

Contact: Patrice Sayre

REVISIONS TO THE BOARD OF REGENTS POLICY MANUAL – CHAPTER 8

Recommended Action: Consider, as a first reading, the proposed revisions to §8.02 of the Board of Regents Policy Manual to define resources for financial aid per action of the 2013 General Assembly.

Executive Summary: Board of Regent Tuition policy required that a minimum of 15% of gross tuition proceeds be set aside for student financial aid as described in Regent Policy Manual §8.02C(5)(h). House File 604, known as the Education Appropriations bill, prohibits resident undergraduate tuition from being designated for financial aid.

Board approval is scheduled for September. The proposed changes will:

- ▶ Distinguish between resident undergraduate and all other student classifications as to the use of tuition revenues for student financial aid; and
- ▶ Prohibit the use of tuition revenues from resident undergraduate students for financial aid.

Background: In March 2012, the Board of Regents began discussing the use of tuition set-aside for financial aid as described in Board Policy §8.02C(5)(h), adopted in September 2004, which requires the public universities “to set-aside a minimum of 15% of gross tuition proceeds for student financial aid.” Prior to formalizing the practice as Board policy in 2004, the universities used a portion of tuition revenues for financial aid as far back as FY 1989.

At its June 2012 meeting, the Board created the Board of Regents Student Financial Aid Committee “to provide as comprehensive of an analysis as possible about tuition set-aside, alternative funding sources for student financial aid, and policy implications.” The Committee included Board Office and institutional representatives.

The final report of the Committee was approved by the Board at the October 2012 meeting. The most significant proposal was the establishment of the Regent Student Financial Aid fund, a state-funded program for Iowa undergraduate students who attend an Iowa public university and who demonstrate need. This was incorporated in the FY 2014 Appropriations Request for \$39.5 million.

The Governor included \$5 million in his proposed budget for FY 2014. The 2013 General Assembly did not appropriate funds for this financial aid, but included language in HF 604 amending Iowa Code Section 262.9, subsection 19.

The amended language requires a revision to Regent Policy Manual §8.02C(5)(h) as proposed below:

~~Provide at least the minimum required 15% gross tuition proceeds set-aside for student financial aid.~~

Provide student financial aid to meet enrollment and tuition cost calculated as 15% of tuition revenues.

“Prohibit the designation of a portion of the tuition moneys collected from resident undergraduate students by institutions of higher education governed by the board for use for student aid purposes. However, such institutions may designate that a portion of the tuition moneys collected from nonresident students be used for such purposes.” Iowa Code § 262.9(19) (2013).