Minutes of the CUSAD Conference Call
March 10, 2006

Participants: Lynn Aaberg, WSC; Robin Holden, UND; Katie Nettell, LRSC; Betty Schumacher, VCSU; Jeanne Enebo, NDSU; Sandy Klein, DSU; Jeff Jacobs, BSC; Dale Gehring, MiSU; Shirley Hanson, MaSU; Shelley Blome, NDSCS; Peggy Wipf, NDUS.

Chairman, Jeff Jacobs, lead the discussion relative to Deficit Reduction Act.

Jeff Jacobs shared with the group that because the Negotiated Rule Making (NRM) process, a federal process allowing for a public comment period prior to the implementation of federal legislation, i.e., S. 1932 – The Deficit Reduction Act of 2006, was by-passed and effective dates have been determined, there are rumors of possible lawsuits. Thus prohibiting implementation of S. 1932.

Shirley Hanson stated she was in Washington, DC, last week and reported that everything is up-in-the-air relative to the implementation of S. 1932. She indicated that while the President has signed the bill, many of the details relative to implementation are in the development stages. Shirley agreed to type up notes from her recent DC meeting relative to S. 1932 and distribute to the student aid director’s list serve.

Jeff said that while there are many uncertainties relative to the implementation of S. 1932, we should discuss some of the major points of the bill to get a better understanding of their impact. They include:

Academic Competitive Grants. According to the Federal Student Aid web information: An Academic Competitiveness Grant will provide up to $750 for the first year of undergraduate study and up to $1,300 for the second year of undergraduate study to full-time students who are eligible for a Federal Pell Grant and who had successfully completed a rigorous high school program, as determined by the state or local education agency and recognized by the Secretary of Education. Second year students must also have maintained a cumulative grade point average (GPA) of at least 3.0. The program will be available for the first time for the 2006-07 school year for first year students who graduated from high school after January 1, 2006, and for second year students who graduated from high school after January 1, 2005. The Academic Competitiveness Grant award is in addition to the student's Pell Grant award.

National Science and Mathematics Access to Retain Talent Grant or National Smart Grant. A National SMART Grant will provide up to $4,000 for each of the third and fourth years of undergraduate study to full-time students who are eligible for a Federal Pell Grant and who are majoring in physical, life, or computer sciences, mathematics, technology, or engineering or in a foreign language determined critical to national security. The student must also have maintained a cumulative grade point average (GPA) of at least 3.0 in coursework required for the major. The National SMART Grant award is in addition to the student's Pell Grant award.
Shirley said it was too early to address questions on how to track repayments (if any), home school issues, how schools and students will be informed about these programs, effective dates, who is responsible for monitoring what, etc.

Jeff asked Peggy to check with the Department of Public Instruction to find out if they have had any preliminary discussions on how this legislation may impact their Department.

Lynn Aaberg reported that AACRAO was holding a web conference to address many of their concerns relative to these two new programs.

**Loan Limits**

Jeff reported the following changes relative to student loan limits as a result of S. 1932:

- Increases first-year loan limit from $2,625 to $3,500 and raising the second-year loan limit from $3,500 to $4,500.
- Does not increase aggregate loan limits.
- Unsubsidized loan limits for graduate and professional students are raised from $10,000 to $12,000.
- Raises from $5,000 to $7,000 loan limits for coursework needed to enroll in a graduate program or necessary to obtain a required credential to become an elementary or secondary teacher.
- All the above annual loan limit increases are effective on July 1, 2007.
- Allows graduate/professional students eligibility for PLUS loans effective on July 1, 2006.

**Single Disbursements**

Jeff reported that S. 1932 restores previously expired HEA provisions providing that schools with default rates for each of the last three years for which data was available that had a cohort default rate below 10 percent could disburse a student loan in a single installment for short enrollment periods and such schools also did not have to withhold loan proceeds for 30 days after a borrower began a course of study for first-year, first time borrowers. Both provisions are effective beginning on the date of enactment of S. 1932, the Higher Education Reconciliation Act of 2005 (the date the President signs the bill).

