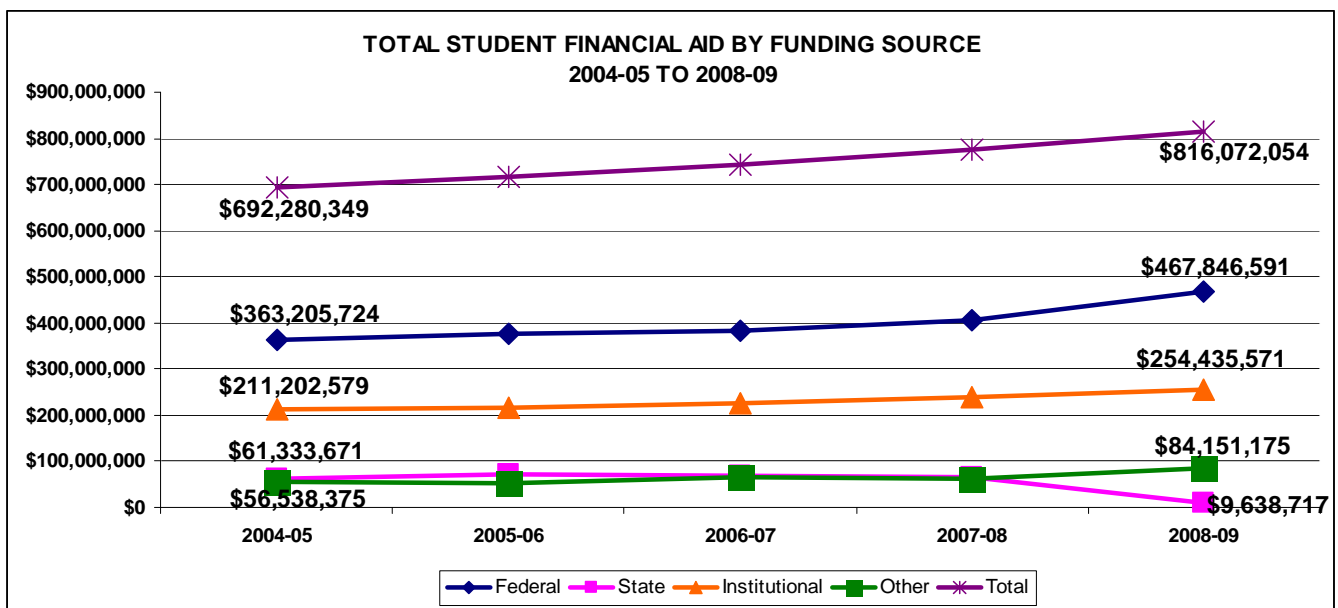


Contact: Diana Gonzalez

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 2008-09, the total amount of financial aid awarded to students² at the public universities was \$816,072,054;³ this represents an increase of \$41,953,455 (+5.4%) from the prior year. Between 2004-05 and 2008-09, the total amount of financial aid awarded to students at the public universities increased by \$123,791,705 (+17.9%).



Of the total financial aid awarded in 2008-09, \$467,846,591 (57.3%) came from federal funds, \$9,638,717 (1.2%) came from state funds, \$254,435,571 (31.2%) came from institutional funds, and \$84,151,175 (10.3%) came from other⁴ funds. Furthermore, \$223,197,923 (27.4%) was in the form of grants/scholarships; \$148,505,439 (18.2%) was in the form of employment; and \$444,368,692 (54.4%) was in the form of loans.⁵

◆ **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%.⁶

² Includes undergraduates and graduates.

³ Data source: Student Financial Aid Annual Reports, Iowa College Student Aid Commission, 2008-09.

⁴ Private grants, scholarships, loans, etc.

⁵ Includes PLUS loans.

⁶ National Center for Education Statistics (NCES): 07-08 National Postsecondary Student Aid Study (NPSAS:08).

- ¶¶¶ 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 35.0%.⁷ According to the U.S. Department of Education, Iowa has the eighth highest gap between Pell Grants and the total cost of education.
- ¶¶¶ 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 2008-09, the total funding for the program was \$680,580⁸ which represents a decrease of \$3,913 (-0.6%) from the prior year and 0.3% of all grant/scholarship programs. Approximately 770 students received this award in 2008-09, which represents a decrease of 133 students (-14.7%); the average award was \$879, an increase of \$124 (+16.4%) 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
- ¶¶¶ 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 aspect of their academic experience.¹¹
- ¶¶¶ 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 total awarded to the three Regent universities in 2008-2009 was \$476,833 which served 329 students, with an average award of \$1,449. 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 2008-09, there were no funds provided for this program.
- ¶¶¶ The TEACH Grant, implemented in July 2008, provides \$4,000 per year to undergraduate and graduate students who teach in shortage areas, such as math, science, foreign language, bilingual education, special education, and other high need areas. Students 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.
- ¶¶¶ An income-based repayment program and deferment of loan repayment is available following active military duty.

