

Contact: Jason Pontius

ANNUAL STUDENT FINANCIAL AID REPORT

Action Requested: Receive the Annual Student Financial Aid report.

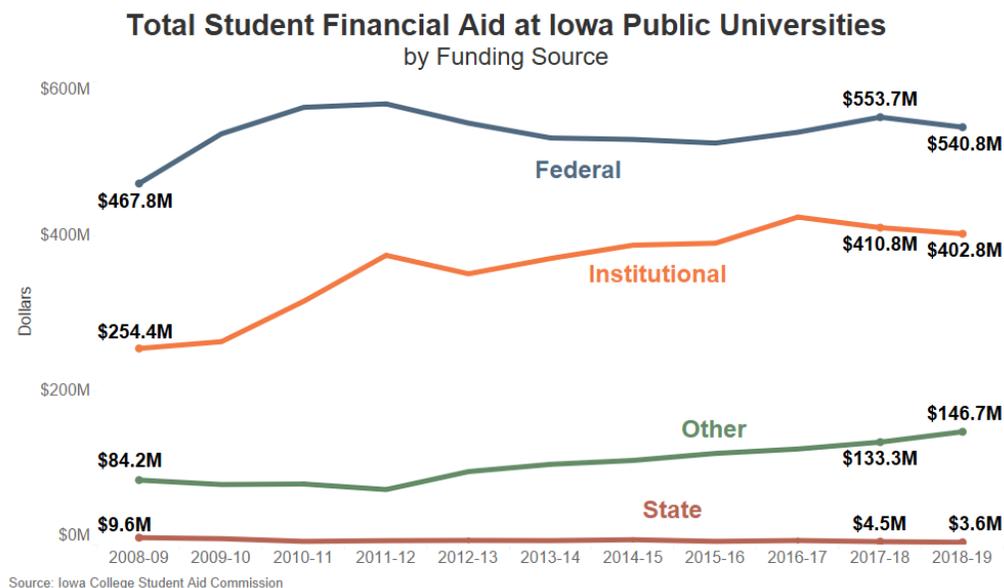
Executive Summary: This annual report details trends in student financial aid awarded at Regent universities. Financial aid, in the form of grants, scholarships, campus employment, and loans is available to all eligible Regent university students. In 2018-19, the total amount of financial aid awarded to students (both undergraduate and graduate students) was down from \$1.1 billion last year to \$1.09 billion.

Financial aid comes from four primary sources:

- Federal government (U.S. Department of Education)
- Institutional (Regent university financial aid distributed by the offices of student financial aid, academic colleges, and university foundations)
- State of Iowa
- Other (private organizations, foundations, and companies)

All Student Financial Aid (Undergraduate and Graduate)

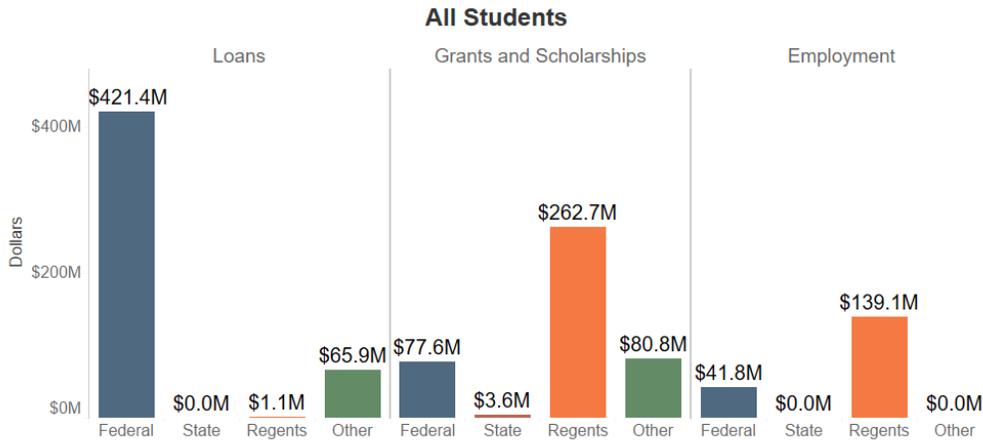
Federal financial aid for Regent university students dropped after two years of growth and state-supported financial aid has continued to decline. Financial aid provided by companies and private groups (marked as “Other”) has continued to grow. The one year drop in financial aid provided by the Regent universities (marked as “Institutional”) is largely due to the end of the Summer Hawk Tuition Grant at the University of Iowa due to budget constraints.



