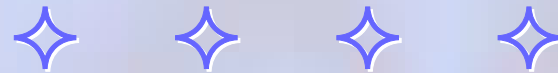


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Financial Aid In Arizona



"OUCH"

***Arizona's Financial
Affordability
Formulas Don't
Compute***



ABOR Feasibility &
Planning Study Work
Group

February 23, 2004

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Executive Director
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Affordability in Arizona – Low Tuition

- A constitutional mandate
- And State is true to its mandate
 - Community College Tuition 2004-05
 - Arizona Range: \$984 to \$1,650
 - WICHE Average: \$2,000
 - University Tuition 2004-05
 - Arizona Range: \$4,062 to \$4,087
 - WICHE Average:
 - Research Intensive: \$4,130
 - Research Extensive: \$4,783

Changing Directions to Achieve Affordability

- Low Tuition ignores other costs (nice but not sufficient)
- Economic Rationality (low tuition is nice but neither necessary nor sufficient)
 - Regressive
 - Inefficient -- doesn't target subsidies where most needed
 - Ineffective – undercuts quality by underfunding institutions

How Arizona *Measures Up* on Affordability

- Measuring Up 2004: An “F” on Affordability
- NASSGAP 02-03 Annual Report
 - Chose Your Measure on State Support for Financial aid: Arizona ranks 48th to 50th
 - State Grant Aid/18-24 State Resident
 - U.S. Average = \$204
 - Arizona = \$5.20
 - Rank: 48

New Ways of Viewing Affordability – Pell Participation

- Pell Grant Participants as a share of Undergraduate Enrollment
 - Arizona: 22.5%
 - 8th of Ten Comparison States
- Ratio of Pell Grant Participants to 18-24 Year Old Residents in Poverty (Risk Index)
 - Arizona: 0.853
 - 10th of Ten Comparison States

New Ways of Viewing Affordability – Institutional Aid and All Aid

- Ratio of Institutional Grants to Pell Grants
 - Arizona ratio: 0.869
 - 6th of 10 Comparison States (range 0.265 to 1.462)
- Ratio of All Non-federal Sources to Pell Grants
 - Arizona ratio: 1.006
 - 7th of 10 Comparison States (range 0.425 to 1.778)

In Sum – Affordability or Not?

- Only area where Arizona is near average is in Institutional Aid.
- In total, however, the State lags way behind today.
- And is poorly situated to assure affordability in the future.
 - Institutionally focused efforts degrade instructional support
 - Absence of State based program degrades
 - Transparency
 - Predictability
 - Advocacy