

November 20, 2025

Governor Kim Reynolds  
Office of the Governor  
1007 East Grand Ave.  
Des Moines, IA 50319

Lt. Gov Chris Cournoyer  
Office of the Lt Governor  
1007 East Grand Ave  
Des Moines, IA 50319

Mr. Charlie Smithson  
Secretary of the Senate  
State Capitol Building  
Des Moines IA 50319

Ms. Meghan Nelson  
Chief Clerk of the House  
State Capitol Building  
Des Moines IA 50319

Dear Governor Reynolds, Lt. Governor Cournoyer, and Members of the Iowa General Assembly:

The Iowa General Assembly passed House File 440 during the 2025 session. The bill directs the Board of Regents to study the merits of a tuition guarantee program in which a first-year student at a Regent university would not see a tuition increase for the next three academic years.

In April 2025, the Board also created a tuition study group that included Regent Hensley and former Regent Barker to review this issue. Their work was presented at the Board's November 2025 meeting.

The tuition guarantee study report begins on the next page. The Board will continue to gather input from stakeholders as it evaluates the merits of a tuition guarantee program.

Sincerely,



Mark J. Braun  
Executive Director

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Attachments

cc: Michael Peters  
Legislative Liaisons  
Legislative Log



**IOWA BOARD OF REGENTS  
TUITION GUARANTEE IMPACT STUDY  
NOVEMBER 2025**

The Iowa legislature passed House File 440 ([Iowa Legislature - BillBook](#)) during the 2025 session that mandated a study to research the merits of a tuition guarantee program, whereby resident students that enroll as freshmen at a Regent university would not see a tuition increase during their subsequent years. At its April 2025 meeting, the Iowa Board of Regents established a tuition study group to complete the study.

This report examines the pros and cons of tuition guarantee programs, provides evidence of their impact on enrollment, discusses cases where institutions have abandoned such programs, and assesses the potential implications for Iowa's public universities. Tuition guarantee programs aim to provide financial predictability for students and families throughout their academic journey. As detailed in this report, these programs have been implemented in various states with mixed results. On the positive side, these programs may alleviate financial stress, making college more accessible and allowing students to plan their finances more effectively. They may also impact enrollment and encourage timely graduation, as students are motivated to complete their degrees within the guaranteed period to avoid potential tuition hikes.

However, there are drawbacks to consider. While they may enhance enrollment and retention rates in some cases, they also pose financial sustainability challenges for institutions. These programs may limit the flexibility of universities to adjust tuition rates in response to economic challenges, potentially impacting the quality of education and available resources. Additionally, the initial cost of implementing such programs can be substantial and require additional investment from the institutions. Balancing these pros and cons is crucial for policymakers and higher education institutions aiming to support students while maintaining financial sustainability.

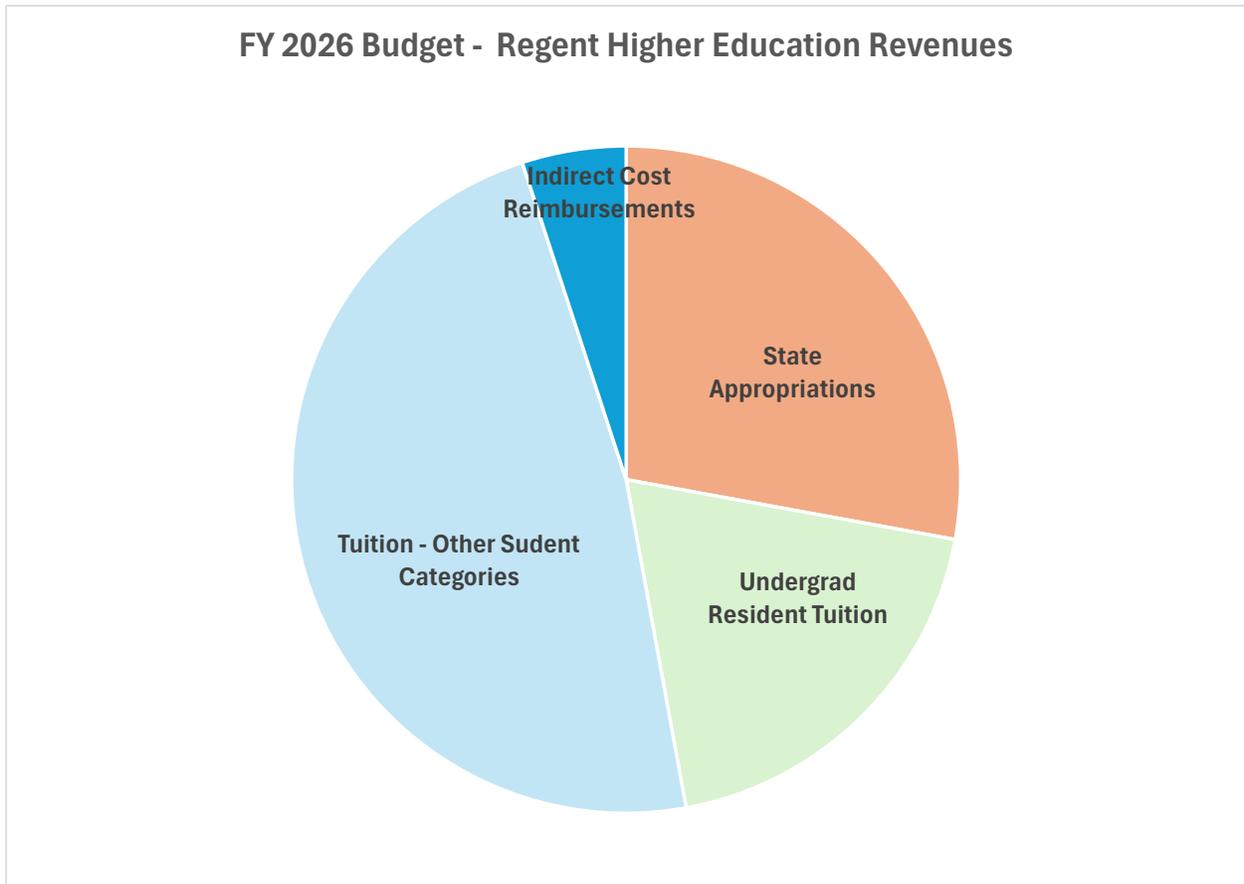
This report includes the following sections.

