Financial Aid Office

ANNUAL REPORT
2014-2015
FROM THE DIRECTOR

On behalf of the Financial Aid Office (FAO), I am pleased to present the annual report for the 2014-15 academic year. Four functional departments (Accounting, Counseling, Operations, and Systems) within our office contributed to achieve our goal of providing access, recruitment, and retention at the University of Utah, by processing applications and delivering financial assistance totaling over $185 million, in the form of grants, work-study, and loans.

The economy and amount of funds available from Federal, State and Institutional sources had an impact on the amount of aid disbursed to students for this past academic year. As the economy improves, some students are less likely to qualify for some grant aid and demand for some loans have decreased. Nonetheless, students’ demand for financial assistance continues to remain strong. Grant disbursements decreased by approximately 1.8 million dollars (primarily Pell Grant), and the loan programs reduced by about 3.9 million dollars (primarily Alternative Student Loans) from the previous year. Considerable time, effort, and budget dollars were expended this year to train personnel and implement enhancements designed to improve student access to financial aid.

The following employees either received degrees or contributed to for institutional, state, regional and national organizations:

- Marc Gangwer: Family and Consumer Studies, University of Utah
- Leila Ames: Presenter at UASFAA Conference
- John Curl: UASFAA President
- Chelsea Springer: UASFAA Secretary/Treasurer, FAFSA Campaign
- Stephanie Charles: Diversity Council
- Hayley Shipton: UASFAA Program Committee, FAFSA Campaign
- Courtney Maxfield: UASFAA Program Committee, Enrollment Management Onboarding Committee, FAFSA Campaign
- Matt Taylor: Enrollment Management Onboarding Committee
- Tricia Alexander: Economics, University of Utah, FAFSA Campaign
- Karen Henriquez: Training Committee, FAFSA Campaign
- Heather Hansen: FAFSA Campaign
- Kayla Mc Cloyn: FAFSA Campaign
- Natalie Zaelit: Professional Development Committee

Each year, financial aid administrators and other members of the profession anxiously await the publication of the national and local default rates. According to data released by the U.S. Department of Education, the rate at which University of Utah student borrowers defaulted on student loans for the 2012 fiscal year is 3.2%, which is .7% less than the previous year, which is approximately an 18% decrease from the previous year. The Department of Education has transitioning from a 2-year to a 3-year cohort default rate 3 years ago. The university’s 3-year default rate for the 2010 cohort was also 3.9%. The University of Utah’s percentage continues to remain below both the national and state levels. The table illustrates Cohort Default Rates for current and previous years.

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>11.8%</td>
<td>13.7%</td>
<td>14.7%</td>
</tr>
<tr>
<td>National 4-Yr Public</td>
<td>7.6%</td>
<td>8.9%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Utah</td>
<td>9.9%</td>
<td>11.4%</td>
<td>11.9%</td>
</tr>
<tr>
<td>University of Utah</td>
<td><strong>3.2%</strong></td>
<td><strong>3.9%</strong></td>
<td><strong>3.9%</strong></td>
</tr>
</tbody>
</table>
Key Activities

The main focus for the Financial Aid Office at the University of Utah consists of helping students gain eligibility, maintain eligibility and, in some cases, regain eligibility for Federal, State and Institutional financial aid. The following are key activities our office provides:

- Outreach presentations to student, parents and others
- Provide Information to student and parents through email and mail
- One-on-one meetings with students and parents
- Assist with application completion
- Determination of eligibility for Federal, State and Institutional Aid
- Award Aid to eligible students
- Maintain compliance with Federal, State requirements for participation in programs
- Review appeals for exception to policy regarding Federal Aid
- Disburse funding to students

Goals

As the economy improves overall, the population of students that utilizes our services changes as fewer qualify for grants and less loan funds are requested. Some factors outside our control will impact the following numbers. However, many students still must gain Federal, State and Institutional Aid to attend the University of Utah. We have focused our goals on helping to shape the entering class of students and trying to provide seamless navigation through the process.

