

Education is the key to economic growth and development in Iowa, the nation and across the world. The USA – and particularly Iowa – has long been recognized as leaders in the development of intellectual capacity.

An annual survey by the Higher Education Research Institute reports that nearly eight out of ten first-year students believes that purpose of college is to qualify for a better job and increased earnings. U.S. Census data confirms that college educated Americans earn more and have lower unemployment rates than those with only high school or less than high school educational experiences. On average, those with bachelor's degrees earned three times as much in 2003 while experiencing only one-third the average unemployment of individuals who did not graduate from high school.

Educational Attainment
Average Income & Unemployment
2003

	Avg. Income	Avg. Unemployment
Not a High School Graduate	18,826	8.7%
High School Graduate	27,280	5.1%
Some College	31,046	4.3%
Bachelor's Degree	51,194	2.9%

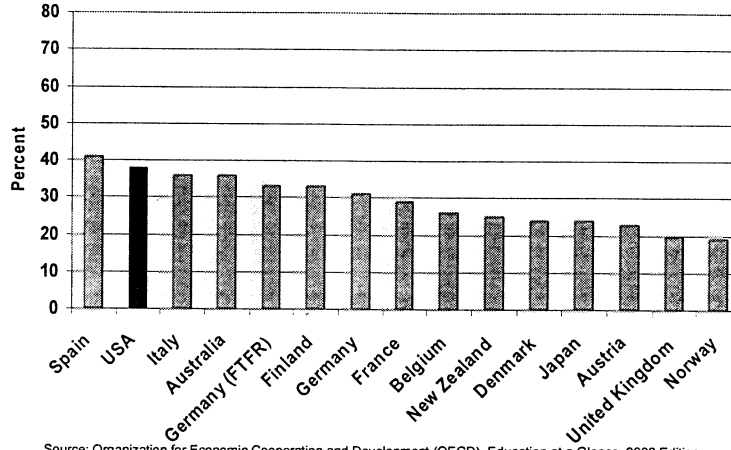
Citizens who have earned college degrees are the basis of Iowa's "intellectual capital."

These high levels of intellectual capital provide the foundation for our state's economic development and for the preferred quality of life for our citizens.

In recent years other countries have become more aware of the importance of higher education to the extent that today our nation is not first, but 15th in terms of students served. **(Figure 1)** As the economy becomes increasingly more global, with a greater

In 1991 the U.S. ranked 2nd in college participation.

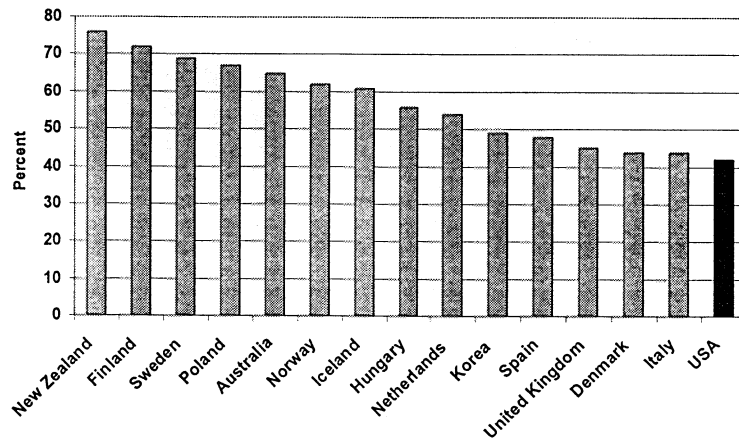
Net Entry Rates into Tertiary Education, Type A (3-4yr)
Top 15 OECD Countries in 1991



Source: Organization for Economic Cooperation and Development (OECD), Education at a Glance, 2003 Edition

In 2001 the U.S. ranked 15th in college participation.

Net Entry Rates into Tertiary Education, Type A (3-4yr)
Top 15 OECD Countries in 2001



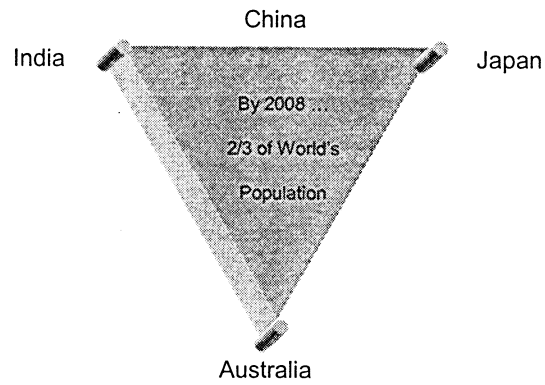
Source: Organization for Economic Cooperation and Development (OECD), Education at a Glance, 2003 Edition

concentration of the world's population in the India, China, Australia triangle, **(Figure 2)** it is imperative that we continue to efficiently use public and private resources to allow students of all ages access to the higher education experience best suited to their talents, needs and continued development. Iowa has been a national leader in the provision of quality college graduates and Iowa's independent colleges and universities play an important role in this process.

