

Board of Regents, State of Iowa

University-provided

Student Financial

Aid

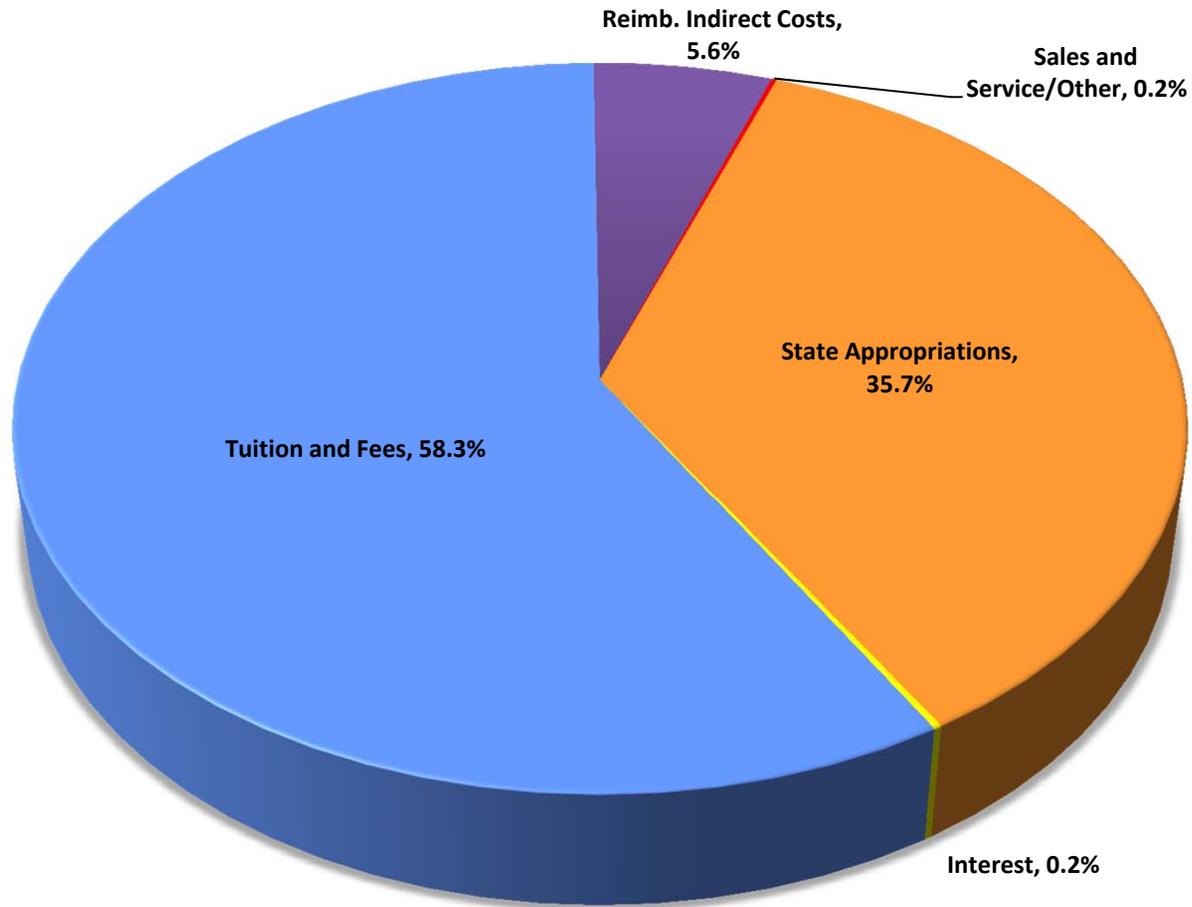
Types of Institutional Aid

