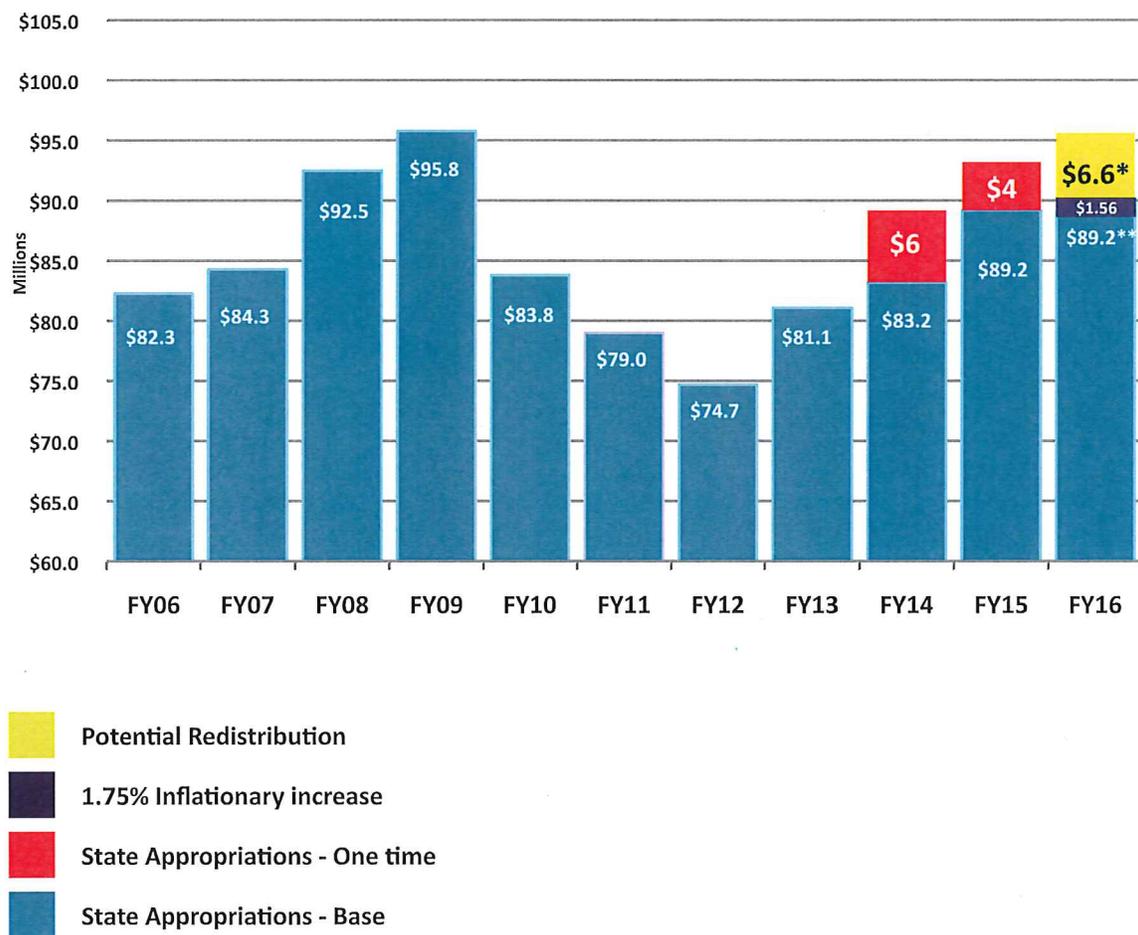


## Standard & Poor's Reclassifies 157 U.S. Public Universities

- On December 5, 2014, Standard & Poor's reclassified 157 U.S. public universities as no longer a "government-related entity" (GRE), which included the University of Northern Iowa. Before that, the U.S. public finance higher education sector could receive S&P extraordinary government intervention during periods of stress. S&P first applied GRE criteria to the public higher education sector in 2009. Since then, they noted that the Great Recession and the performance of U.S. states and public universities show that most public universities operate independently and do not benefit from timely extraordinary support.
- Although there is little history of public universities requiring extraordinary entity-specific support related to their fiscal stress, S&P also believes that U.S. states are less willing to provide this support. In most cases, they noted, there is also a lack of a government framework to predictably respond in a timely manner. This is because for most public universities, extraordinary support can only be given through the acceleration of funds annually appropriated.
- The 157 public universities are in the following states: Alabama, Alaska, Arizona, California, Colorado, Connecticut, Delaware, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wyoming. This also applies to public universities in the District of Columbia.
- S&P downgraded Alabama State University to 'BBB+' from 'A-'; saying the outlook is negative. They lowered the rating on UNI to '**A**' from 'A+'; saying the outlook is **stable**. These two institutions had previously benefited from a one-notch rating uplift for government support, as a result of the application of the GRE criteria.
- UNI hasn't issued any bonds since April 2013. We are not planning on issuing any bonds during the 2015 calendar year.