Each year our institutions provide from 44 – 47% of the BA degrees and 32% of the graduate and professional degrees granted in Iowa. **(Figure 3)** These numbers would not be possible without the assistance of state support for financially needy Iowa students through state student financial aid. There are three state programs focused solely upon students attending an Iowa independent college or university. There are two programs designed to incentivize medical students attending Des Moines University (DMU) to practice in Iowa. One program, the Physician's Recruitment Program, is a partnership between Des Moines University, individual communities and the state. This program initiated in 1994 has placed 80 doctors in 58 communities across Iowa. The program includes a \$40,000 grant and \$80,000 forgivable loan for four years of service in a participating rural Iowa county of 10,000 residents or less. Five to seven of these program placements are available each year. A map of the counties currently served is attached. **(Figure 4)**

The second program is the Osteopathic Forgivable Loan program which was instituted in 1990. Over the years more than 780 students have participated or are currently in this

Where will People and Brainpower be Located?



Completions By Type of Institution 2003

2003 Undergraduate Completions

Total 4-yr Completions	22,536
% Independent Colleges & Universities	45.0%
% Regents	55.0%
Total Completions	36,416
% Independent Colleges & Universities	31.0%
% Regents	34.0%
% CC	35.0%

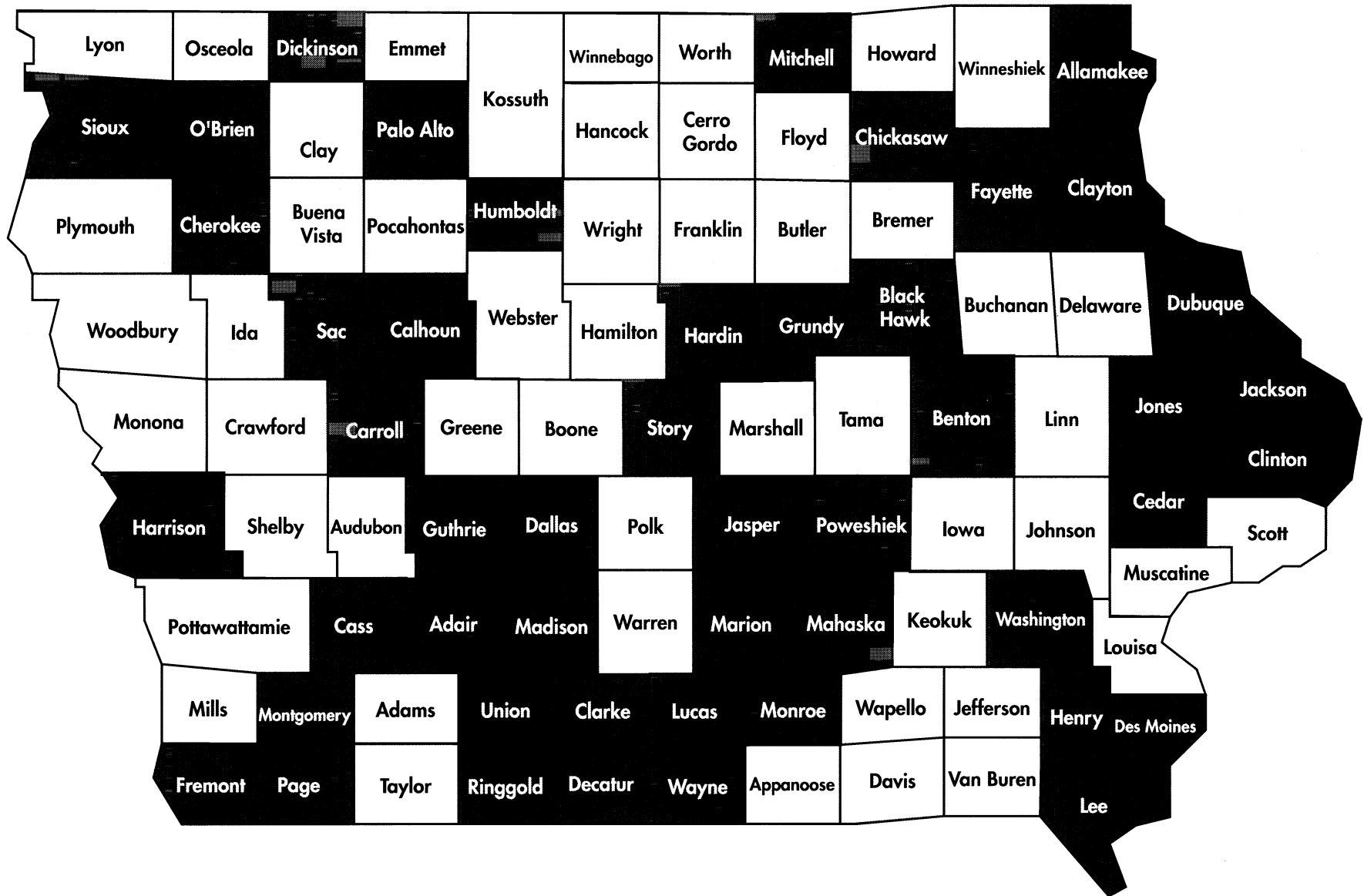
2003 Graduate Completions

Total Completions	5,939
% Independent Colleges & Universities	37.0%
% Regents	63.0%

2003 Total Completions

Total Graduate, Undergraduate & Associate	42,355
% Independent Colleges & Universities	32.0%
% Regents	38.0%
% CC	30.0%

Physician Recruitment Program



80 physicians are practicing in 48 counties

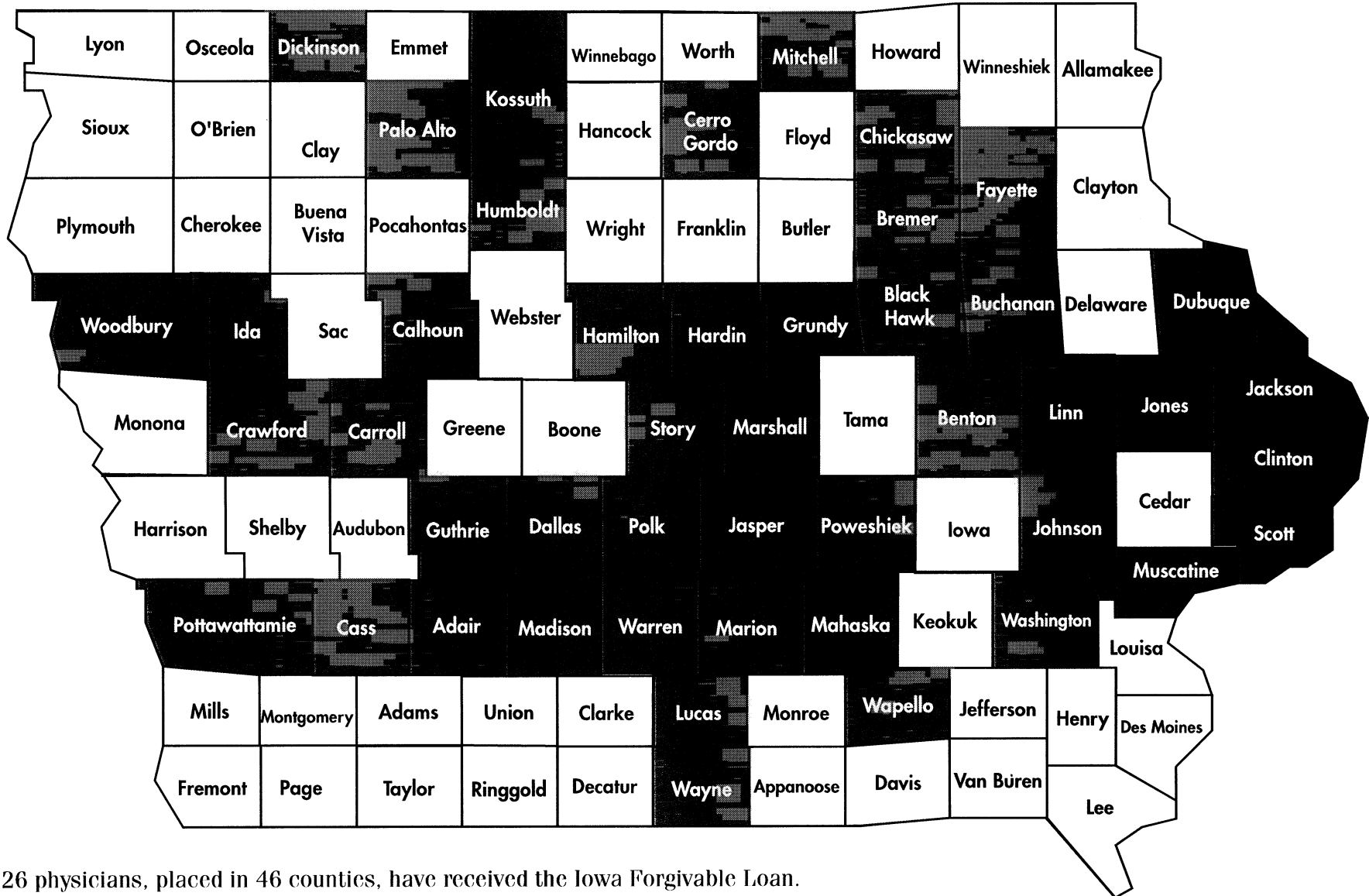
program. One hundred twenty-six have elected to practice in Iowa, 59 are presently in residency and 80 are paying or have repaid their loans with interest. These doctors are joined by nearly 700 other graduates of DMU currently practicing medicine in Iowa. The accompanying map (**Figure 5**) identifies the 87 counties in which these doctors practice. Not only does the presence of these doctors in the community enhance the medical services available, it also raises the economic climate in the community in which they locate as citizens needing medical services tend to migrate to communities with a doctor for their other service and purchase needs. Attached to this report are more complete narratives describing each of these programs.

