

Contact: Diana Gonzalez

ANNUAL STUDENT FINANCIAL AID REPORT

Action Requested: Receive the 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 Regent university students who qualify. In 2007-08, the total amount of financial aid awarded to students¹ at the Regent universities was \$774,118,599;² this represents an increase of \$29,876,708 (+4.0%) from the prior year.

Of the total financial aid awarded in 2007-08, 52.3% came from federal funds, 8.5% came from state funds, 31.1% came from institutional funds, and 8.1% came from other³ funds. Furthermore, 26.5% was in the form of grants/scholarships; 19.0% was in the form of employment; and 54.5% was in the form of loans.

TOTAL STUDENT FINANCIAL AID BY FUNDING SOURCE BETWEEN 2004-05 AND 2007-08

	Federal	State ⁴	Institutional	Other	Total
2004-05					
Amount & % Change	\$363,205,724 (+5.3%)	\$61,333,671 (-3.6%)	\$211,202,579 (+3.5%)	\$56,538,375 (+15.6%)	\$692,280,349 (+4.6%)
Awards & % Change	87,370 (+2.3%)	11,669 (0.0%)	66,751 (+4.3%)	19,194 (+5.1%)	184,984 (+3.2%)
Avg. Award & % Change	\$4,157 (+2.9%)	\$5,256 (-3.7%)	\$3,164 (-0.8%)	\$2,945 (+10.0%)	\$3,742 (+1.4%)
2005-06					
Amount & % Change	\$376,824,425 (+3.7%)	\$73,131,596 (+19.2%)	\$215,143,594 (+1.9%)	\$50,743,934 (-10.2%)	\$715,843,549 (+3.4%)
Awards & % Change	87,183 (-0.2%)	12,805 (+9.7%)	66,538 (-0.3%)	18,178 (-5.3%)	184,704 (-0.2%)
Avg. Award & % Change	\$4,322 (+4.0%)	\$5,711 (+8.7%)	\$3,233 (+2.2%)	\$2,792 (-5.2%)	\$3,876 (+3.6%)
2006-07					
Amount & % Change	\$383,353,496 (+1.7%)	\$69,551,570 (-4.9%)	\$226,710,632 (+5.4%)	\$64,626,193 (+27.4%)	\$744,241,891 (+4.0%)
Awards & % Change	87,382 (+0.2%)	11,053 (-13.7%)	67,811 (+1.9%)	20,020 (+10.1%)	186,266 (+0.8%)
Avg. Award & % Change	\$4,387 (+1.5%)	\$6,293 (+10.2%)	\$3,343 (+3.4%)	\$3,228 (+15.6%)	\$3,996 (+3.1%)
2007-08					
Amount & % Change	\$405,320,103 (+5.7%)	\$65,641,284 (-5.6%)	\$240,535,441 (+6.1%)	\$62,621,771 (+8.1%)	\$774,118,599 (+4.0%)
Awards & % Change	89,956 (+2.9%)	10,753 (-2.4%)	71,593 (+5.6%)	20,600 (+2.9%)	192,932 (+3.6%)
Avg. Award & % Change	\$4,506 (+2.7%)	\$6,087 (-3.3%)	\$3,360 (+0.5%)	\$3,040 (-5.8%)	\$4,012 (+0.4%)

¹ Includes undergraduates and graduates.

² Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2007-08.

³ Private grants, scholarships, loans, etc.

⁴ For recording purposes, the Commission includes Regent IMAGES awards and private loan awards as state funds; in 2007-08, the Regent IMAGES awards totaled \$3,238,493 and the partnership loan awards totaled \$56,596,033.

◆ Trends.

