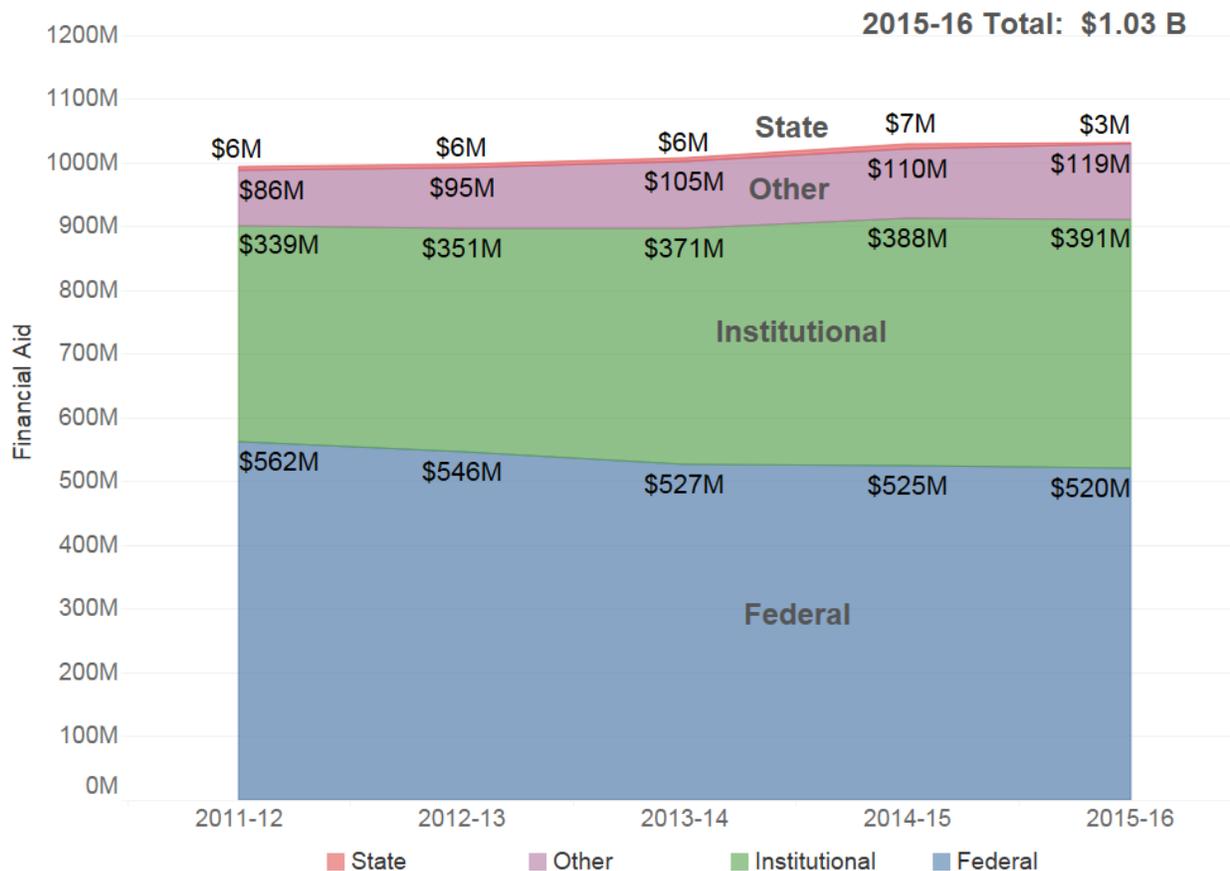


ANNUAL STUDENT FINANCIAL AID REPORT

Action Requested: Receive the 2015-2016 annual governance report on student financial aid.

Executive Summary: This annual report describes the volume of student financial aid awarded at the Regent universities. Financial aid, in the form of grants, loans, and on-campus employment, is available to all eligible Regent university students. In 2015-16, the total amount of financial aid awarded to students² at the public universities was \$1,032,435,752;³ this represents an increase of \$2,896,144 (+0.3%) from the prior year. Between 2011-12 and 2015-16, the total amount of financial aid awarded to students at the public universities increased by \$39,302,746 (+4.0%).

**Total Student Financial Aid by Funding Source
2011-12 to 2015-16**

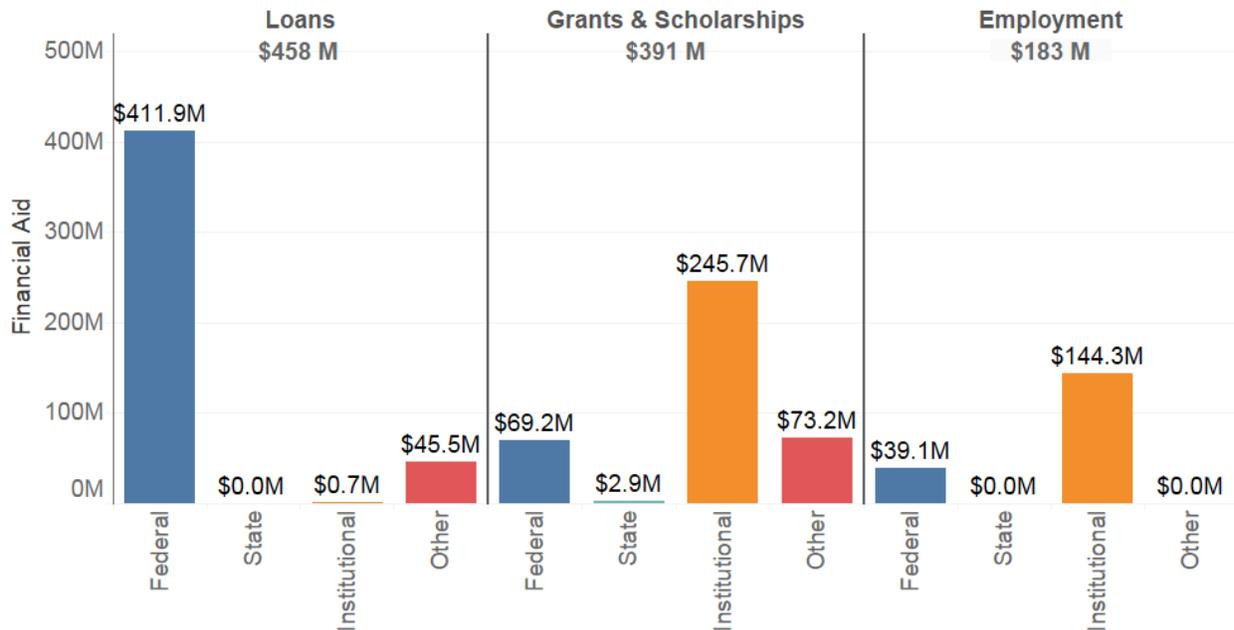


² Includes undergraduates and graduates.