- 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

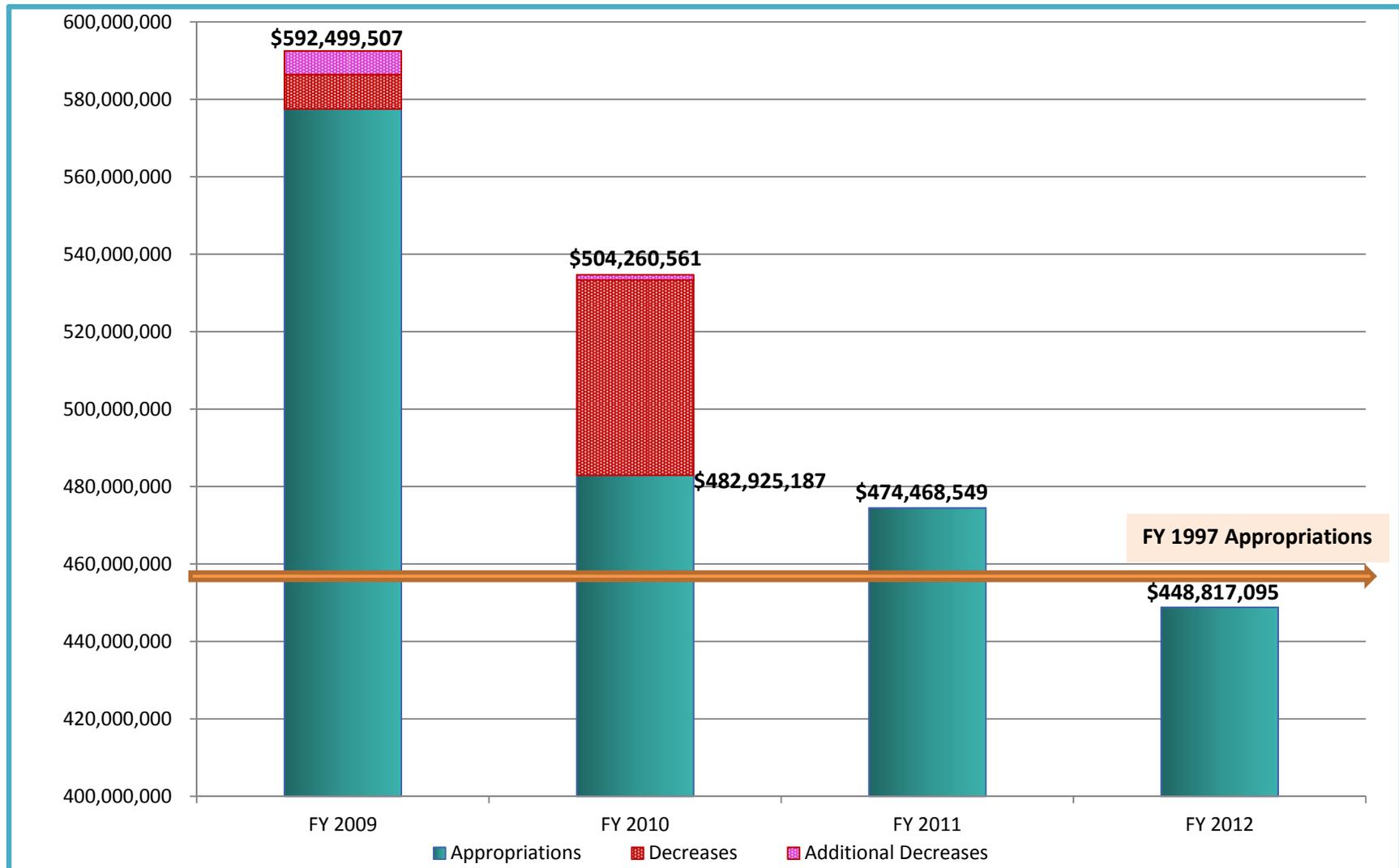
GENERAL UNIVERSITY RESOURCES FY 2012 - \$1,255 MILLION



