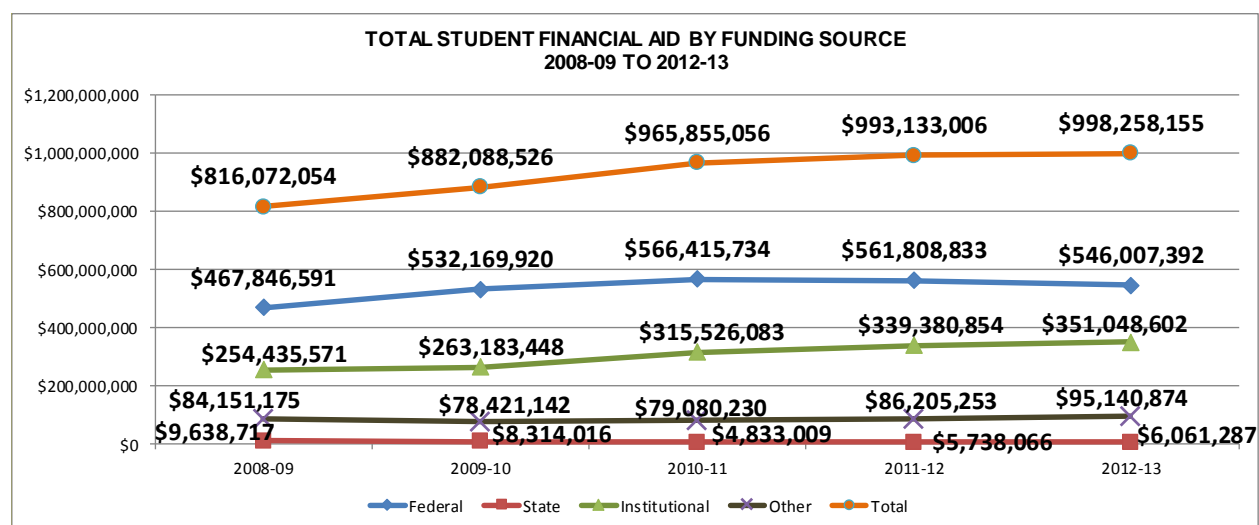


Contact: Diana Gonzalez

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 2012-13, the total amount of financial aid awarded to students¹ at the public universities was \$998,258,155;² this represents an increase of \$5,125,149 (+0.5%) from the prior year. Between 2008-09 and 2012-13, the total amount of financial aid awarded to students at the public universities increased by \$182,186,101 (+22.3%).



- ❖ Of the total financial aid awarded in 2012-13, \$546,007,392 (54.7%) came from federal funds, \$6,061,287 (0.6%) came from state³ funds, \$351,048,602 (35.2%) came from institutional funds, and \$95,140,874 (9.5%) came from other⁴ funds.
- ❖ Furthermore, \$318,865,247 (31.9%) was in the form of grants/scholarships; \$198,844,852 (19.9%) was in the form of employment; and \$480,548,056 (48.2%) was in the form of loans.⁵ The graph on the following page describes the funding types and sources of student financial aid.

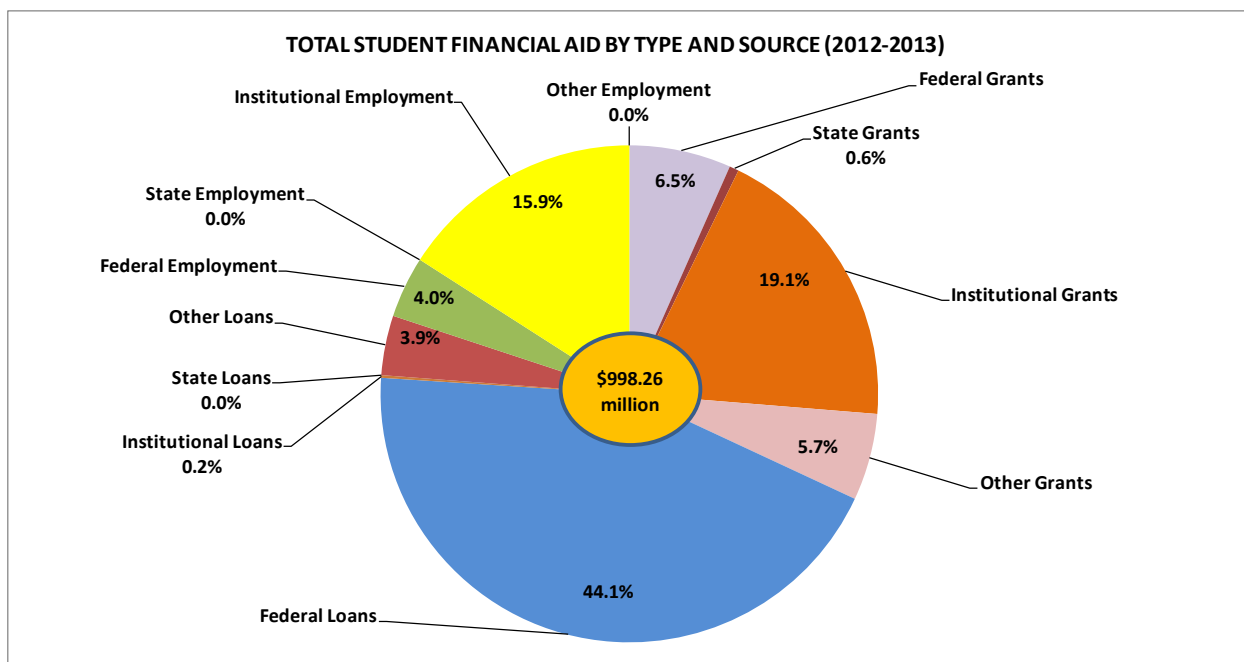
¹ Includes undergraduates and graduates.

² Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2012-13.

³ State funds included \$3,437,996 (56.7%) 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/Issues.

- ◆◆ Increases in the Pell Grant program have not kept pace with tuition increases. In 2002-03, the maximum Pell Grant covered 98.0% of average public four-year tuition and fees; in 2013-14, it covered only 63.0%.⁷ According to the U.S. Department of Education, Iowa has the eighth highest gap between Pell Grants and the total cost of education. The \$5,550 maximum Pell Grant in 2011-2012 was about equal to the 1976-77 maximum grant of \$1,400 after adjusting for inflation; however, the number of recipients in 2012-13 was 4½ times as high as it was in 1976-77.⁸
- ◆◆ The Iowa Grant Program is the only need-based state program; however, this program is not limited to students attending the public universities. Furthermore, sufficient funding has not kept pace with the resources needed by the Iowa Grant Program which has affected the ability of students to access the public universities. In 2012-13, the total funding for the program was \$289,267 which represents a decrease of \$4,204 (-1.4%) from the prior year and less than 0.1% of all grant/scholarship programs. There were 333 students who received this award in 2012-13, which represents an increase of 14 students (+4.4%); the average award was \$868, which represents a decrease of \$52 (-5.7%) from the prior year due to the increased number of awardees.
- ◆◆ The 9% growth in total annual education borrowing between 2007-08 and 2012-13 followed a 55% increase between 2002-03 and 2007-08.⁸

⁷ Trends in Student Aid 2013, College Board.

⁸ Trends in Student Aid 2013, College Board.

- ☛ 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 A recently released study found that "each additional \$1,000 in unsubsidized federal loans makes low-income student 5.66% less likely to graduate in six years."¹⁰
- ☛ The interest subsidy during the six-month grace period of subsidized Stafford loans was eliminated.
- ☛ As of July 1, 2012, graduate students are no longer eligible for Direct Subsidized Loans, on which the government pays the interest while students are in school; this resulted in a 32% decline in Direct Subsidized Loans and a 17% increase in Direct Unsubsidized Loans.¹¹
- ☛ 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."¹² 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.¹³
 - ⇒ 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 funding for the Iowa Work-Study Program¹⁴ continues to limit the opportunities for on-campus student employment. This is contrary to research that has shown that students who work on-campus have higher retention and persistence rates than students who work off-campus. The Iowa Work-Study Program has not been funded since FY 2010.
- ☛ The following are concerns resulting from sequestration:
 - ⇒ The University of Iowa and Iowa State University received a reduction in campus-based programs, such as Work-Study and SEOG¹⁵. Because the University of Northern Iowa received the Adjusted Base Guarantee only, no additional reduction occurred.
 - ⇒ There was a 6% reduction in the TEACH grant program for students with grants prior to October 1, 2013 and a 0.89% reduction for grants disbursed on or after October 1, 2013. At UNI, for example, future teachers will be cut between \$36 and \$240 per student with a total loss of more than \$150,000 in one year.
 - ⇒ The Direct Loan origination fee increases student loans from 1% to 1.071% and parent loans from 4% to 4.288%. The origination fee increases also had an effect on programming costs for the universities.

