



COLLEGE STUDENT AID COMMISSION MEETING

Meeting. The College Student Aid Commission met on Friday, May 20, 2016, in Des Moines for a regularly scheduled meeting. The Commission adopted a meeting schedule for FY 2017 and a 2016-2018 strategic plan, among other routine items. The Commission also received a presentation from Banker's Trust in regard to trusts that are in place for the GEAR UP Iowa programs.

Administrative Rules for Postsecondary Registration. The Commission approved notice or adoption of several administrative rules. Most of the discussion centered on the rules for Iowa Administrative Code [Chapter 21](#), Approval of Postsecondary Schools (Postsecondary Registration).

Emergency Adoption. The rules amend Iowa Administrative Code Chapter 21 in general and specifically address registration of Iowa schools wishing to participate in the interstate reciprocity agreement known as SARA (State Authorization Reciprocity Agreement). Because these Iowa schools must be able to register under SARA by July or begin registering in each of the other states they wish to serve, paying fees as high as \$10,000 per state, the Commission was asked 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](#) (Education Appropriations Bill), which includes an amendment to another bill upon which the rules amendments are dependent.

Further Changes Proposed. At the meeting, a further proposed revision of the Postsecondary Registration rules amendment was distributed to Commission members. The representative from the Attorney General's Office raised concerns about the process, recommending that the Commission adopt the original amendment as proposed by staff and then consider starting another amendment cycle with the latest proposal. During the discussion, a member noted that staff had indicated to him that the fees for SARA registration were not projected to cover the Commission's related administrative costs. Chairperson Janet Adams and Executive Director Karen Misjak responded that Commission staff will be better able to project costs after a year of experience with SARA registration and will propose any necessary fee changes at that time.

Rules Adopted. The Commission voted unanimously to adopt the original proposed amendments to Iowa Administrative Code Chapter 21 and submit them as "Filed Emergency After Notice." The chairperson asked for an indication of willingness to pursue further amendment of the rules at the Commission's meeting on July 15, 2016. The members indicated their willingness to do so without objection.

FY 2017 Budget. The Commission adopted the Audit and Finance Committee's proposed budgets for the Operating Fund, State Program Administration, Postsecondary Registration, Partnership Loan Program, and Federal Grants for FY 2017. The budget for administration of state-appropriated programs for FY 2017 is \$1.5 million. The FY 2017 state appropriation for Commission administration is \$432,000, leaving an unfunded balance of \$1.0 million; unfunded administrative costs will be paid from the Commission's operating fund. The entire FY 2017 budget totals \$17.2 million in expenditures, with \$14.4 million in revenue, leaving \$2.9 million in expenditures to be paid from the operating fund.

Training Program for Counselors. The Commission approved a two-year contract, with the possibility of one-year annual renewals, for a Go Alliance Academy subscription with the Southern Regional Educational Board. The cost of the subscription is \$17,000 per year. The subscription will provide unlimited access to online courses for Iowa counselors and college access professionals to improve

effectiveness in preparing all students for college. The subscription improves training for course facilitators, and up to four Area Education Agency (AEA) staff will be trained annually.

Student Loan Refinancing. The Commission authorized the Executive Director to execute an amendment to the Iowa Partnership Loan Program (PLP) Agreement with the Iowa Student Loan Liquidity Corporation (ISL). The amendment will allow ISL to establish a new loan program for student loan borrowers and parent borrowers to refinance outstanding private or federal student loans.

Other Action on the Partnership Loan Program. Between 1998 and 2006, the Commission purchased defaulted private student loans from ISL and performed in-house collection efforts until the elimination of the Federal Family Education Loan Program (FFELP), when the Commission eliminated its in-house collection staff and placed the portfolio with a third-party collection vendor. The portfolio consists of 988 borrowers with a total of 1,237 loans. Nearly two-thirds of the borrowers have made no payment since 2012, and collections have dwindled. The Commission voted unanimously to authorize staff to notify the collection vendor to cease accrual of interest on defaulted loans, effective June 1, 2016.

Next Meeting. The next meeting of the Commission will be Friday, July 15, 2016, and will be by telephone.

Additional Information. The Commission's meeting booklet for the May 20 meeting, as well as other information related to meetings, is available on the website at:
<https://www.iowacollegeaid.gov/content/iowa-college-aid-board-meetings>.

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