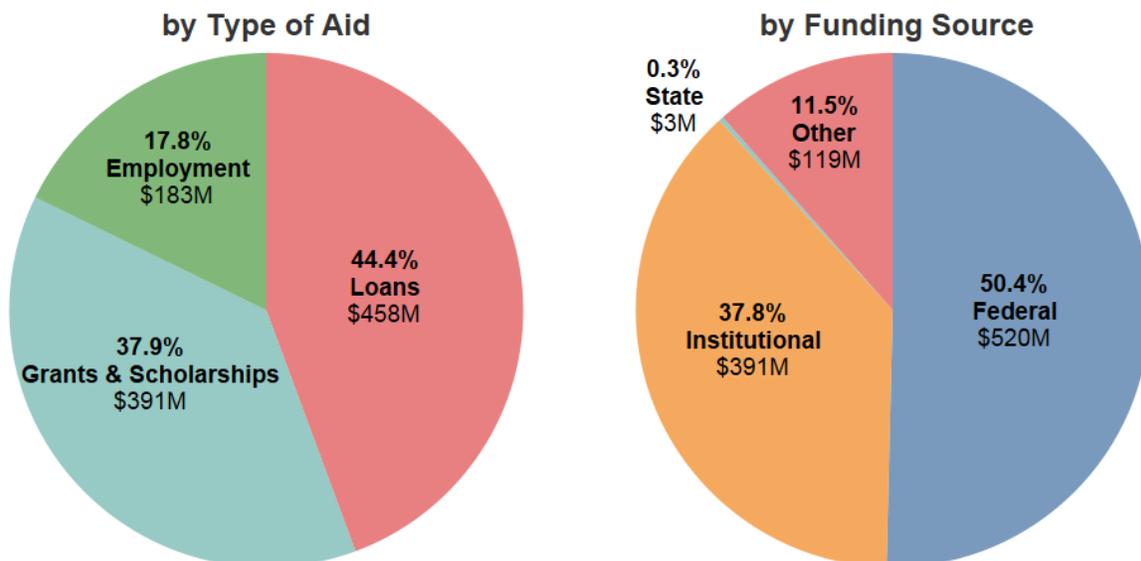
³ Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2015-16.

- The following graphs describe the funding types and sources of student financial aid.

**Student Financial Aid Summary by Type & Funding Source
All Students 2015-16**



All Student Financial Aid Summary for 2015-16



◇ Trends/Issues.

- Increases in the Pell Grant program have not kept pace with tuition increases. In 2006-07, the maximum Pell Grant covered 70.0% of average public four-year tuition and fees; in 2016-17, it covered only 60.0%.⁴
- The Iowa Grant Program was the only need-based state program for public universities but the Iowa Legislature eliminated it in 2015.⁵
- Total annual education borrowing declined for the fifth consecutive year in 2015-16. Overall, students borrowed 18% less in 2015-16 than in 2010-11. Nonfederal education loans⁶ fell from an estimated \$20.9 billion (in 2015 dollars) in 2005-06 to \$11.0 billion in 2015-16.
- Loans continue to play a major role in the student financial aid packages of Regent university students. However, studies have shown that loans typically do not promote college enrollment; loans influence a student's choice of college especially when income and race/ethnicity are considered.⁷ A 2013 study found that "each additional \$1,000 in unsubsidized federal loans makes low-income student 5.66% less likely to graduate in six years."⁸
- Graduate students are not eligible for Direct Subsidized Stafford Loans.⁹
- Students with the highest levels of perceived debt are three times more likely to leave college before earning a degree. Conversely, students with the highest amounts of actual debt are less likely to leave college. Perception of debt and the resulting financial stress appear to influence students' decision to leave college.¹⁰
- Loss of funding for the Iowa Work-Study Program¹¹ continues to limit the opportunities for on-campus student employment. This is contrary to research that has shown that students who work on-campus have higher retention and persistence rates than students who work off-campus. The Iowa Work-Study Program has not been funded since FY 2010.
 - In 2014-15, approximately 85% of Iowa need-based state grants were awarded to students attending private, not-for-profit and private, for-profit institutions which makes Iowa unique among the other states.¹²
 - Although the maximum Pell Grant is the most frequently cited grant program, only about 27% of recipients currently qualify for the maximum.¹³ In 2015-16, the maximum Pell Grant award was \$5,775; the average national Pell Grant award was \$3,724. At the Regent universities, the average Pell Grant award was \$3,850.

⁴ Trends in Student Aid 2016, College Board.

⁵ Iowa Student Aid Commission 2016

⁶ Trends in Student Aid 2016: College Board - from banks, credit unions, states, and institutions.

⁷ "A Research Agenda for Study of Indebtedness and College Enrollment," Project on Student Debt 2013.

⁸ AERA Paper, Ray Franke, April 2014.

⁹ Trends in Student Aid 2016, College Board.

¹⁰ Student Loans, Financial Stress, and College Student Tuition, Britt et. Al, 2017

¹¹ Approximately \$2 million was appropriated each year prior to 2001-02. Between 2001-02 and 2004-05, \$0 was appropriated for state work-study; no state work-study funds have been appropriated since 2008-09 other than \$3,000 in 2009-10.

¹² NASSGAP, 2014-15.

¹³ Trends in Student Aid 2015, College Board.

The Student Financial Aid Report addresses the Board of Regents Strategic Plan priority of “Ensuring access to education and student success”

Highlights:

**Student Financial Aid Summary by Type and Funding Source
2013-14 to 2015-16**

		Federal	State	Institutional	Other	Total
Grants & Scholarships	2013-14	\$66,276,928	\$5,794,412	\$210,725,010	\$64,028,338	\$346,824,688
	2014-15	\$69,202,425	\$6,929,737	\$223,044,398	\$68,681,145	\$367,857,705
	2015-16	\$69,231,907	\$2,915,103	\$245,660,298	\$73,175,070	\$390,982,378
Loans	2013-14	\$422,266,853	\$0	\$646,288	\$40,470,767	\$463,383,908
	2014-15	\$418,714,700	\$0	\$733,917	\$40,873,878	\$460,322,495
	2015-16	\$411,881,159	\$0	\$736,966	\$45,456,949	\$458,075,074
Employment	2013-14	\$38,286,426	\$0	\$159,580,434	\$42,246	\$197,909,106
	2014-15	\$37,020,034	\$0	\$164,339,374	\$0	\$201,359,408
	2015-16	\$39,121,748	\$0	\$144,256,552	\$0	\$183,378,300

Between 2014-15 and 2015-16, the following changes occurred in student financial aid by **funding source**.