Note: Past state financial aid amounts have been adjusted for this report. From 2014-15 to 2017-18, several categories of state aid, amounting to almost \$2 million had been phased out of data provided to the Board.

As seen below, the federal government provides the vast majority of student loans. Universities provide most of the aid that does not need to be repaid. This include scholarships, grants, and campus employment opportunities. The majority (62%) of university institutional employment is provided through graduate student assistantships.

**Iowa Public University Student Financial Aid
by Type & Funding Source, 2018-19**

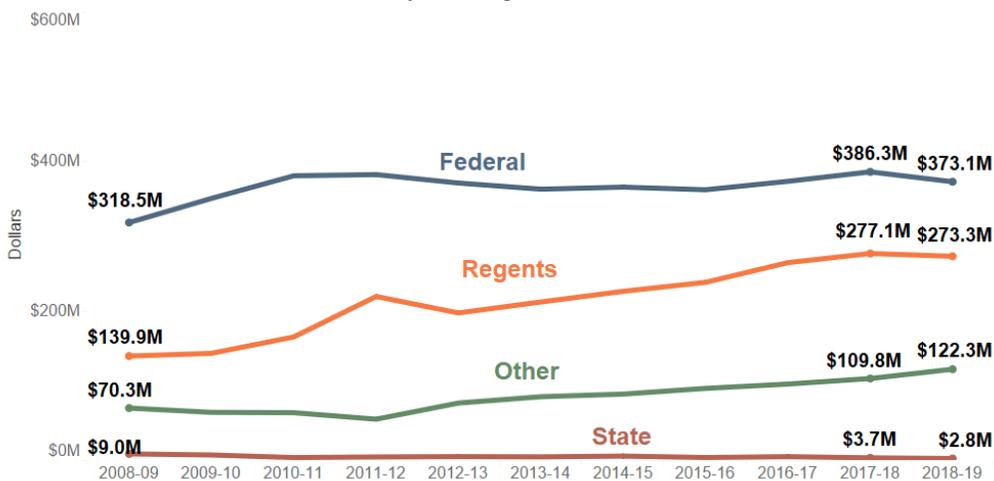


Source: Iowa College Student Aid Commission

Undergraduates

Student financial aid for undergraduates comprises 68% of all financial aid for Regent university students (\$741.5 million of \$1.09 billion in 2018-19). The composition of this aid to undergraduates has changed since 2008-09 by source: federal government (+17.1% increase), Regent universities (+95.3% increase), other sources (+73.9% increase), and the State of Iowa (-68.9% decrease). Overall undergraduate financial aid trends are similar to those seen for total student financial aid.

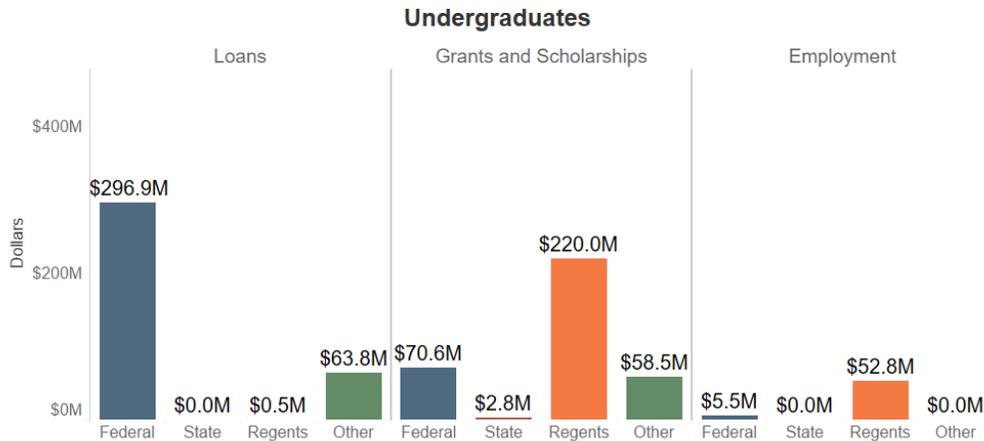
**Undergraduate Financial Aid at Iowa Public Universities
by Funding Source**



Source: Iowa College Student Aid Commission
Regent University or Institutional Aid = aid from university academic colleges, foundations, and financial aid offices

Of the total \$421.4 million of federal loans taken out by Regent university students, undergraduates use \$296.9 million or 70.4%. Undergraduates also use 76.1% (\$220.0 million) of the available institutional grants, but only 38% (\$52.8 million) of institutional employment funding. Most undergraduate university employment is provided by university work-study programs, which grew significantly when the state of Iowa eliminated its work-study program in FY 2010.