- Historical and Background Information
  - Regent Higher Education Revenue Budget Components
  - Tuition & State Funding History
  - Peer Tuition & Fee Rate Comparisons
  - Regents Admission Index
  - Board Policy – Tuition Increases
  - Iowa Demographics of High School Students
  - Retention Rates
  - Graduation Rates
- Technical Feasibility & Costs of Implementation
- Results from Other Universities
- Optional Tuition Guarantee and Summary

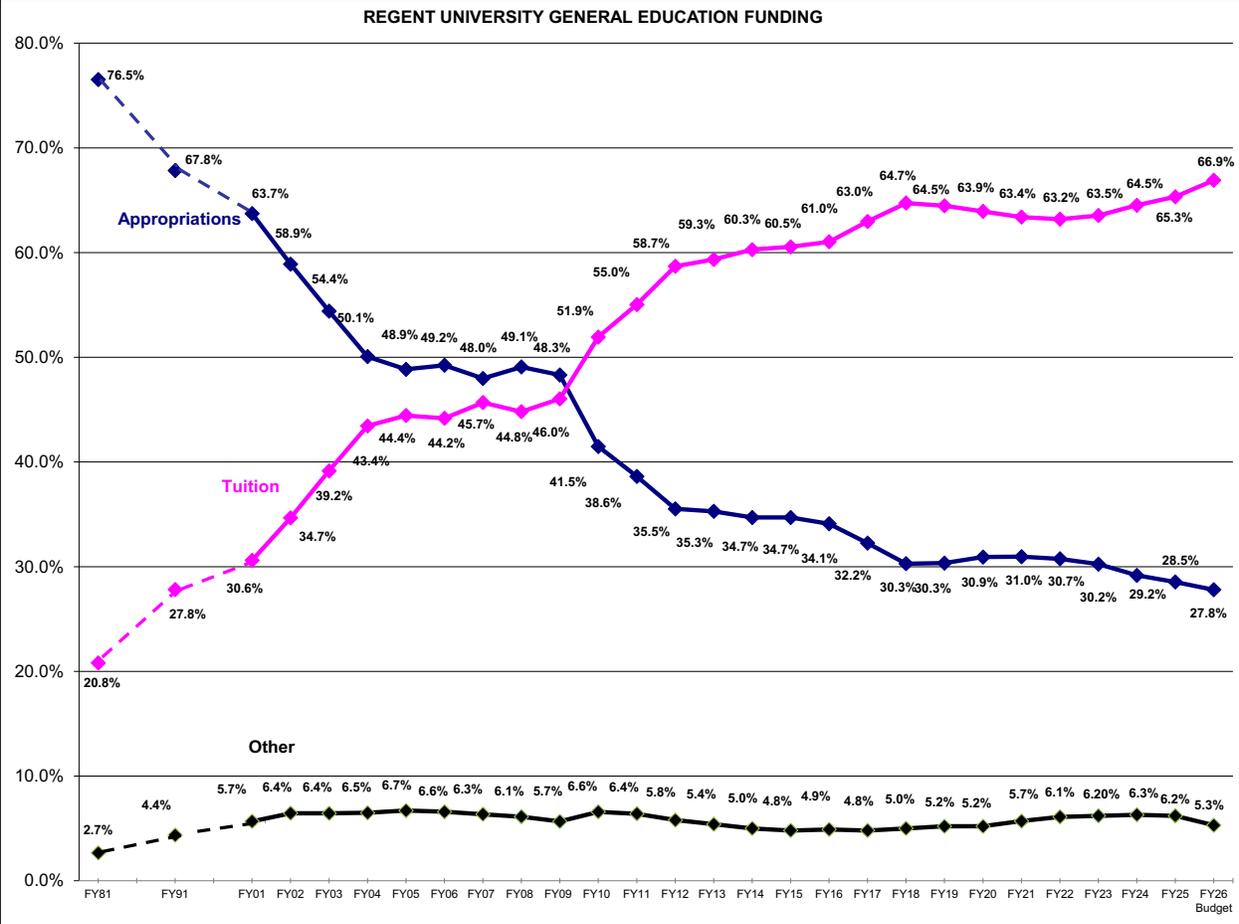
## BACKGROUND AND HISTORICAL INFORMATION

### Regent Higher Education Revenue Budget

The general university operating appropriations and tuition revenue have historically provided the core operating funds supporting Regent higher education. Balancing these funding sources is crucial for public universities to maintain affordability and accessibility while ensuring they have the necessary resources to provide quality education. For background, undergraduate resident tuition and state appropriations account for almost half of the consolidated Regent higher education FY 2026 operating budget of the three Regent universities. Additional information regarding state appropriations and tuition is provided on the following pages.



Dynamic changes in state funding patterns significantly altered the proportion of these revenue sources for higher education as seen in the chart below. Tuition revenues have become the primary funding source for the Regent universities.



Higher education is currently facing many headwinds. As a result of these challenges, Moody’s revised its outlook on the U.S higher education sector from stable to negative in March of 2025. The report cited potential federal policy changes that create a more difficult operating environment for colleges and universities.

Research universities are grappling with major challenges surrounding indirect cost reimbursements - the portion of federal research funding that covers essential infrastructure and administrative support not directly linked to specific projects. Recent federal proposals to significantly reduce reimbursement rates from key agencies such as the National Institutes of Health, National Science Foundation, Department of Education, and Department of Defense have introduced considerable uncertainty, threatening this source of revenue for Iowa’s Regent universities moving forward. Federal policy initiatives include the potential reductions in federal agency research budgets, which would also result in a

reduction of indirect cost recoveries. These recoveries comprise 5% of the Regent higher education revenues.

Recent federal initiatives are also reshaping how students finance higher education, and several of these changes are likely to reduce university enrollment. Federal budget proposals include reducing Pell Grant awards that will impact low-income students that rely on Pell Grants to attend college. The Regent universities enroll approximately 11,500 undergraduate students that receive Pell Grant funding.

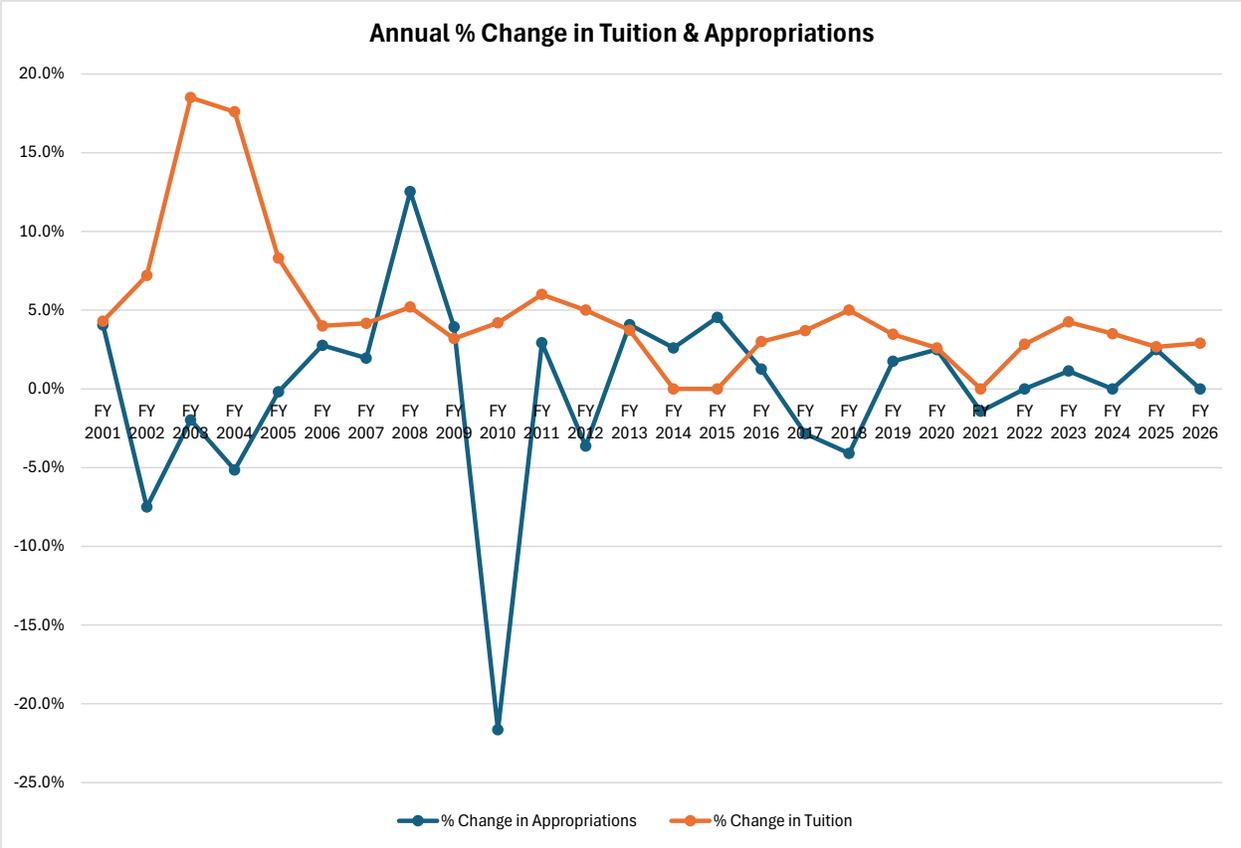
Elimination of Grad PLUS loans and new borrowing caps limit how much graduate and professional students can borrow. This disproportionately affects students in high-cost programs (e.g., law, medicine, veterinary medicine, dentistry), potentially deterring them from enrolling or necessitate borrowing from the private sector at higher interest rates. Regent universities currently enroll 6,380 graduate and professional students that receive loans from federal sources to finance their education.