⁹ "A Research Agenda for Study of Indebtedness and College Enrollment," Project on Student Debt.

¹⁰ AERA Paper, Ray Franke, April 2014.

¹¹ Trends in Student Aid 2013, College Board.

¹² "ACE Issue Brief, May 2006.

¹³ Student employment at the Regent universities is limited to 20 hours per week.

¹⁴ Approximately \$2 million was appropriated each year prior to 2001-02. Between 2001-02 and 2004-05, \$0 was appropriated for state work-study; no state work-study funds have been appropriated since 2008-09 other than \$3,000 in 2009-10.

¹⁵ Supplemental Educational Opportunity Grant.

- ⇒ The Iraq-Afghanistan Service Grants were reduced by 10%. The maximum award for 2013-14 was \$5,645; after the reduction, the maximum award was \$5,080.50.
- ☛ In 2011-12, approximately 91% of Iowa need-based state grants were awarded to students attending private, not-for-profit and private, for-profit institutions which makes Iowa unique among the other states.¹⁶
- ☛ Although the maximum Pell Grant is the most frequently cited grant program, only about 28% of recipients currently qualify for the maximum.¹⁷ In 2012-13, the maximum Pell Grant award was \$5,550; the average national Pell Grant award was \$3,650. At the Regent universities, the average Pell Grant award was \$3,669.

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
2011-12 to 2012-13**

Regent Total	Federal	State	Institutional	Other	Total
Grants/Scholarships					
2011-12	\$66,581,425	\$5,738,066	\$181,617,278	\$51,112,128	\$305,048,897
2012-13	\$66,069,610	\$6,061,287	\$190,331,607	\$56,402,743	\$318,865,247
Loans					
2011-12	\$453,061,240	\$0	\$1,867,460	\$35,083,687	\$490,012,387
2012-13	\$440,114,276	\$0	\$1,706,846	\$38,726,934	\$480,548,056
Employment					
2011-12	\$42,166,168	\$0	\$155,896,116	\$9,438	\$198,071,722
2012-13	\$39,823,506	\$0	\$159,010,149	\$11,197	\$198,844,852
Grand Total					
2011-12	\$561,808,833	\$5,738,066	\$339,380,854	\$86,205,253	\$993,133,006
2012-13	\$546,007,392	\$6,061,287	\$351,048,602	\$95,140,874	\$998,258,155

- ◇ Grants/Scholarships. In 2012-13, a total of \$318,865,247 (31.9%) was awarded in the form of grants and scholarships; this is an increase of \$13,816,350 (+4.5%) from the prior year. Of the total grants and scholarships awarded in 2012-13, 59.7% came from institutional funds; 20.7% came from federal funds; 17.7% came from other funds; and 1.9% came from state funds.
- ◇ Employment. In 2012-13, a total of \$198,844,852 (19.9%) was awarded in the form of on-campus employment; this is an increase of \$733,130 (+0.4%) from the prior year. Of the total amount awarded in 2012-13, 80.0% came from institutional funds; 20.0% came from federal funds; and less than 0.01% came from other funds.

¹⁶ NASSGAP, 2011-12.

¹⁷ Trends in Student Aid 2013, College Board.

- ◇ Loans. In 2012-13, a total of \$480,548,056 (48.2%) was awarded in the form of loans; this is a decrease of \$9,464,331 (-1.9%) from the prior year. Of the total loans awarded in 2012-13, 91.6% came from federal funds; 0.0% came from state funds; 8.1% came from other funds; and 0.3% came from institutional funds.

Between 2011-12 and 2012-13, the following changes occurred in student financial aid by **funding source**.

- ◇ Federal funds decreased by \$15,801,441 (-2.8%).
- ◇ State funds increased by \$323,221 (+5.6%).
- ◇ Institutional funds increased by \$11,667,748 (+3.4%).
- ◇ Other funds, such as private grants and scholarships, increased by \$8,935,621 (+10.4%).