Since its inception in 1970, the Iowa Tuition Grant (ITG) has been the model for efficient public/private partnership in undergraduate higher education across the entire nation. Last year legislative action formalized the partnership by requiring all eligible institutions to provide at least a 75% match of ITG funds received for their ITG recipients. Over the years the member institutions of IAICU have continually worked to help students from diverse social, ethnic, and economic backgrounds realize their intellectual, social and cultural potential.

Some of our member institutions are more selective than others. Some attract students to their campus for one or two years because of religious connections and some have long been dedicated to the provision of educational services to a disproportionate number of “high risk” students. **Figure 6** reflects the four-year completion statistics of the

Des Moines University Iowa Forgivable Loan Program

by County



126 physicians, placed in 46 counties, have received the Iowa Forgivable Loan.

IAICU Four - Year Graduation Rates

Institution	% Receiving Pell	Graduation Rate
Grinnell College*	13.3%	79.9%
Luther College*	20.1%	68.5%
Wartburg College*	26.1%	67.1%
Coe College*	24.2%	63.5%
Cornell College*	26.7%	62.8%
Drake University*	21.4%	61.2%
Central College*	29.5%	59.8%
Dordt College	30.3%	57.4%
Loras College	25.8%	56.7%
Clarke College	28.1%	55.1%
Simpson College*	26.2%	54.2%
Northwestern College*	34.7%	50.5%
Allen College	34.3%	50.0%
St. Ambrose University	25.4%	48.4%
Morningside College	40.8%	47.3%
Briar Cliff University	36.3%	45.4%
Buena Vista University	46.6%	43.9%
Upper Iowa University	31.2%	31.6%
Graceland University	22.5%	29.8%
Grand View College	34.2%	26.5%
Maharishi University of Management*	39.0%	22.2%
William Penn University	39.9%	21.4%
University of Dubuque	49.1%	20.1%
Iowa Wesleyan College	47.9%	20.0%

* Listed in Peterson's Competitive Colleges Guide, 2005

baccalaureate degree granting IAICU member institutions. As previously mentioned, some institutions' four-year completion numbers are disproportionately skewed.

Among the reasons for these enviable four-year completion records is the personalized attention, academic counseling (including career planning), faculty attention to the individual and, of course, the Iowa Tuition Grant is limited to eight semesters or four years. Following graduation, about 65% of the Iowa student graduates remain in the state for their first job or further education and nearly 15% of the non-resident graduates also elect to locate in Iowa.

Most of you have heard these statistics many times before as we have proudly trumpeted the efficient return the state's investment in the Iowa Tuition Grant consistently delivers. A 2003 Iowa College Student Aid Commission longitudinal study suggested that four-year graduates who received tuition grants earned substantially greater incomes than high school graduates across 17 years of the study time frame. By the eighth year in the workforce, the Iowa Tuition Grant recipients were earning 32% more than the average for the Iowa population. The study results suggested a longitudinal profile that showed a pattern that is parallel and greater than the average for all Iowans. While the 2003 study provided information that had not been previously explored, the study was limited to information on wages and other income earned by past recipients. There was a further need to explore the recipients' participation in community and business activities after graduation.

Today, in addition to the data regarding Doctors of Osteopathy remaining in Iowa, I want to call your attention to the results of a joint research project of the Iowa College Student Aid Commission (ICSAC) and the Iowa Association of Independent Colleges and Universities (IAICU) completed in the fall of 2004. Twelve hundred 1990 ITG recipients from three IAICU member institutions were randomly selected to receive a mailed questionnaire. Recipients were asked to complete and anonymously return the questionnaire without the promise of any reward or compensation. As of this week, more than 400 completed questionnaires have been received.

