

SASF AA Board Meeting
Adams Mark Hotel
Jacksonville, Florida
August 3, 2002

CALL TO ORDER

President Karen Koonce called the meeting to order at 8:48 AM in Terrace 10 at the Adams Mark Hotel.

WELCOME

President Koonce welcomed Edd Cole from the U.S. Department of Education.

SUBSTITUTE VOTING AND CHANGES TO THE AGENDA

No substitute voting.

Changes to the agenda included: Conference Chair's report moved to immediately precede the State Presidents' reports; location of lunch was moved from Terrace 10 to Terrace 8; tour of hotel was added to the agenda for 2:00 p.m. Also, the following absences were noted: Dewey Knight, Mississippi State President; Erik Melis, Electronic Services Chair, and Ken Player, Agency Liaison.

INTRODUCTIONS

The following elected board members were present: Karen Koonce, President; Ellen Green, Vice President; Ron Day, President-Elect; Clark Aldridge, Past President; Dee Talley, Secretary; and Sonja McMullen, Treasurer.

State presidents in attendance were: Mike Reynolds, Alabama; Leonard Gude, Florida; Julia Perrault, Georgia; Nancy Melton, Kentucky; Rosemary Stelma, North Carolina; Anita Kaminer-Elliott, South Carolina; Cara Suhr, Tennessee; Barry Simmons, Virginia.

Committee chairs in attendance were: Jane McNaughton, Finance and Audit; Janet Sain, Conference; Deborah Clark, Diversity; Karen Fooks, Legislative Relations; Maureen McFarlane, Membership; Sandra Neel, Newsletter Editor; Ron Gambill, Site Selection; Alan Whittington, Vendor and Sponsor.

Liaisons present were: Karen Gibson, Lender Liaison, Greg Martin, U. S. Department of Education

APPROVAL OF THE MINUTES

ACTION: Ellen Green moved to accept the minutes of the June 7, 2002 board meeting held at the Don Cesar Beach Resort and Spa, St. Petersburg, Florida. The motion, seconded by Clark Aldridge, was approved.

REPORTS FROM THE OFFICERS

SEE ATTACHMENT A

Report from the Treasurer, Sonja McMullen

ACTION: Sonja McMullen moved that the following budget transfers for 01-02 be made: \$50 to account 219, and \$320 to account 213 for a total of \$370. These funds are to be moved from account 211. The motion, seconded by Barry Simmons, was approved.

Report from Conference Committee, Janet Sain, Chair

SEE ATTACHMENT B

REPORTS FROM THE STATE PRESIDENTS

SEE ATTACHMENT D

The board was recessed at 10:18 A.M.

The board meeting resumed at 10:28 A.M.

COMMITTEE REPORTS

SEE ATTACHMENT B

Report from Finance and Audit, Jane McNaughton, Chair

Discussion was open for mileage reimbursement, per diem and payment of state president-elect's rooms while attending SASFAA's transitional board meeting.

President Koonce stated that SASFAA's per diem is more in line with the other regions than she had originally thought. The meals and transportation will cost more depending on which region or state one may be in for a meeting. It is felt that SASFAA should have an exception to the current per diem policy whereby the President would grant approval if the per diem were exceeded. Also, some concern was expressed about SASFAA taking out a group carte blanche; it was felt that there should be a limit on how much is spent for each individual's meal.

ACTION: Barry Simmons moved that the SASFAA President, Karen Koonce; SASFAA President-elect Ron Day, and SASFAA Finance and Audit Chair, Jane McNaughton develop an exception to the current per diem policy and make a recommendation to the board at the next board meeting. The motion, seconded by Ellen Green, was approved.

Discussion was open for the possibility of SASFAA paying for the states' President-elects to attend SASFAA's transitional meeting. It was felt that the states President-elects are invited to attend this meeting by SASFAA; therefore, SASFAA should pay their room expenses. However, it was pointed out that SASFAA's transitional meeting is not an "official" meeting for the states President-elects; their year will not start until July 1. Any time an individual is attending a SASFAA board meeting in an official capacity, SASFAA should be responsible for their room costs. The question was asked as to why the board is at the Don Cesar for 3 nights for a 1 ½ day meeting. It was brought out that the concept behind this meeting was so that all the outgoing committee chairs and officers could submit their end of the year reports and make suggestions for the next year's officers and committee chairs to follow. However, with the advent of technology, many of these activities are handled prior to the transitional meeting. Also, the 3 nights are due to everyone staying over Saturday night in order to get lower plane fares. The board was cautioned that contracts for the Don Cesar are in place for the next three years; therefore, we would not want to shorten the meeting since we are committed to the same timeframe for the next three years. There is a great deal of "down" time during the transitional meeting, and it is felt that the attendees should be engaged in some sort of business activity the majority of the time they are at the meeting. A suggestion was made to develop a plan to utilize the "down" time by changing the structure and/or content of the meeting.

ACTION: Barry Simmons moved that SASFAA pay room expenses for the nine states President-elects to attend the SASFAA transitional meeting at the Don Cesar. Rosemary Stelma seconded the motion.

Discussion continued and it was noted that SASFAA is in good financial condition because of being frugal and keeping their expenses low. Economic conditions are not the best and SASFAA may see a reduction in conference attendance. SASFAA and the states should share expenses for attendance at the transitional meeting, or limit who attends the meeting. It was mentioned that the states President-elects attend the President-elect meeting held at SASFAA's annual conference; however, some states do not pay for their President-elect to attend the SASFAA conference. This meeting is planned at the annual conference because it was assumed that the states' President-elects would be attending the conference. Mississippi will not be having a fall conference, which will reflect on the state's resources next year.

ACTION: Anita Kaminer-Elliott called the question. The motion was restated and voted on. The motion passed.

It was decided that President Koonce and President-elect Ron Day would work on re-structuring the schedule for the transitional board meeting at the Don.

The board recessed for lunch at 12:21 P.M.

The board reconvened at 1:25 P.M.

ACTION: Ellen Green moved that the 2002-2003 budget presented by Finance and Audit Chair Jane McNaughton be accepted. The motion, seconded by Barry Simmons, was approved.

COMMITTEE REPORTS CONTINUED – SEE ATTACHMENT B

The board recessed at 2:04 P.M. for a tour of the Adams Mark Hotel.

The board reconvened at 2:54 P.M.

COMMITTEE REPORTS CONTINUED – SEE ATTACHMENT B

Report from the Vendor/Sponsor Committee, Alan Whittington, Chair

Discussion was open about the possibility of increasing sponsorship levels. The question as to whether or not SASFAA is pleased with the current level of sponsorship was addressed. If SASFAA is pleased, there is no need to increase the sponsorship levels. The committee needs to look at how many people are above the minimum level and decide if they are getting the recognition they deserve. It is a concern that recognition is only given to the vendors and sponsors that contribute to the conference, and not to those that make contributions throughout the year. It is felt that there is a need to develop a system that recognizes contributions from vendors and sponsors throughout the year and not just conference contributions. It was suggested that President Koonce could send a letter to all vendors and sponsors thanking them for their support and place this letter on SASFAA's listserve.

ACTION: Ellen Green moved that Vendor/Sponsor Chair, Alan Whittington, develop a specific plan for recognizing vendors and sponsors at the end of the year for their in-kind support and contributions throughout the year. The motion, seconded by Barry Simmons, was approved.

Discussion followed about the need to convert back to the old advertising costs for the membership directory and newsletter advertising. However, it was decided that this issue would be discussed in new business.

A suggestion was made to work on the on-line membership directory so that one can print a list of members from his/her specific state.

Business Resource Networks (BRN) was discussed. Many were opposed to putting marketing sessions at the same time as professional development activities. The consensus was that BRN sessions should not be offered at the same time as professional development and/or interest sessions, although they did not necessarily have to be offered as a pre-conference activity. President Koonce will talk with Conference Chair, Janet Sain and ask that BRN sessions not be scheduled during professional development and interest sessions. It was suggested that these sessions could be held on Sunday afternoon, or in the late evening after all other sessions have ended for the day.

REPORTS FROM LIAISONS

SEE ATTACHMENT C

OLD BUSINESS

SASF AA is still seeking information about liability insurance, fiduciary insurance and protection for its assets. Forms are available to be reviewed by President Koonce.

President Koonce announced that changes and additions to SASF AA's operational calendar should be e-mailed to Secretary Dee Talley.

Some discussion was generated about the contents of SASF AA's archives. There is a question as to whether Susan Little has any SASF AA items to be archived. President Koonce will contact Susan about this issue. Vice President Ellen Green only received three boxes from the agency archiving SASF AA's records, Pickett and Hatcher.

Decentralized training was discussed and it was noted that only three SASF AA states participated in the training during the 2001-2002 year. Those states were Kentucky, Georgia and Mississippi.

ACTION: Clark Aldridge moved that SASF AA discontinue decentralized training for 2002-2003 and forward. The motion, seconded by Nancy Melton, was approved.

NEW BUSINESS

ACTION: Ron Day moved that SASF AA partner with SWASF AA during the 2002-2003 year to conduct the mid-level training for advanced financial aid administrators. Ellen Green seconded the motion.

ACTION: The motion was amended by Clark Aldridge to have SASF AA sponsor the mid-level training if SWASF AA opts not to do it for 2002-2003. Ellen Green seconded the amendment to the motion.

Discussion ensued on the issue of SASF AA partnering with SWASF AA to conduct mid-level training. SASF AA should know by the end of August whether SWASF AA would provide the training for 2002-2003. Therefore, SASF AA set a deadline of September 1 to decide which region will sponsor the workshop. It was noted that the expenses for this training is nominal. The question was discussed as to whether or not SWASF AA would be allowed to participate if they opt not to sponsor the training. It was suggested that if SWASF AA does not sponsor the training, they could be charged an inter-regional fee to participate. If SWASF AA opts not to participate, the event will be a SASF AA event.

ACTION: The motion was voted on and approved.

ACTION: Ron Day moved that SASF AA host the Management Institute for 2003. Clark Aldridge seconded the motion.

The issue of having a management institute was discussed, and it was suggested that SASF AA send out a mass e-mail to its members asking if they would be interested in attending a management institute.

ACTION: Ron Day withdrew the motion to have SASF AA host the Management Institute in 2003.

It was decided that President-elect Ron Day would talk with Dave Cecil about the content of the institute and determine what type of management activities NASF AA may be offering for 2003.

Ad charges for the paper copy of the newsletter as compared to the electronic version were discussed.

ACTION: Clark Aldridge moved that the charge for a full-page ad for one edition of the newsletter be \$400, and three editions be \$1080. The charge for a half page ad for one edition of the newsletter should be \$250, and three editions should be \$650. The charge for a quarter page ad for one edition should be \$150, and three editions should be \$400. For the first edition, if just the logo is used, the charge should be \$250. The motion was seconded by Ron Day.

A brief discussion was generated about the vendors and sponsors being here to support SASF AA. It was believed that they would have no problem with these charges.

ACTION: The motion was voted on and approved.

It was decided that the membership directory issue should be postponed and discussed at the next board meeting. Membership Chair, Maureen McFarlane; Finance and Audit Chair, Jane McNaughton and SASFAA Treasurer, Sonja McMullen will discuss and report to the board.

Membership Chair, Maureen McFarlane, will contact Electronic Services Chair, Erik Melis, to make changes to the on-line membership directory so that members can print a list of SASFAA members from their specific states.

President Koonce expressed her appreciation for all the hard work done by everyone on the board for 2002-2003 thus far.

ACTION: Barry Simmons moved to adjourn. The motion, seconded by Ellen Green, was approved. The meeting adjourned at 5:08 P.M.

Respectfully Submitted,

Dee Talley, SASFAA Secretary

ATTACHMENT A – OFFICERS REPORTS

Report from the President, Karen Koonce

The NASFAA Board meeting preceded the NASFAA conference in New Orleans. The afternoon before the board meeting Karen was able to attend an orientation meeting for incoming NASFAA Board members, conducted by Charlie Bruce, the incoming NASFAA Chair, and other NASFAA staff.