Our first goal relates to shaping the class through increasing the number of application received for the overall student population, undergraduate population, entering freshman and entering transfer. Much of our efforts will be reflected in the upcoming year 2015/2016. While 2014/2015 was down from 2013/2014, our numbers for 2015/2016 are keeping pace with last year and in some categories we are running ahead. We hope to show that our entering freshman and transfers will be up from the 2014/2015 numbers.

Number of FAFSA Applications

![Number of FAFSA Applications](chart.png)
The numbers reported for entering freshman and entering transfer student are for students that were admitted to the university. They do not reflect any student that was denied admission. It is interesting to note that entering transfer student apply at a greater rate than entering freshman. While the percentage of undergraduate to overall application decreased this year over last year, the percentage of entering freshman and entering transfers are more than the previous year.

Our next goal was to increase the number of first generation student who submit the FAFSA.

The data illustrates that we have more first generation students who are entering transfer than entering freshman. We hope through our efforts of encouraging students to apply for the FAFSA for 2015/2016, we will see these numbers increase over 2014/2015.

Our next goal relates to increasing number of Pell Grant recipients. Pell Grants is the largest fund that is available to eligible grant funding. While we may be able to increase the number of applications, Federal, State and Institutional budgets constraints may restrict the funding of these students. The data shows we have fewer students meeting eligibility for Pell Grant funding.
We are hopeful that we will see increases in these areas for the 2015/2016 year. Much of our outreach and communications efforts were focused on increasing 2015/2016.

The following table will show the disbursement totals for the past three complete award years as it relates to grants, work study and loans:

<table>
<thead>
<tr>
<th></th>
<th>Grants</th>
<th>Work Study</th>
<th>Federal Loans</th>
<th>Alternative Loans</th>
<th>Institutional Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/2015</td>
<td>$34,052,565</td>
<td>$1,388,181</td>
<td>$138,697,853</td>
<td>$8,779,788</td>
<td>$477,357</td>
</tr>
<tr>
<td>2013/2014</td>
<td>$35,839,031</td>
<td>$1,433,811</td>
<td>$137,430,497</td>
<td>$12,291,200</td>
<td>$2,135,500</td>
</tr>
<tr>
<td>2012/2013</td>
<td>$36,039,263</td>
<td>$1,407,502</td>
<td>$147,899,000</td>
<td>$10,538,180</td>
<td>$343,875</td>
</tr>
</tbody>
</table>

The Grant decrease relates to fewer students qualifying for Pell Grant. The Pell Grant totals were about 1.4 million less than the year before. The other grants decreased over the previous year because of loss of funding. More Federal Loan funds were requested last year over the year before, while fewer institutional and alternative loans were needed. We had fewer dollars spent in the Work Study program, but we had 422 students earning Work Study funds in 2014/2015 verses 413 earning funds in 2013/2014.

Our next goals related to helping to provide seamless navigation for the students.

Our first goal relates to the elimination of the Uform. The Uform is an institutional form that helped our office package a student with aid based on the data provided by the student. Traditionally, our office had requested that a student complete a FAFSA and the Uform to be awarded. For 2015/2016, our office did not require the Uform and we relied on data from FAFSA and other sources to package the student properly. This eliminated time for the student and confusion regarding the Uform. We found that we packaged nearly 4,000 more students than the year before. This helped more of our students to be aware early of funding possibilities. This will not be monitored for future years, since it will no longer have a comparison.

The next goal relates to encouraging students to sign up for direct deposit for their financial aid remainder checks. Some students receive aid in excess of tuition charges to pay for housing, books or other educational expenses. Therefore, they receive a remainder check. If a student requests to have it direct deposited into his/her bank account it eliminates days from the process and eliminates a number of cost associated with producing checks. During this 2013/2014 year, we made it possible for students to sign up for direct deposit while completing their financial aid award letters. During the 2013/2014 award year, 549 students signed up for direct deposit while completing their award letters. For the 2014/2015 award year 5,758 have completed the request. This is a substantial increase and represents cost savings for the institution, but also represents the student having access to the remainder check days quicker than a paper check.

