(Final) SASFAA Executive Board Meeting

Sheraton Greensboro at Four Seasons

July 23-24, 2005

Greensboro, NC

**CALL TO ORDER**

President Guy Gibbs called the meeting to order at 9:01 am at the Sheraton Greensboro Four Seasons.

**WELCOME**

Dana Kelly, North Carolina State President welcomed the board to the state of North Carolina and presented each member with a pictorial book of North Carolina. President Guy Gibbs recognized Ron Gambill and Edsouth for dinner on Friday night, National Education for the Hospitality Suite, and Regions Bank for Breakfast.

**CHANGES TO THE AGENDA AND SUBSTITUTE VOTING**

President Gibbs announced that Brent Tener will serve as Secretary for this meeting and keep the board minutes in Sandy’s absence. The following changes to the agenda were noted: Erik Melis will not be at the meeting.

**INTRODUCTIONS**

The following elected board members were present: Guy Gibbs, President; Brent Tener, President-Elect; Janet Sain, Past-President; Tolly Tollefson, Vice President; and Heather Boutell, Treasurer.

State Presidents in attendance were: Shelley Park, Kentucky; Forrest Stuart, Tennessee; Suzanne Pittman, Georgia; Brad Barnett, Virginia; Buddy Jackson, Alabama; Nancy Garmroth, South Carolina; Dana Kelly, North Carolina; Soraya Welden, Mississippi and Ruth Strum, Florida.

Committee Chairs in attendance were: Clark Aldridge, Finance and Audit; Crusie Lucero, Diversity, Carol Mowbray, Special Projects; Juanita Russell, Membership; Ron Gambill, Site Selection; Keith Reeves, Vendor and Sponsor; Lisanne Masterson, Conference; Susan Little, Special Appointee; Bill Spiers, Legislative Relations; and April Kendrick, Newsletter Editor.

Liaisons present: Mike Hawkes, Agency, and Paul Mittelhammer, Lender.

Special guest Rose Mary Stelma from East Carolina University was recognized.

**APPROVAL OF THE MINUTES**

**ACTION: Brent Tener moved to accept the minutes of the June 10, 2005 Board meeting held at the Don CeSar, St. Pete Beach FL. The motion, seconded by Tolly Tollefson was approved.**

**REPORTS FROM THE OFFICERS**

**SEE ATTACHMENT A**

**Report from Vice President, Tolly Tollefson**

**ACTION: Tolly presented Bob Godfrey as the Mid-level Workshop Chair. The Motion, seconded by Dana Kelly was approved.**

**Report from Secretary, Sandy Neel presented by Brent Tener**

**ACTION: Brent Tener made a motion to accept the By-laws committee consisting of Susan Little, Ray Tripp, Cleo Martin, and Dee Talley. The motion, seconded by Tolly was approved.**

**Report from Treasurer, Heather Boutell**

**ACTION: Heather made a motion to accept Susan Little, Clark Aldridge, Sharon Oliver, Randy Craig, Lester McKenzie, and Jody Darby as the Review of Financial Issues Committee. The motion, seconded by Dana Kelly was approved.**

Heather reported that the mileage rate has been updated to the current IRS rate of .405 cents per mile. The Treasurer’s report will be filed for review.

**STATE PRESIDENT REPORT-SEE ATTACHMENT B**

**COMMITTEE REPORTS- SEE ATTACHMENTS C**

**Report from Budget/Finance Chair, Clark Aldridge**

**ACTION: Brent Tener made a motion to accept the Budget and Finance committee as presented by Clark. The motion, seconded by Heather Boutell was approved.**

Clark presented the 2005-2006 budget.

**ACTION: Brent Tener made a motion to accept the Budget as presented by Clark. The motion was seconded by Dana Kelly.**

Discussion occurred regarding the budget.

**ACTION: Dana Kelly made a motion to table the budget. The motion, seconded by Ruth Strum was approved.**

**Report from Conference Chair, Lisanne Masterson**

**ACTION: Brent Tener made a motion to accept the Conference Committee as presented by Lisanne. The motion, seconded by Soraya Welden was approved.**

Lisanne will get the ballot boxes to Ron Gambill who agreed to house them.

**Report from Membership Chair, Juanita Russell**

**ACTION: Heather Boutell made a motion to accept the Membership Committee as presented by Juanita. The motion, seconded by Brad Barnett was approved.**

**Report from Vendor/Sponsor Chair, Keith Reeves**

**ACTION: Dana Kelly made a motion to accept the Vendor/Sponsor Committee as presented by Keith. The motion, seconded by Tolly Tollefson was approved.**

**Report from Diversity Chair, Crusie Lucero**

**ACTION: Ruth Strum made a motion to accept the Diversity Committee as presented by Crusie. The motion, seconded by Dana Kelly was approved.**

**Report from Electronic Services**

**ACTION: Dana Kelly made a motion to accept the Electronic Services Committee as presented by Crusie. The motion, seconded by Heather Boutell was approved.**

**Report from Newslettter Editor, April Kendrick**

**ACTION: Soraya Welden made a motion to accept the Newsletter Committee as presented by April. The motion, seconded by Forrest Stuart was approved.**

**Report from Site Selection Chair, Ron Gambill**

**ACTION: Brad Barnett made a motion to accept the Site Selection Committee as presented by Ron. The motion, seconded by Dana Kelly was approved.**

**Report from Special Projects Long Range Planning Chair, Carol Mowbray**

**ACTION: Dana Kelly made a motion to accept the Long Range Planning Committee as presented by Carol. The motion, seconded by Soraya Welden was approved.**

**LIASON REPORTS- SEE ATTACHMENT D**

Meeting Recessed until Sunday Morning.

Meeting reconvened at 8:38on Sunday morning by President Guy Gibbs.

Janet Sain and Brad Barnett were unable to return for the meeting.

**Special Projects**

**ACTION: Nancy Garmroth made a motion to accept the Foundation Committee as presented. The motion, seconded by Dana Kelly was approved.**

**ACTION: Buddy Jackson made a motion to accept the Archive Committee as presented. The motion, seconded by Soraya Welden was approved.**

**ACTION: Tolly Tollefson made a motion to accept Chip Quisenberry as the New Aid Officers Summer Workshop curriculum coordinator. The motion, seconded by Dana Kelly was approved.**

**Old Business**

**ACTION: Shelley Park made a motion to move the budget from table. The motion, seconded by Dana Kelly was approved.**

Budget Chair Clark Aldridge provided updated recommendations for the budget.

**ACTION: Forrest Stuart made a motion to approve the budget as presented by Clark. The motion was seconded by Ruth Strum.**

Discussion Occurred.

Brent Tener called the question.

**The motion carried.**

**New Business**

None.

**ACTION: Dana Kelly moved to adjourn the Executive Board meeting. The motion, seconded by Suzanne Pittman was approved. The meeting adjourned at ?**

Respectfully submitted,

Sandra J. Neel

SASFAA Secretary 2005-2006

**ATTACHMENT A**

**President Guy Gibbs’ Report**

**President’s Board Report**

**Sheraton Four Seasons, Greensboro, North Carolina**

**July 22-24, 2005**

Welcome to Greensboro, North Carolina, and to the Sheraton Four Seasons Hotel and the site for the 2006 SASFAA annual conference. Greensboro, a member of the Triad along with the cities of Winston-Salem and High Point will be great hosts for the conference. I am sure that we will be in for a real treat when we meet here in February 2006. I give an advanced thank you to our NCASFAA colleagues as they began planning for our visit.

Goals and Objectives

You are to be commended for the work that you did in putting together your goals and objectives. I’ve had an opportunity to review them. You did exactly as I asked when we met in Florida in June at the transition meeting. For that I am extremely thankful.

As you will remember, the format that I asked you to use in setting forth your goals and objectives is a departure from the format employed in prior years. There were a number of reasons that this request was made.

* The format was initially proposed by the Long Range Planning Committee and was approved as a part of the 2006-2011 document adopted by the 20004-2005 SASFAA Board.
* The format brings uniformity in the way in which goals and subsequently the objectives are developed.
* The format of the 2001-2006 Long Range Plan was not always followed making it more difficult for the Governance and Planning Committee to evaluate whether or not the provisions set forth in the current Long Range Plan are being met.
* Employing the new format in 2005-2006 will give us an opportunity to correct any deficiencies in the plan before full implementation of the 2006-2011 Long Range Plan.
* Using this document will make it much easier for the Governance and Planning Committee to review the year’s activities and to write their report.

Committee Appointments

As committee chairs and appointees, you are also to be commended for identifying individuals to serve a role on committees in 2005-2006. We are very fortunate to have had a great number of SASFAA members offer their time and experience to serve this year. Unfortunately, there are insufficient committee slots to find places for everyone, but we must continue to encourage volunteerism and to involve new members in the work of our committees. I was encouraged to see that many new members will be involved this year.

I will provide the 2005-2006 volunteer lists to President-Elect Brent Tener. Those who volunteered will be thanked in an appropriate way for offering their service to SASFAA and encouraged to continue to volunteer in future years. NASFAA has a process that places volunteers in positions in subsequent years and perhaps this model can be employed by SASFAA. We should never lose sight of the important role our volunteers play in the success of this association.

NASFAA Board Meeting

The NASFAA Board Meeting was held at the New York Hilton earlier this month. As President-Elect of SASFAA I attended the orientation for new board members on June 30. The actual board meeting was held on July 1-2. I continued to sit in the “peanut gallery” along with my colleagues from the other regional associations. Janet Sain and Ron Day represented SASFAA as voting members. This was the final board meeting for Chair George Chin as well as SASFAA Past President Ron Day. Their leadership was recognized and they were thanked for their service to NASFAA. SASFAA was well represented by the work on Ron as he sat as a voting member for the last two years.

Action of the NASFAA Board

The following information has been posted to the NASFAA web site; however, if you have not had a chance to review the news from the board meeting, this will provide a brief summary of action taken. This information was posted to the NASFAA web site on July 8, 2005. You can find more information at [www.nasfaa.org](http://www.nasfaa.org/).

The NASFAA Board acted on a report from the NASFAA Reauthorization Task Force (RTF) on recent legislative options concerning Title IV programs. This included reaffirming the package of recommendations previously approved by the 2002 NASFAA Board; revising the Board’s previous position concerning School as Lender; and initiating new action on the provisions of the Student Aid Rewards Act (STAR).

