



Financial Aid at the University of Iowa

The primary mission of the UI's Office of Student Financial Aid is to address the financial needs of students in a way that enables student access to the University of Iowa, facilitates enrollment of a high-achieving, culturally diverse student body, and encourages optimum graduation rates.

The Office of Student Financial Aid has outlined principles for awarding student aid. Assistance is awarded on a first-come, first-served basis to students demonstrating financial need; assistance should be provided to as many students as possible who qualify; students with the greatest need should have a larger percent of their need met by grant/scholarship assistance. All financial aid (institutional, federal, and state) awarded through the Office's guidelines cannot in combination exceed the individual cost of attendance.

Because students come from a variety of circumstances and backgrounds and have differing needs, staff in the Office of Student Financial Aid believe that students seeking an education at the University of Iowa deserve a system of financial support that is stable yet flexible. The current system of support which provides aid through Federal Work-Study, Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Guaranteed Loans, and fellowships and traineeships does allow a flexible response to these needs.

In the 2002 – 2003 academic year, federal assistance to University of Iowa students amounted to \$144,906,164 for 33,241 awards. University assistance to UI students during that same period amounted to \$118,934,029 for 31,819 awards. Examples of University assistance include need-based scholarships; achievement scholarships; long-term loans; teaching/research assistantships; other student employment; corporate/private scholarships/fellowships/assistantships and private loans. State assistance to UI students for that academic year amounted \$1,812,951 for 1,179 awards.

Over the past three decades, the University of Iowa has allocated between 15-17% of tuition dollars toward student aid for undergraduate, graduate and professional students. This allocation is used to support need-based grants and scholarships as well as merit-based scholarships that recognize academic excellence.

At the last Regent's meeting in August, UI staff along with staff from other Regents institutions presented their annual financial aid report. In its executive summary of the report, Regent's staff identified several issues of concern. The University of Iowa financial aid staff would agree that some of those issues identified priorities for the UI. Selected issues include:

- ◆ Major increases are needed in the federal appropriations for federal-campus based programs, such as Supplemental Educational Opportunity Grant (SEOG), Federal Work-Study, and Federal Perkins Loan.
- ◆ Increases in the Federal Pell Grant Program have not kept pace with tuition increases. In 1979, the maximum Federal Pell Grant covered approximately 60% of college costs; in 2004, it will cover only 32%.
- ◆ Funding for Title IV student aid programs (in the Reauthorization of the Higher Education Act) has lagged behind inflation and student need for decades. In constant dollars, the Federal Pell Grant declined by 14% and federal campus-based aid declined by 35% between 1980-81 and 1998-99.
- ◆ Loss of state funding for the Iowa Work-Study Program (approximately \$2 million per year for the last three years) continues to limit the opportunities for on-campus student employment. Studies have shown that students who work on-campus have higher retention and persistence rates than those who work off-campus. This program helped 500 to 600 students annually pay for their college costs and helped reduce the borrowing needs of these same students.
- ◆ Increased funding is needed for all Iowa Grant programs, including the Iowa Grant, State of Iowa Scholarship, and Iowa Minority Academic Grants for Economic Success.

Ensuring access to higher education for all eligible Iowans is a goal for the University of Iowa. Student financial aid is key to that effort, and future issues of the Advocate will include updates on state and federal legislative initiatives related to student aid.

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DID YOU KNOW?

...that during the most recent academic year, approximately 81% of all enrolled undergraduate students received some form of financial assistance? This included need-based and non need-based scholarships, grants, loans and student employment from federal, state, University, and private sources. When undergraduate students are combined with UI graduate and professional students, about 90% of all enrolled students receive some type of financial assistance.

For questions, please contact:
Mark J. Braun

Director of State Relations
105 Jessup Hall | Iowa City, IA 52242 | Tel. # 319-335-0553 | email: mark-braun@uiowa.edu

Iowa's Bioscience Pathway for Development

On August 3, Governor Vilsack released the findings of the Battelle Memorial Institute's "Bioscience Pathway for Development." The findings were released to also coincide with the Board of Regents meeting in Sioux City. In addition to representatives from the Regents institutions, also present were representatives from the business community, commodity groups, individuals from the economic development sector, the venture capital community, community colleges and members of the Iowa Department of Economic Development Biosciences Steering Committee.

This study followed an earlier report outlining Iowa's core competencies and platforms for the development of the biosciences industry. In its report, Battelle identified Iowa national leadership role in the biosciences through three important assets:

- ◆ Iowa is home to world-class biosciences research universities, the University of Iowa and Iowa State University, with supplemental expertise provided by the University of Northern Iowa.



- ◆ Iowa is already home to a diverse range of bioscience companies, including companies involved in biomass conversion, traditional biotechnology, pharmaceuticals and medical devices. A national study released this summer pointed to Iowa's national leadership role in bio-energy, biofuels, and related biomass initiatives.

