

# S STUDENT ASSISTANCE FOUNDATION

*Caring About Your Success*

2004 - 2005

REPORT ON FOUNDATION ACTIVITIES

# STUDENT ASSISTANCE FOUNDATION BOARD OF DIRECTORS

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## *Contents*

MESSAGE FROM THE PRESIDENT	Page 2
ACCESS GRANTS	Pages 3-4
MONTANA CAREER INFORMATION SYSTEM	Page 5
CAMPUS OUTREACH	Page 6
UPROMISE	Page 6
COLLEGE GOAL SUNDAY	Page 7-8
COMPLEMENTARY MISSION GRANTS	Page 9
OTHER GRANTS, SCHOLARSHIPS, AND SPONSORSHIPS	Page 10
SUPPORTED PROGRAMS AND PROJECTS	Page 10
FINANCIAL STATEMENTS	Pages 11-13
CORPORATE INFORMATION	Page 14

## *A Message from the President*

On behalf of the Board of Directors and the employees of Student Assistance Foundation, we are pleased to present this report of our public benefit activities from July 1, 2004 through June 30, 2005.

Affordability, access, and achievement are often discussed as the critical success factors to improve entry and retention in postsecondary education. Our public benefit activities are structured and delivered in ways that support those success factors. It is our intent to help students grab hold of their dreams for the future and realize that they can achieve their educational goals. Our campus and community outreach efforts, innovative programs, and grants help Montanans see that college is possible and worthy of the investment of resources to make it a reality.

Certainly, financial resources open the door to higher education for many students, but an open door with a vacant threshold simply creates a draft. Montana's educators work hard to prepare our students for bright futures, but many of these students choose not to pursue college education. Why is that? In the coming year, we'll be studying this issue and learning more about the factors involved in postsecondary decision making. In the meantime, we remain steadfast in our commitment to help Montana students succeed in reaching their educational goals.

William Butler Yeats said, "Education is not the filling of a pail, but the lighting of a fire." In conjunction with our partners in K-12 education, tribal colleges, community colleges, and the Montana University System, it is our hope and our life's work to spark this fire for thousands of Montana students and their families.

Respectfully,

Jim Stipcich  
President and CEO

Lynn Hamilton  
Chair, Board of Directors

*The mission of the Student Assistance Foundation is to provide students with the knowledge and tools to finance and pursue their post-secondary education.*

*The mission of the Foundation Activities Division is to make a difference in the lives of Montana students and their families.*

*We live our mission by reaching out to students and parents through a variety of programs and outreach services, appreciating the individual needs of the students we work with, and encouraging student success.*

# Acce\$\$ Grants

For many Montana students, affordability is a major barrier to pursuing postsecondary education goals. Through the Acce\$\$ Grant program, Student Assistance Foundation provides funding to help students weather financial strains and continue their education. Acce\$\$ Grants are awarded to students through the financial aid offices at Montana colleges and universities. The criteria are established by each financial aid office to best meet the needs of students.



Pictured: Shea Ketcham, UM Branch Manager; Jim Bell, Board Member; Teri Gruba, UM Assistant Financial Aid Director; Kelly Chapman, EVP Foundation Activities; George Dennison, UM President; Mick Hanson, UM Financial Aid Director

*"The beauty of Acce\$\$ Grants is their flexibility," says Mick Hanson, Financial Aid Director at The University of Montana. "Life continues to happen to students while they are going to college, and I often encounter students who are struggling to make ends meet while pursuing their studies. With these funds, I can often provide the additional help that is needed after all other aid has been offered and they are still short of the budget. It usually becomes the extra money that allows them to stay in school."*

The truest measure of success for this program comes from the students who received Acce\$\$ Grants. Following is a small sampling from the thank-you notes sent by the recipients to Student Assistance Foundation:

*"It is encouraging to know that there is financial assistance available for students like me whose parents are unable to assist them. I would encourage prospective students in my situation to pursue college education even though the financial hurdles may seem insurmountable. Programs like this [Acce\$\$ Grants] make college possible for many who previously thought it unattainable."*

*—Andrea, Carroll College*

*"I haven't regretted my decision to return to college, and I know it is finally the right time for me to make the journey. This is finally my season to accomplish a new set of dreams and discover my hidden potential."*

*—Michelle, Salish Kootenai College*

Montana colleges and universities received a total of \$500,000 to use in the 2004-2005 academic year, benefiting 516 students. This amount represents a 43 percent increase in the amount awarded through the Acce\$\$ Grant program since its inception in 1999, and funding for the 2005-2006 academic year will exceed \$602,000. In addition, all Montana tribal colleges will receive Acce\$\$ Grant funds in the coming academic year.