Iowa Public University Student Financial Aid
by Type & Funding Source, 2018-19



Source: Iowa College Student Aid Commission

As part of the Regent university mission to make an education as affordable as possible, the universities continue to provide increasing amounts of institutional financial aid, particularly to undergraduate students. As previously mentioned, institutional aid dropped over the past year at the University of Iowa largely due to the end of the Summer Hawk Tuition Grant (see graph below for institutional aid by university).

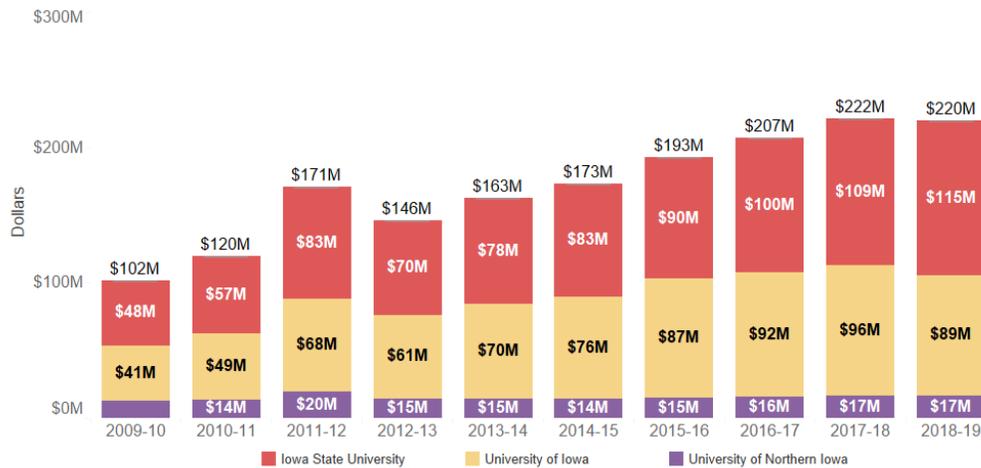
Total University Aid Provided to Undergraduates
by Iowa Public University



Source: Iowa College Student Aid Commission
University or Institutional Aid = aid from university academic colleges, foundations, and financial aid offices

Eighty percent of university institutional aid provided to undergraduates is in the form of grants or scholarships. That amount dropped for the first time in seven years by -0.09% over the past year. The universities are the single largest source of all scholarships and grants available to undergraduates.

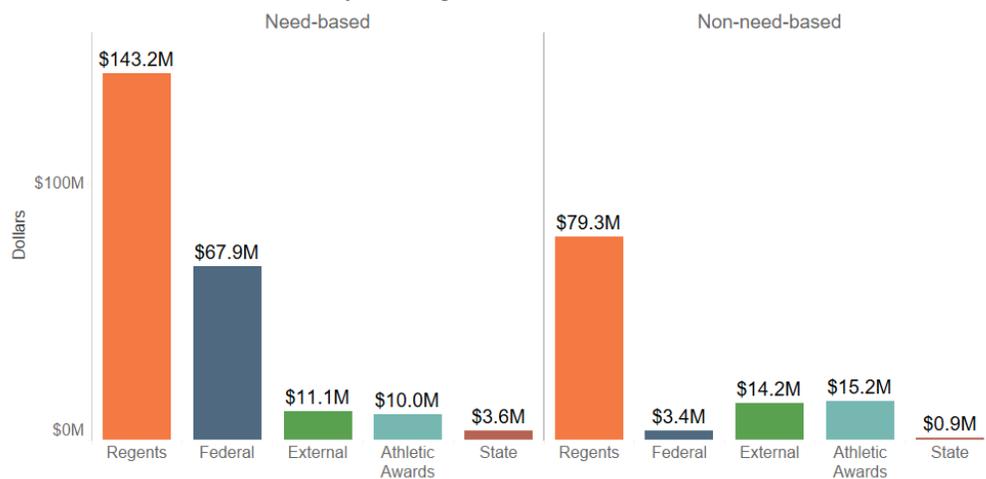
University Grants & Scholarships Provided to Undergraduates
by Iowa Public University



Source: Iowa College Student Aid Commission
Institutional grants and scholarships are provided by the three Regent universities and distributed by academic colleges, foundations, and financial aid offices

Most of these university institutional funds (64.3%) are reserved for students with demonstrated financial need.

