

IOWA COLLEGE STUDENT AID COMMISSION
MINUTES OF MEETING
July 17, 2015
10:00 a.m.
Telephone Conference Call

Members Present:

Janet Adams	Michael Ash
Roger Claypool	Crystal Ford
Tedd Gassman	Katie Mulholland
Herman Quirnbach	Doug Shull
Jeremy Varner	Cindy Winckler

Members Absent:

Tim Kraayenbrink	Frederick Moore
Karolyn Wells	

Staff Present:

Todd Brown	Jethro DeLisle
Julie Leeper	Kris May
Karen Misjak	Rachel Scott
Christina Sibouih	Ashley Wendt

Guests Present:

Matt Brown Iowa Student Loan

Call to Order

The Iowa College Student Aid Commission met for a regularly scheduled meeting on July 17, 2015 via telephone conference call. Commission Chair Adams called the meeting to order at 10:06 a.m. with a quorum present.

Amended Agenda

Motion: Commissioner Shull moved to approve the amended agenda. Commissioner Varner seconded the motion which passed unanimously.

Executive Director's Report

Ms. Misjak said during the 2015 legislative session, there were several policy changes that impacted our state programs. The largest impact was to the National Guard Program that changed the awarding parameters from full time or part time semesters to credit hours. This required staff to convert all of the previous awards to credit hours which to date has taken over 117 hours of staff time. This is for the initial process and lays the foundation for data from schools to report credit hours back to the Commission. Our estimation for internal programming time for this change is around 280 hours and this does not include staff time at colleges and guard staffs to ensure proper implementation. In response to a question from Commissioner Winckler, Ms. Leeper said there was not a fiscal note attached to this bill regarding the cost to implement this change. Commissioner Winckler said if these changes are going to be made there should have been financial support to do so, and reiterates the fact that we need to look at how to adequately fund the administrative costs of the Commission.

Ms. Misjak said changes to the All Iowa Opportunity Scholarship allows the funds to be awarded either over a 1 year or 2 year period giving the student a choice. This requires our staff to document the student's choice, report it to the college for the college to make the award and give the student a chance to change their mind after they review their award letter. This requires additional functionality to the grant and scholarship system.

These are examples of major changes to programs systematically and as you are aware we are moving to a new grant and scholarship system and each time changes like this occur, it will cost the Commission to make system changes beyond the normal staff time and cost.

Administrative Rules have been drafted for the State Authorization Reciprocity Agreement and will be proposed today. Ms. Misjak said schools have been asking questions about applying, and with the closing of schools and student complaints, it has been taking staff time away from implementing this process. Staff is currently in the process of hiring a staff member to work on school applications. Ms. Misjak shared that a fund has been created to refund Iowa students who withdraw from a for-profit

institution the refund amount equal to what is guaranteed to them under Iowa code. Commissioner Quirnbach gave kudos to the Attorney General's office for maintaining the fight for students by creating such a fund.

Ms. Misjak invited Commissioners to visit the Commission's State Fair booth in the Varied Industries Building if they are visiting the Fair. Staff will be working with fair goers to complete a short survey at the Commission's booth.

Minutes of Meeting

Motion: Commissioner Ash moved to approve the meeting minutes for May 15, 2015 as written. Commissioner Shull seconded the motion which passed unanimously.

Administrative Rules

Motion: Commissioner Claypool moved to propose amendments to Administrative Rules Chapter 8 – All Iowa Opportunity Scholarship. Commissioner Ash seconded the motion which passed unanimously.

Motion: Commissioner Shull moved to propose amendments to Administrative Rules Chapter 20 – National Guard Educational Assistance Program. Commissioner Ford seconded the motion which passed unanimously.

Motion: Commissioner Varner moved to propose amendments to Administrative Rules Chapter 21 – Postsecondary Registration. Commissioner Ash seconded the motion which passed unanimously.

Motion: Commissioner Claypool moved to propose amendments to Administrative Rules Chapter 28 – Teach Iowa Scholar Program. Commissioner Shull seconded the motion which passed unanimously.

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

Gear UP Trust Disbursement

Motion: Commissioner Shull moved to authorize staff to draw down up to \$7.5 million from the Bankers Trust GEAR UP Scholarship account for the scholarships for GEAR UP students during the 2015-16 academic year. Commissioner Ford seconded the motion which passed unanimously.

GEAR UP Trust Contract

Ms. Sibouih said under the GEAR UP Iowa Program, Iowa College Aid is required to use half of the federal grant funds to provide scholarships to qualified GEAR UP Iowa students. A trust is being established to hold the funds available through the GEAR UP Iowa Program during the seven-year funding period, beginning in 2014 and continuing through the distribution/scholarship years ending in 2026. The Commission followed the formal bid process through the Department of Administrative Services. One vendor responded and an intent to award to Bankers Trust was issued on July 7, 2015. Staff is requesting approval to enter into an 11 year contract with Bankers Trust for the maintenance and investment management of the GEAR UP Iowa Scholarship Trust.

Motion: Commissioner Shull moved to authorize staff to enter into an 11 year contract with Bankers Trust for the maintenance and investment management of the GEAR UP Iowa Scholarship Trust. Commissioner Mulholland seconded the motion which passed unanimously.