The next goal was to provide data for students to provide Financial Needs Analysis through the self-service of CIS. Over the past several years, more and more agencies are requiring Financial Needs Analysis from our school to access resources for the student. Much of the increase has come from housing agencies that provide low income housing. Our office developed an on-line Financial Needs Analysis that a student can print for the agency. This reduces time the student has traditionally had to wait for our office to produce the form. Consequently, they can access the data and provide to the agency in real time. Unfortunately, we are not able to measure how many times this is accessed by our students. Consequently, we will remove it from our report in the future.
Our next goal relates to assisting our students who graduate or leave the institution to stay out of default on their student loans. As has been illustrated our default rate is relatively low, but we want to provide all of our students with the necessary information to avoid the crippling impact of defaulting on student loans. Consequently, during the past year, our office has contracted with UHEAA (Utah Higher Education Assistance Authority) to communicate and provide resources to our students who are delinquent on their student loans. During the last 6 months, UHEAA has made 7,275 phone calls, sent 5,313 text messages, and sent 11,614 emails to our students to help them stay out of default. The results can be seen in our low default rate. Projections for this next year are at about 2.8%. Hopefully, in the coming years, we will see our default rate continue to lower. As previously noted, we are consistently below national and state averages.

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>National</td>
<td>11.8%</td>
<td>13.7%</td>
<td>14.7%</td>
</tr>
<tr>
<td>National 4-Yr Public</td>
<td>7.6%</td>
<td>8.9%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Utah</td>
<td>9.9%</td>
<td>11.4%</td>
<td>11.9%</td>
</tr>
<tr>
<td>University of Utah</td>
<td>3.2%</td>
<td>3.9%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

Our staff has attended over 60 outreach events this past year. Some of these events are on campus, while most are in the community. We are hopeful that we will be able to increase this number over the coming year by partnering with community partners. In addition, we plan to track participates at these events. At these events, we are specifically encouraging students to apply for Federal Financial Aid and to hopefully attend the University of Utah.

Finally, we began providing walk-in appointment for students and parents. During the past several years, we have provided walk in appointments the first few weeks of each semester. We have received very positive feedback from students, parents and staff. Unfortunately, we have not had the staff to maintain that throughout the year. However, we feel we now have the resources to provide this service year around for our students. We began this for Spring Semester 2015. We have developed a survey that is sent to individuals utilizing this service. The response has been very positive, however we have received feedback that will help us continue to improve. The following are the responses in the “satisfied” range according to the various questions:

We have identified some areas of growth and are excited to work with our staff and students to improve these numbers over the coming year. The following are some comments from our students regarding the changes:

“Your department has been getting a lot better at providing clear and helpful information, thank you for the hard work, the U of U students appreciate you making things easier and more clear”
Plan for the Future

Over the coming months, our office will have a number of opportunities to encourage students and parents to apply for aid through the FAFSA. We want to encourage all who are eligible to apply to complete the FAFSA. We plan to continue to have a Financial Aid Awareness week that we started last year. We will be looking for partners (ASUU) to assist with this event. We will continue to look for other partners and opportunities to help more students complete the application. This will not only require our current staff to conduct the events, but also funding to provide a quality event.

The previous data shows that transfer students tend to have greater need and tend to be first generation. Consequently, we will begin to provide some more targeted communications to this population. Hopefully, we will be able to help guide them through the process that may differ from their previous school. While, we can send these students emails, they may need other materials to assist them. For 2015/2016, we sent specific award letters for entering freshman students. This next year, we hope to send similar information to Transfer Students.

We have implemented a new phone system that will help us monitor our phone calls and transfer them to the appropriate employees. Unfortunately, we do not have the data to report on the system yet. We will report on this during the next report.

The Perkins Loan fund has expired. Not only will it eliminate about 4 to 5 million in funds from our students, but it will also decrease the operating funding for our office. Approximately $200,000 in funds will be lost from our budget with the elimination of the Perkins Loan fund. At this point in time, it is unlikely that the program will continue beyond this year other than being able to continue to fund “grandfathered” students. The US Congress will have to enact specific legislation for it to continue.