

**ARIZONA BOARD OF REGENTS  
POLICY MANUAL**

4-321      Financial Aid Regulations

Revision Dates

2/9/2023 (effective 12/13/2022), 12/6/2012 (adopted)

A.      Definitions

1.      “Cost of attendance” is the estimated cost for a student to attend an institution and includes tuition, fees, room and board, books and supplies, transportation, and personal expenses.
2.      “Demonstrated financial need” is calculated by a federally approved needs assessment system or for students who do not meet the requirements of 34 C.F.R. § 668.32(i), a similar needs assessment system to be developed by the universities that takes into account a student’s expected family contribution and financial aid from outside sources to determine the amount of aid a student requires to cover the cost of attendance.
3.      “Gift aid” is an award, such as a grant or scholarship, which does not have to be repaid.
4.      “Graduate Assistants and Associates”
  - a.      Graduate Teaching Assistants and Associates are full-time graduate students, selected for excellence in scholarship and promise as teachers, who do part-time teaching as a portion of their training under the direct supervision of faculty members.
  - b.      Graduate Research Assistants and Associates are full-time graduate students, selected for excellence in scholarship and promise as researchers, who engage in part-time research as a portion of their training under the direct supervision of faculty members.
  - c.      Graduate (Teaching and Research) Assistants and Associates may be considered residents to tuition purposes.
5.      “Grants” are a form of gift aid that do not have to be repaid, and are generally distributed based on financial need.
6.      “Scholarships” are a form of gift aid that do not have to be repaid, and are generally distributed based upon a special ability, talent or meritorious achievement.

7. "Self-help aid" is a loan, work study or other on campus employment.
8. "Tuition Waivers" are defined as follows:
  - a. A resident tuition waiver waives the resident tuition approved by the Board.
  - b. A nonresident tuition waiver waives the difference between nonresident tuition and resident tuition approved by the Board.

**B. General Requirements for Awarding Financial Aid**

1. Financial aid may include a combination of self-help aid and gift aid. A reasonable proportion of self-help aid and gift aid should be determined in a manner that minimizes loan indebtedness and weekly work burdens. This calculation will vary by student circumstances and may differ for undergraduate and graduate students.

Institutional financial aid awards should give priority to gift aid and be used to ensure the appropriate proportion of gift and self-help aid.

2. To ensure a combination of awards based upon academic merit and financial needs:
  - a. At least 50 percent of undergraduate institutional aid for Arizona residents shall be awarded to students who have demonstrated financial need. The universities must use a federally approved needs assessment or for students who do not meet the requirements of 34 C.F.R. § 668.32(i), a similar needs assessment system developed by the universities that takes into account a student's expected family contribution and financial aid from outside sources to determine the amount of aid a student requires to cover the cost of attendance.
  - b. At least 30 percent of undergraduate institutional aid for Arizona residents shall be awarded to students on the basis of merit.
  - c. Meritorious students with demonstrated financial need may be included in the calculations described in both a and b.
  - d. The following categories of awards are not included in the calculations described in a and b:
    - (1) Tuition waivers required by statute, as described in ABOR Policy 4-323(B);

- (2) Resident tuition waivers for members of the Community College All-Arizona Academic Team, as described in ABOR Policy 4-323(C)(1);
- (3) Awards to student athletes, as described in ABOR Policy 4-323(D)(1); and
- (4) Employee benefits such as the Qualified Tuition Reduction (described in ABOR Policy 6-902) and the Educational Assistance Plan (described in ABOR Policy 6-903).

C. Regents Set Aside – Board of Regents Designated Tuition Retained and Set aside for Need-based Student Financial Aid

As part of each institution's financial aid program, the Regents set aside is an amount of Board designated tuition retained and set aside at each university for awards to students with demonstrated financial need.

1. Each year at the time the Board sets the expenditure authority for the ensuing fiscal year, the Regents set aside amount for each university shall be 14% of the resident tuition for the academic year multiplied by the estimated sum of resident full pay equivalents and non-resident full pay equivalents.

The Board may consider additional Regents set aside amounts at its discretion.

A resident full pay equivalent is generated by collection of an amount equal to resident tuition and a non-resident full pay equivalent is generated by collection of an amount equal to non-resident tuition.

2. The university shall award the Regents set aside funds consistent with the following provisions:
  - a. All awards shall be in the form of gift aid to students with demonstrated financial need.
  - b. Priority for awards shall be given to undergraduate Arizona residents.
  - c. Need shall be determined by the federally approved need assessment system or by a similar needs assessment system developed by the universities that takes into account a student's expected family contribution and financial aid from outside sources to determine the amount of aid a student requires to cover the cost of attendance.

- d. Each university may use the funds in a manner to best meet the specific needs of the applicants for financial aid on that campus.
- e. Awards made from these funds shall not be used to replace federal grants to which the student is entitled.
- f. The universities may continue to use the funds to provide the required institutional match for the Federal Perkins Student Loan Program under Title IV of the Higher Education Act, as amended.

**D. Reporting Requirements**

- 1. Prior to the Board setting tuition, each university will submit for Board approval its financial aid report for the most recently completed academic year and its financial aid plan for the next two academic years. The report shall be used to communicate the sources and distribution of financial aid to students at each university in order to evaluate the impact of financial aid in advancing enterprise goals. Each financial aid report and financial aid plan must contain information regarding:
  - a. The value of any waivers, grants, and scholarships and their distribution among residents and nonresidents;
  - b. The distribution of financial aid between needy and meritorious recipients;
  - c. The distribution of financial aid between undergraduate and graduate students;
  - d. The total institutional aid awarded by scholarships, regents set aside, and other awards required by Statute or Board Policy;
  - e. The amount of aid awarded by type and by source;
  - f. The ratio of gift aid to self-help aid;
  - g. The documented need for various categories such as undergraduate and graduate students;
  - h. Financial aid distribution by income level;
  - i. Regarding funding from the Arizona Financial Aid Trust (AFAT), the plans to expend each institutions allocation of immediate aid funds for the coming program year, the use of the funds in the current and previous year, and a status report on the AFAT accounts;

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- j. As required in A.R.S. §15-1646, information for the prior academic year related to each merit based scholarship awarded to students from public, private, charter, and home schools:
    - (1) The total number and dollar amount of awards and the total number of applicants, aggregated by type of student;
    - (2) The specific criteria used to award each scholarship, including average and range of SAT and ACT scores; and
    - (3) The number of newly awarded scholarships and the number of renewed scholarships;
  - k. Information to assist in the analysis of how each institution's financial aid programs have been allocated to maintain or improve affordability for resident undergraduates; and
  - l. Any other requirements as prescribed in A.R.S. §15-1650.
- 2. Prior to the Board setting tuition, each university will report information on the cost of attendance calculated using a common framework.
  - 3. As required in A.R.S. §15-1642, beginning on July 1, 1992, the Board shall report every three years to the Legislature and the Governor on the status of the AFAT Fund.
- E. Naming of Board Established Financial Aid Programs
- 1. A Board-established financial aid program shall not be named for a living person without a two-thirds majority vote of the members of the Board present.
  - 2. The name or title of any Board-established financial aid program must be approved in advance by the Board.
- F. Student Loan Collections
- Overdue student loans may be placed for collection with nationwide collection agencies and/or law firms selected by the university.

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Policy History

12/6/2012 Approved by the Board on second reading.

12/13/2022 Policy revision approved by the Board on first reading with immediate

implementation.

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Related Information