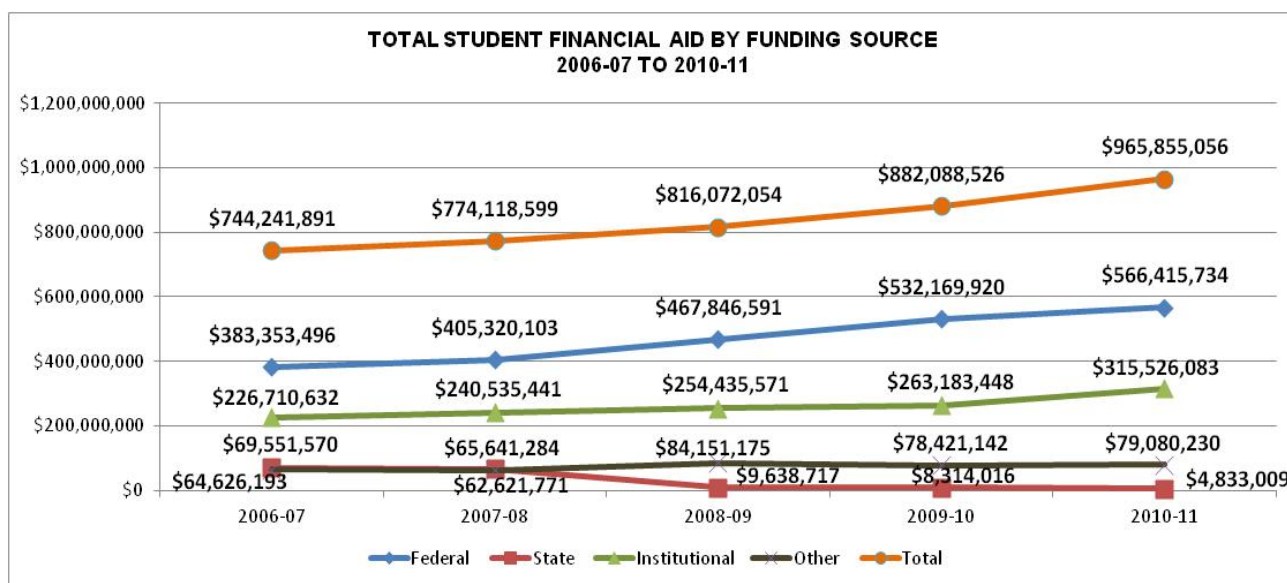


Contact: Diana Gonzalez

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 2010-11, the total amount of financial aid awarded to students¹ at the public universities was \$965,855,056;² this represents an increase of \$67,341,022 (+7.5%) from the prior year. Between 2006-07 and 2010-11, the total amount of financial aid awarded to students at the public universities increased by \$221,613,165 (+29.8%).



- ❖ Of the total financial aid awarded in 2010-11, \$566,415,734 (58.6%) came from federal funds, \$4,833,009 (0.5%) came from state³ funds, \$315,526,083 (32.7%) came from institutional funds, and \$79,080,230 (8.2%) came from other⁴ funds.
- ❖ Furthermore, \$287,117,545 (29.7%) was in the form of grants/scholarships; \$192,739,190 (20.0%) was in the form of employment; and \$485,998,321 (50.3%) was in the form of loans.⁵ The graph on the following page describes the funding types and sources of student financial aid.