- ☞ Between 1990 and 2004, the percentage of full-time dependent undergraduates in the U.S. who received some type of financial aid grew from 54% to 76%. The percentage of full-time dependent undergraduates who borrowed increased from 30% to 50%. At public four-year institutions, the percentage of students with loans increased from 26% to 51%.⁶
- ☞ Funding for federal student financial aid programs has lagged behind inflation and student need for two decades. In constant dollars, federal campus-based aid declined by 35% between 1980-81 and 1998-99.⁷
- ☞ Increases in the Pell Grant program have not kept pace with tuition increases. In 1979-80, the maximum Pell Grant covered 72.4% of costs at public universities; in 2007-08, it covered 32.0%.⁸ Without significant future increases, it is likely to cover less than 25% of college costs in the near future.⁹ According to the U.S. Department of Education, Iowa has the eighth highest gap between Pell Grants and the total cost of education.
- ☞ Sufficient funding has not kept pace with the resources needed by the need-based Iowa Grant Program. This has affected the ability of students to access the public universities. In 2007-08, the total funding for the program was \$684,493¹⁰ which represents an increase of \$175,667 (+34.5%) from the prior year and 0.3% of all grant/scholarship programs; however, the average award was \$755, a decrease of \$70 (-8.5%).
 - ➔ In his testimony to the Iowa Legislature in October 2007, Robert Shireman¹¹ pointed out that “increasing need-based grant aid would be one of the most constructive steps that could be taken to reduce the need for students to borrow. If a \$1,000 increase for students with substantial unmet need reduced their borrowing by the same amount each year, it could reduce Iowa’s debt levels to close to the national average.”
- ☞ In 2005-06, loss of funding for the federal contribution to the Federal Perkins Loan Program caused a decrease in Perkins Loan availability. The Federal Perkins Loan Program assists students with exceptional need and offers forgiveness provisions for students in employment areas such as law enforcement, teaching, and nursing. Students that cannot be served by the Perkins Loan program must turn to alternative loans.
- ☞ 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.¹²
- ☞ Students have assumed more reliance on employment while in school. According to the most recent federal statistics, “74% of all full-time undergraduates worked in 1999-2000 and they averaged 25.5 hours week.”¹³ However, studies have shown that working more than 20 hours per week can impede students’ progress toward graduation.¹⁴

⁶ National Center for Education Statistics (NCES): “Paying for College,” 2004.

⁷ NCES, 2004.

⁸ College Board, Trends in Student Aid 2008.

⁹ University of Iowa.

¹⁰ In 2006-07 and 2007-08, the State of Iowa Scholarship allocation was \$0.

¹¹ Robert Shireman is President of the Institute for College Access and Success, Inc. and director of the Project on Student Debt.

¹² “A Research Agenda for Study of Indebtedness and College Enrollment.”

¹³ “Wall Street Journal,” November 5, 2002.

¹⁴ Student employment at the Regent universities is limited to 20 hours per week.

- ### Loss of significant funding for the Iowa Work-Study Program¹⁵ 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 total awarded to the three Regent universities in 2007-08 was \$170,860 which served only 141 students, with an average award of \$1,212.
- ### For many students, the Iowa Forgivable Loan Program has played a significant role as an incentive to pursue a degree in education and to seek employment in the state.
- ◇ College Cost Reduction and Access Act. The following are significant components of the Act signed into law in September 2007.
 - ### The fixed interest rate for the subsidized Federal Stafford Loan for undergraduate students will decrease from the current rate of 6.8% to 3.4% by July 2011.
 - ### Increases in the family income threshold will allow more students from low income families to qualify automatically for an expected family contribution of \$0.
 - ### A new TEACH Grant, implemented in July 2008, provides \$4,000 per year to undergraduate and graduate students who teach in shortage areas, such as math, science, foreign language, bilingual education, special education, and other high need areas. Students will be required to teach in one of these areas for at least four years in the eight years following graduation; otherwise, the grant will have to be repaid as an unsubsidized loan.
 - ### An income-based repayment program and deferment of loan repayment will be available following active military duty.
- ◇ The Ensuring Continued Access to Student Loans Act was signed in May 2008.
 - ### This legislation expanded the Federal Direct Unsubsidized Stafford Loan for undergraduates by \$2,000 and increased the cumulative loan limit to \$31,500.
 - ### The Act allows parent PLUS loan borrowers to defer the start of repayments until six months after their student leaves school. The prior process required parents to begin repayment while the student was still enrolled.
- ◇ The Higher Education Opportunity Act was signed in August 2008.
 - ### This legislation requires all schools to provide an on-line calculator of higher education costs, adjustments to entrance and exit counseling, and greater disclosures to students.
 - ### A code of conduct is also required. The state of Iowa also implemented code of conduct legislation which complements the federal legislation.
 - ### The Act increased the annual Perkins loan limit to \$5,500 for undergraduates; it also increased the aggregate loan limit to \$27,500 for upper-division undergraduates and \$11,000 for lower-division undergraduates.

