from the United States Department of Education. The first set of grants were Planning Grants and the Launch Grants will allow communities to hire staff to start the execution of collaborative, data driven action plans. There were a total of 10 Planning Grants and there are 6 Launch Grant applications.

The Commission has received notification this week that we have been selected to receive a grant from Telligen. Ms. Misjak said it is a \$50,000 grant for a 1 year period to work to increase the number of students, particularly students from rural communities to enter health professions. Through our Local College Access Network communities in Mason City and Ottumwa, we will use our collective impact model to develop healthcare career pathways. Ms. Misjak shared that out of the 85 applicants that applied for the Telligen Grant only 10 were funded.

Commissioner Mulholland shared that the Regents are currently awaiting the final copy of the study that consultants provided regarding AIB. She said they expect the report to go public in the next couple weeks.

Minutes of Meeting

Motion: Commissioner Shull moved to approve the meeting minutes for February 5, 2016 as written. Commissioner Mulholland seconded the motion which passes unanimously.

FY 2017 Meeting Schedule

Motion: Commissioner Mulholland moved to approve the FY 2017 Meeting Schedule as written with one correction to change the May date to May 19, 2017. Commissioner Varner seconded the motion which passed unanimously.

Administrative Rules

Motion: Commissioner Ash moved to propose amendments to Administrative Rules Chapter 12 - Iowa Tuition Grant Program, Chapter 17 - Barber and Cosmetology Arts and Sciences Tuition Grant program, and Chapter 20 – National Guard Educational Assistance Program. Commissioner Shull seconded the motion which passed unanimously.

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

Ms. Leeper said the rules amend Chapter 21- Approval of Postsecondary Schools in general and specifically address registration of Iowa schools wishing to participate in the State Authorization Reciprocity Agreement (SARA). Because some Iowa schools must be able to register under SARA by July 2016 or begin registering in each of the states they are offering distance education and paying fees as high as \$10,000 per state, we are requesting to adopt the amendments as "Filed Emergency After Notice." This will allow the rules to become effective immediately upon the Governor's signature of SF 2323.

Ms. Leeper commented that there was a further proposed revision of the rules that was distributed to Commissioners prior to the meeting for review based on conversations during the Legislative Committee Meeting. Commissioner Ash said some of the language was confusing to the committee regarding the schools that have to register (out of state schools) and the schools in the state of Iowa that want to be exempt from registration and only submit the application to SARA. Ms. Scott raised concerns about the process stating there has not been an amended notice of intended action on any new changes made to the rule which would allow for public comment and participation. She recommended that the Commission adopt the original amendment as proposed by staff and then consider starting another amendment cycle with the latest proposed revisions.

Motion: Commissioner Ash moved to approve the rules that were published in the board book materials and be adopted as, "Filed Emergency After Notice." He further moved that at a later date the changes in the further proposed revision that were presented be submitted as a notice of intended action so that the Commission is able to have public comment on the suggested changes. Commissioner Shull seconded the motion which passed unanimously.

Commissioner Quirnbach agreed to move forward with the current rule that had public comment and that the additional changes be addressed in the July 2016 Commission meeting. This would allow the current rule language to move forward quickly. Chair Adams agreed and a consensus of the board is that the July Commission meeting will address the changes made in the second document.

Banker's Trust

Ms. Misjak introduced Melissa Stover from Banker's Trust to provide the annual presentation providing an overview of investments for the two trusts for the GEAR UP Scholarship. For GEAR UP 1.0, you will see the drawdowns we have made since 2014 to distribute to students attending college from the first cohort. For the GEAR UP 2.0 Trust, the Commission is depositing half of the annual grant amount received from the United States Department of Education. Ms. Stover introduced Justin Carle and Braden Reno from Capital Strategies. Mr. Carle provided an update on the GEAR UP Trusts for both 1.0 and 2.0.

Audit and Finance Committee Budget Report

Ms. May said the Audit and Finance Committee met and discussed the FY 2017 Budget and the Committee is recommending approval of the FY 2017 Budget as presented to the Commissioners. The committee also reviewed the FY 2016 financials and fund balances.

There was discussion regarding an FY 2015 Audit finding, Ms. May explained that scholarship and grant disbursements are reported by colleges and universities in the Commission's online scholarship and grant reporting system. After that information is reported by colleges and universities, Commission staff verifies that reported students are eligible and award amounts match established payment schedules prior to making payments. Although, Commission staff does not visit colleges/universities to verify that the information in their internal financial aid management systems matches what is reported to the Commission. The auditors identified this as a risk. They did not find any issues regarding student eligibility or mis-awarded funds, only a lack of procedures in place to audit the information reported by colleges and universities. Staff is developing policy and procedures on risk assessment of the colleges and universities for all scholarship and grant programs which could include going to the school for a compliance review. Staff will be sending a letter to colleges and universities in the near future informing them of a possible future audit.

