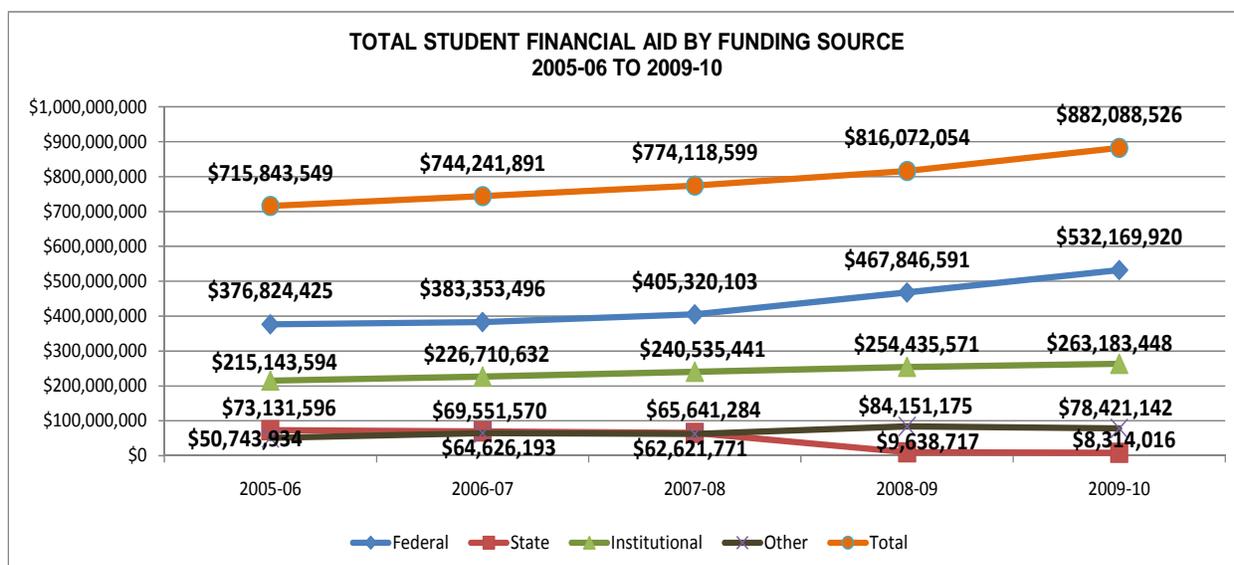


Contact: Diana Gonzalez

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 eligible Regent university students. In 2009-10, the total amount of financial aid awarded to students¹ at the public universities was \$882,088,526;² this represents an increase of \$66,016,472 (+8.1%) from the prior year. Between 2005-06 and 2009-10, the total amount of financial aid awarded to students at the public universities increased by \$166,244,977 (+23.2%).



Of the total financial aid awarded in 2009-10, \$532,169,920 (60.3%) came from federal funds, \$8,314,016 (1.0%) came from state³ funds, \$263,183,448 (29.8%) came from institutional funds, and \$78,421,142 (8.9%) came from other⁴ funds. Furthermore, \$248,843,175 (28.2%) was in the form of grants/scholarships; \$171,474,873 (19.4%) was in the form of employment; and \$461,770,478 (52.4%) was in the form of loans.⁵ The graph on the following page describes the funding types and sources of student financial aid.

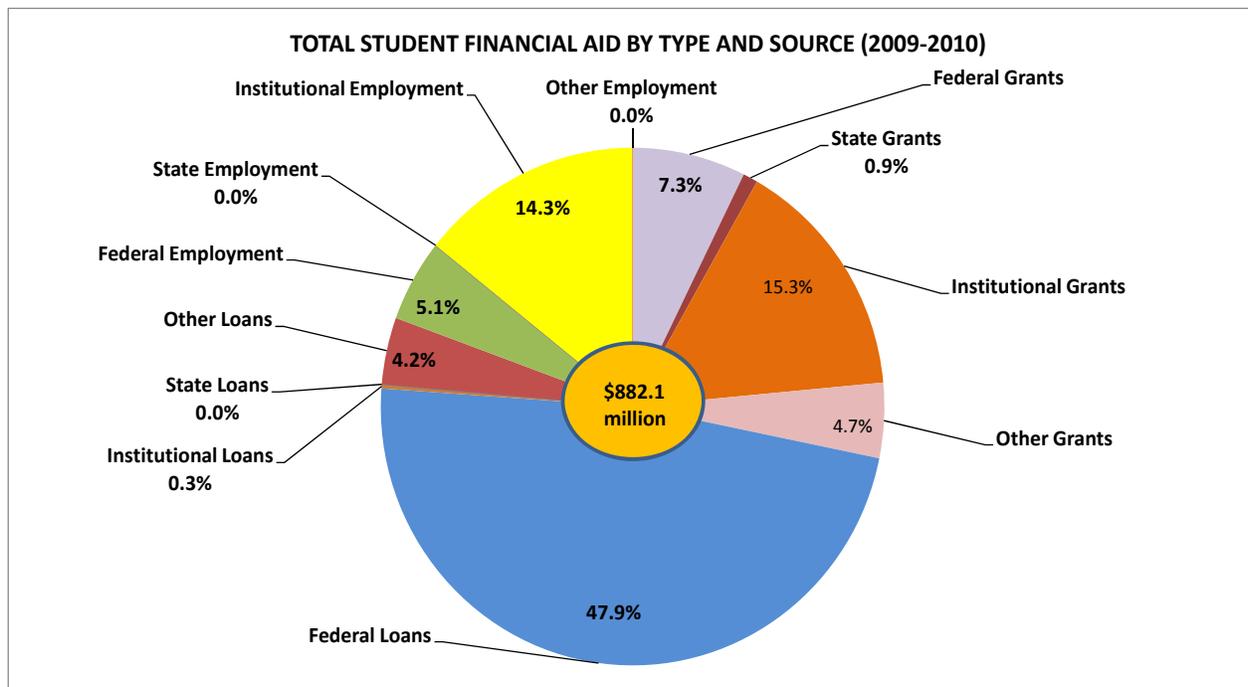
¹ Includes undergraduates and graduates.

² Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2009-10.

³ For recording purposes, the Commission included the Regent IMAGES awards of \$2,109,645 as state funds. Other state funds included \$3,686,289 designated for specific purposes, such as National Guard Education Benefits and Vocational Rehabilitation Grants.

⁴ Private grants, scholarships, loans, etc.

⁵ Includes PLUS loans.



◆ Trends/Points.

- ◆ Between 1990 and 2008, the percentage of full-time dependent undergraduates in the U.S. who received some type of financial aid grew from 54% to 77%. The percentage of full-time dependent undergraduates who borrowed increased from 30% to 49%. At public four-year institutions, the percentage of students with loans increased from 26% to 48%.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 2009-10, it covered only 34.0%.⁸ 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 which has affected the ability of students to access the public universities. In 2009-10, the total funding for the program was \$647,382⁹ which represents a decrease of \$33,198 (-4.9%) from the prior year and 0.3% of all grant/scholarship programs. Approximately 735 students received this award in 2009-10, which represents a decrease of 35 students (-4.5%); the average award was \$880, which is essentially the same as for the prior year.
- ◆ 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.¹⁰

⁷ National Center for Education Statistics (NCES): 07-08 National Postsecondary Student Aid Study (NPSAS:08).

⁸ College Board, Trends in Student Aid 2010.

⁹ In 2006-07, 2007-08, 2008-09, and 2009-10, the State of Iowa Scholarship allocation was \$0.

¹⁰ "A Research Agenda for Study of Indebtedness and College Enrollment," Project on Student Debt.

- ### Students have assumed more reliance on employment while in school. According to the most recent federal statistics, “77.7% of all full-time undergraduates worked in 2003-04 and they averaged 25.7 hours week. The vast majority of students (91%) worked off-campus.”¹¹ However, studies have shown that working more than 20 hours per week can impede students’ progress toward graduation and limit some aspects of their academic experience.¹²
 - ⇒ Students who work on-campus at the Regent universities work approximately 12-15 hours per week. The universities do not track off-campus employment of students.
- ### Loss of significant funding for the Iowa Work-Study Program¹³ 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 was not funded for FY 2010.
- ### For some 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. However, in 2009-10, there were no funds provided for this program.
- ### The federal TEACH Grant, implemented in July 2008, provides up to \$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 must teach in one of these areas for at least four years in the eight years following graduation; otherwise, they must repay the grant as an unsubsidized loan. In 2009-10, approximately 400 students received an average TEACH grant award of \$3,775.
- ### An income-based repayment program and deferment of loan repayment is available following active military duty.
- ### The Ensuring Continued Access to Student Loans Act (2008) expanded the Federal Direct Unsubsidized Stafford Loan for undergraduates by \$2,000 and increased the cumulative loan limit to \$31,500. It also 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 (2008) 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.
- ### Although the maximum Pell Grant is the most frequently cited grant program, only about 25% of recipients currently qualify for the maximum.¹⁴ In 2009-10, the maximum Pell Grant award was \$5,350; the average national Pell Grant award was \$3,646. At the Regent universities, the average Pell Grant award was \$3,756.

¹¹ “ACE Issue Brief, May 2006.

¹² Student employment at the Regent universities is limited to 20 hours per week.

¹³ 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 were appropriated in 2009-10.

¹⁴ “Trends in Student Aid 2010.”

The Student Financial Aid Report addresses the Board of Regents Strategic Plan priorities of “access, affordability, and student success; and educational excellence and impact.”

Highlights:

**STUDENT FINANCIAL AID SUMMARY BY TYPE AND FUNDING SOURCE
2007-08 to 2009-10**

Regent Total	Federal	State	Institutional	Other	Total
Grants/Scholarships					
2007-08	\$40,815,645	\$8,803,163	\$120,415,001	\$34,663,476	\$204,697,285
2008-09	\$45,303,299	\$8,925,263	\$132,259,625	\$36,709,736	\$223,197,923
2009-10	\$64,250,695	\$8,311,016	\$134,865,222	\$41,416,242	\$248,843,175
Loans					
2007-08	\$335,675,092	\$56,667,261	\$1,919,241	\$27,958,295	\$422,219,889
2008-09	\$394,702,337	\$236,621	\$1,988,295	\$47,441,439	\$444,368,692
2009-10	\$422,581,646	\$0	\$2,228,534	\$36,960,298	\$461,770,478
Employment					
2007-08	\$28,829,366	\$170,860	\$118,201,199	NA	\$147,201,425
2008-09	\$27,840,955	\$476,833	\$120,187,651	NA	\$148,505,439
2009-10	\$45,337,579	\$3,000	\$126,089,692	\$44,602	\$171,474,873
Grand Total					
2007-08	\$405,320,103	\$65,641,284	\$240,535,441	\$62,621,771	\$774,118,599
2008-09	\$467,846,591	\$9,638,717	\$254,435,571	\$84,151,175	\$816,072,054
2009-10	\$532,169,920	\$8,314,016	\$263,183,448	\$78,421,142	\$882,088,526

- ◇ Grants/Scholarships. In 2009-10, a total of \$248,843,175 (28.2%) was awarded in the form of grants and scholarships; this is an increase of \$25,645,252 (+11.5%) from the prior year. Of the total grants and scholarships awarded in 2009-10, 54.2% came from institutional funds; 25.8% came from federal funds; 16.7% came from other funds; and 3.3% came from state funds.
- ◇ Employment. In 2009-10, a total of \$171,474,873 (19.4%) was awarded in the form of on-campus employment; this is an increase of \$22,969,434 (+15.5%) from the prior year. Of the total amount awarded, 73.5% came from institutional funds; 26.4% came from federal funds; and 0.03% came from state or other funds.
- ◇ Loans. In 2009-10, a total of \$461,770,478 (52.3%) was awarded in the form of loans; this is an increase of \$17,401,786 (+3.9%) from the prior year. Of the total loans awarded in 2009-10, 91.5% came from federal funds; 0.0% came from state funds; 8.0% came from other funds; and 0.5% came from institutional funds.

