

Financial Aid Recommendation to the Board of Governors

August 2012

Overview

The Tuition and Fees Resolution approved by the Board of Governors (BOG) in February 2012 required the President to lead a conversation with the Board on tuition set-asides for need-based financial aid. Detailed presentations on need-based financial aid took place at the April and June BOG meetings. Information reviewed and discussed included a history and sources of funds; demographics of recipients; and recent state and federal changes to aid programs.

President's Recommendation

The Second Four-Year Plan on Tuition and Fee Increases, adopted by the BOG in November 2010, requires campuses to set-aside at least 25% of all new revenues from campus-initiated tuition increases for need-based financial aid. While practices have varied among the campuses, overall need-based financial aid set-asides accounted for approximately 35% of all new campus-initiated tuition increase revenues from FY 2000-01 through FY 2011-12.

For academic years 2013-14 and 2014-15, the President recommends that the Second Four-Year Plan on Tuition and Fee Increases be amended to remove the minimum set-aside requirement for this purpose and to further stipulate that no more than 25% of new tuition revenues generated from resident undergraduate students may be set aside for need-based financial aid.

The current four-year plan expires at the end of that two-year period. As the Board of Governors develops its next four-year plan for tuition and fees, any requirements and/or limitations on set-asides from new tuition revenues for need-based financial aid will be incorporated into the new plan.

Actions Going Forward

If approved by the BOG, this recommendation will be reflected in the Tuition and Fee instructions that are scheduled to be disseminated to campuses in late August 2012 for their use in developing tuition and fee proposals for the 2013-14 academic year.