- ◆ Federal funds decreased by \$4,702,345 (-0.9%).
- ◆ State funds decreased by \$4,014,634 (-57.9%).
- ◆ Institutional funds increased by \$2,536,127 (+0.7%).
- ◆ Other funds, such as private grants and scholarships, increased by \$9,076,996 (+8.3%).

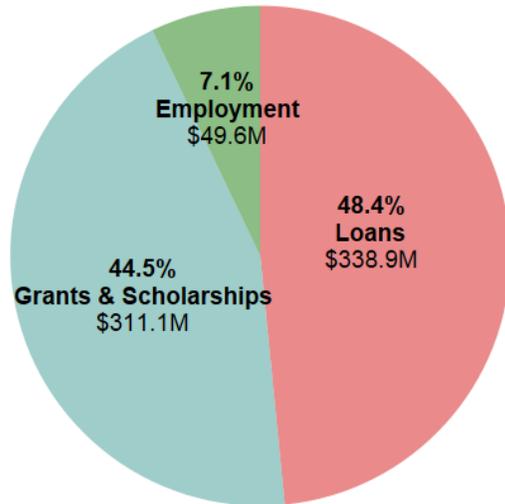
Between 2014-15 and 2015-16, the following changes occurred in student financial aid by **funding type**.

- ◆ Grant/scholarship funds increased by \$23,124,673 (+6.3%).
- ◆ Employment funds decreased by \$17,981,108 (-8.9%).
- ◆ Loan funds decreased by \$2,247,421 (-0.5%).
- ◆ Undergraduate Aid. In 2015-16, a total of \$699,575,641 was awarded to undergraduates at the Regent universities; this is an increase of \$12,255,014 (+1.8%) from the prior year. Undergraduate aid represents 67.8% of the total financial aid awarded in 2015-16.
 - ◆ Of the total amount awarded to undergraduates, 51.8% came from federal funds, 0.3% came from state funds, 34.1% came from institutional funds, and 13.8% came from other funds.

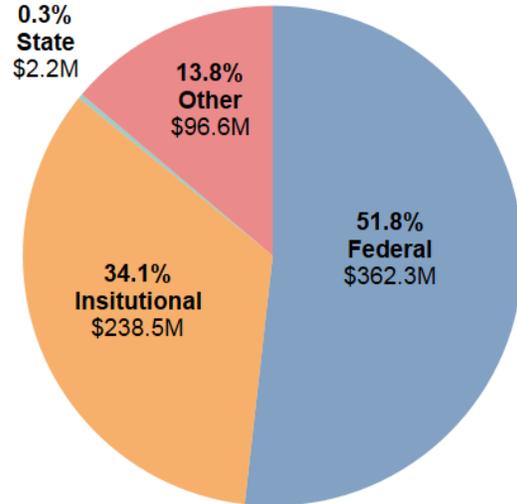
- ††† In 2015-16, a total of \$311,110,895 (44.5%) was awarded in the form of grants and scholarships; this is an increase of \$19,299,144 (+6.6%) from the prior year.
- ††† In 2015-16, a total of \$49,607,587 (7.1%) was awarded in the form of on-campus employment; this is a decrease of \$8,057,236 (-14.0%) from the prior year.
- ††† In 2015-16, a total of \$338,857,159 (48.4%) was awarded in the form of loans; this is an increase of \$1,013,106 (+0.3%) from the prior year.

Undergraduate Student Financial Aid Summary for 2015-16

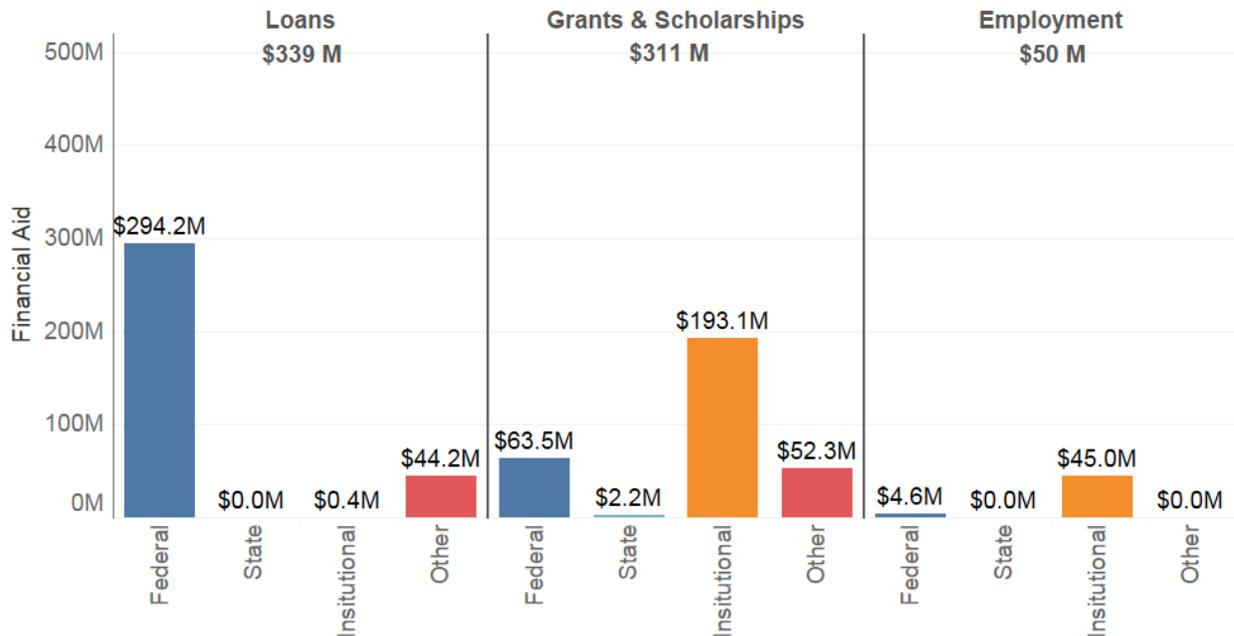
by Type of Aid



by Funding Source



**Undergraduate Student Financial Aid Summary by Type & Funding Source
2015-16**



- ††† The average financial aid award to undergraduate students at the Regent universities was \$3,798, which represents an increase of \$117 (+3.2%) from the prior year.
- ††† The average undergraduate grant/scholarship award was \$3,296, which represents an increase of \$190 (+6.1%) from the prior year.
- ††† The average undergraduate loan award was \$5,074, which represents an increase of \$76 (+1.5%) from the prior year.
- ††† The average undergraduate employment award was \$2,154, which represents a decrease of \$134 (-5.9%) from the prior year.