**TOTAL STUDENT FINANCIAL AID BY FUNDING SOURCE
2011-12 to 2012-13**

	Federal	State	Institutional	Other	Total
2011-12					
Amount & % Change	\$561,808,833 (-0.8%)	\$5,738,066 (+18.7%)	\$339,380,854 (+7.6%)	\$86,205,253 (+9.0%)	\$993,133,006 (+2.8%)
Awards & % Change	106,320 (-2.4%)	1,845 (-32.0%)	80,621 (+6.0%)	23,111 (+9.8%)	211,897 (+1.5%)
Avg. Award & % Change	\$5,284 (+1.6%)	\$3,110 (+39.6%)	\$4,209 (+1.9%)	\$3,730 (-0.7%)	\$4,686 (+1.3%)
2012-13					
Amount & % Change	\$546,007,392 (-2.8%)	\$6,061,287 (+5.6%)	\$351,048,602 (+1.5%)	\$95,140,874 (+10.4%)	\$998,258,155 (+0.5%)
Awards & % Change	98,907 (-7.0%)	1,887 (+2.3%)	83,342 (+3.4%)	24,308 (+5.2%)	208,444 (-1.6%)
Avg. Award & % Change	\$5,550 (+4.5%)	\$3,212 (+3.3%)	\$4,212 (+0.1%)	\$3,913 (+4.9%)	\$4,789 (+2.2%)

Between 2011-12 and 2012-13, the following changes occurred in student financial aid by **funding type**.

- ◇ Grant/scholarship funds increased by \$13,816,350 (+4.5%).
- ◇ Employment funds increased by \$773,130 (+0.4%).
- ◇ Loan funds decreased by \$9,464,331 (-1.9%).

**TOTAL STUDENT FINANCIAL AID BY FUNDING TYPE
2011-12 to 2012-13**

	Grants/Scholarships	Employment	Loans	Total
2011-12				
Amount & % Change	\$305,048,897 (+6.2%)	\$198,071,722 (+2.8%)	\$490,012,387 (+0.8%)	\$993,133,006 (+2.8%)
Awards & % Change	91,991 (+0.5%)	35,499 (+4.5%)	84,407 (+1.4%)	211,897 (+1.5%)
Avg. Award & % Change	\$3,316 (+5.7%)	\$5,579 (-1.7%)	\$5,805 (-0.6%)	\$4,686 (+1.3%)
2012-13				
Amount & % Change	\$318,865,247 (+4.5%)	\$198,844,852 (+0.4%)	\$480,548,056 (-1.9%)	\$998,258,155 (+0.5%)
Awards & % Change	94,935 (+3.2%)	35,158 (-1.0%)	78,351 (-7.2%)	208,444 (-1.6%)
Avg. Award & % Change	\$3,358 (+1.3%)	\$5,655 (+1.4%)	\$6,133 (+5.7%)	\$4,789 (+2.2%)

◇ Undergraduate Aid. In 2012-13, a total of \$651,242,996 was awarded to undergraduates at the Regent universities; this is an increase of \$13,545,764 (+2.1%) from the prior year. Undergraduate aid represents 65.2% of the total financial aid awarded in 2012-13.

☛ Of the total amount awarded to undergraduates, 57.0% came from federal funds, 0.8% came from state funds, 30.4% came from institutional funds, and 11.8% came from other funds.

☛ In 2012-13, a total of \$251,353,865 (38.6%) was awarded in the form of grants and scholarships; this is an increase of \$14,625,559 (+6.2%) from the prior year.

☛ In 2012-13, a total of \$55,110,833 (8.5%) was awarded in the form of on-campus employment; this is an increase of \$2,971,736 (+5.7%) from the prior year.

☛ In 2012-13, a total of \$344,778,298 (52.9%) was awarded in the form of loans; this is a decrease of \$4,051,531 (-1.2%) from the prior year.

**TOTAL UNDERGRADUATE FINANCIAL AID BY FUNDING SOURCE
2011-12 to 2012-13**

	Federal	State	Institutional	Other	Total
2011-12					
Amount & % Change	\$379,155,384 (-0.5%)	\$4,858,347 (+19.5%)	\$183,940,693 (+11.2%)	\$69,742,808 (+8.8%)	\$637,697,232 (+3.7%)
Awards & % Change	88,658 (-2.6%)	1,497 (-38.5%)	60,679 (+8.4%)	19,838 (+12.3%)	170,672 (+2.1%)
Avg. Award & % Change	\$4,276 (+2.2%)	\$3,245 (+49.8%)	\$3,031 (+3.3%)	\$3,515 (-3.1%)	\$3,736 (+1.5%)
2012-2013					
Amount & % Change	\$371,395,940 (-2.0%)	\$5,318,441 (+9.5%)	\$197,547,828 (+7.4%)	\$76,980,787 (+10.4%)	\$651,242,996 (+2.1%)
Awards & % Change	86,674 (-2.2%)	1,580 (+5.5%)	64,830 (+6.8%)	20,947 (+5.6%)	174,031 (+2.0%)
Avg. Award & % Change	\$4,284 (+0.2%)	\$3,366 (+3.7%)	\$3,047 (+0.5%)	\$3,675 (+4.6%)	\$3,742 (+0.2%)

*** In 2012-13, of the total amount awarded to undergraduates, 38.6% was in the form of grants/scholarships, 8.5% was in the form of employment, and 52.9% was in the form of loans.