She was an observer for the next two days of the Board meeting. Kay Jacks and Jeff Baker from the Department of Education gave the board an update. A couple of the major points were that the provision which allows schools to disburse funds without the 30 day delay if their default rate is under 10% will expire on September 30. They seemed confident that there would be an extension while a decision is being made as to how to fund the program. There is also a new IRS match coming up that will check FAFSA filers with 0 income. It will create a 'C' code for the 03-04 academic year. You will hear much more from our federal relations chair about reauthorization and other issues.

Karen has read over the GAP (Governance and Planning) committee report and recommendations. Fortunately, she had already incorporated many of the recommendations in to her committee charges before receiving the report. She plans to look at any other recommendations that seem feasible during this year.

During the first board meeting, and in the months ahead, she hopes we can work on the committee and board charges that she gave the board at the transitional meeting. Karen would also like to complete the update of the operational calendar in the near future, as she believes this to be a useful tool.

We will need to discuss holding the Management Institute in December of 2003. Ron Day will want to begin the program planning for this in the near future.

Please make sure that you utilize the list of volunteers you were given for your committees. That is one of the ways we can bring new leadership into our association.

Report from the President-Elect, Ron Day

Ron Day has begun the process of identifying individuals who will serve on the 2003-2004 SASFAA board. This process will utilize the input from the state presidents and others including past and current board members, i.e., Clark Aldridge, Karen Koonce, Karen Fooks, etc.

The 2004 SASFAA annual conference chair will be Zita Barree. She has excellent experience -- having served on the conference committee numerous times. She has also served VASFAA as president.

Ron served SASFAA in 2001-2002 as Vice President. He reported the following:

NAOW (New Aid Officers Workshop) was a great success. We had 110 registrants (down because of budget constraints and travel restrictions). He provided the Finance and Audit Chair and the Vice President information related to expenses for the workshop(s). This report detailed expenses for all aspects of the workshop. Ron also included a compilation of the evaluations received from the registrants.

The Mid-Level workshop was equally a great success. We had _____ registrants. The low number was actually conducive to more one-on-one interaction. The evaluations were excellent. Ron proposed to the elected board that SASFAA host the workshop again -- maybe each year.

Report from the Vice-President, Ellen Green

As incoming vice-president, there is not really a lot to report due to the prior New Aid Officer Workshop being part of the prior year's information. However, both the NAOW and the Mid-Level Workshops were extremely successful as reported by Ron Day for prior year.

We have learned that Milsap College will not host the 2002 NAOW and that Furman has agreed to hold the week open for us. To date, we do not have any other offers, but will contact some other schools to see about possible workshop sites.

The state presidents were asked again to send their nominations for the six new instructors for the coming year. A few have replied.

Lisanne Masterson has agreed to be curriculum co-ordinator for the 2002 NAOW. Pending information from SWAFAA, we will determine the co-ordinator (s) and/or instructors for the Mid-Level Workshop.

Report from the Past President, Clark Aldridge

Plans are under way to develop a slate of candidates for the following SASFAA offices to be voted on at the 2003 Annual Meeting:

President-Elect

Vice President

Treasurer

The Nominations and Elections Committee, consisting of the state immediate past presidents, will meet Oct. 12-13 at the Adams Mark in Jacksonville, FL.

Each of the committee members have been encouraged to publicize the call for nominations.

Report from the Secretary, Dee Talley

The SASFAA Policy and Procedures manual was completed on July 2, 2002 by former SASFAA Secretary Guy Gibbs and his committee. Copies were e-mailed to the elected board and to Erik Melis, Electronic Services Chair. Erik will archive the old P&P manual and post the updated manual on the SASFAA website. An appropriate cover will need to be designed for the manual and Dee will be working on that in the near future. She would welcome suggestions from the board about a cover design.

Changes to the bylaws were approved by the membership at the 2002 annual conference held in Louisville, Kentucky. The updated bylaws have been submitted to Erik to be posted to the SASFAA website.

Board members, who have not already done so, should e-mail their board reports to Dee upon their return to their respective offices. The written report will be included in the minutes.

Dee thanked everyone for all the support and cooperation she received in planning the first board meeting. She stated that she hoped everyone had received their room preferences for the number of nights they needed. She said she would welcome any comments or suggestions to improve the process.

Report from the Treasurer, Sonja McMullen

SOUTHERN ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.							
JULY 2001 THROUGH JUNE 2002							
		Jul '01 - Jun '02	Budget	\$ Over Budget	% of Budget		
Income							
01 - Membership Dues		30,720.00	26,250.00	4,470.00	117.00%		
02 - Professional Advancement		86,050.00	143,000.00	-56,950.00	60.20%		
03 - Annual Meeting		105,575.00	116,550.00	-10,975.00	90.60%		
04 - Vendors/Sponsors/Patrons		118,185.23	82,000.00	36,185.23	14.10%		
05 - Advertising		14,950.00	22,000.00	-7,050.00	68.00%		
07 - Interest Income		17,584.57	19,000.00	-1,415.43	92.60%		
08 - Miscellaneous Income		633.54	500.00	133.54	126.70%		
Total Income		373,698.34	409,300.00	-35,601.66	91.30%		
Expense							
101 - President		3,324.83	3,900.00	-575.17	85.30%		
102 - President -Elect		6,676.92	6,700.00	-23.08	99.70%		
103 - Vice President		4,557.17	5,000.00	-442.83	91.10%		
104 - Secretary		4,586.76	5,000.00	-413.24	91.70%		
105 - Treasurer		3,011.58	3,200.00	-188.42	94.10%		
106 - Past President		9,834.67	10,450.00	-615.33	94.10%		
201 - Membership/Directory		3,521.95	4,500.00	-978.05	78.30%		
202 - Electronic Services		1,945.74	4,000.00	-2,054.26	48.60%		
203 - Professional Advancement		102,637.29	144,000.00	-41,362.71	71.30%		
204 - Newsletter		6,582.03	7,500.00	-917.97	87.80%		
205 - Finance and Audit		2,476.24	4,400.00	-1,923.26	56.30%		
206 - Annual Meeting Program		150,698.94	156,900.00	-6,201.06	96.00%		
207 - Site Selection		1,119.62	1,400.00	-280.38	80.00%		
210 - Executive Board		22,999.87	28,000.00	-5,000.13	82.10%		
211 - President's Contingency		891.03	3,130.00	-2,238.97	28.50%		
212 - Archives/Research		1,387.09	1,800.00	-412.91	77.10%		
213 - Advance Program Planning		2,165.93	2,170.00	-4.07	99.80%		
214 - Diversity Issues		4,083.44	4,150.00	-66.56	98.40%		
215 - Prior Administration Bills		158.00	500.00	-342.00	31.60%		
216 - Legislative Relations		1,705.16	2,300.00	-594.84	74.10%		
218 - Vendor/Sponsor/Patron		2,837.90	4,000.00	-1,162.10	70.90%		
219 - Special Projects		2,048.68	2,050.00	-1.32	99.90%		
221 - Computer Hardware/Software		2,100.73	4,250.00	-2,149.27	49.40%		
6999 - Uncategorized Expenses		0	0	0	0		
Total Expense		341,352.07	409,300.00	-67,947.93	83.40%		
Net Income		32,346.27	0	32,346.27	100.00%		

SOUTHERN ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, INC.

JULY 2002

	JUL '02	BUDGET	\$ OVER BUDGET	% of BUDGET
Income				
01 - Membership Dues	850.00	30,000.00	-29,150.00	2.80%
02 - Professional Advancement	2,075.00	78,000.00	-75,925.00	2.70%
03 - Annual Meeting	0	136,900.00	-136,900.00	0
04 - Vendors/Sponsors/Patrons	700.00	115,000.00	-114,300.00	0.60%
05 - Advertising	0	15,000.00	-15,000.00	0
07 - Interest Income	549.60	16,000.00	-15,450.40	3.40%
08 - Miscellaneous Income	0	500.00	-500.00	0
Total Income	4,174.60	391,400.00	-387,225.40	1.10%
Expense				
101 - President	314.95	5,500.00	-5,185.05	5.70%
102 - President -Elect	0	6,500.00	-6,500.00	0
103 - Vice President	0	4,000.00	-4,000.00	0
104 - Secretary	189.58	4,000.00	-3,810.42	4.70%
105 - Treasurer	6.00	4,000.00	-3,994.00	0.20%
106 - Past President	0	12,600.00	-12,600.00	0
201 - Membership/Directory	0	5,500.00	-5,500.00	0
202 - Electronic Services	0	3,300.00	-3,300.00	0
203 - Professional Advancement	0	97,000.00	-97,000.00	0
204 - Newsletter	0	4,500.00	-4,500.00	0
205 - Finance and Audit	0	4,400.00	-4,400.00	0
206 - Annual Meeting Program	363.00	185,000.00	-184,637.00	0.20%
207 - Site Selection	0	1,500.00	-1,500.00	0
210 - Executive Board	286.28	30,000.00	-29,713.72	1.00%
211 - President's Contingency	0	3,500.00	-3,500.00	0
212 - Archives/Research	0	800.00	-800.00	0
213 - Advance Program Planning	0	1,500.00	-1,500.00	0
214 - Diversity Issues	0	4,800.00	-4,800.00	0
215 - Prior Administration Bills	0	500.00	-500.00	0
216 - Legislative Relations	0	5,200.00	-5,200.00	0
218 - Vendor/Sponsor/Patron	0	4,000.00	-4,000.00	0
219 - Special Projects	0	2,000.00	-2,000.00	0
221 - Computer Hardware/Software	-100.00	1,300.00	-1,400.00	-7.70%
6999 - Uncategorized Expenses				
Total Expense	1,059.81	391,400.00	-390,340.19	0.30%
Net Income	3,114.79	0	3,114.79	100.00%

ATTACHMENT B – COMMITTEE REPORTS

Report from Audit and Finance, Jane McNaughton, Chair

Jane reported that she and SASFAA Treasurer Sonja McMullen attended the Financial Management Issues for State and Regional Associations workshop at the recent NASFAA Conference in New Orleans.

Jane reported that she and SASFAA Treasurer Sonja McMullen are working on closing out the 2001-2002 fiscal year and at that time Jane would work to begin the filing of SASFAA's required 990 which is due by November 15, 2002. Jane will contact Anne Rochester, CPA with edamerica services in Knoxville, Tennessee, to file the form for SASFAA as Anne has been doing for the past several years. Jane will also begin the process of the Financial Audit for 2001-2002 and will report on that at the November board meeting. Jane is planning on conducting a first quarter audit (July 1, 2002-September 30, 2002) to make sure that recommendations from the FY 2000-2001 Audit have been implemented and are being followed. Jane reported that she had contacted several people about serving on SASFAA's audit and finance committee. Terri Parchment with edsouth and former TASFAA treasurer has agreed to serve on the committee. Buddy Jackson, former Alabama association treasurer, and Chris Tolson, former Kentucky association treasurer have also agreed to serve on the committee.

Jane reported that she had been in contact with a representative from Nova Merchant Services which processes credit card payments for vendors. Jane contacted Ron Anderson, FASFAA Treasurer, and Michael Campbell, Staff Accountant for NASFAA and was referred by both individuals to Nova. She reported that the discussion with the individual at Nova who works with associational accounts indicated that there is little difference between credit card processing costs among different banking institutions. Jane plans on presenting a proposal to the Board at the November meeting.

Jane reported that SASFAA's Florida tax exempt certificate expired in December 2001 and the application for a new certificate has been submitted. Without any unexpected delays, the new certification should be in place by August 15, 2002.

Jane submitted copies of the current investments and equipment listing for the Board's review. Jane reported that one certificate of deposit that matured on June 26, 2002 was not moved to the SunTrust Investment Account and therefore was automatically reinvested for two years. Jane has been in contact with Jim Mills, SASFAA's investment advisor at SunTrust Bank, and Jim suggested that Jane determine the penalty for withdrawing the certificate of deposit early, report that information to him and then Jim would make a determination based on current interest rates if a new investment could recoup the penalty amount plus earn more interest for SASFAA.