*“What a blessing! I’ve been awarded \$1,100 and every penny counts! I will continue in my program (paramedicine) and graduate in the spring. Federal financial aid doesn’t cover childcare and receiving this award makes my goal so much more attainable. With my degree, I will secure a much better job. The Acce\$\$ Grant is a great program!”*

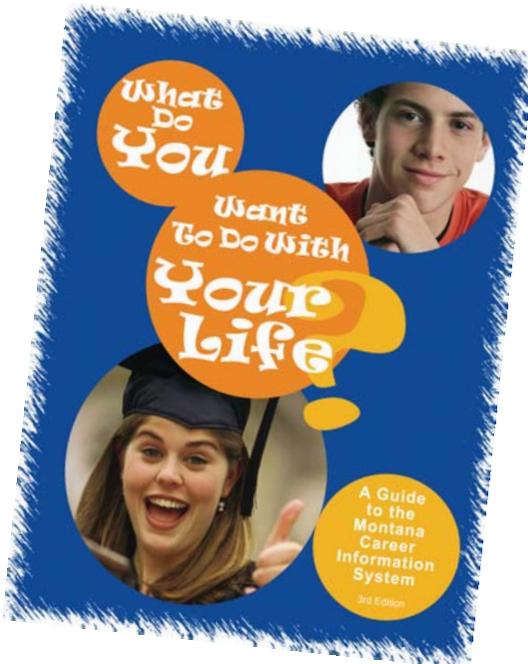
– Suzanne, Flathead Valley Community College

	Grant Amount	Students Served
Carroll College	\$16,543	11
Dawson Community College	5,486	11
Flathead Valley Community College	16,880	19
Helena College of Technology	9,988	13
Miles Community College	7,034	18
Montana Tech	26,559	41
MSU-Billings	49,727	62
MSU-Bozeman	143,794	89
MSU-Great Falls College of Technology	9,861	23
MSU-Northern	17,457	13
Rocky Mountain College	9,411	9
Salish Kootenai College	5,627	12
The University of Montana	154,893	156
University of Great Falls	12,899	5
UM Western	13,841	34
<b>TOTAL</b>	<b>\$500,000</b>	<b>516</b>

# Montana Career Information System

Student Assistance Foundation continued its successful partnership with the Montana Department of Labor and Industry in offering free Internet access to Montana's Career Information System, MCIS, through the Student Assistance Foundation website, [www.safmt.org](http://www.safmt.org)

Outreach efforts expanded this year to include middle schools, with the development and implementation of the "Lights, Camera...Action!" curriculum for 7<sup>th</sup> and 8<sup>th</sup> grade students. This curriculum, in its first year, was used with approximately 2,500 middle school students.



**Lights, Camera... Action!**

**The Career movie script:**

**Write and star in your own career blockbuster movie!**

Name: \_\_\_\_\_ Date: \_\_\_\_\_ Period: \_\_\_\_\_

**Character Narrative**

Who are you? What are your likes and dislikes?

\_\_\_\_\_

\_\_\_\_\_

What are your hobbies and things you like to do? What things are you really good at doing?

\_\_\_\_\_

\_\_\_\_\_

How do you make a difference to your family and friends and classmates?

\_\_\_\_\_

\_\_\_\_\_

Exploring Montana Career Information System and the Interest Profilers O'Net/Microskills/Work Importance Locator using the MCIS workbook.

Go to pages 8-12 and pick one of the Interest Profilers and complete it.

Then click on Occupations to see if your dream job is on the list!