The findings are presented in the context of five contributing factors: (1) importance of the tuition grant, (2) community participation, (3) career choices, (4) contributions to Iowa business activities, (4) location in Iowa. The effectiveness of the Iowa Tuition Grant is demonstrated in areas that were previously unknown.

Follow-up Study of Iowa Tuition Grant Recipients

Executive Summary

a project of

Iowa College Student Aid Commission

and

Iowa Association of Independent Colleges and Universities

February, 2005

Iowa Tuition Grant Follow-up Survey

In the Fall of 2004, the Iowa College Student Aid Commission, the Iowa Association of Independent Colleges and Universities, and three Iowa independent colleges partnered for a study designed to explore the contributions to economic and civic sectors of the society. Survey forms were sent to tuition grant recipients who attended the three participating colleges and universities in 1990. Thirty-three percent of the universe of recipients responded to the survey by January 28, 2005. Responses are summarized below.

Importance of the Tuition Grant

- Ninety seven percent indicated that the Iowa Tuition Grant was helpful in their postsecondary education.
- Eight of every ten said that it was important to reaching their educational goal, or that they would not have graduated without the grant.
- Seventeen percent said that without the grant, they could not have graduated from the college or university of their choice.
- Ninety-nine percent of the respondents indicated that they received a Baccalaureate degree, while twenty-three percent obtained master's degrees and nine percent obtained doctorate or first professional degrees.

Community Participation

- Eight of every ten indicated average or greater involvement in their communities
- Sixteen percent were very active in their community

Career Choices (Job related to degree)

- Fifteen years after receiving the Iowa Tuition Grant, recipients have a median income of nearly \$50,000.
- More than two-thirds said they preferred to be working in their major areas of study.
- Seventy-four percent of the respondents said they are working in their major area of study.

Business Activity

- Sixteen percent own a business, with 36% of those being sole proprietorships.
- Thirteen percent own businesses in Iowa.
- Seventy percent of the businesses are full-time for the respondents.
- The 61 business respondents employ 435 people: a ratio of seven to one employees to owners.

Located in Iowa

- Almost seven out of every 10 (69%) live in Iowa
- Most of those who are not in Iowa indicate that they left because they could not find suitable employment, or they moved because of a personal or spouse's job, or the other state offered greater employment opportunities.
- Over half indicated that they would return to Iowa for an opportunity in their chosen area of interest and comparable pay.

Appendix Comments from Survey Respondents

The questionnaire included an open-ended comment section that gave respondents an opportunity to tell how the Iowa Tuition Grant affected their education and their lives. One hundred seventy-eight respondents added a comment, with nine of every ten providing positive and supportive comments. Seven of ten were coded by Commission Staff as neutral, and only five respondents indicated some negative comment about the Grant. Following is a selection from the responses.

The Iowa Tuition Grant; helped in paying for my preliminary BA degree. Without that start I wouldn't be enjoying what I consider to be a successful life.

I believe it is very important to Iowa communities to keep our students/professionals at home. Financial aid is a great incentive. Let's continue to keep Iowa residents in Iowa.

I was a first generation college student. My parents encouraged education due to the fact that they still continue to work at hourly pay jobs. They wanted me to have the opportunity to attend college, but were unable to provide much in the area of money for me to attend.

My life is dramatically different from my parents, thanks to my college education made possible by the grant. Thank you!!!!

Without the combined total of grants and scholarships, I could not have attended college and been able to focus on my studies as much - grades were very important to me.

Without the Iowa Tuition Grant I would have had to leave Wartburg. My dad lost his job and it left me in a terrible financial bind. I had a successful outcome at Wartburg which gave me the skills and education to go on to the medical school and get [an] M.D.

I worked full-time and was a full-time student. The Grant was very helpful for my graduating. I may have otherwise had to take time off to save money before finishing my graduation goal.

My mom and dad really did not have the money to send us to school, so without the grant I would have not been able to go. Being an educator we do not get paid enough money to leave school and pay back enormous student loans. I would like to see more help for qualifying education students.

The Iowa Tuition Grant opened up the opportunity to attend one of Iowa's best private universities without incurring an unreasonable amount of student loans. I greatly appreciated this grant in combination with other financial aid I received.

I graduated from law school saddled with debt. I have looked back and thought so many times how lucky I was not to have the burden of that undergraduate debt as well. The Iowa Tuition Grant enabled me to afford and have access to higher education leading to an overall increase in my quality of life.

As a single parent I ended up with \$25,000 worth of college loans and I didn't live on campus, so I was struggling financially day to day. Perhaps the financial aid program has improved, but it was nothing to rely upon back then. The largest percentage of my college expenses were paid for by putting a second mortgage on our home.