¹⁵ Approximately \$2 million was appropriated each year prior to 2001-02. Between 2001-02 and 2004-05, \$0 was appropriated for state work-study.

- ◆ The American Recovery and Reinvestment Act (Stimulus Bill) recently signed by the President includes a provision for an increase of the maximum Pell Grant award from \$4,860 to \$5,350 and a provision for additional federal work-study funds. The increase in the maximum Pell Grant award should provide relief to Pell Grant recipients at the Regent universities. The bill also increases the higher education tax credit to a maximum of \$2,500, of which a portion will be partially-refundable to low-income students.

The Student Financial Aid Report addresses the Board of Regents Strategic Plan strategies (1.1.2) “to continue to improve efforts to recruit, enroll, and retain a qualified and diverse student population” and (1.2.2) “to continue efforts to maintain and enhance affordability of the Regent universities.”

Highlights:

**STUDENT FINANCIAL AID SUMMARY BY TYPE AND FUNDING SOURCE
2007-08**

Regent Total	Federal	State	Institutional	Other	Total
Grants/Scholarships	\$40,815,645	\$8,803,163	\$120,415,001	\$34,663,476	\$204,697,285
Loans	\$335,675,092	\$56,667,261	\$1,919,241	\$27,958,295	\$422,219,889
Employment	\$28,829,366	\$170,860	\$118,201,199	NA	\$147,201,425
Grand Total	\$405,320,103	\$65,641,284	\$240,535,441	\$62,621,771	\$774,118,599

- ◆ Grants/Scholarships. In 2007-08, a total of \$204,697,285 (26.4%) was awarded in the form of grants and scholarships; this is an increase of \$15,910,323 (+8.4%) from the prior year. Of the total grants and scholarships awarded in 2007-08, 58.9% came from institutional funds; 19.9% came from federal funds; 16.9% came from other funds; and 4.3% came from state¹⁶ funds.
- ◆ Employment. In 2007-08, a total of \$147,201,425 (19.0%) was awarded in the form of on-campus employment; this is an increase of \$1,982,227 (+1.4%) from the prior year. Of the total amount awarded, 80.3% came from institutional funds; 19.6% came from federal funds; and 0.1% came from state funds.
- ◆ Loans. In 2007-08, a total of \$422,219,889 (54.5%) was awarded in the form of loans; this is an increase of \$11,984,158 (+2.9%) from the prior year. Of the total loans awarded in 2007-08, 79.5% came from federal funds; 13.4% came from state¹⁷ funds; 6.6% came from other funds; and 0.5% came from institutional funds.

¹⁶ For recording purposes, the Commission included the Regent IMAGES awards of \$3,238,493 as state funds.

¹⁷ For recording purposes, the Commission included the private loan awards of \$56,596,033 as state funds.