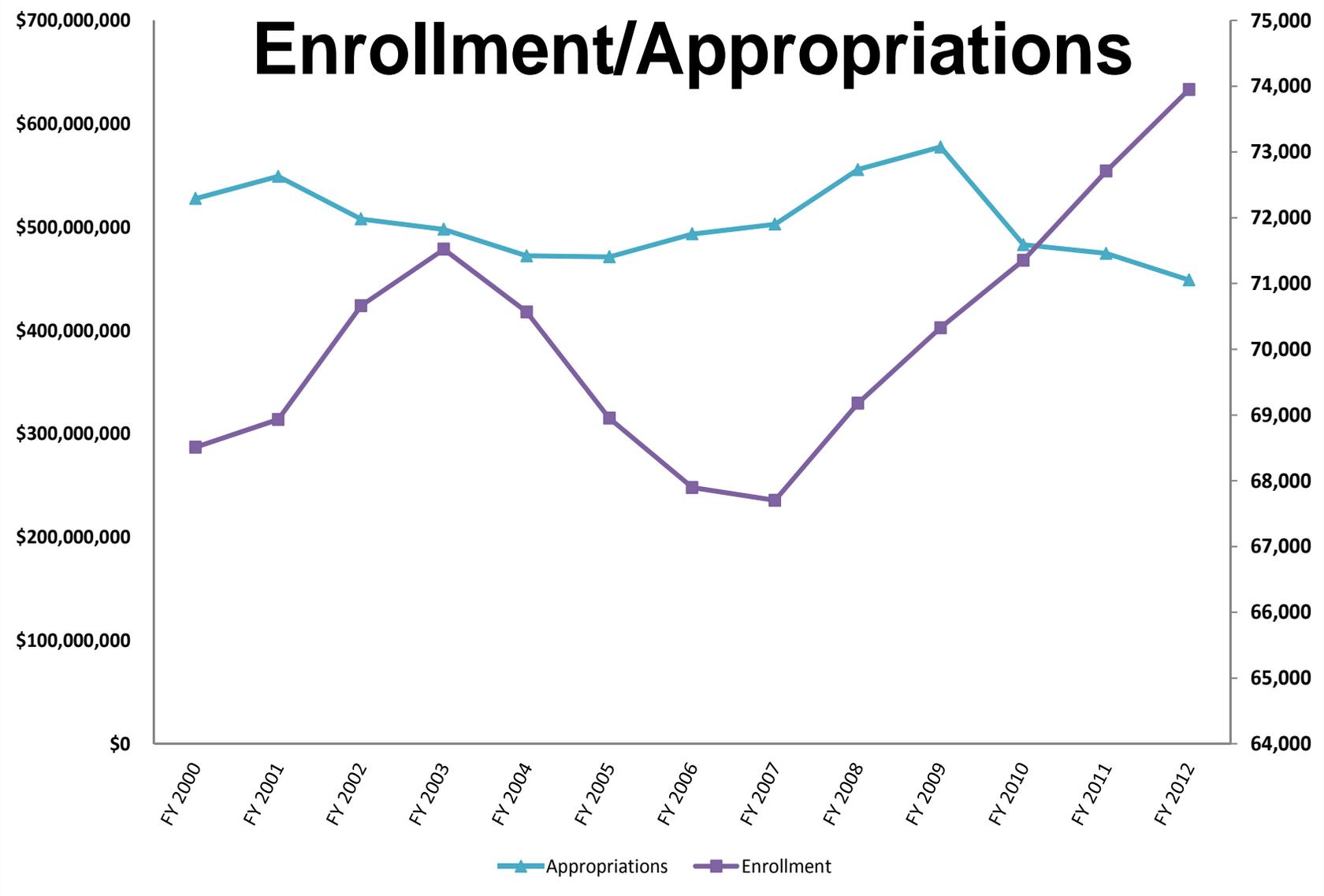
Why Tuition Set-Aside?