Inflation has a profound and multifaceted impact on colleges and universities affecting everything from operational budgets to student affordability. Colleges and universities face inflationary increases for food, utilities, labor and materials. Inflation also erodes investment in facilities and infrastructure. In addition, the cost/square foot of capital projects is now 40% higher than prior to the pandemic. ([5 years after COVID hit, contractors still wait for prices to come down | Construction Dive](#)). The increasing costs of capital projects are also negatively affecting the backlog of deferred maintenance in academic facilities at colleges and universities nationwide.

### **Tuition and State Funding History**

State operating appropriations and tuition revenue have historically provided the core operating funds for Iowa's Regent universities. The following line graph compares the average tuition rate change for undergraduate resident students of the three Regent universities and the percentage change in general university state appropriations (which support the higher education component of the universities) from FY 2001 through FY 2025. Over the last 25 years, there have been periods of great volatility in appropriations and in tuition rates.

Given the historical variability in Iowa's higher education funding, implementing a tuition guarantee policy without a stable funding base could lead to unintended consequences, potentially limiting the ability of the state's public universities to adapt to fluctuations in state support, inflation and rising operational costs.



Resulting from the economic recession that occurred in the early 2000’s, state appropriations were cut \$77.8M during the four-year period of FY 2002 – FY 2005. In response to those cuts, resident undergraduate tuition increased by approximately \$1,800 during the same period.

Fiscal Year	GENERAL UNIVERSITY APPROPRIATIONS						AVERAGE TUITION		
	ISU	SUI	UNI	Total	\$ Change	% Change	Tuition	\$ Change	% Change
2001	202,542,308	255,836,163	90,643,431	549,021,902	21,424,224	4.1%	2,906	120	4.3%
2002	187,119,809	236,937,123	83,746,529	507,803,461	(41,218,441)	-7.5%	3,116	210	7.2%
2003	183,134,521	232,423,103	82,228,033	497,785,657	(10,017,804)	-2.0%	3,692	576	18.5%
2004	173,633,827	220,501,286	78,004,005	472,139,118	(25,646,539)	-5.2%	4,342	650	17.6%
2005	173,269,729	220,131,572	77,831,821	471,233,122	(905,996)	-0.2%	4,702	360	8.3%

Similar to the early 2000’s and resulting from another economic downturn, state appropriations were reduced by \$125M from FY 2009 to FY 2010. One-time funding of \$79M from the American Recovery and Reinvestment Act (ARRA) was used by the universities to bridge strategic budget decisions during FY 2010 and beyond to balance operating budgets. Appropriations then increased 2.9% for FY 2011 followed by a 3.9% reduction for FY 2012. Undergraduate resident tuition increases of 4.2%, 6.0%, and 5% from FY 2010 to FY 2012 resulted from the state appropriation reductions.

Fiscal Year	GENERAL UNIVERSITY APPROPRIATIONS						AVERAGE TUITION		
	ISU	SUI	UNI	Total	\$ Change	% Change	Tuition	\$ Change	% Change
2009	212,192,481	269,527,169	95,792,085	577,511,735	21,858,897	3.9%	5,532	172	3.2%
2010	166,136,615	211,192,042	75,157,723	452,486,380	(125,025,355)	-21.6%	5,765	233	4.2%
2011	170,536,017	217,638,034	77,549,809	465,723,860	13,237,480	2.9%	6,111	346	6.0%
2012	164,345,198	209,737,311	74,734,586	448,817,095	(16,906,765)	-3.6%	6,417	307	5.0%

The third period of instability as reflected in the line graph occurred in FY 2017 and FY 2018. SUI's and ISU's state funding was cut significantly in the middle of these fiscal years while the legislature kept UNI's appropriation relatively stable due to their higher reliance on resident student tuition.

Fiscal Year	GENERAL UNIVERSITY APPROPRIATIONS						AVERAGE TUITION		
	ISU	SUI	UNI	Total	\$ Change	% Change	Tuition	\$ Change	% Change
2016	182,181,852	230,923,005	94,276,732	507,381,589	6,336,045	1.3%	6,791	133	2.0%
2017	175,409,852	222,985,505	94,535,232	492,930,589	(14,451,000)	-2.8%	7,108	317	4.7%
2018	167,474,125	211,560,793	93,712,362	472,747,280	(20,183,309)	-4.1%	7,466	358	5.0%
2019	170,624,125	214,710,793	95,712,362	481,047,280	8,300,000	1.8%	7,725	259	3.5%

For reference, the current general university appropriations and undergraduate resident tuition rates for FY 2026 are provided below.

Fiscal Year	GENERAL UNIVERSITY APPROPRIATIONS						AVERAGE TUITION		
	ISU	SUI	UNI	Total	\$ Change	% Change	Tuition	\$ Change	% Change
2026	178,445,037	223,496,355	101,894,146	503,835,538	-	0.0%	9,296	262	2.9%