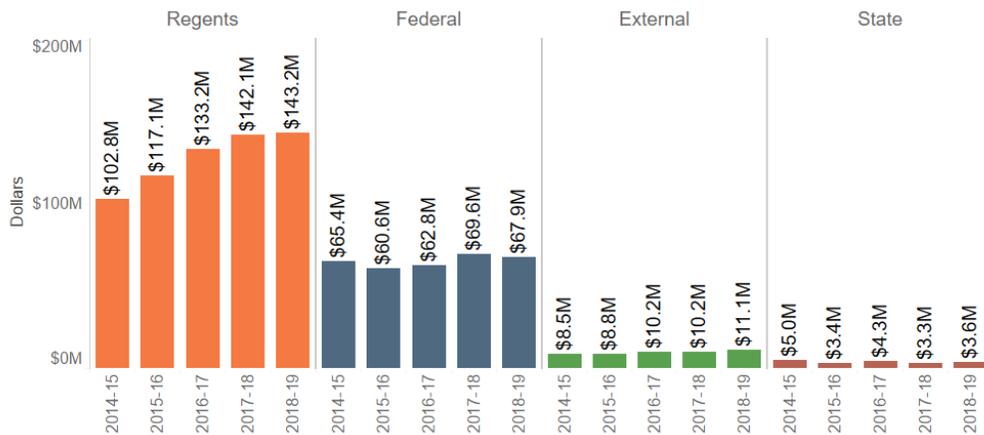
Scholarships & Grants for Iowa Public University Undergraduates
by Funding Source for 2018-19



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

Need-based scholarships and grants for undergraduates also increased over the past year with the amount provided by the Regent universities increasing +0.8%. Externally sourced need-based scholarships have also shown growth but at amounts significantly less that those provided by the Regents.

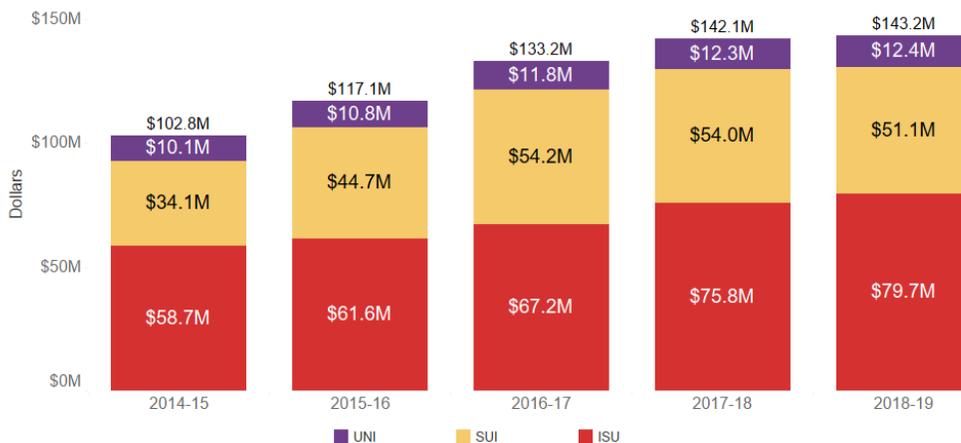
**Trends in Need-Based Scholarships & Grants
for Iowa Public University Undergraduates
by Funding Source**



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

The graph below shows Regent university need-based undergraduate scholarships and grants by university. Iowa State University and the University of Northern Iowa increased their need-based grant aid over the past year by +5.1% and +0.8%, respectively. The University of Iowa need-based aid declined -5.4%.

**Need-Based Scholarships & Grants
for Iowa Public University Undergraduates
by Year and University**



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

The table below provides amounts of student financial aid aggregated by type of aid, residency status, demonstrated need of the students, Regent university attended, and year.

