

IOWA COLLEGE STUDENT AID  
COMMISSION

# PERFORMANCE REPORT

Performance Results Achieved  
for Fiscal Year 2004 - 2005

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# INTRODUCTION

This is a report of the Iowa College Student Aid Commission goals and results for the fiscal year 2004 – 2005. The report is organized with an outline of the Commission vision, mission, and core functions. The vision is to advocate for Iowa students and to administer scholarship, grant, loan and other related programs to help Iowa students finance their education expenses at the colleges and universities of their choice. The three core functions of *education*, *resource management*, and *research/information* are designed to support the vision and provide a means for its implementation. The *education* core includes the

scholarship and grant programs administered by the Commission, while the *resource management* function includes portfolio management of funds necessary for operation as the Iowa guarantor for the Federal Family Education Loan Program. The *research* function supports both *education* and *resource management* by collecting and disseminating higher education data and special analyses.

The pages that follow include a narrative of measures selected for each core function, followed by a table that includes summary information for each agency service, product and activity.

# AGENCY OVERVIEW

**Vision:** The Iowa College Student Aid Commission advocates for Iowa students and administers scholarship, grant, loan and other related programs to help students finance education expenses at colleges and universities of their choice.

**Mission:** The mission provides guiding principles that lead employees toward achievement of the vision.

- The Iowa College Student Aid Commission will be a leading voice advocating on behalf of Iowa students for:
  - state scholarship and grant programs and services which promote access to, and choice among, Iowa NCA accredited colleges and universities, and
  - education loans and services which promote access to, and choice among, colleges and universities, and by
  - encouraging academic and financial planning for postsecondary education.
- The Commission will gather data that supports this advocacy role and share the data with state and federal public policy makers.
- The Commission will actively pursue partnerships and strategic alliances to fulfill its mission.
- The Commission will use leading edge technology to provide high

quality and proactive programs and services to financial aid administrators and lenders for the benefit of students and parents.

- The Commission will be the primary administrator of state scholarships and grants, federal loan guarantees, and other related programs in Iowa.
- The Commission will strive to maintain a well financed student loan program that meets long term financial obligations and supports its mission.

## Core Functions:

The agency's core functions refine the mission into three general groups.

- Education (through the administration of scholarship, grant and loan programs)
- Resource Management (to ensure effective and efficient administration of the education function)
- Research Analysis and Information Management (to support policy-development and advocacy for higher education student aid)

## Highlighted Results

**Introduction:** The following paragraphs highlight two programs that made significant contributions during the year.

**Teacher Shortage Forgivable Loans:** The Iowa Teacher Shortage Forgivable Loan Program combines State and Federal appropriations to encourage Iowans to obtain teaching degrees and to seek advanced education in the field of teaching and administration. Four hundred ninety-eight Iowans received assistance during the 2004 – 2005 fiscal year. Areas of study included the following:

### Special Education

- K-6 & 7-12 Multi-categorical Resource (Instructional Strategist I)
- K-6 & 7-12 Behavior Disorders (Instructional Strategist II LD-BD)
- K-6 & 7-12 Multi-categorical Special Class with Integration (Instructional Strategist I)
- K-12 Moderate/Severe/Profoundly Handicapped (Instructional Strategist II MD)
- K-6 & 7-12 Learning Disabilities (Instructional Strategist II LD-BD)
- K-6 & 7-12 Mental Disabilities (Instructional Strategist II MD)
- Pk-K Early Childhood Special Education
- Birth to 21 Itinerant Hearing Impaired
- Birth to 21 Itinerant Visually Impaired
- K-6 Physically Handicapped

### Regular

- K-12 English as a Second Language (ESL)
- 7-12 Mathematics
- 7-12 Industrial Technology
- 7-12 Science (All Physical Sciences)
- K-12 Talented & Gifted (TAG)
- K-6 & 7-12 Music
- 7-12 Foreign Language
- 7-12 Agriculture
- 7-12 Family & Consumer Science
- K-6 & 7-12 School Media Specialist
- K-6 & 7-12 Counselor
- PK-6 & 7-12 Principal

Eligible Iowa residents attending Iowa colleges or universities may receive the teacher forgivable loans of up to \$3,000 per academic year for up to a total of \$9,000.