## **State General Fund Receipts**

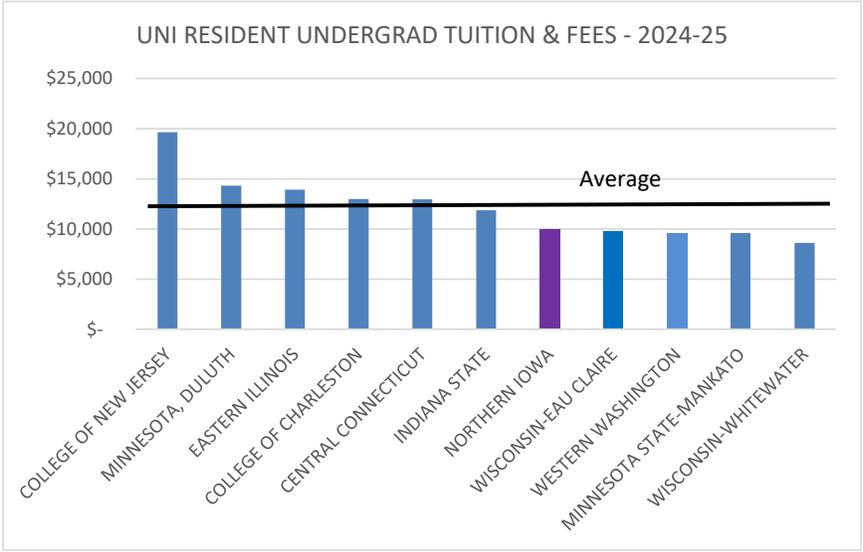
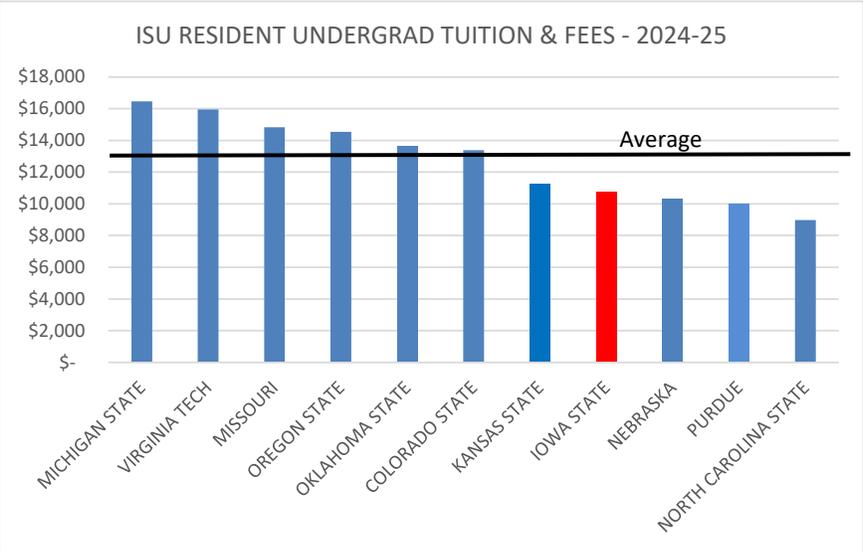
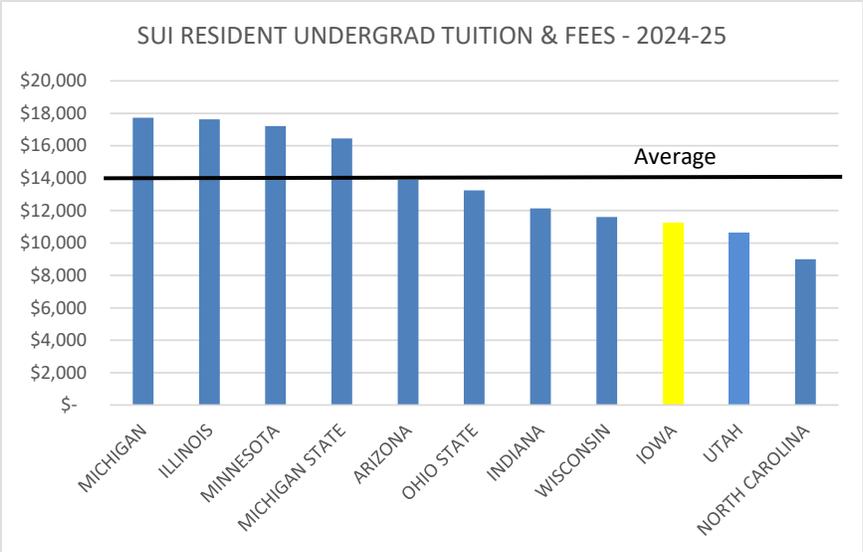
To lower the tax burden on Iowans, the legislature passed the Income Tax Rate Reduction and Exemptions Act and the Individual Income Tax Rate Act. This legislation began reducing Iowa individual income tax rates and the number of tax brackets annually, beginning with tax year 2023, until a single tax bracket/rate of 3.8% was established in tax year 2025. Additionally, all retirement income is exempt from state individual income tax effective January 1, 2023. These tax changes have resulted in reduced state general fund receipts.

While these changes are designed to simplify the tax code and reduce the tax burden, the reduction in revenue may strain funding for public services, including public higher education. According to the monthly general fund receipts memo dated September 2, 2025 as published by the Legislative Services Agency, state general fund receipts for FY 2026 are expected to be \$547 million (-6.1%) less when compared to FY 2025 actuals. Without the identification of alternative revenue sources, the decline in state tax revenues increases uncertainty regarding future state support for Iowa's Regent universities.

[Monthly General Fund Receipts](#)

## **Peer Tuition & Fee Rate Comparisons**

The tables on the following page include current resident undergraduate tuition and fee rates in comparison with established peer institutions. The universities fall in the lower half of the rankings and are significantly below the peer group average.



## Regents Admission Index for Iowa Students

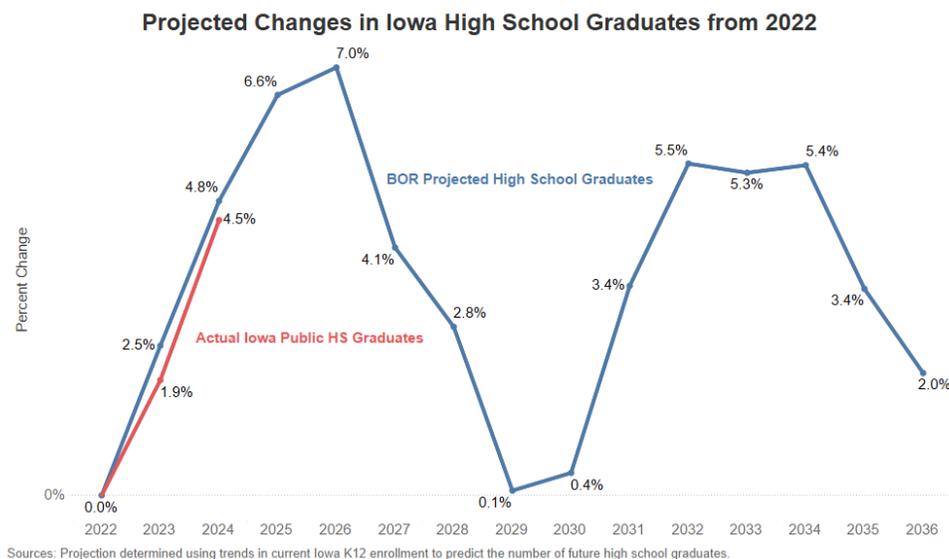
Iowa’s Regent universities remain accessible to all qualified Iowans. Any resident applicant who meets the minimum standard established by the Regent Admissions Index is automatically accepted into the universities. The Regent Admission Index combines factors that predict success at regent universities: ACT or SAT test score, high school cumulative grade-point average, and the number of completed high school core courses. In addition, students who do not meet the minimum RAI score are considered for admission on a case-by-case basis.

