UNIVERSITY of IOWA
Response to
Board of Regents, State of Iowa
Request of September 27, 2007, Regarding
Relationship Between University of Iowa
and Alumni Association
1. What relationships exist between the Alumni Association and the University?

The University of Iowa Alumni Association was established in 1950 and is an independent 501(c)3 corporation that is an affiliate of the University of Iowa (see attached). As such the UIAA provides a variety of services to the University and its alumni, students, faculty and staff, and other friends. The Alumni Association supports placement activities for alumni, individual alumni clubs throughout the country, a host of reunion activities, and many similar activities. The UIAA has historically maintained the University of Iowa’s alumni records.

The University of Iowa’s relationship with the UIAA includes enabling it to self-generate the financial resources to service UI alumni and friends. In part this has been done over the last ten years through the affinity credit card program.

There are a number of written agreements between the UI and the UIAA. Two of these describe and enable the UIAA affinity card program and one agreement is more comprehensive in describing the overall relationship between the organizations. Each of these three agreements is attached. There are many other agreements with smaller scope which are also attached as examples. Most of these are agreements for advertising in the UI Alumni magazine. The complete list of “joint activities” is attached as Exhibit A to the MOU dated 3/29/05 between the UI and UIAA.

Sharing between UIAA and UI is described in the respective major documents. Alumni records are the most substantial and sustaining information that is shared. Additionally the names and locators of students, faculty, staff and parents are shared.

The principal financial benefit the UIAA provides to the UI is its funding of specific needs such as student credit advising, the UI Alumni Careers Network, the Old Capitol restoration and the significant $1 million support for the new Pomerantz Careers Center. The later houses placement and career development services, student academic advising and the parents and visitors center. Development of the affinity card program by UIAA provides direct support through royalties earned for UI symbols which have been one of the factors enabling athletics programs at UI over the last six years to reduce and then eliminate its General Education Fund support from the University of Iowa.

The UIAA receives direct support from UI to manage its alumni records. In fy2006 this was $581,000 out of total UIAA revenues of $3.3 million. The affinity card program in that year provided UIAA $656,000 (and just under $1 million in the prior fiscal year) to support its activities. In fy2007, the UIAA’s Income Statement reflects credit card royalties and marketing revenue in the amount of $1, 039,259.79.

Students are eligible to be members of the UIAA.

Annually the UI provides to the Board of Regents an audited financial report covering UIAA operations and any explanatory material requested by the Board Office. A copy
of the latest UIAA audited financials are attached. The fy2007 audited financials will be provided as soon as available.

2. **Please provide the University policy on sharing mailing lists (names, addresses, phone numbers, email addresses) and identify charges associated with providing the lists to:**

   - Alumni Association
   - Outside vendors
   - Other parties

There is no specific University policy on sharing mailing lists. Information is provided to the UIAA pursuant to the various agreements described and provided about under Question 1, and under Question 4. Outside vendors and other parties obtain public mailing list information via open records requests.

The Registrar charges $75 per hour for the computer programming time needed to generate the lists requested, with a minimum set up charge of $75. Most requests require an hour or less to generate the list. The Registrar’s form for making such requests is located at [http://www.registrar.uiowa.edu/forms/datarequest.pdf](http://www.registrar.uiowa.edu/forms/datarequest.pdf), and is also attached.

3. **What student information is provided to the card vendor?**

   Student locator information is provided to the UIAA, which in turn works with the card vendor (Bank of America) to send mailings to various groups. The specific list of information that can be obtained by the UIAA from the UI is contained in revised Exhibit A (October 6, 2006) to the Memorandum of Understanding (MOU) between the UI and the UIAA dated March 29, 2005. See attached.

   Is this information otherwise accessible, i.e. through FERPA?

“FERPA” (the Family Educational Rights and Privacy Act of 1974) is a federal law that generally sets out the requirements for the protection of privacy of parents and students in both K-12 and post secondary institutions. Once students reach the age of 18, or enroll at institutions of postsecondary education, the privacy rights apply only to the student. In the higher education setting, “education records” (those records directly related to a student that are maintained by an educational agency or institution or by a party acting for the agency or institution) generally cannot be disclosed to a third party without the consent of the student, unless the information is “directory information” that would not generally be considered harmful or an invasion of privacy if disclosed. Under federal regulations (34 CRR 99.3), “directory information” includes, but is not limited to, “…the student’s name, address, telephone listing, electronic mail address,
photograph, date and place of birth, major field of study, dates of attendance, grade level, enrollment status (e.g., undergraduate or graduate; full-time or part-time), participation in officially recognized activities and sports, weight and height of members of athletic teams, degrees, honors and awards received, and the most recent educational agency or institution attended.” In the case of the UI, the definition of “directory information” is contained in the “Student Records Policy” located at http://student-services.uiowa.edu/students/policies/1c.php. It is also attached. (2 pp.)