TOTAL STUDENT FINANCIAL AID BY TYPE BETWEEN 2004-05 AND 2007-08

	Grants/Scholarships	Employment	Loans	Total
2004-05				
Amount & % Change	\$167,566,203 (+5.5%)	\$138,217,687 (-0.7%)	\$386,496,459 (+6.3%)	\$692,280,349 (+4.6%)
Awards & % Change	70,728 (+7.5%)	37,390 (-0.8%)	76,866 (+0.6%)	184,984 (+3.2%)
Avg. Award & % Change	\$2,369 (-1.9%)	\$3,696 (-1.5%)	\$5,035 (+5.9%)	\$3,742 (+1.4%)
2005-06				
Amount & % Change	\$170,839,950 (+2.0%)	\$140,859,594 (+1.9%)	\$404,144,005 (+4.6%)	\$715,843,549 (+3.4%)
Awards & % Change	69,505 (-1.7%)	38,575 (+3.2%)	76,624 (-0.3%)	184,704 (-0.1%)
Avg. Award & % Change	\$2,458 (+3.8%)	\$3,652 (-1.2%)	\$5,274 (+4.8%)	\$3,876 (+3.6%)
2006-07				
Amount & % Change	\$188,786,962 (+10.5%)	\$145,219,198 (+3.1%)	\$410,235,731 (+1.5%)	\$744,241,891 (+4.0%)
Awards & % Change	73,819 (+6.2%)	37,977 (-1.6%)	74,470 (-2.8%)	186,266 (+0.8%)
Avg. Award & % Change	\$2,557 (+4.0%)	\$3,824 (+4.7%)	\$5,509 (+4.5%)	\$3,996 (+3.1%)
2007-08				
Amount & % Change	\$204,697,285 (+8.4%)	\$147,201,425 (+1.4%)	\$422,219,889 (+2.9%)	\$774,118,599 (+4.0%)
Awards & % Change	80,028 (+8.4%)	37,858 (-0.3%)	75,046 (+0.8%)	192,932 (+3.6%)
Avg. Award & % Change	\$2,558 (+0.0%)	\$3,888 (+1.7%)	\$5,626 (+2.1%)	\$4,012 (+0.4%)

◇ Undergraduate Aid. In 2007-08, a total of \$505,475,476 was awarded to undergraduates at the Regent universities; this is an increase of \$18,332,873 (+3.8%) from the prior year. Undergraduate aid represents more than 65.3% of the total financial aid awarded in 2007-08.

☛ Of the total amount awarded to undergraduates, 52.0% came from federal funds, 12.7% came from state funds, 25.6% came from institutional funds, and 9.7% came from other funds.

☛ Of the total amount awarded to undergraduates, 30.3% was in the form of grants/scholarships, 10.2% was in the form of employment, and 59.5% was in the form of loans.

☛ In 2007-08, the average financial aid award to undergraduate students at the Regent universities was \$3,321, which represents a 0.7% increase from the prior year.

➡ The average undergraduate grant/scholarship award was \$2,334, which represents a 0.5% increase from the prior year.

➡ The average undergraduate loan award was \$4,896, which represents a 1.9% increase from the prior year.

➡ The average undergraduate employment award was \$2,048, which represents a 3.5% increase from the prior year.

TOTAL UNDERGRADUATE FINANCIAL AID BY FUNDING SOURCE BETWEEN 2004-05 AND 2007-08

	Federal	State	Institutional	Other	Total
2004-05					
Amount & % Change	\$245,655,816 (+2.9%)	\$60,218,135 (-4.2%)	\$112,878,412 (+2.8%)	\$49,018,132 (+17.3%)	\$467,770,495 (+3.2%)
Awards & % Change	71,093 (+0.5%)	11,276 (-1.7%)	49,294 (+3.0%)	15,506 (+4.0%)	147,172 (+1.5%)
Avg. Award & % Change	\$3,455 (+2.3%)	\$5,340 (-2.6%)	\$2,290 (0.0%)	\$3,161 (+12.7%)	\$3,178 (+1.6%)
2005-06					
Amount & % Change	\$249,863,081 (+1.7%)	\$69,756,563 (+15.8%)	\$113,508,005 (+0.6%)	\$39,976,388 (-18.4%)	\$473,104,037 (+1.1%)
Awards & % Change	71,402 (+0.4%)	12,153 (+7.8%)	48,699 (-1.2%)	14,186 (-8.5%)	146,440 (-0.5%)
Avg. Award & % Change	\$3,499 (+1.3%)	\$5,740 (+7.5%)	\$2,331 (+1.8%)	\$2,818 (-10.9%)	\$3,231 (+1.7%)
2006-07					
Amount & % Change	\$247,873,704 (-0.8%)	\$68,057,770 (-2.4%)	\$120,415,199 (+6.1%)	\$50,795,930 (+27.1%)	\$487,142,603 (+3.0%)
Awards & % Change	71,202 (-0.3%)	10,690 (-12.0%)	50,541 (+3.8%)	15,332 (+8.1%)	147,765 (+0.9%)
Avg. Award & % Change	\$3,481 (-0.5%)	\$6,366 (+10.9%)	\$2,383 (+2.2%)	\$3,313 (+17.6%)	\$3,297 (+2.0%)
2007-08					
Amount & % Change	\$262,665,118 (+6.0%)	\$64,142,049 (-5.8%)	\$129,403,695 (+7.5%)	\$49,264,614 (-3.0%)	\$505,475,476 (+3.8%)
Awards & % Change	73,067 (+2.6%)	10,373 (-3.0%)	52,770 (+4.4%)	16,004 (+4.4%)	152,214 (+3.0%)
Avg. Award & % Change	\$3,595 (+3.3%)	\$6,184 (-2.9%)	\$2,452 (+2.9%)	\$3,078 (-7.1%)	\$3,321 (+0.7%)