- ◇ The national average financial aid to undergraduate students who received aid in 2015-16 was \$14,460.¹⁴ The national average financial aid to undergraduate students in public four-year institutions was \$11,200 in 2011-12.¹⁵ In 2015-16, the average financial aid to Regent university undergraduate students who received aid was \$13,321¹⁶ which was an increase of \$54 (+0.4%) from the prior year.

- ◇ In 2015-16, the Regent universities had 52,514 undergraduates¹⁷ (82.6%) who received some type of financial aid, representing an increase of 715 students (+1.4%) from the prior year.

- ◇ Seniors Graduating Without Debt.¹⁸ Nationally, 39% of graduating seniors in 2014-15 graduated without debt from public four-year institutions.¹⁹ At the Regent universities in 2015-16:
 - At SUI, 45.0% of all graduating seniors graduated without debt (up from 44.2% in 2014-15); 35.0% of graduating seniors who were Iowa residents graduated without debt (up from 33.2% in 2014-15).
 - At ISU, 37.7% of all graduating seniors graduated without debt (up from 34.4% in 2014-15); 31.8% of graduating seniors who were Iowa residents graduated without debt (up from 26.3% in 2014-15).
 - At UNI, 30.1% of all graduating seniors graduated without debt (up from 28.4% in 2014-15); 27.3% of graduating seniors who were Iowa residents graduated without debt (up from 26.3% in 2014-15).

- ◇ Debt Upon Graduation. The national average indebtedness for those graduating with debt was \$28,100 in 2014-2015. For those graduating with debt from public four-year institutions was \$26,800 in 2014-15.¹⁹ The national average need-based indebtedness for those graduating with debt from four-year public institutions was \$11,653 in 2007-08.²⁰ Debt upon graduation for the Regent universities in 2015-16 was (see table below for more detail):
 - SUI: \$26,557 (\$25,454 for residents)
 - ISU: \$27,563 (\$26,371 for residents)
 - UNI: \$22,993 (\$22,770 for residents)

¹⁴ Trends in Student Aid 2016, College Board.

¹⁵ NPSAS 2011-12. (most current data available)

¹⁶ Student College Aid Commission survey data, 2015-16; unduplicated count of students.

¹⁷ This is an unduplicated headcount.

¹⁸ The debt load for students is based on debt incurred while attending one of the Regent universities.

¹⁹ Trends in Student Aid 2016, College Board.

²⁰ NPSAS, 2011-12. (most current data available)

**PERCENT OF UNDERGRADUATES WHO GRADUATED WITH/WITHOUT DEBT
2013-14 to 2015-16**

Year	Debt	Resident			Non-Resident			Total		
		SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2013-14	With Debt	68.7%	72.1%	76.4%	47.2%	45.3%	48.6%	59.3%	64.2%	74.9%
	Without Debt	31.5%	27.9%	23.6%	52.8%	54.7%	51.4%	40.7%	35.8%	25.1%
2014-15	With Debt	66.8%	73.7%	73.7%	41.6%	48.6%	46.0%	55.8%	65.6%	71.6%
	Without Debt	33.2%	26.3%	26.3%	58.4%	51.4%	54.0%	44.2%	34.4%	28.4%
2015-16	With Debt	65.0%	68.2%	72.7%	42.0%	49.3%	41.7%	55.0%	62.3%	69.9%
	Without Debt	35.0%	31.8%	27.3%	58.0%	50.7%	58.3%	45.0%	37.7%	30.1%

**AVERAGE INDEBTEDNESS FOR THOSE GRADUATING WITH DEBT
2012-13 to 2015-16**

University of Iowa	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$27,304	\$27,581	\$27,415	\$26,557
Average indebtedness for Iowa residents	\$26,351	\$26,072	\$26,000	\$25,454
Average need-based indebtedness*	\$12,323	\$12,626	\$12,385	\$12,513
Average need-based indebtedness for Iowa residents*	\$12,135	\$12,268	\$12,119	\$12,366

Iowa State University	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$29,458	\$27,940	\$27,070	\$27,563
Average indebtedness for Iowa residents	\$28,787	\$26,848	\$25,831	\$26,371
Average need-based indebtedness*	\$13,844	\$13,485	\$13,171	\$13,044
Average need-based indebtedness for Iowa residents*	\$13,876	\$13,280	\$13,023	\$12,928

University of Northern Iowa	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$23,151	\$23,163	\$22,313	\$22,993
Average indebtedness for Iowa residents	\$23,133	\$23,053	\$22,299	\$22,770
Average need-based indebtedness*	\$12,769	\$12,570	\$12,133	\$12,323
Average need-based indebtedness for Iowa residents*	\$12,755	\$12,521	\$12,104	\$12,276

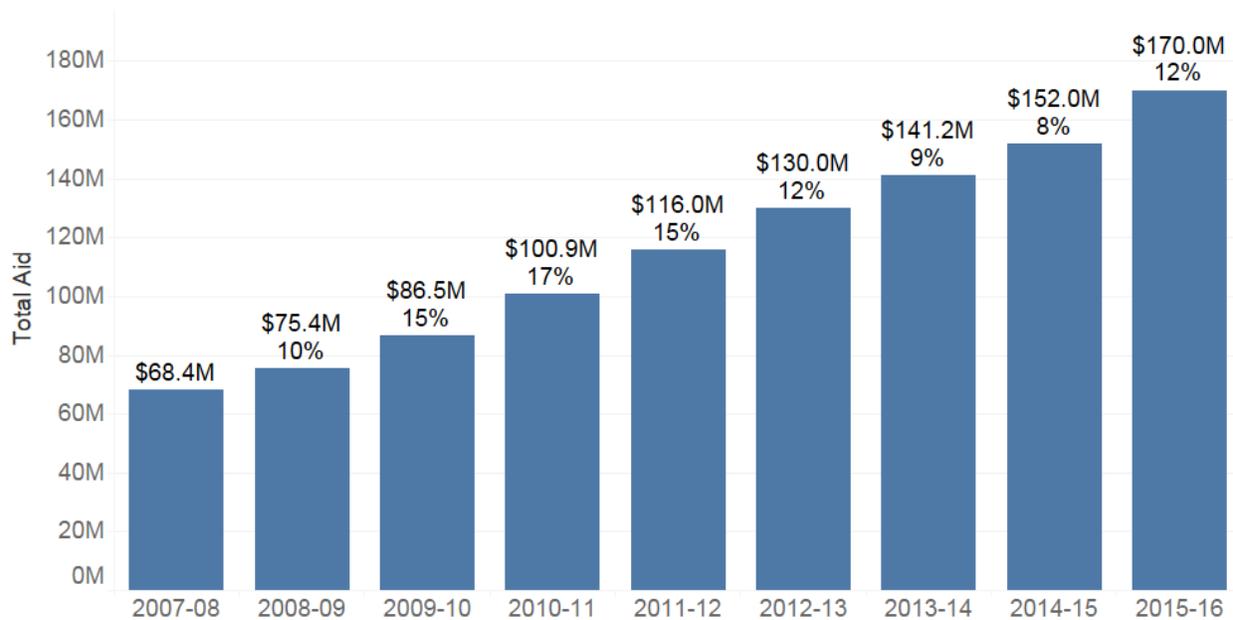
* need-based refers to a type of loan program, it is not need of student