FERPA also permits the disclosure of non-directory information to other school officials whom the institution has determined has legitimate educational interests.

Much of the information provided to the UIAA under the MOU is “directory information”, and is thus available to any person or entity who requests it. The UI has responded to over 30 of those records requests in this calendar year. See the attached list containing the “Company,” “Person Requesting,” “City”, etc. (3 pp.) The rest of the information contained in the students’ “education records”, while not directory information and thus not public under FERPA or the State of Iowa’s open records law, is provided to the UIAA because the UI has contracted with the UIAA to perform certain legitimate activities on the behalf of the UI.

How are eligible students and parents notified of their rights under FERPA?

Students are notified annually of their FERPA rights under the “Student Rights Policy” noted above. Most recently this was done the first week of September 2007. See the attached document entitled “Purpose of the e-mail” which was prepared by Thomas R. Baker to send to all students. (2 pp.) Students also can access the “Student Rights Policy” on the UI web page at any time. Since parents of students enrolled at institutions of postsecondary education do not have specific FERPA rights, they are not specifically notified except through the orientation of new students which many parents attend.

4. Describe How the Alumni Association Selected the Credit Card Vendor.

According to the UIAA it worked through a management company, Partner Advisors, which helped develop a program to be considered by banks that operated large affinity card program. Partner Advisors assisted UIAA in soliciting banks, evaluating proposals, and negotiating terms. UIAA indicates that negotiations occurred with two major banks preceding the latest award to Bank of America.

The University of Iowa was not a party to the negotiations or transaction; however, University officials were apprised of the outcome of the UIAA’s selection process.

5. Describe what Financial Literacy Education is Available to Students

The UIAA provides $20,000 in annual funding in support of the Student Credit Money Management Services Program—operated through UI’s Student Services organization.
Below is information on UI financial education programs and programs offered by the bank.

**Financial Education for UI Students**

In 2000, a student financial counseling initiative was established by the Women’s Resource and Action Center (WRAC) with funding from the Alumni Association. The initial program was called “Paper or Plastic” and included representatives from several areas on campus. This initiative included educational programs, attending parent orientation programs and a contract with a credit counseling service providing free counseling to students. (See Parent Times article at http://www.uiowa.edu/~ptimes/issues02-03/winter02-03/money.html)

That initiative evolved to its current form, which is The University of Iowa Student Credit & Money Management Services (SCMMS), and it continues to receive funding from the Alumni Association. The SCMMS Committee includes representatives from the Alumni Association, Student Financial Aid, University Counseling Service, University Housing, Office of Student Life, Registrar, Cashier/University Billing Office, WRAC and Center for Diversity and Enrichment. (See Web site: http://imu.uiowa.edu/osl/money/) The Web site has information about requesting programs for student groups, the free credit counseling service and resources related to credit cards and other financial management issues.

**Summary of Activities for 2006-07 year:**

Consumer Credit Counseling Services (CCCS) – The free student counseling service continued to be an instrumental resource on campus. During the academic year (August-April) the counselors saw 52 clients and provided telephone counseling to 57 callers. This summer the CCCS was relocated back to the Iowa Memorial Union from Westlawn. These services, free to the student, are provided on contract basis by Consumer Credit Counseling Service of Cedar Rapids and Iowa City.

National Endowment for Financial Education (NEFE) Partnership – The University of Iowa Student Credit & Money Management Services (SCMMS) has recently partnered with the National Endowment for Financial Education to join its free, subscriber-based Web site service that provides an abundance of student-friendly information on financial literacy topics such as budgeting, credit cards, checking and savings accounts, identity theft, and student loans, among others. The Web site will be customized with UI colors and contact information, but all Web site information will be maintained and regularly updated by NEFE.

