

Contact: Diana Gonzalez

ACCESS AND AFFORDABILITY – PART I
A BOARD OF REGENTS INITIATIVE

Action Requested: Receive the report.

Executive Summary:

At its June 2008 meeting, the Board of Regents identified a strategic initiative to assess access and affordability at the Regent universities. The Regent universities and the Board Office have developed a two-part response to the Board's initiative. In Part I, three key components that drive access and affordability have been identified. The purpose of Part I is to describe and understand how these components, in combination, affect how students pay for their education.

- ◆ Cost of attendance.
- ◆ Ability to pay.
- ◆ Financial aid resources (federal, state, university, private, other) available to students.

The purpose of Part II is to identify conclusions and recommendations relative to the challenges and issues that affect access and affordability. Part II will also address the following questions:

- ◆ What is the total institutional general education funding for the Regent universities, including state appropriations, tuition set-aside, and private giving and how does it compare to peer states?
- ◆ What percent of each university's general education budget is met through tuition and how does this compare to peer states?
- ◆ What is the role of private loans on debt loads for Regent university students?

Cost of attendance. In order to prepare a financial aid package for students who apply for financial aid at the Regent universities, it is necessary to compute the cost of attendance. The cost includes three components – tuition and fees; room and board; and "other" costs, such as books and transportation. An analysis of increases in costs was conducted for the ten-year period of 1997-98 to 2006-07. During that time, the total cost of attendance increased by 62.9% at the University of Iowa, 71.2% at Iowa State University, and 60.4% at the University of Northern Iowa.

- ◆ Tuition and fees increased by 115.0% at the University of Iowa, 119.1% at Iowa State University, and 114.8% at the University of Northern Iowa. As shown on the graph on page 25, one significant factor that has contributed to the increase in tuition has been the decrease in the proportion of Regent university general education funding through state appropriations.
- ◆ Room and board increased by 70.8% at the University of Iowa, 76.7% at Iowa State University, and 66.7% at the University of Northern Iowa.

- ◇ Other costs increased by 14.0% at the University of Iowa, 23.6% at Iowa State University, and 13.5% at the University of Northern Iowa. Additional costs incurred by students include study abroad programs and extended programs of study such as double majors. These additional costs increase the total cost of attendance.

Ability to pay. The median Iowa household income increased by 9.2% between 1997-98 and 2005-06.¹ The Annual Regent Financial Aid Study presented to the Board in March 2008 (Agenda Item 18) indicated that 76.5% of all undergraduate dependent resident students who filed a Free Application for Federal Student Aid (FAFSA) and received aid had a family income \geq \$45,000 and did not have financial need that was not met by the total financial aid accepted.

Financial aid resources available. Financial aid, in the form of grants, loans, and on-campus employment, is available to all Regent university students who meet the requirements for financial aid.

- ◇ In 1997-98, the universities awarded a total of \$436,327,802 of financial aid. Of that amount, 23.1% represented grant/scholarship aid; 49.2% represented loan aid; and 27.7% represented employment aid.
- ◇ In 2006-07, the universities awarded a total of \$744,241,891, an increase of 70.6% from 1997-98. Of the total financial aid awarded in 2006-07, 25.4% was in the form of grants/scholarships; 55.1% was in the form of loans; and 19.5% was in the form of employment.

Federal.

- ◇ A Federal Pell Grant does not have to be repaid. It provides need-based aid to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education.
 - In 1997-98, the maximum Pell Grant allowed was \$2,700; however, at the Regent universities, the average Pell Grant award was \$1,569. In 2006-07, the maximum Pell Grant allowed was \$4,050; however, the average Pell Grant award at the Regent universities was \$2,479.
 - In 1997, the maximum Pell Award covered 27.1% of the total cost of attendance at the Regent universities. By 2006, it covered only 24.7%.
- ◇ A Federal Supplemental Educational Opportunity Grant (FSEOG), which does not need to be repaid, is for undergraduates with exceptional financial need. Priority is given to students who receive Federal Pell Grants. In 1997-98, the average FSEOG award was \$942 at the Regent universities; in 2006-07, it was \$751, a decrease of 20.3%.²

¹ U.S. Census Bureau.

² "Since 1986, an institution's base guarantee has been the principal determinant of its current-year allocation. For most schools, the prior year expenditure is linked to its program participation in the 1970s. The current allocation formula is inequitable because growing schools cannot increase their funding and other institutions' funding levels are largely protected. Schools with increasing enrollments, and populations of needy students, have not received a corresponding increase in campus-based funding." (<http://www.ed.gov/offices/OPE/PPI/Reauthor/legislation/fseogxs.html>)

- ◇ In 1997-98, the average federal work-study award at the Regent universities was \$1,621; in 2006-07, it was \$1,186, a decrease of 26.8%.

State.

- ◇ The Iowa Grant is available to assist Iowa students attending the Regent universities, independent colleges and universities, and Iowa community colleges. Priority is given to students with the greatest financial need. The maximum grant is \$1,000 per year for up to four years. In 1997-98, the average Iowa Grant award at the Regent universities was \$884; in 2006-07, it was \$825, a decrease of 6.7%.
 - Among its peer states³, Iowa ranks lowest in the proportion of state need-based grant aid allocated to public institutions. In Arizona, public institutions receive 96.7% of all state need-based aid. The median proportion allocated by peer states to public institutions as need-based aid is 68.9%. In Iowa, public institutions receive 6.1% of all state need-based aid; 93.9% of state need-based grant aid is allocated to private (non-profit and proprietary) colleges and universities.
 - In his testimony to the Iowa Legislature in October 2007, Robert Shireman⁴ pointed out that “increasing need-based grant aid would be one of the most constructive steps that could be taken to reduce the need for students to borrow. If a \$1,000 increase for students with substantial unmet need reduced their borrowing by the same amount each year, it could reduce Iowa’s debt levels to close to the national average.”
- ◇ In 1997-98, the average state work-study award at the Regent universities was \$1,175; in 2006-07, it was \$762, a decrease of 35.1%. Furthermore, in 1997-98, there were 1,830 state work-study awards; in 2006-07, there were only 110 such awards, a decrease of 94.0%. Between 2001-02 and 2004-05, no state funds were allocated for the work-study program.
- ◇ The All Iowa Opportunity Scholarship was created in 2007 to provide scholarships to students who do well in high school and who demonstrate financial need. Qualifying students who attend the Regent universities are eligible for a one-year scholarship. The maximum award for the 2008-09 academic year is \$6,420.

Institutional.

- ◇ 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 requirement during the last several years. These funds are used for both need-based and merit-based awards for students attending the Regent universities.
 - Between 1997-98 and 2006-07, tuition set-aside increased by 173.1% at the University of Iowa; by 229.8% at Iowa State University; and by 101.0% at the University of Northern Iowa.

³ Arizona, California, Illinois, Indiana, Michigan, Minnesota, North Carolina, Ohio, Texas, and Wisconsin.

⁴ Robert Shireman is president of the Institute for College Access and Success, Inc. and director of the Project on Student Debt.

- Of the total tuition set-aside awarded, 66.0% was awarded as need-based aid and 34.0% was awarded as merit-based aid.
- Tuition set-aside funds are also awarded to graduate and professional students. In 2006-07, approximately \$31 million was awarded to graduate and professional students.

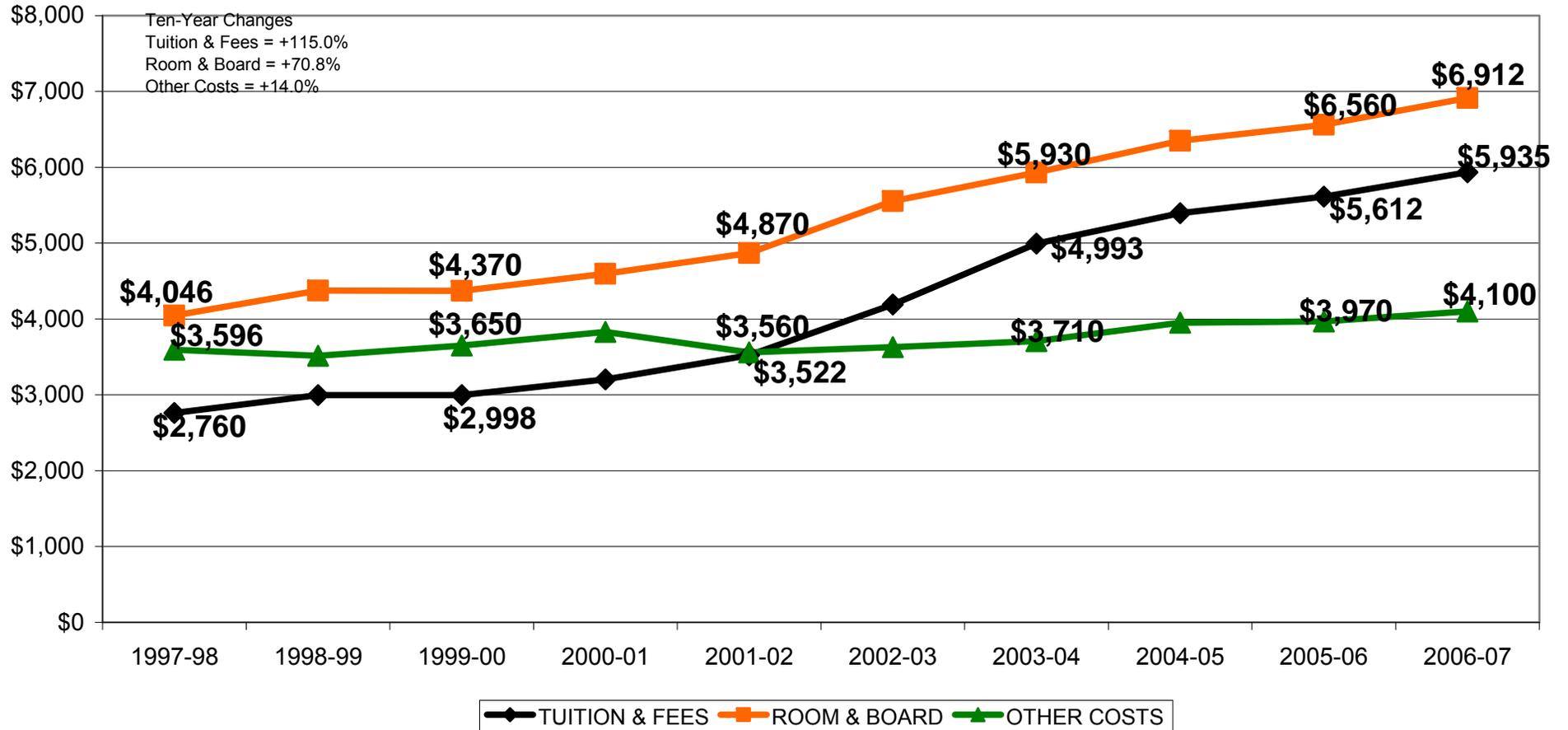
Due to decreased federal and state grant and work-study programs as well as family choices, loans continue to play a major role in the student financial aid packages of Regent university students. In 2006-07, the average debt for graduating seniors with debt at the Regent universities was \$25,904; at Iowa four-year independent, non-profit colleges and universities, it was \$26,936.