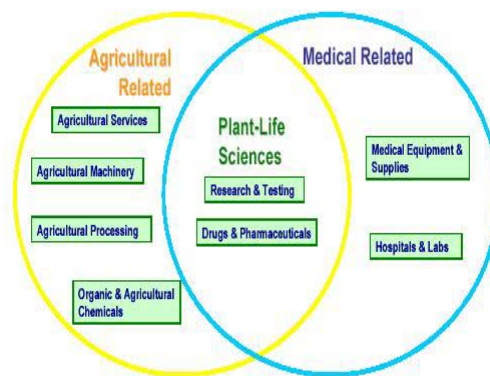


- ◆ Currently, Iowa's employment in the biosciences industry is 24% higher than the national average, with jobs paying \$12,000 more than the state's median

income. This large employment base is concentrated in organic and agricultural chemicals, with a focus on industrial applications geared toward energy, industrial commodities and specialty health products, making Iowa one of only six states able to make these claims.

Battelle's strategic plan emphasizes the need to encourage and facilitate the commercialization of bioscience R&D to enhance opportunities for start-up, emerging and existing Iowa firms while fostering a business environment that supports, sustains, and encourages the growth and sustainability of bioscience firms in Iowa. The Battelle research included over 500 people from interested organizations across the state. The Battelle report indicates its research and experience would anticipate each state dollar invested in this strategic plan to be leveraged 5 to 1 with the other funds coming from federal, industry, and other private sources.

The latest Battelle report will be one several key factors that University staff will consider when conducting strategic planning for future UI economic development efforts. In the coming months, additional details will be provided on the UI's legislative requests and priorities for economic development.



Broadly Defined Iowa Bioscience Industry

Distance Education at the University of Iowa

Distance education opportunities at the University of Iowa ensure high-quality educational opportunities for a number of students who might otherwise not have access to higher or continuing education. Distance education is a formal educational process in which instruction occurs either when and student and instructor are not in the same place, or when face-to-face instruction is provided at off-campus locations. The distance education programming at the University of Iowa is an important resource for Iowans. For example, the Bachelor of Liberal Studies (BLS) provides access to upper division courses for completion of an undergraduate degree by making maximum use of correspondence courses and other distance education offerings. In addition, many continuing education units, such as the University of Iowa's Colleges of Pharmacy, Dentistry, and Nursing supply continuing education courses for working professionals through the ICN and the internet.

At the UI, students are increasingly taking advantage of web-supported instructional delivery through video streaming, web conferencing using audio and video, and most recently the use of two-way audio with white board and application-sharing capability.



In addition to the above, the Regents provide services and programming through three regional study centers: the Quad-Cities Graduate Study Center; the Tri-State Graduate Center, located in Sioux City; and the Southwest Iowa Regents Resource Center, located in Council Bluffs. The Master's in Business (MBA) program is another very effective distance learning venue where faculty from the Tippie College of Business teach students living in Cedar Rapids, Des Moines and the Quad Cities.

Because faculty for distance education courses are frequently drawn from the on-campus faculty, the quality and availability of distance education offerings correspond to the quality and availability of campus courses.

Last year there were 21,811 total undergraduate registrations and 7,642 graduate registrations for credit courses through UI distance programs. In that same year, UI non-credit course registrations numbered 48,275.

Iowa Economic Forecast

In July of 2004, the Institute for Economic Research of the Henry B. Tippie College of Business at the University of Iowa in consultation with the Iowa Economic Forecasting Council released the "Iowa Economic Forecast."



The Board of Regents created the Institute of Economic Research in 1975 to facilitate coherent and continuing economic research, and to establish a formal mechanism for providing interaction with and economic research services to, government and industry. Each quarter, the Institute produces the "Economic Forecast," which contains quantitative forecasts of economic conditions and tax revenues for the State of Iowa, using the latest advances in econometrics.

The forecast utilizes the most recent income data available (first quarter 2004 – January through March) together with revenue data through June 2004. Personal income in Iowa is expected to grow by 4.9% in 2004 and by 4.5% in 2005 (up from 4.8% and 4.4% that was estimated in May). The forecasts for Real Personal Income growth forecasts for 2004 and 2005 were also higher in July (2.8% and 2.4%); May (2.3% for both).

The employment forecast did vary substantially from the May estimate. The forecast for 2004 is for a growth rate of 1.0% in employment, and an increase of 2.1% in 2005. The corresponding numbers for the May forecast were: 1.1% and 2.0%.

The "Forecast" details and figures (26 pages) can be viewed at:

<http://www.biz.uiowa.edu/econ/econinst/jul04IowaEconForecast.pdf>

The Iowa Tax Revenue Forecast (July 2004) can be viewed at:

http://www.biz.uiowa.edu/econ/econinst/jul04_rev_forecast.pdf

The revenue forecast for FY 05 reflects modest income growth coupled with the revenue diminishing effects of tax law changes made prior to 2004 and, most importantly, tax law changes made in 2004. In the latter case, the Department of Revenue estimates that total revenues will be \$62.5 million lower, primarily because of the restoration of the phase-out of sales taxes on utilities.