⁷ College Board, Trends in Student Aid 2009.

⁸ In 2006-07, 2007-08, and 2008-09, the State of Iowa Scholarship allocation was \$0.

⁹ "A Research Agenda for Study of Indebtedness and College Enrollment."

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.

- ### 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.
- ### The American Recovery and Reinvestment Act provided an increase of the maximum Pell Grant award from \$4,860 to \$5,350 and additional federal work-study funds. In 2008-09, the maximum Pell Grant award was \$4,731.

The Student Financial Aid Report addresses the Board of Regents Strategic Plan goal #1 for “Iowa’s public universities to be affordable for all academically qualified Iowa residents.”

Highlights:

**STUDENT FINANCIAL AID SUMMARY BY TYPE AND FUNDING SOURCE
2007-08 to 2008-09**

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
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
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
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

- ◇ Grants/Scholarships. In 2008-2009, a total of \$223,197,923 (27.3%) was awarded in the form of grants and scholarships; this is an increase of \$18,500,638 (+9.0%) from the prior year. Of the total grants and scholarships awarded in 2008-2009, 59.2% came from institutional funds; 20.3% came from federal funds; 16.5% came from other funds; and 4.0% came from state¹³ funds.
- ◇ Employment. In 2008-2009, a total of \$148,505,439 (18.2%) was awarded in the form of on-campus employment; this is an increase of \$1,304,014 (+0.9%) from the prior year. Of the total amount awarded, 80.9% came from institutional funds; 18.8% came from federal funds; and 0.3% came from state funds.

¹³ For recording purposes, the Commission included the Regent IMAGES awards of \$2,322,421 as state funds. Other state funds included \$3,686,289 for specific purposes, such as National Guard Education Benefits and Vocational Rehabilitation Grants.

◆ Loans. In 2008-2009, a total of \$444,368,692 (54.5%) was awarded in the form of loans; this is an increase of \$22,148,803 (+5.2%) from the prior year. Of the total loans awarded in 2008-2009, 88.8% came from federal funds; 0.01% came from state¹⁴ funds; 10.7% came from other funds; and 0.5% came from institutional funds.

Between 2006-2007 and 2008-2009, there were significant changes in student financial aid by funding source.

- ◆ Federal funds increased by \$84,493,095 (+22.0%) during that three year period.
- ◆ State funds decreased by \$59,912,853 (-86.1%). The major decrease occurred in 2008-2009 as a result of the availability of private educational loans.
- ◆ Institutional funds increased by \$27,724,939 (+12.2%).
- ◆ Other funds, such as private grants and scholarships, increased by \$19,524,982 (+30.2%)

**TOTAL STUDENT FINANCIAL AID BY FUNDING SOURCE
2006-2007 to 2008-2009**

	Federal	State¹⁵	Institutional	Other	Total
2006-2007					
Amount & % Change	\$383,353,496 (+1.7%)	\$69,551,570 (-4.9%)	\$226,710,632 (+5.4%)	\$64,626,193 (+27.4%)	\$744,241,891 (+4.0%)
Awards & % Change	87,382 (+0.2%)	11,053 (-13.7%)	67,811 (+1.9%)	20,020 (+10.1%)	186,266 (+0.8%)
Avg. Award & % Change	\$4,387 (+1.5%)	\$6,293 (+10.2%)	\$3,343 (+3.4%)	\$3,228 (+15.6%)	\$3,996 (+3.1%)
2007-2008					
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%)
2008-2009					
Amount & % Change	\$467,846,591 (+15.4%)	\$9,638,717 (-85.3%) ¹⁶	\$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%)

¹⁴ For recording purposes, the Commission included the private loan awards of \$236,621 as state funds. This represents a decrease of more than \$56 million from last year.

¹⁵ For recording purposes, the Commission includes Regent IMAGES awards and private loan awards as state funds. In 2008-2009, the Regent IMAGES awards totaled \$2,322,421; and the partnership loan awards totaled \$236,621, a decrease of more than \$56 million from the prior year.

¹⁶ This decrease is due to the reduction of available private educational loans in 2008-09.

Between 2006-2007 and 2008-2009, there were major changes in student financial aid by funding type.