Middle school and high school outreach efforts served a total of over 17,700 students, parents, and educators statewide in the past fiscal year.

The MCIS workbook developed by Garth Ferro continued to be widely used, with orders fulfilled for over 15,000 workbooks. Since its original development 39,200 copies of the workbook have been distributed to students statewide.

# Campus Outreach

Student Assistance Foundation added two community outreach managers working from the Helena office to provide outreach and support to students, parents, educators, financial aid staff, and communities. Marti Johnson serves schools in southwest Montana (Montana Tech and College of Technology, Carroll College, UM Helena, and UM Western) and Libby Siebens serves north central Montana (University of Great Falls, MSU Great Falls College of Technology, and MSU Northern).



Campus outreach efforts at The University of Montana, Montana State University, and MSU Billings are provided through branch offices located on each campus. A fourth office will be added at Miles Community College in 2006.

# UPromise

For many Montana families, finding the extra money to set aside for a 5-year old's future tuition is hard to do. Immediate needs, like groceries and gas, are significant monthly expenses for most families with children. By signing up for a free UPromise account through the Student Assistance Foundation website, families can turn their everyday expenses into future college savings. Participating merchants, such as Albertson's, Safeway, and Exxon, provide rebates of 2% to 25% on purchases of participating products. The rebates accumulate in their UPromise account until they are ready to use them, or they can link them to an existing student loan account to reduce the principal balance.

To date, over 2,000 Montanans have established their UPromise account through the Student Assistance Foundation website.

**How UPromise Works:**

- Join UPromise for FREE!  
Consumers register credit and grocery cards. FREE!
- Save and Pay for College  
Consumers automatically accumulate a portion of eligible spending on their UPromise account.



**STUDENT ASSISTANCE FOUNDATION**

2355 Broadway Avenue, MT 59611  
406.262.2791 • [www.upromise.org](http://www.upromise.org)  
on the UPromise site and JOIN FREE!

**It's everyday life.**

**And it's paying for college.**

**Now your average day helps save for higher education.**

Student Assistance Foundation has teamed up with UPromise to help students and their parents with the costs of higher education. It's simple:

- Log on to [www.upromise.org](http://www.upromise.org), click the UPromise icon and JOIN FREE!
- Buy products and services that participate in the UPromise service.
- Automatically get money back for college!

Family and friends can also get involved and contribute all or a portion of their savings to your UPromise account.

**Just think!** Every time you go grocery shopping, buy gas for your car, have your car serviced, eat out at restaurants, shop on-line, send flowers... you could be saving money for college.

UPromise contributions can also be used to help pay down your student loans. [www.upromise.org](http://www.upromise.org)



# College Goal Sunday

College Goal Sunday, a volunteer, charitable effort designed to help students and parents successfully complete the Free Application for Federal Student Aid (FAFSA), was held statewide on Feb. 13, 2005. With the help of many partners, especially the Montana Association of Student Financial Aid Administrators (MASFAA) and American Indian Business Leaders (AIBL), Montana's first College Goal Sunday event helped 776 students and parents successfully



complete the FAFSA. Collaboration with partner organizations was imperative to the success of College Goal Sunday. In addition to MASFAA and AIBL, Montana Postsecondary Education Opportunities Council (MPSEOC), Montana GEAR UP, the Montana School Counselors Association, and TRiO/Mount Aspire all contributed their time and resources to spreading the word about College Goal Sunday.

Even though many high schools schedule and promote their own parent financial aid programs, the majority of families who attend are those who actively seek information on financial resources for college. College Goal Sunday, on the other hand, provides opportunities for families who have limited knowledge of pathways to higher education or who find the financial aid application process overwhelming, forming a barrier to their student's moving on to college.