## Board Policy - Tuition Increases

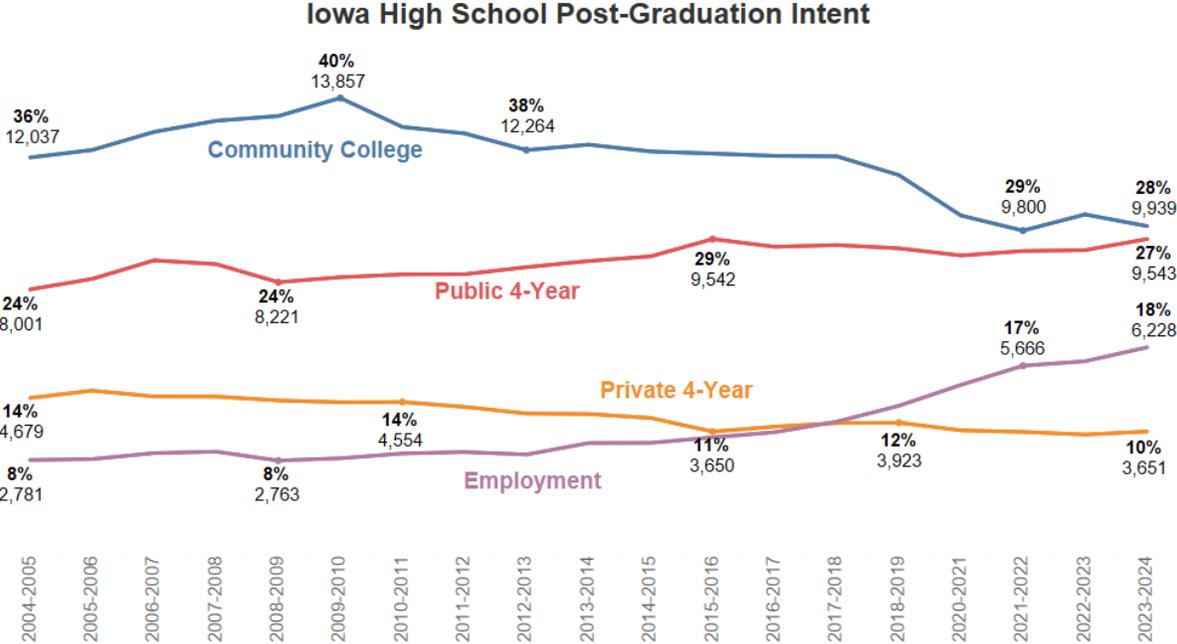
To promote predictability and transparency, the Board of Regents approved a policy at its April 2025 meeting that caps annual increases in base undergraduate resident tuition. Under this policy, any increase may not exceed the average of the three most recently published Higher Education Price Index (HEPI) inflation rates.

## Iowa Demographics of High School Graduates

The “enrollment cliff” is an expected 15% national decline in high school graduates between 2026 and 2029 due to a drop in the birth rate during the Great Recession. This decline varies greatly by state and Iowa is expected to experience only moderate declines in its high school graduate population between 2027 and 2029. Other states (e.g., Illinois, Wisconsin) from which the Regent universities receive many out-of-state students are expected to experience much larger drops in their high school graduate population. This national decline in available students is expected to increase competition amongst colleges and universities for students.



The percentage of Iowa high school graduates intending to enroll at a four-year public university (within and outside of Iowa) has held steady over the past 19 years (see below). During that same time, the number of graduates intending to pursue a community college education has declined while the number of students who plan to directly enter the workforce has increased. Iowa’s public universities have enrolled a consistent 20-22% of Iowa high school graduates during this span.

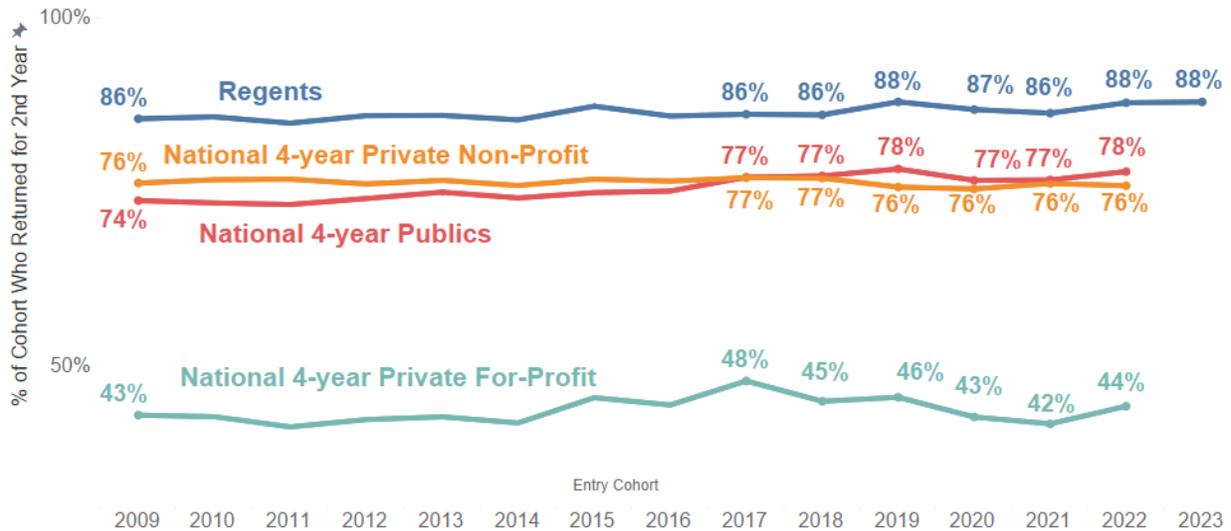


Source: Post graduation intent is based on Iowa high school surveys of graduating high school seniors as reported to the Iowa Department of Education.

## Retention Rates

As reported to the Board of Regents at its February 2025 meeting, 88% of Regent university undergraduates (2022 cohort) returned for a second year (also known as first-year retention). Retention rates nationally fell slightly during the pandemic but have returned to pre-COVID levels over the past two years. Overall retention rates for the Regent universities continue to far exceed the national averages of both public and private four-year colleges and universities. Also, the rate of students returning for their third year of college (or second-year retention), increased at all three universities when compared to the previous cohort. The percentage of students who return for their third year is an excellent predictor of graduation rates.

**Undergraduates Who Return for a Second Year at Same College**  
by Institutional Type

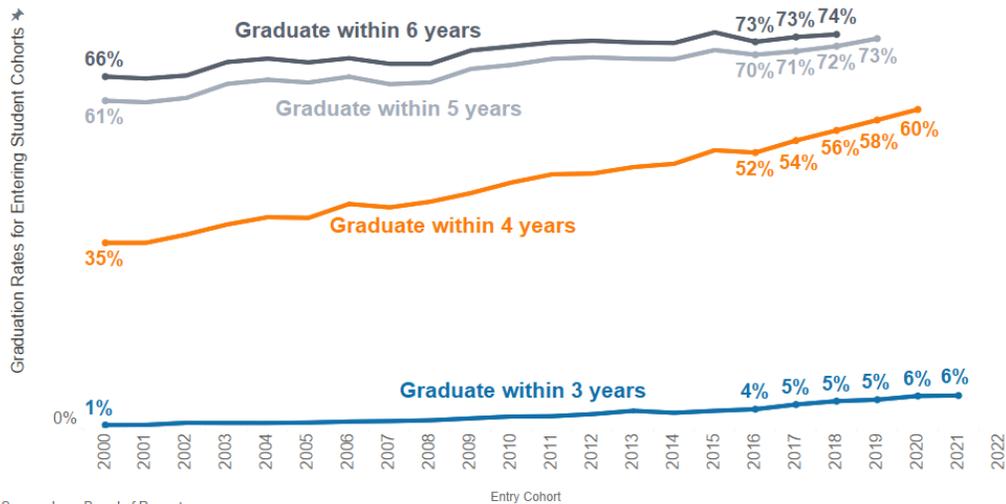


Sources: Iowa Board of Regents & National Student Clearinghouse Research Center *Persistence & Retention - 2024 Report*  
Workbook: Fall 2024 Grad & Retention Report, BOR Warehouse Supplement

## Graduation Rates

The average four-year graduation rate across the three Regent universities (60%) is the highest on record and has steadily improved over the last 20 years. The percentage of students in the 2018 entry cohort who graduated within six years (74%) matched that of the 2015 entry cohort, which was the highest on record. Also, the Regent universities continue to show steady growth in the percentage of students who graduate within three years.