Summary of Board Actions

* Reaffirm NASFAA recommendations previously approved in 2002 and 2003 with one exception: the Board rescinded it previous recommendation concerning School as Lender (SAL). The Board approved a new recommendation concerning this topic. This revised package forms the basis of NASFAA’s platform for this authorization cycle.
* Direct the NASFAA staff to work with the lending community and other entities to find ways to move the NASFAA reauthorization agenda forward, which includes making significant increases in need based grant funding for all needy students.
* Oppose the School as Lender provisions and oppose the STAR bill in keeping with the guidelines of programs being fair and equitable for all students.

4th of July in New York City

The NASFAA annual conference was held from July 3rd through July 6th in New York City. The conference program was jam packed with general and concurrent sessions; however, the afternoon of July 4th was given as free time to enjoy the sights and sounds by celebrating “Independence Day” in a vital and vibrant city. If you were unable to attend the conference, you missed not only a great learning opportunity, a chance to make new friendships, and to embrace old ones, but also to enjoy a magnificent fireworks display on the evening of the 4th. The Macy’s fireworks display over the Hudson River and the Manhattan skyline was spectacular. Your SASFAA colleagues joined thousands of others in this celebration of freedom and liberty in a city that saw such horror on 9/11. We are a resilient nation and that was very evident as thousands joined in the celebration of July 4th.

SASFAA Extends Congratulations to NASFAA State Award Winners

SASFAA member states have done it again. Of the four state award winners announced at the NASFAA annual conference, two of the winners were from the SASFAA region. We extend SASFAA congratulations to the Kentucky and South Carolina associations for their success. Heather Boutell and Betty Whalen are commended for moving their associations forward this year. SASFAA states have done very well in this competition for NASFAA state awards in the past and we are extremely happy to see two additional awards added to the totals received over the years by associations in our region.

Department of Education Liaison Update

We continue to work with the U. S. Department of Education to find a solution to the issue of having a Department Liaison attend SASFAA board meetings and assist with planning for the annual conference. We are finding that that the Department is not as supportive of these as in prior years. As a result, no one from the Department will attend the meeting in Greensboro and to bring a Department update.

The leadership of the SASFAA will continue to engage the Department in finding ways to bring updates at board meeting, to provide some guidance in conference planning and or proposing appropriate interest/general sessions for our annual conference. This issue is of vital important to the board and to the general membership in ensuring up-to-date information from the Department and in developing training program.

**President Elect Brent Tener’s Report**

President-Elect Report

Brent Tener

July, 2005

#### Greetings from Nashville. I am beginning the process of forming next year’s Executive Board. I am happy to report that Michael Morgan, Edamerica, has agreed to serve as Conference Chair for the 2007 Nashville meeting.

#### I would like to provide the following update as it relates to activities of the NASFAA Board of Directors during the most recent meeting held in New York City before the annual conference. A full description of the discussion that took place, along with helpful background information can be found on the NASFAA website at: [http://www.NASFAA.org/publications/2005/greauthorizationrecommendations070805.html](http://www.nasfaa.org/publications/2005/greauthorizationrecommendations070805.html)

#### The following is summary directly from the NASFAA website:

## “The NASFAA Board voted to:

1. Reaffirm NASFAA recommendations previously approved in 2002 and 2003 with one exception: the Board rescinded its previous recommendation concerning School as Lender (SAL). The Board approved a new recommendation concerning this topic. This revised package forms the basis of NASFAA's platform for this reauthorization cycle.
2. Direct the NASFAA staff to work with the lending community and other entities to find ways to move the NASFAA reauthorization agenda forward, which includes making significant increases in need based grant funding for all needy students.
3. Oppose the School as Lender provisions and oppose the STAR bill in keeping with the guidelines of programs being fair and equitable for all students.

Overall, the legislative proposals adopted by NASFAA's Board seek to preserve both the FFEL and the Direct Loan programs by equalizing and strengthening both programs. To that end, NASFAA supports increasing loan limits, eliminating student fees, and improving and expanding repayment options for all borrowers in each program.

The NASFAA Reauthorization Tasforce originally opposed the School as Lender option because the program had moved away from its original intent – to be the last point of loan access for students. Now access is not an issue; all students have access to loan funds. In addition, it appears that a few institutions may not hold the students' interests as paramount. Institutions may be more concerned with increasing institutional resources than with the concerns or choices of needy students. Some non-financial aid school administrators may promote this option as a way of diverting limited school resources away from student need-based assistance. Some perceive that state governments are encouraging schools to become lenders in order to reduce the state support needed for students and for schools. In addition, some believe that retaining or expanding the provision would destabilize the current loan system.

In November 2002, NASFAA's Board position approved a position to maintain the School as Lender provision and clarify that proceeds beyond administrative expenses would be used only for need-based student aid at the school.

Until the latest discussion on STAR and SAL, this position felt appropriate. In light of the comments recently received, the Board determined that the previous position is no longer tenable. After discussion at the July 2005 meeting, the NASFAA Board voted to oppose the existing School as Lender provision because the provision does not support the premise of equal benefits for all students.

The comments NASFAA members provided on the STAR Act led the NASFAA Board to vote to oppose this legislation. This was done in light of the fact that the STAR proposal, as currently drafted, does not promote fairness and equity to all student borrowers or to the schools that they attend. The NASFAA Board felt it was necessary to clarify its position on this issue and believes this position is in keeping with its guiding principles. “

Other items were discussed, and as mentioned earlier, more details are available on the NASFAA website. More to follow after the next meeting to be held in Austin in November.

**Past President Janet Sain’s Report**

SASFAA Past-President Report

July 23, 2005

Sheraton Four Seasons, Greensboro, NC

Responsibilities included:

Nominations and Elections Committee, Recognition and Awards Committee and the GAP Committee.

**Nominations and Elections Committee**

The committee is comprised of the immediate state past-presidents for 2004-2005. A tentative meeting has been set for October in conjunction with the Conference Committee meeting in Charlotte at the University Hilton. Thus far, I have received confirmations from six of the committee members that they will be able to attend. One will definitely have a substitute attend in their behalf. Possibly one other may be in the same situation. Solicitations for nominations have been made of each committee member and a listserv message will be posted immediately after this board meeting. Candidates for President-Elect, Vice President and Secretary will be sought.

Continuation of the items brought forth by the task force will be reviewed and further items will be discussed as to electronic voting and what other uses we can have made available via ATAC.

**Recognition and Awards Committee**

This committee is comprised of the current Executive Committee. Candidates for Honorary Membership and Distinguished Service awards will be sought. Retirees from each state will be requested. Thus far two candidates have been submitted for consideration for Honorary Membership. Requests will be considered at the Fall board meeting.

A new item for consideration is the formulation of a new award for SASFAA. NASFAA has its version of the state awards. An idea for a SASFAA version has been discussed informally. I would like to solicit approval to have a small task force research the possibility of creating this award. So many wonderful awards are submitted, but never really shared or acknowledged at NASFAA.

**GAP Committee**

This committee is comprised of five SASFAA members to be chosen by the current President and the immediate Past-President to work on the GAP report each year. Several of the members are repeats from the previous year. Part of the Long Range Planning Retreat will discuss the content, templates and possible change in reporting deadlines. Once the retreat is completed, final decisions can be made.

**Vice President Tolly Tollefson’s Report**

SASFAA Board Meeting, July 23, 2005

Greensboro, North Carolina

Professional Development Committee

The New Aid Officers Workshop was held June 19 – 24, 2005 at the University of North Carolina Asheville in Asheville, North Carolina. There were 144 participants and the event came in at or under budget. The theme was “The Wizard of Oz” it takes Brains, Heart, and Courage to be a Financial Aid Professional.

Planning has begun on next year’s event. The hope is to return to UNC Asheville if additional large classrooms can be secured. There will be at least six returning instructors. Chip Quisenberry from Alabama will be the 2006 curriculum coordinator.

Planning has also begun on the Mid-Level workshop which SASFAA will host this year. Bob Godfrey from South Carolina will be the coordinator of this event. There is a meeting scheduled for September 14th or 15th in Charlotte, NC. Possible sites are: UNC Asheville, UNC Charlotte and Furman University.

**Treasurer Heather Boutell’s Report**

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|  |  |  | **Jul '05 - Jun 06** |  | **Budget** |  | **$ Over Budget** |  | **% of Budget** |
|  | **Income** | |  |  |  |  |  |  |  |
|  |  | **01 · Membership Dues** | 1,325.00 |  | 37,000.00 |  | -35,675.00 |  | 3.58% |
|  |  | **02 · Professional Advancement** | 625.00 |  | 103,000.00 |  | -102,375.00 |  | 0.61% |
|  |  | **03 · Annual Meeting** | 0.00 |  | 134,125.00 |  | -134,125.00 |  | 0.0% |
|  |  | **04 · Vendors/Sponsors/Patrons** | 5,254.82 |  | 155,508.00 |  | -150,253.18 |  | 3.38% |
|  |  | **05 · Advertising** | 385.63 |  | 17,000.00 |  | -16,614.37 |  | 2.27% |
|  |  | **07 · Interest Income** | 0.00 |  | 13,500.00 |  | -13,500.00 |  | 0.0% |
|  |  | **08 · Miscellaneous Income** | 120.00 |  |  |  |  |  |  |
|  |  | **09 · Balance Forward** | 0.00 |  | 14,830.00 |  | -14,830.00 |  | 0.0% |
|  | **Total Income** | | 7,710.45 |  | 474,963.00 |  | -467,252.55 |  | 1.62% |
|  | **Expense** | |  |  |  |  |  |  |  |
|  |  | **101 · President** | 0.00 |  | 10,000.00 |  | -10,000.00 |  | 0.0% |
|  |  | **102 · President-Elect** | 0.00 |  | 6,500.00 |  | -6,500.00 |  | 0.0% |
|  |  | **103 · Vice President** | 0.00 |  | 3,000.00 |  | -3,000.00 |  | 0.0% |
|  |  | **104 · Secretary** | 0.00 |  | 4,200.00 |  | -4,200.00 |  | 0.0% |
|  |  | **105 · Treasurer** | 210.78 |  | 7,374.00 |  | -7,163.22 |  | 2.86% |
|  |  | **106 · Past President** | 0.00 |  | 5,858.00 |  | -5,858.00 |  | 0.0% |
|  |  | **201 · Membership/Directory** | 0.00 |  | 6,000.00 |  | -6,000.00 |  | 0.0% |
|  |  | **202 · Electronic Services** | 525.00 |  | 7,200.00 |  | -6,675.00 |  | 7.29% |
|  |  | **203 · Professional Adv** | 4,193.42 |  | 114,500.00 |  | -110,306.58 |  | 3.66% |
|  |  | **204 · Newsletter** | 0.00 |  | 1,800.00 |  | -1,800.00 |  | 0.0% |
|  |  | **205 · Finance and Audit** | 0.00 |  | 2,200.00 |  | -2,200.00 |  | 0.0% |
|  |  | **206 · Annual Meeting Program** | 481.20 |  | 200,000.00 |  | -199,518.80 |  | 0.24% |
|  |  | **207 · Site Selection** | 0.00 |  | 1,500.00 |  | -1,500.00 |  | 0.0% |
|  |  | **208 · Nominations and Elections** | 0.00 |  | 4,000.00 |  | -4,000.00 |  | 0.0% |
|  |  | **210 · Executive Board** | 0.00 |  | 40,231.00 |  | -40,231.00 |  | 0.0% |
|  |  | **211 · President's Contingency** | 0.00 |  | 2,500.00 |  | -2,500.00 |  | 0.0% |
|  |  | **213 · Advance Program Planning** | 0.00 |  | 200.00 |  | -200.00 |  | 0.0% |
|  |  | **214 · Diversity Issues** | 0.00 |  | 7,500.00 |  | -7,500.00 |  | 0.0% |
|  |  | **215 · Prior Administration Bills** | 3,353.83 |  | 7,500.00 |  | -4,146.17 |  | 44.72% |
|  |  | **216 · Legislative Relations** | 0.00 |  | 3,000.00 |  | -3,000.00 |  | 0.0% |
|  |  | **217 · Long Range Planning** | 0.00 |  | 27,500.00 |  | -27,500.00 |  | 0.0% |
|  |  | **218 · Vendor/Sponsor/Patron** | 0.00 |  | 3,000.00 |  | -3,000.00 |  | 0.0% |
|  |  | **219 · Special Projects** | 0.00 |  | 8,900.00 |  | -8,900.00 |  | 0.0% |
|  |  | **221 · Computer Hardware/Software** | 0.00 |  | 500.00 |  | -500.00 |  | 0.0% |
|  | **Total Expense** | | 8,764.23 |  | 474,963.00 |  | -466,198.77 |  | 1.85% |
| **Net Income** | | | **-1,053.78** |  | **0.00** |  | **-1,053.78** |  | **100.0%** |
|  |  |  |  |  |  |  |  |  |  |

