

**BOARD OF REGENTS
BRIEFING PAPER**

Handbook Revision: Student Access Dollars

BACKGROUND & POLICY CONTEXT OF ISSUE:

During the October 2007 meeting of the Board, regents approved a proposed amendment to existing Board policy concerning the Scholarship function of the operating budget and student access dollars. Specifically, the adopted proposal provided that amounts budgeted by each NSHE institution in the Scholarship function must be approved annually by the Board of Regents as part of the institution's operating budget; provided, however, that in the event that the amount budgeted by the institution is less than the amount funded by the Nevada State Legislature in the Scholarship function such amounts shall be considered separately by the Board and shall be accompanied by the President's justification for such variance. This provision does not preclude an institution from augmenting the budgeted amounts of the Scholarship function. Any amounts transferred into the Scholarship function over and above the Board approved amounts may be reallocated to other functions without restriction. In addition, the adopted proposal defined student access funds for the purpose of appropriate use to mean any budgeted dollars intended for financial aid, including state appropriated dollars and funds generated from registration fees. This was intended to ensure that state appropriated financial aid funds, in addition to the student access funds generated from registration fee increases, are expended based on the 90/10 guideline for need-based aid established in Title 4, Chapter 18, Section 18.

While the adopted policy language ensures that the dollars appropriated to the scholarship function of the state-operating budget do not diminish over time, inadvertently the policy also created a disincentive to add supplemental dollars to the scholarship function, because as those dollars become part of the base they would have to be expended based on the 90/10 guideline for financial aid limiting an institution's ability to expend scholarship dollars on non-need-based programs.

SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

Amend Title 4, Chapter 9, Section C.2 to provide that the supplemental dollars an institution may transfer into the scholarship function are not subject to the 90/10 guideline and may be reallocated to other functions without restriction. Further, amend Title 4, Chapter 18, Section 18, by limiting the definition of "student access funds" to access funds from state appropriations and fee-generated funds only. (See attached policy proposal.)

IMPETUS (WHY NOW?):

This policy is brought forward at this time to address the inadvertent disincentive created with the passage of the student access policy revisions in October 2006.

BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

If adopted as proposed, the policy will:

- ◆ Eliminate the disincentive created whereby in adding supplemental dollars to the Scholarship function of the operating budget institutions lose discretion over the expenditure of such dollars; and
- ◆ Ensure that student access dollars continue to be expended based on the 90/10 guideline established by the board if they are fee-generated access funds or state funds intended for access.

POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- ◆ Supplemental dollars added to the Scholarship function will not be subject to the 90/10 student access guideline unless they are fee-generated dollars or state dollars intended for student access.

ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

Maintain the status quo whereby any dollars added to the Scholarship function that become part of the base are subject to the 90/10 student access guideline for expenditure.

COMPLIANCE WITH BOARD POLICY:

- Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
- Amends Current Board Policy: *Title 4, Chapter 9, Section C.2, and Title 4, Chapter 18, Section 18*
- Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
- Other: _____
- Fiscal Impact: Yes _____ No _____
Explain: _____

POLICY PROPOSAL
TITLE 4, CHAPTER 9, SECTION C.2
Scholarship Function

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

7. Scholarship Function

Amounts budgeted by each NSHE institution in the Scholarship function shall be approved annually by the Board of Regents as part of the institution's operating budget; provided, however, that in the event that the amount budgeted by the institution is less than the amount funded by the Nevada State Legislature in the Scholarship function such amount shall be considered separately by the Board and shall be accompanied by the President's justification for such variance. This provision does not preclude an institution from augmenting the budgeted amounts of the Scholarship function. Any *supplemental* amounts transferred into the Scholarship function [~~in excess of the Board approved amounts~~] *are not subject to the student access guidelines established in Title 4, Chapter 18, and* may be reallocated to other functions without restriction.

POLICY PROPOSAL
TITLE 4, CHAPTER 18, SECTION 18
Student Access

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 18. Use of Student Access Funds

In order to improve the access of all students and to encourage participation in higher education, an amount up to 50% of all registration fee increases, net the amounts distributed to other fee categories, will be dedicated to student financial assistance. For the purposes of this section, “Student Access funds” means [~~any~~] budgeted dollars intended for student financial aid, including allocations for [~~scholarships~~] *such funds* from state appropriations [~~(excluding grants-in-aid)~~] and funds generated from registration fees. The guidelines for the use of Student Access funds are as follows:

1. One-hundred percent (100%) of Student Access funds will be used for financial assistance for students. Except for the Regents’ Service Program, funds will not be used for administrative or any other purposes, unless specifically authorized by Board policy. The portion derived from undergraduate student enrollments will be dedicated to undergraduate financial assistance. The portion derived from graduate student enrollments will be dedicated to graduate financial assistance.
2. At least ninety percent (90%) of Student Access funds for each institution each academic year will go to need-based programs, according to federal government methodology, for both undergraduate and graduate students.
3. The remainder of the funds (not to exceed 10%) for each institution each academic year will go to other “access-oriented” financial assistance, including but not limited to non-need based grants and work study programs, for both undergraduate and graduate students.
4. The institution will present a report each year to the Board of Regents showing how the Student Access funds were utilized. The findings of the report will be used to evaluate these guidelines.
5. *Nothing in this Section precludes an institution from allocating additional funds for general scholarship purposes. Any such additional allocations are not subject to the student access distribution established in this Section.*