Federal Student Financial Aid Programs

Federal Student Financial Aid in Idaho

The federal grant and loan programs operated by the U.S. Department of Education provide college access and affordability for thousands of Idaho students. These programs help students from low- and middle-income Idaho families gain access to college. They add significant value to Idaho’s economy by developing a trained workforce for future economic development and retraining existing workers to meet new and changing job needs.

Students typically combine grants, work and loans to pay for college. For the 2016-17 academic year, Idaho residents at the University of Idaho (UI) received approximately $13.7 million in federal financial aid grants and more than $53 million in federal student loans. A total of 3,217 UI students from low-income families rely on the Pell Grant.

In 2016-17, about 37 percent of UI undergraduates were eligible for Pell Grants, and 60 percent received Pell Grants or Federal Direct Student Loans.

The Perkins Loan program provided $2 million in financial aid to over 1,500 UI students. Unfortunately, this was eliminated in September 2017 and was not replaced by any federal financial aid programs. Recipients of the Perkins Loan had an average family income of $37,477 and 78 percent of the recipients also qualified for federal Pell Grants. The loss of this program for our lowest income Idaho families will significantly affect the ability for Idaho students to attend college. We encourage Congress to find ways to open up additional eligibility by increasing the Ford Direct Subsidized Loan annual and cumulative limits or to reinstate the Perkins Loan Program. Without these changes, many Idaho students will not be able to pay for college.

Background

Federal financial aid funds go to students from low-income families in Idaho. The average family income of UI students who filed for financial aid and showed need during the 2016-17 academic year was $48,573.

When combining family resources, student earnings from work, along with private or university scholarships, many Idaho students still lack the resources need to access higher education. Any reduction in federal financial aid funds would further heighten the financial hurdle for these low-income students.

Institutional scholarships provide access and support degree completion for low-income students, while academic programs assist them over the course of their transition to higher education. The university is doing its best to increase private scholarship support, and has been the leader in a statewide Direct Admit initiative aimed at helping more students achieve higher education. However, federal financial aid programs remain substantial and essential to the goal of educating more low-income students.

Recent Accomplishments

• Continued utilization of federal financial aid funds, along with state policy changes aimed at reducing the barriers to college admission for low-income students, to improve the Idaho college Go On rate and increase enrollment at UI.
• About 2,800 UI students rely on continued Pell Grant funding, 1,450 get help via the Supplemental Education Opportunity Grant and 630 contribute to their education through the federal work study program.

For more information, please contact:
Janet E. Nelson, Vice President for Research and Economic Development
janetnelson@uidaho.edu | 208-885-6689 | www.uidaho.edu/research/federal-relations
program. These programs ensure working families in Idaho get the education they need in order to contribute to our changing and growing economy and society.

- Established a financial literacy program Better Education About Money for Students (BEAMS) to help students make better financial decisions. The program also works to help students who have to borrow to attend college borrow smart and get them into the right loan repayment program after graduation so they do not default on their loans.

Upcoming Goals
The Idaho State Board of Education has set an ambitious goal that 60 percent of Idahoans ages 25-34 have a college degree or certificate by 2020. Given the income barriers some students face, continued federal loan and grant programs are crucial to successful completion of that plan.

Other goals set by the state include:

- Grow talent within the state to fuel innovation and economic competitiveness.
- Improve quality of life for residents and help educate the engine that helps run a vibrant economy.
- Be more responsive to businesses who will employ the workforce of the future.

These goals can be achieved with our continued enrollment growth efforts, combined with continued private scholarship development and ongoing funding from the federal student financial aid programs.

Projected Impact of Continued and Increased Funding
Continued funding of federal financial aid programs is imperative to making sure low-income families in Idaho get the college education they need so those students can realize increased future earnings, reduced unemployment and increased citizen voting.

Idaho college attendance ranks low when compared to other states, and Pell Grants support state goals to increase the percentage of the state population with a college degree. UI’s Pell Grant recipients populate Idaho’s trained workforce. Pell Grants help create future leaders as well as support state goals to increase the percentage of people with a college degree.

Increasing Ford Direct Subsidized Loan Limits to offset the elimination of the Perkins Loan program or reinstatement of Perkins would protect hundreds of Idaho students who otherwise may lose their funding.