- ⇒ The average financial aid award to undergraduate students at the Regent universities was \$3,742, which represents an increase of \$6 (+0.2%) from the prior year.
- ⇒ The average undergraduate grant/scholarship award was \$3,110, which represents an increase of \$34 (+1.1%) from the prior year.
- ⇒ The average undergraduate loan award was \$4,929, which represents an increase of \$22 (+0.4%) from the prior year.
- ⇒ The average undergraduate employment award was \$2,368, which represents an increase of \$67 (+2.9%) from the prior year.

UNDERGRADUATE STUDENT FINANCIAL AID BY FUNDING TYPE
2011-12 to 2012-13

	Grants/Scholarships	Employment	Loans	Total
2011-12				
Amount & % Change	\$236,728,306 (+6.2%)	\$52,139,097 (+4.3%)	\$348,829,829 (+2.1%)	\$637,697,232 (+3.7%)
Awards & % Change	76,939 (+0.8%)	22,650 (+7.2%)	71,083 (+2.1%)	170,672 (+2.1%)
Avg. Award & % Change	\$3,076 (+5.4%)	\$2,301 (-2.7%)	\$4,907 (-0.1%)	\$3,736 (+1.5%)
2012-13				
Amount & % Change	\$251,353,865 (+6.2%)	\$55,110,833 (+5.7%)	\$344,778,298 (-1.2%)	\$651,242,996 (+2.1%)
Awards & % Change	80,815 (+5.0%)	23,272 (+2.7%)	69,944 (-1.6%)	174,031 (+2.0%)
Avg. Award & % Change	\$3,110 (+1.1%)	\$2,368 (+2.9%)	\$4,929 (+0.4%)	\$3,742 (+0.2%)

- ◆ The national average financial aid to undergraduate students who received aid in 2012-13 was \$13,730.¹⁸ The national average financial aid to undergraduate students in public four-year institutions was \$11,200 in 2011-12.¹⁹ In 2012-13, the average financial aid to Regent university undergraduate students who received aid was \$13,631²⁰ which was an increase of \$738 (+5.7%) from the prior year.
 - ◆ In 2012-13, there were 47,424 undergraduates²¹ who received some type of financial aid at the Regent universities which was a decrease of 1,486 students (-3.0%) from the prior year. Of the total number of undergraduates who received aid, 79.9% received some type of grant/scholarship; 69.6% received some type of loan;²² and 39.4% received some type of employment aid.
 - ◆ The national average grant/scholarship award to undergraduate students in 2012-13 was \$7,190.¹⁵ The national average grant/scholarship award to undergraduate students in public four-year institutions was \$6,200 in 2011-12.¹⁹ In 2012-13, the average grant/scholarship award to Regent university undergraduate students was \$6,633 which was an increase of \$45 (+0.7%) from the prior year.
 - ◆ The national average loan award to undergraduate students in public four-year institutions was \$7,100 in 2011-12.¹⁹ In 2012-13, the average loan award to Regent university undergraduate students was \$7,760²³ which was an increase of \$87 (+1.1%) from the prior year.
 - ◆ The national average work-study award to undergraduate students in public four-year institutions was \$2,400 in 2007-08²⁴. In 2012-13, the average employment award to Regent university undergraduate students was \$2,698 which was an increase of \$138 (+5.4%) from the prior year.

¹⁸ Trends in Student Aid 2013, College Board.

¹⁹ NPSAS 12.

²⁰ Student College Aid Commission survey data, 2012-13; unduplicated count of students.

²¹ This is an unduplicated headcount.

²² This includes PLUS; it is 67.6% without PLUS.

²³ Loan amounts exclude PLUS. If PLUS loans are included, the average loan award is \$10,445.

²⁴ NPSAS, 2007-08.