☛ National Postsecondary Student Aid Survey data describe unduplicated student data rather than award data. The national average financial aid to undergraduate students who received aid in public four-year institutions in 2003-04 was \$7,400¹⁸ compared to \$11,342¹⁹ for Regent university undergraduate students in 2007-08.

- ➔ In 2007-08, there were 44,566 undergraduates who received some type of financial aid. Of that number, 74% received some type of grant/scholarship; 72% received some type of loan; and 53% received some type of employment aid.
- ➔ The national average grant/scholarship award to undergraduate students was \$4,000 in 2003-04 compared to \$4,628 for Regent university undergraduate students in 2007-08.
- ➔ The national average loan award was \$5,800 in 2003-04 compared to \$9,355 for Regent university undergraduate students in 2007-08.
- ➔ The national average work-study award was \$2,000 in 2003-04 compared to \$2,206 for Regent university undergraduate students in 2007-08.

¹⁸ 2003-04 National Postsecondary Student Aid Study (NPSAS); this is the most recent data available. Data from the survey conducted in 2007-08 should be available next year.

¹⁹ Student College Aid Commission survey data, 2007-08.

UNDERGRADUATE STUDENT FINANCIAL AID BY TYPE BETWEEN 2004-05 AND 2007-08

	Grants/Scholarships	Employment	Loans	Total
2004-05				
Amount & % Change	\$128,145,833 (+1.2%)	\$50,641,258 (+1.6%)	\$288,983,404 (+4.4%)	\$467,770,495 (+3.2%)
Awards & % Change	57,334 (+4.5%)	25,749 (-0.8%)	64,089 (-0.1%)	147,172 (+1.5%)
Avg. Award & % Change	\$2,235 (-3.1%)	\$1,967 (+2.4%)	\$4,509 (+4.5%)	\$3,178 (+1.6%)
2005-06				
Amount & % Change	\$129,287,048 (+0.9%)	\$48,181,691 (-4.9%)	\$295,635,298 (+2.3%)	\$473,104,037 (+1.1%)
Awards & % Change	56,521 (-1.4%)	26,106 (+1.4%)	63,813 (-0.4%)	146,440 (-0.5%)
Avg. Award & % Change	\$2,287 (+2.3%)	\$1,846 (-6.2%)	\$4,633 (+2.7%)	\$3,231 (+1.6%)
2006-07				
Amount & % Change	\$141,115,752 (+9.1%)	\$50,303,548 (+4.4%)	\$295,723,273 (+0.0%)	\$487,142,573 (+3.0%)
Awards & % Change	60,775 (+7.5%)	25,428 (-2.6%)	61,562 (-3.5%)	147,765 (+0.9%)
Avg. Award & % Change	\$2,322 (+1.5%)	\$1,978 (+7.2%)	\$4,804 (+3.7%)	\$3,297 (+2.0%)
2007-08				
Amount & % Change	\$152,862,721 (+8.3%)	\$51,767,507 (+2.9%)	\$300,845,248 (+1.7%)	\$505,475,476 (+3.8%)
Awards & % Change	65,485 (+7.7%)	25,280 (-0.6%)	61,449 (-0.2%)	152,214 (+3.0%)
Avg. Award & % Change	\$2,334 (+0.5%)	\$2,048 (+3.5%)	\$4,896 (+1.9%)	\$3,321 (+0.7%)