◇ Default Rates.²¹ The Higher Education Opportunity Act of 2009 created a new calculation of cohort default rates. It extended the time from a two-year to a three-year cohort. The FY 2013 three-year cohort default rate for the following institutions:

- Nationally: 11.3%
- State of Iowa: 11.9%
- All public four-year colleges: 7.3%
- Regent universities: 3.1%
- University of Iowa: 2.7% (down from 3.2% in FY 2012)
- Iowa State University: 3.5% (down from 3.9% in FY 2012)
- University of Northern Iowa: 2.9% (down from 4.0% in FY 2012)

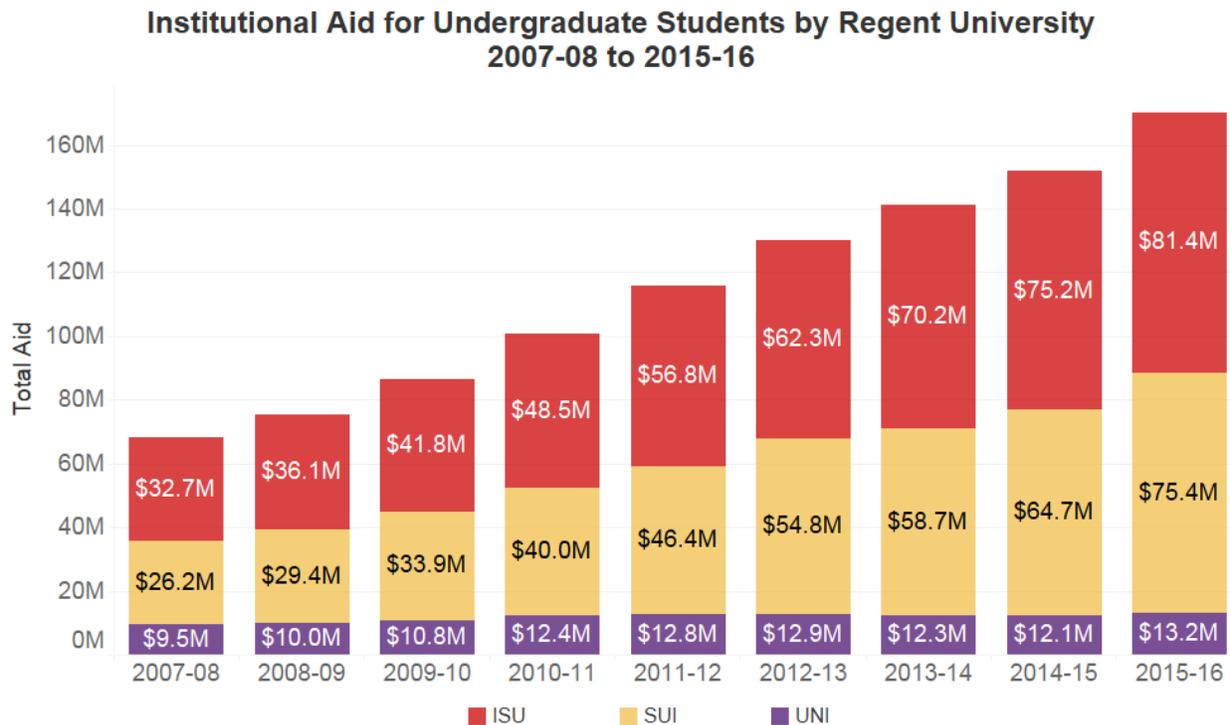
◇ Institutional Aid. The past Board of Regents Strategic Plan had identified a target related to institutional aid. “The amount of student financial aid provided by the institutions for undergraduate resident students who demonstrate need will increase by 3% by 2016, using state appropriations and other allowable revenues.”

**Institutional Aid for Undergraduate Students
Amount & Percent Increase from Prior Year
2007-08 to 2015-16**



Aid amounts shown are those distributed by each university's Student Financial Aid Department.

²¹ Source: U.S. Department of Education.



Aid amounts shown are those distributed by each university's Student Financial Aid Department

- ◇ The table below describes the distribution of institutional aid to undergraduates who demonstrated need in 2015-16. There were 14,982 Iowa residents who demonstrated need; this is an increase of 605 students (+4.2%) from the prior year. Iowa residents who demonstrated need received \$46,646,782, an increase of \$4,558,230 (+10.8%) from the prior year.
 - At SUI, 55.4% of all undergraduates who received institutional aid demonstrated need; 55.7% of those who demonstrated need were Iowa residents. Approximately 70% of all undergraduate institutional aid was awarded to students who demonstrated need; 34% of those funds were awarded to Iowa residents who demonstrated need.
 - At ISU, approximately 66.4% of all undergraduates who received institutional aid demonstrated need; 67.1% of those who demonstrated need were Iowa residents. Approximately 67% of all undergraduate institutional aid was awarded to students who demonstrated need; 38% of those funds were awarded to Iowa residents who demonstrated need.
 - At UNI, approximately 77.9% of all undergraduates who received institutional aid demonstrated need; 90.2% of those who demonstrated need were Iowa residents. Approximately 79% of all undergraduate institutional aid was awarded to students who demonstrated need; 74% of those funds were awarded to Iowa residents who demonstrated need.