Attachment A on pages 5-25 contains the following graphs:

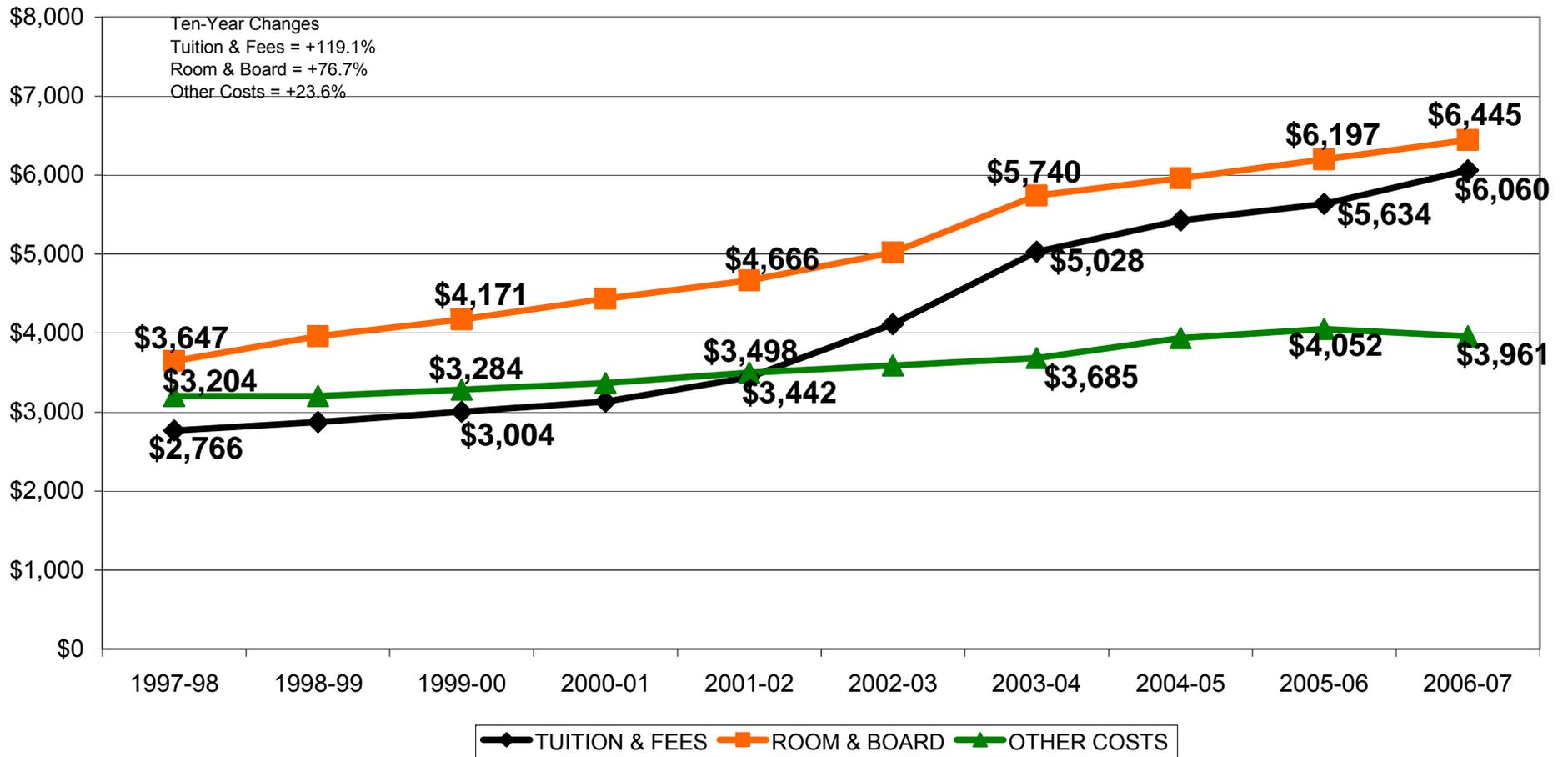
- ◇ Undergraduate resident costs from 1997-98 to 2006-07 at the Regent universities (pgs. 5-7).
- ◇ Iowa median household income from 1997-98 to 2005-06 (pg. 8).
- ◇ Total undergraduate resident cost of attendance and maximum Pell award from 1997-98 to 2006-07 at the Regent universities (pg. 9).
- ◇ Federal programs allocations from 1997-98 to 2006-07 at the Regent universities (pgs. 10-12).
- ◇ State programs allocations from 1997-98 to 2006-07 at the Regent universities (pgs. 13-15).
- ◇ Tuition set-aside allocated as undergraduate grant aid at the Regent universities from 1997-98 to 2006-07 (pg. 16).
- ◇ Percent of state need-based grant aid in Iowa and peer states in 2006-07 (pg. 17).
- ◇ Debt upon graduation for the Regent universities and selected Iowa colleges and universities in 2006-07 (pg. 18).
- ◇ Comparison of 2006-07 undergraduate resident costs and aid by peer group in 2006-07 (pgs. 19-21).
- ◇ Undergraduate resident four-year cost and average debt of graduating seniors at the Regent universities from 1997-98 to 2006-07 (pgs. 22-24).
- ◇ Regent university general education funding (pg. 25).

Attachment B on pages 26-29 contains a summary of the provisions related to student financial aid contained in the College Cost Reduction and Access Act of 2007 and the recently-signed Higher Education Act Reauthorization.

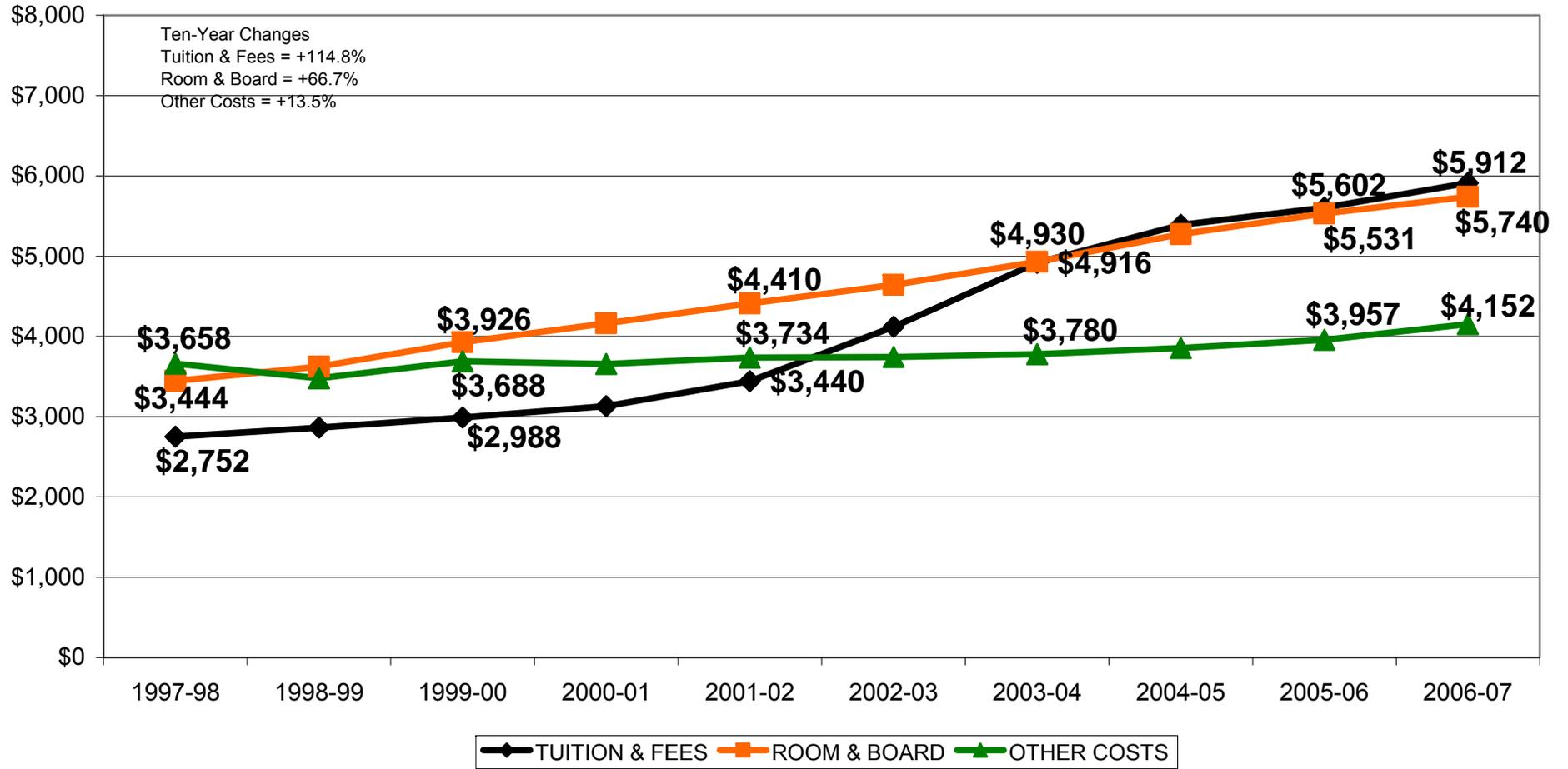
UNIVERSITY OF IOWA
Undergraduate Resident Costs
1997-98 to 2006-07



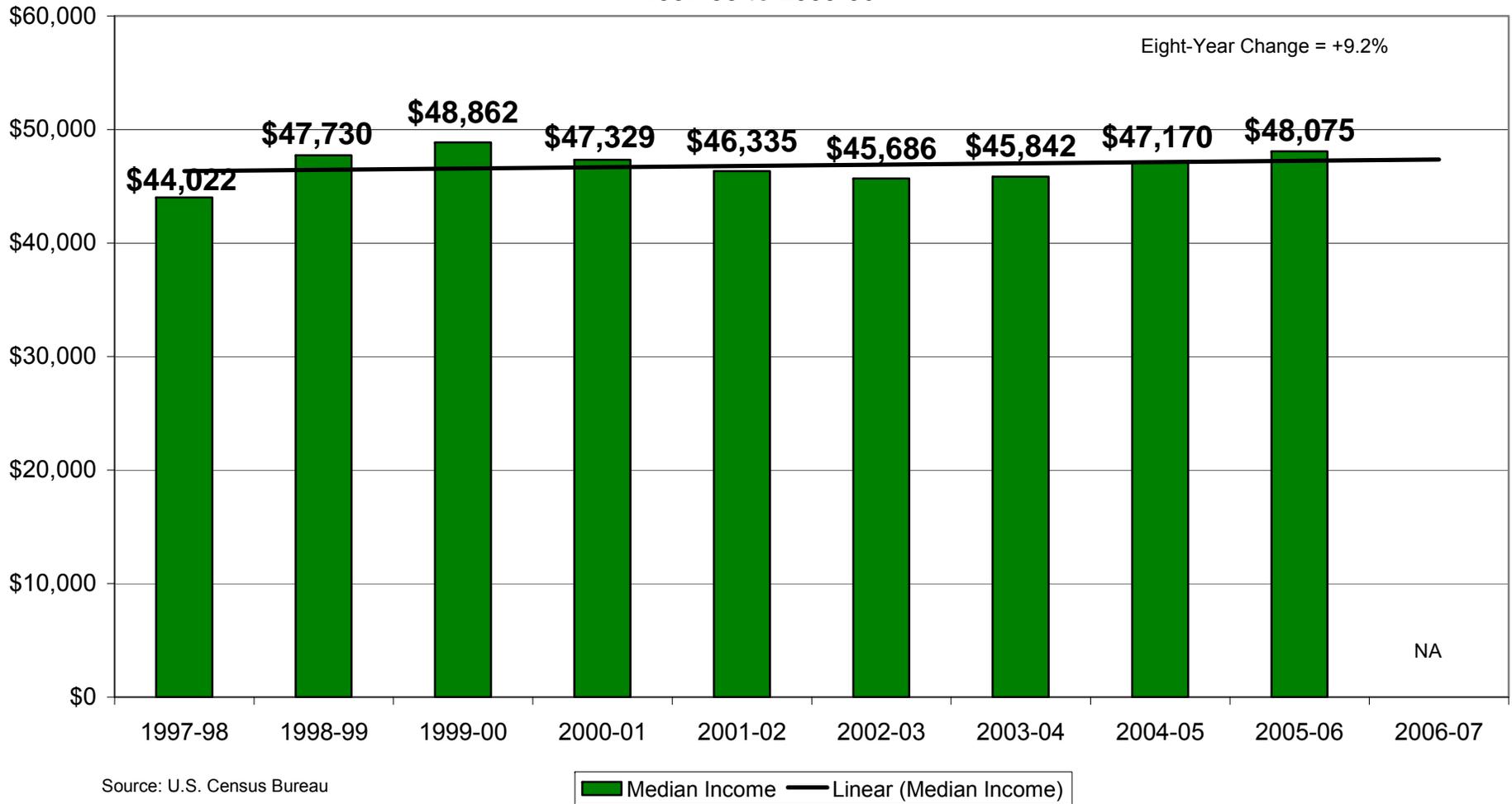
IOWA STATE UNIVERSITY
Undergraduate Resident Costs
1997-98 to 2006-07