Just to let you know, I loved college, I loved learning and I cried when my last class over and final taken. I am very grateful for the financial assistance I received from the Iowa Tuition Grant. It did help lessen the financial burden college imposes. I was an adult student, I worked full-time during the day and went to school at night. The Iowa Tuition Grant allowed me to keep my debt load down, afford school and keep going. Thank you for the opportunity to help me get a college degree.

The Iowa Tuition Grant is an investment in Iowa's future leaders. Without the Iowa Tuition Grant, many of Iowa's best and brightest students might not achieve their educational goals to receive the resources to become future leaders of Iowa. If Iowa values the educational opportunities it offers future leaders, the Iowa Tuition Grant must be continued (and expanded).

The Iowa Tuition Grant made my college bills more bearable. Rather than worry about where money would come from, I could fully concentrate on my studies in elementary education. I greatly value my education and I try to continue adding to my learning in this area, while I spend part of my time at home with my youngest. I substitute teach part-time. I love teaching. My education has helped me to pursue one of my passions in life while still giving enough time to raise a family.

Thanks for your help in my education.

Contact Information

Dr. John Hartung
President

Iowa Association of Independent Colleges and Universities
505 5th Avenue, 10th Floor
Des Moines, IA 50309
(515) 282-3175

Dr. Keith Greiner
Research Director

Iowa College Student Aid Commission
200 10th Street, Fourth Floor
Des Moines, IA 50309
(515) 242-3344

Bringing Rural Communities and Doctors Together Physician Recruitment Program

For more than a century, Des Moines University – Osteopathic Medical Center has quietly yet steadfastly prepared physicians for the people of America’s heartland and beyond. No place has the impact of this benefit been more noteworthy than within the State of Iowa. Presently, more than 800 of the University’s physician graduates provide service in 87 Iowa counties with a high percentage in rural and more sparsely populated counties.

This legacy of service has often gone unnoticed by the general public, in part, because Des Moines University is a private institution neither visibly competing for nor accessing state resources or financial support. In fact, no direct state support goes to the University.

Beginning in 1994, Des Moines University, with assistance from a State of Iowa grant, has actively placed primary care physicians in rural and small-town settings. This rural medical service, Physician Recruitment Program, has helped place over 80 physicians in 58 Iowa communities in 48 counties.

While the program focuses on physicians just finishing a residency or just starting a practice, all primary care osteopathic physicians are eligible to participate. Financial incentive is provided to participating physicians to serve in Iowa communities with populations less than 10,000 by providing reductions in student loan payments.

Des Moines University will provide up to \$40,000 from the State of Iowa grant and will arrange up to an additional \$80,000 in loan reduction from the employing hospital, clinic or community. In return, the physician agrees to work in that location for four years. Salary and benefits are negotiated independently between the physician and the community employer.

The examples are most powerful. The people of Panora, Iowa, population 1,100, have something that not every rural Iowa community can offer: a full-time physician who plans to stay. Roger Hansen, D.O., practices at the Panora Medical Clinic through the State funded, University administered Physician Recruitment program. As Dr. Hansen reports, “We were looking for precisely this kind of place. I’ll retire here.” And, the entire Panora community and its citizens have benefitted.

The town of Greenfield, Iowa welcomed a new physician, Troy Renaud, D.O., through the Physician Recruitment Program in early 2002. Myrna Erb-Gundel, administrator of the Adair County Memorial Hospital in Greenfield, is pleased to have another physician in the community. “The Physician Recruitment Program has been instrumental to physician recruitment,” she says. “It has been a challenge for us to recruit and retain family practitioners, and the assistance provided by this program is invaluable. We salute Des Moines University and the General Assembly for its contribution to health care in Iowa.”

The Physician Recruitment Program has the capacity of placing 5-7 physicians per year in rural Iowa communities with populations of 10,000 or less. This represents a valued commitment on the part of the State of Iowa in partnership with Des Moines University to lift the level health and medical care in rural Iowa.

Helping the State's Best and Brightest Serve Iowa's Healthy Future Iowa Forgivable Loan (IFL)

For more than a century, Des Moines University – Osteopathic Medical Center has quietly yet steadfastly prepared physicians for the people of America's heartland and beyond. No place has the impact of this benefit been more noteworthy than within the State of Iowa. Presently, more than 800 of the University's physician graduates provide service in 87 Iowa counties with a high percentage in rural and more sparsely populated counties.

This legacy of service has often gone unnoticed by the general public, in part, because Des Moines University is a private institution neither visibly competing for nor accessing state resources or financial support. In fact, no direct state support goes to the University.