Between 2007-08 and 2009-10, there were significant changes in student financial aid by funding source.

- ◇ Federal funds increased by \$126,849,817 (+31.3%) during that three year period.
- ◇ State funds decreased by \$57,327,268 (-87.3%). The major decrease occurred in 2008-09 as a result of the reduction of availability of private educational loans.

- ◇ Institutional funds increased by \$22,648,007 (+9.4%).
- ◇ Other funds, such as private grants and scholarships, increased by \$15,799,371 (+25.2%).

**TOTAL STUDENT FINANCIAL AID BY FUNDING SOURCE
2007-08 to 2009-10**

	Federal	State ¹⁵	Institutional	Other	Total
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%)
2008-09					
Amount & % Change	\$467,846,591 (+15.4%)	\$9,638,717 (-85.3%)	\$254,435,571 (+5.8%)	\$84,151,175 (+34.4%)	\$816,072,054 (+5.4%)
Awards & % Change	98,278 (+9.3%)	3,866 (-64.0%)	71,481 (-0.2%)	23,569 (+14.4%)	197,194 (+2.2%)
Avg. Award & % Change	\$4,760 (+5.6%)	\$1,493 (-75.5%)	\$3,559 (+5.9%)	\$3,570 (+17.4%)	\$4,138 (+3.1%)
2009-10					
Amount & % Change	\$532,169,920 (+13.7%)	\$8,314,016 (-13.7%)	\$263,183,448 (+3.4%)	\$78,421,142 (-6.8%)	\$882,088,526 (+8.1%)
Awards & % Change	108,029 (+9.9%)	3,235 (-16.3%)	70,306 (-1.6%)	20,456 (-13.2%)	202,026 (+2.5%)
Avg. Award & % Change	\$4,926 (+3.5%)	\$2,570 (+72.1%)	\$3,743 (+5.2%)	\$3,834 (+7.4%)	\$4,366 (+5.5%)

Between 2007-08 and 2009-10, there were major changes in student financial aid by funding type.

- ◇ Grant/scholarship funds increased by \$44,145,890 (+21.6%) during that three year period.
- ◇ Employment funds increased by \$24,273,448 (+16.5%).
- ◇ Loan funds increased by \$39,550,589 (+9.4%).

¹⁵ For recording purposes, the Commission includes Regent IMAGES awards and private loan awards as state funds. In 2009-10, the Regent IMAGES awards totaled \$2,109,645.

TOTAL STUDENT FINANCIAL AID BY TYPE
2007-08 to 2009-10

	Grants/Scholarships	Employment	Loans	Total
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%)
2008-09				
Amount & % Change	\$223,197,923 (+9.0%)	\$148,505,439 (+0.9%)	\$444,368,692 (+5.2%)	\$816,072,054 (+5.4%)
Awards & % Change	79,491 (-0.7%)	38,552 (+1.8%)	79,151 (+5.5%)	197,194 (+2.2%)
Avg. Award & % Change	\$2,808 (+9.8%)	\$3,852 (-0.9%)	\$5,614 (-0.2%)	\$4,138 (+3.1%)
2009-10				
Amount & % Change	\$248,843,175 (+11.5%)	\$171,474,873 (+15.5%)	\$461,770,478 (+3.9%)	\$882,088,526 (+8.1%)
Awards & % Change	84,215 (+5.9%)	34,764 (-9.8%)	83,047 (+4.9%)	202,026 (+2.5%)
Avg. Award & % Change	\$2,955 (+5.2%)	\$4,933 (+28.1%)	\$5,560 (-0.9%)	\$4,366 (+5.5%)

◆ Undergraduate Aid. In 2009-10, a total of \$566,260,589 was awarded to undergraduates at the Regent universities; this is an increase of \$28,640,718 (+5.3%) from the prior year. Undergraduate aid represents 64.2% of the total financial aid awarded in 2009-10.

◆ Of the total amount awarded to undergraduates, 61.9% came from federal funds, 1.3% came from state funds, 25.4% came from institutional funds, and 11.4% came from other funds.

**TOTAL UNDERGRADUATE FINANCIAL AID BY FUNDING SOURCE
2007-08 to 2009-10**

	Federal	State	Institutional	Other	Total
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%)
2008-09					
Amount & % Change	\$318,525,360 (+21.3%)	\$8,968,959 (-86.0%)	\$139,850,681 (+8.1%)	\$70,274,871 (+14.3%)	\$537,619,871 (+6.4%)
Awards & % Change	80,333 (+9.9%)	3,461 (-66.6%)	54,667 (+3.6%)	19,085 (+19.3%)	157,546 (+3.5%)
Avg. Award & % Change	\$3,965 (+10.2%)	\$2,591 (-58.1%)	\$2,558 (+4.3%)	\$3,682 (+19.6%)	\$3,412 (+2.7%)
2009-10					
Amount & % Change	\$350,748,282 (+11.0%)	\$7,502,680 (-16.3%)	\$143,440,338 (+2.6%)	\$64,569,289 (-8.1%)	\$566,260,589 (+10.5%)
Awards & % Change	89,969 (+12.0%)	2,914 (-15.8%)	52,375 (-4.2%)	17,255 (-9.6%)	162,513 (+3.2%)
Avg. Award & % Change	\$3,899 (-1.7%)	\$2,575 (-0.6%)	\$2,739 (+7.1%)	\$3,742 (+1.6%)	\$3,484 (+2.1%)

¶¶ In 2009-10, of the total amount awarded to undergraduates, 34.8% was in the form of grants/scholarships, 8.2% was in the form of employment, and 57.0% was in the form of loans.