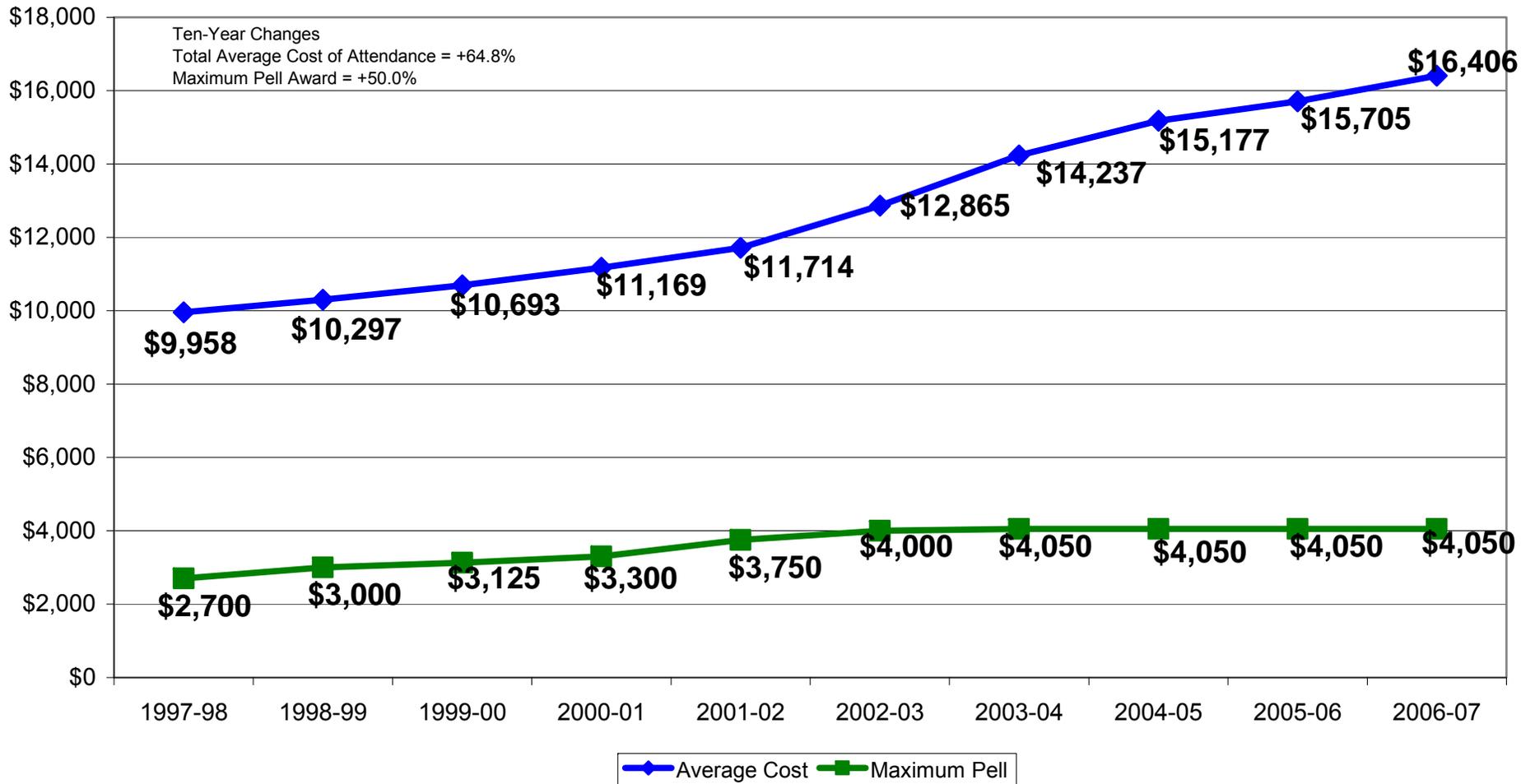
UNIVERSITY OF NORTHERN IOWA
Undergraduate Resident Costs
1997-98 to 2006-07



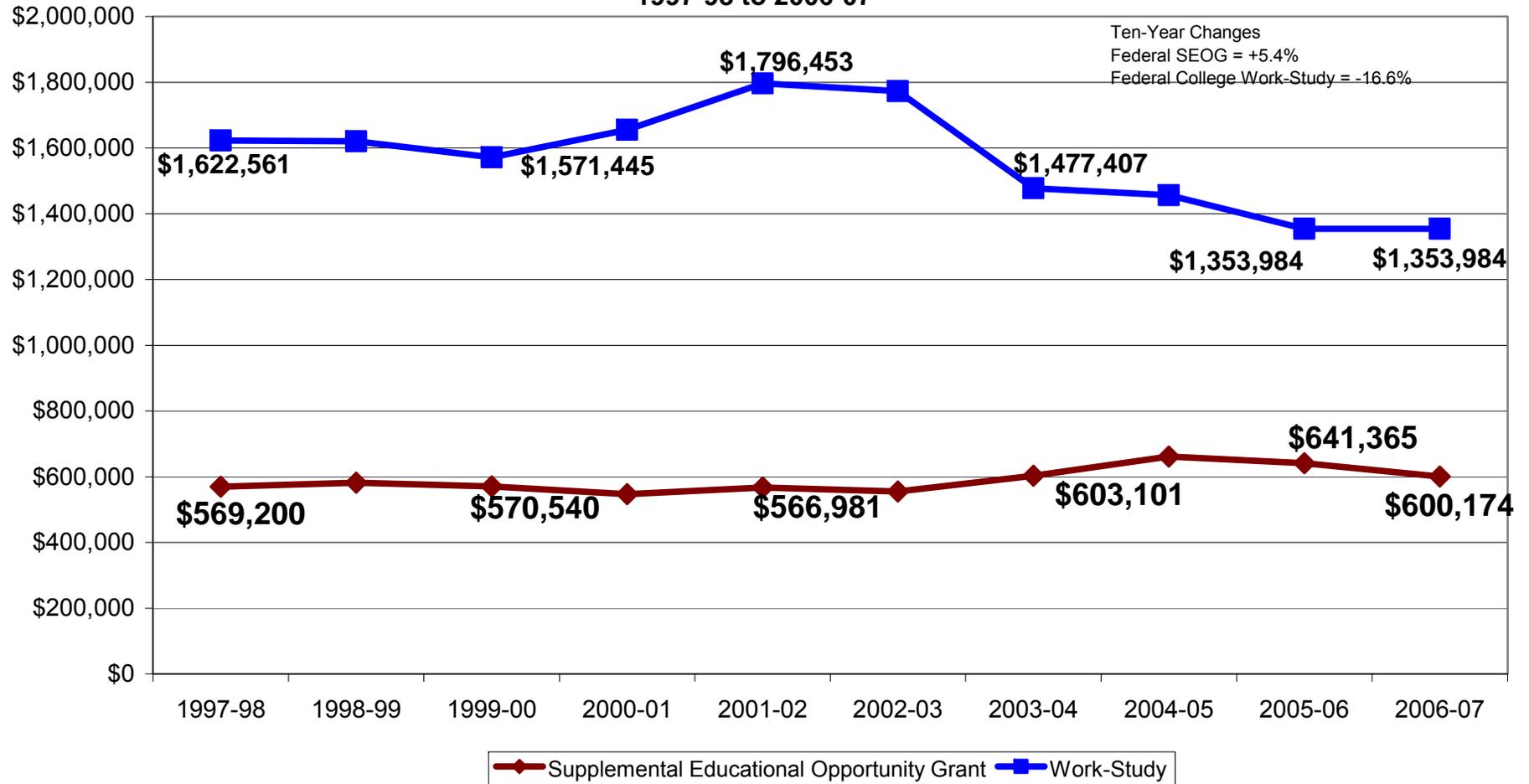
IOWA MEDIAN HOUSEHOLD INCOME
1997-98 to 2005-06



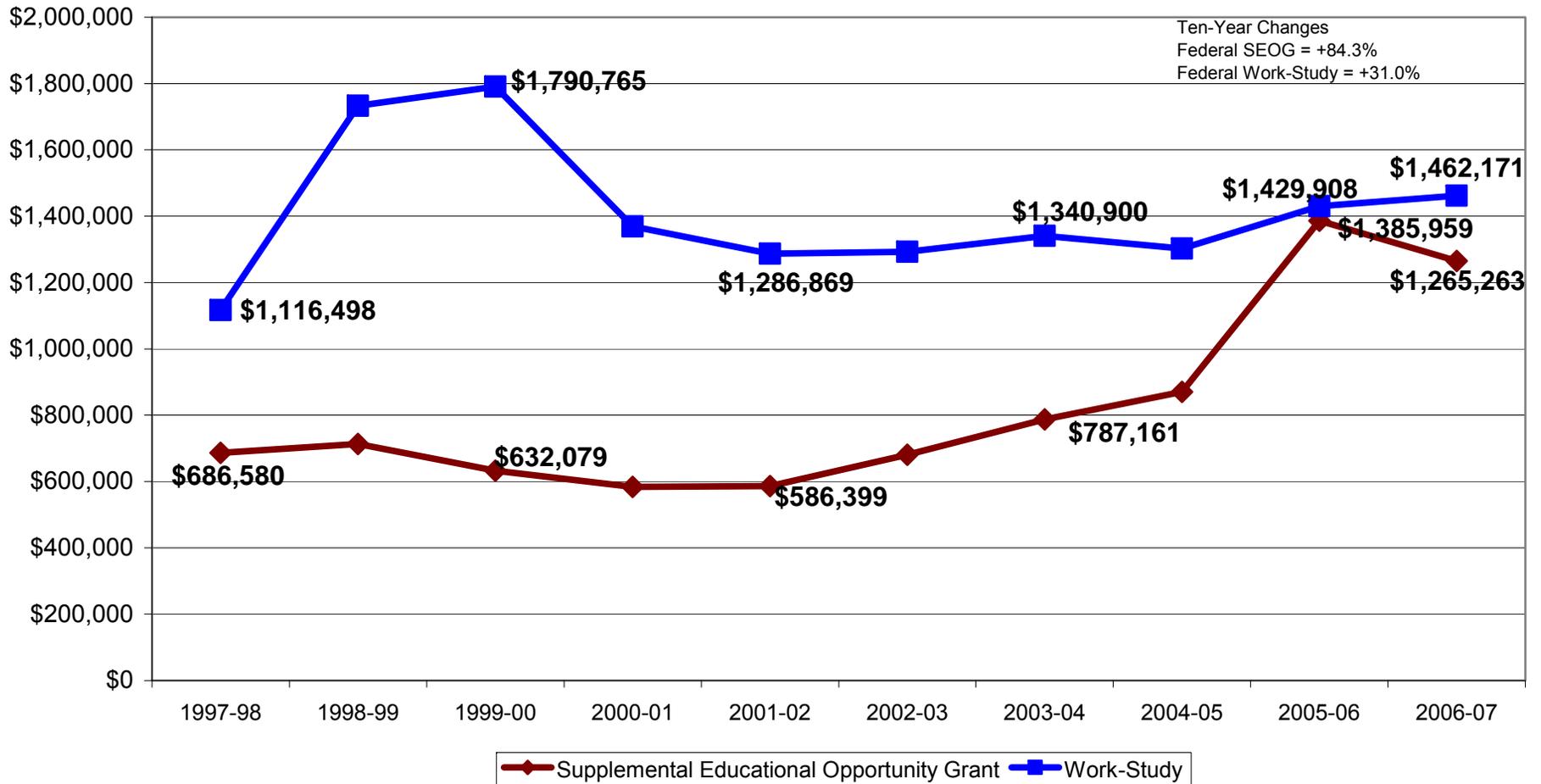
**REGENT AVERAGE UNDERGRADUATE RESIDENT COST OF ATTENDANCE AND
MAXIMUM PELL AWARD
1997-98 to 2006-07**