- ◇ Grant/scholarship funds increased by \$34,410,961 (+18.2%) during that three year period.
- ◇ Employment funds increased by \$3,286,241 (+2.3%).
- ◇ Loan funds increased by \$34,132,961 (+8.3%).

**TOTAL STUDENT FINANCIAL AID BY TYPE
2006-2007 to 2008-2009**

	Grants/Scholarships	Employment	Loans	Total
2006-2007				
Amount & % Change	\$188,786,962 (+10.5%)	\$145,219,198 (+3.1%)	\$410,235,731 (+1.5%)	\$744,241,891 (+4.0%)
Awards & % Change	73,819 (+6.2%)	37,977 (-1.6%)	74,470 (-2.8%)	186,266 (+0.8%)
Avg. Award & % Change	\$2,557 (+4.0%)	\$3,824 (+4.7%)	\$5,509 (+4.5%)	\$3,996 (+3.1%)
2007-2008				
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%)
2008-2009				
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%)

- ◇ Undergraduate Aid. In 2008-2009, a total of \$537,619,871 was awarded to undergraduates at the Regent universities; this is an increase of \$32,144,395 (+6.4%) from the prior year. Undergraduate aid represents 65.9% of the total financial aid awarded in 2008-2009.
 - ▄▄ Of the total amount awarded to undergraduates, 59.2% came from federal funds, 1.7% came from state funds, 26.0% came from institutional funds, and 13.1% came from other funds.

**TOTAL UNDERGRADUATE FINANCIAL AID BY FUNDING SOURCE
2006-2007 to 2008-2009**

	Federal	State	Institutional	Other	Total
2006-2007					
Amount & % Change	\$247,873,704 (-0.8%)	\$68,057,770 (-2.4%)	\$120,415,199 (+6.1%)	\$50,795,930 (+27.1%)	\$487,142,603 (+3.0%)
Awards & % Change	71,202 (-0.3%)	10,690 (-12.0%)	50,541 (+3.8%)	15,332 (+8.1%)	147,765 (+0.9%)
Avg. Award & % Change	\$3,481 (-0.5%)	\$6,366 (+10.9%)	\$2,383 (+2.2%)	\$3,313 (+17.6%)	\$3,297 (+2.0%)
2007-2008					
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%)
2008-2009					
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%)

☛ In 2008-2009, of the total amount awarded to undergraduates, 31.3% was in the form of grants/scholarships, 9.8% was in the form of employment, and 58.9% was in the form of loans.

- ➔ The average financial aid award to undergraduate students at the Regent universities was \$3,412, which represents a 2.7% increase from the prior year.
- ➔ The average undergraduate grant/scholarship award was \$2,518, which represents a 7.9% increase from the prior year.
- ➔ The average undergraduate loan award was \$4,901, which represents a 0.1% increase from the prior year.
- ➔ The average undergraduate employment award was \$2,022, which represents a 1.3% decrease from the prior year.

UNDERGRADUATE STUDENT FINANCIAL AID BY TYPE
2006-2007 to 2008-2009

	Grants/Scholarships	Employment	Loans	Total
2006-2007				
Amount & % Change	\$141,115,752 (+9.1%)	\$50,303,548 (+4.4%)	\$295,723,273 (+0.0%)	\$487,142,573 (+3.0%)
Awards & % Change	60,775 (+7.5%)	25,428 (-2.6%)	61,562 (-3.5%)	147,765 (+0.9%)
Avg. Award & % Change	\$2,322 (+1.5%)	\$1,978 (+7.2%)	\$4,804 (+3.7%)	\$3,297 (+2.0%)
2007-2008				
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%)
2008-2009				
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%)

◆ 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 \$10,100¹⁷ compared to \$11,702¹⁸ for Regent university undergraduate students in 2008-09 which was an increase of \$360 (+3.2%) from the prior year at the Regent universities.

◆ In 2008-09, there were 45,941 undergraduates who received some type of financial aid at the Regent universities. Of that number, approximately 76% received some type of grant/scholarship; 61% received some type of loan; and 62% 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 compared to \$4,848 for Regent university undergraduate students in 2008-09 which was an increase of \$220 (+4.8%) from the prior year at the Regent universities.

◆ The national average loan award to undergraduate students in public four-year institutions was \$6,800 in 2007-08 compared to \$7,500 for Regent university undergraduate students in 2008-09 which was an increase of \$268 (+3.7%) from the prior year at the Regent universities.

¹⁷ 2007-08 National Postsecondary Student Aid Study (NPSAS).

¹⁸ Student College Aid Commission survey data, 2008-09; unduplicated count of students.