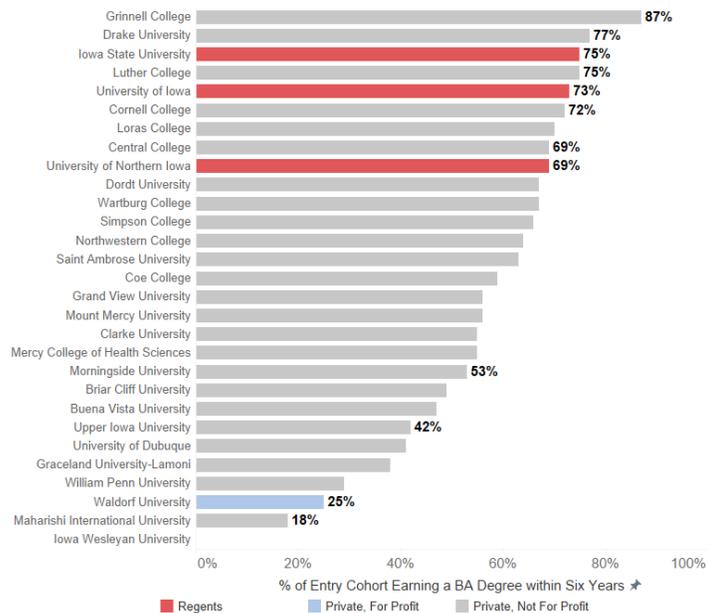
### Iowa Public University Undergraduate Graduation Rates



Source: Iowa Board of Regents  
Workbook: Fall 2024 Grad & Retention Report, BOR Warehouse Supplement

Regent university graduation rates also compare well to other Iowa colleges and universities.

### Percent Earning a Bachelor's Degree at Iowa 4-Year Colleges & Universities in 2023



Source: U.S. Dept. of Education Integrated Postsecondary Education Data System (IPEDS). Rates represent the percent of the 2016 entry cohort who earned a BA within 6 years. Workbook: Fall 2024 Grad & Retention Report, BOR Warehouse Supplement

## TECHNICAL FEASIBILITY & COSTS OF IMPLEMENTATION

Iowa's public universities offer many programs that include differential tuition rates for certain higher cost programs. Assessing tuition in this manner aligns costs where they are incurred rather than spreading those costs over the entire student population. Implementing a tuition guarantee program at universities that offer varying tuition rates across different academic programs presents complexities. The variability of tuition rates makes it difficult to apply a uniform guarantee without creating multiple tiers or exceptions. Additionally, students frequently change majors, transfer between departments, or pursue double majors, which complicates the application of a fixed tuition rate. If a student moves into a higher-cost program, the institution must decide whether the original guarantee still applies, raising questions of fairness and financial sustainability.

Another layer of complexity involves defining the duration and scope of the guarantee. Most programs cover a fixed number of years and typically apply only to tuition - excluding fees, housing, and other costs. Universities must clearly communicate these boundaries to avoid misunderstandings. Financial planning also becomes more difficult under a tuition guarantee model. Institutions rely heavily on tuition revenue, and locking in rates for incoming cohorts can make it harder to adjust for inflation or rising operational costs, potentially requiring larger financial reserves or adjustments for future students.

Communication and transparency are critical, as students and families need to understand exactly what is guaranteed and under what conditions it may change. Miscommunication can lead to disputes and damage institutional trust. Equity is another concern—while tuition guarantees can provide predictability for traditional, full-time students, they may inadvertently exclude part-time, transfer, or non-degree students, creating disparities in access.

Finally, the technological infrastructure needed to support such a program can be substantial. Universities must ensure that their student information systems, billing platforms, and financial aid tools can accurately track and enforce guarantees across diverse programs and student pathways. Legacy systems may not be equipped to handle these nuances, requiring costly upgrades or replacements. Altogether, while tuition guarantees can offer significant benefits, their implementation in a multi-rate tuition environment demands careful planning and testing, clear policy design, and ongoing administrative coordination.

Each of the universities individually operate student information systems not presently designed for guaranteed tuition rates for specific subsets of students. The Universities estimate they spend a minimum of \$650,000 (\$250,000k at SUI, \$315,000 at ISU, \$85, 000 at

UNI) modifying tuition billing and receivable systems to accommodate and test a tuition guarantee option for prospective students and their families to consider. In addition, each university will direct staff time toward updating public facing websites to inform prospective students of the tuition guarantee program. In addition to the costs of implementation, there will be on-going costs to maintain tuition tables, responding to inquiries from prospective students and families, financial aid coordination, and continued testing to ensure accuracy and compliance.

## RESULTS FROM OTHER UNIVERSITIES

While tuition guarantee programs aim to provide financial predictability for students, the results of a tuition guarantee or similar program have mixed results. While some universities have successfully implemented such a program, several have found them unsustainable and have chosen to discontinue these initiatives. In general, discontinuance of these programs resulted from declining state funding supporting higher education and/or the financial mismanagement of resources. Below are notable examples of universities and/or higher education systems that have implemented and sustained a tuition guarantee program as well as those that terminated a program after implementation.

### University System of Georgia

According to a press release from the University System of Georgia, they discontinued its guaranteed tuition three years after implementation. The decision was prompted by a substantial reduction in state funding—which rendered the fixed tuition rates financially untenable. The guaranteed tuition model had led to higher initial tuition rates to hedge against future cost increases, ultimately making education less affordable for students and families.

[Regents Honor Guaranteed Tuition for Current Students; but End Guarantee for Incoming Freshmen | Communications | University System of Georgia](#)

### Purdue University

Purdue University has frozen their base tuition since FY 2014 at \$9,992 for its undergraduate resident students at the West Lafayette Campus. While this isn't a "guarantee" in the contractual sense, Purdue's consistent tuition freeze has effectively provided students and families with a high degree of financial predictability. The freeze does not apply to differential rates that are applied to higher cost programs (e.g. engineering).

When Purdue's tuition freeze began in FY 2014 at \$9,992, the comparable rates for Iowa's Regent universities were significantly less at that time as provided below. Note: SUI's and ISU's tuition and fee rates did not surpass that of Purdue until FY 2023.

- SUI \$8,061
- ISU \$7,726
- UNI \$7,685

During this period, Purdue had the capacity and the ability to grow receiving 86,000 applications annually for about 10,000 acceptances each year. Enrollment grew from roughly 28,000 students in FY 2014 to approximately 40,000 students today at its West

Lafayette campus. Both resident and nonresident enrollment grew during this time. The additional volume was instrumental in growing the budget while maintaining flat base tuition rates. Mitch Daniels, former Governor of Indiana and former President of Purdue, was instrumental in implementing the tuition freeze and was able to garner legislative support with stable state funding for the university for operations and capital needs.

### **University of Arizona**

The University of Arizona announced the termination of its tuition guarantee program effective Fall 2025. The decision was driven by a significant budget shortfall. As part of a broader financial recovery plan, the university implemented measures such as hiring freezes, reductions in financial aid for out-of-state students, and pausing major construction projects to stabilize the institution's finances.