UNDERGRADUATE INSTITUTIONAL AID BY INSTITUTION, NEED, AND RESIDENCE
2013-14 to 2015-16

Year	Residency	SUI		ISU		UNI		TOTAL	
		Amount	Students	Amount	Students	Amount	Students	Amount	Students
2013-14	Demonstrated Need Total	\$41,239,517	4,632	\$50,045,796	12,222	\$9,409,793	4,000	\$100,695,106	20,854
	Resident	\$14,017,359	2,330	\$19,859,625	8,508	\$7,024,546	3,698	\$40,901,530	14,536
	Nonresident	\$27,222,158	2,302	\$30,186,171	3,714	\$2,385,247	302	\$59,793,576	6,318
	Did Not Demonstrate Need Total	\$17,432,638	3,802	\$20,126,220	5,003	\$2,900,206	1,024	\$40,459,064	9,829
	Resident	\$4,328,819	1,054	\$4,462,586	2,473	\$2,181,367	849	\$10,972,772	4,376
	Nonresident	\$13,103,819	2,748	\$15,663,634	2,530	\$718,839	175	\$29,486,292	5,453
	Total UG Institutional Aid	\$58,672,156	8,434	\$70,172,016	17,225	\$12,309,999	5,024	\$141,154,171	30,683
2014-15	Demonstrated Need Total	\$46,338,937	5,005	\$52,400,420	11,952	\$9,621,045	4,104	\$108,360,402	21,061
	Resident	\$15,713,738	2,605	\$19,342,882	8,023	\$7,031,932	3,749	\$42,088,552	14,377
	Nonresident	\$30,625,199	2,400	\$33,057,538	3,929	\$2,589,113	355	\$66,271,850	6,684
	Did Not Demonstrate Need Total	\$18,359,847	4,219	\$22,801,547	5,542	\$2,499,876	895	\$43,661,270	10,656
	Resident	\$4,111,618	1,466	\$4,659,775	2,675	\$1,873,452	743	\$10,644,845	4,884
	Nonresident	\$13,248,229	2,753	\$18,141,772	2,867	\$626,424	152	\$32,016,425	5,772
	Total UG Institutional Aid	\$64,698,783	9,224	\$75,201,967	17,494	\$12,120,921	4,999	\$152,021,671	31,717
2015-16	Demonstrated Need Total	\$52,653,248	5,898	\$54,768,111	12,292	\$10,343,731	3,830	\$117,765,090	22,020
	Resident	\$18,051,904	3,284	\$20,948,986	8,245	\$7,645,892	3,453	\$46,646,782	14,982
	Nonresident	\$34,601,344	2,614	\$33,819,125	4,047	\$2,697,839	377	\$71,118,308	7,038
	Did Not Demonstrate Need Total	\$22,784,535	4,146	\$26,585,079	6,233	\$2,833,523	1,088	\$52,203,137	11,467
	Resident	\$8,843,047	2,073	\$6,844,057	3,143	\$2,309,050	955	\$17,996,154	6,171
	Nonresident	\$13,941,488	2,073	\$19,741,022	3,090	\$524,473	133	\$34,206,983	5,296
	Total UG Institutional Aid	\$75,437,783	10,647	\$81,353,190	18,525	\$13,177,254	4,918	\$169,968,227	33,487

The following statements apply to the three Regent universities.

Student Financial Aid Awarding Philosophies

- Federal, state, university, and private financial aid is awarded to as many students as possible who qualify and meet all required application priority dates and deadlines.
- Students who demonstrate the greatest financial need will receive the most financial aid and will receive priority consideration for need based grants and scholarships.
- All financial aid combined cannot exceed the student's cost of attendance as defined by federal regulations.

Student Financial Aid Department Priorities

- Ensure that department priorities are consistent with university strategic plans, including providing access to those with financial need; enrolling well qualified and prepared students; facilitating the enrollment of a diverse student population; recruitment of high achieving students; and awarding philosophies that promote persistence and timely graduation.
- Develop and implement financial literacy programs that help educate students about sound budgeting and spending practices.
- Advocate at the federal and state levels for adequate and enhanced financial aid to help meet the increasing higher education costs and related living expenses.
- Develop university policies and procedures that comply with federal rules and regulations and state administrative codes.
- Develop university policies and procedures that simplify and streamline the application for and delivery of all sources and types of financial aid.
- Make affordability and access a high priority and create opportunities to minimize and reduce annual student debt.

Institutional Student Financial Aid Initiatives

- Maintain and enhance university financial aid websites that respond to parent and student needs.
- Maintain and enhance websites that allow prospective and enrolled students to assess accurately the net costs of attending Iowa public universities using a Net Price Calculator.
- Enhance efforts to respond to students applying for financial aid and have special financial circumstances.
- Provide parents with relevant information about the federal PLUS loan and ensure that private educational loans are loans of last resort. Provide additional counseling when informing students about private loans.
- Enhance aid programs and analyze their effectiveness for access and affordability.
- Provide point of contact in the Financial Aid Office for all current and incoming veterans, giving financial literacy counseling and campus services advice. Explore all funding opportunities.

Institutional Interests/Concerns Related to Financial Aid

• **Federal**

Fate of the Federal Perkins Loan Program:

- As of September 30, 2017 the Perkins Loan program will expire with no new program to replace it
- Needy students will be left without a viable loan option

Reauthorization of the Higher Education Act issues, including but not limited to:

- Allowable institutional charges that can be paid by Title IV funds
- Federal needs analysis
 - FAFSA simplification
 - Simplified Needs Test
 - 1040 as a financial aid application
- Federal Direct Loan program
 - Annual and aggregate loan limits
 - Loan proration
 - Loan repayment programs
- Fully funded Federal Pell Grant, not subject to annual appropriations
- Continual authorization and increased appropriations for the federal campus-based programs (Work-Study, Perkins Loan, and SEOG)
- A new federal allocation formula for distribution of the federal campus-based programs

Sequestration

- Restored funding for the federal campus-based and TEACH Grant programs
- Reversal of fee increases associated with the federal direct student loan and federal direct PLUS programs
- Hold harmless the federal student aid programs from future sequestrations

Other

- Complying with federal program integrity regulations, particularly those related to our institutional certificate programs (i.e. gainful employment programs) and those related to our out of state distance educational programs

State

- Continued zero funding for the Iowa Grant
- Continued zero funding of the Iowa Work-Study program
- State authorization and full funding of the new need-based Iowa Grant for resident undergraduates attending Iowa public universities

Institutional

- Adequate staffing for the Office of Student Financial Aid for increased counseling efforts
- Continue to evaluate, develop and enhance effective institutional financial literacy programs on campus, particularly for new first time and new transfer students
- Other external demands related to accountability
- Responding to a new federal Higher Education Act
- Collaborative efforts with institutional foundations for new and enhanced fund raising priorities for merit and need-based scholarship