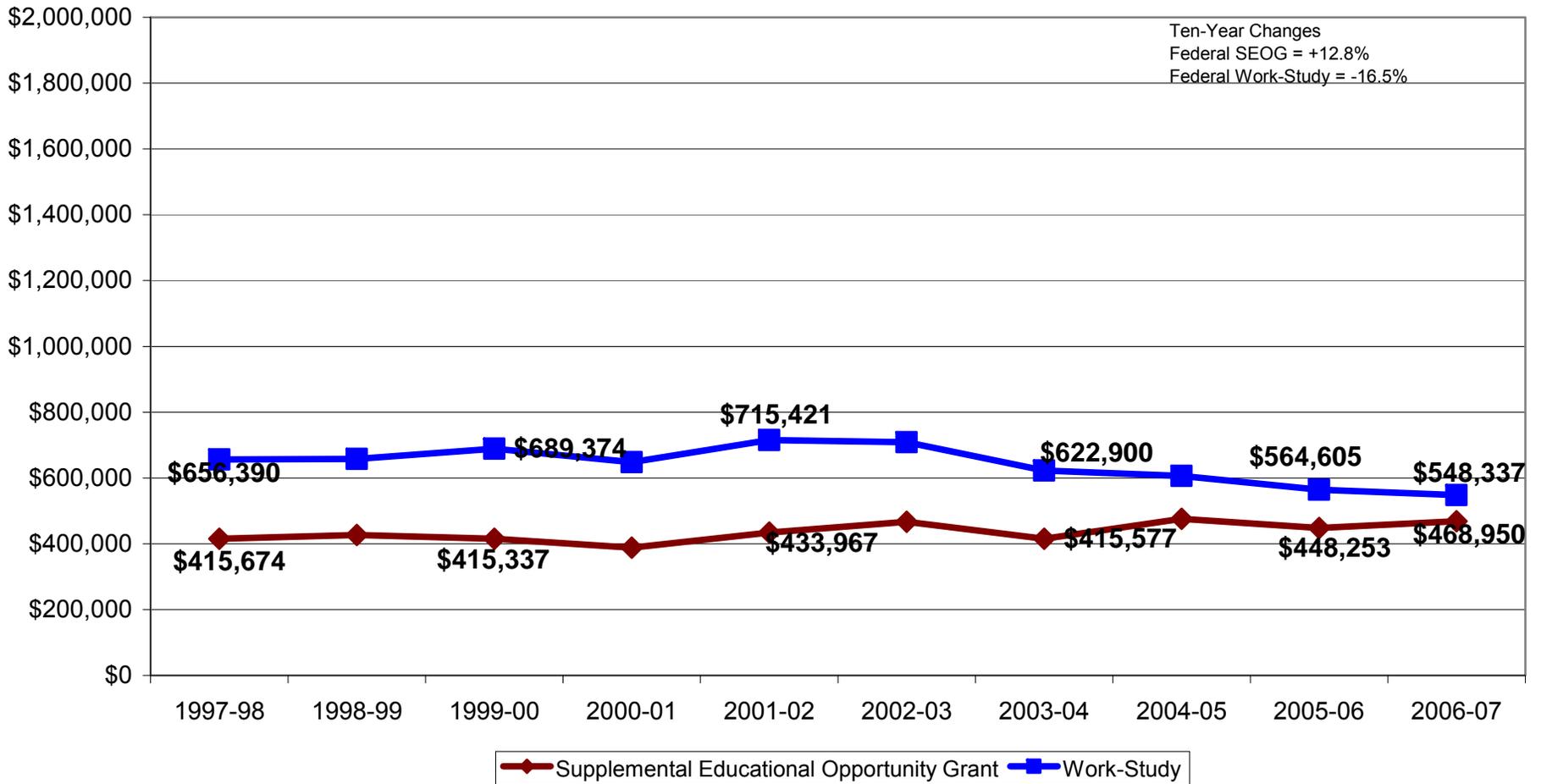
UNIVERSITY OF IOWA
FEDERAL PROGRAMS ALLOCATIONS
1997-98 to 2006-07



