

FINANCIAL AID ANNUAL REPORT

Itasca Community College

2007-2008

I. Overview of 2007-2008

This year the ICC Financial Aid Office received 1,293 different applications for need-based financial aid as a result of students completing the Free Application for Federal Student Aid (FAFSA). Of those applicants, 969 completed the process and were offered a financial aid package. 893 applicants who completed the process enrolled at ICC for at least one term at various credits levels during the 2007-2008 school year. **Of those who were offered a financial aid package and enrolled, 96% (854) accepted and received payment of financial assistance**—grants, scholarships, loans, employment.

Our office successfully updated all of our web pages, links, and menus to allow for easier access to information/forms for students and parents. Office staff also held several financial aid nights at area high schools during January and February to promote early application processing and promote the college.

The chart below shows the percentage of ICC students who received ANY type of financial aid administered through the college over the past six years. 78% of our enrolled students received some payment from a financial aid program during the 2007-2008 award year. This includes outside scholarships/loans and funding from agencies as well as financial aid based on the FAFSA data. **Total aid received (\$6,732,526) increased 9% over 2006-2007. This substantial increase was due to increased Pell and MN State Grant funding, as well as increased awarding in the Federal Academic Competitiveness Grant program.**

Year	Unduplicated Headcount	Financial Aid Recipients	Percent
2007-2008	1,330* (does not include 136 PSEO students)	1037 (non-PSEO)	78%
2006-2007	1,346* (does not include 201 PSEO students)	898* (non-PSEO)	67%
2005-2006	1,530	1,010	66%
2004-2005	1,456	882	61%
2003-2004	1,511	945	63%
2002-2003	1,504	1,006	67%

II. Financial Aid Facts

Total dollars received by non-PSEO ICC students:	\$6,732,526
Gift Aid (Grants & Scholarships) \$3,248,377 (48%)	
Student Loans \$3,179,907 (47%)	
Work-Study Employment \$ 304,242 (5%)	
Students receiving financial aid:	1037

III. More Gift Aid at ICC than at Other Minnesota Schools

Financial aid is made up of two types of assistance – gift aid and self-help aid. Gift aid (grants and scholarships) is awarded on the basis of need, merit, or both. Self-help aid is student loans, which must be repaid, and student employment where students earn part of their financial aid by working part-time. Some self-help aid programs are based on need while others are not need-based.

ICC students receive a higher percentage of gift aid than students attending other Minnesota schools. This is confirmed in a Minnesota Office of Higher Education study published in September, 2006 showing financial aid for FY05. It indicates that ICC students are able to complete their first one or two years of college with more gift aid and less borrowing than students attending most other schools. This study is done every two years and will be completed again in September 2008. The chart below indicates our favorable gift aid position:

<u>Schools</u>	<u>Gift Aid</u>	<u>Loans</u>	<u>Work-Study</u>
Itasca Community College	55%	41%	4%
All Minnesota Schools	42%	56%	2%
MnSCU – Two-Year Schools	42%	55%	3%
MnSCU – Four-Year Schools	27%	70%	3%
Private Not-for-Profit Schools	54%	44%	2%
University of Minnesota	41%	57%	2%

Annual funding from the Blandin Foundation along with increased scholarship assistance from the ICC Endowment and from private sources has allowed us to keep our percentage of gift aid high. These **non-government resources account for 19.8% of our total financial aid**. Federal aid represents 66.8% of all ICC financial aid while state aid makes up 13.4% of the total.

IV. Future Trends

- With substantial housing, transportation, and modest tuition increases the past two years, financial aid applications will continue to increase as more students will require additional funding to attend. More students will choose to attend community colleges to avoid higher costs four year schools. FAFSA applications are already up by 100 for the 2008-2009 school year at the time of this report.
- Loan indebtedness, specifically in the Unsubsidized Stafford Loan, will increase substantially in 2008-2009 as federal loan limits have increased for first and second year students by \$2000 per student. Loans will likely overtake grants as the largest type of funding for ICC students, following state and national trends unless legislators continue to increase funding for key programs like the Federal Pell Grant and the Minnesota State Grant. In 2007-2008, loans were 47% of total aid at ICC compared to 28% seven years ago in 2001-2002.

- Student loan default rates may increase as student indebtedness increases with new loan limits. ICC will continue to reinforce student's understanding of their rights and responsibilities as borrowers through education and required entrance and exit counseling sessions.

FFEL (Stafford/PLUS loan) default rate:

8.5% for FY06
 4.9% for FY05
 8.4% for FY04
 7.4% for FY03
 7.9% for FY02
 9.2% for FY01
 10.2% for FY00
 8.1% for FY99

Perkins Loan default rate:

not yet published for FY07
 6.67% for FY06
 8.4% for FY05
 8.6% for FY04
 12.1% for FY03
 3.12% for FY02
 0.0% for FY01
 17.0% for FY00

- Electronic processing of information will continue to increase as students use real time PIN's as "electronic signatures" to complete FAFSA applications, make corrections, and sign promissory notes as well as access their financial aid history. **For 2007-2008, 96% of all ICC student FAFSA forms were completed on the web.** The U.S. Department of Education has discontinued sending paper FAFSA forms to schools.

Financial Aid Goals for 2008-2009

Our staff has determined that the following will be our priorities during the upcoming year:

- Continue implementation of Image Now software to eliminate paper files. – Nathan, Allison, and Theresa
- Prepare for One Stop concept for ICC Student Services (combining Records/FA/Admissions). – Nathan, Allison, and Theresa
- Work with Admissions/Records to create a better admission/registration/financial aid flow for new students – Nathan
- Create clearer communication with students through creation of a budget worksheet as part of award letter – Nathan/Allison
- Visit additional high schools for financial aid nights with scholarship incentives (courtesy of the Blandin Foundation) - Nathan/Allison/Theresa

Nathan Wright, Financial Aid Director
 Allison Geisler, Assistant Director
 Theresa Troumbly, Financial Aid Secretary

ICC Financial Aid Web Page – www.itascacc.edu & Click on "Costs and Financial Aid"