- 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



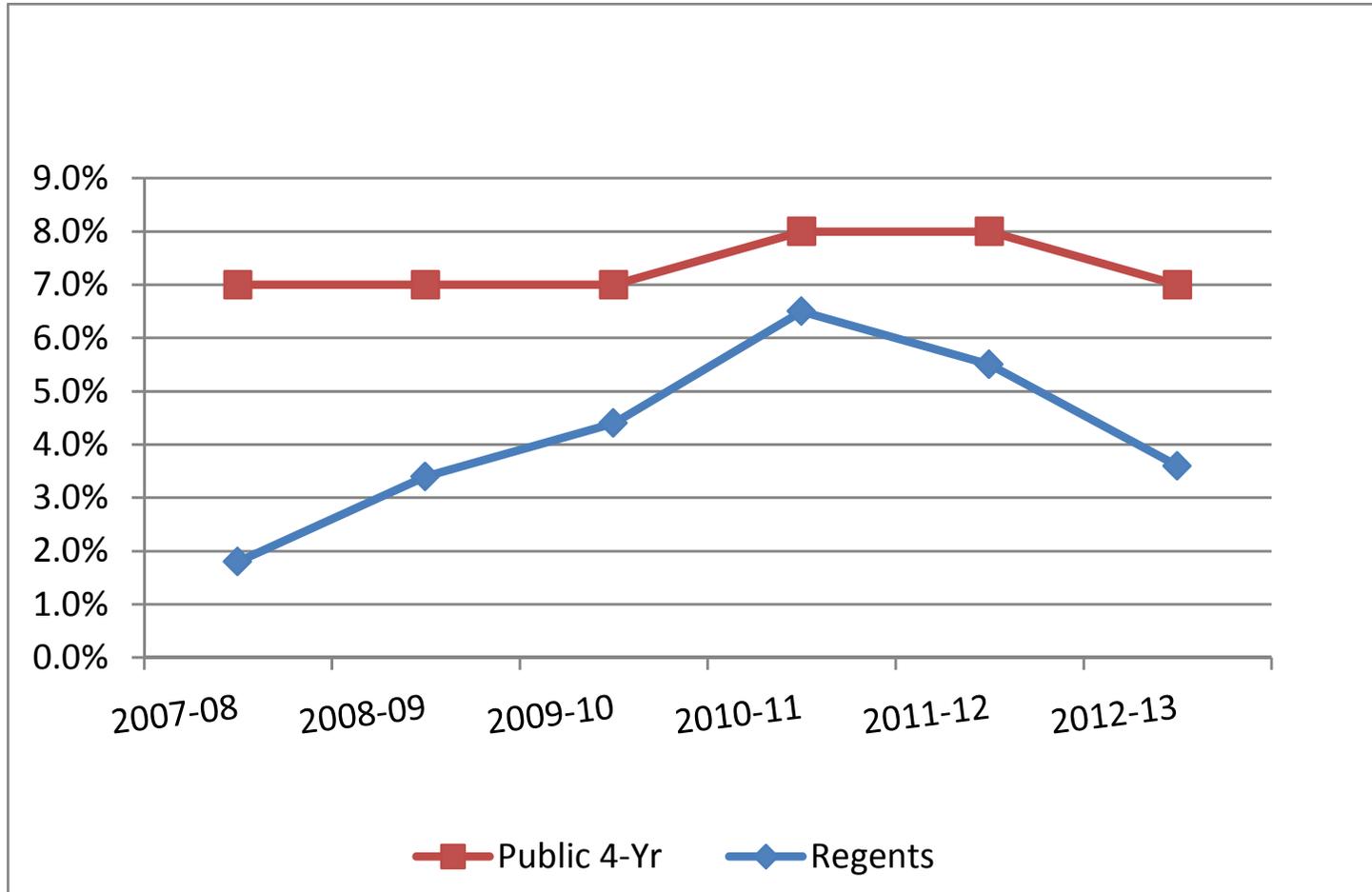