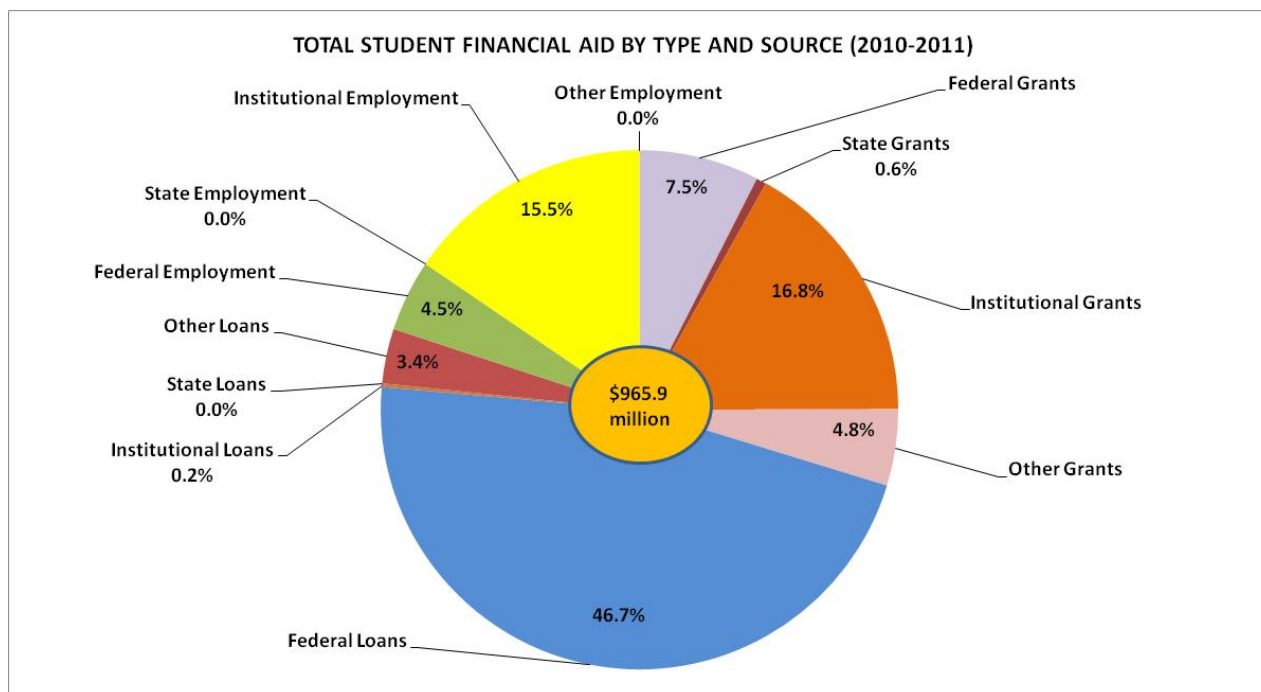
¹ Includes undergraduates and graduates.

² Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2010-11.

³ State funds included \$2,706,149 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 2000-01 and 2010-11, total borrowing per FTE student for undergraduate and graduate students increased by 57% in inflation-adjusted dollars. Undergraduate borrowing increased by 56% per FTE student.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 2010-11, it covered only 32.0%.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 2010-11, the total funding for the program was \$319,134 which represents a decrease of \$328,248 (-50.7%) from the prior year and 0.1% of all grant/scholarship programs. Approximately 510 students received this award in 2010-11, which represents a decrease of 222 students (-30.2%); the average award was \$622, which represents a decrease of \$258 (-29.3%) from 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.⁹
- ◆ Interest rates on subsidized Stafford loans will increase to 6.8% on July 1, 2012.

⁷ Trends in Student Aid 2011, College Board.

⁸ Trends in Student Aid 2011, College Board.

⁹ "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.”¹⁰ 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.¹¹
 - ⇒ 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 Program¹² 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 2011.
- ☛ 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 2010-11, 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 2010-11, approximately 470 students received an average TEACH grant award of \$3,866.
- ☛ 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.¹³ In 2010-11, the maximum Pell Grant award was \$5,550; the average national Pell Grant award was \$3,828. At the Regent universities, the average Pell Grant award was \$3,816.

¹⁰ “ACE Issue Brief, May 2006.

¹¹ Student employment at the Regent universities is limited to 20 hours per week.

¹² 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 or 2010-11.

¹³ Trends in Student Aid 2010, College Board.

The Student Financial Aid Report addresses the Board of Regents Strategic Plan priorities of “access, affordability, and student success; and educational excellence and impact” and Goal #1 – “Iowa’s public universities shall be affordable to all academically qualified Iowa residents.”

Highlights:

**STUDENT FINANCIAL AID SUMMARY BY TYPE AND FUNDING SOURCE
2008-09 to 2010-11**

Regent Total	Federal	State	Institutional	Other	Total
Grants/Scholarships					
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
2010-11	\$72,370,427	\$4,833,009	\$163,882,009	\$46,032,100	\$287,117,545
Loans					
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
2010-11	\$450,889,882	\$0	\$2,102,785	\$33,005,654	\$485,998,321
Employment					
2008-09	\$27,840,955	\$476,833	\$120,187,651	NA	\$148,505,439
2009-10	\$45,337,579	\$3,000	\$142,515,200	\$44,602	\$187,900,381
2010-11	\$43,155,425	\$0	\$149,541,289	\$42,476	\$192,739,190
Grand Total					
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	\$279,208,956	\$78,421,142	\$898,514,034
2010-11	\$566,415,734	\$4,833,009	\$315,526,083	\$79,080,230	\$965,855,056