Beginning in 1990, a program was initiated by the General Assembly to encourage Iowa residents pursuing their physician preparation at Des Moines University to commit to practice in Iowa. Iowa residents, planning to practice in the state following graduation and residencies, were granted annual loans in amounts ranging from \$1,500 to \$4,000 to defray the cost of their medical education. When they begin practice in Iowa, those loans would be forgiven. Should they not pursue practice opportunities in Iowa they were expected to and historically have repaid those loans. It was anticipated that the projected time from first loan to establishing first practice would take seven to eight years.

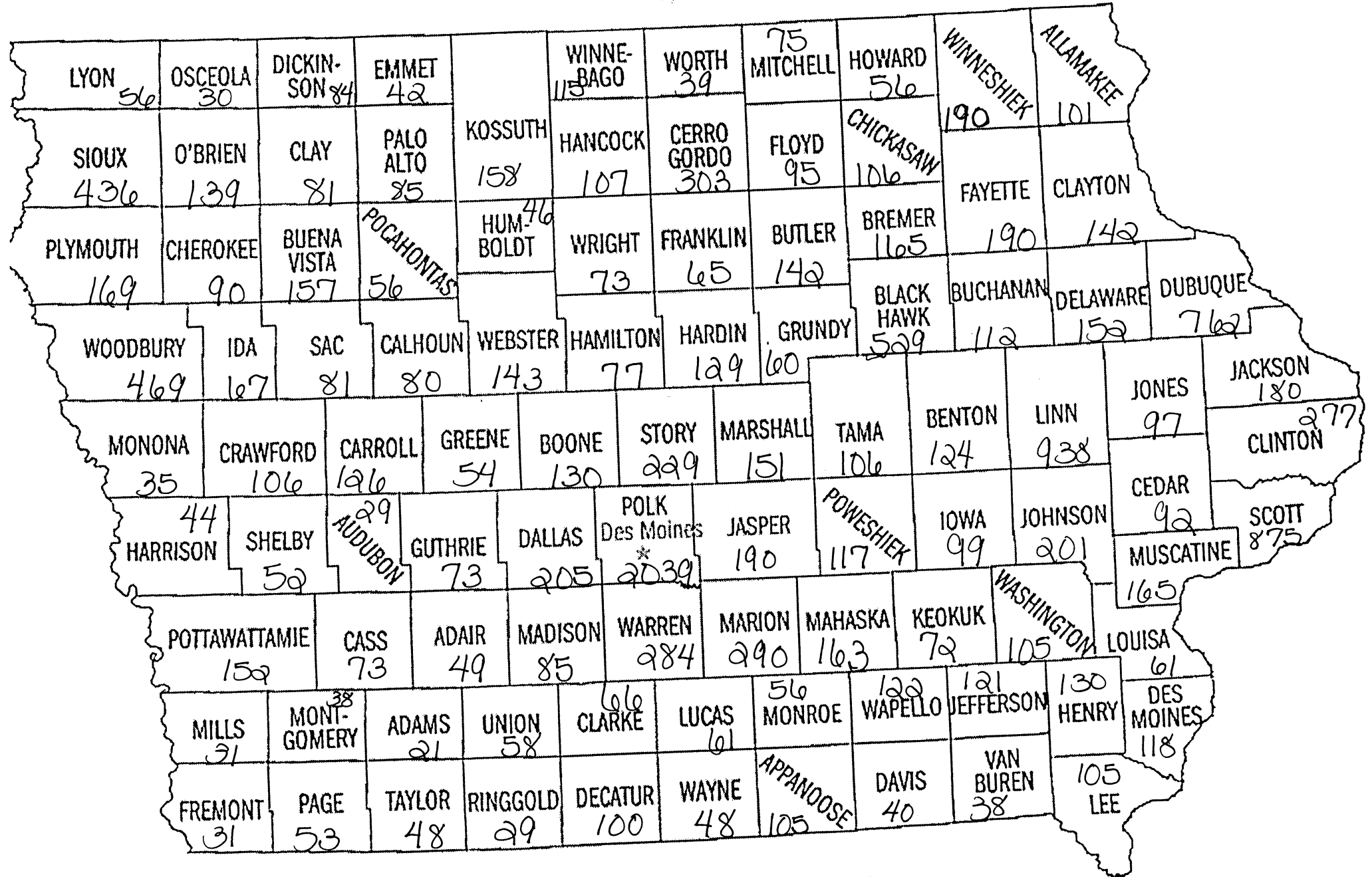
The results for the first group of recipients of the Iowa Osteopathic Forgivable Loan who have completed their preparation are impressive. While several are still completing residencies and military obligations, 126 physicians have already commenced their professional practice in Iowa. This program has accomplished exactly what was intended by Iowa legislators who crafted the program. It has prompted Iowa's best and brightest to become professionally prepared and then commit their caring service to people in their home state of Iowa. At present, 504 students are participating in the program to respond to Iowa's demand for physicians over the next several years.