- ◆ Graduating Seniors Without Debt. The debt load for students is based on debt incurred while attending one of the Regent universities. In 2007-08, 39.0% of the graduating seniors at SUI graduated without debt; at ISU, 28% graduated without debt; and at UNI, 22% graduated without debt. Nationally, 34% of graduating seniors in 2003-04 graduated without debt.²⁰
- ◆ Debt Upon Graduation. The average indebtedness for those graduating with debt²¹ in 2007-08 was \$22,856 at SUI; at ISU, it was \$30,732; and at UNI, it was \$24,176. The national average indebtedness in 2003-04 was \$19,237.²²
 - ◆ The average need-based indebtedness for those graduating with debt in 2007-08 was \$11,788 at SUI; at ISU, it was \$13,532; and at UNI, it was \$13,130. The national average was \$11,080 in 2003-04.²³
- ◆ Default Rates. In 2006, the national default rate for federal student loans was 5.2%.²⁴ The default rate for Iowa was 5.4%. For the University of Iowa, it was 1.8%; for Iowa State University, it was 1.8%; and for the University of Northern Iowa, it was 1.8%.

²⁰ 2003-04 NPSAS.

²¹ Excludes PLUS loans.

²² 2003-04 NPSAS.

²³ 2003-04 NPSAS.

UNDERGRADUATE DEBT LOAD AT THE REGENT UNIVERSITIES
2007-08

	RESIDENT			NON-RESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
Total undergrad. students ²⁵	13,808	15,948	10,157	7,099	5,056	853	20,907	21,004	11,010
No. & % of undergrads. who received fin. aid	10,508 76%	13,873 87%	8,667 85%	4,688 66%	4,085 81%	665 78%	15,196 73%	17,958 86%	9,332 85%
No. & % of undergrads. who received loan aid	8,189 59%	10,854 68%	7,403 73%	2,665 38%	2,414 48%	327 38%	10,854 52%	13,268 63%	7,730 70%
% of undergrads. who graduated with debt	67%	76%	79%	44%	56%	62%	61%	72%	78%
Avg. debt load for those with debt ²⁶	\$22,288	\$30,001	\$24,330	\$25,088	\$34,617	\$19,762	\$22,856	\$30,732	\$24,176
Avg. need-based debt load for those with debt	\$11,402	\$14,901	\$13,230	\$12,366	\$13,291	\$9,921	\$11,788	\$13,532	\$13,130
% of graduating seniors who graduated without debt	33%	24%	21%	56%	44%	39%	39%	28%	22%

- ◆ Tuition Set-Aside. Board of Regents tuition policy §8.02C-5i requires that a minimum of 15% of gross tuition proceeds be set aside annually by each Regent university for student financial aid. Each university has exceeded the minimum requirements during the last several years.

TUITION SET-ASIDE²⁷ BY INSTITUTION BETWEEN 2004-05 AND 2007-08

Total Tuition Set-Aside	2004-05	& of Total Tuition	2005-06	% of Total Tuition	2006-07	% of Total Tuition	2007-08	% of Total Tuition
SUI	\$35,422,000	17.2%	\$38,112,000	17.6%	\$41,809,000	17.5%	\$48,053,145	19.0%
ISU	\$35,015,213	21.1%	\$37,796,139	22.4%	\$39,592,678	22.6%	\$42,376,152	22.1%
UNI	\$10,450,000	18.1%	\$10,950,000	18.8%	\$11,033,612	17.9%	\$11,411,488	17.9%
Undergraduate Tuition Set-Aside	2004-05	% of Total TSA	2005-06	% of Total TSA	2006-07	% of Total TSA	2007-08	% of Total TSA
SUI	\$19,147,933	54.1%	\$20,617,939	54.1%	\$23,195,927	55.5%	\$26,158,027	54.4%
ISU	\$26,636,675	76.1%	\$27,890,101	73.8%	\$29,024,504	73.3%	\$32,665,440	77.1%
UNI	\$8,708,857	83.3%	\$8,988,252	82.1%	\$9,084,629	82.3%	\$9,539,036	83.6%

²⁴ Source: U. S. Department of Education.