Degree-Seeking Undergraduate Financial Aid at Iowa Public Universities

			ISU			SUI			UNI		
			2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Regents	Need-based	Resident	\$28.1M	\$30.8M	\$32.6M	\$22.2M	\$23.4M	\$21.8M	\$10.3M	\$10.9M	\$11.2M
		Non-resident	\$39.1M	\$45.0M	\$47.1M	\$32.0M	\$30.6M	\$29.3M	\$1.5M	\$1.4M	\$1.2M
	Non-need-based	Resident	\$12.3M	\$13.6M	\$15.3M	\$18.2M	\$21.4M	\$20.4M	\$2.0M	\$2.2M	\$2.3M
		Non-resident	\$24.2M	\$23.9M	\$25.2M	\$16.9M	\$16.4M	\$15.7M	\$0.3M	\$0.3M	\$0.4M
State	Need-based	Resident	\$1.6M	\$1.1M	\$1.3M	\$1.5M	\$1.0M	\$1.3M	\$1.2M	\$1.0M	\$0.9M
		Non-resident	\$0.0M	\$0.0M	\$0.1M	\$0.0M	\$0.0M	\$0.1M	\$0.0M	\$0.0M	\$0.0M
	Non-need-based	Resident	\$0.7M	\$0.5M	\$0.4M	\$0.6M	\$0.6M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
		Non-resident	\$0.0M	\$0.1M	\$0.1M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Total Loans & CWS	Need-based	Resident	\$49.5M	\$48.3M	\$45.2M	\$40.8M	\$48.3M	\$42.7M	\$17.7M	\$17.9M	\$15.5M
		Non-resident	\$26.2M	\$31.6M	\$30.8M	\$26.8M	\$27.6M	\$22.5M	\$1.2M	\$1.2M	\$0.9M
	Non-need-based	Resident	\$34.0M	\$29.0M	\$29.3M	\$21.6M	\$22.6M	\$30.0M	\$24.7M	\$23.0M	\$22.9M
		Non-resident	\$21.4M	\$22.2M	\$23.9M	\$8.6M	\$8.0M	\$15.1M	\$1.9M	\$2.0M	\$2.1M
Parent Loans	Need-based	Resident	\$3.1M	\$3.3M	\$3.8M	\$2.4M	\$6.0M	\$6.6M	\$0.0M	\$6.3M	\$6.4M
		Non-resident	\$6.0M	\$7.5M	\$8.8M	\$8.4M	\$17.4M	\$17.9M	\$0.0M	\$1.3M	\$1.2M
	Non-need-based	Resident	\$12.0M	\$11.4M	\$10.7M	\$8.7M	\$12.8M	\$13.2M	\$10.3M	\$3.2M	\$2.9M
		Non-resident	\$13.5M	\$14.7M	\$15.7M	\$12.5M	\$17.0M	\$16.7M	\$1.8M	\$0.2M	\$0.3M
Athletic Awards	Need-based	Resident	\$0.3M	\$0.3M	\$0.3M	\$0.0M	\$0.0M	\$0.3M	\$1.4M	\$1.5M	\$1.3M
		Non-resident	\$3.0M	\$3.1M	\$3.4M	\$0.0M	\$0.0M	\$2.9M	\$2.0M	\$1.8M	\$1.8M
	Non-need-based	Resident	\$0.8M	\$0.9M	\$0.9M	\$2.1M	\$2.1M	\$1.7M	\$0.2M	\$0.2M	\$0.3M
		Non-resident	\$4.1M	\$4.2M	\$4.2M	\$9.9M	\$10.7M	\$7.9M	\$0.2M	\$0.1M	\$0.1M
Grand Total			\$279.9M	\$291.6M	\$299.1M	\$233.2M	\$266.0M	\$266.4M	\$77.0M	\$74.7M	\$71.9M

Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions.

The next table shows the percent of undergraduates who completed a financial aid application or FAFSA, the percent determined to have financial need, and the percent of that need met by the university. A greater proportion of Iowa resident students at UNI have demonstrated financial need than Iowa resident students at ISU and the University of Iowa. The University of Iowa meets a lower percentage of demonstrated need than the other two universities.

