

Strategic Issues:

- In 1999, the Iowa Tuition Grant program that provides grants to the private institutions in the state received a 7% increase in its funding totaling \$45 million.
- With the induction of Governor Tom Vilsack, the state fully-funded its community-college system for the first time in state history, a campaign promise that Vilsack made during his 1998 gubernatorial campaign.

Summary

- *Exemplary Access:* Iowa's high school graduation rates were substantially higher than the national averages during the 1990s (between 16 and 21 percentage points higher) and the college enrollment rates for high school graduates were higher than the national averages as well.
- *System Issue:* Iowa maintained moderate tuition (lower than the national average most years) and moderate grants (slightly higher than the national averages most years). The rates of freshman enrollment in two-year colleges were similar to the national averages during 1998 and 2000, but a slightly higher than average percentage of resident freshmen enrolled in private colleges. The state's student aid system gives qualified students the opportunity to enroll in private colleges which helps the state realize efficient use of tax dollars.
- *Opportunity:* Access could be further improved by increased investment in state need-based grants, and the state would benefit from the proposed partnership between states and the federal government on need-based grant aid.

Access Indicators*High School Graduation Rates* (Table 15.1)

Although the rates of high school graduation fluctuated several percentage points across the decade, they were substantially and consistently higher than state averages. From 1992 through 1996, the graduation rates declined from 88% to 85%. However, in 1998, they rose to 89%, yet declined again to 83% in 2000.

College Enrollment Rates (Table 15.1)

Like the high school graduation rates, college enrollment rates fluctuated erratically over the decade. In 1994, the percentage of high school graduates attending postsecondary institutions increased two percentage points to 64% but dropped to 60% in 1998. In 2000, the rate increased to 65%. Iowa's college enrollment rate was consistently above the national average throughout the decade, ranging from three to eight percentage points above.

State Demographics*State Demographics* (Table 15.2)

Throughout the 1990s, poverty rates in the state were lower than the national averages by at least two percentage points. In addition, poverty rates in Iowa declined throughout the decade. In 1992, 12% of Iowans lived in poverty, but by 2000, this percentage fell to 7%. By 2000, Hispanics and African-Americans were the largest minority group at 2%. The segment of the population that possesses bachelor's degrees or higher increased throughout the decade. In

1992, 18% of Iowans had four-year degrees. By 2000, the percentage of college-educated Iowans increased to 26%, surpassing the national average for the first time in the decade.

Financial Indicators

System Composition (Table 15.3)

There was little change in the distribution of Iowa's college students among the state's four-year public, two-year public, and private institutions. In 2000, 40% of Iowa's students were enrolled in Iowa's public four-year institutions, and nearly equal percentages were enrolled in public two-year and private institutions. Student enrollment in two-year institutions increased slightly throughout the decade at the same time that enrollment in public four-year and private institutions declined. Enrollment in private institutions in the state was consistently above the national average.

Financial Capacity (Table 15.4)

Tax rates decreased from 8% in 1992 to 7% in 2000. In comparison with other states, Iowa's tax rate was on par with the national average for most of the decade, but in 2000, the rate fell slightly below the national average for the first time in the decade. Iowa increased K-12 expenditures per student incrementally throughout the 1990s. In 1992, the state spent \$3,624 on K-12 funding per student, and this amount increased to \$3,864 by 2000. Funding increases reduced the differential between the state and national averages. In 1992, Iowa was \$903 below the national average on K-12 expenditures, but as of 2000, the state's K-12 expenditures lagged behind only \$329.

Educational Revenue (Table 15.5)

Iowa public institutions received higher appropriations than the average throughout the decade from local and state sources. In 1992, public institutions were appropriated \$7,435 per FTE through these two sources, and this amount increased to \$8,333 per FTE in 2000. Although the differential grew smaller as the decade progressed, Iowa's appropriations for the public system of higher education were at least \$838 higher than the national average at every interval of time.

Tuition and Fees (Table 15.6)

As was the trend with other states, tuition and fees in Iowa increased steadily throughout the decade. In 1992, public institutions charged \$2,343 for enrollment, and this amount increased to \$2,678 in 2000. However, tuition and fees in Iowa were close to the national average most years. As of 2000, Iowa's tuition and fees fell only \$50 below the national average.

Need-based Grants (Table 15.6)

The average need-based grant in Iowa was slightly higher than the national average every interval in the decade with the exception of 1994. The average need-based grant was \$381 in 1994 and despite increases in 1996 and 1998, fell to \$394 in 2000. As of 2000, the state need-based grant was \$28 higher than the national average.

Non-need grants (Table 15.6)

Non-need grants were not well-funded in the state. With the exception of 2000, Iowa students received an average of \$5 per FTE in non-need based grants throughout the decade. In 2000, the average grant decreased \$5 per FTE to \$4 per FTE, falling \$110 short of the national average for that year.

Projections

Coordinated System of Grants (Table 15.7)

Had Iowa increased its need-based grant aid, given tuition charges, 300 more students would have graduated from high school, an increase of less than one percentage point. Of the state's high school graduates, 1,100 more students would have attended postsecondary institutions in the state.

Federal Grant Program Prospectus (Table 15.7)

In addition, had the federal government provided incentives for Iowa to provide adequate grant aid equaling one-quarter of the tuition on top of current state aid, 800 more high school students would have graduated, an increase of two percentage points. An additional 3,100 high school graduates would have enrolled in postsecondary institutions, an increase of seven percentage points from the current college continuation rate.