Enrollment/Appropriations



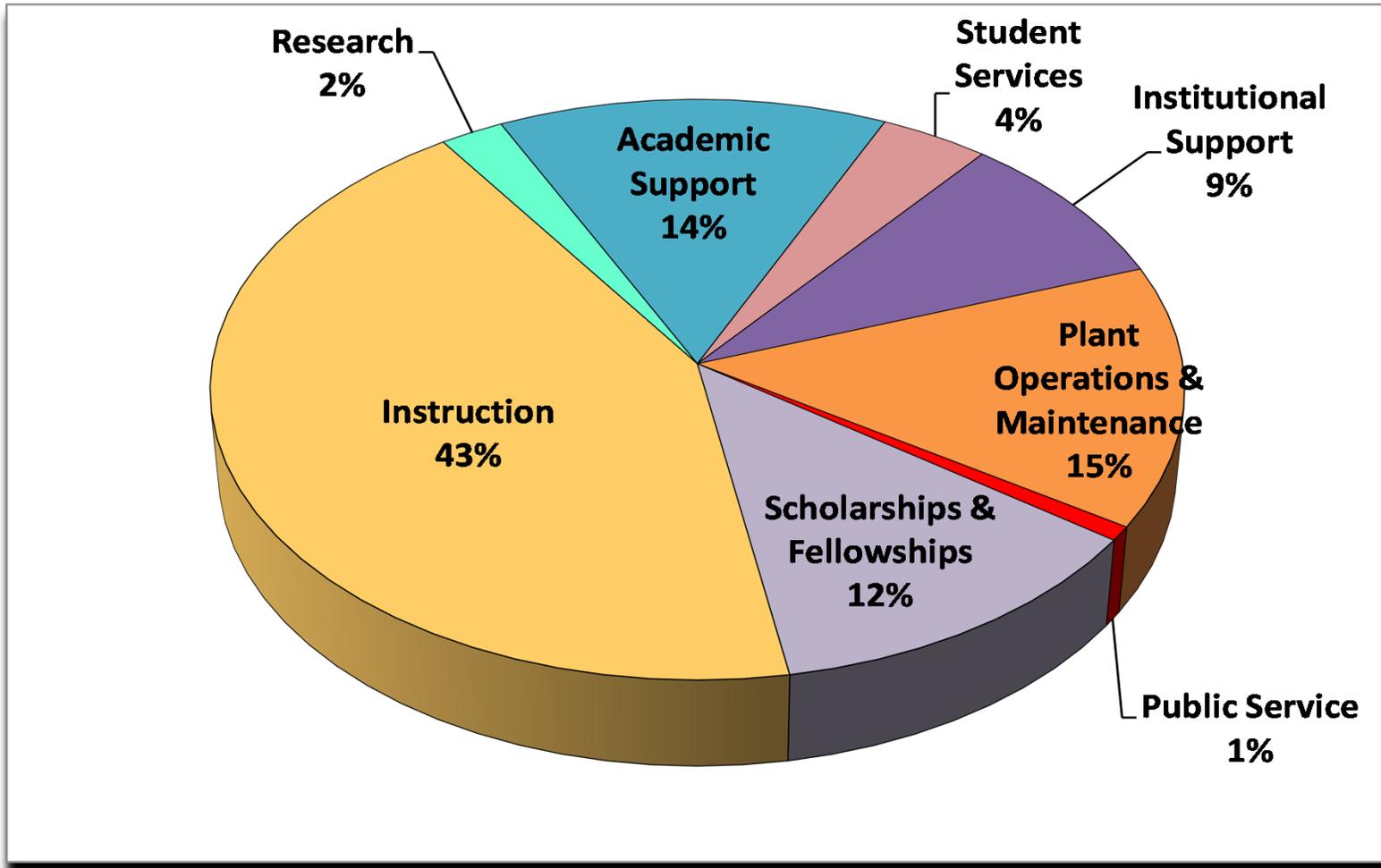
Does Tuition Set-Aside Effect Tuition Rates?