**Secretary Sandy Neel’s Report**

SASFAA Board

Greensboro, NC

July 23, 2005

Secretary’s and By-Laws committee Report

With President Gibbs charge to review and update of the Policy and Procedure Manual for the 2005-2006 the By-laws committee will have a very active year. The following people have agreed to serve on the committee with Susan Little providing direction and support.

Ray Tripp, formerly of University of Georgia and currently working with the HOPE Scholarship, Ray has worked on revising and updating the Policy and Procedure Manual in the past.

Dee Talley, University of Alabama at Birmingham is a former SASFAA Secretary.

Cleo Martin, Technical College of the Low Country is a fairly new SASFAA member. She attended the New Aid Officer’s workshop in 2004.

Sandy reminded everyone that the reports should be written in third person, Times New Roman, 10 pitch.

Respectfully submitted,

Sandy Neel

2005-2006 SASFAA Secretary

**ATTACHMENT B**

**STATE PRESIDENTS REPORTS**

**Report from Alabama State President, Buddy Jackson**

Report from Alabama (AASFAA)

Buddy Jackson, President

With the new year comes new faces and great expectations for AASFAA 2005/2006.

The 2005-06 elected officers of the Alabama Association of Student Financial Aid

Administrators, Inc. are:

|  |  |  |
| --- | --- | --- |
| President | Mr. Buddy Jackson | Faulkner University |
| President-Elect | Ms. Jonna Moses | Regions Bank |
| Past President | Dr. Chip Quisenberry | Enterprise-Ozark Community College |
| Vice President | Ben Baker | University of North Alabama |
| Secretary | Donna Bass | Lurlean B. Wallace Community College |
| Treasurer | Charles Markle | Auburn University |
| Treasurer-Elect | Lissa Burleson | Samford University |

In addition to her duties as Treasurer-Elect, Lissa Burleson will also serve as 2005-06 Budget Committee Chair.

To start my year, Chip Quisenberry and I attended the SASFAA Transition meeting

on June 9th-12th in St. Petersburg, Florida. As a representative of AASFAA, I am

extremely proud to be part of the SASFAA’s executive board and look forward to

this upcoming year. Also, it is an honor to be able to work the other eight state presidents.

On June 16-17th AASFAA had its annual transition meeting at The Legends,

Capitol Hill, Prattville, Alabama. Dr. Bill Wall and Dee Talley provided us with an informative training session on the AASFAA By-Laws and Policies and Procedures Manual. In addition to the training session, each elected board member and committee

chair in attendance reported the results of their individual areas of responsibilities.

The location provided us with the perfect atmosphere for the planning session, shared

ideas and relaxation.

AASFAA local arrangement and program committees are making preparations for our Fall 2005 conference, which will be held in Huntsville, Alabama at the Holiday Inn Select on October 12th through the 14th. A major part of this conference is our New Aid

Officer’s Workshop under the leadership of our Vice President, Ben Baker.

Our new membership committee chair, Linda Casey, has already started working on a

means to increase membership and make sure that all current membership information

is accurate. Also, Dr. Bill Wall recommended a number of changes to our Policy

and Procedures Manual and they were approved at the transition meeting. The changes

have already been implemented and the new Policy and Procedures Manual is on

our AASFAA website.

**Report from Florida State President, Ruth Strum**

SASFAA Executive Board Meeting

Greensboro, N.C.

The Sheraton Four Seasons

July 23, 2005

State Report-Florida

The FASFAA Executive Board Retreat was held on Longboat Key, Florida at the The Colony Beach & Tennis Resort on June 22-24, 2005. The Retreat focused on developing ways to motivate members to become more involved in the association, planning training activities that will lead to reviving creativity in our membership as well as re-exciting financial aid directors to participate in association activities.

Tom Sharp from Texas Guarantee presented a team-building session on “Whale Done”…the Power of Positive Relationships. This session was based on the book written by Ken Blanchard which discusses ways to increase one’s effectiveness with managers, team members and teams.

The following goals were set by the Executive Board for 2005-2006.

* To hold a Graduate and Professional Sector one-day symposium before the Fall conference
  + - * To hold a Voc-Tech Sector workshop for one and a half days in January, 2006
      * To become involved in the establishment of Florida’s College-Goal Sunday.
      * To hold a two-day workshop on Leadership Training in March, 2006.
      * To develop a mentoring program as part of Leadership Development. Each committee
      * Chair will identify a person to mentor.
      * To hold a Fall and Spring training workshop in each of Florida’s six regions.
      * To hold a New Aid Officers’ training workshop in January, 2006.
      * To hold a Diversity /Leadership workshop in September, 2005.
      * ( need new paragraph)
      * Other issues discussed were: updating the FASFAA brochure and mission statement., changes to the P&P manual in regards to elections. How to handle elections during catastrophic events, i.e. hurricanes. Changes having to do with the time and place of FASFAA’s election procedure were discussed

Submitted by:

Ruth Strum

FASFAA President

**Report from Georgia State President, Suzanne Pittman**

**SASFAA Executive Board Meeting**

**Greensboro, North Carolina**

**July 23, 2005**

Report of the Georgia Association of Student Financial Aid Administrators

Submitted by: Suzanne Pittman

GASFAA President

The GASFAA Transitional Board Meeting was held June 23-24 in Midtown, Atlanta. Highlights of our meeting included very frank, open discussions about GASFAA’s purpose, how well we have or have not been meeting this purpose, and plans for improvement. Each Officer or Committee Chair tied their area’s goals to our overall purpose. We were also pleased to be able to place every GASFAA member who volunteered on a committee.

GASFAA’s established Goals for 2005-2006 include:

* Develop a GASFAA Leadership Development Program.
* Complete GASFAA’s Strategic Plan, including holding a planning retreat.
* Offer member institutions NASFAA Training at no cost to the schools.
* Conduct a separate workshop aimed specifically for Bursar’s in the area of Cash Management.
* Plan a GASFAA Day with the Georgia Legislature.
* Revise high school counselor training opportunities to reach more individuals.
* Make major enhancements to the GASFAA website to offer more services to our members.
* Establish new financial policies for GASFAA in areas of investments, insurance, and bonding so that we remain secure and solvent.
* Update GASFAA By-Laws to incorporate all aspects of on-line voting.

**Report from Kentucky State President, Shelley Park**

**SASFAA Executive Board Meeting**

**July 22-24, 2005**

**Kentucky Board Report**

The KASFAA Transition Board Meeting was held in May in Northern Kentucky and “Team KASFAA” is headed for a great 2005-2006 season. Chairs have been assigned for the 16 committee positions with members ready to help plan and implement the upcoming year’s activities. The theme is “ Become a KASFAA Team Player” with emphasis on teambuilding and training and being part of the KASFAA Team gives everyone value in helping the organization succeed. A primary goal this year will place emphasis on early awareness programs. KASFAA will explore how to collaborate with elementary and middle schools in Kentucky to reach parents and share information about the importance of early planning and awareness for their student’s education and training beyond high school.

In addition, the 2005-2006 KASFAA Board will help complete the extensive work that was begun last year to update a 2005 policy and procedures manual.

The Executive Board Meeting with new officers and committee chairs was held July 13-14, 2005 at the Louisville Downtown Marriott which is the site for the fall 2005 conference. The fall 2005 conference will be held October 19-21, 2005. At the executive board meeting plans were outlined for the fall conference with the chosen theme as “Stars, Stripes and the KASFAA Spirit”. Sessions are still being planned and we have many excellent speakers presenting such as Harvey Alston and Carl Hurley. KASFAA participants will also be able to participants in a charity bowl a thon for children of service men and women in Iraq.

Fall NASFAA training sites and dates have been determined and the 11 high school counselor training sites and dates have been confirmed for the fall. KASFAA has secured outside funding from different agencies and because of this generosity from our sponsors KASFAA is able to offer all training events free to participants. In addition, plans are proceeding with College Goal Sunday with Kentucky’s date set for Sunday, January 29, 2006 and 18 site locations have confirmed their participation.

KASFAA was recognized at the recent NASFAA conference and presented with a state award (one of five given) for Service to Other Constituencies for the Shaughnessy Task Force. This task force was created by KASFAA to work with Senator Tim Shaughnessy to make recommendations for any needed changes to the Kentucky Educational Excellence Scholarship program. The task force helped to move KEES legislation from the administrative responsibility of the Council on Postsecondary Education to the Kentucky Higher Education Assistance Authority. In addition, the task force helped to change the reporting requirements for student grades and these recommendations were passed by the 2005 Kentucky General Assembly.

This is an example of how our working together can improve our services to the students of Kentucky.