- ◆ Grants/Scholarships. In 2010-11, a total of \$287,117,545 (29.7%) was awarded in the form of grants and scholarships; this is an increase of \$38,274,370 (+15.4%) from the prior year. Of the total grants and scholarships awarded in 2010-11, 57.1% came from institutional funds; 25.2% came from federal funds; 16.0% came from other funds; and 1.7% came from state funds.
- ◆ Employment. In 2010-11, a total of \$192,739,190 (20.0%) was awarded in the form of on-campus employment; this is an increase of \$4,838,809 (+2.6%) from the prior year. Of the total amount awarded in 2010-11, 77.6% came from institutional funds; 22.4% came from federal funds; and 0.02% came from state or other funds.
- ◆ Loans. In 2010-11, a total of \$485,998,321 (50.3%) was awarded in the form of loans; this is an increase of \$24,227,843 (+5.2%) from the prior year. Of the total loans awarded in 2010-11, 92.8% came from federal funds; 0.0% came from state funds; 6.8% came from other funds; and 0.4% came from institutional funds.

Between 2008-09 and 2010-11, there were significant changes in student financial aid by **funding source**.

- ◆ Federal funds increased by \$98,569,143 (+21.1%) during that three year period.

- ◇ State funds decreased by \$4,805,708 (-49.9%).¹⁴
- ◇ Institutional funds increased by \$61,090,512 (+24.0%).
- ◇ Other funds, such as private grants and scholarships, decreased by \$5,070,945 (-6.0%).

**TOTAL STUDENT FINANCIAL AID BY FUNDING SOURCE
2008-09 to 2010-11**

	Federal	State	Institutional	Other	Total
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%)	\$279,608,956 (+9.9%)	\$78,421,142 (-6.8%)	\$898,514,034 (+10.1%)
Awards & % Change	108,030 (+9.9%)	3,235 (-16.3%)	70,841 (-0.9%)	20,455 (-13.2%)	202,561 (+2.7%)
Avg. Award & % Change	\$4,926 (+3.5%)	\$2,570 (+72.1%)	\$3,947 (+10.9%)	\$3,834 (+7.4%)	\$4,436 (+7.2%)
2010-11					
Amount & % Change	\$566,415,734 (+6.4%)	\$4,833,009 (-41.9%)	\$315,526,083 (+12.8%)	\$79,080,230 (+0.8%)	\$965,855,056 (+7.5%)
Awards & % Change	108,893 (+0.8%)	2,713 (-16.1%)	76,077 (+7.4%)	21,056 (+2.9%)	208,739 (+3.0%)
Avg. Award & % Change	\$5,202 (+5.6%)	\$2,228 (-13.3%)	\$4,132 (+4.7%)	\$3,756 (-2.0%)	\$4,627 (+4.3%)

Between 2008-09 and 2010-11, there were major changes in student financial aid by **funding type**.

- ◇ Grant/scholarship funds increased by \$63,196,622 (+28.6%) during that three year period.
- ◇ Employment funds increased by \$44,233,751 (+29.8%).
- ◇ Loan funds increased by \$41,629,629 (+9.4%).

¹⁴ Previously, the Commission recorded IMAGES awards as state funds.

**TOTAL STUDENT FINANCIAL AID BY TYPE
2008-09 to 2010-11**

	Grants/Scholarships	Employment	Loans	Total
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%)	\$187,900,381 (+26.5%)	\$461,770,478 (+3.9%)	\$898,514,034 (+10.8%)
Awards & % Change	84,215 (+5.9%)	35,299 (-8.4%)	83,047 (+4.9%)	202,561 (+2.7%)
Avg. Award & % Change	\$2,955 (+5.2%)	\$5,323 (+38.2%)	\$5,560 (-1.0%)	\$4,436 (+7.2%)
2010-11				
Amount & % Change	\$287,117,545 (+15.4%)	\$192,739,190 (+2.6%)	\$485,998,321 (+5.2%)	\$965,855,056 (+7.5%)
Awards & % Change	91,550 (+8.7%)	33,974 (-3.8%)	83,215 (+0.2%)	208,739 (+3.0%)
Avg. Award & % Change	\$3,136 (+6.1%)	\$5,673 (+6.6%)	\$5,840 (+5.0%)	\$4,627 (+4.3%)