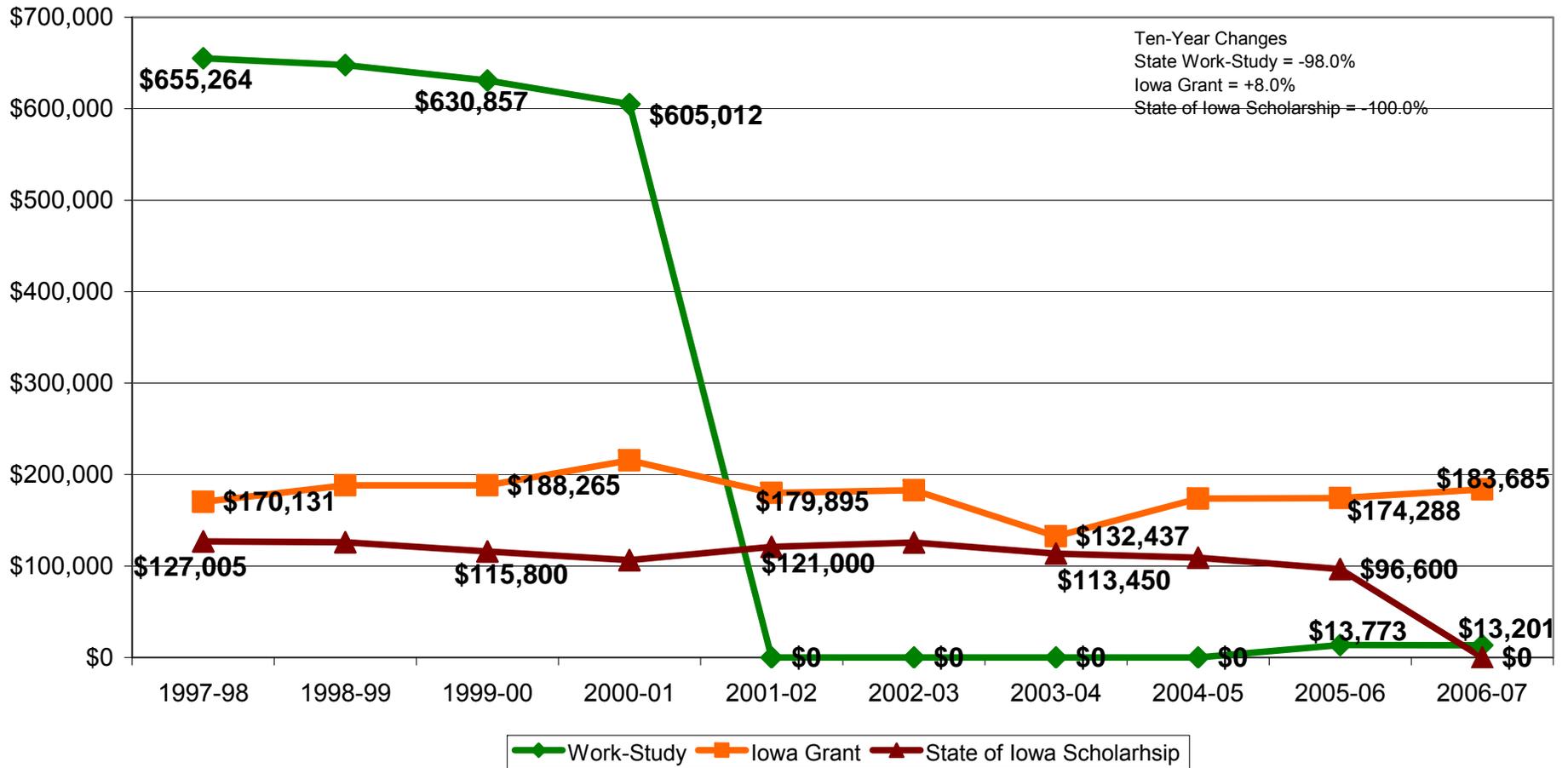
IOWA STATE UNIVERSITY
FEDERAL PROGRAMS ALLOCATIONS
1997-98 to 2006-07



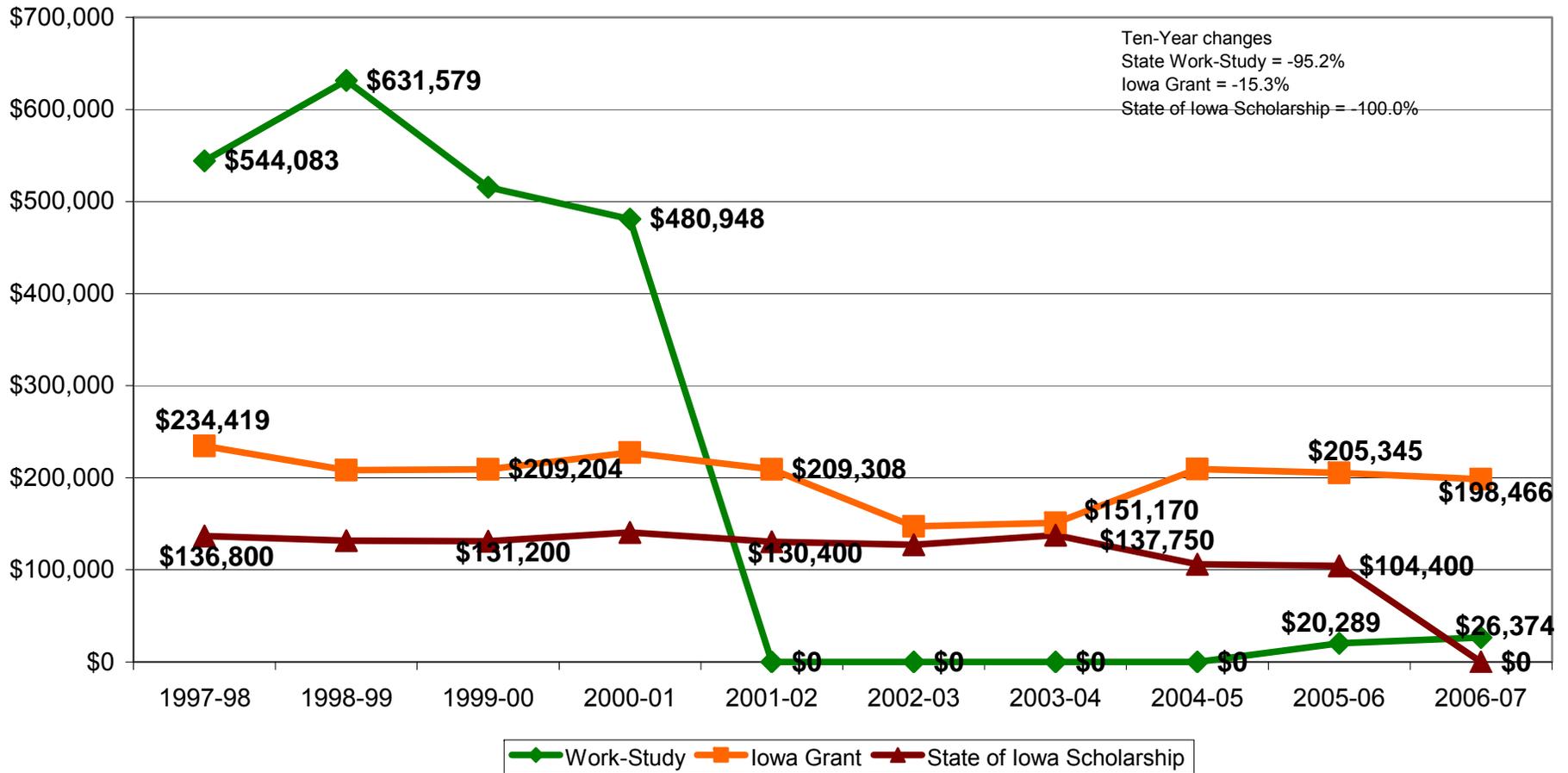
UNIVERSITY OF NORTHERN IOWA
FEDERAL PROGRAMS ALLOCATIONS
1997-98 to 2006-07



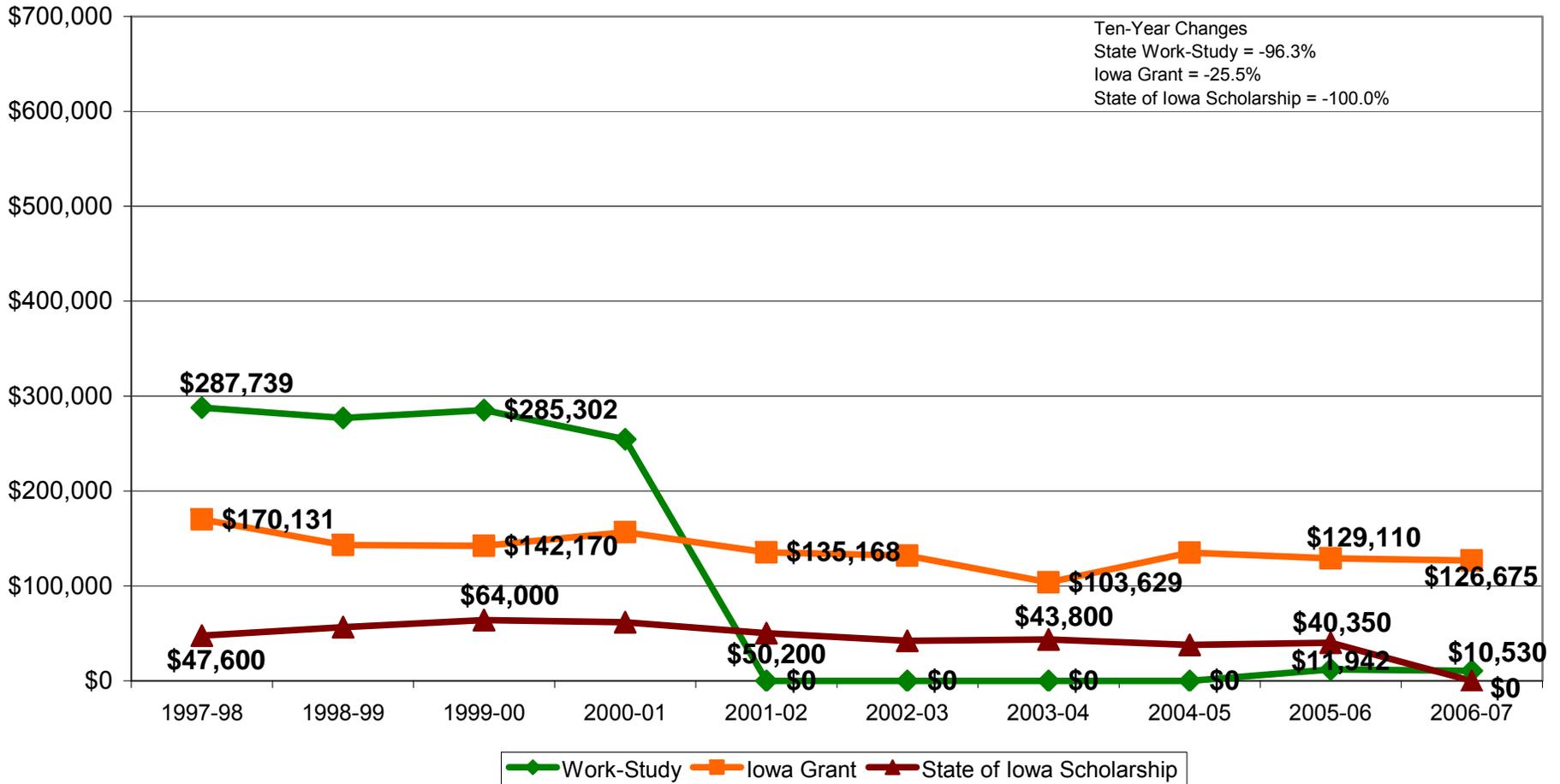
UNIVERSITY OF IOWA
STATE PROGRAMS ALLOCATIONS
1997-98 to 2006-07



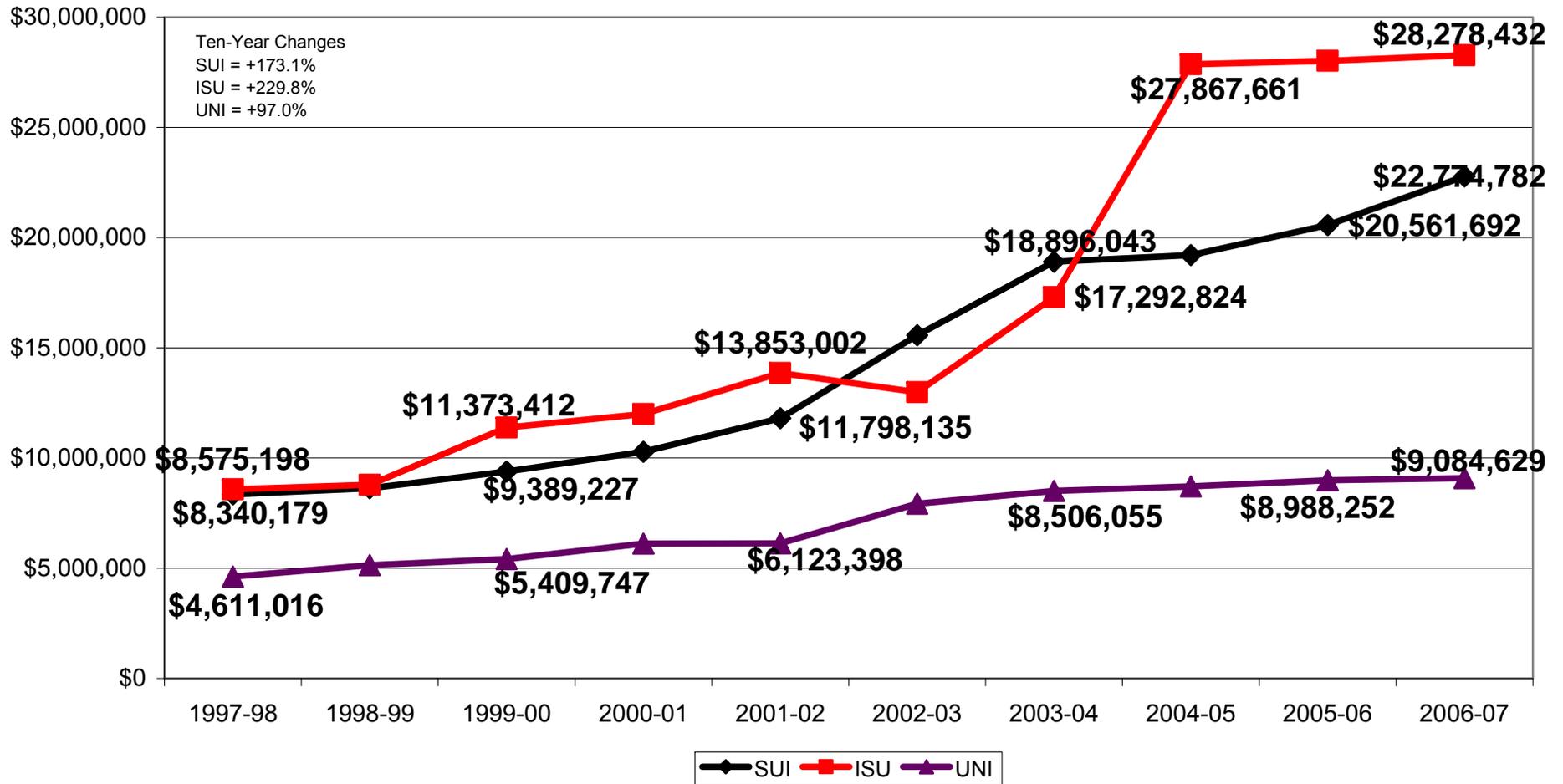
IOWA STATE UNIVERSITY
STATE PROGRAMS ALLOCATIONS
1997-98 to 2006-07



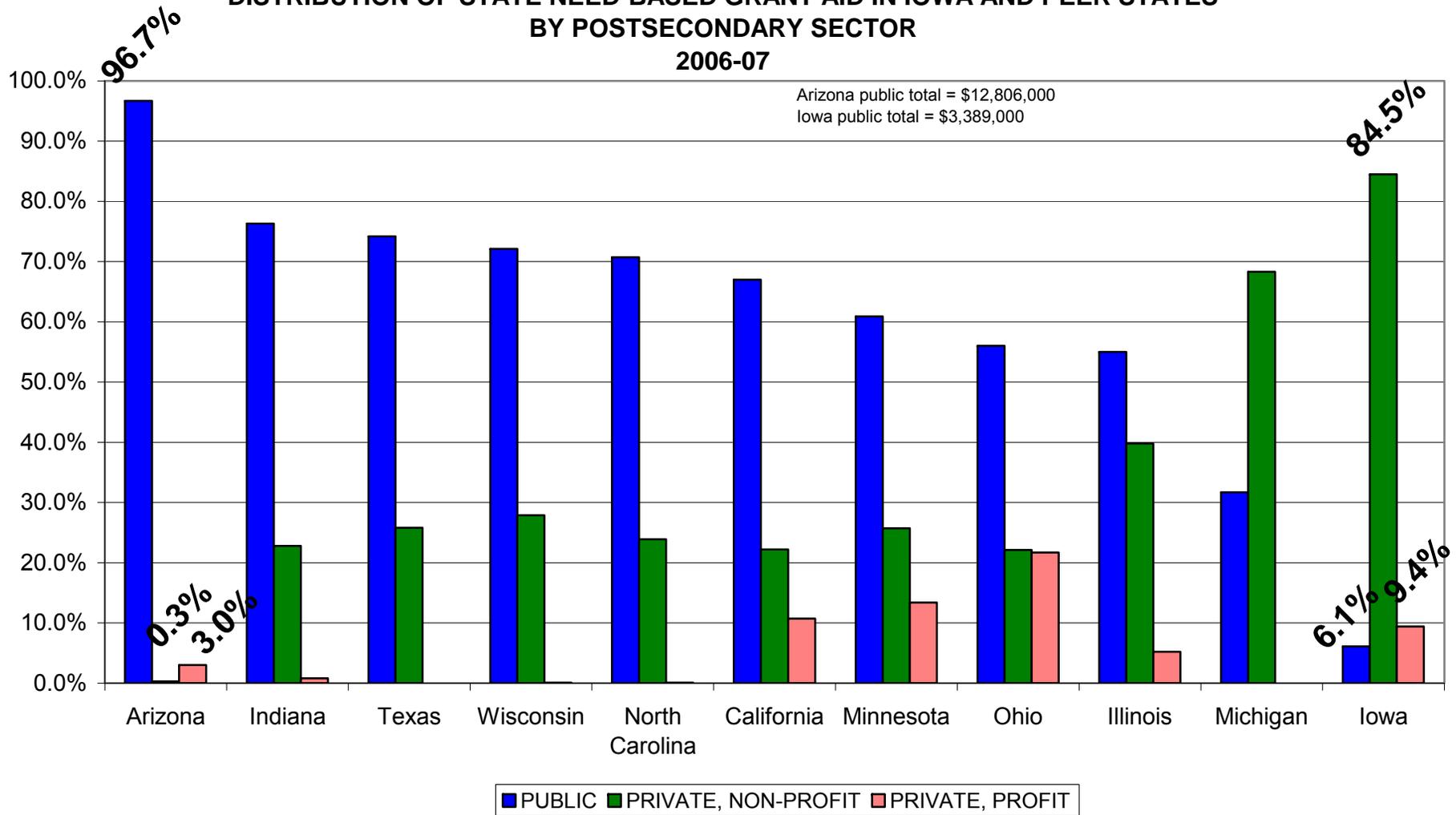
UNIVERSITY OF NORTHERN IOWA
STATE PROGRAMS ALLOCATIONS
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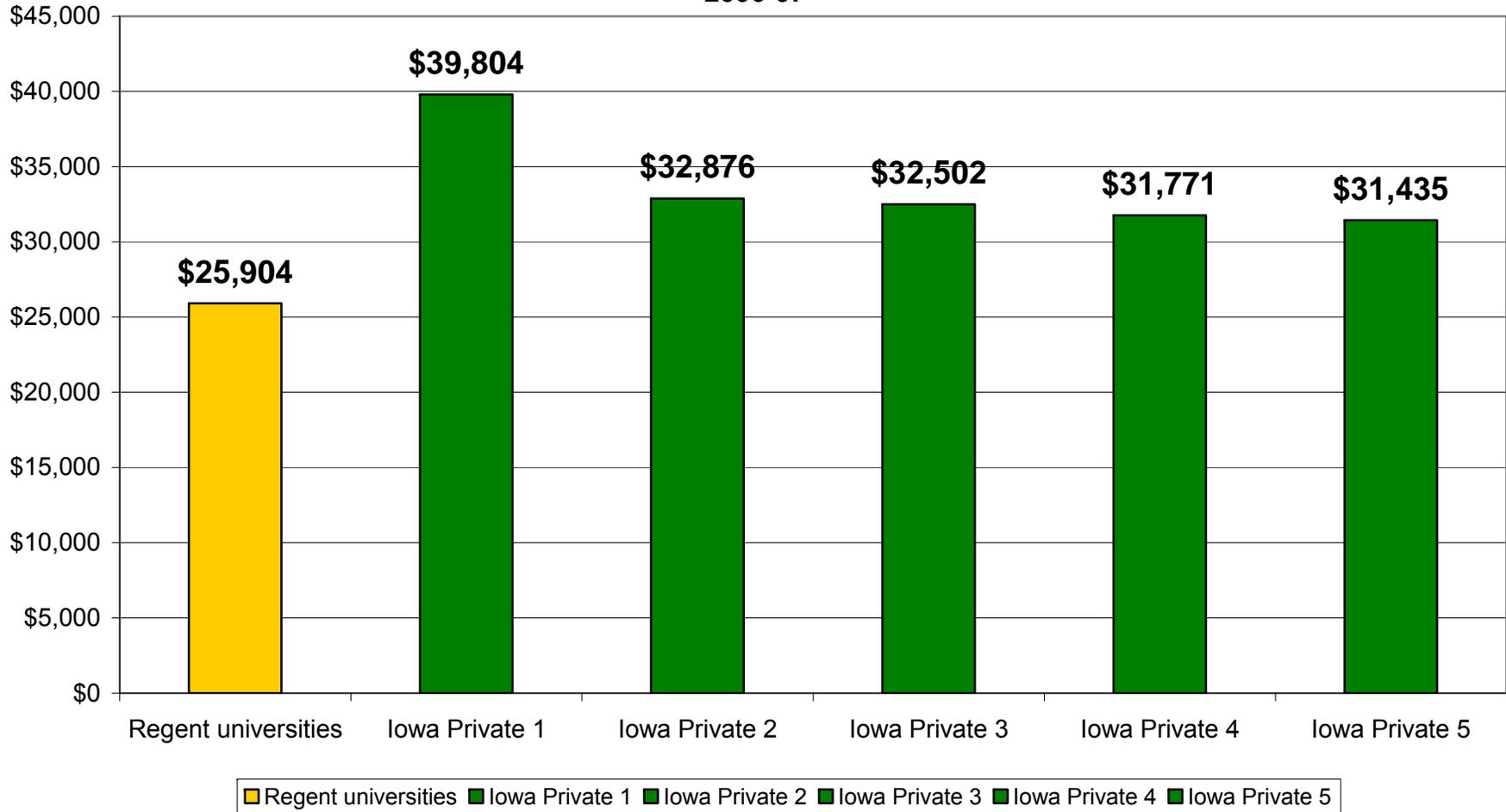
TUITION SET-ASIDE AWARDED AS UNDERGRADUATE GIFT AID AT THE REGENT UNIVERSITIES
1997-98 to 2006-07