Shelley Park

KASFAA President

Shelley.Park@eku.edu

**Report from Mississippi State President, Soraya Welden**

Mississippi State Report

Soraya Welden, President

The MASFAA transitional board meeting was held on June 27-28, 2005 at the Hilton, County Line Road, in Jackson, MS. After conducting final business from the 2004-05 year, the new board and committee chairs met to transition to new offices. Time was allowed to cover the goals of the past year and projections for 2005-06, to begin the budget formation process with recommendations from outgoing chairpersons and to assign all volunteers to committees.

We have scheduled our first board meeting via conference call for July 29, 2005. Site selection for the 2007 annual conference (and maybe beyond) will be our first priority. Other issues will include:

* Present and approve 2005-06 budget
* Present goals for the 2005-06 year
* Whether to go forward with the on-line newsletter in printable format
* Whether to add a job postings link to the MASFAA website
* Format for sponsorship solicitation

MASFAA will participate in the NASFAA Decentralized Training which will be the focus of our fall training event, typically held in November. No date has been set; however, our training committee is currently in the planning stages for this event. A MASFAA board meeting will be held in conjunction with the fall training event.

**Report from North Carolina State President, Dana Kelly**

SASFAA Executive Board Meeting

Greensboro, NC

The Sheraton Four Seasons

July 23, 2005

State Report – North Carolina

NCASFAA held its annual Transition Retreat June 21 and 21 at the Ashford Suites in Greensboro. The primary focus of the retreat was leadership and goal setting. This meeting also served as a planning meeting for the 05-06 year. The following goals were established for the Executive Board in addition to the fall and Spring Conference:

* To hold a Leadership Symposium that will foster leadership development for NCASFAA as well as the aid profession.
* To provide Support Staff training in three sessions across the state.
* To implement a middle school scholarship that will promote the benefits of higher education.
* To make state conferences meaty enough to entice seasoned professionals as well as beginner and intermediate aid officers to attend.
* To improve the use of the website and make expense vouchers and voting electronic.
* To become active with the State High School Guidance Counselors Association.
* To hold decentralized NASFAA Training in 3 areas across the state.
* To create a Financial Planning Guide.
* To put forth the position of Treasurer-Elect to the membership for a By-Laws Change.

Other issues that were discussed involved the utilization of volunteers. It was determined that all volunteers who completed a volunteer form would be utilized in some fashion or will be notified via email that the committee of their choice was full. Additionally, board members are required to submit articles to the newsletter and to submit Executive Board Reports to the Secretary one week prior to each scheduled meeting.

**Report from South Carolina State President, Nancy Garmroth**

South Carolina State Report

SCASFAA Report to SASFAA

Greensboro, NC

July 22, 2005

The transitional board meeting was held on June 27 and 28 at The Whitney Hotel in Columbia, S.C. In addition to closing business conducted by the 2004-2005 Board, time was allowed for outgoing board members to work with the new, incoming board members.

The theme for the 2005-2006 Board is “*Make A Difference*”, and three goals were outlined: (1) promote and encourage active participation by all members. Create an environment that results in an increase number of volunteers and fosters the development of new leaders and networking, (2) provide for professional development, training and knowledge about financial aid by offering workshops, seminars, meetings and other training opportunities to meet the needs of the membership, and (3) provide for and ensure the future financial stability of the Association through careful and regular planning and evaluation.

Because there are several members on the Board who have never served previously, several areas were covered including a review of parliamentary procedures, the long range plan, policies & procedures, and budget preparation. A new planning calendar was reviewed and is now posted on the website. To promote better communication, a private listserv was established for Board communications. Finally, a new initiative to encourage participation was unveiled and discussed. This initiative involves each Board member having a small list of new members to contact and mentor. To also foster leadership development, new members will be used as Vice-Chairs on the counselor relations, diversity, program, newsletter and vendor/sponsor committees.

President-Elect, Kim Jenerette, will be working on reviewing and combining the P&P with the Treasurer’s manuals. He will also review and compare the P&P to other States’ P&P.

Vice President, Tabatha McAllister, is already working diligently to set up training workshops. New Aid Officers training will be held in September, NASFAA Decentralized training will be held in November and two leadership symposiums will be held, one in January and one in February.

Treasurer, Kim Ellisor, begins her first year as Treasurer and held a budget meeting on July 19, 2005, at the S.C. Student Loan Corporation. She has already spent time with Jeff Dennis, outgoing Treasurer, to ensure that all accounts and records are transferred. A balanced budget will be presented at the next Executive Board meeting for approval prior to release to the membership.

Member-at-Large, Jeff Holliday, is working to send out the membership application and to develop a system to track statistics. He is also working to develop a membership brochure and to make contacts with new, potential members.

Past President, Betty Whalen, is chair of the nominations and elections committee. Because of a tie during the election this year, she and her committee will look at SCASFAA’s procedure for handling run-off elections.

Other Committees: Jeff Dennis is chairing counselor relations and is already preparing for SCASFAA’s *Paying for College Day* to be held in February 2006. Em McNair, diversity chair, held her first meeting on July 20 and has initiated several activities for the upcoming year. Terria Williams, fall program chair, held her first meeting on July 15 and began making plans for the fall conference to be held in Charleston, S.C. on October 10-11.

SCASFAA is proud to have won a NASFAA 2005 State Award for Service to the Financial Aid Profession! Many thanks to Betty Whalen and Ed Miller for their vision and work. Dr. Miller created and coordinates the Peer Support Network.

Finally, approval was given for equipment purchases for the Treasurer. Also, an ad hoc committee will be formed to review giving scholarships to students for educational purposes and/or to members for professional development. NASFAA has also been contacted about SCASFAA’s participation in LearnStudentAid.org.

**Report from Tennessee State President, Forrest Stuart**

SASFAA Tennessee State Report

July 2005 Board Meeting

Forrest M. Stuart

The 2005-06 TASFAA Executive Board Transition Meeting occurred June 6, 7, and 8 at the Montgomery Bell State Park in Dickson, Tennessee. The “guiding theme” for the year stems from a statement made by Dr. Charles H. Diehl, president of Rhodes College:

*Here was the chance of a lifetime; a chance to set the standard of an institution for all time; a chance to go forth unhampered … and to launch an institution which was as nearly ideal for its purpose as painstaking investigation and careful and thorough planning could make it.* ***Realizing that the good is ever the enemy of the best, we did not seek merely the good, but the best.*** *There was ever before us the idea of excellence. It was our purpose to launch here an institution which would endure for centuries, and which would command the respect and quicken the pride of succeeding generations.*

Dr. Charles E. Diehl, President of Rhodes College

December 1925

All district and committee goals are based on TASFAA’s long range plan, and each goal is to be achieved keeping Dr. Diehl’s statement in mind. We can do things for the state that are simply good, or we can do things for the state that are the best. My challenge to the board is always to keep this year’s theme in the forefront of planning.

Mr. Clyde Walker, president-elect of TASFAA, is resigning his position at Vanderbilt University to join Education Finance Partners, Inc. Because TASFAA by-laws do not allow individuals working outside a college or university financial aid office to hold the position of president-elect, the executive board will have to choose someone to replace Mr. Walker.

Pending executive board approval, Tennessee will participate in “College Goal Sunday” in February 2006.

TASFAA finished the 2004-05 year on very sound financial footing. Because of the excellent fiscal management of the previous board, TASFAA will carry-forward $19,406.41 into the 2005-06 year. Our current assets held in CDs are valued at $165,641.60. Considering our liability for future contracts is $78,400. Our 2005-06 operating budget is $189,750.

2005-06 TASFAA Board

# ELECTED OFFICERS

President: Forrest Stuart, Rhodes College

President-Elect: Clyde Walker, Vanderbilt University

Past-President: Joanie Walker, Columbia State Community College

Treasurer: Terri Parchment, EdAmerica

Secretary: Jan Lassiter, EdSouth

District 1: Torrence McKnight, Univ. of Memphis

District 2: Jacky Gullett, First Tennessee

District 3: Melanie Webb, Columbia State Community College

District 4: Allison Snyder, College Loan Corporation (CLC)

District 5: Pat Peace, Pellissippi State Technical Community College

District 6: Magi Arwood, Northeast State Technical Community College

**COMMITTEE CHAIRS:**

Association Governance: Karen Gibson, EdAmerica

Conference: Clyde Walker, Vanderbilt

Diversity: Robbie Snapp, MTSU

Outreach (F.A. Awareness): Jim Shannon, Christian Brothers University

Governmental Relations: Ron Gambill, EdSouth

Membership: Leslie McIntosh, Vanderbilt

Electronic Services: Jonathan Babcock, EdAmerica

Lender/Guarantor: Nancy Beverly, Regions Bank

Leadership Development: Todd Woodlee, NSLP

Nominations: Joanie Walker, Columbia State Community College

Training: Jo Ann Bennett, Rhodes College

Sponsorship: Sandra Rockett, Dyersburg State Community College

Newsletter/Public Relations: Sandy Neel, U.T. Martin

Site Selection/Historian: Karen Hauser, Vanderbilt

**Report from Virginia State President, Brad Barnett**

**SASFAA Executive Board Meeting**

**July 22-24, 2005**

**Virginia Board Report**

The VASFAA Transitional Board Retreat took place from June 6-8th at Graves Mountain Lodge, and we are off to a great start for 2005-06.

The theme for 2005-06 is to “Be a Financial Aid Survivor,” which will be accomplished by focusing on three main objectives. The objectives are Communication, Continuity, and Commitment, or what we have affectionately dubbed the 3 C’s.

I am proud to say that we have committee chairs for all of the 27 VASFAA committees we will have in 2005-06, and only three of those chairs were unable to attend the retreat. That is a great turnout for a transition retreat, and is part of the reason that we are off to such a wonderful beginning. That sort of turnout demonstrates a real “Commitment” by the VASFAA committee chairs.

VASFAA had a year of “firsts” in 2004-05 and the new Board is going to carry over some of those “firsts” as we strive towards meeting our “Continuity” objective. For example, we decided to have another Leadership Symposium in 2005-06 and we have some junior chairs from 2004-05 who are now serving as chairs.

Additionally, the VASFAA standing committees are utilizing standardized goals that were developed by the 2004-05 Strategic Planning Committee and adopted as part of the VASFAA Policy & Procedure Manual. As a result, each standing committee only needs to develop objectives towards meeting those goals, instead of “reinventing the wheel” by creating a new list of goals each year. The standard goals are based on the VASFAA Strategic Plan, which will help ensure each committee is working towards the long range plans of the association. In fact, each goal is directly tied to a specific section of the Strategic Plan.