*College Goal Sunday was held in 13 Montana communities in 2005:*

MSU - Northern  
Blackfeet Community College  
Salish Kootenai College  
Flathead Valley Community College  
(Kalispell and Libby)  
The University of Montana

MSU - Great Falls College of Technology  
MSU - Billings  
Little Big Horn College  
Chief Dull Knife College  
Fort Peck Community College (Poplar and Wolf Point)  
Montana Tech

*College Goal Sunday will be offered at four additional campuses in 2006:*

MSU Bozeman  
Carroll College

Miles Community College  
Dawson Community College

Corporate support from throughout the state was an integral part of the success of this first year effort. Major corporate sponsors included: PPL Montana, Taco Bell, Montana Rail Link, Placer Motors, Max Media, Montana Guaranteed Student Loan Program, Inland Northwest Space Alliance, Fisher Communications and Bresnan Communications.



College Goal Sunday, a national program, was originally created by the Indiana Student Financial Aid Association with funding from Lilly Endowment, Inc., and with supplemental support from Lumina Foundation for Education. Lumina Foundation provided grant funding to Student Assistance Foundation to implement the program in Montana.

### *Comments from College Goal Sunday participants:*



*"For a first year effort, everyone seemed to be organized and helpful. We hope this will be an ongoing program because other people will benefit from it."*

*"This was a tremendous help and I appreciate the time everyone has volunteered. I could not have done this without their assistance."*

*"This was very valuable. In 10 minutes I had answers to questions I had trouble over for months. Thanks!"*

# Complementary Mission Grants

The foundation continued to support promising projects and programs delivered by partner organizations, which, by design, complement the public benefit mission of Student Assistance Foundation. Complementary Mission Grants include both cash and in-kind contributions, and in 2004-2005, Student Assistance Foundation its funding for these programs.

## **Student Advocates for Financial Education (SAFE)**

\$30,000. This program provides peer counseling and debt management counseling for students at Montana State University. In addition to individual counseling, SAFE offers presentations to larger groups, contributes articles for campus newsletters, maintains a website, conducts promotion and outreach work at conferences and orientation sessions, and provides display materials. Topics include managing credit, student loan debt, budgeting and debt management, bankruptcy, auto loans, life in college, life after college, spending plans, and more.

SAFE was featured in the *U.S. News and World Report* web-zine (April 2005).

## **Webwriters**

### **Montana Association of Teachers of English Language (MATELA)**

\$6,553. The foundation continued its support for Webwriters, a web-based tutorial designed to help students prepare for and improve their scores on the Montana/ACT writing sample. The website includes the scoring rubric, excerpts from sample essays, and descriptions of how certain features of an essay are scored. Students submit their essays electronically, and the essays are circulated to trained volunteer teachers who score the essays and provide feedback for improvement. Webwriters had over 8,000 hits in the course of the year, and 262 essays were submitted.

### **Montana Postsecondary Educational Opportunities Council (MPSEOC)**

\$18,750 to support the annual Montana College Fair Tour and scholarships, and to support production of the *Guide to Higher Education*.

## **Newspapers in Education**

\$14,000 to Lee Enterprises to support statewide distribution of newspapers in classrooms.

## **Support for the Board of Education's P-20 Committee**

In April 2004, Student Assistance Foundation donated \$10,000 to the Office of the Commissioner of Higher Education to support the development of a P-20 initiative for Montana. An additional \$15,000 was approved to use as matching funds for the committee's development efforts. Additional in-kind contributions of staff time and expertise were also donated to the committee and its staff.

P-20 initiatives aim to align K-12 and postsecondary education.

## **Public Empowerment Campaign**

In conjunction with the P-20 committee, SAF developed the first in a series of public empowerment campaign products designed to increase awareness of the value of public education and the opportunities available through postsecondary education. Several partners contributed funding to implement the first phase of the campaign, including the Montana Guaranteed Student Loan Program, Taco Bell, Rail Link, and Inland Northwest Space Alliance.

# Other Grants, Scholarships, and Sponsorships

An important part of the foundation's mission is to provide financial and in-kind support to other programs and organizations working to make a difference in the lives of Montana students. Following is a brief description of additional grants awarded by the foundation in support of its mission.