Jane reported that the results of the survey of other regional associations (EASFAA, MASFAA, SWASFAA, RMASFAA and WASFAA) have been compiled and reported to the Board for discussion and any action. The questions asked of the other associations were:

1. Mileage reimbursement amount
2. Per diem amounts
3. Does the regional association hold a transitional board meeting and, if so, does the regional association pay for the president-elects' room costs?

Jane submitted a copy of the proposed 2002-2003 budget to the Board for discussion and review. The major change to the proposed budget from the transitional meeting discussion was in the area of professional advancement due to the lower than expected mid-level workshop attendance and subsequent lower income and expense.

Report from Conference Committee, Janet Sain, Chair

The Conference Committee met on August 3-5, 2002 at the Adam's Mark Hotel and Resort site of the 2003 Annual Conference. The theme of this year's conference reflects our celebrating the 40th anniversary of SASFAA past, present and future. There will be many activities in connection with the anniversary including a Red Ruby Ball for our Tuesday evening Banquet and Dance. So everyone should be ready to dress in their finery!

The committee sent out a call for sessions in round one and they received 16 responses. Those sessions were all carried over to round two which has a deadline of September 30th. They also sent out an email polling the membership to see if a pre-

conference trip to a Florida attraction would be worth planning. The deadline for that response is also September 30th. The choices were Disney World, Sea World and Universal Studios.

The committee discussed the topics of registration, exhibits, meals, transportation, general session speakers, new aid officer training, president elect training, receptions, leisure activities, receptions, off site possibilities, AV needs, the hotel itself, interest sessions, pre-conference early awareness possibility, welcome speaker, local high school and/or college talents, and many other items. We are well underway to making 2003 the best conference ever!

Committee Members are as follows: Denise Wendle, Co-Chair Local Arrangements and Florida rep, Don Rhoads, Co-Chair Local Arrangements, David Bartnicki, DOE rep and GA rep, Earl Mayo, SC rep, Lisanna Masterson, NC rep, Zita Barree, VA rep and 2004 Conference Chair, Lori Dial, KY rep, Tom Dannelley, TN rep, Dorenda Adams, AL rep, and Bruce Crain, MS rep. We also have Alan Whittington, Vendor rep, Sonja McMullen, SASFAA Treasurer, Ellen Green, SASFAA VP and Lester McKenzie, Conference Web Master as ex-officio's on the committee."

Report from Diversity Committee, Deborah Clark, Chair

The following SASFAA colleagues have agreed to serve as members of the 2002-2003 SASFAA Diversity Committee:

Liza Bruce, ECME
Kathleen Caldwell, Albany State College, *unconfirmed*
Tim Freeman, Hampton Roads School of Hair Tech
Mike O'Grady, Bank of America

Letters are being mailed to the following State Diversity Chairs asking that they serve as ex-officio members of the Diversity Committee.

Alabama: (Mike Reynolds)
Florida: Michelle Burks
Georgia: (Julia Perreault)
Kentucky: Anthony Bowles
Mississippi: Lyvonne Berry
North Carolina: Jill Powell
South Carolina: Sandra Gibson
Tennessee: Mary Knaff
Virginia: Debra Johnson

Tentative Goals for fiscal year 2003 include the following:

- Educate and encourage the membership about **Diversity** and diversity issues related to our profession. Promote an understanding and an individual acceptance of diversity by focusing on these aspects:
 - Recognize and appreciate the value and power of our differences;
 - Realize that sensitivity should be exercised in the administration of financial aid for our diverse populations; and
 - Diversity: Much More than Black and White
- Plan for an exciting speaker, session, roundtable, or dinner discussion for the Conference.
 - Develop a theme for the discussion
 - Use a survey to determine the format of the discussion
- Develop a project and submit a proposal for a Lumina Grant
 - Meet to discuss possible projects, create a timetable, assign duties
 - Contact colleagues to solicit ideas or assistance

Report from Legislative Relations, Karen Fooks, Chair

APPROPRIATIONS

FY 02 Supplemental Appropriations

On July 21, Congress approved H.R. 4775, a supplemental appropriations bill that includes \$1 billion additional funds in Pell Grant to help offset the current shortfall of \$1.26 billion. The supplemental Pell Grant appropriation will keep a \$4,000 maximum Pell Grant for 02-03. Most of the other appropriations in the bill are to meet the President's requests for homeland security funding. The \$28.9 billion bill now goes to the President, who is expected to sign it.

FY 03 Budget

The Senate Labor, HHS, Education appropriations committee approved a FY 03 \$133.9 billion Labor-Health and Human Services-Education Appropriations bill on July 18 providing a \$4.2 billion increase for education over the FY 02 funding levels. Pell Grants received an increase of \$866 million but because of the remaining shortfall, this provides for an increase of only \$100 in the maximum grant award, making the maximum \$4100 per year. The President's budget proposed no increase in the maximum award.

Other key higher education programs covered by the Senate Labor-HHS-Education Appropriations bill:

SEOG: Level fund at \$725 million

FWS: Level fund at \$1.011 billion

Perkins FCC: Level fund at \$100 million

Perkins cancellations: \$5 million increase to \$72.5 million

LEAP: \$5.5 million increase to \$72.5 million

TRIO: \$30 million increase to \$832.5 million

GEAR UP: \$10 million increase to \$295 million.

Corporation for National and Community Service: \$52 million increase to \$381 million.

The House, which has authorized significantly less, has scheduled an appropriations subcommittee markup for Sept. 5 but is considering holding a post-election lame duck session, so that education cuts will not affect the fall elections.

The Student Aid Alliance partnership of higher education associations are asking for a \$500 increase in the Pell Grant maximum, \$150 million increase each in SEOG and FWS, and a \$40 million increase in Perkins FCC.

LEGISLATION

H.R. 4866 Higher Education Technical Amendments of 2002 Rep. McKeon is "Fed Up"

Although the bill was considered non-controversial, partisan political disagreements caused Rep. McKeon's HR 4866 "Fed Up Higher Education Technical Amendments of 2002" bill to go down to defeat on July 16. Democrats were upset that the Republicans used procedural tactics to bring the bill directly to the floor without allowing the Democrats to offer amendments.

The bill would have changed Return of Title IV provisions to protect 50% of the Pell from student repayment, clarified that home school students were eligible for Title IV aid without a GED or taking an ability to benefit test, and would have eliminated the requirement that Stafford Loan forbearance agreements be in writing. Provisions to extend the Stafford loan waivers for 30-day delayed disbursement and multiple disbursements in a single term were two of the amendments Democrats had hoped to add but were prevented. The Republicans cited cost (\$10 million) and no offsets as part of the reason. Rep. McKeon blamed the aid community for its lukewarm support as part of the reason for the defeat of the bill.

It is unknown at this time if the bill will be re-introduced later on this session.

H.R. 5189

Description: Would make permanent the educational assistance provisions of the Economic Growth and Tax Relief Act of 2001.

Status: Introduced July 23 and referred to the House Ways and Means Committee

H.R. 5133 Teacher Recruitment Act of 2002

Description: Would expand the eligibility of individuals to qualify for loan forgiveness for teachers in economically depressed rural areas, territories and Indian reservations.

Status: Introduced July 16 and referred to the House Education and Workforce Committee. No further action.

H.R. 5854 Citizen Service Act of 2002

Description: Reauthorizes several community service programs including Americorps. Does not provide for any change in the amount of Federal Work Study that must be used for community service jobs but it does provide incentives for higher education institutions to increase community service participation by students.

Status: Introduced May 24 and referred to the Select Education Committee. No further action.

S. 2650/ H.R. 3273 Consolidation Student Loan Flexibility Act

Description: Introduced by Sen. Mary Landrieu (D-LA). Would amend the Higher Education Act to allow student loan borrowers their choice of lender for loan consolidation.

Status: Introduced June 20 and referred to the Health, Education, Labor and Pensions. The House companion bill was introduced by Ralph Regula (R-OH) and referred to the House Education and Workforce Committee on November 9 and to the Subcommittee on 21st Century Competitiveness on March 11. No further action.

H.R. 4732 Student Loan Interest Deduction

Description: Introduced by Rep. David Wu (D-OR). Would repeal the dollar limitation on the student loan income tax deduction.

Status: Referred to the House education committee on May 14. No further action.

H.R. 4639 Eliminating Termination Date for Single Disbursement & 30-Day Delay Waiver Authority

Description: Introduced by Rep. David Wu (D-OR). Would extend the 30-day delayed disbursement and multiple disbursements in a single term waivers for schools with low Stafford Loan default rates.

Status: Referred to the House education committee on May 1 and to the Subcommittee on 21st Century Competitiveness on July 10. No further action.

H.R. 5091 Canceling Loans to Allow School Systems to Attract Classroom Teachers (CLASS ACT)

Description: Introduced by Representative Lindsey Graham (R-SC). Would increase loan forgiveness from \$5,000 to \$17,500 for math, science and special education teachers, provided they teach for at least five years in a low-income school.

Status: Referred to the House Committee on Education and Workforce on July 11. No further action.

H.R. 786 Drug Conviction Penalty Repeal

Description: Introduced by Barney Frank (D-MA). This bill would repeal the provisions in the Higher Education Act that prohibit students convicted of drug offenses from receiving federal financial aid.

Status: Introduced February 28 and referred to the Committee on Education and Workforce and to the Subcommittee on 21st Century Competitiveness on April 20. No further action.

H.R. 3785 Math and Science Teacher Recruitment Act

Description: Introduced by Representative Richard Baker (R-LA). Would increase loan forgiveness to \$20,000 for math and science teachers who teach in high need schools.

Status: Referred to the House education committee Feb. 26 and to the Subcommittee on 21st Century Competitiveness on May 9. No further action.

H.R. 3777 Responsible Student Financial Assistance Assurance Act

Description: Introduced by Representatives Gregory Meeks (D-NY) and Mark Souder (R-IN). Would modify the Higher Education Act to restrict the Title IV penalties for students convicted of drug offenses to only those student who committed the offenses while receiving federal aid.

Status: Referred to the House education committee Feb. 14 and to Subcommittee on 21st Century Competitiveness on May 9. No further action.

H.R. 1992/S. 1445 Internet Equity and Expansion Act of 2001

Description: Introduced by Johnny Isakson (R-GA). The bill would modify the “50% rule” to allow more than 50% of courses via telecommunications if the institution already participates in federal student loan programs and their cohort default rate is less than 10%. The bill also proposes to eliminate the 12-hour rule and require instead that non-term and non-standard term programs use the same attendance criteria as term-based programs and would modify the incentive compensation rules for recruiters to apply to non-salary payments.

Status: Passed by the House 10/10/01. Referred to the Senate Committee for Health, Education, Labor and Pensions 10/11/01. The Senate companion bill was referred to the Senate HELP Committee 9/21/01. No further action since last report.

S. 1792/H..R 3465 Call to Service Act of 2001

Description: Introduced by Senators John McCain (R-AZ) and Evan Bayh (D-IN) and 4 others, and Rep. Harold Ford (D-TN) and 9 others. This legislation would phase-in an increase in the percentage of FWS to be used for Community Service jobs from 7% to 25% in 2011. It would also increase the number of participants in Americorps to 250,000 with half dedicated to public safety issues such as homeland security.

Status: S. 1792 was referred to the Senate HELP committee 12/10/01. The House bill was referred to the House Education, Veteran’s Affairs, Ways and Means and Armed Services committees on 12/12/01. No further action since last report.

S. 721/ S. 1864/S. 1585/S. 1597 Nursing Scholarship Bills

Description: A series of bills providing scholarships to nurses or prospective nursing to encourage practice in shortage areas or increase their level of education.

Status: Most are either in Senate committees or have been referred to House committees. No further action since last report.

H.R. 2219 Amending Hope Scholarship Tax Credit

Description: Introduced by Representatives Dave Camp (R-MI), and Jim McGovern (D-MA). Modifies the Internal Revenue Code to allow the Hope Scholarship Tax Credit to cover tuition, fees, books, supplies and equipment and exempts Pell Grants and Supplemental Educational Opportunity Grants from counting against Hope Tax Credit eligibility.

Status: Referred to House Ways and Means Committee on June 19, 2001. No further action.

Sources for articles: AASCU, ACE, NASFAA, Student Aid News

Report from Membership Committee, Maureen McFarlane, Chair

No report was submitted.