University of Iowa Community Credit Union (UICCU) Partnership – Recently the University of Iowa Credit Union opened a site in the Iowa Memorial Union. The two entities hope to work together on efforts to promote financial literacy among students. To initiate that effort, a representative from UICCU is the newest addition to the SCMMS committee.
Educational Outreach – The SCMMS committee sponsored a financial literacy program during Welcome Week called The Money Game, an entertaining, interactive, educational lecture. Fifty students attended in Fall 2006. In addition, SCMMS committee members along with the counselors presented to approximately eight collegiate Transition courses.

Parent Outreach – The SCMMS committee has spent some additional time and resources to target parents and provide them with information about how to talk to their students about money management and about the free service provided on campus. A new flyer was developed for 2007 summer orientation.

Marketing – The SCMMS committee launched a year-long marketing campaign to promote the free counseling service. Posters were placed in various partnering offices around campus with Post-It notes attached that provided the counseling contact information. The committee published print materials promoting the SCMMS Web site and counseling services. They were distributed around campus as well as distributed to first-year students and their parents at the 2007 summer orientations.

During the current 2007 academic year, outreach activities will be conducted with various organizations including, but not limited to:

- Cultural Centers
- Student Government
- Interfraternity Council
- Panhellenic Council
- National Pan-Hellenic Council
- Associated Residence Halls
- House Directors Association (sororities)

Also, several of our professional colleges have outreach efforts to educate their students about prudent financial decisions. For example, the Carver College of Medicine holds a budgeting workshop for its students. The collegiate staff works with a local bank to host a credit history session. Students provide their personal information to bank staff for credit history checks and the bank staff then reviews the information directly with students regarding debt load and types of debt. The collegiate staff also responds to specific student requests for information such as identify theft.

The College of Law has a Web site dedicated to financial education and management, which includes links to a variety of resources such as the “Wise Borrower Curriculum Credit Series.” ([http://www.law.uiowa.edu/students/studentservices-financialaidadditionalinfo.php](http://www.law.uiowa.edu/students/studentservices-financialaidadditionalinfo.php)) Collegiate staff also will be offering programs on Financial Management and Stock Market 101.

UI operates a Comprehensive Counseling Services program for students. When financial
issues arise in student counseling sessions, the staff is fully informed to provide students with information about financial education services on campus.

Bank-provided Services

The UIAA’s affinity card bank provides tips on responsible money management through its website www.smartcredittips.com. (This website address will change to www.bankofamerica.com/StudentCreditTips in the next few weeks due to enhancements being made to the site.) Students are notified of the website through the credit card offer. When they initially receive their card, the bank also includes a 15 page booklet called “the essentials that covers topics such as how to use credit cards responsibly, how credit card management affects a person’s credit score, what a credit score is, how to plan and stick to a budget, and identity protection.”

In conjunction with Monster.com, the bank provides Money Skills presentations to students on campus. The “Ultimate Money Skills” presentation that is geared towards college students is an interactive audience-participation seminar. The presenter takes the audience through exercises in a workbook, and all attendees leave with a student financial guide to use a resource. The seminars and associated materials are offered by the bank free of charge to the university and students.

6. Are credit companies allowed to market on campus; set up a table, recruit students to solicit, and/or promote through giveaways? Are other private companies allowed to market on campus? If so, please provide examples. Do any of the additional examples have financial implications?

The Alumni Association is the only entity that may market affinity credit cards at solicitation tables in the IMU. By contract this can be done up to seven times per year by provisions of its agreement with UI. However, there were only two solicitations conducted last academic year and they have not utilized tabling this year.

Recognized student organizations may conduct other commercial solicitation on campus. Private companies may not market on campus unless invited as a fundraiser by student organizations. This does not occur often. The most recent incident was last spring with a sweater company. In each instance, student organizations complete a fund raising sponsorship agreement and provide it to Student Services.

7. What is the financial impact if the card vendor agreements are vacated?

If the affinity card agreement between UIAA and Bank of America did not exist or was vacated, the loss to UIAA would be in the range of $1 million per year. The issues presented to UI would be not having the various financial support opportunities from UIAA such as for the Careers Center and development of alumni clubs throughout the U.S.
If the affinity card agreement were more restricted in some form, but not vacated, the financial implication would be variable and difficult to predict.

8. How many cards have been issued to students through the Card Vendor/Alumni Association Agreement?

According to the UIAA as of July 31, 2007, there are 396 student accountants of which 208 are active (actually using the card.) the number of open student accounts represents 1% of the total portfolio. The average balance of active student accounts is $1,028.