- ◇ Graduating Seniors Without Debt.²⁵ Nationally, 43% of graduating seniors in 2011-12 graduated without debt from public four-year institutions.²⁶
 - ‡ In 2012-13, 39.0% (41.0% in 2011-12) of all graduating seniors at SUI graduated without debt; 31.0% (32.0% in 2011-12) of graduating seniors who were Iowa residents graduated without debt.
 - ‡ At ISU, 35.5% (32.1% in 2011-12) of all graduating seniors graduated without debt; 27.5% (26.3% in 2011-12) of graduating seniors who were Iowa residents graduated without debt.
 - ‡ At UNI, 23.7% (23.5% in 2011-12) of all graduating seniors graduated without debt; 22.4% (22.4% in 2011-12) 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 \$25,500 in 2011-12.²⁷ The national average need-based indebtedness for those graduating with debt from four-year public institutions was \$11,653 in 2007-08.²⁸

**AVERAGE INDEBTEDNESS FOR THOSE GRADUATING WITH DEBT
2010-11 to 2012-13**

	2011-12	2012-13
University of Iowa		
Average indebtedness	\$26,296	\$27,304
Average indebtedness for Iowa residents	\$25,415	\$26,351
Average need-based indebtedness	\$11,845	\$12,323
Average need-based indebtedness for Iowa residents	\$11,752	\$12,135
Iowa State University		
Average indebtedness	\$29,573	\$29,458
Average indebtedness for Iowa residents	\$28,940	\$28,787
Average need-based indebtedness	\$13,947	\$13,844
Average need-based indebtedness for Iowa residents	\$13,899	\$13,876
University of Northern Iowa		
Average indebtedness	\$23,575	\$23,151
Average indebtedness for Iowa residents	\$23,496	\$23,133
Average need-based indebtedness	\$12,639	\$12,769
Average need-based indebtedness for Iowa residents	\$12,560	\$12,755

²⁵ The debt load for students is based on debt incurred while attending one of the Regent universities.

²⁶ *Trends in Student Aid 2013, College Board.*

²⁷ *Student Debt and the Class of 2012.*

²⁸ NPSAS, 2011-12.

- ◇ Default Rates.²⁹ The Higher Education Opportunity Act of 2009 created a new calculation of cohort default rates. It extended the time from a two-year to a three-year cohort. The FY 2010 three-year national cohort default rate was 14.7%. The three-year default rate for the state of Iowa was 18.4%. The national three-year default rate for public four-year institutions was 9.3%. In FY 2009, the national three-year default rate was 13.4%; for the state of Iowa, it was 16.6%; and for public four-year institutions, it was 7.9%.
 - ☛ For the University of Iowa, the FY 2010 three-year default rate was 4.1%; for FY 2009, it was 2.9%.
 - ☛ For Iowa State University, the FY 2010 three-year default rate was 5.4%; for FY 2009, it was 4.0%
 - ☛ For the University of Northern Iowa, the FY 2010 three-year default rate was 4.0%; for FY 2009, it was 4.2%.²⁸

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

**INSTITUTIONAL AID³⁰ BY INSTITUTION AND EDUCATIONAL LEVEL
2011-12 to 2012-13**

	Undergraduate	Graduate & Professional	Total
2011-12			
SUI	\$46,375,890	\$29,687,110	\$76,063,000
ISU	\$56,778,154	\$12,825,981	\$69,604,135
UNI	\$12,824,284	\$1,981,533	\$14,805,817
2012-13			
SUI	\$54,811,305	\$31,156,734	\$85,968,039
ISU	\$62,333,531	\$13,409,185	\$75,742,716
UNI	\$12,862,953	\$1,879,877	\$14,742,830

- ◇ The table on the following page describes the distribution of institutional aid to undergraduates who demonstrated need in 2012-13. There were 14,776 Iowa residents who demonstrated need; this is an increase of 654 students (+4.6%) from the prior year. Iowa residents who demonstrated need received \$41,037,980; this was an increase of \$2,303,565 (+5.9%) from the prior year.
 - ☛ At SUI, 56.9% of all undergraduates who received institutional aid demonstrated need; 47.6% of those who demonstrated need were Iowa residents. Approximately 72% of all undergraduate institutional aid was awarded to students who demonstrated need; 35% of those funds were awarded to Iowa residents who demonstrated need.

²⁹ Source: U.S. Department of Education.

³⁰ Funds distributed through the Student Financial Aid Department.

- ☛ At ISU, approximately 74% of all undergraduates who received institutional aid demonstrated need; 66% of those who demonstrated need were Iowa residents. Approximately 74% of all undergraduate institutional aid was awarded to students who demonstrated need; 42% of those funds were awarded to Iowa residents who demonstrated need.
- ☛ At UNI, approximately 85% of all undergraduates who received institutional aid demonstrated need; 92% of those who demonstrated need were Iowa residents. Approximately 82% of all undergraduate institutional aid was awarded to students who demonstrated need; 76% of those funds were awarded to Iowa residents who demonstrated need.