Report from Newsletter Editor, Sandy Neel, Chair

The copy deadline dates for the 2002-2003 Newsletter are as follows:

Fall - Sept 9	Published in October
Winter- Nov 11	Published in December
Spring - Feb 3	Published in March/April
Summer - May 12	Published in June

Sandy has reviewed the newsletters from other regions and has found that EASFAA's newsletter is one of the best she has seen. When printed it looks like a paper hardcopy newsletter. Advertisers would be pleased with this format because the ads appear the same in the electronic format as in paper format. Sandy understands that graphics take a lot of time to print but from comments she has heard, she thinks people like the way the paper newsletter looks. She has communicated with Ken Ferreira, EASFAA's Newsletter editor about their Newsletter and found out that they still do it in paper format. She has also looked into using a word template that allows one to create a newsletter. Sandy will continue to look at other regions and states to see how they do their newsletters.

Report from Site Selection Committee, Ron Gambill, Chair

The work of the Site Selection Committee will focus on the conference site for the year 2006. The State of North Carolina is next in rotation and NCASFAA will be extended an invitation to be the host state.

The Site Selection Chair will obtain information regarding hotels and cities that have the capacity to hold the conference and where air travel is reasonable. Site visits will be planned after initial evaluations are conducted and tentative commitments have been offered. The goal is to provide a recommendation by the February Board meeting.

Report from Vendor/Sponsor Committee, Alan Whittington, Chair

Sponsors for our board and conference committee meetings are as follows:

Friday dinner	Ed South – Karen Gibson
Hospitality suite	College Foundation, Inc. – Ellen Mathis
Saturday break	TSAC – Ron Gambill
Saturday lunch	GuaranTec – Levis Hughes
Saturday dinner	National Education – Julie Wright & Rosemary Tutt
Sunday dinner (conference)	Bank of America – Christine Cannon & Tom Dannelley

Review of levels of sponsorship in other regions:

Five regions were reviewed. Sponsorship levels vary. Some of the 2002 sponsors were surveyed about their levels of sponsorship. No sponsor indicated a feeling that the current levels should be increased.

Need to establish costs for advertising before sending information to prospective sponsors:

1. **Membership Directory** – flat rate of \$250 (agency logo would precede the actual directory information). From the printable directory link, the first page will have each sponsor logo. The logo will remain for one year. Recommend no change in cost from previous year.
2. **Newsletter Advertising** - \$300 each issue or \$1,000 all issues (4) and same size logo as Membership Directory. The logo for sponsors advertising in less than 4 issues will be removed when next issue is released. Logos will run across the top of the page and/or along the side or as determined by the Electronic Services Chair. Priority placement will be on a first paid basis.

Sponsorship section of web site update:

Changes to the sponsorship section of the web site will take place soon.

Report from Electronic Services Committee, Erik Melis, Chair

The 2002-2003 Electronic Services Committee chair, Erik Melis, attended the SASFAA Transitional Board Meeting at the Don Cesar Resort in St. Pete Beach, FL from June 6th to June 9th during which time a successful turnover of committee responsibilities from the outgoing committee chair, Lester McKenzie, was completed.

As part of the end of year activities, Lester McKenzie, 2001-2002 Electronic Services chair, and Julia Perrault, 2001-2002 Newsletter chair, worked together to develop the Summer 2002 version of the online SASFAA newsletter. This newsletter was posted to the web site.

The following additional updates were made to the SASFAA web site since the Transitional Board Meeting:

- Updated President’s introductory message
- Updated Executive Board, State President, and Committee Chair information including posting group photos
- Updated SASFAA Membership page and form for 2002-2003
- Modified and updated Travel Expense and Miscellaneous Expense Forms per request of SASFAA Treasurer
- Updated Calendar by Date and Calendar by State listings
- Posted 2002 Transitional Board Meeting minutes in “draft” version
- Posted 2001-2002 President’s Annual Report
- Updated Administrative and Billing contacts for web site and domain name registration to current Electronic Services chair and current Treasurer
- Had SASFAA.COM and SASFAA.NET domain names “parked” with current web host (previously they were pointing to the UFL servers and being redirected). This change ensures that all domains point directly at the current SASFAA site host

The following web-related projects are in progress or will soon be:

- Posting of the 2002 version of the SASFAA P&P manual (The manual has been converted to Adobe PDF format and the bookmarks are being added to allow for easier online navigation)
- Updates to 2001-2002 budgets and addition of 2002-2003 budget information
- Updates to Sponsorship information for 2002-2003
- Posting updated membership directory information to the web site

The following web-related projects are planned as part of this year’s goals and objectives for the committee:

- Evaluate the possibility of member-protected areas for the web site
- Evaluate the possibility of board and committee specific areas for the web site
- Provide web-based information for the 2003 SASFAA Conference (this will actually be done primarily by last year’s Electronic Services chair, Lester McKenzie, who is serving on the 2003 Conference Committee)
- Evaluate web site functionality on other state and regional financial aid association web sites to determine what additional functionality might be of benefit to SASFAA

The following items related to SASFAA ListServ maintenance have been completed:

- Updated SASFAA Executive Board list members

- Updated SASFAA State Presidents list members
- Updated SASFAA 2003 Conference list members

The following items related to SASFAA ListServ maintenance are in-progress or will soon be:

- Continue to resolve problems with members' e-mail addresses that cause a large number of messages to get bounced back to the list server every time a posting is made to the list
- Continue to look for other potential listserv hosting options since our current host no longer provides technical support

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 meeting goals and objectives.

ATTACHMENT C – LIAISON REPORTS

Report from Lender Liaison, Karen Gibson

The lender liaison report consists of information that affects lenders, schools, and invariably affects the students on Title IV funds. The report informs us as a board of changes in the loan community regarding the lenders, partnerships and the ever interpretation of laws that govern them. The information provided in this report is the most recent since July 1st

- COMMON RECORD ISSUES TO BE THE FOCUS OF OPEN MEETING-All interested members of the FFELP community have been invited to an open meeting on July 30-31, 2002 to discuss the available options for the FFELP community's utilization of the Department of Education's new Common Record which is being implemented as part of the Common Origination and Disbursement (COD) initiative. The issues surrounding school usage of the Common Record to process FFELP loans will significantly impact how individual FFELP providers ultimately integrate any changes required by COD, as well as how they coordinate and interact with their trading partners in the loan delivery process.
- The Common Record meeting is intended to build upon the work initiated in April when a group of FFELP technology leaders (NCHELP's Electronic Standards Committee members, software developers, and others) met to map out a future business process for a Common Record-integrated FFELP. T
- LIGHTYEAR CAPITAL ADDS CFS TO PORTFOLIO- Lightyear Capital, the investment firm founded by ex-PaineWebber chief Donald Marron, purchased a majority stake in Collegiate Funding Services (CFS) under the auspices of its Lightyear Fund, according Buyouts Newsletter.
- ALASKA OFFERS LOWER INTEREST RATES ON STUDENT LOANS - 0.31% STAFFORD LOAN - The state of Alaska is offering new lower-interest loan programs for students who attend school in state or live in Alaska after they graduate.
- RON GAMBILL, FORMER HEAD OF TSAC, JOINS EDSOUTH - Ron Gambill has joined the senior management team of edsouth as Senior Vice President for Government Affairs and Guarantee Relations, representing the corporation in compliance and regulatory matters.
- NEW CALIFORNIA LAW LIMITS USE OF SSN#- Effective July 1, 2002, California Law SB168 limits the way in which Social Security number can be used on correspondence mailed to student loan borrowers and schools. Its purpose is to prevent identify fraud. The law prohibits a person or entity from: publicly posting or displaying Social Security numbers; printing a SSN on an identification card required to access products or services; requiring a person to transmit his/her SSN over the Internet unless the connection is secure or the SSN is encrypted ; requiring a person to use his/her SSN to access a Web site unless a password, PIN or other method of unique identifications is used in conjunction with the SSN; and printing a SSN on mailings to individuals unless required by state or federal law.
- PREPAID TUITION PLANS FALL VICTIM TO MARKET- A crumbling stock market and rising college costs threaten to derail the future of prepaid-tuition plans, according to "The Chronicle of Higher Education". Record enrollments are being reported by many programs, as families attempt to manage mounting tuition bills and an uncertain stock market. But the very factors that make the plans attractive college financing vehicles create long-term financial health problems. The newer plans have been hit very hard, having missed out on the bullish stock market of the 1990's. The plans operate on the assumption that investments in stocks and bonds will grow sufficiently to meet the tuition bills. To date, Tennessee is the only program that has publicly considered suspending enrollment, although a number of programs have instituted substantial price increases. Programs have been particularly hard hit by state budget woes which have led several legislatures to remove tuition increase caps.
- DIRECT LOANS NOT CANCELLED FOR LAW ENFORCEMENT SERVICES- The Department has received

numerous inquiries regarding the cancellation of William D. Ford Federal Direct Loans for law enforcement service. The Department believes that one or more law enforcement organizations may have published the availability of a loan cancellation benefit for law enforcement professionals who received loans under the National Direct Student Loan Program. This is not, however, the same program as the William D. Ford Federal Direct Loan Program which does not have a cancellation benefit for law enforcement professionals. The confusion arises because the National Direct Student Loan Program was a predecessor to and is now part of the Federal Perkins Loan Program.

- **SENATOR JOHNSON SAYS FFELP IS AN “EXTRAORDINARY PARTNERSHIP”**- Senator Tim Johnson (D-SD) a key Democrat on the Appropriations, Banking and Budget Committees said the FFEL program provides some \$40 billion in education capital each year, an amount that Congress could never appropriate, “The public policy consequences of the FFEL program are tremendous. FFELP providers help assure the United States leads the world economy.” Johnson continued by noting that the government doesn’t create jobs or economic growth, the private sector does. However, despite this fact there are some examples of public, private partnerships that make sense and do tremendous good. “The FFEL program is the number one example of this in America,” he said. “FFELP is an extraordinary partnership. We need to nurture it.”
- **SENATOR GREGG SAYS FFELP WON DIRECT LOAN BATTLE IN MARKETPLACE** - Senator Judd Gregg (R-NH) the lead Republican in the Senate in charge of education issues and a senior member of the Appropriations and Budget Committees, says that he finds it remarkable that there is no longer any talk of a need to push the Direct Loan program. Gregg said that accountability would be the theme of the upcoming reauthorization of the Higher Education Act. Higher Education needs to be held accountable for the tremendous amount of federal funds that flow to the country’s colleges and universities.
- **MCKEON SAYS STUDENTS GET HURT WHEN POLITICS RULE THE DAY** - Chairman Howard “Buck” McKeon (R-OH) who will lead the House’s efforts throughout the reauthorization process, said that students and families are hurt when politics are interjected into policy debates. McKeon said he was pleased that the Congress was able to get the 2003 student loan interest rate bill done at the beginning of the session. The extension of the McKeon/Kildee compromise of 1998 has been a great deal for students and families resulting in historic low student loan interest rates. He said that while tuition costs have risen dramatically and the level of debt amassed by students has increased, the costs of borrowing have dropped dramatically. McKeon said that because of lower interest rates and the tax deductibility of student loan interest payments, the costs associated with borrowing \$18,000 today is approximately \$4,000, which is the same amount it would have cost a student to borrow only \$8,000 a few years ago.
- **BOEHNER SENDS CLEAR MESSAGE: NO CONSOLIDATION LOAN CHANGES BEFORE REAUTHORIZATION** - On the very day that Senator Mary Landrieu (D-LA) was attempting to measure the level of support she would receive from members of the Appropriations Committee if she were to offer her amendment to eliminate the single holder rule on consolidation loans, House Education and the Workforce Committee Chairman John Boehner (R-OH) sent a clear, direct, unambiguous message to the Senate that regardless of what it did on the issue, he would make sure controversial changes to the single holder rule would not occur this year.
- **GENERAL MANAGER, FINANCIAL PARTNERS SAYS FFELP WORK VERY WELL** - Kristie Hansen, the new General Manager of the Financial Partners for the Department of Education, provided an overview of issues and objectives she plans to address. These include: clearing the backlog of guarantor audits; evaluating existing VFA’S and reviewing any new proposals; making sure financial partners are paid in a timely manner; 799 forms; oversight of the programs with a focus on accountability in all areas. Hansen stressed that the FSA is committed to working more cohesively with other departments within Education as well as with its financial partners in the FFEL community. “I really believe in this program. I think the FFEL program works very well,” she said.
- **SALLIE MAE Chief Executive Officer Al Lord** said that the FFELP story is a remarkable one. The program has leveraged billions of dollars and helped millions of families for nearly no cost to the taxpayer. He went on to talk about significant capital disappeared from the student loan marketplace when the threat of Direct Lending first arose and that we have yet to witness a return of that capital except on the back end where players in the consolidation arena have emerged. Sallie Mae isn’t impacted by the discussion surrounding loan limits according to Lord, because the institutional cost will have to be met and Sallie Mae will lend the money to students via either the FFEL program or the company’s alternative loan programs.
- **NACUBO** - Laurie Quarles, Senior Policy Analyst for the National Association of College and University Business Officers (NACUBO) stated that NACUBO is in favor of increased loan limits and grants. They would like to streamline the deferment process and see more electronic deferments.
- **CONSOLIDATION** - Mark Valenti, president of the Connecticut Student Loan Foundation, commented on the increasing complexity of the FFELP program, which was governed by regulations contained in a slim booklet some years ago, but is now subject to myriad regulations that tax providers’ abilities to stay current. Given the typical age and financial

sophistication of borrowers, he argued that a cardinal rule for providers must be to not pass this confusion on to them. Yet this seems to be happening with respect to consolidation loans, according to Valenti, where borrowers are being deluged with information, much of which is not helpful. Valenti argued that changes to the consolidation program should be made as part of the reauthorization process, as it is a complicated topic that cannot be solved in a piecemeal fashion.