[Action Plan | The University of Arizona](#)

### **Drake University**

Drake University offers a tuition guarantee for full-time undergraduate students, ensuring that their tuition will not increase over the course of their four-year education. The gross annual tuition for full-time undergraduates is \$52,988, and this amount is guaranteed not to change for students enrolling in Fall 2026. Additionally, 100% of full-time undergraduate students receive a Presidential Scholarship that covers 51-66% of the tuition cost, with net tuition costs ranging from \$17,988 to \$25,988 after scholarships. This guarantee helps students and families plan for college expenses, providing a fixed tuition cost that will not increase during their time at Drake.

Drake University first implemented its Tuition Guarantee Program starting with the incoming undergraduate class of Fall 2017. Each cohort of students receives a guaranteed tuition rate (before scholarships) upon enrollment. This initiative was introduced to offer students and families financial predictability by locking in the tuition rate for four years. The program was designed in response to rising tuition costs at private universities, which had been increasing by an average of 4.4% annually.

Drake's Tuition Guarantee ensures that the gross tuition rate (the "sticker price") for full-time undergraduate students remains fixed for four years.

A history of the annual gross tuition rate at Drake is provided below.

2017-18	\$38,916	2022-23	\$47,564
2018-19	\$41,250	2023-24	\$49,466
2019-20	\$42,694	2024-25	\$51,444
2020-21	\$44,188	2025-26	\$51,444
2021-22	\$45,734	2026-27	\$52,988

According to information submitted to IPEDS (Integrated Postsecondary Education Data System), Drake’s undergraduate enrollment has declined from 3,267 in 2016-17 to 2,702 in 2023-24.

[Tuition & Fees | Student Accounts | Drake University](#)

[2026-27 Drake Tuition Costs | Drake University](#)

[Drake University Tuition Guarantee | Drake University](#)

### **Northern Illinois University**

Northern Illinois University operates a Truth-in-Tuition policy that provides cost predictability for undergraduate students. According to their website ([Tuition and Aid | Undergraduate Admissions | Northern Illinois University](#)), tuition and fees at Northern Illinois University is \$13,792, similar to that of the University of Iowa and greater than Iowa State University and the University of Northern Iowa. Below are the key details for NIU’s tuition guarantee policy:

#### Overview of the Truth-in-Tuition Program

- Eligibility: Applies to all first-time, degree-seeking undergraduate U.S. citizens and permanent residents who graduated from a U.S. high school.
- Fixed Tuition: Students are guaranteed the same tuition rate for four continuous academic years from the time they first enroll
- Purpose: The program is designed to help students and families plan financially by protecting them from unexpected tuition increases during their undergraduate studies.

#### Benefits

- Financial Predictability: Students know exactly what they’ll pay in tuition for four years, which helps with budgeting and financial planning.
- Encourages Timely Graduation: Since the fixed rate only applies for four years, students are incentivized to graduate on time to avoid higher rates in a fifth year.

- **Stability Amid State Funding Changes:** The policy provides a buffer against fluctuations in state appropriations that might otherwise lead to mid-degree tuition hikes.

**Limitations**

- **Applies Only to Tuition:** It does not cover fees, housing, or other costs, which may still increase.
- **Time-Limited:** After four years, students who haven't graduated may face a new, potentially higher tuition rate.

**University of Illinois System**

The University of Illinois System offers a well-established Undergraduate Guaranteed Tuition Program, which has been in place since 2004. It is one of the most comprehensive tuition guarantee programs among public universities in the country. Each cohort is guaranteed an unchanged tuition schedule for four years. The 2024-25 tuition and fee rates for universities in the Illinois System are provided below.

- University of Illinois - Urbana Champaign                      \$17,640
- University of Illinois - Chicago                                      \$17,742
- University of Illinois – Springfield                                      \$12,810

**Key Features of the Program:**

- **Four-Year Tuition Guarantee:** All new undergraduate students (freshmen and transfers) are guaranteed the same tuition rate for four continuous academic years from their initial enrollment date.
- **Applies to All Three Campuses:** University of Illinois Urbana-Champaign, Chicago, and Springfield.
- **Cohort-Based:** Students are grouped into cohorts based on the term they first enroll (Fall, Spring, or Summer), and each cohort has its own fixed tuition schedule.
- **No Tuition Increases:** Tuition remains unchanged for the four-year period, regardless of annual increases for new students.

**Eligibility and Conditions:**

- Applies to baccalaureate degree-seeking students.
- Students who change majors or campuses may be subject to different tuition rates, but still within their original cohort's schedule.

- Students who withdraw and return (except for military service) do not get an extension on their guarantee period.
- After four years, students who haven't graduated move to a "without guarantee" status and pay the current tuition rate for new students.

Historical undergraduate resident enrollment data for the University of Illinois System is provided below.

**Undergraduate Resident Enrollment, University of Illinois**

School	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Urbana-Champaign	24,196	24,655	24,564	24,856	25,107	25,282	25,634	25,329	25,844	26,876
Chicago	16,582	16,911	17,924	18,804	19,405	19,689	19,930	19,417	19,640	19,899
Springfield	2,402	2,447	2,419	2,379	2,274	2,299	2,176	2,069	2,042	2,050

Source: University of Illinois System Student Data Book, Fall 2024 [https://www.pb.uillinois.edu/documents/databook/PB\\_Databook\\_Fall24.pdf](https://www.pb.uillinois.edu/documents/databook/PB_Databook_Fall24.pdf)

The State of Illinois has implemented other programs that likely impacted resident enrollment. The [Illinois Monetary Award Program \(MAP\)](#) is a grant funded by the state of Illinois and administered by the Illinois Student Assistance Commission, to provide need-based grants for undergraduate students pursuing their first baccalaureate degree. MAP grants may be used towards tuition and mandatory fees only. The maximum amount of the grant program for 2025-26 is \$8,064 for fall/spring semesters. UI – Springfield implanted a “Prairie Promise” program beginning in Fall 2024. This trial program welcomes new, first-time freshmen and covers remaining tuition and mandatory fees for students who receive the MAP grant with AIM HIGH, UIS merit and/or UIS need-based aid. Pell grants, donor scholarships and any other gift aid will be in addition to the Promise for students who receive MAP funding can be eligible for an additional grant to cover the full remaining balance of tuition and fees.

[Tuition - University of Illinois System](#)

[Guaranteed Tuition - UAPS](#)

[Undergraduate Tuition and Fees | Office of the Registrar | University of Illinois Chicago](#)

[Tuition & Fees | University of Illinois Springfield](#)

[Prairie Promise | University of Illinois Springfield](#)

## **Central Michigan University**

Central Michigan University officially discontinued its tuition guarantee program—known as the CMU Traditions Program—for new students starting with the 2024–25 academic year. The students who were awarded the CMU Traditions at the start of their incoming year of 2023-24 and prior are grandfathered into the discontinued program. This program is no longer offered to students. Central Michigan University ended its guaranteed tuition program due to the state's declining economy and reduced funding for higher education, highlighting the challenges of maintaining fixed tuition rates amid economic instability. Central Michigan's current tuition rate for resident lower-level undergraduates is \$11,448 (excludes fees). [CMU Tuition Advantage](#)

## **Cameron University**

Cameron University, a public university in Oklahoma with an enrollment of about 4,000 students, offers an optional Tuition Guarantee Program for undergraduate resident students. While the university also offers a standard tuition rate, students have the choice to opt into the Tuition Guarantee Program, which locks in their tuition rate for the duration of their undergraduate studies, provided they maintain continuous enrollment in the same degree program. The program was designed to provide financial predictability for students.