- ◆ Undergraduate Aid. In 2010-11, a total of \$614,708,203 was awarded to undergraduates at the Regent universities; this is an increase of \$48,447,614 (+8.6%) from the prior year. Undergraduate aid represents 63.6% of the total financial aid awarded in 2010-11.
 - Of the total amount awarded to undergraduates, 62.0% came from federal funds, 0.7% came from state funds, 26.9% came from institutional funds, and 10.4% came from other funds.
 - In 2010-11, a total of \$222,914,015 (36.3%) was awarded in the form of grants and scholarships; this is an increase of \$25,886,820 (+13.1%) from the prior year.
 - In 2010-11, a total of \$49,975,566 (8.1%) was awarded in the form of on-campus employment; this is an increase of \$3,281,957 (+7.0%) from the prior year.
 - In 2010-11, a total of \$341,818,622 (55.6%) was awarded in the form of loans; this is an increase of \$9,558,837 (+3.0%) from the prior year.

**TOTAL UNDERGRADUATE FINANCIAL AID BY FUNDING SOURCE
2008-09 to 2010-11**

	Federal	State	Institutional	Other	Total
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 (+11.1%)	\$7,502,680 (-16.3%)	\$143,440,338 (+2.6%)	\$64,569,289 (-8.1%)	\$566,260,589 (+5.3%)
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%)
2010-11					
Amount & % Change	\$381,092,054 (+8.7%)	\$4,064,402 (-45.8%)	\$165,446,444 (+15.3%)	\$64,105,303 (-0.7%)	\$614,708,203 (+8.6%)
Awards & % Change	91,034 (+1.2%)	2,435 (-16.4%)	55,969 (+6.9%)	17,667 (+2.4%)	167,105 (+2.8%)
Avg. Award & % Change	\$4,186 (+7.4%)	\$2,166 (-15.9%)	\$2,934 (+7.1%)	\$3,628 (-3.0%)	\$3,679 (+5.6%)

- ☛ In 2010-11, of the total amount awarded to undergraduates, 36.3% was in the form of grants/scholarships, 8.1% was in the form of employment, and 55.6% was in the form of loans.
- ⇒ The average financial aid award to undergraduate students at the Regent universities was \$3,679, which represents an increase of 5.6% from the prior year.
- ⇒ The average undergraduate grant/scholarship award was \$2,919, which represents an increase of 4.9% from the prior year.
- ⇒ The average undergraduate loan award was \$4,910, which represents an increase of 6.2% from the prior year.
- ⇒ The average undergraduate employment award was \$2,366, which represents an increase of 11.4% from the prior year.

UNDERGRADUATE STUDENT FINANCIAL AID BY TYPE
2008-09 to 2010-11

	Grants/Scholarships	Employment	Loans	Total
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%)
2010-11				
Amount & % Change	\$222,914,015 (+13.1%)	\$49,975,566 (+7.0%)	\$341,818,622 (+6.0%)	\$614,708,203 (+8.6%)
Awards & % Change	76,360 (+7.9%)	21,125 (-3.9%)	69,620 (-0.2%)	167,105 (+2.8%)
Avg. Award & % Change	\$2,919 (+4.9%)	\$2,366 (+11.4%)	\$4,910 (+6.2%)	\$3,679 (+5.6%)

◆ The national average financial aid to undergraduate students who received aid in 2010-11 was \$12,455.¹⁵ In 2010-11, the average financial aid to Regent university undergraduate students was \$13,999¹⁶ which was an increase of \$1,902 (+15.7%) from the prior year.

◆ In 2010-11, there were 45,426 undergraduates¹⁷ who received some type of financial aid at the Regent universities which was an increase of 2.9% from the prior year. Of the total number of undergraduates who received aid, 74.5% received some type of grant/scholarship; 73.1% received some type of loan;¹⁸ and 43.7% received some type of employment aid.

◆ The national average grant/scholarship award to undergraduate students in 2010-11 was \$6,539. In 2010-11, the average grant/scholarship award to Regent university undergraduate students was \$6,430 which was an increase of \$335 (+5.5%) from the prior year.

◆ The national average loan award to undergraduate students in public four-year institutions was \$6,800 in 2007-08. In 2010-11, the average loan award to Regent university undergraduate students was \$7,679¹⁹.

¹⁵ Trends in Student Aid 2011, College Board.

¹⁶ Student College Aid Commission survey data, 2010-11; unduplicated count of students.

¹⁷ This is an unduplicated headcount.

¹⁸ This includes PLUS; it is 72.8% without PLUS.

¹⁹ Loan amounts exclude PLUS. If PLUS loans are included, the average loan award was \$10,255.

