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#### 4-311 Arizona Student Financial Aid Trust Fund

##### A. General

1. In accordance with the provisions of A.R.S. §15-1642, the Arizona Board of Regents has established the Arizona Student Financial Aid Trust Fund composed of student enrollment surcharge fees and State appropriated funds. This trust fund shall be used to provide immediate aid to students with verifiable financial need, including students who are underrepresented in the population of the university, or to students who, by virtue of their special circumstances, present unique need for financial aid, and to create an endowment for future financial aid. The surcharge fee shall apply to all university regular, summer school, and off-campus courses offered for credit, irrespective of whether the course is taken for credit or non credit (audit) purposes.
2. The first program year began with the Fall 1989 semester and fees have since been collected for all enrollments from the Fall 1989 through Spring 1993 semesters. Thereafter, the program year should coincide with each institution's fiscal year.
3. The state operating budget request for the student financial aid trust fund will be based upon the most recent actual student surcharge collections available at the time of state budget submissions to include a fall, spring and summer session.
4. Each dollar raised pursuant to the surcharge shall be matched by two dollars as appropriated by the legislature. The total amount of monies received in the trust fund for a given year shall be the sum of surcharge fees collected plus matching funds appropriated for this purpose and any interest which may accrue on those funds.
5. For any year the legislature does not appropriate funds for this program, the Board shall waive the surcharge fee for that program year.

##### B. Student Surcharge Fee Collections

1. The surcharge fee shall not exceed one percent of the resident undergraduate tuition for students who enroll for seven or more semester hours, rounded to the nearest dollar. The surcharge fee for students who

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enroll for six or fewer semester hours will be half of that charged to students who enroll for seven or more credit hours, rounded to the nearest dollar. The Board shall set this fee each year at the time tuition and fees are set.

2. For summer sessions, the total amount of the fee for each individual student shall not exceed the amount of the fee for a full-time student.
3. The fee amount shall be collected at the time of payment for registration and the amount shall be shown as a separate line item on student billings when they are generated.
4. The fee is refundable prior to the first day of classes. Starting with the first day of classes, no refunds will be made unless a special determination is made by the university to refund 100% of tuition and fees in special circumstances.
5. The maximum fee for a student in any one semester is the amount of the surcharge fee for a full-time student. If a student, by virtue of registering for classes at multiple sites, pays more than this amount, he/she shall be eligible for a refund equal to the amount paid in excess of the full-time surcharge fee.
6. A refund of the fee shall be made to a student who, by virtue of a class cancellation, has paid a fee in excess of that which should be owed.

#### C. Distribution of Trust Fund Monies

1. Twenty-five percent (25%) of the annual trust fund monies shall be placed in the permanent endowment and the remaining monies shall be used for immediate aid for students with verifiable financial need.
2. Immediate aid funds shall be distributed to the universities on a pro rata basis based on the amount of student fees collected in the previous year.
3. Trust fund monies must be used to supplement, not supplant funds from other state or institutional financial aid sources.

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#### D. Awards to Students

1. Each university shall use its allocation of trust fund monies in a manner to best meet the specific needs of the student aid applicants on that campus.
2. All awards must be directed to students who have verifiable financial need or have been approved for an award by a university financial aid officer because of unique financial circumstances.
3. Student financial aid trust monies shall only be used in accordance with plans approved by the Board.
4. Priority for awards shall be given to undergraduate Arizona residents, to students from underrepresented populations, and to students with unique financial circumstances.

Students with unique financial circumstances include, but are not limited to, students who do not qualify for federal financial student aid programs but who have verifiable financial need as determined by a professional university student financial aid officer, and students who may qualify for some federal assistance, but who have unusual financial needs that cannot be met adequately by federal or other student aid programs.

5. No state appropriated funds may be used to fund awards to out-of-state students. Any award made to an out-of-state student will be paid from student fee dollars or monies derived from interest earnings available for immediate aid for that year.

#### E. Trust Fund Administration

1. Each year, 75% of the interest earned on the endowment account shall be made available to the universities on a share basis for immediate aid and 25% shall become part of the permanent endowment fund.
2. Investment and oversight of the Fund accounts shall be provided under direction of the student financial aid trust fund investment oversight committee to include one representative from each university appointed by each President and one from the Central Office appointed by the Executive Director. This committee shall also explore long-range options

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for investment of the permanent endowment fund in such a manner as to obtain the most favorable rate of return and income stability commensurate with safety of principal. The committee shall also annually estimate the amount of interest earnings available for award as immediate aid.

#### F. Reporting

1. Each year, at the same time they submit their annual tuition and fee waiver plans, the universities will forward to the Board for approval, their plan to expend their allocation of immediate aid funds for the coming program year.
2. The plan will prospectively describe target groups to receive the aid and the types of aid to be awarded. At the same time, each university will report retrospectively on its use of these funds in the current and previous year.
3. The Board will receive an annual status report on the accounts of the student financial aid trust fund prepared by the investment oversight committee.
4. Every three years, beginning on July 1, 1992, a report will be forwarded from the Board to the Governor and the Legislature on the status of this program.