**Undergraduates with Financial Need & Met Need
by Residency & University**

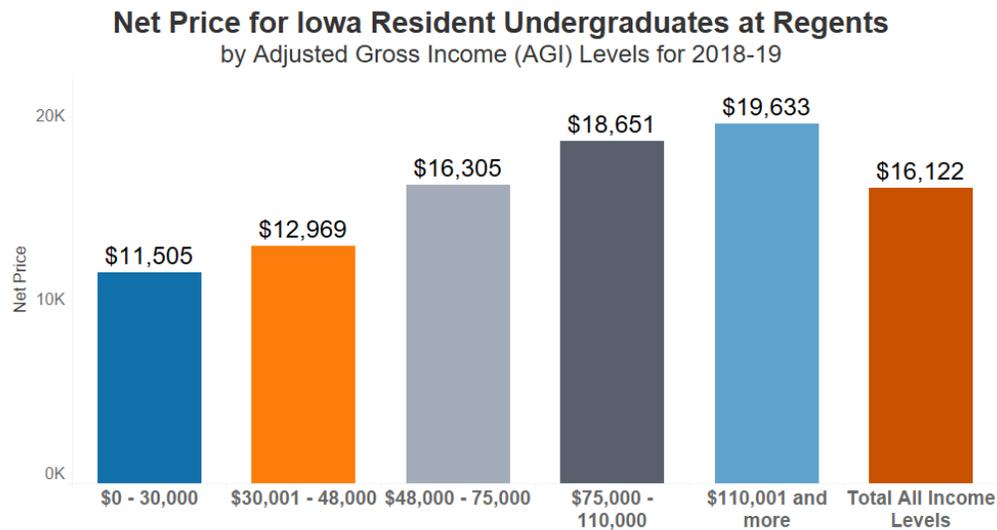
		2016-17		2017-18		2018-19	
		Resident	Non-resident	Resident	Non-resident	Resident	Non-resident
ISU	Student Count	17,735	11,055	17,038	11,453	16,371	11,461
	Percent applied	82.0%	63.9%	82.2%	65.7%	82.3%	67.2%
	Percent eligible	53.6%	42.2%	55.8%	45.9%	55.4%	46.7%
	Percent Need Met	78.0%	82.0%	77.0%	81.0%	77.0%	81.0%
SUI	Student Count	12,010	8,685	12,923	8,177	13,534	8,061
	Percent applied	76.5%	50.2%	77.3%	52.5%	76.7%	55.0%
	Percent eligible	51.1%	41.8%	53.7%	40.0%	52.9%	39.8%
	Percent Need Met	71.0%	62.0%	67.0%	57.0%	55.0%	49.0%
UNI	Student Count	8,274	845	8,275	825	7,986	734
	Percent applied	79.2%	45.9%	81.1%	49.0%	80.9%	50.7%
	Percent eligible	62.0%	38.0%	63.3%	40.1%	62.7%	40.7%
	Percent Need Met	66.0%	61.0%	65.0%	60.0%	63.6%	59.7%

Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

Net Cost

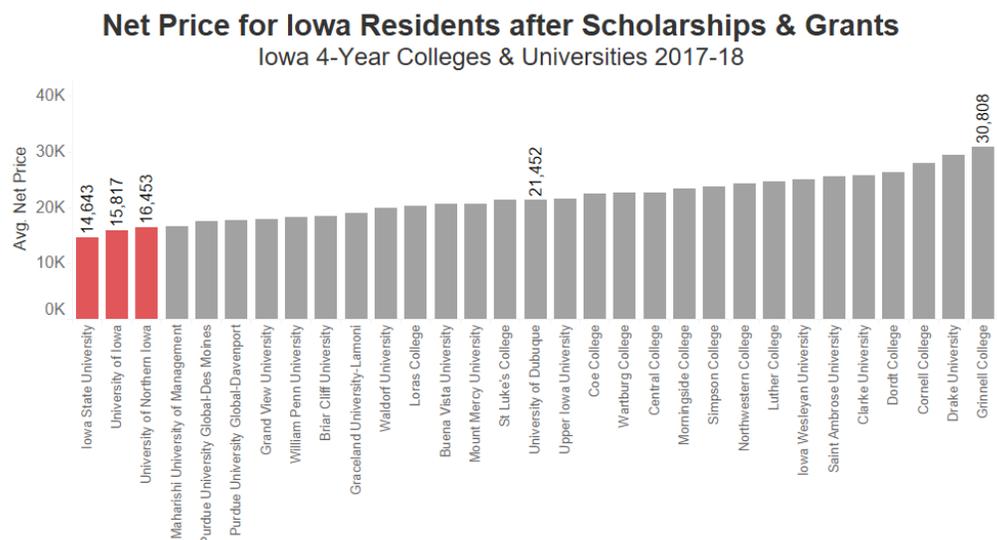
Net cost or net price is calculated by subtracting the average amount of grants and scholarships from the total sticker price of attending a university. Net cost is generally a more accurate approximation of how much a student pays for college, as compared to sticker price.