- **DIRECT LOAN PROGRAM INTEREST RATES PUBLISHED** - Direct loan Bulletin provides a link to a set of charts that show the new interest rate for Direct Subsidized Loans, Direct Unsubsidized Loans, Direct Subsidized Consolidation Loans, and Direct Unsubsidized Consolidation Loans, as well as Direct Plus Loans and Direct PLUS Consolidation Loans that were disbursed on or after July 1, 1998. The charts also indicate how the new interest rates were determined using the 91-day Treasury bill rate and the appropriate add-on percentages.
- **NEW FILE EXCHANGE TOOL FROM SALLIE MAE** - Sallie Mae announced the launch of an eight-school pilot for its new data exchange tool, OpenNet. OpenNet is designed to work in tandem with Sallie Mae's existing loan delivery products, such as Laureate and NetWizard, and provide an integrated process for transmitting a school's loan volume regardless of destination, file format or data communication preference. The tool also offers online error correction, data tracking and file consolidation capabilities.
- **ELM RESOURCES ANNOUNCES SERVICE ENHANCEMENTS** - Elm Resources announced this week the release of a variety of enhancements to its data exchange network and user Web site. The enhancements improve navigation for schools using the ELM loan processing system and reduce the time needed to transmit or process loans.
- **WOODLEE JOINS NSLP'S BUSINESS DEVELOPMENT TEAM** - NSLP announced this week that Todd Woodlee had joined the company as Regional Director of Business Development. Woodlee will coordinate NSLP's interactions with schools and lenders in the southeast region of the country.
- **LOANSTAR AND COMERCIA BANK FORM PARTNERSHIP** - Ralph Rushing, President of LoanSTAR Funding Group, Inc. and Marianne Casey, Manager Student Lending, Comerica Bank, recently announced that the two companies have entered into a student lending Strategic Partnership for the Texas and California market.
- **PHEAA ANNOUNCES NEW MEDICAL STUDENT LOAN** - The Pennsylvania Higher Education Assistance Agency announced this week the launch of MedBEST, a new loan for Pennsylvania students working toward a medical degree or graduate degree in biomedicine or life sciences. The MedBEST student loan is available to Pennsylvania students as a result of a one-time \$5 million appropriation made by the Tobacco Settlement Fund.

Report from the Department of Education Liaison, Greg Martin

With the NASFAA Conference only recently concluded, no attempt will be made here to rehash issues so thoroughly covered during that week. Proposed rules continue to be anticipated but as of the writing of this report have yet to be posted to the Federal Register. Nevertheless, some items to be aware of are discussed below.

FISAP

Dear Colleague Letter CB-02-14 announces the availability of the Fiscal Operations Report for 2001-2002 and the Application to participate for 2003-2004 (FISAP). All schools required to file a FISAP must do so by accessing FISAP on the Web at www.cbfnisap@sfa.ed.gov. The site will allow you to complete and submit your FISAP online, receive real-time validation edits, access your statement of account and view your funding level. Both a PIN and TG number are required to access FISAP on the Web. The submission deadline is midnight on October 1, 2002. The FISAP and FISAP Instructions Booklet are available in both Microsoft Word and PDF formats as attachments to DCL CB-02-14.

Campus-Based Reallocation Form

Dear Colleague Letter CB-02-13 announces the availability of the Campus-Based Reallocation Form. The form is used to release unexpended portions of 2001-2002 allocations, or to request supplemental 2002-2003 FWS funds for community service jobs. It is important that you complete the form if your school has unexpended portions of 2001-2002 Campus-Based allocations. Otherwise, your school's unexpended funds will not be able to be reallocated by the September 30 deadline and will revert to the U.S. Treasury.

Requested supplemental funds may only be used to pay students in community service jobs, and:

- a. Your school spent at least 5% of its total 2001-2002 FWS funds to compensate students employed as reading tutors of children or in family literacy activities as part of your community service activities, and

- b. Your school has an FWS fair share shortfall as shown on line 28 of its 2002-03 final funding worksheet, provided with your tentative allocation letter.

The Reallocation Form is available on the FISAP on the Web site at cbfisap.sfa.ed.gov. Select the Reallocation Form link from the "Setup" window to display the form. A Reallocation Form Worksheet and Instructions are provided as attachments to the DCL.

Electronic Version of the Perkins Promissory Note

Dear Colleague Letter CB-02-12 provides electronic versions of the Federal Perkins Loan and NDSL promissory notes. Three attachments to the DCL contain options and forms necessary for schools wishing to have the note displayed in PDF format after it has been signed, and the four notes (Perkins closed-end, Perkins open-end, NDSL closed-end, NDSL open-end) in HTML format.

Schools are reminded that the eNotes should be used in conjunction with the Standards for Electronic Signatures in Electronic Loan Transactions published as Dear Partner Letter GEN-01-06 in May 2001.

The DCL offers the Department's assistance to all interested schools and provides a Department contact official.

Fall State Conferences

My wife and I are expecting a baby in late September or early October. Because of this, I will be away from work for the first two weeks of October and not traveling for the entire month. David Barnicki has agreed to be responsible for all of the state conferences in the SASFAA region, with the exception of Kentucky, Tennessee and Virginia. Jamie Malone, Training Officer from Region V Chicago, will attend the KASFAA Fall Conference; Edd Cole will attend the TASFAA Fall Conference. I will attend the VASFAA Fall Conference, which is in November.

Report from Agency Liaison, Ken Player

Agencies continue to be concerned about the state budget shortfalls being experienced in almost every state. One of the main consequences of these budget woes is that tuition is being increased sharply to make up for shortfalls in state education funding. These tuition increases put further strain on the budgets of middle and lower income families attempting to pay for college. Another result of the budget cuts is reduced funding for state grants being experienced by several states, which further complicates the matter.

Guaranty agencies are concerned about the new wave of consolidation loans and the methods being used by some marketing entities. With interest rates at an all time low, more and more borrowers are turning to consolidation. There are several entities conducting aggressive telemarketing and mail campaigns to encourage borrowers to change lenders when they consolidate. These marketing techniques have the potential to undermine the current FFELP structure where lenders and guaranty agencies provide significant support to financial aid offices and students during the in-school loan application process. The loan consolidation issue is high on many higher education groups' lists to be reviewed during the upcoming reauthorization process.

Guaranty agencies continue to look for effective ways in collecting student loans in order to help both the FFELP industry and individual schools reduce their cohort default rates. State licensing restrictions, administrative wage garnishments, and tax refund offsets are some of the tools that have been and continue to be used by the guaranty agencies.

Reports have been received from the following states:

Alabama

Fifteen of Alabama's 16 public universities are raising tuition and mandatory fees this year, according to information compiled by the Alabama Commission on Higher Education (ACHE).

The median increase of 7.16 percent for undergraduate resident students marks the fourth year of significant increases. Rates for in-state graduate students will rise by a similar percentage, while out-of-state student rates will increase by more.

Since the end of the 1998-99 academic year, the median resident undergraduate tuition at Alabama public colleges has risen almost 43 percent, according to ACHE figures. Although some university administrators say they want to keep tuition as low as possible, according to ACHE staff, most say the increases are necessary to pay more to employees and to cover increases costs in the wake of weak economic growth.

According to the Associate Press, the rising tuition is eroding the ability of Alabamians to afford higher education; even as surveys show college and graduate degrees are key indicators of economic prosperity later in life.

“In the fall of 1992, a year of college tuition and fees cost an Alabama family of four 4.3 per cent of their income. This fall, it will cost 6.86 percent of family income. And that measure doesn’t count room and board, books or other expenses.”

“Experts say the cost increases fall most heavily on the poor, a trend compounded by what several studies have found to be Alabama’s stinginess with financial aid.”

Submitted by:
William H. Wall, Ph.D.
Associate Executive Director for Student Assistance

ECMC

College Information Center Plans

Earlier this year, the ECMC Foundation announced plans to open a College Information Center (CIC) in Virginia. The latest concrete step in making the CIC a reality is the hiring of Miriam Rigal to serve as CIC Coordinator.

Miriam has fifteen years of experience in the financial aid industry and comes to the CIC from Milwaukee Area Technical College, Wisconsin’s largest and most diverse vocational/technical college. She earned a BBA from the University of Wisconsin – Milwaukee, is a Certified Adult Basic Skills Instructor and part-time Spanish instructor. She is also a member of both WASFAA and MASFAA.

The CIC will be a resource center for students and families interested in pursuing postsecondary education. Aside from providing a library of resources, both printed and on-line, the CIC will provide a counselor to assist students in navigating through these resources. The CIC also plans to develop outreach programs to promote early awareness of postsecondary opportunities.

While an exact location has not been selected, this College Information Center will be located in the Northern Virginia area. Once this initial center is operating, the ECMC Foundation hopes to add additional locations to serve other areas in Virginia.

Submitted by:
Mike Hawkes
Director, Policy and Communications
Virginia Center

Florida Department of Education, Office of Student Financial Assistance (OSFA)

Restructuring of the Florida Department of Education

The citizens of Florida voted in 1998 to change the state education system from a constitutional office to a governor's agency. Reorganization of the education system in Florida will result in a seamless education system from kindergarten through graduate school. The benefits of this K-20 system are innumerable. Education policy, laws and requirements will all be designed to enhance student achievement and ensure equal access to all. Florida has had three separate education systems — K-12 and workforce, community colleges, and state universities. On July 1, 2001, those disparate systems were brought together into one comprehensive structure under the Florida Board of Education and the Secretary of Education. Individual boards of trustees are or will be at each community college and university. This streamlined organization allows the Florida Department of Education to be more flexible, more responsive, and better structured to provide services to students, parents, educators and administrators.

The restructuring began July 1, 2002 and most changes will be in place by the end of September 2002.

Mapping Your Future:

OSFA is one of 30 plus Mapping Your Future sponsor teams working to redesign and relocate the Mapping Your Future Web site. Implementation of new equipment and a Spanish language option is now complete. For more information on Mapping Your Future developments and services, visit <http://mapping-your-future.org>

Florida Bright Futures

The Florida Bright Futures Scholarship Program disbursed approximately \$175 million to about 100,000 students during the 2001-2002 academic year. A new testing program, initiated by the 2001 Florida Legislature, was implemented this year to encourage students to take acceleration attempts in AP, IB, and CLEP examinations, or Dual Enrollment courses. The intent is to motivate students to pursue college credits before entering college, thus saving time and expense in higher education programs. During the 2001-2002 academic year over 400 exams were taken. We expect 45,000 students will be eligible to take exams in the 2002-2003 academic year.