**TOTAL UNDERGRADUATE STUDENTS AT THE REGENT UNIVERSITIES
2011-12 to 2015-16**

Year	Resident			Non-Resident*			Total		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	12,578	16,084	10,532	8,598	7,020	859	21,176	23,104	11,391
2011-12	12,215	16,552	10,535	9,349	7,791	872	21,564	24,343	11,407
2012-13	12,195	17,050	9,806	9,804	8,503	849	21,999	25,553	10,655
2013-14	12,012	18,009	9,411	9,962	9,650	969	21,974	27,659	10,380
2014-15	12,140	18,478	9,052	10,214	10,415	1,090	22,354	28,893	10,142
2015-16	12,760	19,285	9,083	10,597	10,749	1,086	23,357	30,034	10,169

* Non-Resident includes international students

**NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED FINANCIAL AID
2011-12 to 2015-16**

Year		Resident			Non-Resident*			Total		
		SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	n	10,486	14,201	9,220	5,488	5,413	618	15,974	19,614	9,838
	%	83.4%	88.3%	87.5%	63.8%	77.1%	71.9%	75.4%	84.9%	86.4%
2011-12	n	9,505	14,661	9,010	6,732	6,013	596	16,237	20,674	9,606
	%	77.8%	88.6%	85.5%	72.0%	77.2%	68.3%	75.3%	84.9%	84.2%
2012-13	n	11,055	15,025	8,371	4,637	6,588	559	15,692	21,613	8,930
	%	90.6%	88.1%	85.4%	47.3%	77.5%	65.8%	71.3%	84.6%	83.4%
2013-14	n	11,205	15,877	8,432	5,636	7,496	877	16,841	23,373	9,309
	%	93.3%	88.2%	89.6%	56.6%	77.7%	90.5%	76.6%	84.5%	89.7%
2014-15	n	10,178	16,247	8,282	7,125	8,091	962	17,303	24,338	9,244
	%	83.8%	87.9%	91.5%	69.8%	77.7%	88.3%	77.4%	84.2%	91.1%
2015-16	n	11,041	16,795	8,353	7,057	8,369	899	18,098	25,164	9,252
	%	86.5%	87.1%	92.0%	66.6%	77.9%	82.8%	77.5%	83.8%	91.0%

* Non-Resident includes international students

**AVERAGE INDEBTEDNESS FOR THOSE GRADUATING WITH DEBT
2012-13 to 2015-16**

University of Iowa	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$27,304	\$27,581	\$27,415	\$26,557
Average indebtedness for Iowa residents	\$26,351	\$26,072	\$26,000	\$25,454
Average need-based indebtedness*	\$12,323	\$12,626	\$12,385	\$12,513
Average need-based indebtedness for Iowa residents*	\$12,135	\$12,268	\$12,119	\$12,366

Iowa State University	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$29,458	\$27,940	\$27,070	\$27,563
Average indebtedness for Iowa residents	\$28,787	\$26,848	\$25,831	\$26,371
Average need-based indebtedness*	\$13,844	\$13,485	\$13,171	\$13,044
Average need-based indebtedness for Iowa residents*	\$13,876	\$13,280	\$13,023	\$12,928

University of Northern Iowa	2012-13	2013-14	2014-15	2015-16
Average indebtedness	\$23,151	\$23,163	\$22,313	\$22,993
Average indebtedness for Iowa residents	\$23,133	\$23,053	\$22,299	\$22,770
Average need-based indebtedness*	\$12,769	\$12,570	\$12,133	\$12,323
Average need-based indebtedness for Iowa residents*	\$12,755	\$12,521	\$12,104	\$12,276

* need-based refers to a type of loan program, it is not need of student

GLOSSARY

Direct Lending Schools. Students are able to borrow directly through the school to receive their federal student loans. The Health Care and Education Reconciliation Act of 2010 now requires all post-secondary institutions participating in Title IV programs to be direct lending schools. The three Regent universities have participated in the direct lending program since 1994-1995.

Expected Family Contribution (EFC). This is the amount that the student and his/her family are expected to contribute toward the student's education. If the EFC is below a certain amount, the student may be eligible for a Federal Pell Grant. The EFC data elements may be adjusted under certain circumstances, e.g., the EFC may be adjusted to consider the family's elementary and secondary tuition expenses, their medical and dental expenses not paid by insurance, unusually high child care expenses, a family member's recent unemployment, or other changes in a family's income, a family's assets, or a student's status.

Federal Pell Grant. A Federal Pell Grant, unlike a loan, does not have to be repaid. Only undergraduate students who have not earned a bachelor's or professional degree are eligible for a Pell Grant.

Campus-Based Federal Programs. These include the Federal Work-Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG), and Perkins Loans. These programs are all need-based. The funds are distributed to institutions based on a complex formula, and the institutions allocate them to students with financial need. An FSEOG does not have to be repaid. FSEOG awards are based on the availability of funds at the school. The student can receive between \$100 and \$4,000 a year, depending on the date of application, level of need, funding level of the school, and school's financial aid office policies. Institutions must contribute 25% of the award amounts.

Subsidized Loan. A subsidized loan is awarded on the basis of financial need. The student will not be charged any interest before beginning repayment or during authorized periods of deferment. The federal government subsidizes the interest during these periods.

Types of Loans. There is a variety of loan programs available to students and their parents.

- ◆ Federal Perkins Loan is a low-interest loan for students with exceptional financial need.
- ◆ Federal Stafford Loan is a simple interest, government guaranteed, no collateral loan.
- ◆ Federal PLUS (Parent Loan for Undergraduate Students) is a simple interest, government guaranteed, no collateral loan; parents are eligible for the PLUS if they meet the minimum government credit requirements.
- ◆ Private Loan is a non-federal loan offered by a private lending institution to cover educational costs. Borrowers must meet credit underwriting criteria of the financial institution to qualify. Both fixed-rate and variable-rate loans are available; interest accrues during the entire time of enrollment and repayment; deferments and discharges are at the lender's discretion.

Unmet/Overmet Financial Need. Unmet/overmet financial need is calculated by subtracting the expected family contribution (EFC) and the assistance (grants, scholarships, loans, and employment) provided by the institution or other sources from the cost of attendance (tuition, fees, books, and room and board).

Unsubsidized Loan. An unsubsidized loan is not awarded on the basis of need. The student will be charged interest from the time the loan is disbursed until it is paid in full.