**UNDERGRADUATE INSTITUTIONAL AID BY INSTITUTION, NEED, AND RESIDENCE
2011-2012 to 2012-2013**

	SUI	ISU	UNI	TOTAL
2011-12				
Demonstrated Need Total	\$33,956,939 (4,497)	\$41,517,526 (10,691)	\$10,670,944 (4,556)	\$86,145,409 (19,744)
Resident	\$13,460,286 (2,295)	\$17,670,539 (7,694)	\$7,603,590 (4,133)	\$38,734,415 (14,122)
Nonresident	\$20,496,653	\$23,846,987	\$3,067,354	\$47,410,994
Did Not Demonstrate Need Total	\$12,418,949 (2,870)	\$15,260,628 (3,965)	\$2,153,340 (777)	\$29,832,917 (7,612)
Resident	\$2,005,431 (634)	\$3,696,352 (2,044)	\$1,732,420 (691)	\$7,434,203 (3,369)
Nonresident	\$10,413,518	\$11,564,276	\$420,920	\$22,398,714
Total Undergrad. Institutional Aid	\$46,375,890	\$56,778,154	\$12,824,284	\$115,978,328
2012-13				
Demonstrated Need Total	\$39,360,808 (4,504)	\$45,880,745 (11,908)	\$10,555,177 (4,413)	\$95,796,280 (20,825)
Resident	\$13,575,426 (2,144)	\$19,480,911 (8,550)	\$7,981,643 (4,082)	\$41,037,980 (14,776)
Nonresident	\$25,785,382	\$26,399,834	\$2,573,534	\$54,758,300
Did Not Demonstrate Need Total	\$15,450,497 (2,485)	\$16,452,786 (4,287)	\$2,307,776 (805)	\$34,211,059 (7,577)
Resident	\$3,596,310 (498)	\$3,713,462 (2,169)	\$1,786,977 (700)	\$9,096,749 (3,367)
Nonresident	\$11,854,187	\$12,739,324	\$520,799	\$25,114,310
Total Undergrad. Institutional Aid	\$54,811,305	\$62,333,531	\$12,862,953	\$130,007,789

The following statements apply to the three Regent universities.

Student Financial Aid Awarding Philosophies.

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

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 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 borrowing and debt upon graduation.

Institutional Student Financial Aid Initiatives.

- ◇ 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 Iowa public universities using a Net Price Calculator.
- ◇ Enhancing efforts to respond to students who are applying for financial aid and have special financial circumstances.

- ◇ Enhancing financial aid programs and analyzing their effectiveness for access and affordability.
- ◇ 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 the federal financial aid shopping sheet to communicate net cost to parents and students.

Institutional Concerns Related to Financial Aid.

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

◇ Federal

- ▄▄▄ Determination of measurable outcomes of a new college rating system, including those related to:
 - ⇒ Percent of enrolled undergraduate students receiving federal Pell Grants
 - ⇒ Hours of continuous enrollment by semester
 - ⇒ Amount of institutional dollars annually available for undergraduate scholarships and grants
 - ⇒ Annual persistence rates for undergraduate students receiving Title IV federal financial aid
 - ⇒ Annual transfer rates
 - ⇒ Four and six year graduate rates
 - ⇒ Average student debt upon graduation
 - ⇒ Average placement rates and related average earnings
- ▄▄▄ Reauthorization of the Higher Education Act issues, including but not limited to:
 - ⇒ Timely and responsive federal program reviews
 - ⇒ Allowable institutional charges that can be paid by Title IV funds
 - ⇒ Federal needs analysis
 - Prior, prior year (two prior years)
 - FAFSA simplification
 - Simplified Needs Test
 - 1040 as a financial aid application
 - ⇒ Federal Direct Loan program
 - Annual and aggregate loan limits
 - Loan proration
 - Loan repayment programs
 - ⇒ Fully funded Federal Pell Grant, not subject to annual appropriations

- ⇒ Continual authorization and increased appropriations for the federal campus-based programs (Work-Study, Perkins Loan, and SEOG)
- ⇒ A new federal allocation formula for distribution of the federal campus-based programs