State Student Financial Aid Database and FFELP Inquiry Screens

The State Student Financial Aid Database (SSFAD) was implemented for the 2001-2002 academic year. The SSFAD project is funded by the Florida Legislature to support all aspects of the administration and delivery of state-funded financial aid programs. OSFA developers are currently working to provide FFELP borrowers, schools, lenders, and servicers immediate access to loan information. The new on-line applications for all programs will streamline student access to state funds and improve communication with our customers by providing easy access to up-to-date information. For more information on OSFA State Programs, please call toll free at 1-888-827-2004.

For more information on OSFA programs, visit our Web site at www.myfloridaeducation.com or call toll free at 1-800-366-3475.

Submitted by:

Onaleah J. McClellan

Program Specialist

Institutional & Lender Eligibility

Kentucky Higher Education Assistance Authority (KHEAA)

The Student Loan People

- Beginning August 1, The Student Loan People's BestStart and Best in Class programs will make available the lowest cost Stafford Loans in Kentucky. BestStart reduces fees, credits principal for consistent on-time payments, and lowers interest rates for electronic payments. Best in Class rewards teachers with interest and/or loan forgiveness.
- KHEAA and The Student Loan People are now offering an online Federal Consolidation Loan application.

- Effective July 15, The Student Loan People’s debt limit was increased from \$950 million to \$1.95 billion.
- KHEAA has offered 45,900 College Access Program (CAP) Grants and 16,700 Kentucky Tuition Grants (KTG) to Kentucky students who plan to attend college this fall and next spring. Additional offers may be made later in the fall if grant funds remain after schools verify enrollment.
- Georgia Military College in Milledgeville (south of Atlanta) has chosen KHEAA as its guarantor of Federal Family Education Loans. The college serves about 4,000 students.
- Kentuckians in licensed professions, trades, or occupations who are in default on their repayment obligations for student loans and other financial aid administered by KHEAA will be required to pay their debt in full or make acceptable repayment arrangements before their licenses can be issued or renewed, according to a state law that went into effect July 15. Licenses are also subject to being suspended or revoked for nonpayment. The law also requires that KHEAA provide names of borrowers in default to the Kentucky Lottery Corporation so that their prize winnings can be transferred to KHEAA and credited to the borrower’s account.
- KHEAA is developing a new financial aid reference book featuring aid programs specifically for Alabama students.
- KHEAA began operations in its new facility July 1. A building dedication and open house will be held on August 1.

Submitted by:

Dr. Joe L. McCormick

Executive Director, KHEAA/KHESLC

North Carolina State Education Assistance Authority

The North Carolina State Education Assistance Authority is pleased to report that our partnership efforts to provide information about higher education are proving to be very effective. The end-of-year totals indicated that College Foundation of North Carolina (CNFC) logged over 1.3 million visitors in its first year of operation as a one-stop shop for planning, applying and paying for college. In addition, over 100,000 users established free accounts to track their activity and over 25,000 admissions applications were submitted through CFNC to the state’s colleges and universities. NCSEAA sponsors CFNC in partnership with College Foundation Inc and Pathways of North Carolina.

Budget woes for the State of North Carolina have led to the transfer of responsibility for cash repayments for three teacher scholarship/loan programs to the North Carolina State Education Assistance Authority (NCSEAA). The North Carolina General Assembly proposed that NCSEAA assume collection responsibilities when a recipient enters cash repayment rather than repaying through service. Since NCSEAA already has a collection staff and procedures in place to service the state’s nursing education loan programs, the addition of the Teaching Fellow, Prospective Teacher Scholarship Loan and the Teacher Assistant Scholarship Loan will be implemented with minimal additional cost. The two agencies that formerly processed their own cash repayments, the Public School Forum of North Carolina and the Department of Public Instruction, will continue to select and track recipients as they fulfill their obligations by teaching in the public schools.

Submitted by:

Elizabeth V. McDuffie

South Carolina

Signing the Master Promissory Note (MPN) just got a little easier for the Corporation’s Stafford Loan borrowers. The ability for borrowers to electronically sign their MPN on the Corporation’s Web site has been implemented and is going well. In its first two weeks of availability (without any fanfare) the Corporation received 60 MPNs signed using the e-sign process. The next step is to provide borrowers the ability to apply for loans on-line via our Web site. We will initially have the Federal Stafford Loan application and MPN available and plan to phase in other loan types.

The Corporation's Consolidation Loan Program is booming. As of June 30, our consolidation volume has increased over 270%. Even though this is traditionally the busiest time for the Loan Origination department - with students heading back to school, the drop in interest rates has made consolidation very attractive to our borrowers and business is booming. To provide a further benefit to the borrower, the Corporation is continuing to offer a 2% reduction on consolidation loan interest rates for the first year of repayment. We made every effort to encourage borrowers to delay consolidation until after July 1 so that they could take advantage of the lower rates. The Corporation is very concerned that certain consolidation "brokers" were encouraging borrowers to consolidate prior to July 1 – a practice that is obviously not in the best interest of the borrower.

Submitted by:
Cheryl Hughes

SC Tuition Grants Commission

On December 9, 1999, the SC Tuition Grants Commission unanimously adopted a provision that, beginning with the 2000-2001 award year, would raise/lower maximum grants on a schedule at all participating colleges to a projected \$3,100 program-wide maximum grant.

The provision established a maximum of five years for implementation of the conversion (8 years for all students in all four classes to reach the \$3,100 target grant). It also provided that upperclassmen are to be held harmless with no decrease in their current allowed maximum grants. Furthermore, if more/less funds are appropriated to the SC Tuition Grants Program than are required for the scheduled phase-in, only freshman awards will be adjusted upward / downward. If more than enough funds are appropriated for the scheduled phase-in, the phase-in will be done at an accelerated pace.

In 2000-2001, the SCTG Program received a \$1.175 million increase, which enabled the commission to not only cover the increased costs of the first year of the phase-in, but also allowed the commission to provide one-time \$250 increases to all eligible students.

During the 2001-2002 award year, state budget reductions (loss of \$543,000 non-recurring and base funds, \$860,789 via 4% reduction, \$520,605 via 2.53% reduction) along with an increase of 830 in the number of eligible students in the award pool necessitated a 10% reduction in the size of all awards. Also, the target of \$3,100 as the program-wide maximum grant had to be reduced to \$2,200 as a result of the loss of state funds and an increase in the number of eligible students.

The outcome of the 2002-2003 budget process from the SC General Assembly resulted in the base funding of the SC Tuition Grants Program being further reduced by 4.56% (\$941,976). However, the SC Tuition Grants Program did receive an estimated one-time increase of \$3.5 million through state education lottery funding. The net increase through the lottery funds should enable the commission to award a one-time average increase of \$175 to all expected 2002-2003 SC Tuition Grant recipients. However, since the one-time lottery funding is not a permanent increase to the base funding of the SC Tuition Grants Program, the increase is for the 2002-2003 award year only since the lottery funds cannot be counted on in 2003-2004. Therefore, no permanent increase to the 2,200 program-wide maximum grant can be made unless permanent base funding is added in the 2003-2004 budget year.

To continue with year #4 of the 5 year phase-in to a \$2,200 program-wide maximum grant will require a funding increase of \$1.8 million in 2003-2004. The cost is associated with grandfathering all upperclassmen through graduation at their higher amounts and with a 20% increase/decrease to all other student's maximum grants toward the \$2,200 target maximum.

The initial decision of the SCTG Commission was to bring all colleges to a \$3,100 program-wide maximum grant over a 5-year phase-in period with all upperclassmen being grandfathered through graduation. To accomplish this totally in 2003-2004 will require an increase of \$9.552 million. This option grandfathers all upperclassmen and brings all other students up/down to \$3,100 in the 2003-2004 award year.

Submitted by:
Eddie Shannon
Executive Director

Tennessee Student Assistance Corporation

Budget Battle Ended

After an unprecedented partial shut-down of State government, the Tennessee General Assembly passed the 2002-2003 budget. Under this budget TSAC is anticipated to receive approximately \$7 million in new money for the Tennessee Student Assistance Award Program. This will allow a maximum award increase from \$1,938 to \$2,130 for public and proprietary institutions and a maximum award increase for independent colleges of \$4,530 to \$5,202. Assuming no more than a 7½% tuition increase for public and private undergraduate programs, TSAC should be able to serve an additional 1,844 students over last year. The EFC index will remain at 1900.

Loan Volume Hits New Record

TSAC guaranteed \$718.9 million in federal Stafford, PLUS and Consolidation loans during the state fiscal year of July 1, 2001 to June 30, 2002. This represented a \$158.9 million increase over the prior year. Through this program a record number of 168,529 students were served. The average loan in this period grew from \$3,993 to \$4,266. TSAC continues to increase its activity in default aversion through its servicer, Guarantec and R and B Receivables.

Scholarships Awarded

Due to the budgetary issues the number of scholarships awarded will be at the same level as 2001-2002. There was an increase in the amount of the Tennessee Teaching Scholars Program award from \$3,900 to \$4,200.

ATTACHMENT D – STATE PRESIDENTS REPORTS

Report from Alabama State President, Mike Reynolds

After much searching and negotiating, AASFAA has finally found a new location to hold its fall conference. The conference was originally set for October 16-18 at Lake Guntersville State Park. After a visit by our local arrangements chair, it appeared that the state park was a bit too rustic for AASFAA's tastes. The conference has been relocated to the Mountain Brook Inn in Birmingham, Alabama. The location is a central location not only in Alabama but in Birmingham as well.

AASFAA is working diligently to have the new AASFAA banner and seal ready to debut at the Fall Conference in Birmingham. We are very excited about the new logo and that we utilized the talents of our own students from the state of Alabama to accomplish this feat. We are also diligently making preparations for hosting SASFAA in Birmingham in 2004 and having our Alabama Booth ready for this year's SASFAA Conference.

AASFAA has implemented a new Diversity Committee, which will be chaired by Ms. Addine Woods from Auburn University. The whole focus for this committee will be on understanding and appreciating our differences and commonalities will result in our ability to best serve one another as well as our students, parents and administrators. We are excited about our new committee and commit to making this a very permanent and successful committee.

Report from Florida State President, Leonard Gude

The charge to the FASFAA organization for this year is "Dream it, Do it!"

A small, action oriented team, has been assembled to serve as the 2002-2003 FASFAA Executive Board. Each one of them has been asked to do twice as much and they have all stepped up to the challenge. For example, the President-elect is also serving as the membership chair and the Past-president is the chair of the finance committee.

The Executive Board gathered in late June at Bahia Beach near Ruskin, Florida for the Leadership Advance. When I told them that we were going to Ruskin for the Advance, I am sure that many of them began asking, "Oh no, what did I get myself into?" However, they all made their way through the tomato fields and mangrove swamp to the beach and its great view of Tampa Bay and sunsets over the Skyway bridge.

At the Advance, the board members completed the "Dream it" phase of the charge. They looked at the history of FASFAA, its mission statement, goals, values and beliefs, where we currently are, what we have done right, what we have done wrong, what we need to keep doing, what we need to stop doing, and what we need to change. The board members then reviewed member comments and recommendations from the three question survey that was posted to the FASFAA listserv.

After wading through all this information, the board members made their way to the beach on Friday morning and developed the following action items for this year:

- Enhance and expand current outreach and early awareness programs
 - * Develop future FASFAA leaders
 - * Develop a training plan for leaders
 - * Evaluate training opportunities
 - * Seek information on the feasibility of providing CEU credit for participation in training activities
 - * Review frequency and length of conferences
 - * Develop a conference planning handbook
 - * Rewrite FASFAA organizational brochure

Assignments have been made, action teams are being formed, and plans are being launched! We are hoping for smooth sailing ahead across the bay and gulf to the shores of Sandestin (for our Fall conference in October).

