Board of Regents, State of Iowa

University-provided Student Financial Aid
Types of Institutional Aid

• Restricted endowment income
• Donor-restricted gifts
• Tuition Set-Aside
What is Tuition Set-Aside?

Board of Regents policy requires a minimum of 15% of tuition revenues be designated for financial aid.
GENERAL UNIVERSITY RESOURCES FY 2012 - $1,255 MILLION

- Tuition and Fees, 58.3%
- State Appropriations, 35.7%
- Reimb. Indirect Costs, 5.6%
- Sales and Service/Other, 0.2%
- Interest, 0.2%
Why Tuition Set-Aside?

- 80% of resident students receiving aid demonstrate need
- Nationally, Iowa ranks 3rd lowest in state-funded aid to students at Regent's universities
- Federal Pell Grants only cover 32% of cost at public universities
- Increase accessibility and diversity
State Appropriation Changes to General University Funds

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriations</th>
<th>Decreases</th>
<th>Additional Decreases</th>
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<tbody>
<tr>
<td>FY 2009</td>
<td>$592,499,507</td>
<td>$482,925,187</td>
<td>$474,468,549</td>
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<td>FY 2010</td>
<td>$504,260,561</td>
<td>$448,817,095</td>
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<td>FY 2011</td>
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<td>FY 2012</td>
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Does Tuition Set-Aside Effect Tuition Rates?

• Tuition is set using HEPI rates as a guideline for funding/spending plans
• No additional amount is assessed to compensate for this set-aside
• To replace State funding cuts, an in-state tuition rate increase of 60% would have occurred
• Undergraduate resident tuition increased by $347 per year since 2009; the average resident Tuition Set-Aside grant was $3,944 last year
Tuition & Fees Increases
FY 2008 to FY 2013
Where Do The Dollars Go?

- Instruction: 43%
- Academic Support: 14%
- Scholarships & Fellowships: 12%
- Plant Operations & Maintenance: 15%
- Institutional Support: 9%
- Student Services: 4%
- Public Service: 1%
- Research: 2%
What Would Happen If Tuition Set-Aside Were Eliminated?

• Tuition rates would not automatically decrease; losing students who currently pay a portion of tuition could result in a decline in tuition revenue
• 25,583 undergraduate students would not receive assistance
• Funds could be redirected to other budget areas
• Further budget cuts
• Enrollment, retention and graduation rates decline
• Student debt increases
• “Brain drain” worsens
• Diversity on campus narrows
FY 2012 Tuition and Fees
Regent Universities and Peer Institutions
Public Policy Questions

• Is access to public higher education enhanced or diminished by Board of Regents student financial aid policies?

• What would be the composition of the enrollment be if Tuition Set-Aside aid were:
  – Eliminated?
  – Need-based only?

• Does student financial aid increase tuition revenues?