- The average financial aid award to undergraduate students at the Regent universities was \$3,484, which represents an increase of 2.1% from the prior year.
- The average undergraduate grant/scholarship award was \$2,783, which represents an increase of 10.5% from the prior year.
- The average undergraduate loan award was \$4,624, which represents a decrease of 5.7% from the prior year.
- The average undergraduate employment award was \$2,124, which represents an increase of 5.0% from the prior year.

UNDERGRADUATE STUDENT FINANCIAL AID BY TYPE
2007-08 to 2009-10

	Grants/Scholarships	Employment	Loans	Total
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%)
2008-09				
Amount & % Change	\$168,352,514 (+10.1%)	\$52,840,547 (+2.1%)	\$316,426,810 (+12.1%)	\$537,619,871 (+6.4%)
Awards & % Change	66,848 (+2.1%)	26,135 (+3.3%)	64,563 (+5.1%)	157,546 (+3.5%)
Avg. Award & % Change	\$2,518 (+7.9%)	\$2,022 (-1.3%)	\$4,901 (+0.1%)	\$3,412 (+2.7%)
2009-10				
Amount & % Change	\$197,027,195 (+17.0%)	\$46,693,609 (-11.6%)	\$322,539,785 (+1.9%)	\$566,260,589 (+10.5%)
Awards & % Change	70,787 (+5.9%)	21,982 (-15.9%)	69,744 (+8.0%)	162,513 (+3.2%)
Avg. Award & % Change	\$2,783 (+10.5%)	\$2,124 (+5.0%)	\$4,624 (-5.7%)	\$3,484 (+2.1%)

◆ 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 2007-08 was \$10,100.¹⁶ In 2009-10, the average financial aid to Regent university undergraduate students was \$12,097¹⁷ which was an increase of \$395 (+3.4%) from the prior year.

◆ In 2009-10, there were 44,129 undergraduates¹⁸ who received some type of financial aid at the Regent universities. Of that number, 71.7% received some type of grant/scholarship; 73.9% received some type of loan;¹⁹ and 40.2% received some type of employment aid.

◆ The national average grant/scholarship award to undergraduate students in public four-year institutions was \$5,600 in 2007-08. In 2009-10, the average grant/scholarship award to Regent university undergraduate students was \$6,095 which was an increase of \$386 (+6.8%) from the prior year.

◆ The national average loan award to undergraduate students in public four-year institutions was \$6,800 in 2007-08. In 2009-10, the average loan award to Regent university undergraduate students was \$7,836²⁰. Regent numbers are not available for 2008-09.

¹⁶ 2007-08 National Postsecondary Student Aid Study (NPSAS).

¹⁷ Student College Aid Commission survey data, 2009-10; unduplicated count of students.

¹⁸ This is an unduplicated headcount.

¹⁹ This includes PLUS; it is 73.7% without PLUS.

²⁰ Loan amounts exclude PLUS..

◆ Default Rates.²⁴ In 2008, the national default rate for federal student loans was 7.0%, which was an increase from 6.7% in 2007. The default rate for the state of Iowa was 9.9%, which was an increase from 8.2% in 2007. The default rate for public four-year institutions was 4.4%, which was an increase from 4.3% in 2007.

◆ For the University of Iowa, it was 1.9% (2.1% in 2007); for Iowa State University, it was 1.8% (2.0% in 2007); and for the University of Northern Iowa, it was 2.1% (1.9% in 2007).