Ms. May provided an update on the PLP status stating that no bids were received to purchase our portfolio and discussed no longer accruing interest as of July 1, 2016. Ms. May said the Audit and Finance Committee agreed.

Commissioner Ash questioned how we know the expenses that are in the budget are things that we have to do to function as an organization, whether or not we are required to do all of the programs we offer. He is concerned about the pool of money that we are using and asked if there is any effort to look at expenses so that they are kept in line as potential revenues to move toward our funding stream ending.

Ms. Misjak said Mark Weadick from Student Loan Capital Strategies will be working on our 7 year financial plan which will model out more extensively by doing a revenue and expenditure analysis. The model will look at how much we are taking out of the operating fund each year and provide more detail on the agency's financial outlook.

Commissioner Quirnbach said the Commission needs to do a better job of educating the legislature on our programs, that repetition is key.

Motion: Commissioner Shull moved to approve the proposed budgets for the Operating Fund, State Program Administration, Postsecondary Registration, Partnership Loan Program, and Federal Grants for

State Fiscal Year 2017. Commission Mulholland seconded the motion which passed unanimously.

Southern Regional Educational Board Contract

Ms. Sibouih said both the College Changes Everything initiative and the GEAR UP Iowa 2.0 project emphasize the importance of strong foundational training for schools, and particularly counselors, in college and career counseling. Trained counselors currently receive very minimal training in this aspect of their work, yet the demands upon them are increasing. As part of a 16-state, and growing network, the Go Alliance Academy Program offers accessible training that is also adaptable to our specific state needs. The cost for this contract is \$17,000 per year for two years. Staff will work with lead AEA counselor trainers, as Facilitators, to develop and implement the Iowa-specific format for the dissemination of these modules to counselors across the state, emphasizing GEAR UP Iowa and College Changes Everything communities.

Motion: Commissioner Mulholland moved to authorize the Executive Director to enter into a two-year contract, with annual one-year renewals, for a Go Alliance Academy subscription agreement with Southern Regional Educational Board (SREB). Commissioner Shull seconded the motion which passed unanimously.

ISL PLP Contract

Motion: Commissioner Ash moved to authorize the Executive Director to execute an amendment to the Iowa Partnership Loan Program Agreement with the Iowa Student Loan Liquidity Corporation. Commissioner Moore seconded the motion which passed unanimously.

Partnership Loan Program

Motion: Commissioner Shull moved to authorize staff to notify collection vendor to stop accrual of interest on defaulted Partnership Loan Program portfolio, effective July 1, 2016. Commissioner Mulholland seconded the motion which passed unanimously.

Amperage

Ms. Misjak said it is time for an extension of the marketing and communication contract that we have with Amperage. The Commission has been using Amperage, previously ME&V for many years. The contract amount is \$100,000. In FY 2015 we spent \$31,599 and to date we have spent \$14,551.87 for FY 2016.

Motion: Commissioner Wells moved to authorize staff to exercise the option for a one-year extension of the Public Relations and Communication Services Contract with Amperage. Commissioner Shull seconded the motion which passed unanimously.

Strategic plan

Ms. Misjak introduced Cindy Axne from Axne Consulting Group. Ms. Axne reviewed the process that staff took to develop our new Strategic Plan. Staff presented the 2016-2018 Strategic Plan.

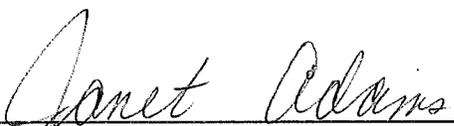
Staff Reports

Ms. May provided an update of FY2016 year-to-date financials

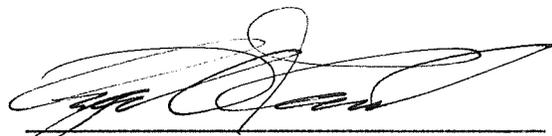
Ms. Misjak said Mark Weadick will present during the November 2016 Commission Meeting on the 7-year financial plan.

Ms. Small provided an update on the Postsecondary Registrations that have been approved since the March 2016 Commission Meeting.

Commission adjourned at 12:48 p.m.



JANET ADAMS, CHAIR



CRYSTAL FORD, VICE CHAIR