Report from Georgia State President, Julia Perreault

The 2002-2003 GASFAA transitional board meeting was held June 20th and 21st at the Radisson Riverwalk in Augusta, Georgia, the site of the 2002 fall GASFAA Conference. After outgoing officers and committee chairs gave their year-end reports and recommendations for the year ahead, the outgoing and incoming board members and committee chairs enjoyed a get acquainted dinner. The second day of the meeting began with the new officers and committee chair reports, followed by building the 2002-2003 GASFAA budget and a discussion of plans for the upcoming year. There was consensus of opinion that GASFAA members should make an effort to promote the profession of financial administration and develop a strategy for raising public awareness of the value of the work we do.

Plans are underway for our 2002 fall conference with the theme, "Thirty-Five Years of GASFAA – Celebrating the Past, Anticipating the Future". With a goal of having the fall conference rich in content, the conference will begin with a day of new aid officer training to be delivered by members of the Professional Development Committee. Individual sessions are still being finalized and include a variety of topics ranging from an update on the Georgia Hope Scholarship program to a presentation on the popular book, "Who Moved My Cheese?"

At this year's NASFAA Conference in New Orleans, GASFAA was presented with its first NASFAA State award. Congratulations to Lenora Jackson and members of her Professional Development committee on their project, "Roadmap to Success". The "roadmap" project was developed by GASFAA's Professional Development Committee to aid high school and Trio counselors in preparing their students for a successful transition from high school to college. The "roadmap" includes specific steps students should take in grades nine through twelve to prepare for college, various websites relating to financial aid and admission, a glossary of terms and an explanation of various types of aid. Members of the Professional Development Committee distributed the materials at Georgia PROBE Fairs in several cities as well as the Trio counselors' state conference, reaching a total of 1552 counselors! The "roadmap" has subsequently been reprinted and distributed to EVERY high school counselor in the state of Georgia. GASFAA members are pleased and excited about this recognition.

Aid programs in Georgia have been affected by state budget cuts this year. The Georgia Tuition Equalization Grant, an entitlement grant for Georgia residents attending private schools in the state, has been decreased by \$55 to a total of \$1045 per year. While this isn't a tremendous cut, the availability of State funding for students attending private schools already falls far short of that for public school students. Georgia schools are pleased to see the state participating in the LEAP program, even though at a minimal amount, because need based funding has not been a high priority since the creation of the HOPE Scholarship program. In addition to existing aid programs, Georgia now offers a college savings program. The plan was implemented this past spring, includes many of the best features of other state plans, and is managed by TIAA-Cref.

Report from Kentucky State President, Nancy Melton

The Kentucky Association for Student Financial Aid Administrators had their transitional board meeting on June 26 & 27 at Natural Bridge State Park. Michael Morgan, President brought the 2001 year to a close and planning for the 2002 year was begun by Nancy Melton, President elect. The new board discussed the strengths and weaknesses of KASF AA, noting that some of our strengths were also weaknesses. All KASF AA weaknesses were addressed and will be reviewed during the new year. Some of the strengths discussed were offering training opportunities, getting information to students and parents, commitment, strong leadership, outreach, web site and reaching out to new members. Some of the weaknesses were getting the membership involved, especially new members, and better networking with other associations to serve students.

President Elect, Nancy Melton listed her goals for the year of training, forming partnerships, increased communication, representing our association with integrity, providing conferences that offer information as well as a time for fun and fellowship.

The 2002-2003 elected officers as follows:

President	Nancy Melton
President Elect	Ron McMakin
Past-President	Michael Morgan
Secretary	Lissa Caldwell
Treasurer	Heather Boutell
Public four-year	Lori Dial
Lender Representative	Rich Nickel
Agency Representative	Robin Buchholz
Two Year Representative	Michael Barlow
Pripietary Representative	Charlene Geiser
Private Representative	Chris Thomas
Technical College Representative	Mary Anne Olson

The following individuals will be in charge of the various committees for KASF AA: Sandra Neel, Rosemary Tutt, Chester Priest, Michael Barlow, Charles Vinson, Dave Cecil, Anthony Bowles, Carl Rollins II, April Kendrick, Elaine Brumbeck, Meredith Robinson, Dena Spivey, Veronica Allison, Tim Rhodes, Rhonda Swim, Lissa Caldwell, Jennifer Cosens, Michael Morgan, Shawn Anderson, Lynda George, Runan Pendergrast. A combination of new and experienced members were selected to serve as committee chairs, representing all sectors of KASF AA.

The Program Committee and Executive Board met in Lexington, July 11&12 at the Marriott Griffin Gate Resort Hotel to plan the fall conference. The fall conference theme will be "Riding the Waves of Change". The conference will be held at the beautiful, Marriott Griffin Gate Resort Hotel, in Lexington, Kentucky, October 23-25, 2002. An informative conference was planned with experienced speakers and presenters. Some of the topics to be discussed are reauthorization, what's new with federal and state financial aid programs, and professional development to mention only a few. Times were included in the schedule for participants to relax and visit with peers.

In keeping with the President's goal of training, the board continued to plan for College Goal Sunday in February, a new Support Staff Work-shop, high school counselors work-shops to be held in November, the KET Call in Show, Financial Aid Awareness month, and NASFAA decentralized training.

Michael Morgan, President of KASF AA has accepted a position at Kentucky Higher Education Assistance Authority as Director of the Grants Programs. Although, Michael is no longer working as a financial aid administrator, he will be able to contribute greatly in his new role of administering grants and scholarships from KHEAA to the students of Kentucky

The meeting was adjourned and the next Executive Board Meeting will be held at the fall conference in Lexington, October 23, 2001.

Report from Mississippi State President, Dewey Knight

The Mississippi Association of Student Financial Aid Administrators celebrated its 35th anniversary at its annual conference at The Grand Hotel and Casino in Biloxi, June 19-21, 2002. The conference was well attended and very successful. Caroline Rosser of BancorpSouth provided great leadership as this year's Conference Chair. The highlight was Reception and Dinner honoring all Past Presidents of MASFAA, many of whom were in attendance including Ken Wooten, MASFAA's first president. A wonderful slide show narrated by Jeanie Hughes provided a trip down memory lane and provided a pictorial history of our association. Jeanie Hughes of Education Services Foundation was also honored as the recipient of the Jack Woodward Award of Excellence for her leadership and contributions to MASFAA.

The conference featured a federal update, entertainingly delivered by David Bartnicki, interest sessions (Loan consolidation, Managing Federal Work-Study and a Americorps Programs, CODs, IFAP, Co-Hort Default Rates, E-Signatures, IFAP, and Stress Management, Assessment Tools for Schools). Karen Fooks provided an excellent Legislative Update. Karen Koonce was also in attendance to provide a SASFAA update. Thanks to both Karen and Karen for coming to MASFAA's Conference. A cash donation was made as this year's service project to Hope Haven Children's Shelter. Special thanks to the many sponsors and vendors for their wonderful support.

Election of Officers and Directors was held. The following will serve as the Board of Directors for 2002-2003:

President	Dewey Knight	The University of Mississippi
President-Elect	Patrick James	Millsaps College
Vice President	Garry Jones	East Mississippi Community College
Secretary	Teresa Bost	Mississippi State University
Treasurer	Bob Walker	Itawamba Community College
Member-at-Large	Wendy Hutchins	Millsaps College
Past President	Brenda Paganelli	Blue Mountain College
Director	Laurie Richlovsky	The University of Mississippi
Director	Yvonne Henley	Mississippi University for Women
Director	Ann Grove	Hinds Community College

The Transitional Board Meeting was held at Millsaps College in Jackson on July 11, 2002. Under the new By-laws, Directors voted as voting members at this meeting. Committee Chairs were announced:

Conference	Chuck Parker	Nellie Mae
Conference Chair-elect	Steve Greenough	Student Loan Xpress
Long Range Planning *	Brenda Paganelli	Blue Mountain College
Audit and Finance*	Terry Bland	MOHELA
State Aid Programs*	Bruce Crain	Mississippi State University
Diversity*	Lyvonne Berry	The Peoples Bank and Trust
Archives*	Louanne Langston	USA Funds
Electronic Services	Kathy Dixon	The University of Mississippi
Vendor/Sponsor	Jane McNaughton	Union Planters
Membership	Wendy Hutchins	Millsaps College
High School Relations	Jeanie Hughes	ESF
Training	Garry Jones	East Mississippi CC
Legislative	Wanda Partridge	ESF
Nominations	Brenda Paganelli	Blue Mountain College
Newsletter	Patrick James	Millsaps College

* New Committee

Beginning in 2002-2003, MASFAA will no longer conduct a Fall Conference. A one day training event will be held in its place. The Fall Training Day will be held on November 14, 2002 at Mississippi College in Clinton.

Financial Aid 101, MASFAA's 3-day new aid workshop, will be held April 8-10, 2003 at the Duncan Gray Conference Center in Canton.

Future Annual Conference dates have been set as follows:

June 18-20, 2003	The Grand Hotel and Casino, Biloxi
June 7-9, 2004	Beau Rivage Casino-Hotel, Biloxi
May 18-20, 2005	Beau Rivage Casino-Hotel

MASFAA submitted to NASFAA its Financial Aid 101 Workshop for a state award in The Service to the Financial Aid Profession category. Special thanks to Wendy Hutchins for putting our submission together. Regretfully, our submission was not selected for the award.

Report from Tennessee State President, Cara Suhr

TASFAA held its transition meeting at our traditional location of University of the South, Sewanee, TN. Both the outgoing and incoming boards met together from June 17-18 and planned many of the association's activities for the upcoming year. passed the gavel along with other gifts to the incoming President on June 17. *edsouth* was the sponsor for the meeting.

In her role as TASFAA President, Cara is very excited to be working with the following Executive Board members for 2002-03:

TASFAA BOARD MEMBERS, 2002-03

President - Cara Suhr, TN Tech Center at Nashville

Past President - Brent Tener, Vanderbilt University

President Elect - Nancy Beverly, Milligan College

Secretary - Vickie Johnson, Meharry Medical College

Treasurer - Bill Grizzard, AmSouth Bank

District I – Emma Marable, TN Tech Center at Memphis

District II – Judy Woodard, University of Tennessee, Martin

District III – Ed Hasselbring, Union Planters

District IV – Karen Gibson, *edsouth*

District V – Janette Overton, Johnson Bible College

District VI – Pat Shannon, Tusculum College

Association Governance – Sandra Rockett, Dyersburg State Comm College

Awards – Dorothy Jemison, Memphis Theological Seminary

Computer Network – Jack Harvey, Southern Adventist University

Counselor Intern - Darolyn Parks-Porter, Austin Peay State University

Diversity – Mary Knaff, Chattanooga State Tech Comm College

Financial Aid Awareness - Terri Parchment, *edsouth*

Government Relations – Claude Presnell, TN Independent Colleges

Historian – Melissa Smith, Nashville State Technical Institute

Membership – Marian Huffman, Lee University

Newsletter – Cherry Johnson, TN Tech Center at Crump

Nominations – Brent Tener, Vanderbilt University

Program (Fall) – Nancy Beverly, Milligan College

Program (Spring) - Joanie Hall, Vanderbilt University

Project Development – Judith Kerzner, *edsouth*

Reauthorization (Adhoc) - Ron Gambill, *edsouth*

Site Selection- Jeanne Stewart, South College

Sponsorship – Bobbie McClain, University of Tennessee, Martin

State Programs Liaison - Naomi Derryberry, TSAC

Strategic Planning - David Mohning, Vanderbilt University

Training- Robbie Snapp, Middle Tennessee State University

TSAC Advisory - Brent Tener, Vanderbilt University

The 2002 TASFAA Fall conference will be held October 20-22 at the Cool Springs Marriott in Franklin, TN. The program committee will have its first meeting on August 1, with Nancy Beverly, TASFAA President-Elect serving as the fall program chair. The spring conference will be held April 25-30, 2003, at the Cool Springs Marriott in Franklin, TN. TASFAA will be celebrating its 35th anniversary at both conferences.

The summer internship program for High School Guidance Counselors was once again a success! The high school counselors attend a two-day intensive training in June, just prior to beginning their assignments at the various Financial Aid Offices during the peak season, as well as providing information that the counselors take back to their high schools to assist their students.