**DISTRIBUTION OF STATE NEED-BASED GRANT AID IN IOWA AND PEER STATES
BY POSTSECONDARY SECTOR
2006-07**



**DEBT UPON GRADUATION FOR SENIORS GRADUATING WITH DEBT
AT SELECTED IOWA COLLEGES AND UNIVERSITIES BY POSTSECONDARY SECTOR
2006-07**



UNDERGRADUATE RESIDENT COSTS AND SELECTED AID⁵ AT THE UNIVERSITY OF IOWA AND ITS PEER GROUP
2006-07

INSTITUTION	TOTAL COSTS ⁶	TUITION AND FEES	% STATE NEED BASED GRANT AID ⁷	% SEOG ⁸ AWARDED	AVG. NEED-BASED AID	AVG. DEBT
University of Arizona	\$12,418 (11)	\$5,048 (11)	96.7% (1)	19.9% (9)	\$6,510 (7)	\$18,241 (7)
University of North Carolina, Chapel Hill	\$13,036 (10)	\$5,340 (10)	70.7% (5)	36.1% (6)	\$8,771 (2)	\$14,912 (11)
University of Iowa	\$14,217 (9)	\$6,544 (9)	6.1% (11)	17.1% (10)	\$4,922 (10)	\$22,181 (3)
Indiana University, Bloomington	\$14,513 (8)	\$7,837 (6)	76.3% (2)	39.1% (4)	\$6,716 (6)	\$19,763 (6)
University of Wisconsin, Madison	\$15,747 (7)	\$8,047 (5)	72.1% (4)	58.2% (1)	\$3,319 (11)	\$21,018 (4)
University of Minnesota, Twin Cities	\$16,012 (6)	\$10,756 (2)	60.9% (7)	30.8% (7)	\$7,596 (4)	\$24,995 (1)
Ohio State University	\$16,041 (5)	\$8,676 (4)	56.0% (8)	36.2% (5)	\$6,480 (8)	\$19,978 (5)
University of Texas, Austin	\$16,246 (4)	\$7,670 (7)	74.2% (3)	41.2% (2)	\$6,300 (9)	\$16,800 (9)
University of Michigan	\$18,637 (3)	\$10,447 (3)	31.7% (10)	39.7% (3)	\$7,786 (3)	\$23,754 (2)
University of Illinois, Urbana-Champaign	\$19,326 (2)	\$11,130 (1)	55.0% (9)	15.7% (11)	\$7,179 (5)	\$17,057 (8)
University of California, Los Angeles	\$19,458 (1)	\$7,038 (8)	67.0% (6)	25.6% (8)	\$11,336 (1)	\$16,220 (10)
Public four-year in-state	\$13,589	\$6,185	62.6%	29.4% ⁹	\$5,293	\$19,202 ¹⁰

⁵ Source: Peterson's.

⁶ Full-time resident tuition and fees; room and board varies by plan.

⁷ Source: National Association of State Student Grant and Aid Programs; public in-state institutions.

⁸ Federal Supplemental Educational Opportunity Grant (SEOG) Program allocations for public 4-year institutions, U.S. Dept. of Education.

⁹ Public, 4-year.

¹⁰ 2003-04 National Postsecondary Student Aid Study (NPSAS).

UNDERGRADUATE RESIDENT COSTS AND SELECTED AID¹¹ AT IOWA STATE UNIVERSITY AND ITS PEER GROUP
2006-07

INSTITUTION	TOTAL COSTS ¹²	TUITION AND FEES	% STATE NEED BASED GRANT AID ¹³	% SEOG ¹⁴ AWARDED	AVG. NEED BASED AID	AVG. DEBT
University of Arizona	\$12,418 (11)	\$5,048 (11)	96.7% (1)	19.9% (9)	\$6,510 (7)	\$18,241 (8)
North Carolina State University	\$12,490 (10)	\$5,117 (10)	70.7% (5)	36.1% (6)	\$7,682 (3)	\$14,930 (10)
Iowa State University	\$13,316 (9)	\$6,360 (9)	6.1% (11)	17.1% (10)	\$4,916 (10)	\$31,501 (1)
Texas A & M University	\$14,995 (8)	\$7,335 (8)	74.2% (3)	41.2% (2)	\$7,933 (2)	\$19,940 (7)
Purdue University	\$15,100 (7)	\$7,750 (7)	76.3% (2)	39.1% (4)	\$7,030 (6)	\$21,636 (3)
University of Wisconsin, Madison	\$15,747 (6)	\$8,047 (6)	72.1% (4)	58.2% (1)	\$3,319 (11)	\$21,018 (5)
University of Minnesota, Twin Cities	\$16,012 (5)	\$10,756 (2)	60.9% (7)	30.8% (7)	\$7,596 (4)	\$24,995 (2)
Ohio State University	\$16,041 (4)	\$8,676 (4)	56.0% (8)	36.2% (5)	\$6,480 (8)	\$19,978 (6)
Michigan State University	\$16,316 (3)	\$9,640 (3)	31.7% (10)	39.7% (3)	\$6,378 (9)	\$21,175 (4)
University of Illinois, Urbana-Champaign	\$19,326 (2)	\$11,130 (1)	55.0% (9)	15.7% (11)	\$7,179 (5)	\$17,057 (9)
University of California, Davis	\$19,657 (1)	\$8,124 (5)	67.0% (6)	25.6% (8)	\$10,412 (1)	\$14,372 (11)
Public four-year in-state	\$13,589	\$6,185	62.6%	29.4% ¹⁵	\$5,293	\$19,202 ¹⁶

¹¹ Source: Peterson's.

¹² Full-time resident tuition and fees; room and board varies by plan.

¹³ Source: National Association of State Student Grant and Aid Programs; public in-state institutions.

¹⁴ Federal Supplemental Educational Opportunity Grant (SEOG) Program allocations for public 4-year institutions, U.S. Dept. of Education.

¹⁵ Public, 4-year.

¹⁶ 2003-04 NPSAS.

UNDERGRADUATE RESIDENT COSTS AND SELECTED AID¹⁷ AT THE UNIVERSITY OF NORTHERN IOWA AND ITS PEER GROUP
2006-07

INSTITUTION	TOTAL COSTS ¹⁸	TUITION AND FEES	% STATE NEED BASED GRANT AID ¹⁹	% SEOG ²⁰ AWARDED	AVG. NEED BASED AID	AVG. DEBT
University of North Carolina, Greensboro	\$10,080 (11)	\$4,029 (10)	70.7% (5)	36.1% (6)	\$4,852 (6)	\$16,708 (9)
Indiana State University	\$10,242 (10)	\$7,148 (5)	76.3% (2)	39.1% (4)	\$5,221 (5)	\$20,868 (5)
California State University, Fresno	\$10,352 (9)	\$3,299 (11)	67.0% (6)	25.6% (8)	\$6,745 (3)	\$11,141 (11)
University of Wisconsin, Eau Claire	\$10,995 (8)	\$5,845 (8)	72.1% (4)	58.2% (1)	\$4,837 (7)	\$18,466 (6)
Northern Arizona University	\$11,416 (7)	\$4,844 (9)	96.7% (1)	19.9% (9)	\$5,332 (4)	\$16,170 (10)
University of North Texas	\$11,810 (6)	\$6,320 (7)	74.2% (3)	41.2% (2)	\$4,422 (9)	\$17,950 (8)
University of Northern Iowa	\$13,364 (5)	\$7,084 (6)	6.1% (11)	17.1% (10)	\$3,423 (11)	\$22,541 (1)
University of Minnesota, Duluth	\$15,504 (4)	\$9,600 (1)	60.9% (7)	30.8% (7)	\$6,967 (2)	\$21,933 (3)
Illinois State University	\$15,867 (3)	\$9,019 (3)	55.0% (9)	15.7% (11)	\$8,212 (1)	\$18,053 (7)
Central Michigan University	\$16,356 (2)	\$9,120 (2)	31.7% (10)	39.7% (3)	\$4,009 (10)	\$22,128 (2)
Ohio University	\$17,334 (1)	\$8,907 (4)	56.0% (8)	36.2% (5)	\$4,829 (8)	\$20,880 (4)
Public four-year in-state	\$13,589	\$6,185	62.6%	29.4% ²¹	\$5,293	\$19,202 ²²

¹⁷ Source: Peterson's.

¹⁸ Full-time resident tuition and fees; room and board varies by plan.