**UNDERGRADUATE DEBT LOAD AT THE REGENT UNIVERSITIES
2007-08 to 2009-10**

	RESIDENT			NON-RESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
TOTAL UNDERGRADUATE STUDENTS									
2007-08 ²⁵	13,808	15,948	10,157	7,099	5,056	853	20,907	21,004	11,010
2008-09 ²⁶	13,188	15,885	10,185	7,635	5,722	862	20,823	21,607	11,047
2009-10²⁷	12,722	16,164	10,469	7,852	6,357	825	20,574	22,521	11,294
NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED FINANCIAL AID									
2007-08	10,508 (76.1%)	13,873 (87.0%)	8,667 (85.3%)	4,688 (66.0%)	4,085 (80.8%)	665 (78.0%)	15,196 (72.7%)	17,958 (85.5%)	9,332 (84.8%)
2008-09	10,704 (81.2%)	13,765 (86.7%)	8,943 (87.8%)	4,808 (63.0%)	4,566 (79.8%)	669 (77.6%)	15,512 (74.5%)	18,331 (84.8%)	9,612 (87.0%)
2009-10	10,494 (82.5%)	14,110 (87.3%)	9,080 (86.7%)	4,902 (62.4%)	4,919 (77.4%)	624 (75.6%)	15,396 (74.8%)	19,029 (84.5%)	9,704 (85.9%)
NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED LOAN AID									
2007-08	8,189 (59.3%)	10,854 (68.1%)	7,403 (72.9%)	2,665 (37.5%)	2,414 (47.7%)	327 (38.3%)	10,854 (51.9%)	13,268 (63.2%)	7,730 (70.2%)
2008-09	8,299 (62.9%)	10,595 (66.7%)	7,489 (73.5%)	2,901 (38.0%)	2,681 (46.9%)	330 (38.3%)	10,814 (51.9%)	13,276 (61.4%)	7,819 (70.8%)
2009-10	7,820 (61.5%)	10,930 (67.6%)	7,591 (72.5%)	3,129 (39.8%)	2,843 (44.7%)	329 (39.9%)	10,949 (53.2%)	13,773 (61.2%)	7,920 (70.1%)
PERCENT OF UNDERGRADUATES WHO GRADUATED WITH DEBT									
2007-08	75.6%	76.0%	79.0%	24.4%	56.0%	62.0%	60.5%	72.0%	78.0%
2008-09	73.9%	76.4%	80.6%	26.1%	57.4%	62.0%	60.7%	72.5%	79.6%
2009-10	71.0%	74.3%	78.8%	29.0%	56.4%	53.8%	60.0%	70.4%	77.4%
AVERAGE DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT²⁸									
2007-08	\$21,571	\$30,001	\$24,330	\$23,808	\$34,617	\$19,762	\$22,116	\$30,732	\$24,176
2008-09	\$23,958	\$29,358	\$24,065	\$25,903	\$31,918	\$25,354	\$24,466	\$29,767	\$24,123
2009-10	\$24,453	\$28,804	\$25,916	\$28,057	\$32,604	\$21,270	\$25,515	\$29,475	\$25,735
AVERAGE NEED-BASED DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT									
2007-08	\$10,852	\$14,901	\$13,230	\$11,339	\$13,291	\$9,921	\$10,969	\$13,532	\$13,130
2008-09	\$11,372	\$13,054	\$12,778	\$11,887	\$14,261	\$13,298	\$11,503	\$13,234	\$12,798
2009-10	\$11,282	\$13,148	\$13,067	\$11,746	\$13,353	\$10,640	\$11,414	\$13,182	\$12,981
PERCENT OF GRADUATING SENIORS WHO GRADUATED WITHOUT DEBT									
2007-08	33.0%	24.0%	21.0%	53.0%	44.0%	39.0%	39.0%	28.0%	22.0%
2008-09	33.0%	23.6%	19.4%	52.0%	42.6%	38.0%	39.0%	27.5%	20.4%
2009-10	33.6%	25.7%	21.2%	51.7%	43.6%	46.2%	40.0%	29.6%	22.6%

²⁴ Source: U.S. Department of Education.

²⁵ Source: Fall 2007 Enrollment Report – undergraduate students.

²⁶ Source: Fall 2008 Enrollment Report – undergraduate students.

²⁷ Source: Fall 2009 Enrollment Report – undergraduate students.

²⁸ Excludes PLUS loans.

- ◇ 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-ASIDE²⁹ BY INSTITUTION AND EDUCATIONAL LEVEL
2007-08 to 2009-10**

Total	Undergrad.	Graduate & Professional	Total	Percent of Total Tuition
2007-08				
SUI	\$26,158,027	\$21,895,118	\$48,053,145	19.0%
ISU	\$32,665,440	\$9,710,712	\$42,376,152	22.1%
UNI	\$9,539,036	\$1,872,452	\$11,411,488	17.9%
2008-09				
SUI	\$29,427,254	\$24,147,118	\$53,574,372	19.7%
ISU	\$36,050,966	\$11,357,751	\$47,408,717	22.2%
UNI	\$9,951,042	\$2,072,585	\$12,023,627	18.0%
2009-10				
SUI	\$33,854,208	\$25,874,792	\$59,729,000	21.1%
ISU	\$41,790,448	\$13,208,575	\$54,999,023	23.5%
UNI	\$10,841,026	\$1,952,603	\$12,793,629	18.0%

- ◇ The table on the following page describes the distribution of tuition set-aside funds to undergraduates who demonstrated need in 2009-10.
 - ☛ At SUI, approximately 71% of all undergraduates who received tuition set-aside funds demonstrated need; approximately 70% of those who demonstrated need were Iowa residents. Approximately 74% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 48% of those funds were awarded to Iowa residents who demonstrated need.
 - ☛ At ISU, approximately 77% of all undergraduates who received tuition set-aside funds demonstrated need; approximately 73% of those who demonstrated need were Iowa residents. Approximately 69% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 42% of those funds were awarded to Iowa residents who demonstrated need.
 - ☛ At UNI, approximately 73% of all undergraduates who received tuition set-aside funds demonstrated need. Approximately 92% of those who demonstrated need were Iowa residents. Approximately 65% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 76% of those funds were awarded to Iowa residents who demonstrated need.

²⁹ Funds distributed through the Student Financial Aid Department.