For the 2025-26 academic year, Oklahoma undergraduate students had the option of a standard \$236.50 per credit tuition rate (subject to annual rate increases or a guaranteed rate of \$263.00 per credit (11.6% more ).

[Tuition and Fees - Enrollment Schedule | Cameron University](#)

## **University of Kansas**

The University of Kansas previously offered a four-year tuition compact that allowed incoming freshmen to lock in a fixed tuition rate for the duration of their undergraduate studies. This program was designed to provide predictability and financial planning stability for students and families, shielding them from unexpected tuition hikes. The program was phased out due to budget constraints when the university faced significant state budget cuts, which made it harder to sustain fixed tuition rates without compromising academic quality or services.

Key Features of the no longer applicable KU Tuition Compact:

- Fixed tuition rate for four years for incoming freshmen.
- Applied only to students who entered as new freshmen.
- Aimed to prevent tuition increases and support long-term financial planning.

## **OPTIONAL TUITION GUARANTEE PROGRAM & SUMMARY**

### **Optional Tuition Guarantee Program**

While the current Board policy limiting tuition increases to a 3-year inflation average provides tuition rate predictability, an option for consideration is a voluntary tuition guarantee program whereby a student may elect to pay a singular non-refundable upfront premium established annually by the Board for each cohort that guarantees a cap to the base tuition rate. The cap would apply for up to four consecutive academic years of an undergraduate resident student's initial enrollment. A student may also elect not to participate in the program and pay the tuition rates established annually by the Board.

Iowa's public universities are currently facing several significant risk factors. These include uncertainty in federal funding, which affects both research grants and reimbursements for indirect costs. Recent federal policy changes may also reduce the financial aid and loan resources available to students. Additionally, declining state tax revenues could lead to reduced appropriations for public higher education in Iowa. Inflation continues to drive up operating expenses for the Regents, limiting the universities' ability to invest in capital improvement projects. Deferred maintenance needs across general education fund facilities are growing, exacerbated by a sharp rise in construction costs over the past five years. To help mitigate these risks, it is recommended that any tuition guarantee program feature a non-refundable upfront premium that secures a fixed base tuition rate for four years.

It is recommended the optional program would not apply to:

- Nonresident students
- Graduate or professional students
- Differential tuition for higher cost programs
- Mandatory Fees
- Room, board, books, or other non-tuition charges.

As an example, the current base undergraduate resident tuition rate at the University of Iowa is \$9,565. The following projects the applicable tuition rates in future years, assuming a 3% increase each year. Given the technical complexities and necessary system testing to implement a tuition guarantee program, for purposes of this report, assume the first student cohort with an optional tuition guarantee program enrolls beginning in Fall 2027 (FY28).

	<u>YEAR</u>	<u>FY</u>	<u>Tuition</u>
	Current	FY26	\$ 9,565
	1	FY27	\$ 9,852
1st Cohort Begins	2	FY28	\$ 10,148
2nd Cohort Begins	3	FY29	\$ 10,452
	4	FY30	\$ 10,766
	5	FY31	\$ 11,089
	6	FY32	\$ 11,422

With these assumptions, for the optional tuition guarantee to be revenue neutral for the university, the break-even point would require an upfront tuition guarantee premium of \$1,863. The up-front premium could be reduced slightly with investment income earned on the unused portion of the premium in each of the 4 years.

<b>Nonrefundable</b>			<u>Tuition</u>	
<b>Premium = \$ 1,863</b>	3%	<u>Curr Tuition</u>	<u>Guarantee</u>	
<b>Cohort 1</b>	FY28	\$ 10,148.00	\$ 12,011.00	
	FY29	\$ 10,452.00	\$ 10,148.00	
	FY30	\$ 10,766.00	\$ 10,148.00	
	FY31	\$ 11,089.00	\$ 10,148.00	
	Total	\$ 42,455.00	\$ 42,455.00	\$ -
	average	\$ 10,613.75	\$ 10,613.75	\$ -

Now looking at Cohort 2 beginning in Fall 2028 (FY29), the nonrefundable premium break-even point increases to \$1,921. This trend would likely necessitate an annual review of the guarantee premium amount in accord with adjustments made to the base tuition rate.

<b>Nonrefundable</b>			<u>Tuition</u>	
<b>Premium = \$ 1,921</b>	3%	<u>Curr Tuition</u>	<u>Guarantee</u>	
<b>Cohort 2</b>	FY29	\$ 10,452.00	\$ 12,373.00	
	FY30	\$ 10,766.00	\$ 10,452.00	
	FY31	\$ 11,089.00	\$ 10,452.00	
	FY32	\$ 11,422.00	\$ 10,452.00	
	Total	\$ 43,729.00	\$ 43,729.00	\$ -
	average	\$ 10,932.25	\$ 10,932.25	\$ -

Given that Iowa Board of Regents policy currently limits tuition increases to an inflation factor, the level of participation in an optional tuition guarantee program as described above is uncertain and may reduce the perceived need for a tuition guarantee. It may be beneficial to engage the Iowa College Access Network (ICAN) to see if they can gather meaningful input from students and families to assess their interest and willingness to pay a one-time premium in return for a four-year tuition guarantee. ICAN's mission is to empower Iowans to achieve lifelong success through education, training, and informed decision-making and students, parents and education professionals prepare for college each year. The feedback collected may help shape a transparent and equitable model that supports predictability and financial planning for higher education.

## Summary

Iowa's public universities are graduating students at rates that are the highest on record and are steadily growing the percentage of students who graduate in three years and automatically admit any resident applicant who meets the minimum standard established by the Regent Admission Index. Retention rates (88%) for the Regent universities continue to far exceed the national averages of both public and private four-year colleges and universities (76%-78%). Current resident tuition and fee rates for Iowa's public universities are in the lower half of their peers and are significantly less than their peer group average. Board policy mandating tuition increases be no more than a three-year inflation average will keep them competitive and provide predictability for students.

Colleges and universities are presently facing a convergence of economic challenges that may reshape the landscape of higher education. Federal policy changes related to grant-funded research, lower indirect cost reimbursement rates, and reductions to federal student financial aid and loan programs all contribute to the operating challenges impacting Iowa's Regent universities.

In addition, enrollment pressures are expected from a national decline in high school graduates in the coming years and from more students exploring alternative paths to quicker employment opportunities.

Inflation impacts the higher education sector affecting everything from operational budgets to student affordability. Colleges and universities face inflationary increases for food, utilities, labor and materials, and inflation can also erode investment in facilities and infrastructure.

While the Regents greatly appreciate the continued partnership with the state, history has shown us that state support for Regent operations can also fluctuate from year-to-year. Over the years, the Regent universities realized a greater reliance on tuition revenue to support higher education in our state.

Implementing a tuition rate guarantee can offer benefits for students and families by providing financial predictability and potentially boosting enrollment. However, these policies carry risks for colleges and universities. Chief among them is the potential erosion of revenue over time, especially as inflation drives up operational costs such as salaries, technology upgrades, facility maintenance and student services. Without the ability to adjust tuition rates, institutions may struggle to keep pace with rising expenses, leading to budget shortfalls. Additionally, tuition freezes may disproportionately benefit students who can already afford college, while limiting the institution's ability to expand financial aid or support services for those in greater need. Over time, these constraints can undermine institutional quality, competitiveness, and long-term sustainability.