- 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

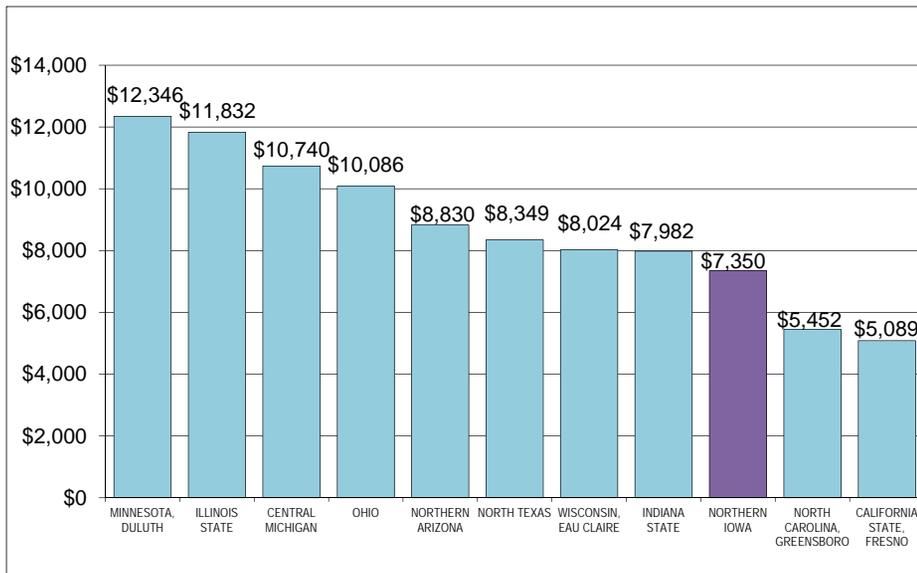
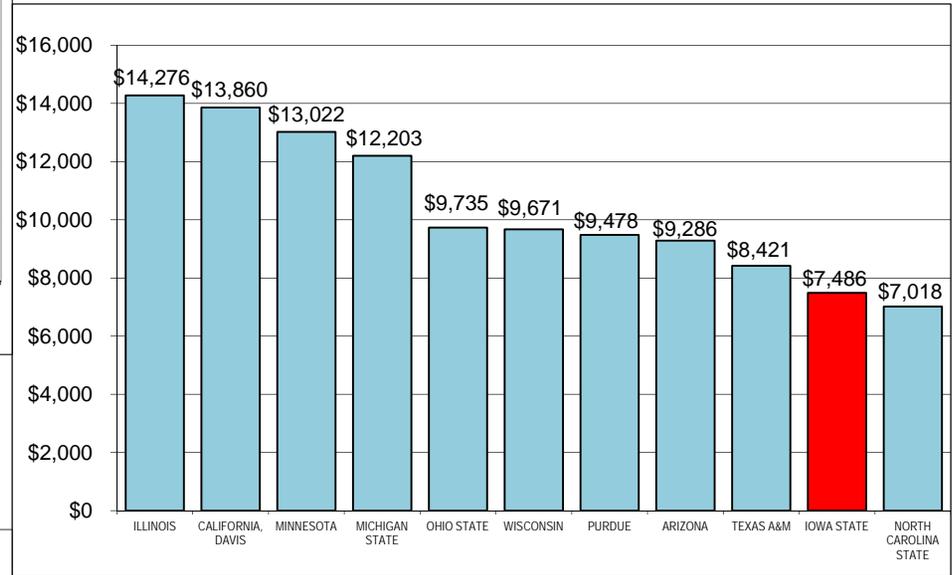
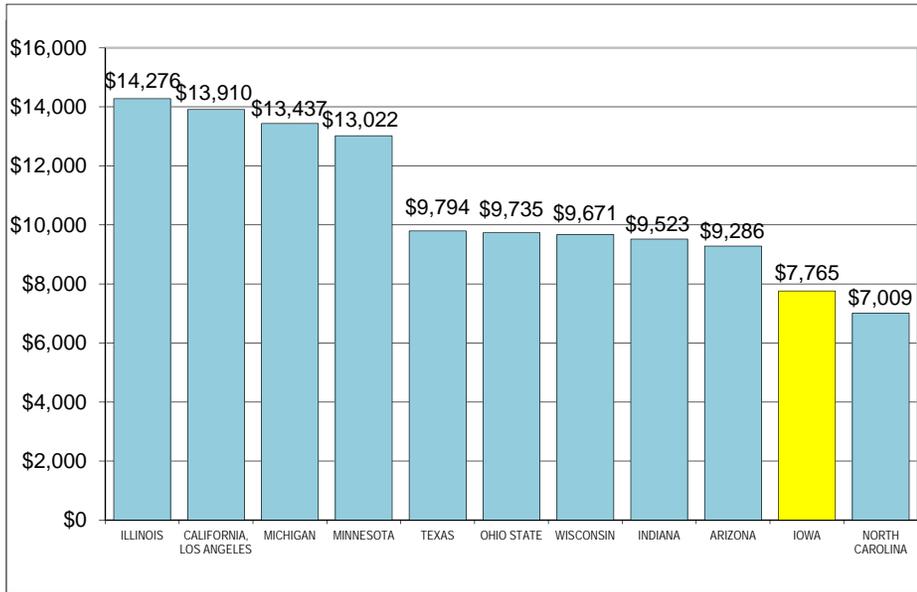


Where Do The Dollars Go?



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?