UNDERGRADUATE TUITION SET-ASIDE BY INSTITUTION, NEED, AND RESIDENCE
2007-2008 to 2009-2010

	SUI	ISU	UNI	TOTAL
2007-08				
Demonstrated Need	n=5,544	n=12,209	n=2,769	n=20,522
Resident	\$11,536,414	\$10,440,707	\$4,495,904	\$26,473,025
Nonresident	\$8,187,757	\$11,648,233	\$2,120,614	\$21,956,604
Did Not Demonstrate Need	n=2,774	n=3,595	n=1,011	n=7,380
Resident	\$1,878,021	\$3,107,895	\$1,569,524	\$6,555,440
Nonresident	\$4,555,835	\$7,468,605	\$1,352,995	\$13,377,435
Total Undergraduate TSA	\$26,158,027	\$32,665,440	\$9,539,036	\$68,362,504
Undergrad. Percent of Total TSA	54.4%	77.1%	83.6%	67.1%
2008-09				
Demonstrated Need	n=5,534	n=12,006	n=2,683	n=20,223
Resident	\$11,645,262	\$10,361,673	\$4,568,707	\$26,575,642
Nonresident	\$10,103,572	\$13,480,543	\$1,658,603	\$25,242,718
Did Not Demonstrate Need	n=2,891	n=4,115	n=1,230	n=8,236
Resident	\$2,014,869	\$3,206,861	\$2,278,155	\$7,499,885
Nonresident	\$5,663,551	\$9,001,889	\$1,445,577	\$16,111,017
Total Undergraduate TSA	\$29,427,254	\$36,050,966	\$9,951,042	\$75,429,262
Undergrad. Percent of Total TSA	54.9%	76.0%	82.8%	66.7%
2009-10				
Demonstrated Need	n=5,685	n=14,476	n=3,277	n=23,438
Resident	\$12,122,916	\$12,181,263	\$5,378,881	\$29,683,060
Nonresident	\$13,054,111	\$16,513,467	\$1,714,890	\$31,282,468
Did Not Demonstrate Need	n=2,316	n=4,254	n=1,189	n=7,759
Resident	\$2,091,218	\$3,433,998	\$2,388,957	\$7,921,932
Nonresident	\$6,585,963	\$9,661,720	\$1,358,298	\$17,605,981
Total Undergraduate TSA	\$33,854,208	\$41,790,448	\$10,841,026	\$86,493,441
Undergrad. Percent of Total TSA	56.7%	76.0%	84.7%	67.8%

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 amount of 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.

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 as well as 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.

- ◇ Developing and implementing comprehensive processes to insure compliance with all provisions of the Higher Education Opportunity Act and the final program integrity regulations.
- ◇ Developing and enhancing university financial aid websites that respond to parent and student needs.
- ◇ Developing websites that allow prospective and currently enrolled students to assess accurately the net costs of attending the Regent universities.
- ◇ Enhancing efforts to be responsive to the growing number of students who are applying for financial aid and have special financial circumstances that resulted from negative changes in the economy.

- ◇ Providing parents with relevant information about the federal PLUS loan and ensuring that private educational loans are loans of last resort. Providing additional counseling when informing students about private loans.
- ◇ Enhancing aid programs and analyzing their effectiveness for access and affordability.

Institutional Concerns Related to Financial Aid.

The following issues and concerns reflect requirements stemming from the latest laws and regulations.

- ◇ Increases in federal student loan default rates resulting from extending 2-year cohort default rates to 3-year default rates. This change will likely cause some small increase in Iowa public university default rates, although they will still remain significantly below the state and national averages.
- ◇ Responding to additional cuts in state aid programs available to students attending the Regent universities, including cuts in the All Iowa Opportunity Scholarship program; the Iowa Grant program; and the elimination of the Iowa Work-Study program. Developing institutional plans for implementing the recommendations made by the Board of Regents Access and Affordability Advisory Committee. A progress report is included in Attachment B.
 - ⇒ Create and adequately fund a need-based state grant program dedicated to students attending Iowa public universities.
 - ⇒ Fund the Iowa Work-Study Program at no less than the FY 2000 level.
 - ⇒ Develop strategies for collaborative lobbying efforts to increase federal student aid funding opportunities for Iowa public universities.
 - ⇒ Maintain Iowa public university undergraduate tuition set-aside rates at no less than current levels.
 - ⇒ Continue the fund-raising priority for need-based and merit-based scholarships.
 - ⇒ Increase four-year graduation rates where appropriate.
 - ⇒ Add financial education staff, as needed, to the universities' financial aid departments.
 - ⇒ Require all undergraduate students, including transfer students, to complete a financial education component as part of their first-year experience.
- ◇ New provisions of the Higher Education Opportunity Act that allow for year-round Federal Pell Grant funding for continuously enrolled students.
- ◇ Elimination of the federal Academic Competitive Grant and SMART Grant programs after the 2010-11 academic year will reduce opportunities for students.
- ◇ Possible significant changes to the Federal Perkins Loan program for FY 2012 and beyond.

ACCESS AND AFFORDABILITY COMMITTEE RECOMMENDATIONS

BOARD OF REGENTS:

Include the following in the 2011 legislative priorities:

1. Create and adequately fund a need-based state grant program dedicated to students attending Iowa public universities.

2. Fund the Iowa Work-Study Program at no less than the FY 2000 level (~\$1.6 million)

Federal priorities:

3. Develop strategies for collaborative lobbying efforts to increase federal student aid funding opportunities for Iowa public universities.

IOWA PUBLIC UNIVERSITIES:

4. Maintain Iowa public university undergraduate tuition set-aside rates at no less than current levels.

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 (est.)
SUI						
Total TSA Resident	22.0%	21.1%	22.6%	23.1%	24.4%	25.5%
TSA Res. Undergrad.	58.8%	54.8%	51.3%	46.4%	42.0%	42.0%
ISU						
Total TSA Resident	16.9%	16.6%	16.9%	16.3%	16.3%	16.3%
TSA Res. Undergrad.	43.5%	42.0%	41.5%	37.6%	37.6%	37.6%
UNI						
Total TSA Resident	12.7%	12.7%	13.0%	13.9%	14.3%	15.0%
TSA Res. Undergrad.	59.1%	62.6%	63.6%	68.8%	71.7%	72.2%