- ☛ The national average work-study award to undergraduate students in public four-year institutions was \$2,500 in 2007-08. In 2010-11, the average work-study award to Regent university undergraduate students was \$2,366 which was a decrease of \$267 (-10.1%) from the prior year.
- ◇ Graduating Seniors Without Debt.²⁰ Nationally, 44% of graduating seniors in 2009-10 graduated without debt from public four-year institutions.²¹

 - ☛ In 2010-11, 39.0% (40.0% in 2009-10) of all graduating seniors at SUI graduated without debt; 33.0% (34.0% in 2009-10) of graduating seniors who were Iowa residents graduated without debt.
 - ☛ At ISU, 30.4% (29.6% in 2009-10) of all graduating seniors graduated without debt; 25.2% (25.7% in 2009-10) of graduating seniors who were Iowa residents graduated without debt.
 - ☛ At UNI, 22.3% (22.6% in 2009-10) of all graduating seniors graduated without debt; 22.9% (21.2% in 2009-10) of graduating seniors who were Iowa residents graduated without debt.
- ◇ Debt Upon Graduation. The national average indebtedness for those graduating with debt from public four-year institutions was \$22,000 in 2009-10.²² The national average need-based indebtedness for those graduating with debt from public institutions was \$11,653 in 2007-08.²³

**AVERAGE INDEBTEDNESS FOR THOSE GRADUATING WITH DEBT
2008-09 to 2010-11**

	2008-09	2009-10	2010-11
University of Iowa			
Average indebtedness	\$24,466	\$25,515	\$25,446
Average indebtedness for Iowa residents	\$23,958	\$24,453	\$24,652
Average need-based indebtedness	\$11,503	\$11,414	\$11,823
Average need-based indebtedness for Iowa residents	\$11,372	\$11,282	\$11,706
Iowa State University			
Average indebtedness	\$29,767	\$29,475	\$29,324
Average indebtedness for Iowa residents	\$29,358	\$28,804	\$29,035
Average need-based indebtedness	\$13,234	\$13,182	\$13,615
Average need-based indebtedness for Iowa residents	\$13,054	\$13,148	\$13,670
University of Northern Iowa			
Average indebtedness	\$24,123	\$25,735	\$25,523
Average indebtedness for Iowa residents	\$24,065	\$25,916	\$25,435
Average need-based indebtedness	\$12,798	\$12,981	\$12,983
Average need-based indebtedness for Iowa residents	\$12,778	\$13,067	\$12,962

²⁰ The debt load for students is based on debt incurred while attending one of the Regent universities.

²¹ Trends in Student Aid 2011, College Board.

²² Trends in Student Aid 2011, College Board.

²³ 2007-08 NPSAS.

◆ Default Rates.²⁴ In 2009, the national default rate for federal student loans was 8.8%, which was an increase from 7.0% in 2008. The default rate for the state of Iowa was 11.5%, which was an increase from 9.9% in 2008. The default rate for public four-year institutions was 5.2%, which was an increase from 4.4% in 2008.

◆ For the University of Iowa, it was 1.9% (1.9% in 2008); for Iowa State University, it was 2.6% (1.8% in 2008); and for the University of Northern Iowa, it was 2.9% (2.1% in 2008).

**UNDERGRADUATE DEBT LOAD AT THE REGENT UNIVERSITIES
2008-09 to 2010-11**

	RESIDENT			NON-RESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
TOTAL UNDERGRADUATE STUDENTS									
2008-09 ²⁵	13,188	15,885	10,185	7,635	5,722	862	20,823	21,607	11,047
2009-10 ²⁶	12,722	16,164	10,469	7,852	6,357	825	20,574	22,521	11,294
2010-11²⁷	12,578	16,084	10,532	8,598	7,020	859	21,176	23,104	11,391
NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED FINANCIAL AID									
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%)
2010-11	10,486 (83.4%)	14,201 (88.3%)	9,220 (87.5%)	5,488 (63.8%)	5,413 (77.1%)	618 (71.9%)	15,974 (75.4%)	19,614 (84.9%)	9,838 (86.4%)
NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED LOAN AID									
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%)
2010-11	7,783 (61.9%)	10,964 (68.2%)	7,613 (72.3%)	3,453 (40.2%)	3,077 (43.8%)	314 (36.6%)	11,236 (53.1%)	14,041 (60.8%)	7,927 (69.6%)
PERCENT OF UNDERGRADUATES WHO GRADUATED WITH DEBT									
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%
2010-11	67.2%	74.8%	77.1%	50.6%	53.1%	100.0%	61.2%	69.6%	77.7%
AVERAGE DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT²⁸									
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
2010-11	\$24,652	\$29,035	\$25,435	\$27,294	\$30,603	\$27,878	\$25,446	\$29,324	\$25,523
AVERAGE NEED-BASED DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT									
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
2010-11	\$11,706	\$13,670	\$12,962	\$12,089	\$13,353	\$13,629	\$11,823	\$13,615	\$12,983
PERCENT OF GRADUATING SENIORS WHO GRADUATED WITHOUT DEBT									
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%
2010-11	32.8%	25.2%	22.9%	49.4%	46.9%	0.0%	38.8%	30.4%	22.3%

²⁴ Source: U.S. Department of Education.