On average, Regent university students with the greatest financial need receive the most financial aid. This results in differences in net cost by family income (as shown in the graph below). For example, students from a family with an adjusted gross income of \$30,000 or less, have, on average, a net cost of almost half that of a student from a family with an income of greater than \$110,000.



Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions
Net Cost = Total sticker price - scholarships & grants, 2018-19 data

As an additional point of comparison, the Regent universities (shown in red below) continue to have the lowest net cost among Iowa four-year colleges and universities.



Source: Integrated Postsecondary Education Data System (IPEDS), 2017-18 data. Net Price is determined by taking the college sticker price and subtracting the average amount of scholarships and grants (Federal, State, Institutional, other) received by students

Debt

The table below shows the average amount of debt for students who graduate with debt. It is important to note that among Iowa resident graduates, 39.0% from Iowa State University, 42.6% from the University of Iowa, and 30.1% from University of Northern Iowa graduated with no debt.

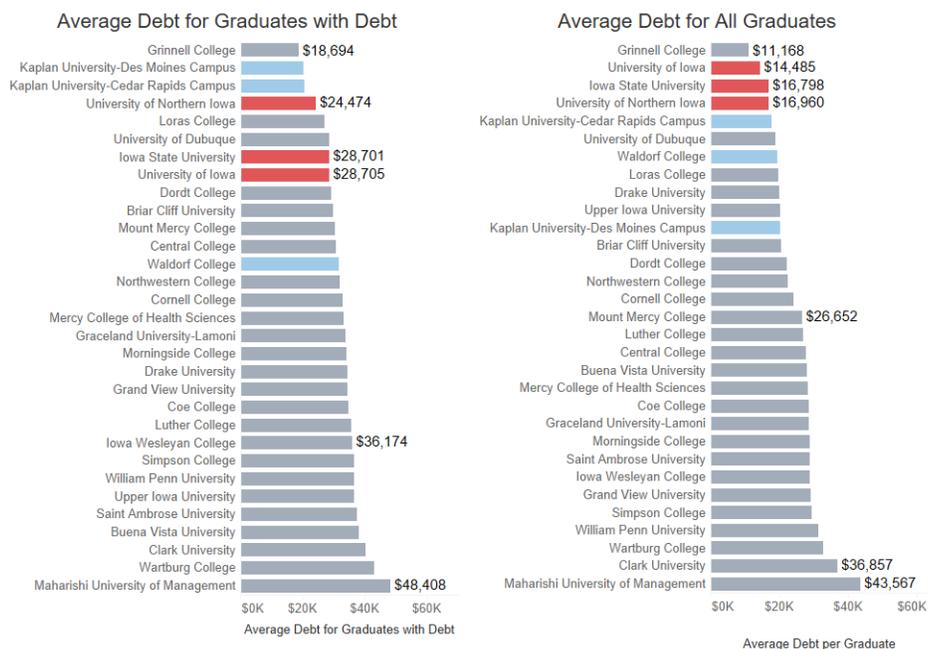
Average Debt for Undergraduates Who Graduated with Debt

		2016-17	2017-18	2018-19
ISU	Iowa Resident Debt	\$26,546	\$26,295	\$26,304
	Percent of Residents who Borrow	64.6%	62.8%	61.0%
	Non-Resident Debt	\$30,105	\$33,296	\$31,510
	Percent of Non-Residents who Borrow	50.2%	51.8%	49.2%
SUI	Iowa Resident Debt	\$25,599	\$27,000	\$25,676
	Percent of Residents who Borrow	58.9%	59.4%	57.4%
	Non-Resident Debt	\$32,908	\$31,515	\$33,026
	Percent of Non-Residents who Borrow	38.9%	40.4%	37.6%
UNI	Iowa Resident Debt	\$23,712	\$24,108	\$23,156
	Percent of Residents who Borrow	71.8%	71.4%	69.9%
	Non-Resident Debt	\$27,228	\$30,269	\$33,646
	Percent of Non-Residents who Borrow	33.1%	47.2%	43.6%

Source: Regent university Student Financial Aid Office data using Common Dataset and IPEDS data definitions

Graduate debt at the Regent universities compares favorably to debt at other Iowa four-year colleges and universities (see graph below). The left side of the graph shows the average debt for each student who graduates with debt. The right side shows the average debt for all students who graduated. The average debt for all students is much lower because it factors in students graduate who graduate with zero debt.