5. Continue the fund-raising priority for need-based and merit-based scholarships.

Using bullets, describe current/planned activities.										
SUI	<ul style="list-style-type: none"> We are in the planning process for a comprehensive campaign, which will be publicly announced in 2013 and likely conclude in 2016. The key priorities of this comprehensive campaign reflect the priorities of the UI Strategic Plan and student success is a key strategic priority. Approximately \$450 million of the <i>initial</i> campaign priorities are focused on programs that will support scholarships and educational opportunities for undergraduates, as well as graduate and professional students. This would potentially double the amount we raised in our last comprehensive campaign for student aid. President Sally Mason and Interim Provost Barry Butler will be meeting with campus leadership in the next few months to finalize these priorities and dollar goals. 									
ISU	<p>Student scholarships are an important fundraising priority in each college. The following table illustrates that scholarship fundraising (for both need-based and merit-based scholarships) has been a consistent priority through the ISU Campaign.</p> <p>During the post-campaign fundraising period, colleges will continue to raise private scholarship funds and other student support funds with specific targets related to increasing diversity, supporting student entrepreneurs, and supporting students who study abroad.</p> <p>ISU Scholarship Support Totals during the ISU Campaign (by FY)</p> <table> <tr> <td>FY 2004 = \$13,880,007</td> <td>FY 2005 = \$21,507,538</td> <td>FY 2006 = \$23,140,688</td> </tr> <tr> <td>FY 2007 = \$28,325,546</td> <td>FY 2008 = \$31,172,065</td> <td>FY 2009 = \$31,436,447</td> </tr> <tr> <td>FY 2010 = \$33,760,030</td> <td></td> <td></td> </tr> </table>	FY 2004 = \$13,880,007	FY 2005 = \$21,507,538	FY 2006 = \$23,140,688	FY 2007 = \$28,325,546	FY 2008 = \$31,172,065	FY 2009 = \$31,436,447	FY 2010 = \$33,760,030		
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FY 2010 = \$33,760,030										
UNI	<p>To date, the Imagine the Impact Campaign has generated over \$40 million for student scholarships. Since the beginning of the campaign, over 200 new scholarship funds have been created.</p>									

6. Increase four-year graduation rates where appropriate.

	2005 (2001)	2006 (2002)	2007 (2003)	2008 (2004)	2009 (2005)	2010 (2006)
SUI	39.6%	40.5%	41.7%	43.1%	46.4%	45.94%
ISU	31.8%	33.6%	35.3%	33.2%	33.4%	34.4%
UNI	32.3%	33.5%	35.2%	35.2%	35.9%	37.7%

ISU	<p>Each of ISU's colleges is invested in providing high-quality, personalized academic advising to help their student plan a four-year program of study.</p> <p>ISU has implemented an intervention strategy to identify students who are not making satisfactory progress and to place them on probation at the earliest sign of academic difficulty. The objective of the Academic Probation Policy and intervention program is to ensure that students succeed academically and graduate from ISU.</p> <p>The Course Availability Committee meets monthly (and more regularly as needed, such as during fall registration) to address identified shortage of courses needed for progression toward graduation.</p> <p>Iowa State University is among the top one-fourth of all public national universities in U.S. News and World Report's 2011 "America's Best Colleges" annual rankings, and that report places Iowa State in an elite group of colleges and universities that provide learning communities. Student participation in learning communities continues to increase as nearly 70% of first-year students are participating in a learning community in fall 2010. Each ISU college will continue to actively promote increases in participation in learning communities. The table below depicts the retention and graduation rate for several cohort classes and the success of the learning communities program at ISU.</p> <table border="1"> <thead> <tr> <th rowspan="2">Year of Admittance</th> <th rowspan="2"></th> <th colspan="2">Retention Rate</th> <th colspan="3">Graduation Rate</th> </tr> <tr> <th>1-Year</th> <th>2-Year</th> <th>4-year</th> <th>5-year</th> <th>6-year</th> </tr> </thead> <tbody> <tr> <td rowspan="2">2004</td> <td>Learning Community</td> <td>90.0%</td> <td>83.9%</td> <td>36.2%</td> <td>67.9%</td> <td>76.5%</td> </tr> <tr> <td>Non-Learning Comm.</td> <td>82.1%</td> <td>72.9%</td> <td>30.6%</td> <td>56.0%</td> <td>64.8%</td> </tr> <tr> <td rowspan="2">2005</td> <td>Learning Community</td> <td>87.2%</td> <td>81.5%</td> <td>33.7%</td> <td>69.1%</td> <td></td> </tr> <tr> <td>Non-Learning Comm.</td> <td>79.6%</td> <td>70.4%</td> <td>33.2%</td> <td>56.4%</td> <td></td> </tr> <tr> <td rowspan="2">2006</td> <td>Learning Community</td> <td>88.1%</td> <td>81.0%</td> <td>40.7%</td> <td></td> <td></td> </tr> <tr> <td>Non-Learning Comm.</td> <td>80.5%</td> <td>72.0%</td> <td>35.7%</td> <td></td> <td></td> </tr> </tbody> </table> <p>Iowa State University encourages its students to consider the costs and benefits of enrichment activities that affect time to degree such as double majors, internships, and study abroad and experiential learning opportunities.</p>	Year of Admittance		Retention Rate		Graduation Rate			1-Year	2-Year	4-year	5-year	6-year	2004	Learning Community	90.0%	83.9%	36.2%	67.9%	76.5%	Non-Learning Comm.	82.1%	72.9%	30.6%	56.0%	64.8%	2005	Learning Community	87.2%	81.5%	33.7%	69.1%		Non-Learning Comm.	79.6%	70.4%	33.2%	56.4%		2006	Learning Community	88.1%	81.0%	40.7%			Non-Learning Comm.	80.5%	72.0%	35.7%		
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7. Add financial education staff, as needed, to the universities' financial aid departments.