- ††† The national average work-study award to undergraduate students in public four-year institutions was \$2,500 in 2007-08 compared to \$2,194 for Regent university undergraduate students in 2007-08 which was a decrease of \$12 (-0.5%) from the prior year.
- ◇ Graduating Seniors Without Debt.¹⁹ Nationally, 38% of graduating seniors in 2007-08 graduated without debt from public four-year institutions.²⁰
 - ††† In 2008-09, 39.0% of the graduating seniors at SUI graduated without debt; 33.0% of graduating seniors who were Iowa residents graduated without debt.
 - ††† At ISU, 27.5% graduated without debt; 23.6% of graduating seniors who were Iowa residents graduated without debt.
 - ††† At UNI, 20.4% graduated without debt; 19.4% of graduating seniors who were Iowa residents graduated without debt.
- ◇ Debt Upon Graduation. The national average indebtedness for those graduating with debt from public institutions was \$20,167 in 2007-08. The national average need-based indebtedness for those graduating with debt from public institutions was \$11,653 in 2007-08.²¹ At the Regent universities, there was a decrease in indebtedness in all categories below from the prior year.

**AVERAGE INDEBTEDNESS FOR THOSE GRADUATING WITH DEBT
2006-2007 to 2008-2009**

	2006-2007	2007-2008	2008-2009
University of Iowa			
Average indebtedness	\$22,181	\$22,856	\$22,684
Average indebtedness for Iowa residents	\$21,260	\$22,288	\$22,177
Average need-based indebtedness	\$11,430	\$11,788	\$11,981
Average need-based indebtedness for Iowa residents	\$11,293	\$11,402	\$11,604
Iowa State University			
Average indebtedness	\$30,475	\$30,732	\$29,767
Average indebtedness for Iowa residents	\$29,349	\$30,001	\$29,358
Average need-based indebtedness	\$13,329	\$13,532	\$13,234
Average need-based indebtedness for Iowa residents	\$13,123	\$14,901	\$13,054
University of Northern Iowa			
Average indebtedness	\$22,541	\$24,176	\$24,123
Average indebtedness for Iowa residents	\$22,528	\$24,330	\$24,065
Average need-based indebtedness	\$12,848	\$13,130	\$12,798
Average need-based indebtedness for Iowa residents	\$12,915	\$13,230	\$12,778

¹⁹ The debt load for students is based on debt incurred while attending one of the Regent universities.

²⁰ 2007-08 NPSAS.

²¹ 2007-08 NPSAS.

◆ Default Rates.²² In 2007, the national default rate for federal student loans was 6.7%. The default rate for the state of Iowa was 8.2%.

††† For the University of Iowa, it was 2.1%; for Iowa State University, it was 2.0%; and for the University of Northern Iowa, it was 1.9%.

**UNDERGRADUATE DEBT LOAD AT THE REGENT UNIVERSITIES
2007-08 to 2008-09**

	RESIDENT			NON-RESIDENT			TOTAL		
	SUI	ISU	UNI	SUI	ISU	UNI	SUI	ISU	UNI
Total undergrad. students									
2008-09 ²³	13,188	15,885	10,185	7,635	5,722	862	20,823	21,607	11,047
2007-08 ²⁴	13,808	15,948	10,157	7,099	5,056	853	20,907	21,004	11,010
No. & % of undergrads. who received fin. 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%)
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%)
No. & % of undergrads. 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%)
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%)
% of undergrads. who graduated with debt									
2008-09	67.0%	76.4%	80.6%	44.0%	57.4%	62.0%	61.0%	72.5%	79.6%
2007-08	67.0%	76.0%	79.0%	44.0%	56.0%	62.0%	61.0%	72.0%	78.0%
Avg. debt load for those with debt ²⁵									
2008-09	\$22,177	\$29,358	\$24,065	\$25,095	\$31,918	\$25,354	\$22,684	\$29,767	\$24,123
2007-08	\$22,288	\$30,001	\$24,330	\$25,088	\$34,617	\$19,762	\$22,856	\$30,732	\$24,176
Avg. need-based debt load for those with debt									
2008-09	\$11,604	\$13,054	\$12,778	\$12,523	\$14,261	\$13,298	\$11,981	\$13,234	\$12,798
2007-08	\$11,402	\$14,901	\$13,230	\$12,366	\$13,291	\$9,921	\$11,788	\$13,532	\$13,130
% of graduating seniors who graduated without debt									
2008-09	33.0%	23.6%	19.4%	56.0%	42.6%	38.0%	39.0%	27.5%	20.4%
2007-08	33.0%	24.0%	21.0%	56.0%	44.0%	39.0%	39.0%	28.0%	22.0%

²² Source: U.S. Department of Education.