Recipients are required to enroll at least half-time in accredited education programs leading to degrees and certification for teaching in designated shortage areas. Loans are provided to sophomore, junior, senior, and graduate level students. Loans are

forgiven at the rate of 20% per year for each of five years that the graduate teaches in the chosen area of specialty.

**Iowa Choices:** Eight hundred thirty-four Iowa middle and high schools, and 134 Iowa colleges and universities now provide the Iowa Choices Career and Education Planning Software Programs to students. The high number of participants occurred because the College Student Aid Commission spearheaded a collaborative effort that included the Iowa Department of Education and Iowa Student Loan. The new, *no-cost* option ensures that Iowa students will have access to the vital career planning resources provided through the Choices program. Between September, 2005 and February, 2006, the three collaborating agencies provided 56 seminars with 421 high school and college counselors in attendance. The Commission set an aggressive goal to have at least 20% of Iowa eighth graders and 20% of Iowa high school seniors using the program within the next 12 months.

# PERFORMANCE PLAN RESULTS

## CORE FUNCTION

**Name:** Education

**Description:** The Iowa College Student Aid Commission promotes postsecondary education for Iowa students and families by administering a variety of scholarship, grant and forgivable loan programs.

**Why we are doing this:** Studies of the effect of college attendance suggest that those who have graduated from college experience greater income, and more healthy, productive lives. A study by the College Board indicated that the average person working full-time in the United States, with a four-year degree earned 62% more than the average worker with a high school education. While earning more, those with college educations experience about one-third the average unemployment of individuals who did not graduate from high school. A longitudinal study by the College Student Aid Commission showed that income for State of Iowa Scholars, Iowa Tuition Grant, and Vocational-Technical Tuition Grant recipients is substantially greater than the estimates for individuals with only high school diplomas across all 17 years of the study timeframe.

**What we're doing to achieve results:** The Iowa College Student Aid Commission administers State funded student aid programs that provide access to the college or university most suited to each student's educational needs, as it promotes higher education participation.

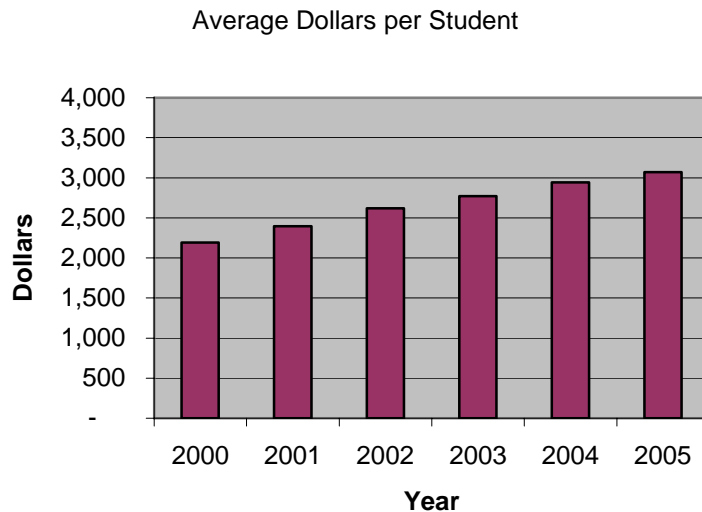
## Results

### **Performance Measure:**

Average scholarship, grant and work-study aid per student.

**Performance Target:** The current performance target is \$3,163.

**Data Source:** Follow-up survey of college and university financial aid administrators, with data available in the first quarter of each year.



**Data reliability:** College and university officials have completed the survey of financial aid each year for the last 16 years. Officials are familiar with the process and the requested data. Data are reviewed by Commission staff before the annual estimate is released. When finalized, data are considered to be reasonably indicative of the total assistance provided to students at Iowa colleges and universities.

**Why we are using this measure:** The average scholarship and grant aid per student indicates Iowa families' access to non-debt student financial aid. The average is consistent with the Commission's role as an advocate for sufficient levels of student aid to provide access to higher education opportunities in Iowa.

**What was achieved:** Average aid per student is dependent upon the total financial aid available to students and the enrollment of students. Financial aid from all sources is determined by a survey conducted in the Fall of each year after completion of the fiscal year to be reported.