The Board and committee chairs are working on ways to improve “Communication” within the association. As an example, at the May 2004 conference the 2004-05 Board adopted a new planning and reporting format for committees which will be used in 2005-06. This format will keep each committee’s plans and periodic reports in one document that will streamline reporting and allow the membership to track a particular committee’s work in one place.

The committees are also in the process of developing an in-depth “Committee Description” for each of the VASFAA committees. It is not uncommon for a Board member or committee chair to be asked by a VASFAA member, “what will I do if I volunteer for this committee.” Currently, the only descriptions that exist for committees are in the VASFAA Policy & Procedure Manual, and they are very brief in nature. Without a more detailed description, it can be difficult to explain to someone interested in committee work exactly what that work entails. The descriptions being drafted will address questions like:

* What tasks need to be done?
* How much travel or time out of the office will this require?
* How much time during my regular work day will this take?
* What will this cost my employer (i.e., does VASFAA pay for expenses)?
* Is the committee work done throughout the year, sporadically, or concentrated at one particular time of the year?
* Do I need to attend the conference to be on the committee, or can I simply do things “behind the scenes?”

Lastly, we left the retreat with a balanced budget for 2005-06! This was critical because the vendor/sponsor lottery takes place a few weeks after the retreat. Having a balanced budget this early in the year allows each committee to know what they can afford to do, and gives them time to develop an accurate list of items to be included in the vendor/sponsor lottery process.

Brad Barnett

VASFAA President

[barnetbd@jmu.edu](mailto:barnetbd@jmu.edu)

**ATTACHMENT C**

**COMMITTEE REPORTS**

**Budget and Finance Report, Clark Aldridge**

**SASFAA AUDIT and FINANCE REPORT**

**JULY 23, 2005**

I have recommended the following individuals to serve on the Audit and Finance Committee:

Randy Craig-Collegiate Funding Services, VA

Lester McKenzie-ELM Resources-TN

Chris Tolson-Campbellsville University, KY

Ben Baker-University of North Alabama, AL

Anne Rochester has agreed to file the SASFAA Federal tax return for the upcoming year. Heather has made arrangements to send Anne the information required to file the return.

I have reviewed the SASFAA portfolio with Jim Mills, who has managed our portfolio for a number of years. In that past we have utilized a lattered approach to investing our assets in CDs. Under this concept we have CDs with varied maturity dates. This provides for a more constant revenue stream. However, Jim Mills indicated that currently, there is very little difference in interest rates for CDs at 24 months as opposed 60 months therefore he recommends that in the near term we go with 24 month CDS.

Our next CD comes up for renewal in September.

The final portion of my report concerns the 05-06 SASFAA Budget. I recommend that the Board adopt the attached budget for the 05-06 year.

**Report from Conference Chair Lisanne Masterson**

**SASFAA Board Meeting**

**July 23-24, 2005**

**CONFERENCE COMMITTEE REPORT**

Join us February 12-15, 2006, here at the Sheraton Four Seasons in Greensboro for the 43rd Annual SASFAA Conference – “Financial Aid: Unmasked”! Although the Conference Committee will be meeting this afternoon through Monday morning here at the hotel, preliminary plans have already begun. Our goal is to continue the high quality of interest and general sessions which will enlighten, engage, and energize all of our members, utilize all volunteers, remain fiscally prudent.

I wish to recommend approval of the following members to serve on the 2005-06 Conference Committee:

Alabama Representative Shannon Cross AmSouth Bank Student Lending

Florida Representative Anna Zawisza First Horizon Student Loans

Georgia Representative Deborah Clark Atlanta Technical College

Kentucky Representative Michael Morgan Edamerica

Mississippi Representative Laura Diven-Brown University of Mississippi

North Carolina Representative Rose Mary Stelma East Carolina University

South Carolina Representative Bill Whitlock Central Carolina Technical College

Tennessee Representative Janette Overton Johnson Bible College

Virginia Representative Patricia Kelly College of William & Mary

Hotel Liaison Janet Sain ECPI College of Technology

Local Arrangements Co-Chair Bridget Ellis College Loan Corporation

Local Arrangements Co-Chair Tolly Tollefson University of North Carolina – Greensboro

Lender Liaison Gary Mann SunTrust/Nelnet

Ex-Officio Members

SASFAA President Guy Gibbs Northern Virginia Community College

SASFAA Vice President Tolly Tollefson University of North Carolina – Greensboro

SASFAA Vendor/Sponsor Chair Keith Reeves Clemson University

SASFAA Diversity Chair Cruzie Lucero Northeast State Technical Comm. College

Unfortunately, I have yet to secure a Department of Education representative.

Now that SASFAA is voting electronically, we should discuss the disposition of the SASFAA Ballot Boxes.

Respectfully submitted,

Lisanne Masterson

SASFAA 2006 Conference Chair

**Report from Diversity Chair Crusie Lucero**

**Diversity Committee Report**

**July 23, 2004**

The following SASFAA colleagues have agreed to serve as members of the 2005-2006 Diversity Committee;

AASFAA Dee Talley, University of Alabama

FASFAA Anh Do, St. Thomas University

GASFAA Tess Underwood, NellieMae

KASFAA Anthony Bowles, Fifth Third Bank

MASFAA Marilyn James, Mississippi State University-Meridian

NCASFAA Cynthia Grant, University of North Carolina, Wilmington

SCASFAA Jeffrey Dennis, Southern Wesleyan University

TASFAA

VASFAA Elizabeth “Liza” Bruce, Educational Credit Management Corporation

The following issues were assigned to the Diversity Committee and will be considered in 2005-2006.

* Review our definition of “diversity.” It needs to be more global, have a broader perspective and should promote awareness among the membership and outside audiences on issues relevant to our culturally diverse financial aid administrators and student populations.
* Look at different ways to lead the membership in understanding that diversity is not only a racial issue but encompasses a myriad of other possibilities.
* Seek avenues for the association to examine old ideas but be open to new ideas and the definition of diversity in today’s world. The association must be willing to promote equal benefits and representation of all groups of people from all types of schools and provide accessibility for the involvement of all our members.
* Consider diversity from the standpoint of not only dealing with our peers but also in learning how to deal with the diversity of the student bodies that we assist as financial aid administrators.
* Work as an ad-hoc member of the conference committee to ensure that there is a valance in the type of sessions selected that deal with the issues of diversity. Ensure that diversity is considered when recommending /developing sessions but that this topic does not dominate the agenda.

The following goals and objectives are proposed for the Diversity Committee for 2005-2006:

**Goal 1: Ensure that committees be of sufficient size and number and represent the diversity of**

**the membership to accomplish the goals of the Association and to develop future leadership while being fiscally responsible.**

**In Response to:** SASFAA’s Mission Statement, Professional Development, Finance

**Expected Outcome(s**): Have a committee with members willing to work together to promote awareness of diversity among the membership and outside audiences on issues relevant to our culturally diverse financial aid administrators and student populations as well as to develop future leaders.

**Strategies:**

1. Appoint committee members, to the extent possible, who represent diversity from SASFAA’s nine states; including gender, ethnicity and sector.
2. Select an appropriate mix of new and returning members for the committee to assure the continuity of committee business and future leadership.
3. Consider alternatives to on-site meetings whenever possible to keep costs at a reasonable level; conference calls, electronic mail, and arranging meetings in conjunction with other meetings where committee members would normally be in attendance.

**Goal 2: Promote and encourage active participation by all members in activities of the Association**.

**In Response to:** Communication and Collaboration

**Expected Outcome(s**): Have members understand that diversity is not just a racial issue; that it is much more global.

**Strategies:**

1. Look at different ways to lead the membership in understanding that diversity is not only a racial

issue but encompasses a myriad of other possibilities

2. Seek avenues for the association to examine old ideas but be open to new ideas and the

definition of diversity in today’s world.

3. Plan activities that will promote and encourage active participation by all members.

**Goal 3: Disseminate information to enhance communication among members in a timely and cost efficient manner.**

**In Response to: Communication and Collaboration**

**Expected Outcome(s):** Provide timely information useful to all sectors of our membership.

**Strategies:**

1. Prepare reports on the activities of the Diversity Committee to publish in the newsletter.

**Goal 4: Provide for the professional growth and competencies of members by offering workshops, seminars, meetings and other training opportunities to meet the needs of the membership.**

**In Response to: Professional Development**

**Expected Outcome(s):** Provide a wide variety of Diversity Sessions at the conference that will meet the needs of our members.

**Strategies:**

1. Present programs and sessions possessing both vitality and relevance for all members.
2. Provide a diversity of topics recognizing both the need for skills in management, human and cultural relations.
3. Plan a Multicultural Leadership Symposium at the conference to promote leadership.

**Report from Electronic Service Chair Erik Melis**

**To:** SASFAA Executive Board

**From:** Erik R. O. Melis, Chair, SASFAA Electronic Services Committee

**Date:** July 13, 2005

**Subj:** Electronic Services Committee Report for July 2005 Board Meeting

The following updates have been made to the web site, through coordination with ATAC and other SASFAA committees and board members, since the June board report:

(1) SASFAA President’s Welcome letter update submitted to ATAC and updated on web.

(2) Membership Welcome letter update submitted to ATAC and updated on web.

(3) Submitted 2005-2006 Vendor/Sponsor information to ATAC. Not yet updated on web.

(4) Submitted updates for Executive Board and Committee Chair listings and photos to ATAC and updated on web.

(5) Submitted updates to state pages to ATAC. Not yet updated on web.

(6) Late banner ad submitted to ATAC for “First Aid for Financial Aid Administrators” and updated on web.

(7) 2004-2005 GAP report submitted to ATAC and posted to web.

(8) Submitted updated versions Miscellaneous Expense Form and Travel Expense Form and Travel Guidelines to ATAC and updated on web including updates to Treasurer information.

(9) Worked with ATAC to have new e-mail address created, [treasurer@sasfaa.org](mailto:treasurer@sasfaa.org), which has been mapped to treasurer’s generic e-mail address.

(10) New interactive Travel Expense Form developed in conjunction with Treasurer and Lender Liaison. Submitted to ATAC for posting. Not updated on the web yet.

The following web-related projects are planned, are in progress or will be continued by the 2005-2006 Electronic Services Committee.:

(1) Electronic Services committee will work closely with Board Special Appointee to review the functionality of the new SASFAA web site in order to recommend P&P changes

.

(2) Electronic Services committee will evaluate the current web layout and navigation and determine possible enhancements that should be made to facilitate easier access to information on the web.