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

- ### Other
 - ⇒ Extending 2-year default rates to 3-year default rates, causing increased rates for all schools
 - ⇒ Legislative consideration to eliminate in-school interest subsidies for undergraduate students
 - ⇒ Legislative consideration that would eliminate or significantly reduce future federal Pell grants for eligible students
 - ⇒ Legislative consideration that would eliminate or significantly reduce funding for the federal campus-based programs
 - ⇒ Implementation of the new “150% limit” for subsidized federal direct student loans and related institutional reporting requirements
 - ⇒ Complying with federal program integrity regulations, particularly those related to our institutional certificate programs (i.e. gainful employment programs) and those related to our out of state distance educational programs

- ◇ State
 - ### Additional reductions in the Iowa Grant and All Iowa Opportunity Scholarship programs
 - ### Continued zero funding of the Iowa Work-Study program
 - ### State authorization and full funding of the new need-based Iowa Grant for resident undergraduates attending Iowa public universities

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

**TOTAL UNDERGRADUATE STUDENTS AT THE REGENT UNIVERSITIES
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11 ³¹	12,578	16,084	10,532	8,598	7,020	859	21,176	23,104	11,391
2011-12 ³²	12,215	16,552	10,535	9,349	7,791	872	21,564	24,343	11,407
2012-13³³	12,195	17,050	9,806	9,804	8,503	849	21,999	25,553	10,655

**NUMBER AND PERCENT OF UNDERGRADUATES WHO RECEIVED FINANCIAL AID
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
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%)
2011-12	9,505 (77.8%)	14,661 (88.6%)	9,010 (85.5%)	6,732 (72.0%)	6,013 (77.2%)	596 (68.3%)	16,237 (75.3%)	20,674 (84.9%)	9,606 (84.2%)
2012-13	9,641 (79.1%)	15,025 (88.1%)	8,482 (86.5%)	7,130 (72.7%)	6,588 (77.5%)	558 (65.7%)	16,771 (76.2%)	21,613 (84.6%)	9,040 (84.8%)

**PERCENT OF UNDERGRADUATES WHO GRADUATED WITH DEBT
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	67.2%	74.8%	77.1%	50.6%	53.1%	100.0%	61.2%	69.6%	77.7%
2011-12	68.0%	73.7%	77.6%	47.0%	51.9%	53.7%	59.0%	67.9%	76.5%
2012-13	69.0%	72.5%	77.6%	49.0%	45.0%	55.0%	61.0%	64.5%	76.3%

³¹ Source: Fall 2010 Enrollment Report – undergraduate students.

³² Source: Fall 2011 Enrollment Report – undergraduate students.

³³ Source: Fall 2012 Enrollment Report – undergraduate students.

**PERCENT OF UNDERGRADUATES WHO GRADUATED WITHOUT DEBT
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	32.8%	25.2%	22.9%	49.4%	46.9%	0.0%	38.8%	30.4%	22.3%
2011-12	32.0%	26.3%	22.4%	53.0%	48.1%	46.3%	41.0%	32.1%	23.5%
2012-13	31.0%	27.5%	22.4%	51.0%	55.0%	45.0%	39.0%	35.5%	23.7%

**AVERAGE DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT³⁴
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	\$24,652	\$29,035	\$25,435	\$27,294	\$30,603	\$27,878	\$25,446	\$29,324	\$25,523
2011-12	\$25,415	\$28,940	\$23,496	\$28,218	\$32,032	\$27,762	\$26,296	\$29,573	\$23,575
2012-13	\$26,351	\$28,787	\$23,133	\$29,183	\$32,078	\$23,591	\$27,304	\$29,458	\$23,151

**AVERAGE NEED-BASED DEBT LOAD FOR THOSE WHO GRADUATED WITH DEBT
2010-11 to 2012-13**

	RESIDENT			NONRESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
2010-11	\$11,706	\$13,670	\$12,962	\$12,089	\$13,353	\$13,629	\$11,823	\$13,615	\$12,983
2011-12	\$11,752	\$13,899	\$12,560	\$12,061	\$14,145	\$14,780	\$11,845	\$13,947	\$12,639
2012-13	\$12,135	\$13,876	\$12,755	\$12,717	\$13,713	\$13,126	\$12,323	\$13,844	\$12,769

³⁴ Excludes PLUS loans.

GLOSSARY

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

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

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

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

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

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

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

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

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

Work-Study Funds. Work-study funds come from federal and state programs in which a maximum of 75% of the wages is covered by the federal or state program. The federal government covers 100% of the wages for students who are employed as tutors in America Reads³⁵ and America Counts³⁶ 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.

³⁵ Federal initiative to improve elementary students' reading skills.

³⁶ Federal initiative to improve elementary students' math skills.