Describe current/planned staff changes.	
SUI	<ul style="list-style-type: none"> • At this point in time, at the recommendation of the Director of Financial Aid, the UI does not believe it is necessary to add a staff position to the UI Office of Student Financial Aid (OSFA) that has a focus specifically on financial literacy/education. • The UI OFSA currently has a full time Assistant Director charged with administering all federal loan programs, including overseeing all student entrance and exit interviews. • The UI Office of Student Financial Aid hired an additional full time Financial Aid Counselor for the 2010-2011 academic year to help respond to general financial aid issues faced by UI students, including student debt. • All full time Financial Aid Counselors receive extensive training in all aspects of financial aid, including critical matters related to loans and student debt. • The UI Student Credit and Money Management Office staff provides financial education for students who are having difficulty with debt issues, including credit card debt. A UI OFSA Senior Associate Director helps advise this office. • University College created an on line Money Management course starting for fall 2010 that covers, among other issues: <ul style="list-style-type: none"> ✓ Creating a budget ✓ Understanding credit ✓ Using credit cards wisely ✓ Managing debt ✓ Identifying predatory lenders ✓ Banking and checking accounts ✓ Saving your money ✓ Understanding insurance ✓ Preparing your taxes ✓ Applying for financial aid ✓ Types of financial aid • Helping UI students become more financially literate is an important piece of the whole UI Student Success initiative. • The UI will continue to annually review and evaluate through the UI Financial Aid Advisory Committee all future staffing needs of the OFSA.
ISU	<p>The Office of Financial Aid at ISU currently has an employee pursuing a Masters degree in Family Financial Planning with an anticipated graduation date of May 2011. This added expertise will be achieved without the cost of adding staff.</p>
UNI	<p>Two graduate assistants (one FTE) added for the Fall 2010 to assist with the "<i>Live Like a Student</i>" campaign including teaching sections of the non-credit classes, also assisting with TEACH grant counseling.</p>

8. Require all undergraduate students, including transfer students, to complete a financial education component as part of their first-year experience.

Describe current/planned requirements regarding completing financial education component.	
SUI	<ul style="list-style-type: none"> We have created an online Money Management course, as noted in #7. This course is available to all students. We do not believe at this point that we should require the course of all students; we do not have data that indicates a need for every student to take our course and we need to assess the value of the course before any consideration of a requirement. We are proceeding with a two-day orientation program for Fall 2010 which will include modules on health, safety and well-being. Some elements of budgeting and money management may be included in those modules.
ISU	<p>The Department of Human Development and Family Studies currently offers two courses educating students on the subject of personal finance/consumer economics. HDFS 183 <i>Personal Finance in Early Adulthood</i> (1 credit online) is geared toward entering freshmen and sophomores by teaching students how to manage their finances while in college. Topics discussed include budgeting, student loans, credit management, collegiate housing options, and more. HDFS 183 was offered for the first time fall semester 2009 and enrollment is growing. HDFS 283 <i>Personal and Family Finance</i> (3 credit face-to-face/online) teaches students an array of core personal financial principles ranging from cash flow management to estate planning. HDFS 283 has seen enrollment more than double.</p> <p>The College of Human Sciences operates the ISU Financial Counseling Clinic, housed in the Department of Human Development and Family Studies. The clinic served 451 clients via individual counseling sessions and 2,309 students via group workshop presentations throughout fiscal year 2010.</p> <p>We are working with colleges to incorporate appropriate approaches, such as the possibility of including a required module as part of the freshman orientation, to address this goal.</p> <p>Financial Aid counselors assist all students with financial questions or concerns as they are presented via telephone calls, emails or personal visits to the office – over 70,000 contacts are received annually.</p> <p>The Financial Aid Office also utilizes CashCourse as a web-based tool to assist all students with financial literacy. CashCourse is a product of the National Endowment for Financial Education. In addition, CashCourse is utilized increasingly in orientation courses.</p> <p>The Financial Aid office offers workshops and instructional sessions as requested annually to freshman/transfer orientation classes and Department of Residence hall meetings.</p>
UNI	<p>Current efforts</p> <ul style="list-style-type: none"> All undergraduate students are required to attend a brief financial literacy session during summer orientation. The session includes 20 important financial literacy tips college students need to know. Also during summer orientation 2010, the Office of Student Financial Aid introduced the “<i>Live Like a Student</i>” campaign to begin the Fall 2010 semester. The purpose of the campaign is to educate students to make responsible financial decisions. Methods of delivery include non-credit financial literacy classes, group/organizational workshops, marketing tools, and one-on-one money management counseling.

- This project began with the concept of teaching students the benefits of actually living like students now so they will not have to later. Financial aid staff created the content and University Relations Office designed the logo for brochures, posters, pens, and pencils. Staff promoted the non-credit course at 72 different student and parent sessions at summer orientation and countless activities such as, meetings with campus leaders, deans, department heads, outreach events and media interviews.
- The non-credit course was developed and is currently being taught by Office of Student Financial Aid staff members and graduate assistants. There are nine six-hour classes offered in September, October, and November. The course covers personal budgeting, credit and credit cards, student loans, and identity protection.
- By partnering with the National Endowment for Financial Education (NEFE) the Office of Student Financial Aid's website offers *CashCourse*. *CashCourse* is an online resource that uses comprehensive, non-commercial information to help students become financially informed.

Future Plans

- Include establishing a campus-wide advisory council; conducting a "*Live Like a Student*" Awareness Week with alumni speakers; incorporating "*Live Like a Student*" information in recruitment publications; and working with student leaders to create a possible online version of the non-credit course.



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

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.

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 Reads³⁰ and America Counts³¹ 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.

³⁰ Federal initiative to improve elementary students' reading skills.

³¹ Federal initiative to improve elementary students' math skills.