The need for physicians in rural areas continues. A 2003 study of Iowa medical centers and hospitals reports that additional 113 primary care physicians will be needed between 2004 and 2006.

During the upcoming special session of the General Assembly, a decision on continued funding of this program will be considered. At stake is proposed funding when combined with reimbursements will sustain this important initiative for rural health care. More importantly, access to physician health services is at stake. The Governor and each member of the General Assembly should be respectfully encouraged to vote with Iowans to support the Iowa Osteopathic Forgivable Loan. With great value for the dollar, all Iowans win with this program--be they our own aspiring physicians or the thousands they will serve during their professional lives.

Note: Of the first 265 students participating in the program, 126 have returned to Iowa to practice, 59 are presently in residencies or military, and 80 are repaying or have repaid their loan in full due primarily to their decision to practice elsewhere. These repayments of the loans to the State have been actively used to make-up and support the continuation of the program which has had decreasing annual funding from the General Assembly. (Three have requested extensions, four have defaulted and one is deceased.)

2003-2004 Iowa Tuition Grant Recipients by County *



*Feb. 3, 2005

Iowa Tuition Grant
 Recipients by County
 2003 - 2004 Academic Year

<u>County</u>	<u>Students</u>	<u>Dollars</u>	<u>County</u>	<u>Students</u>	<u>Dollars</u>
Adair	49	135,714	Keokuk	72	214,502
Adams	21	65,434	Kossuth	158	452,489
Allamakee	101	302,797	Lee	105	324,010
Appanoose	105	211,878	Linn	938	2,682,122
Audubon	29	94,721	Louisa	61	180,825
Benton	124	380,970	Lucas	61	180,670
Black Hawk	529	1,280,975	Lyon	56	184,096
Boone	130	374,258	Madison	85	236,581
Bremer	165	490,993	Mahaska	163	448,789
Buchanan	112	333,935	Marion	290	825,618
Buena Vista	157	465,973	Marshall	151	359,611
Butler	142	404,434	Mills	31	83,344
Calhoun	80	219,845	Mitchell	75	219,112
Carroll	126	387,604	Monona	35	103,931
Cass	73	216,917	Monroe	56	148,301
Cedar	92	287,458	Montgomery	38	98,000
Cerro Gordo	303	769,787	Muscatine	165	482,453
Cherokee	90	272,910	O'Brien	139	444,339
Chickasaw	106	340,087	Osceola	30	90,216
Clarke	66	183,822	Page	53	155,179
Clay	81	223,443	Palo Alto	85	234,613
Clayton	142	412,782	Plymouth	169	523,668
Clinton	277	881,367	Pocahontas	56	174,379
Crawford	106	322,505	Polk	2,039	5,044,099
Dallas	205	553,978	Pottawattamie	152	388,391
Davis	40	102,311	Poweshiek	117	327,711
Decatur	100	290,253	Ringgold	29	69,970
Delaware	152	487,842	Sac	81	246,745
Des Moines	118	360,418	Scott	875	2,475,170
Dickinson	84	204,472	Shelby	52	166,615
Dubuque	762	2,391,853	Sioux	436	1,425,917
Emmet	42	88,641	Story	229	614,094
Fayette	190	599,782	Tama	106	303,290
Floyd	95	249,461	Taylor	48	138,319
Franklin	65	174,217	Union	58	145,813
Fremont	31	102,408	Van Buren	38	98,064
Greene	54	174,673	Wapello	122	247,785
Grundy	60	158,232	Warren	284	760,732
Guthrie	73	215,525	Washington	105	339,192
Hamilton	77	213,610	Wayne	48	114,984
Hancock	107	314,910	Webster	143	304,892
Hardin	129	330,201	Winnebago	115	340,716
Harrison	44	121,533	Winneshiek	190	614,411
Henry	130	391,721	Woodbury	469	1,416,056
Howard	56	173,236	Worth	39	103,496
Humboldt	46	132,916	Wright	73	216,610
Ida	67	222,722	Total*	15,741	44,581,079
Iowa	99	318,974			
Jackson	180	603,123			
Jasper	190	523,309			
Jefferson	121	340,746			
Johnson	201	627,864			
Jones	97	301,619			

*Note: County location is based upon zip code. Actual county may vary when the zip code provided is in error or when zip code boundaries overlap a county line. Total awards also may vary from other reports due to the date reports are created.