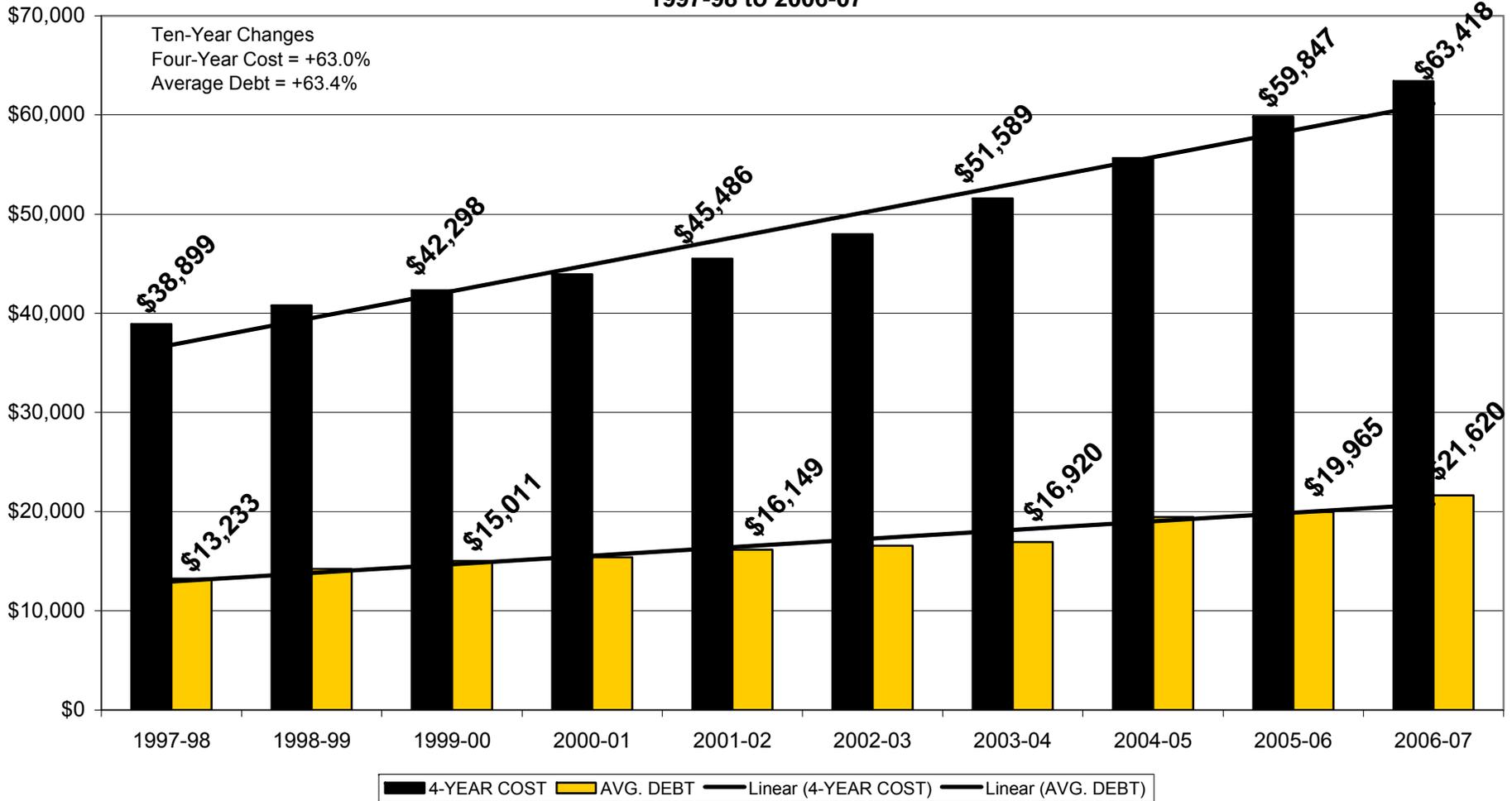
¹⁹ Source: National Association of State Student Grant and Aid Programs; public in-state institutions.

²⁰ Federal Supplemental Educational Opportunity Grant (SEOG) Program allocations for public 4-year institutions, U.S. Dept. of Education.

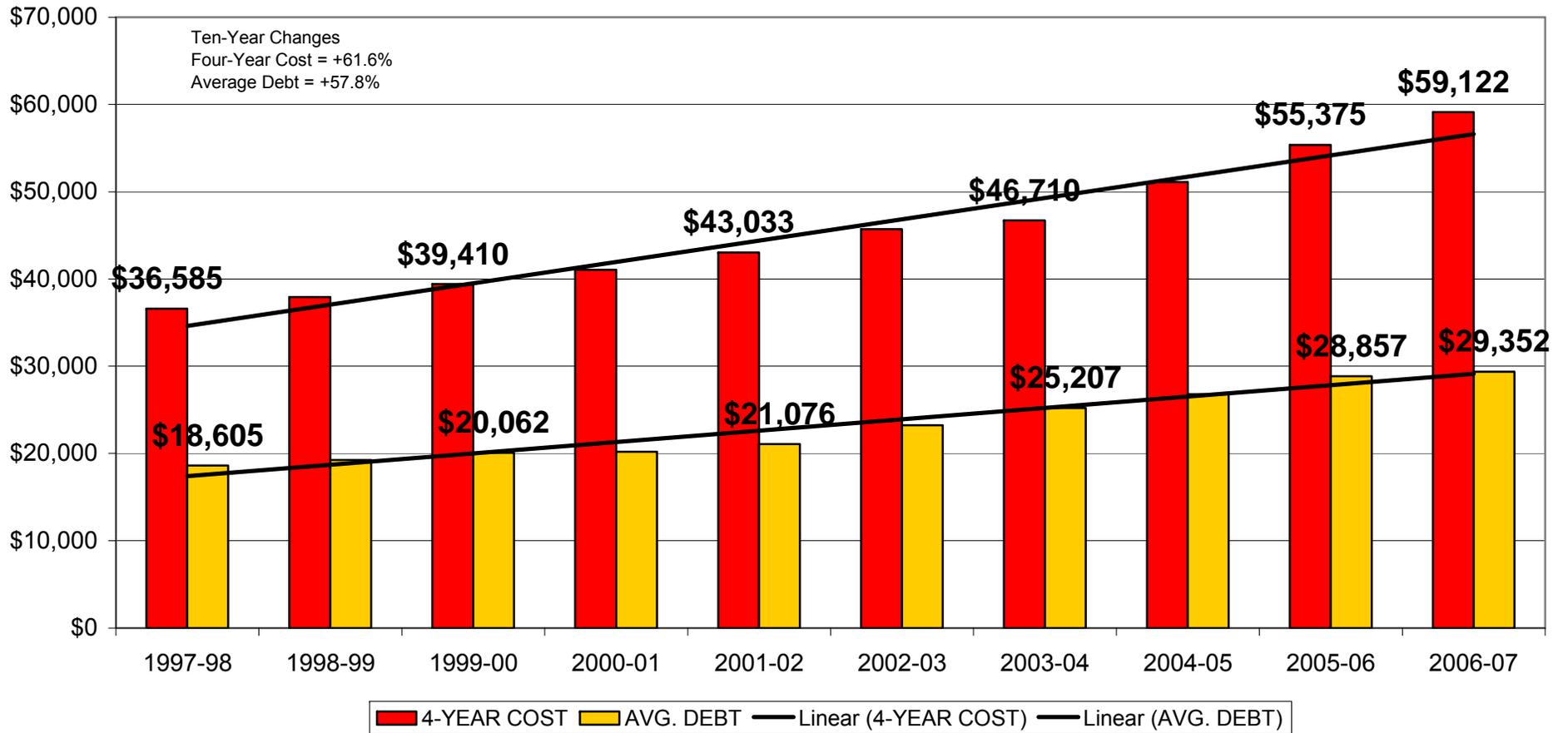
²¹ Public, 4-year.

²² 2003-04 NPSAS.

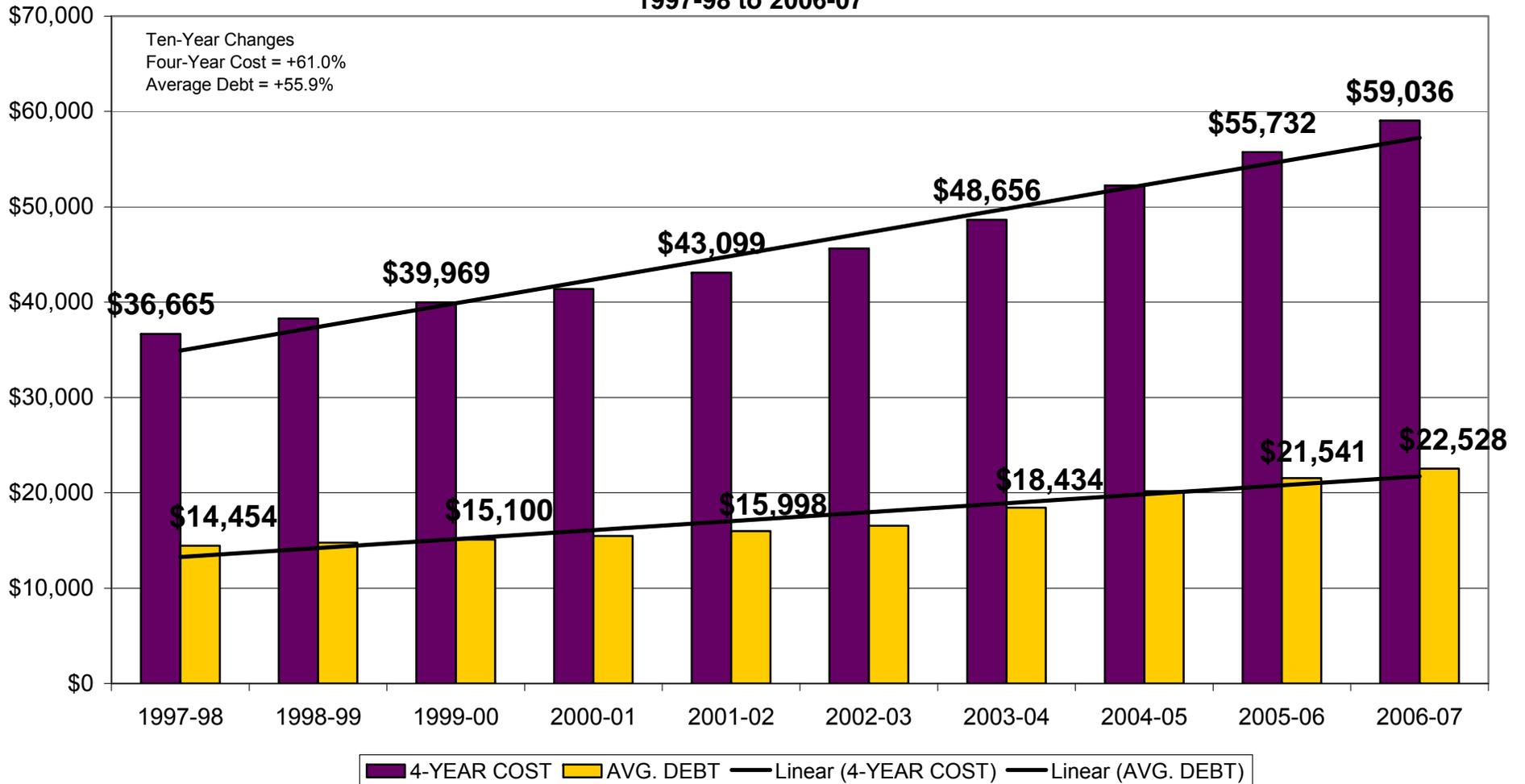
UNIVERSITY OF IOWA
RESIDENT UNDERGRADUATE FOUR-YEAR COST AND AVERAGE DEBT UPON GRADUATION
1997-98 to 2006-07