## Acce\$\$ Circle

The employees of Student Assistance Foundation initiated their own program to help Montana students complete higher education, through financial assistance. Acce\$\$ Circle grants are funded by monetary donations from the foundation's 160 employees and a \$50 per employee contribution from Student Assistance Foundation. In the first year of the program, \$20,000 was generated and will be awarded in \$1,000 grants to fifteen Montana students in the fall of 2005. In the coming year, the employees of Student Assistance Foundation will work with other Montana organizations to "join our circle of friends" helping Montana students.



## Jobs for Montana's Graduates

\$2,500 in scholarships was awarded to five graduating high school students who have actively participated in the Jobs for Montana's Graduates program to use for their post-secondary pursuits.

## Health Science Achievement Grants

With funding provided by the Office of the Commissioner of Higher Education's Workforce Development Department, over \$30,000 in educational grants was awarded to Montana post-secondary education institutions offering programs in the health sciences.

# Other Supported Programs and Projects:

- Big Sky Youth Empowerment Program
- Destination Imagination
- Helena YMCA
- Montana Indian Educators Conference
- American Indian Business Leaders National Leadership Development Conference
- Montana Financial Education Coalition
- Health Occupations Students of America
- Philanthropy Northwest
- Leadership Helena
- Lions Swim Meet
- Home School Basketball Tournament
- Seeley-Swan Career Road Show
- Public Empowerment Campaign
- Montana Association of Student Financial Aid Administrators (MASFAA)
- Pacific Northwest Admissions Counselors Association conference
- Montana School Counselors Association
- Festival of Trees
- MEA/MFT Conference
- Montana Council for Executive Leadership (MCEL)
- Kids Fairs at Southgate Mall (Missoula) and Capital Hill Mall (Helena)
- Montana Campus Compact
- National College Access Network

**STUDENT ASSISTANCE FOUNDATION OF MONTANA AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
 June 30, 2005 and 2004

	Total	
	2005	2004
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,733,669	\$ 1,290,426
Accounts receivable:		
Lender Services	42,626	40,697
Other Lender Receivables	267,768	164,278
Related parties	597,801	533,323
Interest Receivable	1,308,190	277,890
Investments	681,608	700,006
Prepaid costs, net	354,146	347,201
Total current assets	\$ 4,985,808	\$ 3,353,821
<b>PROPERTY AND EQUIPMENT, at cost</b>		
Land and building	\$ 3,888,243	\$ 2,880,045
Building improvements	520,336	228,237
Equipment and furniture	2,817,008	2,047,376
	7,225,587	5,155,658
Less: accumulated depreciation	1,904,126	1,148,036
Total property and equipment	\$ 5,321,461	\$ 4,007,622
<b>OTHER ASSETS</b>		
Cash and cash equivalents	\$ 5,362,360	\$ 828,719
Educational Loans receivable, net	84,012,152	54,651,396
Prepaid costs, net	1,453,486	638,167
Other	775,471	
Total restricted assets	91,603,468	56,118,282
<b>Total Assets</b>	<b>\$ 101,910,737</b>	<b>\$ 63,479,725</b>

The Notes to Financial Statements are an integral part of these statements.

**STUDENT ASSISTANCE FOUNDATION OF MONTANA AND AFFILIATE  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30, 2005 and 2004

LIABILITIES AND NET ASSETS	Total	
	2005	2004
<b>CURRENT LIABILITIES</b>		
Other accounts payable and accrued expenses	\$ 1,643,415	\$ 1,403,016
Funds held for loan servicing client	660,622	558,045
Accrued interest payable	195,714	54,212
Grant program liability	608,517	503,930
Current portion of deferred compensation liability	37,218	92,302
Compensated absence liability	713,501	566,986
Current maturities of notes payable	196,019	124,068
Total current liabilities	\$ 4,055,006	\$ 3,302,559
<b>LONG-TERM LIABILITIES</b>		
Notes payable, net of current maturities	\$ 3,775,837	\$ 2,584,800
Loans Payable, net of current maturities	92,109,792	56,000,000
Total long-term liabilities	\$ 95,885,629	\$ 58,584,800
Total Liabilities	\$ 99,940,635	\$ 61,887,359
<b>NET ASSETS</b>		
<b>Unrestricted net assets</b>		
Undesignated	\$ 1,947,054	\$ 1,592,366
Designated by Board	-	-
	1,947,054	1,592,366
Temporarily restricted assets	23,048	-
Total net assets	\$ 1,970,102	\$ 1,592,366
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 101,910,737	\$ 63,479,725

The Notes to Financial Statements are an integral part of these statements.