(3) Electronic Services committee will work to finalize proposal for disposition processes for obsolete/non-working electronic equipment within SASFAA

The following items related to SASFAA Listserv maintenance are continuing for 2005-2006:

(1) Electronic Services committee will work with ATAC to determine feasibility of having all members being able to receive listserv messages but only having current, paid members being able to post to the listserv. This will be reviewed in order to make a recommendation to the board.

Throughout the course of the upcoming year, the Electronic Services Committee will continue to work with the elected Board, State Presidents, and Committee Chairs to get input on improvements and updates for the SASFAA web site and to determine ways that the Electronic Services Committee can assist in meting goals and objectives.

**Report from Legislative Chair Bill Spiers**

**SASFAA Executive Board Meeting**

**Sheraton Four Seasons**

**Greensboro, North Carolina**

**July 22-24, 2005**

**Legislative Committee Report**

**Committee**

The members of the Legislative Committee have been established and are ready to being working during an important year. I think we have an outstanding committee ready to work and stay on top of reauthorization and legislative issues.

**Goals**

Goals for the Legislative Committee have been submitted, and if approved, we will be carried out during the course of the year. The Legislative Committee will have a conference call early in August to make committee assignments and begin reviewing current trends in legislation. One of our goals is to provide the membership with monthly legislative updates, with FLASH emails as is appropriate. FLASH emails are items that require the membership to act quickly and need immediate attention.

**Legislative News**

The NASFAA Board, meeting in New York, reaffirmed their reauthorization positions, opposed the STAR bill and opposed school as lender. The later is very controversial for many member institutions who participate in the program.

The House Committee on Education and Workforce’s Subcommittee on 21st Century Competitiveness approved an amended version of HR 609, The College Access and Opportunity Act of 2005, on July 14. This is the reauthorization bill.

While not legislative in nature, an interesting publication titled *Private Scholarships Count: Access to Higher Education and the Critical Role of the Private Sector* can be found at [www.ihep.org](http://www.ihep.org/). With nominal funds available for increases in Federal grant aid, it is imperative for us to focus on other opportunities available to our students and how those opportunities can be enhanced.

**Report from Membership Chair Juanita Russell**

**Membership Committee Report**

Juanita M. Russell, Chair

The time is now to renew your SASFAA membership for 2005-2006 or join for the first time. The Membership Committee will be working diligently to increase membership by sending out the president’s letter no later than July 31, 2005 to solicit membership dues. As of July 21, 2005, a total of 51 members have paid membership dues. One hundred forty (140) members have paid dues to attend the 2005 SASFAA Summer New Aid Officers Workshop.

Membership has plans to send letters to all institutions in the SASFAA region to solicit membership. NASFAA was contacted concerning mailing labels. Labels of institutions for the SASFAA region are available for a cost of $95.00. Membership will continue to look at other cost effective ways to produce mailing labels.

As required, proposed committee members were selected from each state. State presidents submitted names, telephone numbers and email addresses of their state membership chair. All nine state members were contacted and invited to serve SASFAA as a member of the membership committee. Kentucky and Mississippi state membership chairs declined; however, a volunteer from each of those states graciously accepted to serve SASFAA as a member of the membership committee. The proposed committee members are listed below:

Proposed 2005-06 SASFAA Membership Committee members:

|  |  |  |
| --- | --- | --- |
| Amy Berrier | UNC at Greensboro | NCASFAA |
| Leslie McIntosh | Vanderbilt University | TASFAA |
| Cassandra Brown | Alcorn State University | MASFAA |
| Tammy Taylor | Berea College | KASFAA |
| Gina Repak | Georgia Institute of Technology | GASFAA |
| Jeff Holliday | Anderson College | SCASFAA |
| Linda Casey | Nelnet | AASFAA |
| Peggy Myers | University of Florida | FASFAA |
| Michael Poma | SunTrust | VASFAA |

**Let’s Have a Great Year and Promote SASFAA Membership!**

**Report from Newsletter Editor April Kendrick**

**July Board Report from Newsletter Editor, April Kendrick**

*SASFAA Policy and Procedure Manual, Newsletter, Section 8.1.1*

Section 8.1.1 states, “The primary purpose of the newsletter is to disseminate information that may be of interest to the financial aid community. Generally the newsletter shall be published in October, December, April and June. Each newsletter shall include news of interest to student aid administrators including professional development information and events pertaining to aid administrators in the SASFAA region.”

**\*2005-2006 Proposed Newsletter Committee Members are:**

* Anthony Richey - Auburn University at Montgomery (AL)
* Carmen Afghani-Nelnet (FL)
* Jon-Paul Keenan- Next Student Loans (GA)
* Garry Jones**-** East MS Community College (MS)
* Cynthia Grant- University of North Carolina Wilmington (NC)
* Katie Harrison- University of South Carolina (SC)
* Sandy Neel- University of Tennessee Martin (TN)
* Gary Spoales - Bank of America (VA)

*\*Proposed Committee Members are currently State Newsletter Editors for 05-06.\**

**Each newsletter shall contain:**

* a calendar of training and development activities in the region provided by state associations, the SASFAA vice president, the U.S. Department of Education, guarantors and state agencies
* board meeting highlights
* message from the president
* treasurer’s report
* committee reports
* state reports

**Quarterly Newsletter Deadlines:**

* **October-** September 10th
* **December-** November 10th
* **April-** March 10th
* **June**- May 10th

\*All submissions should be provided to the Newsletter Editor. Articles are to be submitted to April D. Kendrick, Bluegrass Community and Technical College. The e-mail address is [April.Kendrick@kctcs.edu](mailto:April.Kendrick@kctcs.edu)

Telephone number 859-257-4872 ext. 4235, fax number 859-257-6274. Materials should be sent as a Word attachment, New Times Roman font, 10 pitch, and third person. Questions should be addressed to the Editor.

**Report from Site Selection Chair Ron Gambill**

**SASFAA Executive Board Report**

**Site Selection**

**July 23, 2005**

The Site Selection Chair has contacted Soraya Welden, President of MASFAA, regarding Mississippi being the host state for the 2009 SASFAA Conference. President Welden provided a verbal approval and suggested that Jackie Boone and Brenda Paganelli work with the SASFAA Site Selection Chair. General hotel facility needs have been provided to Jackie and Brenda as they will be making site visits for MASFAA next week. They will inform the Chair of potential hotels that have the potential to host the SASFAA Conference.

Currently, three additional meetings are being worked for the Long Range Planning Committee, the Conference Committee and the Long Range Planning Retreat. The location is the Hilton Hotel in Charlotte, NC. The dates being held are as follows:

September 17-19, 2005 Long Range Planning Committee

October 7-9, 2005 Conference Committee

November 10-12, 2005 Long Range Planning Retreat

Submitted by Ron Gambill

**Report from Vendor/Sponsor Chair Keith Reeves**

SASFAA Executive Board Meeting

July 23, 2005 – Greensboro, NC

Report from Sponsorship, Keith Reeves, Chair

Sponsorship for this joint meeting of the Executive Board and the Conference Committee include the following:

Hospitality – National Education

Friday Dinner – EdAmerica/EdSouth

Saturday Breakfast – Regions Bank

Saturday Morning Break – SunTrust

Saturday Lunch – Wachovia

Saturday Afternoon Break – Nellie Mae

Saturday Dinner – Citibank

Sunday Breakfast – Regions Bank

Sunday Morning Break – SunTrust

Sunday Lunch – Education Finance Partners

Sunday Afternoon Break – Nellie Mae

Sunday Dinner – College Foundation, Inc.

Monday Breakfast – Regions Bank

Budget Goal

The 2005-06 budget goal for sponsorship, including advertising, is $157,000, which represents a slight increase over 2004-05 (assuming that no changes are made in the budget presented for approval at the July Board meeting). Conference sponsorship in Atlanta was exceptionally high compared to the previous year in Birmingham. Due to the ”draw” of Atlanta, it is felt that support received for the Birmingham conference may be more reflective of anticipated support in Greensboro.

Sponsorship Solicitation

Updates for the web form soliciting support have been forwarded to Erik Melis for posting by ATAC. It is anticipated that this will be active by August 1.

Note to Board

All Committee Chairs are reminded that all requests for support for various meetings should be made through the Sponsorship Chair in order for the sponsors to receive proper credit.

Proposed Committee Members

Dewey Knight – University of Mississippi

Jackie Bell – USA Funds

**Report from Special Appointee Susan Little**

July 24, 2005

To: SASFAA Board

From: Susan Little, Special Projects

Subject: Work since June

Two projects with which I will be involved, reviews of the By-Laws and Policy and Procedures Manual and the Financial Management Guide, are chaired by our secretary and treasurer. We have corresponded about the committee members to involve and I will look to Sandy’s and Heather’s lead for the meeting times. I will serve in an active role on those committees to assist them accomplishing those tasks.

Proposed names have been submitted for the committees which will work on two other projects, consideration of SASFAA beginning a Foundation and a review and report on the status of our paper and electronic archives.

The most recent GAP report has been reviewed to insure that all areas listed in the report are included in the work of the four committees listed above.

After the survey of the archived materials has been completed, an appeal will be made to all SASFAA members to submit copies of missing minutes, newsletter and annual conference copies which will be added to the archives.

**Report from Long Range Planning Chair Carol Mowbray**

SASFAA Board of Directors Meeting

Greensboro, NC

Long Range Planning Committee Report

**The Long Range Planning Committee has carried out the following activities since the June 2005 Transition meeting, St. Pete Beach, Florida.**

* **Distributed the membership survey results to the 2004-05 and 2005-06 Board of Directors and committee chair.**
* Contacted the Hilton Hotel, Charlotte, NC to negotiate and hold the dates for the SASFAA Retreat scheduled for November 11-12, 2005 with an arrival on November 10. Ron Gambill is currently reviewing the contract.
* Contacted a professional facilitator, Tara Telfair, The Leadership Development Center, University of Virginia, Charlottesville, VA to participate in the Retreat. She is holding the dates.
* Coordinated the invitation of Retreat participants.
* Committee membership has been recommended.
* Committee 2005-2006 goals have been submitted.

**ATTACHMENT D**

**LIAISON REPORTS**

**Report from Agency Liaison Mike Hawkes**

Agency Liaison Report

July 22, 2005

Reauthorization is far from being a certainty in 2005, yet the prospects are probably better now than earlier in the year. The House Committee on Education and the Workforce’s Subcommittee on 21st Century Competitiveness has marked up H.R. 609, with the full Committee mark up the next step.

The Subcommittee mark up includes three items of particular interest to guaranty agencies:

1. Beginning July 1, 2006 guarantors would be required to deduct a 1% federal default fee from loan proceeds for deposit into the Federal Reserve Fund. This replaces the guarantee fee. Guarantors operating under a Voluntary Flexible Agreement would be subject to this requirement.
2. Guarantors must establish procedures to limit the collection of defaulted loans through Consolidation.
3. Guarantors would be required to take an active role in early awareness and access activities, something many already do on a voluntary basis.

