

## BOARD OF REGENTS BRIEFING PAPER

### **#1 Agenda Item Title: HANDBOOK REVISION: ACCESS RATIO FOR GRADUATE AND PROFESSIONAL STUDENT FEE-BASED FINANCIAL AID**

#### **2. BACKGROUND & POLICY CONTEXT OF ISSUE:**

Access fees are intended to expand “access” to higher education, including graduate studies, to a wider range of students, including those from diverse and underrepresented groups. This is clearly a desired goal for graduate/professional student recruitment and retention. Over time, the ratio of access fees has been routinely reviewed and adjusted as needed. In the past the Access Fee distribution ratio was 80:20 (80 need based and 20 non-need); currently it is 90:10 (need to non-need) for both undergraduates and graduate students.

Recent data indicate that there is \$3,133,572 of unmet need among UNLV graduate students who submit FAFSA forms; UNR’s graduate unmet need is \$1,958,237. However, identifying need for the graduate student population is less clear cut and more problematic than it is for undergraduates. Normally the FAFSA is used as a standard for financial need. To identify need for graduate students, the FAFSA presents two challenges. First, the priority deadline for filing the FAFSA form is February 1 and only 20% of the graduate programs at UNR and 34% of those at UNLV have their admission deadlines on or before Feb 1. Consequently, the majority of admission decisions at the graduate level take place after the priority filing date, thus funds could be expended prior to the graduate admission deadline. Secondly, because many graduate programs offer graduate assistantships as part of their admissions, only 25% (UNLV) and 28% (UNR) of enrolled graduate/professional students complete the FAFSA form (this compares to 40% [UNLV] and 41% [UNR] of undergraduate students).

If the ratio of need vs. non-need were adjusted, however, it would be a significant benefit for both UNR and UNLV to be able to use a greater portion of the Access dollars for non-need based scholarships as part of the effort to recruit and retain the highest quality graduate students. In comparison to undergraduate students, fewer scholarships are available for graduate and professional students. For UNR undergraduates \$11,016,811 is available for scholarships, compared to \$1,454,709 for graduate/professional scholarships. For UNLV there is \$17,966,501 in scholarships for undergraduates compared to \$539,346 for graduate students. Changing the allocation guidelines for Graduate Access Fees by altering the need-based to non-need based distribution ratio (from 90:10 to 50:50, a minimum of 50% need-based and up to 50% non-need based) would allow these dollars to be used to recruit graduate students who may not have filed a FAFSA, even if they have need.

This flexibility in awarding Access dollars to graduate students is needed and would be particularly helpful as a recruitment incentive in the Science, Technology, Engineering and Mathematics (STEM) disciplines. At the same time, the ratio still awards a significant amount of need based scholarships (a minimum of 50% of all graduate access fees). In consultation with the respective financial aid officers at UNLV and UNR, if the 50:50 distribution of these scholarship funds becomes problematic, the ratio could be shifted to distribute a greater percentage of these fees based on financial need, e.g. 60:40; 70:30.

This request is being made for Access aid generated from graduate student fees only; the state-funded Access aid would remain at 90:10 for all students.

#### **3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:**

Amend Board policy, *Title 4, Chapter 18, Section 18*, to adjust the ratio of need based access funding from 90:10 to 50:50 for graduate/professional students (text attached).

**4. IMPETUS (WHY NOW?):**

- Fee and tuition increases for graduate students have risen at a greater rate than that of undergraduate students; graduate and professional students also suffer greater opportunity costs (lost wages/salaries) for their time in graduate or professional school than undergraduates.
- The FAFSA priority deadline which establishes financial need precedes the majority of admission decisions at the graduate level. In order to provide access to education for graduate/professional students who may not complete the FAFSA, who may do so late, or who may only be recruited on the basis of a multi-year scholarship commitment, more flexibility in the distribution ratio would be beneficial.
- A 50:50 need to non-need distribution would allow UNR and UNLV to reach out to a wider base of graduate/professional students through increased recruitment and retention scholarships, particularly to highly competitive and meritorious students, underrepresented students, and those in high demand (Nursing, Healthcare, Education, etc.) and STEM (Science, Technology, Engineering and Mathematics) disciplines.

**5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:**

- Tuition and fees are rising more for graduate/professional students.
- Graduate/professional students are less likely to complete the FAFSA in general, and less likely to do so before deadline due to the timing of graduate/professional admissions processes.
- There are fewer scholarships available for graduate students.
- An increase in Access dollars to utilize as merit-based, recruitment and retention scholarships would provide appreciable financial assistance in recruiting high quality graduate students who may have financial need but have not filed a FAFSA.
- Underrepresented students, those in high-demand professions/disciplines, and STEM students will especially benefit from the change in distribution formula.

**6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:**

- The NSHE unmet need figure, which is still high for graduate students, does not warrant a move away from the 90:10 distribution ratio.

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

- An adjustment to 60:40 or 70:30, rather than this request for up to 50:50.
- Do nothing and encourage more graduate students to complete the FAFSA form earlier.

**8. COMPLIANCE WITH BOARD POLICY:**

- Consistent With Current Board Policy: Title # \_\_\_\_\_ Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
  - Amends Current Board Policy: Title # 4 Chapter # 18 Section # 18
  - Amends Current Procedures & Guidelines Manual: Chapter # \_\_\_\_\_ Section # \_\_\_\_\_
  - Other: \_\_\_\_\_
  - Fiscal Impact: Yes \_\_\_\_\_ No X \_\_\_\_\_
- Explain: The proposed change in distribution formula would not affect the total amount of graduate student fees collected or available for distribution.

**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 budgeted dollars intended for student financial aid, including allocations for such funds from state appropriations 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; *however this shall not include the funding of base salaries for graduate assistantships.*
2. At least ninety percent (90%) of *state-funded* 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 *state-funded Student Access* funds (not to exceed 10%) for each institution each academic year will go to other “access-oriented” financial assistance, including but not limited to *scholarships*, non-need based grants and work study programs, for both undergraduate and graduate students.
4. *For fee-generated Student Access funds, at least 90% of undergraduate funds and at least 50% of graduate funds for each institution each academic year will go to need-based programs, according to federal government methodology.*
5. *The remainder of the fee-generated Student Access funds (not to exceed 10% for undergraduate and 50% for graduate students) for each institution each academic year will go to other “access-oriented” financial assistance, including but not limited to scholarships and other non-need based grant programs.*

[4]6. 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]7. 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.