**Analysis of results:** The College Student Aid Commission provided scholarship and grant support to more than 23,000 Iowa college and university students, and more than 67,000 student loan borrowers. Although many served, there are many more who could benefit from assistance. More than 136,000 Iowans applied for financial aid for the 2004 – 2005 academic year. Iowa college students continue to be challenged by high levels of student loan debt, with the average debt upon graduation exceeding \$25,000 during the year. The average scholarship and grant assistance of \$3,000 was a significant amount of assistance for many. The Commission remains committed to provide sufficient scholarship and grant assistance to reduce the debt upon graduation.



**Resources used:** The funds included in the measurement are provided from Federal, State and Institutional sources.

**Services, products and activities summary:** The following table presents targets and outcomes for the services, products, and activities (SPAs) within the Education core function.

Core Function	Outcome Measure(s)	Outcome Target	Outcome	Comments
Desired Outcome(s):				
CF: Education				

Families will have access to student financial aid	Average aid per student	Scholarship, grant, employment and loan sources of \$7,000 per student.	\$8,246	Update will be available after completion of a survey of colleges and universities.
Families will not have to assume unreasonably high student loan debt.	Average scholarship, grant and work-study assistance per student  Average debt upon graduation	Scholarship and grant sources of \$2,700 per student.  Average debt upon graduation of \$20,000	\$3,071  \$25,548	Update will be available after completion of a survey of colleges and universities
Students who excel in high school will receive meaningful recognition.	Average scholarship  Number of students attaining established scholastic standards  Number of scholars attending recognition event	Scholarship award of \$400.  One percent increase in the number of scholars (12 scholars)  Have scholars attend annual recognition ceremony.	\$394  1,499  516	Students from Iowa high schools are selected for recognition as Iowa Scholars. Five hundred sixteen were recognized at an event in Des Moines.

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
<b>Core Function: Education</b>				
Byrd Scholarship	Number of awards	273 awards	273	The federally funded Robert C. Byrd Honors Scholarships follow a competitive selection process designed to reward students who demonstrate the highest levels of academic achievement and leadership.
	Average award	Average award \$1,500	\$1,500	
PRIMECARRE	Number of awards	20 awards	17 awards	
	Average award	Average award \$15,000	Average award of \$17,600	
Stafford Loan Program (GSL)	Number of borrowers	55,000 borrowers	67,200 borrowers	Growth due to increase in market share, rising cost of education and processing cycles of the Commission's largest college and university clients.
	Average loan	Average loan \$5,250	Average loan \$5,242	
Paul Douglas Teaching Scholarship	Number of awards Average award			No additional awards are being made in this federal program.
Teacher Shortage Forgivable Loan	Number of awards	500 awards	475 awards	Forgivable loan recipients agree to teach in Iowa shortage areas for at least five years. The program encourages education students to remain in Iowa after graduation. Additional awards were made because the U. S. Department of Education provided an additional \$250,000.
	Average award	Average award \$2,828	Average award \$2,679	

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
Leveraging Education Assist Partnership	Number of awards Average award		Not Applicable	Funding from this federal program enhances state efforts under the Iowa Grant program
National Guard Benefits Program	Number of awards Average award	950 awards Average award \$1,340	1,096 awards Average award \$3,093	Funding for the Iowa National Guard Educational Assistance program demonstrates Iowa's commitment to the men and women who serve in national security positions. Participants are eligible for educational assistance at Iowa Regent universities, Independent colleges and universities and Community Colleges.
ACE Opportunity Grant				Beginning in FY 2004-2005 the funds were combined with Vocational-Technical Tuition Grants.
Physician Recruitment	Number of awards Average award	8 awards Average award \$39,542	8 awards Average award \$43,306	Osteopathic physicians in this program provide a minimum of two years of service in underserved communities.
Iowa Grants	Number of awards Average award	2,615 awards Average award \$510	2,281 awards Average award \$445	Iowa Grants are awarded to students at Regent universities, independent colleges and universities, and community colleges. Recipients are those with the greatest need. The awards decreased below projections because of the loss of federal LEAP dollars.
Chiropractic Forgivable Loans	Number and value of awards	Not Applicable		These loans are no-longer funded.