The Senate is expected to craft its own version of a reauthorization bill. At this point, a comprehensive Senate reauthorization bill has not been introduced.

National Association of State Student Grant and Aid Programs (NASSGAP)

NASSGAP is dedicated to the promotion of high standards in the administration and operations of state student grant and aid programs. As an association of states and U.S. territories, we stand united to promote postsecondary educational opportunities. Our biannual conferences focus on issues and trends in student financial aid, with relevant issues this past June on the annual federal budget, the reauthorization of the Higher Education Act, the simplification of the federal financial aid delivery system, and the design of the FAFSA application.

NASSGAP's annual survey report is the most comprehensive look at state-sponsored aid of all kinds: grants, scholarships, loan forgiveness, tuition waivers, etc. The most recent report (2003-04 academic year) showed that states provided 7.3 billion dollars of aid,an increase of 7 percent from 2002-03. Of the $6.2 billion in grant aid, 74percent was need-based*,* up slightly from the previous year.

NASSGAP continues to work with the Advisory Committee on Student Financial Aid and the U.S. Department of Education on issues of simplification and ways to close the gap for need based students. Because we have recently established a Washington DC office, we have been able to work closely with other higher education associations and with the Congress, in particular, Senators Jack Reed (D-RI) and Mike Enzi (R-WY), and Congressmen Ralph Regula (R-OH) and Rahm Emanuel (D-IL), to ensure that the federal government continues its commitment to the partnership with the states in providing access to higher education for low-income students.

Submitted by: Theresa Antworth, NASSGAP President

National Council of Higher Education Loan Programs (NCHELP)

The National Council of Higher Education Loan Programs (NCHELP) represents a nationwide network of guaranty agencies, secondary markets, loan servicers, collectors, schools and others involved in the administration of the Federal Family Education Loan Program (FFELP).

Just down the street the U.S. House Education and the Workforce Committee is currently marking up its major Reauthorization bill, the College Access & Opportunity Act (H.R. 609). The reauthorization process is a lengthy one and few could have predicted the changes we would face as a nation since the whole thing began a few years back. The nation has changed forever through the tragic events of September 11, 2001, the wars on terrorism and in Iraq, a recession, and federal budget deficits.

What hasn’t changed over this period is the increasing desire of the American public to pursue postsecondary education and training. Not just for their personal benefit, but also for the “public good.” And that is where financial aid administrators and the Federal Family Education Loan Program (FFELP) community comes in – by providing the financial and administrative support to make these educational dreams a reality. Over this period, annual borrowing levels under the FFELP increased from $22.5 billion to $39.3 billion, with more than five million borrowers receiving support.

Lenders have provided unprecedented borrower benefits under the FFELP and established creative non-federal loan programs to meet the needs of students who were not eligible for federal loans, required funds in excess of federal loan levels or were pursuing academic programs targeted to meet national or local shortages.

As student debt levels substantially increased, default rates reached all time lows. While borrowers took their repayment obligations seriously, the counseling provided by financial aid administrators, guarantors, lenders and collection agencies in large part led to a record-low 5.2% percent default rate for FY2002, the last year published, and a decline from 6.9% four years earlier.

Over the next few years, the nation is expected to have its largest secondary school graduating classes and in the collegiate sector, enrollments are expected to reach record numbers between 2009 and 2011. The pressure on federal and state budgets will assist in increasing tuition and fees and limit the availability of grants and scholarships – therefore creating a greater dependence on student loans.

While the demand for student loans will grow, the programs under the Higher Education Act have become more political. Not only has the advocacy gone beyond students and families into school and student loan groups but politics has entered the fray. The focus of these efforts has been for all groups to portray themselves as sole the advocates of students – when in fact we all represent students. The discussions about federal student aid policy have somewhat been replaced with two other words that begin with the same first letter – politics and posturing. This vying for attention has created a condition that plays into larger political circles and could partly be responsible for the HEA not being reauthorized during the traditional timeframe – thus resulting in two extensions.

In the time lost, the economic climate has worsened and the promise last year of a $5 billion contingency for Reauthorization has turned into a budget reconciliation instruction of between $12-13 billion for the programs under the jurisdiction of our House and Senate authorizing committees.

One of the challenges in this process has been to act bipartisan in a partisan world and to ensure that we have a seat at every table where student aid is being discussed while at the same time continuing to foster cooperation between the associations that represent students, schools and the higher education loan community. We must change an age-old saying of “agree to disagree” with “agree to agree.”

It appears there will be more challenges than opportunities as this lengthy reauthorization process continues. NCHELP is committed to acting as honest brokers and working alongside our financial aid colleagues on behalf of the millions of students out there ready to enroll.

Submitted by: Brett E. Lief, President

**Alabama**

No reports received.

**Florida**

Florida Office of Student Financial Assistance, State Scholarship and Grant Programs

* Legislative Issues:

1. Governor Approved Financial Aid Budget for 05-06:

* 12.9% overall increase to financial aid programs from $466.6 million to $527 million
* The merit program, Florida Bright Futures Scholarships, also increased by 12.9%
* Comprehensively our need based programs increased by 8.4%
* Both tuition assistance programs received increases for a total of 19.5%

1. Bills Passed into law during the 2005 Legislative Session that affected student financial aid included:

* Advanced International Certificate of Education (AICE) high school courses and diploma recognized in the evaluation of the Florida Bright Futures merit scholarship programs.
* Community College Board of Trustees authorized to establish fees for capital improvement, technology enhancements, and equipping student buildings not to exceed $2 per credit hour per academic year for residents.
* Clarification on lines of authority for the Florida Board of Governors and the Florida Legislature, the latter to establish the state university system tuition and fees as well as policy on merit/need financial aid issues.
* Modified five year residency requirements for the children of qualifying veterans to be aligned with other financial aid one year residency requirements.

Submitted by: Theresa Antworth, Director of Scholarship and Grant Programs

# Florida Office of Student Financial Assistance, Federal Family Education Loan Programs

* “Navigating Your Financial Future” is a comprehensive program for default prevention and debt management offered by the Florida Department of Education, Office of Student Financial Assistance. The program is designed to educate and equip borrowers with the information and resources necessary to prevent student loan defaults and reduce delinquency. OSFA is committed to making every effort to ensure student borrowers have the skills, knowledge and information to make informed decisions on how to honor their student loan obligations and successfully manage their debt. Please visit our website at [www.navigatingyourfinancialfuture.org](http://www.navigatingyourfinancialfuture.org/) for more information.
* **OSFA is pleased to announce the completion and roll-out of a new web-enabled front end. Institutions can now submit loan applications online via the Web and receive a guarantee decision in a matter of seconds in real-time. Additionally, schools now have web-based access to view detailed borrower information. All information can be accessed via the user's web browser with no software to download or install.**

Submitted by: Reitha Scott, Policy Manager

**Georgia**

No report received.

**Kentucky**

Kentucky Higher Education Assistance Authority

Student Aid

Disbursements

In FY 2005, the Kentucky Higher Education Assistance Authority (KHEAA) disbursed over $164 million to nearly 121,000 students.

Kentucky’s Affordable Prepaid Tuition (KAPT)

KAPT disbursed $623,000 on behalf of 124 beneficiaries during FY 2005 (the program’s first full year of benefits usage).

Kentucky Education Savings Plan Trust (KESPT)

In FY 2005, KESPT demonstrated solid account growth with 1,363 new accounts opened. This represents a slight increase over FY 2004. The program fund balance grew to $65.3 million, representing a $13 million increase over FY 2004. Qualified disbursements totaled $1.2 million, a $200,000 increase over FY 2004.

#### Kentucky Lottery Proceeds

For the first time, 100 percent of net proceeds from the Kentucky Lottery Corporation this fiscal year will go directly to college grant and scholarship programs, excluding $3 million for adult and child literacy programs.

Loan Services

Guarantee Volume

KHEAA guarantee volume, including consolidation loans, increased 25.5 percent in FY 2005 to $1.2 billion. When consolidations are excluded, the increase is 25.8 percent or $1.0 billion. This is the first time in KHEAA’s history that the agency has reached $1 billion in guarantees.

Outreach

GoHigherKY.org

GoHigherKY.org, a central point of contact for all information about postsecondary education in Kentucky, has received almost 8 million hits, and nearly 8,000 students have created accounts since being brought online in June 2004. Students will soon be able to apply online for admission to the school of their choice.

Additional components of GHK in development include the transcript exchange process to electronically send transcripts along with admissions applications and the Individual Learning Plan to track academic progress throughout high school.

2004 Outreach Report

KHEAA’s Outreach Report for FY2004 has been published and is available at <http://www.kheaa.com/serv_reports.html>.

Submitted by: Crystal Dempsey-Gillum, Information Officer

**Mississippi**

USA Funds, designated guarantor for Mississippi

USA Funds grant aids GEAR UP Mississippi

A $50,000 grant from USA Funds® is helping GEAR UP Mississippi in its work to promote preparation for, pursuit of and access to higher education for middle- and high-school students in the state. Additionally, USA Funds is funding $22,400 in future college scholarships through GEAR UP Mississippi’s Reach Higher program.

GEAR UP Mississippi targets a group of students attending schools throughout the state with high populations of low-income pupils. The program operates as part of the Mississippi Institutions of Higher Learning in collaboration with the Mississippi Department of Education, State Board for Community and Junior Colleges, and community partners.

Mississippi high-school students named USA Funds Scholars

Ten graduating seniors from Mississippi received scholarships totaling $15,000 through the USA Funds Scholars program. Each of the USA Funds Scholars received $1,500 one-time scholarships for postsecondary studies.

USA Funds awards the scholarships to seniors from high schools in Mississippi and the other seven states where USA Funds is the designated guarantor of federal education loans, and in the communities in which USA Funds has offices.

The USA Funds Scholars program complements USA Funds’ multimillion-dollar scholarship program. USA Funds will announce the recipients of the 2005-2006 USA Funds Access to Education Scholarships® later this summer.

Submitted by: Louanne Langston, Account Executive, USA Funds Services

Vicky Keller, Customer-relations Manager, USA Funds

**North Carolina**

North Carolina State Education Assistance Authority

The NC State Education Assistance Authority via College Foundation administered grants in excess of $60,000,000 for 92,672 students during the 2004-05 academic year, a 30% increase in funding over the prior academic year. A more comprehensive report will follow in November after the final numbers are finalized.