Debt for Graduates of Iowa 4-Year Colleges Universities
Class of 2018

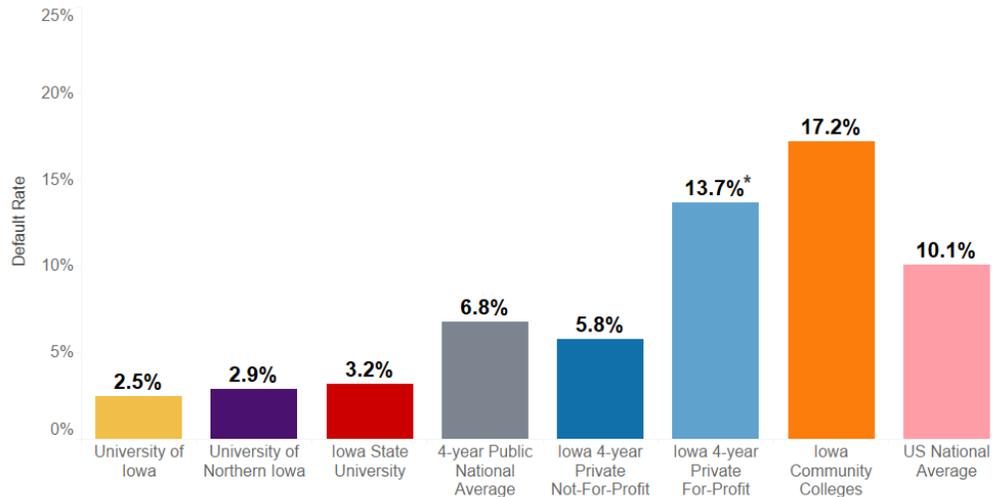


Source: Iowa College Student Aid Commission for colleges with at least 10 graduates

Student Debt Default Rates

The Higher Education Opportunity Act of 2009 created a new calculation to determine the percent of college and university graduates who defaulted on their student loan within three years after graduation. According to the U.S. Department of Education, the Regent university debt default rate for the graduate cohort of 2016 is lower than both state and national averages (see below).

3-Year Default Rate for the Graduate Class of 2016



Source: Iowa College Student Aid Commission & U.S. Department of Education
* = Default rate shown is from 2015 cohort, 2016 cohort data were not available at time of publication.

Trends/Issues.

- **Future Ready Iowa Grants.** Beginning with the 2019-2020 academic year the Regent universities were able to award Future Ready Iowa Grants to eligible students. While the grant aims at helping propel students to finish degrees in high need fields, stringent eligibility criteria severely limited the number of students that were awarded Future Ready Iowa Grants.

Two major challenges within the eligibility criteria included the requirement of two years of non-enrollment prior to returning, as well as limiting the award to students that had earned credits equal to half of their program requirements.

Most recently there is uncertainty on the future of the program as the governor's budget request zeroed out the program. In all likelihood, once existing funding is used the program will be retired. While there is currently a bill to address some oversights in the FRI scholarship program, there is no such language to address issues with Future Ready Iowa Grant eligibility.

- 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%.¹ In 2019, Congress increased the maximum Pell Grant for 2019-20 by \$100 to a maximum of \$6,195.
- 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.²
- Loss of funding for the **Iowa Work-Study Program**³ 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 2018-19, 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.⁴
 - Although the maximum Pell Grant is the most frequently cited grant program, only about 27% of recipients currently qualify for the maximum.⁵ In 2018-19 the average Pell Grant recipient was granted \$4,160.

¹ Trends in Student Aid 2019, College Board.

² Student Loans, Financial Stress, and College Student Tuition, Britt et. Al, 2017

³ 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.

⁴ NASSGAP, 2017-18.

⁵ Trends in Student Aid 2019, College Board.