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
Foster Care Grant Program	Number of awards Average award	27 awards Average award \$3,074	31 awards Average award \$4,161	Foster Care Grants are provided from agency resources and federal funds available through the Department of Human Services.
Tuition Grant Program Standing	Number of awards Statutory maximum award	Statutory maximum award of \$4,000 for 16,000 students.	Average of \$2,933 for 16,006 students.	Iowa Tuition Grants provide access to educational opportunities and choice among programs for students at Iowa Independent colleges and universities.
Voc Tech Grant Standing	Number of awards Average award	2,770 awards Average award \$860	2,891 awards Average award \$875	Vocational Technical Tuition Grants provide assistance to students at Iowa Community Colleges who are pursuing vocational and career-option training. Programs include nursing, computer programming, and other industrial skills.
College Work-Study Program	Number of awards Average award	Not Applicable	None	Iowa Work-Study program did not receive an appropriation in the 2004 – 2005 fiscal year.
Osteopathic Loans	Number of awards Average award	124 awards Average award \$2,000	106 awards Average award \$2,500	The Osteopathic forgivable loan program allows students at Des Moines University to receive loan forgiveness if they agree to practice in Iowa for at least two years after graduation. The total number of awards is dependent upon the number of Iowa resident students accepted at Des Moines University.

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
TEB State Fair Scholarship	Number of awards Average award Fund balance  Annual income for new awards	Five scholarships \$930 average Fund balance of at least 67,538 Annual income of \$4,650	Four scholarships \$1,000 average Fund balance of \$71,382 Annual income of \$4,382	This program recognizes Iowa students who have strong academic and leadership credentials, and who have made significant contributions to the Iowa State Fair. The program is funded from private contributions.

# PERFORMANCE PLAN RESULTS

## CORE FUNCTION

**Name:** Resource Management

**Description:** The Iowa College Student Aid Commission is able to promote and administer student funds for postsecondary education by effectively and efficiently administering its student loan guaranty agency resources.

**Why we are doing this:** Students receiving State scholarship and grant assistance need the assurance that all funds intended to assist them have been made available in a timely efficient and effective manner. Students using student loans need the reassurance of knowing that student loans will be available during their college years, and that repayment counseling will be available, if needed after graduation. Graduate borrowers in repayment receive counseling and collections assistance as needed, to help them to meet their student loan obligations. Fee income from the operation of the guaranty agency is available to the Commission for use in programs that affect student loan policies.

**What we're doing to achieve results:** The Iowa College Student Aid Commission monitors key indicators of ongoing scholarship and grant administration, and student loan processes.

### Results

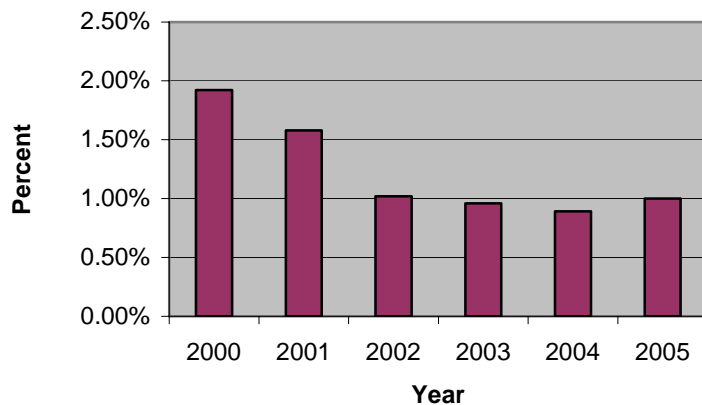
**Performance Measure:**

Federal student loan program reserve fund ratio.

**Performance Target:** The performance target is 0.9%.

**Data Source:** System reports from ICSAC data processor and state accounting system.

Reserve Fund Ratio



**Data reliability:** System reports are managed by the Commission data processor, Sallie Mae Servicing, Inc., the largest guarantor servicer center in the country. System reports have a high degree of reliability. Fund balances are reconciled against the state on-line accounting system.

**Why we are using this measure:** Federal student loan statutes set the minimum reserve requirement for participating guarantors at 0.25%.

**What was achieved:** The Commission reserve ratio continues to be greater than the minimum requirement.

**Analysis of results:** The Commission is managing the gradual reduction of its federal student loan reserve ratio by continuing the long-held policy of waiving guarantee fees assessed to borrowers for Commission services. Within three years, the Commission anticipates the need to charge a guarantee fee.