**STUDENT ASSISTANCE FOUNDATION OF MONTANA AND AFFILIATE**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
For the Years Ended June 30, 2005 and 2004

	Total	
	2005	2004
<b>UNRESTRICTED NET ASSETS</b>		
Revenue and Support:		
Management fee income	\$ 11,780,307	\$ 3,976,452
Interest on educational loans	6,682,760	1,201,029
Loan servicing income	243,241	6,165,082
Lender services income	562,363	508,358
Interest income	50,361	18,999
Contributions Received	5,700	22,350
Other income	129,853	18,377
	19,454,585	11,910,647
Net assets released from restrictions	157,125	-
Total unrestricted revenue and support	\$ 19,611,710	\$ 11,910,647
Program Operating Expenses:		
Loan Servicing		
Salaries, payroll taxes and employee benefits	\$ 6,642,900	\$ 4,852,625
Contract sub-servicing fees	698,034	573,572
Professional services	408,150	357,478
Advertising	37,841	5,846
Marketing and outreach	712,785	554,734
Contract labor	71,452	86,814
Staff travel and training	485,104	392,885
Insurance	39,127	28,462
Office supplies and copier charges	104,790	101,596
Computer charges	362,704	327,602
Telecommunications and utilities	227,426	306,234
Mail, postage and courier	333,201	283,784
Printing	189,994	139,514
Dues, subscriptions and memberships	52,861	46,287
Recruitment and relocation	36,543	15,507
Automobile expense	6,319	5,554
Repairs, maintenance and service	39,247	59,797
Depreciation	707,731	338,004
Amortization of prepaid costs	204,497	125,222
Conversion costs	1,233,483	316,993
Loan Fees	898,938	295,134
Other costs	137,980	154,009
Interest expense	3,517,968	553,232
Grants and public purpose program expenses	1,456,702	892,291
Lender services expenses	402,466	347,421
Total direct program expenses	\$ 19,008,243	\$ 11,160,597
General and administrative expenses		
Salaries, payroll taxes and employee benefits	\$ 67,700	\$ 308,794
Board and officer expenses	24,538	19,099
Professional services	36,323	11,477
Insurance	33,064	29,861
Advertising	40,439	23,383
Income Tax Expense	11,268	10,711
Other general and administrative costs	35,447	16,578
Total general and administrative expenses	\$ 248,779	\$ 419,903
Total expenses	\$ 19,257,022	\$ 11,580,500
Increase in unrestricted net assets	354,688	330,147
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Revenue and Support:		
Contributions Received	\$ 180,173	\$ -
Net assets released from restrictions	\$ (157,125)	\$ -
Increase in temporarily restricted net assets	\$ 23,048	\$ -
Increase in total net assets	\$ 377,736	\$ 330,147
Net assets at the beginning of the year	1,592,366	1,262,219
Net assets at the end of the year	\$ 1,970,102	\$ 1,592,366

The Notes to Financial Statements are an integral part of these statements.

*Corporate Office*

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*UM - Missoula Branch Office*

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*Miles Community College*

*Branch Office*  
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STUDENT ASSISTANCE  
FOUNDATION  
MANAGEMENT TEAM

JIM STIPCICH

President/CEO

JOLENE SELBY

Executive Vice President/CFO

LOWELL WOLLITZ

Executive Vice President  
of Borrower Services

DON OLIVER

Executive Vice President  
of Sales and Marketing

KELLY CHAPMAN

Executive Vice President  
Foundation Activities

KEITH CARPARELLI

Marketing Director

DENNIS DOHERTY

Human Resources Director

SCOTT TODOROVICH

Chief Information Officer

# STUDENT ASSISTANCE FOUNDATION

*Caring About Your Success*

**success** ► noun ① the  
FOURABLE OUTCOME, SUCC

result, triumph. ② the