Work-Study Funds. Work-study funds come from federal and state programs in which a maximum of 75% of the wages is covered by the federal or state program. The federal government covers 100% of the wages for students who are employed as tutors in America Reads²² and America Counts²³ Programs. The federal government covers 75% of the wages for students who are employed in community-based organizations; the employing organization covers the other 25% of the wages.

²² Federal initiative to improve elementary students' reading skills.

²³ Federal initiative to improve elementary students' math skills.

Contact: Jason Pontius

ANNUAL REGENT STUDENT FINANCIAL AID STUDY

Action Requested: Receive the annual Regent student financial aid study for 2015-2016.

Executive Summary: In response to the Board's request for information regarding the socio-economic status of students who receive financial aid at the Regent universities, the Board Office and university financial aid representatives designed and implemented the annual Regent Financial Aid Study in 2004. This study analyzes student financial aid by family adjusted gross income (AGI) of a segment of the financial aid recipient population at the Regent universities and looks at characteristics of students receiving financial aid.

In 2015-2016, there were 25,782 **full-time, resident, dependent undergraduate** FAFSA¹ filers who received and accepted financial aid at one of the Regent universities.² This is an increase of 756 students (+3.0%) from the prior year.

◇ The Regent universities design a financial aid package for each undergraduate student who applies and completes a FAFSA. The financial aid package, which includes a combination of grants/scholarships, work-study/employment, and loans³, is designed to meet each student's total financial need. However, students, especially those with a family AGI < \$15,000, frequently do not accept certain components of the package, such as employment or loans. This results in what appears to be unmet financial need for the student on the part of the university.

◇ Changes/Trends

- Students with a family AGI < \$15,000 tend to have a higher average total grant award and a smaller total loan award accepted while students with a family AGI ≥ \$45,000 tend to have a smaller grant award and a higher total loan award accepted.
- There was an increase in the number of full-time, resident, dependent undergraduate FAFSA filers. This is the third consecutive year of an increase.
- In 2013, Iowa had the 15th highest college participation rate (42.5%) for 18-24 year old students from low income families; the national average was 38.4%.⁴
- The Iowa Postsecondary Readiness Reports for show that 53% of 2012-2014 Iowa high school graduates enrolled in Free and Reduced Lunch, a proxy measure for poverty, attended college within one year of high school graduation. The average college enrollment for Iowa high school graduates one year after graduation is 71%.⁵

The Regent Financial Aid Study addresses the Board of Regents Strategic Plan priority of "Ensuring access to education and student success".

¹ FAFSA – Free Application for Federal Student Aid.

² There were 41,368 full-time, resident undergraduates in Fall 2016.

³ From all sources.

⁴ Postsecondary Education Opportunity, October 2013 (most current available).

⁵ Iowa Postsecondary Readiness Reports, 2016

Background:

- ◇ The Regent Financial Aid Study includes the following variables:
 - FAFSA filers who are undergraduates, full-time, dependent students, Iowa residents, receiving financial aid
 - family income (adjusted gross income)
 - cost of attendance;
 - expected family contribution
 - total need
 - total financial aid accepted
 - financial need not met by aid accepted by students

- ◇ The Regent Financial Aid study reflects these characteristics:
 - The financial aid packages offered to students do not include institutional employment (other than work-study) or off-campus employment. Students may use institutional and off-campus employment to meet their financial need.
 - Federal grants are primarily need-based, except for programs such as ROTC and TEACH. Available state grants are also need-based. Institutional/private grants blend need-based and merit-based aid.
 - Perkins loans and subsidized Stafford loans require demonstration of financial need. Other loans, such as unsubsidized Stafford loans, PLUS, and alternative loans, do not require demonstration of need.

- ◇ At the University of Iowa, there were 7,238 students in this study who received and accepted financial aid in 2015-2016. This is an increase of 238 students (+3.4%) from the prior year.

- ◇ At Iowa State University, there were 12,726 students in this study who received and accepted financial aid in 2015-2016. This is an increase of 499 students (+4.1%) from the prior year.

- ◇ At the University of Northern Iowa, there were 5,818 students in this study who received and accepted financial aid in 2015-2016. This is an increase of 19 students (+0.3%) from the prior year.

- ◇ Using family income as the criterion, there were 25,782 students who received any type of financial aid in 2015-2016. Approximately 10% had a family AGI < \$30,000; 17% had a family AGI of \$30,000-\$59,999; 21% had a family AGI of \$60,000-\$89,999; and 52% had a family AGI ≥\$90,000.
 - In 2015-2016, there were 20,225 students who received some type of grant award; this represents an increase of 887 students (+4.6%) from the prior year.
 - In 2014-2015, there were 19,209 students who received some type of loan¹; this represents a decrease of 80 (-0.4%) from the prior year.

¹Includes PLUS.

All students included in the financial aid study received some type of financial aid. However, the largest proportion of the students (75%) received a loan; 72% received an institutional or private grant; 32% received a federal grant; 8% received work-study funds; and 3% received a state grant.

**FAMILY ADJUSTED GROSS INCOME AND AVERAGE UNMET NEED
2015-16**

Family Income Range by AGI	Number of Students	% of Students	Average Expected Family Contribution (EFC)	Average Total Need ¹	Average Total Grants	Number of Grants	Average Total Work Study	Number of Work Study number	Average Total All Loans (with PLUS)	Number of Loans	Average Total Financial Aid	Average Financial Need Not Met by Total Financial Aid Accepted
<\$15,000	1,187	5%	\$897	\$19,219	\$6,461	1,179	\$2,513	190	\$7,045	831	\$14,995	\$4,224
\$15,000 - 29,999	1,376	5%	\$1,122	\$18,964	\$9,584	1,366	\$6,476	265	\$6,922	1,001	\$15,004	\$3,911
\$30,000 - 44,999	2,058	8%	\$2,405	\$17,635	\$8,449	2,037	\$6,864	358	\$7,415	1,504	\$14,211	\$3,422
\$45,000 - 59,999	2,376	9%	\$4,964	\$15,081	\$6,490	2,256	\$7,199	356	\$7,901	1,842	\$12,653	\$2,338
\$60,000 - 74,999	2,584	10%	\$8,119	\$12,201	\$5,389	2,252	\$6,904	338	\$8,437	2,069	\$11,785	\$421
\$75,000 - 89,999	2,796	11%	\$11,807	\$8,995	\$4,694	2,220	\$6,710	268	\$9,371	2,211	\$11,367	\$0
≥\$90,000	13,405	52%	\$34,991	\$1,057	\$4,053	8,945	\$6,228	389	\$9,699	9,751	\$9,825	\$0
Total	25,782					20,255		2,164		19,209		

Averages weighted by number of students

¹ Primarily institutional/private grants