²⁵ Source: Fall 2008 Enrollment Report – undergraduate students.

²⁶ Source: Fall 2009 Enrollment Report – undergraduate students.

²⁷ Source: Fall 2010 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
2008-09 to 2010-11**

	Undergraduate	Graduate & Professional	Total	Percent of Total Tuition
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	19.9%
ISU	\$41,790,448	\$13,208,575	\$54,999,023	23.5%
UNI	\$10,841,026	\$1,952,603	\$12,793,629	17.9%
2010-11				
SUI	\$40,021,195	\$28,927,805	\$68,949,000	20.6%
ISU	\$48,507,903	\$12,576,324	\$61,084,227	23.7%
UNI	\$12,351,370	\$2,006,902	\$14,358,272	18.7%

- ◇ The table on the following page describes the distribution of tuition set-aside funds to undergraduates who demonstrated need in 2010-11.
 - ††† At SUI, approximately 63% of all undergraduates who received tuition set-aside funds demonstrated need; approximately 54% of those who demonstrated need were Iowa residents. Approximately 75% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 44% of those funds were awarded to Iowa residents who demonstrated need.
 - ††† At ISU, approximately 73% of all undergraduates who received tuition set-aside funds demonstrated need; approximately 73% of those who demonstrated need were Iowa residents. Approximately 72% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 43% of those funds were awarded to Iowa residents who demonstrated need.
 - ††† At UNI, approximately 80% of all undergraduates who received tuition set-aside funds demonstrated need. Approximately 94% of those who demonstrated need were Iowa residents. Approximately 70% of all undergraduate tuition set-aside funds were awarded to students who demonstrated need; approximately 78% 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
2008-2009 to 2010-2011

	SUI	ISU	UNI	TOTAL
2008-09				
Demonstrated Need	n=3,364	n=7,767	n=2,683	n=13,814
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=1,758	n=3,590	n=1,230	n=6,578
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=8,584	n=3,277	n=17,546
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=3,676	n=1,189	n=7,181
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%
2010-11				
Demonstrated Need	n=4,413	n=9,673	n=4,265	n=18,351
Resident	\$13,208,820	\$15,063,356	\$6,725,816	\$34,997,992
Nonresident	\$16,598,638	\$19,972,517	\$1,919,872	\$38,491,027
Did Not Demonstrate Need	n=2,553	n=3,577	n=1,102	n=7,232
Resident	\$2,017,421	\$3,295,371	\$2,287,902	\$7,600,694
Nonresident	\$8,196,316	\$10,176,659	\$1,417,779	\$19,790,754
Total Undergraduate TSA	\$40,021,195	\$48,507,903	\$12,351,370	\$100,880,468
Undergrad. Percent of Total TSA	58.0%	79.4%	86.0%	69.9%

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.
- ◇ Maintaining and enhancing university financial aid websites that respond to parent and student needs.
- ◇ Maintaining and enhancing websites that allow prospective and currently enrolled students to assess accurately the net costs of attending the Regent universities using a Net Price Calculator.

- ◇ 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 from the latest federal 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.
- ◇ Continue to work on implementing the recommendations of the Access and Affordability Committee.
 - ⇒ 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.
- ◇ Provisions of the Higher Education Opportunity Act that allowed for year-round Federal Pell Grant funding for continuously enrolled students was eliminated.
- ◇ Elimination of the federal Academic Competitive Grant and SMART Grant programs after the 2010-11 academic year has reduced opportunities for students.

- ◇ Possible significant changes to the Federal Perkins Loan program for FY 2012 and beyond.
- ◇ Elimination of subsidized federal direct loans for graduate and professional students for periods of enrollment beginning July 1, 2012.
- ◇ Elimination of grace period subsidy for undergraduate students effective July 1, 2012.
- ◇ Increased administrative burden resulting from Higher Education Opportunity Act Program Integrity regulations requirements.

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.