Jeff also reviewed a March 8, 2006, e-mail from Dennis Junk dealing with set up loan issues including split codes, zero loan fees, and summer single disbursements. Jeff reported the SLND-Guarantee Agency is still not able to accept single disbursements due to Bank programming delays.

Betty Schumacher stated she attended a recent EAC update session and they announced they would be charging a one percent guarantee fee beginning July 1. **Jeff indicated he would be checking with Wally at the BND to find out what they will be doing and will report his findings to the financial aid director’s list serve** as this impacts set-up issues for packaging and awarding.
**Family Contributions**

Jeff also informed the group of effective dates relative to changes and calculation of a family’s contribution (expected family contribution), as follows:

- Effective July 1, 2007, increases the dependent student IPA from $2,200 to $3,000.
- Effective July 1, 2007, the Conf. Rpt. increases IPA for independent students without dependents other than a spouse from $5,000 to $6,050 for single students, from $5,000 to $6,050 for married students both enrolled, and from $8,000 to $9,700 for married students with one enrolled.
- Effective July 1, 2007 reduces the percentage of dependent student assets that are taxed from 35% to 20%; for independent students without dependents other than a spouse reduces the asset conversion rate from 35% to 20%; for independent students with dependents other than a spouse reduces the asset conversion rate from 35% to 20%.

Additionally, Jeff referenced the following changes to S. 1932:

- Simplified need test (SNT) and automatic zero improvements, i.e., expands Automatic Zero eligibility in a similar fashion to the SNT changes above and raises the income cap to $20,000;
- Student Eligibility: modifies the HEA provision providing for Title IV ineligibility for sale or possession of illegal drugs so that the provision applies only for convictions taking place while a student is enrolled in school and was receiving Title IV assistance.
- Institutional refunds: Implements a 45-day timeframe within which the institution must return funds rather than the current regulatory 30-day timeframe.
- Writes into law that a student does not have to return amounts less $50 which is an increase above the $25 now in current regulations.

**Lynn Aaberg shared with the group that she is going to ask NASFAA (and report back to the list serve) what impact S. 1932, specifically funds for administrative expenses, may have on our NDUS institutions who use some of these administrative funds for salaries.** She referenced the following: “Currently, ED costs for administering the Title IV programs are mandatory, entitlement spending. Such ED administrative costs will now be subject to annual appropriations, but guaranty agency account maintenance fees remain mandatory, entitlement expenditures.”

Lynn Aaberg informed the group that S. 1932—Additional Need Analysis Amendments - - would exempt certain family-owned small businesses from asset consideration.

**Miscellaneous items discussed included:**

- Lynn Aaberg asked how other campuses are packaging SEOG for summer and the academic year.
Sandy Klein informed the group that she and Robin Holden, Kristi Wold-McCormick, and Rich Lehn will be participating in a conference call with Oracle to discuss Satisfactory Academic Progress (SAP). She asked the group to forward her any concerns or issues they may have relative to this issue and she will forward them on to Oracle. Robin Holden indicated that she fears Oracle has already written a report for the SBHE before even asking for input.

Sandy Klein asked how other campuses were getting the information they needed for IPEDS reporting for 2004-05 & 2005-06. She agreed to share an e-mail she received from Dennis Junk relative to this issue and will ask Dennis to send a query he wrote for LRSC (relative to IPEDS reporting) to the other NDUS institutions. Sandy also agreed to forward an e-mail she received addressed to IPEDS Keyholders telling them when they can begin reporting, etc.

Jeanne Enebo reported on the North Dakota HUEG conference being held in Minot, April 11 and 12. She stated that more detailed information will be available shortly. Lynn Aaberg stated that Pell reconciliation will be one of the sessions. Kathy, Minot State, agreed to write down, step-by-step, the process she uses for Pell reconciliation including requesting information from COD and PS 801 report. Lynn Aaberg and Linda Greenstein will send their draft presentation for the HUEG conference relative to this issue to the financial aid director’s list serve.

The auditors request for a revised Policy and Procedures Manual.

Prepared by:
Peggy Wipf