XAP Contract

Ms. Misjak reminded the Commission that the Iowa Department of Education (IDE) took over the administration of the state designated career information system for this past school year and IDE received a state appropriation for \$600,000 to extend the usage of I Have A Plan Iowa™ through the XAP vendor for the 2015-16 academic year. Ms. Misjak said staff is in the process of working with XAP to extend the contract for an additional year and since the contract is between the Commission and XAP she will need to sign the one year extension contingent on an agreement with IDE stating that they will pay the contract price for the next year.

Commissioner Varner appreciates the staff for all their work and the legislators on the approval for additional funding. IDE wants to ensure that schools continue doing this work and that IDE really appreciates the partnership with Commission staff.

Motion: Commissioner Shull moved to authorize staff to enter into a one-year extension of the Community Center Web Portal contract with XAP Corporation, contingent on a Memorandum of Understanding

with the Iowa Department of Education. Commissioner Varner seconded the motion which passed unanimously.

EverFi Contract Extension

Ms. Misjak previously announced that this would be the last year to pay for a statewide financial literacy program for schools to utilize to help meet Iowa core requirements on financial literacy. EverFi and Commission staff have contacted other organizations and state agencies that are involved in financial literacy around the state to see if they would consider paying for this contract to ensure that the momentum that has been gained over the last five years was not lost.

Ms. Misjak shared that the Iowa Insurance Division (IID) decided to continue with the 11th and 12th grade program in high schools and have agreed to pay the \$450,000 for the next academic year. Ms. Misjak said the Commission's contract with EverFi has one more extension and based on the short time frame have been asked by IID to extend the contract and enter into a 28E agreement outlining the payment for this next year.

Motion: Commissioner Ford moved to authorize staff to exercise the option for a one-year extension of the Financial Literacy On-Line Curriculum contract with EverFi Inc., contingent on a 28E Agreement with the Iowa Insurance Division. Commissioner Ash seconded the motion which passed unanimously.

Human Resources and Nominations Committee

Motion: Commissioner Varner moved to nominate Commissioner Janet Adams as Chair of the Commission for FY2016 and Commissioner Ford as the Vice Chair of the Commission for FY 2016. Commissioner Shull seconded the motion which passed unanimously.

Motion: Commissioner Ash moved to approve the nominations for Committees as written with the addition of Jeremy Varner to be added to the Human Resources and Nominations Committee. Commissioner Mulholland seconded the motion which passed unanimously.

Staff Reports

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

Ms. Small stated that Ashford University announced last week that it plans to close its Clinton, Iowa campus at the end of the Spring 2016 term. This action has no impact on the University's online programs or the student currently enrolled in its online programs.

Ms. Small said as of June 30, 2015, Ashford reports that it had approximately 600 students registered at the Clinton campus. The University estimates that 35% of these students are on track to complete their degrees and the University plans a May 2016 commencement in Clinton. The University will work with all other campus students to help them understand their options and the process for transitioning to another school or to the online modality. Approximately 60% of the campus students who are not on track to graduate by May of 2016 are attending an on-ground program that Ashford also offers in an online format. These students can opt to finish their degrees in an Ashford online program at no additional tuition cost.

Ashford states that it will be seeking transfer agreements with nearby colleges and universities that offer similar educational programs as the Clinton campus. The University has been working on identifying specific schools located in Iowa and surrounding states and will begin contacting potential articulation partners soon. The University will also extend invitations to regional institutions to participate in a transfer fair tentatively scheduled for mid-August at the Ashford Clinton Campus.

Ashford has already held several face-to-face student and parent informational meetings at the campus and has posted a schedule on its website for additional meetings in July and August. Next week, Clinton campus students will be contacted by a Transition Planner, whose role will be to help each individual student identify a plan to degree completion, whether at Ashford or at another institution.

Ms. Small said staff received immediate notice of the University's plan to close the Clinton campus. The University has shared its campus closure plans with staff and requested feedback and guidance. Thus far, we've received no contacts from students or parents that relate specifically to concerns about the Clinton campus closure. We will continue to monitor the development of Ashford's campus close out plans, its discussions with transfer or teach-out partners at regional, campus-based schools, and provide input as appropriate.

Ms. Small said the Iowa Attorney General announced that it was issuing \$5.2 million dollars in tuition refund payments to approximately 300 students who attended Ashford University's online education programs. The money for the tuition refunds comes from the \$7.25 million dollar settlement that Ashford University paid to the Attorney General last year. The tuition refunds, which range from \$1000 to \$55,000, are being paid to Iowa resident students who were aspiring teachers and who alleged that Ashford misrepresented to them that its online education programs qualified graduates of the program for employment as a licensed teacher. However, Ashford University's online education programs did not include student teaching, which is a mandatory component

of a teacher preparation program, had not been approved by the Iowa Department of Education for Iowa teacher licensure, and did not qualify a graduate for teacher licensure in any other state.

Commission Adjourned at 10:58.



JANET ADAMS, CHAIR



CRYSTAL FORD, VICE CHAIR