Report from North Carolina State President, Rosemary Stelma

A transition meeting was held on June 15, 2002 in Raleigh, NC. 2001-02 officers and committee chairs assisted 2002-03 officers and committees chairs in setting goals, making budget requests, etc.

The first meeting of the 2002-03 executive board was held on July 15, 2002 in Raleigh, NC.

The treasurer has taken another position, thus placing himself in an “associate member” category. As such, he had to resign his office. The executive board has confirmed the appointment of Bill Cox, Meredith College, to fulfill the unexpired term of treasurer.

During this year, Dana Kelly from High Point University will review the Policies & Procedures Manual and identify areas which require updates and rewrites. These changes will make the manual more reflective of the way NCASF AA does business and address areas in which there are not clear policies or procedures.

Other activities this year include a review of the agencies (vendors/sponsors) policies, increased communication with chancellors and presidents to solicit support for financial aid administrator participation in training activities, upgrading of the membership database, increased use of the website and electronic communications, and an early awareness project.

NASF AA fall training will be offered as part of the Fall 2002 NCASF AA Training Conference – to be held November 4-6, 2002 at the Grove Park Inn in Asheville, NC. NCSEAA has agreed to purchase the NASF AA training materials for financial aid administrators in attendance at the conference. Teresa Williams, Wingate University, and Rance Jackson, NC State University, will serve as the NASF AA trainers. The fall conference theme is “Solving the Mystery of Financial Aid.” Bridget Ellis, SallieMae, is the fall conference chair. June Cline will be the opening session speaker.

Report from South Carolina State President, Anita Kaminer

The SCASF AA Transitional Board Meeting was held June 27-28, 2002, at the Whitney Hotel in Columbia, SC. The 2002-2003 SCASF AA Board Meeting was called to order on June 28. Our meeting consisted of a SASF AA update, approval of non-standing committees, an announcement of charges for each committee, and a presentation of goals for next year. The President began the meeting by giving an overview of the activities of the SASF AA Board Meeting that was held June 6-8 in St. Petersburg, Florida. After the approval of the non-standing committees, each committee chair was given a set of charges, goals and expectations for next year as listed below:

Committee and Board Charges

- A. General Expectations of all Committee Chairs
- Attendance and prompt arrival at SCASFAA functions
 - Submission of written reports
 - Adhere to the deadline dates for *Palmetto Pages*
 - Inform the Board of concerns or problems
- B. Budget Committee; Nancy Garmroth (Spartanburg Tech), Chair
- Continue to advise and address budgetary issues
- C. By-Laws Committee; Elizabeth Lomas (Clemson University), Chair
- Review potential by-laws changes
 - Review and submit changes to the P & P manual (nominations and elections and communications/newsletter sections need to be addressed immediately)
 - Begin work in collecting for archives
- D. Conference Chairs; Sandra Rhyne (Lutheran Seminary), Fall Conference Chair and Bill Whitlock (Central Carolina Tech), Spring Conference Chair
- Provide excellent training, leadership development and personal growth opportunities at both conferences.
 - Solicit ideas for suggested topics and have a solid tentative agenda at the time of registration
 - Announce dates for meetings
- E. Counselor Relations Committee; Betty Whalen (Winthrop University), Chair
- Continue to develop internship program
 - Continue to address financial aid awareness among all constituents
 - Publication and distribution of *Face the Facts*
- E. Diversity Chair; Sandra Gibson (Morris College), Chair
- Work on organizing a diversity project/programs for the fall and spring conferences as well as the Leadership Symposium
 - Be an active member of SASFAA's diversity committee
 - Serve on program committee
- F. Historian; Cheryl Hughes (SC Student Loan Corp.)
- Address the preservation of documents issue
 - Review archives and submit suggestions for imaging or converting to microfilm old financial records

- G. Legislative Concerns Co-Chairs; Ken Player (SC Student Loan Corp.) and Kim Jenerette (USC-Spartanburg)
Continue to provide membership with the latest updates and pertinent info
NASFAA email
- H. Lender/Agency Liaison; Bill Mackie (SC Student Loan Corp.)
Continue to keep membership and Board updated and informed on pertinent issues
- I. Long Range Planning Committee; Margaret Hunt (Midlands Tech), Chair
Continue the work started by Mike Fox with SCASFAA's Long-Range Plan
- J. Membership Committee; Ward Logan (The Citadel), Chair
Provide labels and listings of current membership as needed to committee chairs and board members
Work closely with Peer Support and the Historian to provide opportunities for mentoring
Maintain accurate data and work closely with the Treasurer
Be an active member of SASFAA's committee
- K. Newsletter Committee; Neal Kiker (Educaid), Editor
Provide extensive coverage and scope of the organization to the membership in a timely manner
Implement calendar of events, notes section
Announce deadline dates for submission of articles
- L. Nominations and Elections Committee; Keith Reeves (Clemson University); Chair
Provide a dual slate of candidates with representation from all sectors
Work with By-Laws committee in modifying absentee ballots and nominations and voting procedures
- M. Peer Support Committee; Ed Miller (USC); Chair
Continue to assess the needs of our membership to determine the direction of this committee
Work closely with Membership Chair and Historian
- N. Professional Development Committee; Jeff Dennis (Southern Wesleyan University), Chair
Provide excellent training opportunities with quality instructors (FACT)
Keep association informed of videoconferences and other training opportunities
Coordinate Decentralized Training
Conduct Leadership Symposium
Serve on Program committee
- O. Site Selection Committee; Violette Hunter (USC-Trio Programs), Chair
Continue to look at future conference and meeting sites.
Provide the Board at least three options for conference sites in a timely manner
Look at Madren Center for fall 2004

P. State Agency Liaison; Dr. Karen Woodfaulk (SC Commission on Higher Education)

Keep membership informed of state scholarships and grants programs

Q. Vendors/Sponsors Chair; Martin Carney (Furman University), Chair

Continue to provide for and meet the needs of our vendors
Implement a "picture board" for prizes for the conferences to eliminate theft
Serve on Program committee

R. Goals for next year

Thoroughly review the P&P
Provide quality-training opportunities to membership at our conferences and training workshops
Provide opportunities for professional and personal growth
Foster new membership and create ties and interest with new members
Rekindle the ties and interest of our previous leaders and "experts of the field"
Continue to promote minority involvement and leadership
Identify successors in your committees

At the conclusion of committee charges and discussion of goals for next year, the Board addressed other business pertinent to the association. One such item was the contract for spring conference 2003. Noting that a contract had just been issued from Springmaid Beach, the 2003 conference site, it was discussed that the contract needed to be fully reviewed and returned. Keith Reeves, President-Elect, has also been reviewing bids for spring 2004 and will continue to work on that proposal with the help of Cheryl Hughes. Also the standing agreement with the SC Vocational Rehabilitation had been modified to note an extension for five years upon signature instead of the current three years. This agreement was signed and returned. There was also discussion on assessing whether or not there is a problem with the costs associated with travel for committee meetings that is barring some members of the association from volunteering to serve on committees. The budget committee will begin this survey this year. The dates for future Board meetings were announced: October 29, 2002, Mt. Pleasant, SC (fall conference) and January 31, 2003 (tentative). The President also announced that she would be attending the NASFAA Conference in July.

Report from Virginia State President, Barry Simmons

VASFAA 2002-03 Theme

- EMBRACING CHANGE

VASFAA 2002-03 Focus

- Diversity in Action...striving for a better understanding of diversity...educational diversity. Educational diversity is a state of mind and atmosphere characterized by the inclusion of people and ideas from different, dissimilar backgrounds. These differences can include geographic origin, language, socioeconomic status, national origin, gender, ethnicity, sexual preference, disability, age, veteran status, religion and political philosophy. Particular to educational diversity is an openness to examining old ideas, challenging different ideas and championing new ideas in a setting that is intellectually and emotionally secure with an appreciation for reality. In dealing with professional organizations, organizational diversity should also be included.
- Increased Policy-Making Presence
- Early Awareness

Board Retreat 6/12-13-14, Donaldson Brown Hotel and Conference Center, Blacksburg, VA

- Welcome, structure and objectives of retreat
- Outgoing and incoming officers and reps at large critiqued prior year
- Both outgoing and incoming exposed to overall VASFAA finances and budgeting
- Strategic Planning presented 0203 committee structure with high level objectives and chair prerequisites
- Change to move Diversity Committee from Outreach to Professional Development

- Change to redefine Lender Liaison to Commerce Liaison
- ❑ Outgoing and incoming reps at large and officers one-on-one sessions
- ❑ Outgoing present “Lessons Learned”
- ❑ Outgoing depart and incoming committee chairs arrive
- ❑ Welcome, structure and objectives of retreat part two
- ❑ Lecture by Dr. James I. “Bud” Robinson Jr., Alumni Distinguished Professor of History and Executive Director, The Virginia Center for Civil War Studies on “Diversity and the Civil War.” His talk also included snippets from his tenure as historical consultant for the upcoming movie “Gods and Generals” starring Robert Duvall.
- ❑ VASFAA Budget Process and finances
- ❑ Strategic Planning presented 0203 committee structure with high level objectives and chair prerequisites
- Change to move Diversity Committee from Outreach to Professional Development
- Change to redefine Lender Liason to Commerce Liason
- ❑ Feedback from members
 - Board conducted telephone survey of membership during winter
 - Board Analyzed results and identified seven topics/concerns/themes
 - Shared results with membership during general session spring 2002
 - Then breakout groups to discuss themes and suggestions
 - ❖ Committees---general membership not aware of the importance of committees...construct a more formalized committee reporting structure...now in place...strategic planning has integrated committee structure and suggested objectives into an appendix to the strategic plan that committees will follow. Have a committee fair in place of a general session
 - ❖ Communication---greater use of listserv...directed listservs, respond to everyone who completed a volunteer form...increased use of vasfaa web suggestion box and share suggestions/responses...more structured reporting (above)...show actual conference cost per person versus registration fee...summarize conference on listserv...need pr piece.
 - ❖ Conferences/Workshops---continue two conferences a year...look into more regional workshops and one-day drive-in workshops...share evaluations.
 - ❖ Mentoring---re-introduce mentoring
 - ❖ School Involvement---be more proactive in seeking members...publicize the professional benefits of committee participation...vasfaa president should be more active with deans and presidents in promoting vasfaa membership...need pr piece.
 - ❖ Training---more for experienced aid officers...have more roundtable sessions...utilize more track training...share evaluations
 - ❖ Miscellaneous---how does the vasfaa budget work...work more with career schools...have scholarship resource page on website...more publicity on buddy awards...have a general session ‘VASFAA Finance 101.’
- Reps-at-Large meet with committee chairs
- VASFAA on the WEB presentation
- Reps-at-Large meeting with committee chairs for goals and budget request
- Presentation of goals and budget request
- Wrap-up
- Evaluation

New scholarship/loan programs available to students from certain areas of Virginia using tobacco indemnification monies (see www.finaid.vt.edu). Accredited four year institutions eligible nationwide.

Budget Crisis continues in Virginia, cuts in 02, 03 and 04 with potential cuts in travel and possible freeze in hiring. Most public colleges have increased tuition and there is an additional \$2 million in student assistance funds for state institutions, but it is yet unallocated. TAG, state assistance for students attending independent institutions, has a shortfall for 03 due to unanticipated enrollment growth.

A pseudo-consortium of public four-year institutions is exploring a joint RFP for FFELP loans in general as well as school as lender model. The original RFP was issued by UVA. This RFP “seeks an experienced firm to develop a comprehensive student loan plan that would provide University students with an improved and simplified loan process incorporating reduced interest and / or fees to students and their families”. As part of the RFP, the University expressed an interest in exploring the possibility of originating FFELP loans for graduate and professional students. The RFP allows for institutions of higher

education that are members of the Virginia Association of State College and University Purchasing Professionals (VASCUPP) to have access [as 'additional users'](#) to any agreement resulting from the RFP perhaps enhancing the potential benefits of the endeavor.

Next Board Meeting 8/6/02 in Richmond VA at Virginia Union University
Fall Meeting 11/13-14-15, Hotel Roanoke, Roanoke VA
Spring Meeting 5/11-12-13-14, Ramada Oceanfront, Virginia Beach, VA