**Resources used:** Federal Student Loan Reserves.

**Services, products and activities summary:** The following table presents targets and outcomes for the services, products, and activities (SPAs) within the Resource Management core function.



Core Function	Outcome Measure(s)	Outcome Target	Outcome	Comments
<b>CF: Resource Management</b>				
Effectively administer funds to avoid second semester award cuts.	Reserve fund ratio Commitment less attrition Second semester award adjustment	1% 0% 0%	1% 0% 2%	The second semester award adjustment occurred because more students were eligible and there was a reduction in the state appropriation.
Maintain sound student loan operation that provides sufficient resources to sustain agency operations and minimize student charges.	Federal Student Loan Program Fund Ratio Student Charges Market Share	1.0% at FY-end Zero 35 Iowa colleges and universities	0.78% at FY-end Zero 38 Iowa colleges and universities	The Commission maintained a strong reserve fund ratio throughout FY 2004 – 2005, permitting the extension of its policy to waive the allowable one percent guarantee fee chargeable to student loan borrowers. The fee waiver saved Iowans nearly \$3.52 million if FY 2004 – 2005.
Students, parents, financial aid administrators, and lenders have access to a wide array of quality services made possible by utilizing technology to its fullest potential.	Number and scope of new and expanded web-based products and services.	One new product/service Two expanded products/services	One new product/service Two expanded products/services	The Commission launched its new Commission Connection service for the transfer of private personal information. This allows college and university officials to securely transfer private student scholarship, grant and loan records to the Commission while meeting the requirements of the FERPA law and the Graham, Leach, Bliley Act.

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
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<b>Core Function:</b> Resource Management				
Stafford Loan Program Administration	Operating Fund Reserve Ratio (Fund Balance / Total Outstanding Portfolio)	1.0% at FY-End	1.07% at FY-End	FY2003 - 2004 loan volume exceeded the previous year by over 27 percent, helping the Commission maintain a healthy operating fund reserve ratio. Loan rehabilitations increased 16 percent, with 918 borrowers benefiting from this program in FY2003 – 2004.
	New Loan Volume (Net)	\$310 million	\$352 million	
	Total Defaulted Loan Collections	\$35.5 million	\$23.9 million	
	Loan Rehabilitations	\$5.5 million	\$5.6 million	
Default Reduction Account	Default Claims Paid	Reduce by 5%	Increased by 6%	Steady growth in new loan volume is slowly driving up default claims, however default aversion cures are up slightly.
	Default Aversion Cures	Increase Common Cure Rate from 88% to 90%	88.0%	
Scholarship and Grant Admin	Scholarship and grant expenditures	\$295,000	\$349,045	The change is due to a combination of salary adjustments and appropriation level adjustments.

# PERFORMANCE PLAN RESULTS

## CORE FUNCTION

**Name:** Research Analysis and Information Management

**Description:** The Iowa College Student Aid Commission is able to advocate for, and administer student aid funds by effectively and efficiently collecting, distributing and utilizing higher education data.

**Why we are doing this:** Effective and efficient administration is dependent upon the ability of the organization to gather and utilize data-based decision-making techniques. Effective public policy development and advocacy are dependent upon the availability of objective data from the organization's external and internal environments.

**What we're doing to achieve results:** Commission research staff coordinate state and national higher education data to make needed objective data available to Iowa policy-makers. The Commission maintains an Iowa higher education database from which reports are generated and published in the *Information Digest of Postsecondary Education in Iowa*. Data from the Special studies of existing databases and the administration of special surveys target important areas of needed data. The reports are available on the internet at <http://www.iowacollegeaid.org/researchers/index.html>. Information from the external databases, surveys and internal process control functions are an essential part of the management process and goal to maintain a strong guaranty agency and an effective administration of scholarship and grant programs.