²⁵ Source: Fall 2008 Enrollment Report – undergraduate students.

²⁶ Excludes PLUS loans.

²⁷ Funds distributed through the Student Financial Aid Department.

Regent University Awarding Philosophies.

- ◇ University of Iowa – “Assistance will be awarded on a first-come, first-served basis to students demonstrating financial need; assistance should be provided to as many students as possible who qualify; students with the greatest need should have a larger portion of their need met by grants, scholarships, and work-study assistance. Financial aid awarded from all sources generally should not in combination exceed the individual’s cost of attendance.”
- ◇ Iowa State University – “In concert with recruitment and retention goals, the University’s strategic plan and land grant mission, financial aid is awarded to as many students as possible who qualify. Students who demonstrate the greatest financial need should receive the most financial aid. Students whose aid applications are received by the published priority date of March 1 are considered for funding from all resources; students whose applications are received after this date are awarded on the basis of eligibility and aid availability. All financial aid awarded cannot, in combination, exceed the individual cost of attending the institution.”
- ◇ University of Northern Iowa - “The awarding philosophy is based on the recruitment goals and objectives of the University’s strategic enrollment plan. UNI strives to maintain an appropriate balance between need- and merit-based awards as described in this enrollment plan. Typically, need-based aid is awarded to students on a first-come, first-served basis. Students with the greatest need will be awarded a larger proportion of non-loan aid to the extent gift aid remains available. Total financial aid awarded will not exceed the student’s cost of attendance.”

Institutional Initiatives.

- ◇ The following are examples of institutional programs provided by the University of Iowa:
 - ### The University implemented the Iowa Pathways Program in 2007-08. This program is available for first-year, first-time undergraduate students who are residents of Iowa; graduated in the top 10% of their high school class or had a University Admissions Index of 136 or higher; were enrolled full-time; qualified for a Federal Pell Grant; and had family income at or below 150% of the poverty level. The University committed federal, state, and institutional grants, scholarships, and work-study to pay for all direct educational costs. Year 2 is underway during the current year.
 - ### The Iowa Heritage Award was implemented in 2007-08. This \$1,500 annual award is available to non-resident, full-time, first-year, first-time undergraduate students and transfer students whose parent(s), step-parent, legal guardian, or grandparent(s) graduated from the University of Iowa. It is renewable for three years for qualifying undergraduate students. Year 2 is underway during the current year.
 - ### The Advantage Iowa Program was implemented in 2007-08. This program facilitates diversity by recognizing first-year, first-time undergraduate students who may be underrepresented, first generation, economically disadvantaged, or with special disabilities that may have impeded their preparation for higher education. This program has proven to be successful in attracting top performing students and appears to be facilitating retention efforts.
 - ### With an initial allocation of \$100,000, the University created an Iowa Veterans Grant in 2008-09 to support more than 200 veterans enrolled at the University.

- ††† In December 2007, the Iowa Promise Scholarship was created by the president to partner with the All Iowa Opportunity Scholarship Program that pays one year of tuition and fees for high need undergraduate students. The SUI Iowa Promise Scholarship will pay tuition and fees for the sophomore, junior, and senior years of the All Iowa Opportunity Scholars who enrolled at the University in 2007-08 and have a minimum GPA of 3.0. The University will make the same commitment to new classes enrolling in 2008-09 and beyond.
- ††† A significant amount of University Foundation and other funds were earmarked by the president and provost to provide grant assistance to students who were displaced from their homes by the 2008 floods; to provide assistance to students enrolled in the School of Music with special needs related to the displacement of their study and practice facilities; and to students in other Arts programs. The Graduate College worked with graduate students in departments that were particularly affected by the flood.
- ††† The Office of Student Financial Aid has worked closely with the Belin-Blank Center to enhance existing scholarships to students who completed pre-enrollment academic programs. New scholarship programs will be created to attract these young top scholars to the University of Iowa.

