



November 3, 2008

State Capitol
Des Moines, IA 50319

Senate File 588, passed by the 2007 Iowa General Assembly, required the Iowa College Student Aid Commission to conduct a study concerning the awarding of Iowa Tuition Grants. The attached report provides the results of that study.

Because of the complexities of such a study, the Commission determined that it would be valuable to have the services of an outside consultant. As a result, the services of JBL Associates, Inc. were secured. The goal for JBL Associates, Inc. was to study which states provide alternative approaches to the Iowa Tuition Grant (ITG) Program, to interview state student aid agency representatives from states which have alternative approaches to the ITG program, to determine what those state student aid agency representatives perceive as the strengths and weaknesses of their approaches, to construct an interactive static model that could be used by the State of Iowa to test the applicability of alternative program designs, and to incorporate information gained in the study and interviews into a written report. JBL Associates, Inc. charged \$22,000 for these services. The consultant's "Report on the Iowa Tuition Grant Program" is available upon request.

Upon receipt of the consultant's report, the Iowa College Student Aid Commission appointed a Subcommittee to review the recommendations. The Subcommittee was asked to analyze the report and provide findings and recommendations to the full Commission. Subcommittee members and Commission staff spent many hours reviewing and reworking the modeling provided in the report and studying the effects different awarding parameters would have on Iowa students. The attached report was approved by the Iowa College Student Aid Commission for presentation to the General Assembly during a Commission meeting held on October 29, 2008. However, it must be noted that Senator Herman Quirnbach, an ex officio member of the Iowa College Student Aid Commission, does not support the findings of the Commission's study or the submission of this report. Although the Commission's study did not find that changes should be made, Senator Quirnbach feels options for change should be presented to the General Assembly by the Commission. A majority of Commissioners support the recommendation presented in the attached report.

If you have questions about the Commission's report, please let me know.

Sincerely,

Karen Misjak
Executive Director

IOWA COLLEGE STUDENT AID COMMISSION

Iowa Tuition Grant Study
Report to the General Assembly

The 2007 General Assembly directed the Iowa College Student Aid Commission to study and report on whether changes should be made in the formula used to award Iowa Tuition Grants to improve the equity of awarding to students who qualify for Iowa Tuition Grant funding. Senate File 588 requires that:

The Commission shall conduct a study of the estimated family contribution limit eligibility requirement for Iowa Tuition Grants to determine whether the current requirement is fair and equitable for prospective recipients and their families. The findings and recommendations, which the Commission shall submit in a report to the general assembly by January 14, 2008, shall include transition plans to ensure that students with the greatest financial need receive full grants.

The Commission contracted with a consultant, who provided initial recommendations, and the Commission appointed an Iowa Tuition Grant Study Subcommittee to review those recommendations with staff. With staff's assistance, Subcommittee members developed several models which were used to formulate the conclusions and recommendation in this report. Modeling information is available upon request.

Subcommittee members reviewed and agreed on the following Iowa Tuition Grant philosophy, criteria, and findings:

Philosophy:

- Iowa Tuition Grants fund students, not institutions.
- Funding is provided to the college or university on the student's behalf.
- The Iowa Tuition Grant Program is a tuition equalization program.

Criteria:

- Iowa Tuition Grant should be need-based.
- There must be a relationship to the philosophy.
- Awards must be meaningful dollar amounts.

Findings:

- The current requirement under Iowa law, that has been in place for over 30 years, is fair and equitable.
- The fundamental policy of providing maximum awards to all full-time qualifying applicants should be maintained.
- A sliding scale for recipients is not a policy that should be applied to this program.
- A sliding scale could harm students currently eligible to receive Iowa Tuition Grants.

As a result of the Iowa Tuition Grant Study, the Iowa College Student Aid Commission recommends no changes to the awarding process currently used under the Iowa Tuition Grant Program.