## Results

### **Performance Measure:**

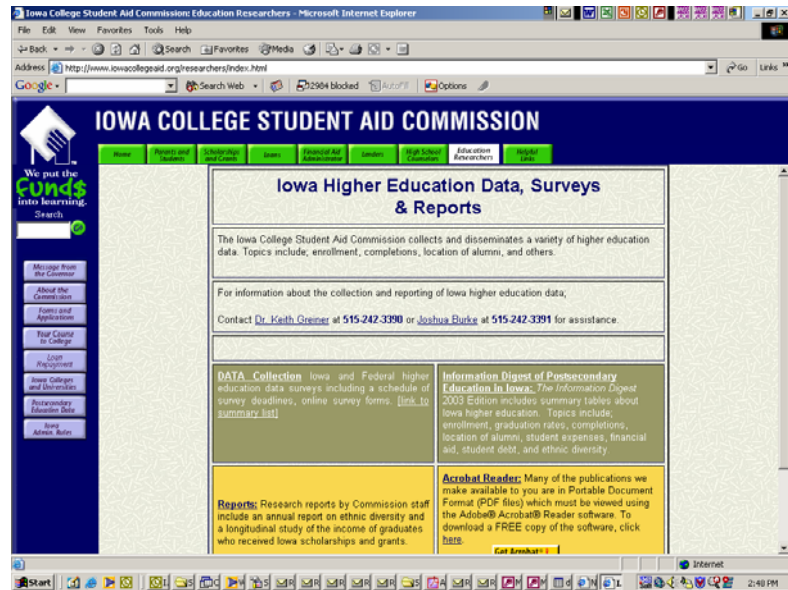
Number of Information Digests available on the internet.

### **Performance Target:**

Publish an information Digest on-line at

<http://www.iowacollegeaid.org/researchers/index.html>.

**Data Source:** Commission Staff.



**Data reliability:** Data published in the *Information Digest* vary in both availability and reliability. Implementation of new reports, including the new report on student loan debt require several years of development and testing. Data for established reports like the summaries of student financial aid have been collected for many years, with some series' dating to 1976. Data in long-term series' are known to be highly reliable.

**Why we are using this measure:** Availability of the *Information Digest* reflects availability of a wide variety of objective data about higher education activity in the state of Iowa.

**What was achieved:** Publication of the *Information Digest* was suspended for several years as the Commission staff upgraded and reconfigured the higher education database using new Microsoft™ software systems. The goal of the reconfiguration process was to make the publication widely available on-line. At the same time, Commission staff created new on-line survey forms for all higher education surveys administered by the Commission. Development of the new surveys was intended to make the process more timely, efficient and reliable. Both the publication and the on-line form development projects were completed during the FY 2002-2003 year. During the 2004 – 2005 year Commission research staff began a comprehensive study of Iowa Tuition Grant Program policies as directed by the Iowa General Assembly in 2005 Iowa Acts Chapter 169, Sec. 3. (*Iowa Acts*, page 640). Results of the study were provided in the following fiscal year.

**Analysis of results:** The intended results were achieved.

**Resources used:** Federal Student Loan Program/State Administrative Funds.

**Services, products and activities summary:** The following table presents targets and outcomes for the services, products, and activities (SPAs) within the Research

Analysis and Information Management core function.

Services, Products, Activities	Performance Measures	Outcome Target	Outcome	Comments
<b>Core Function:</b> Research Analysis and Information Management				
Higher education database	Availability and publication of higher education data collection and storage infrastructure	Update the on-line data entry system	On-line data entry system updated and publication has been completed	The on-line data entry system is available at <a href="http://www.iowacollegeaid.org/researchers/index.html">http://www.iowacollegeaid.org/researchers/index.html</a>
Information Digest	Publication of annual digest	Publication as data become available	Publication completed	Publications are available at <a href="http://www.iowacollegeaid.org/researchers/index.html">http://www.iowacollegeaid.org/researchers/index.html</a>
Research Report(s) supporting advocacy role.	Publish longitudinal study report Publish other pertinent studies	Publish at least one study that addresses current or emerging student aid and higher education issues	Study published on the internet	Publications are available at <a href="http://www.iowacollegeaid.org/researchers/index.html">http://www.iowacollegeaid.org/researchers/index.html</a>

## AGENCY CONTACTS

Copies of Iowa College Student Aid Commission Performance Report are available on the Iowa College Student Aid Commission web site at [www.iowacollegeaid.org](http://www.iowacollegeaid.org) Copies of the report can also be obtained by contacting Karen Misjak, Executive Director or Dr. Keith Greiner, Research Director at 515-242-3344.

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