College Foundation of North Carolina ([www.CFNC.org](http://www.cfnc.org/)) continues to attract high numbers of students using the services provided. Over 860,000 user accounts have been established to date and year end figures indicate that the 2004-05 year is set new records for new accounts and students using the online application feature. Currently, 115 colleges and universities accept the electronic admissions application from CFNC.

The NC General Assembly is still in session and has extended a the initial continuing budget resolution until the first week of August as the two chambers work to find a compromise budget that both the House and Senate can agree upon. The Senate version of the budget contains a lottery to fund K-12 activities which was not included in the House version. The House of Representatives, however, passed a lottery bill which would be used in part to fund scholarships for needy students. The differences in the lottery are one of the issues that must be resolved before a budget can be passed.

Finally, during the 2004-05 academic year, 812 school counselors and financial aid administrators attended training sessions conducted by NCSEAA on availability and administration of state financial aid programs for students.

Submitted by: Elizabeth McDuffie, Director, Grants, Training and Outreach

**South Carolina**

South Carolina Tuition Grants Commission

The SC Tuition Grants Commission submitted its 2005-2006 state budget request last fall requesting an increase of $10.9 million to bring the award amount of all eligible applicants to a program-wide maximum grant of $3,100. A minimum increase of $1.5 million was requested to fund year #6 of the conversion to a program-wide maximum grant of $2,200 at all 20 participating colleges. A request was also made to renew the $4 million Lottery funds received by the SC Tuition Grants Program in 2004-2005 and to include again in 2005-2006 the proviso that exempts the SC Tuition Grants Program from mid-year budget reductions.

The Governor’s recommendation for funding of the SC Tuition Grants Program in 2005-2006

level-funded the base funding of the SC Tuition Grants Program at $19.3 million, made a small reduction to the Administration budget ($2,008), and recommended $4 million Lottery Funds to the SC Tuition Grants Program. Both the House and the Senate made budget recommendations similar to that of the Governor.

In 2004-2005, the SC Tuition Grants Program received 18.3% of the funds going to the SC Commission on Higher Education (CHE) Need-based Grants Program through two sources:

1. Children’s Endowment Fund ($2.159 million to SCTG) and,
2. State Lottery funds ($1.9 million to SCTG).

In the final 2005-2006 State Budget, the Lottery Funds going to the CHE Need-based Grants Program were increased by $807,666. As a result of this increase in Lottery Funds, the SC Tuition Grants Program will net an increase of $147,803 to the SC Tuition Grants Program through the 18.3% calculation.

**In summary, the total funding increase to the SC Tuition Grants Program for the 2005-2006 fiscal year is $147,803. The proviso exempting the SC Tuition Grants Program from mid-year reductions is also included.**

**Although State Lottery Funds by law must be re-allocated each year by the SC General Assembly, the SCTG Commission decided in January, 2005, to commit the $4 million lottery funds to eligible students up front in 2005-2006 thereby allowing the maximum grant at all 20 colleges to be increased to $2,600.**

**Submitted by: Edward M. Shannon, Executive Director**

South Carolina Student Loan Corporation, designated guarantor for South Carolina

The South Carolina Student Loan Corporation is continuing its efforts to make higher education accessible and affordable to all. The following are some of the activities that we are involved with and which might be of interest to the Board.

* The South Carolina College and Career Planning System provides a wealth of college and career planning tools, from skill, interest, and work-value assessments, to help in choosing the right career and college. This system is provided to middle and high schools as well as technical colleges across the state and the SC Student Loan Corporation is a major sponsor.
* The SC High School Guidance Counselor Internship Program, a collaborative effort between this agency and SCASFAA, employed nine high school guidance counselors at nine SC colleges this summer. This program builds relationships between guidance counselors and colleges while at the same time expanding the counselor’s knowledge of the financial aid programs and how they are actually administered on a college campus.
* We have provided ‘Money Management’ seminars to college freshmen at several schools as well as to students in Upward Bound, one of the TRIO programs.
* Entrance Counseling assistance will be available to SC schools as the Fall semester begins.
* Helping student borrowers lock in low, fixed interest rates through Consolidation has been a major task that has helped a tremendous number of borrowers potentially save large sums of money. The entire FFELP lending community pulled together to make this possible and should be commended for their successful efforts.

Submitted by: Chuck Sanders, Executive Vice President

**Tennessee**

No report received.

**Virginia**

State Council of Higher Education for Virginia (SCHEV)

Virginia financial aid has received further increases to student need-based aid. The increases are roughly helping needy students keep up with rising education costs but the real issue involves the newest efforts at restructuring with increased institutional autonomy. With increased autonomy comes the increased ability to raise tuition/fees at higher rates but the institutions have also been charged with making sure that they do not leave behind low and middle-income students. In their six-year plans, the institutions must provide a plan for maintaining access, including increases in student financial aid. The potential for higher costs has also created interest in the completion of an affordability study in Virginia. Representatives from state, institutions, and private organizations have begun discussions to create an Access Network in Virginia to increase and improve access services in Virginia.

Submitted by: Lee Andes, Assistant Director for Financial Aid

Educational Credit Management Corporation (ECMC), designated guarantor for Virginia

Again in 2005, ECMC has partnered with SCHEV and VASFAA to produce “Opportunities – Virginia Guide to Education After High School.” This 48-page booklet highlights all of the financial aid programs funded by the Commonwealth of Virginia. It explains what types of financial aid are available and the eligibility requirements for federal and state programs. It also includes information about applying for financial aid and provides a timeline for what students and families should be doing to successfully navigate the financial aid process.

ECMC is also actively involved in the creation of the Commonwealth College Access Network. This organization, currently in organization, will provide support for existing college access programs and nurture new programs in underserved areas of Virginia.

The ECMC Foundation recently awarded grants to the first ECMC Scholars. Ninety-nine of the 100 Virginia high school students chosen in 2003 for the ECMC Scholars Program have graduated as ECMC Scholars. This honor represents dedication and hard work on the part of each student in their pursuit of higher education and includes a scholarship award of $4,000 to be used for their first year at a college or university. Each ECMC Scholar is eligible for an additional $2,000 by attending a second year of higher education in fall 2006. Allowable uses for this scholarship are the same as for Pell Grants.

Two years ago, ECMC Foundation partnered with the Virginia Department of Education to select 10 schools from throughout the Commonwealth of Virginia, according to financial, need-based criteria. Each high school formed its own ECMC Scholars Program committee, which included guidance counselors, teachers, and other high school educators. These committees chose the students they felt would most benefit from additional mentoring and involvement in a special scholarship program and whose past grades and test scores may not have indicated their true potential.

Fully funded for three years, ECMC Scholars Program is envisioned as a five-year program, providing up to $3 million in scholarships to Virginia students, contingent on future funding availability. ECMC Scholars will attend schools in several states including Virginia, North Carolina, Tennessee and Florida.

Submitted by: Mike Hawkes, Director, Policy & Communications

**Report from Lender Liaison Paul Mittelhammer**

Lender Liaison Report

Submitted by Paul Mittelhammer

Now that the 91-day Treasury Bill auction of May 31, 2005 is completed the interest rates for Federal Stafford, Federal PLUS and Federal Consolidation Interest rates for the period of July 1, 2005- June 30, 2006 are set announced to the schools, students and parents.

Stafford Interest rates

In school, grace and deferment periods 4.70% (91-day T-Bill + 1.70%)

In repayment 5.30% (91-day T-Bill + 2.30%)

PLUS Interest rate 6.20% (91-day T-Bill + 3.10%)

Consolidation Loan

The interest rate is the weighted average of the interest rates on the loans being consolidated, rounded to the nearest higher 1/8th of one percent. The interest rate may not exceed the maximum rate.

Recent announcements from the Department of Education and the House Education and the Workforce Committee Chairman John Boehner have called for Congress to end a provision that enabled lenders to claim excessive special allowance payments for student loans. “ The Secretary and Chairman Boehner called for a prospective end to the practice known as recycling, which allows lenders to use the income from loans that receive 9.5 percent subsidy to then make new loans that also receive the benefit of 9.5 percent subsidy. At the time the provision was created, access to loans was an issue for student loan borrowers; however, today the market is highly competitive and the 9.5 percent floor on special allowances is no longer necessary to ensure access for students.”

House committee has started the markup process of HR 609. Here is a summary of student loan provisions and the proposed changes:

Guaranty Fee- The bill requires that guaranty agencies collect and deposit in their Federal reserve funds a 1.0 percent fee (a federal default fee), obtained by deduction from the loan proceeds, for loans first disbursed on or after July 1, 2006. Further the bill prohibits the Secretary of Education from waiving this requirement as part of a Voluntary Flexible Agreement.

Origination Fees – The bill accelerates the reduction of the up front fees in FFEL and Direct Loan Programs. Fees under the two programs fall in tandem, with FFEL origination fees 1.0 percent below direct loan fees. Taking into account the mandatory 1.0 percent federal default fee, total fees under the two programs are the same at any point in time. FFEL origination fees are phased out altogether, and direct loan fees are reduced to 1.0 percent, for loans first disbursed on or after July 1, 2010.

For loans made on or after July 1, 2006, the Secretary is prohibited from waiving any of the origination fee as a repayment incentive for direct loans and from providing any such incentive before the borrower enters repayment.

Consolidation – The bill changes the requirements for reconsolidation to permit a borrower to receive a direct consolidation loan for the purpose of refinancing a consolidation loan (FFEL or Direct), provided the borrower agrees to repay the loan under an income contingent repayment plan. Revises the current requirements to provide that the Secretary must offer a Direct Consolidation Loan to a FFEL borrower if a FFEL lender denies the applicant’s consolidation loan application or denies an application for such a loan with income sensitive repayment terms (under current law, a FFEL borrower’s opportunity to consolidate in the Direct Loan Program is broader, also covering situations where the borrower cannot get a FFEL consolidation “acceptable to the borrower”). The bill eliminates the ability of borrowers to consolidate their loans while they are still in school.

Special Allowance payments – Bill eliminates the payments for loans made or purchased after October 1, 2005.

Teacher loan forgiveness – The Bill extends eligibility for loan forgiveness to private school teachers who demonstrate that they are highly qualified by passing competency tests.

Consolidation of Defaulted Loans – The bill requires guaranty agencies to establish procedures to preclude consolidation from becoming an excessive proportion of their recoveries. Beginning October 1, 2006, the bill limits collection costs on these loans to 18.5 percent and requires that 8.5 percent be remitted to the Secretary. Beginning October 1, 2009, it requires remitting the full amount of collection costs for loans paid off with “excess consolidation proceeds” – those that exceed 45 percent of an agency’s total collections on defaulted loans.