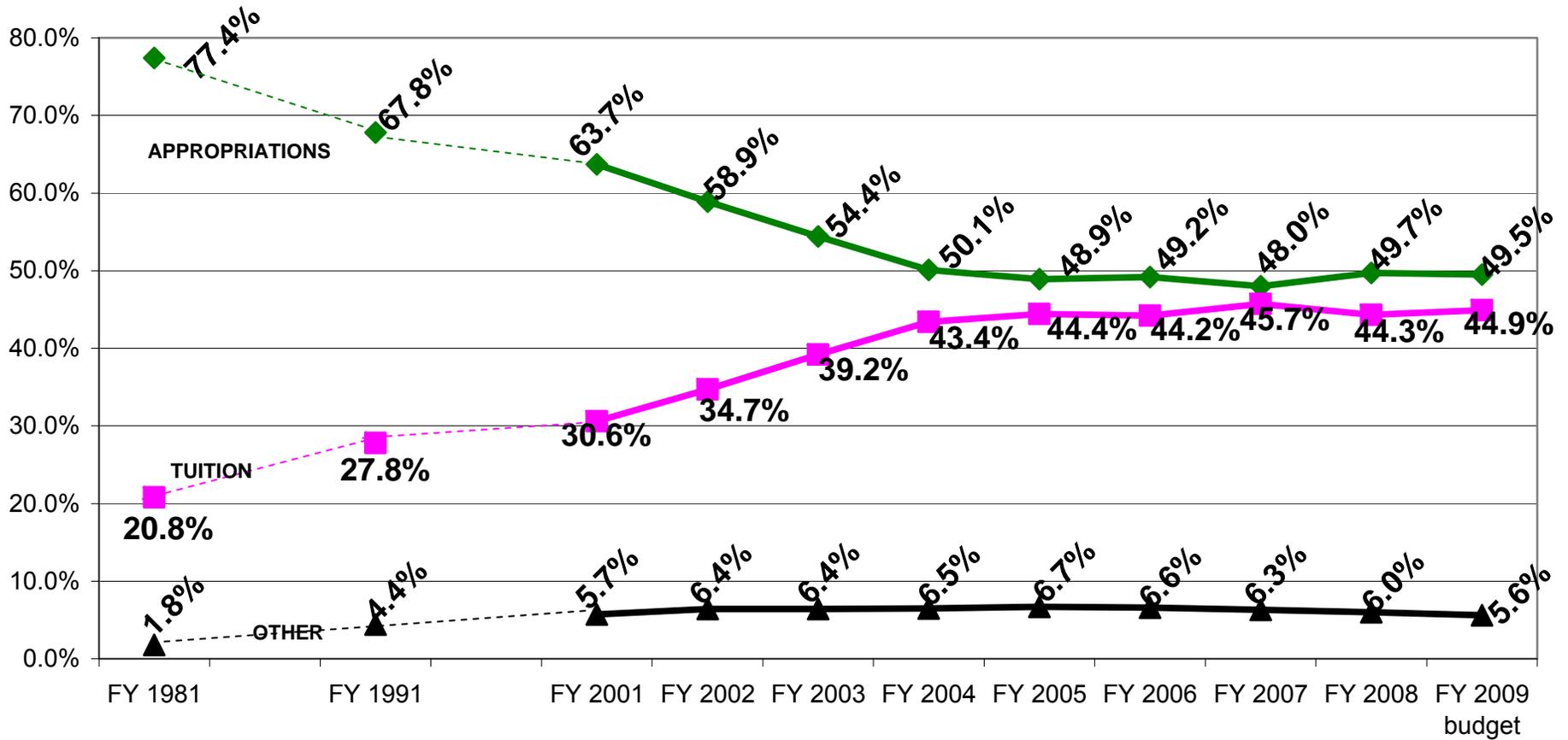
IOWA STATE UNIVERSITY
RESIDENT UNDERGRADUATE FOUR-YEAR COST AND AVERAGE DEBT UPON GRADUATION
1997-98 to 2006-07



UNIVERSITY OF NORTHERN IOWA
RESIDENT UNDERGRADUATE FOUR-YEAR COST AND AVERAGE DEBT UPON GRADUATION
1997-98 to 2006-07



REGENT UNIVERSITY GENERAL EDUCATION FUNDING



Source: Agenda Item 4; September 2007

COLLEGE COST REDUCTION AND ACCESS ACT OF 2007

Federal student aid programs were revised extensively in the College Cost Reduction and Access Act of 2007. The Act includes the following significant components.

- ◆ The fixed interest rate for the subsidized Federal Stafford Loan for undergraduate students will decrease from the current rate of 6.8% to 3.4% by July 2011.
- ◆ Increases in the family income threshold will allow more students from low income families to qualify automatically for an expected family contribution of \$0.
- ◆ A new TEACH Grant, implemented in July 2008, will provide \$4,000 per year to undergraduate and graduate students who teach in shortage areas, such as math, science, foreign language, bilingual education, special education, and other high need areas. Students will be required to teach in one of these areas for at least four years in the eight years following graduation; otherwise, the grant will have to be repaid as an unsubsidized loan.
- ◆ An income-based repayment program and deferments of loan repayment will be available following active military duty.

HIGHER EDUCATION ACT REAUTHORIZATION

The following components of the Higher Education Act (HEA) reauthorization relate to cost and affordability. The summary and analysis were prepared by the American Council of Education.

- ◆ **“College affordability and transparency lists.** Beginning in July 2011, the U.S. Department of Education (ED) will publish national lists for each of nine institutional categories, naming top 5% of institutions with the following information:
 - Highest tuition and fees.
 - Highest “net price.”
 - Largest percentage increase in tuition and fees.
 - Largest percentage increase in net price.

Institutions with large percentage increases in either tuition and fees or in net price will be required to submit a report to ED providing the reasons for the increase and the steps that will be taken to reduce costs. ED will issue an annual report on those institutions and post their reports on the College Navigator website.

- ◆ **Net price.** Net price is defined as the “average yearly price actually charge to a first-time, full-time undergraduate student receiving student aid...after deducting such aid.” Net price is determined by subtracting the average amount of need-based aid provided per aided student from the cost of attendance. While the statutory language provides some guidance, the net price concept is a complex one that raises many issues ED will need to address during implementation.

- ◇ **State higher education spending chart.** ED will annually publish state-by-state information concerning trends in state higher education spending and tuition, fees, and financial aid for students at state institutions.
- ◇ **Net price calculator.** Within one year after enactment, ED will consult higher education institutions and other experts to develop a “net price calculator,” a tool intended to provide students and their families with a more individualized estimate of the net price of particular higher education institutions. Within two years after ED makes the net price calculator available to institutions, each institution must post a net price calculator on its own website. Institutions may choose to use ED’s calculator or may develop their own, provided it contains the same data elements of ED’s calculator.
- ◇ **Consumer information.** Within one year after enactment, ED will post on the College Navigator website 27 categories of information about each institution that participates in Title IV programs, including institutional mission; statistics on applications, admission, enrollment, SAT or ACT scores, transfer students, male and female students, in-state and out-of-state students, racial and ethnic groups, disabled students, degrees awarded, time to completion of degrees, faculty, cost of attendance, and financial aid; alternative tuition plans; and campus safety information. ED will also post on the College Navigator website, in a sortable and searchable format, information on the cost of higher education for each institution that participates in Title IV programs.
- ◇ **Multi-year tuition calculator.** Within one year after enactment, ED will consult higher education institutions, financial planners, and other experts to develop a “multi-year tuition calculator,” a tool intended to help students and their families estimate the amount of tuition they may pay to attend particular institutions in future years, as well as to compare estimates for multiple institutions. ED will make the multi-year tuition calculator available on the College Navigator website, along with a disclaimer noting that the estimate is not binding and is subject to change.
- ◇ **State commitment of affordable college education.** The act adopts a so-called “maintenance of effort” requirement for states. For academic years beginning on and after July 1, 2008, each state must maintain a level of expenditure for public colleges and universities which is equal to the average amount provided for non-capital and non-research and development expenses in the five most recent academic years. ED may waive these requirements in limited circumstances. If a state violates this provision, ED will withhold the amount of any federal grant to the state under the College Access Challenge Grant program until the state has tried to correct the violation.
- ◇ **Pell Grant Program.** The new maximum awards authorized include the following amounts: \$6,000 (2009-10); \$6,400 (2010-11); \$6,800 (2011-12); \$7,200 (2012-13); \$7,600 (2013-14); and \$8,000 (2014-15). The act makes several additional changes to the program. For example, students will be eligible to receive Pell Grants on a year-round basis to foster persistence and reduce time-to-degree. The minimum award is set at 10% of the actual maximum award. Eligibility is limited to 18 semesters or the equivalent. Students who lose a parent to combat in Iraq or Afghanistan are eligible for a maximum Pell Grant.

- ◇ **Veterans.** The act contains a number of provisions designed to assist veterans and their families with postsecondary education. The act directs ED to create a searchable website containing information on financial aid and other benefits and services for military members and veterans. The act also provides a right to readmission for veterans in certain circumstances and modifies the treatment of veterans' benefits in calculating need.
- ◇ **PLUS loan deferment.** The act allows graduate students to receive an in-school deferment on their PLUS loans. Parent borrowers were given this authority in the College Cost Reduction and Access Act.
- ◇ **Financial aid application process.** The act aims to make financial aid application processes and forms more user-friendly for students and parents. Among other changes, it calls for fewer, more understandable questions on the Free Application for Federal Student Aid (FAFSA), requires ED to develop a model format for institutional federal aid offer forms that institutions provide to applicants, and directs ED to develop a system through which students can receive early estimates of the amount of aid they might be eligible to receive.
- ◇ **Dual enrollment.** Effective July 1, 2010, the act permits higher education institutions to admit as regular students persons who will be dually or concurrently enrolled in the institution and a secondary school.
- ◇ **Unit record database prohibited.** The act forbids "development, implementation, or maintenance of a Federal database of personally identifiable information" regarding persons who receive assistance under HEA, attend institutions that receive assistance under HEA, or are "otherwise involved in any studies or other collections of data" under HEA. The act authorizes funding to support the development of statewide student data systems through a pilot program, but it is unclear whether this program will be funded.
- ◇ **Students with intellectual disabilities.** Under the act, great flexibility is granted to waive Title IV eligible criteria related, for example, to grant ceilings, need analysis and satisfactory progress in order to make students with cognitive disabilities eligible for Pell Grants, Federal Work-Study, and Supplemental Educational Opportunity Grant funds.
- ◇ **Textbook cost containment.** Effective July 1, 2010, institutions will be required to disclose in their course schedules, "to the maximum extent practicable," the International Standards Book Number (ISBN) of every required and recommended textbook and supplemental materials and retail price information. Lacking accurate information about the ISBN number at the time the course schedules are set, the institution is permitted to indicate that this information is "to be determined." Publishers are required to provide faculty with information on price, copyright dates of the three previous editions, any substantial revisions between a new edition and prior iterations, whether the textbook is available in any other format and at what price and to supply textbooks in bundled and unbundled formats.

- ◇ **Student loan “sunshine” provisions.** Under the act, the federal government will, for the first time, regulate not only federal student loans but also private educational lending. Although the act takes precedence over ED regulations relating to preferred lender lists and prohibited inducements that went into effect on July 1, 2008, ED will need to reconcile the new statutory requirements with its new rules through the negotiated rulemaking process. Institutions in states with pertinent statutes or regulations may need to comply with state as well as federal requirements because the act does not expressly preempt state laws in the area of student lending ethics. The act requires all institutions that participate in federal student aid programs or that have entered into a preferred lender arrangement to develop a code of conduct covering a wide range of proscribed items. The institution must publish the code prominently on its website and annually inform all officers, employees, and agents with education loan responsibilities of the code.

- ◇ **Disclosures regarding direct loans.** The act requires ED to provide a model disclosure form to institutions that participate in the Direct Loan Program. Such institutions must make certain disclosures regarding the program to students attending or planning to attend the institution (or their families, as applicable) and must provide such information concurrently with any private loan information that the institution offers to a prospective borrower.

- ◇ **Provisions applicable to private student loans.** The act includes provisions related to prohibited conduct, preferred lender arrangement, disclosures to borrowers, and self-certification.

- ◇ **Analysis of endowments.** The act authorizes the comptroller general to conduct a study of amounts, uses, and public purposes of college and university endowments.

- ◇ **Student aid recipient survey.** ED will conduct and publish a survey of student aid recipients at least every four years. Among other information, the survey will describe the impact of the cost of postsecondary education on students’ choice of institution, debt burden, capacity to repay debts, and the effect of debt on course of study and post-graduation plans.”