²³ Source: Fall 2008 Enrollment Report – undergraduate students.

²⁴ Source: Fall 2007 Enrollment Report – undergraduate students.

²⁵ 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-ASIDE²⁶ BY INSTITUTION AND EDUCATIONAL LEVEL
2006-2007 to 2008-2009**

Total	Undergrad.	Graduate	Total	Percent of Total Tuition
2006-07				
SUI	\$23,195,927	\$18,613,073	\$41,809,000	17.5%
ISU	\$29,024,504	\$10,568,174	\$39,592,678	22.6%
UNI	\$9,084,629	\$1,948,983	\$11,033,612	17.9%
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%

- ◇ The table on the following page describes the distribution of tuition set-aside funds to undergraduates who demonstrated need in 2008-09.
 - ### At SUI, approximately 74% of all undergraduates who received tuition set-aside funds demonstrated need. Approximately 54% of those who demonstrated need were Iowa residents.
 - ### At ISU, approximately 66% of all undergraduates who received tuition set-aside funds demonstrated need. Approximately 43% of those who demonstrated need were Iowa residents.
 - ### At UNI, approximately 63% of all undergraduates who received tuition set-aside funds demonstrated need. Approximately 73% of those who demonstrated need were Iowa residents.

²⁶ Funds distributed through the Student Financial Aid Department.

UNDERGRADUATE TUITION SET-ASIDE BY INSTITUTION, NEED, AND RESIDENCE
2006-2007 to 2008-2009

	SUI	ISU	UNI
2006-07			
Demonstrated Need			
Resident	\$10,673,934	\$9,223,137	\$3,825,983
Nonresident	\$6,607,983	\$10,334,851	\$1,674,814
Did Not Demonstrate Need			
Resident	\$2,033,131	\$2,966,349	\$1,862,446
Nonresident	\$3,880,879	\$6,500,167	\$1,721,386
Total	\$23,195,927	\$29,024,504	\$9,084,629
Undergraduate Percent of Total TSA	55.5%	73.3%	82.3%
2007-08			
Demonstrated Need			
Resident	\$11,536,414	\$10,440,707	\$4,495,904
Nonresident	\$8,187,757	\$11,648,233	\$2,120,614
Did Not Demonstrate Need			
Resident	\$1,878,021	\$3,107,895	\$1,569,524
Nonresident	\$4,555,835	\$7,468,605	\$1,352,995
Total	\$26,158,027	\$32,665,440	\$9,539,036
Undergraduate Percent of Total TSA	54.4%	77.1%	83.6%
2008-09			
Demonstrated Need			
Resident	\$11,645,262	\$10,361,673	\$4,568,707
Nonresident	\$10,103,572	\$13,480,543	\$1,658,603
Did Not Demonstrate Need			
Resident	\$2,014,869	\$3,206,861	\$2,278,155
Nonresident	\$5,663,551	\$9,001,889	\$1,445,577
Total	\$29,427,254	\$36,050,966	\$9,951,042
Undergraduate Percent of Total TSA	54.9%	76.0%	82.8%

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.
- ◇ 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.

- ◇ Ensuring future compliance with the recently-passed Federal Truth-in-Lending Act that requires additional disclosures to students who apply for and receive private educational loans, including university-funded educational loan programs.
- ◇ 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.
- ◇ Accurately assessing the financial needs of veteran students because federal veteran educational benefits are no longer considered a resource in determining the financial needs of veterans.
- ◇ 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.
- ◇ Future reductions in Federal Work-Study funding due to the lack of FY 2011 supporting funds from the American Recovery and Reinvestment Act (ARRA) that were available in FY 2010.
- ◇ 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 2010-2011 academic year.
- ◇ Possible significant changes to the Federal Perkins Loan program for FY 2012 and beyond.
- ◇ Developing institutional plans for implementing the recommendations made by the Board of Regents Access and Affordability Advisory Committee.
- ◇ A 30% reduction in the size of the award for students eligible for the Iowa National Guard Tuition Assistance Grant. In FY 2008, the award covered 100% of tuition.

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 contributed (EFC) and the assistance (grants, scholarships, loans, and employment) provided by the institution or other sources from the cost of attendance (tuition, fees, books, and room and board).

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

Work-Study Funds. Work-study funds come from federal and state programs in which a maximum of 75% of the wages is covered by the federal or state program. The federal government covers 100% of the wages for students who are employed as tutors in America Reads²⁷ and America Counts²⁸ 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.

²⁷ Federal initiative to improve elementary students' reading skills.

²⁸ Federal initiative to improve elementary students' math skills.