



[SF 2361](#) – Student Debt Reduction (LSB5982SV.2)

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Fiscal Note Version – As Amended and Passed by the Senate

Description

[Senate File 2361](#), as amended and passed by the Senate, requires that undergraduate students enrolled at the State universities who will graduate on or after July 1, 2019, complete a financial literacy course prior to graduation.

The Bill requires that the Board of Regents develop and implement a policy to provide certain information to each undergraduate student who has declared an intention to pursue a degree program at a State university. The information must be provided annually and be based on the most recent available data regarding graduates of the selected degree program, including:

- The employment rate of program graduates one year after graduation.
- The percentage of graduates who entered a postgraduate degree program within one year of graduation.
- The average starting salary of program graduates.
- The average student debt upon graduation for graduates completing the program.

The Bill also requires the Board of Regents to develop and implement a policy to provide undergraduate students enrolled in degree programs with information that would facilitate the students' ability to complete their selected programs in three academic years.

Background

All three State universities currently require all incoming students, including transfers, to participate in programming that includes financial literacy. At the University of Iowa and Iowa State University, the program is mostly online. The University of Northern Iowa's program combines online and face-to-face components. None of the programs are credit-bearing.

Assumptions

Financial Literacy Course — Because the financial literacy course required by [SF 2361](#), as amended and passed by the Senate, is not credit-bearing, the universities would be able to use existing faculty, staff, and resources to continue to develop the current financial literacy programs required for all incoming students.

Employment and Student Debt Information — The cost of this provision would depend, in part, on the policy developed and implemented by the Board of Regents. The information required to be disseminated is already available but would need to be analyzed and updated more frequently. This work could result in shifting staff away from current responsibilities in the areas of institutional research, communications, academic affairs, career services, and financial aid.

Three-Year Completion Information — The Board of Regents does not anticipate additional costs related to this provision of the Bill. Advisors would receive training to ensure that students are provided with the required information.

Fiscal Impact

[Senate File 2361](#) may result in increased costs associated with staff time to provide the employment and student debt information required in the Bill. These costs cannot be estimated without additional information.

Source

Board of Regents

/s/ Holly M. Lyons

March 12, 2018

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