◇ The following are examples of institutional programs provided by Iowa State University:

- ††† Iowa State University utilized a combination of federal and institutional resources to ensure that needy Iowa students whose families are unable to contribute more than \$500 toward educational costs had sufficient resources to cover tuition and fees. More than 950 Iowa residents who met the March 1 priority deadline are currently being served through this packaging strategy.
- ††† The Return to Iowa Generations Award which was implemented in 2006-07 continues to attract legacy students to the University. This annual award offers \$1,500 to non-resident, full-time undergraduate or transfer students whose parent(s), step-parent, legal guardian, or grandparent(s) graduated from Iowa State University. It is renewable for qualifying individuals. The program has increased more than 300% since inception.
- ††† Efforts continue to assist students to lower their indebtedness. As a result of greater emphasis on parent loans, additional counseling regarding private loans, and increased publicity on the topic of financial literacy, the indebtedness of graduating students has held steady for the past three years.
- ††† Funds were made available for 2008-09 to assist students affected by natural disasters. Availability of these funds was communicated through e-mails to currently enrolled and newly admitted students; additional information was made available in press releases throughout the state.
- ††† ISU created a Veterans Grant for 2008-09 to assist student veterans with educational costs. Ninety-seven students qualified for assistance and received award ranging from \$500 to \$2,000, based on financial need.
- ††† Due to state budget reversions, funding was cut for recipients of the All Iowa Opportunity Foster Care Grant. The Office of Student Financial Aid replaced the lost state funds with institutional funds so that students could continue their education in Spring 2009.

- ◇ The following are examples of institutional programs provided by the University of Northern Iowa:
 - ††† The University renamed the *Tuition Opportunity Program for Iowans* as the *Tuition Guarantee Program for Iowans*. This program is for needy Iowa freshmen whose families are unable to contribute financially to their child's education. The program offers a guarantee of tuition and mandatory fees for four years with grant and scholarship assistance. There has been a 144% increase in recipients during the past two years from 130 to 318 students.
 - ††† UNI implemented Private Loan Counseling for all students who want to obtain a private loan. The purpose of the counseling is to increase students' awareness of other financial aid options. Students are required to complete an information packet which includes budget information, debt-to-income ratio upon repayment. During the current year, the number of students who have obtained a private loan decreased by 54% from 2,159 to 986 students.
 - ††† The *Distinguished Scholars Award (DSA)* is available to all incoming Iowa resident students in the upper 20% of their high school graduating class. Approximately \$2.2 million was awarded to 1,550 students during the current year.

GLOSSARY

Direct Lending Schools. Students are able to borrow directly through the school to receive their federal student loans. Direct lending schools remove the “middle person” regarding applying for and receiving student loans, allowing families to obtain education loans without using a bank, credit union, or private lender.

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. Pell Grants are awarded only to undergraduate students who have not earned a bachelor’s or professional degree.

Federal Supplemental Educational Opportunity Grant (FSEOG). A Federal Supplemental Educational Opportunity Grant is for undergraduates with exceptional financial need, i.e., students with the lowest expected family contributions with priority given to students who receive Federal Pell Grants. 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.

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.
- ◆ Partnership Loan and Parent Partnership Loan are private, non-need based loans that have flexible features, such as a choice between a fixed or variable interest rate.

Unmet/Overmet Financial Need. Unmet/overmet financial need is calculated by subtracting the expected family contributed (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 and 80% by the state program. The federal government covers 100% of the wages for students who are employed as tutors in America Reads²⁸ and America Counts²⁹ 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.

²⁸ Federal initiative to improve elementary students’ reading skills.

²⁹ Federal initiative to improve elementary students’ math skills.