# State Appropriations FY06 to FY16



The Board of Regents is proposing a modest inflationary increase of 1.75% to address the rising cost of utilities, transportation, and employee healthcare and wellness. This would provide an additional \$1.56 million for the University of Northern Iowa in FY16. The Board of Regents has also adopted a new Performance-Based Funding (PBF) model that ties state appropriations to resident enrollment and student progress measures. Under this model, UNI would receive an additional \$6.6 million in FY16 for a total of \$8.1 million in new money. The additional revenue will help offset the remaining \$4 million in one-time funding spent in FY15, resulting in a net gain of \$4.1 million in FY16.

Source: University of Northern Iowa Department of Administration & Financial Services, <http://www.vpaf.uni.edu/vpaf/>



# Market Share Percentages of Iowa High School Graduates

	PUBLIC TOTAL	NON-PUBLIC TOTAL	PUBLIC & NON-PUBLIC TOTAL	UNI RESIDENT FRESHMEN	UNI MARKET SHARE	SUI RESIDENT FRESHMEN	SUI MARKET SHARE	ISU RESIDENT FRESHMEN	ISU MARKET SHARE
Fall 1999	34378	2693	37071	2067	5.58%	2399	6.47%	3040	8.20%
Fall 2000	33926	2680	36606	2123	5.80%	2249	6.14%	3223	8.80%
Fall 2001	33774	2667	36441	1979	5.43%	2356	6.47%	3314	9.09%
Fall 2002	33789	2678	36467	1743	4.78%	2485	6.81%	3046	8.35%
Fall 2003	34860	2689	37549	1683	4.48%	2545	6.78%	2865	7.63%
Fall 2004	34339	2565	36904	1573	4.26%	2565	6.95%	2705	7.33%
Fall 2005	33547	2475	36022	1598	4.44%	2315	6.43%	2750	7.63%
Fall 2006	33693	2440	36133	1594	4.41%	2460	6.81%	2823	7.81%
Fall 2007	34127	2261	36388	1878	5.16%	2448	6.73%	3014	8.28%
Fall 2008	34573	2393	36966	1870	5.06%	2223	6.01%	2900	7.85%
Fall 2009	33926	2249	36175	1820	5.03%	2052	5.67%	2865	7.92%
Fall 2010	34617	2153	36771	1833	4.98%	2096	5.70%	2857	7.77%
Fall 2011	33624	2179	35803	1769	4.94%	2057	5.75%	3105	8.67%
Fall 2012	32833	2162	34995	1563	4.47%	2121	6.06%	3251	9.29%
Fall 2013	31881	2047	33929	1568	4.62%	2134	6.29%	3540	10.43%
Fall 2014	31564	2028	33593	1651	4.91%	2197	6.54%	3509	10.45%
				AVG = 4.89%		AVG = 6.35%		AVG = 8.46%	
Fall 2015	32103	1829	33932						
Fall 2016	32260	1750	34010						
Fall 2017	32621	1744	34365						
Fall 2018	32469	1632	34101						
Fall 2019	32460	1529	33988						
Fall 2020	32741	1459	34200						

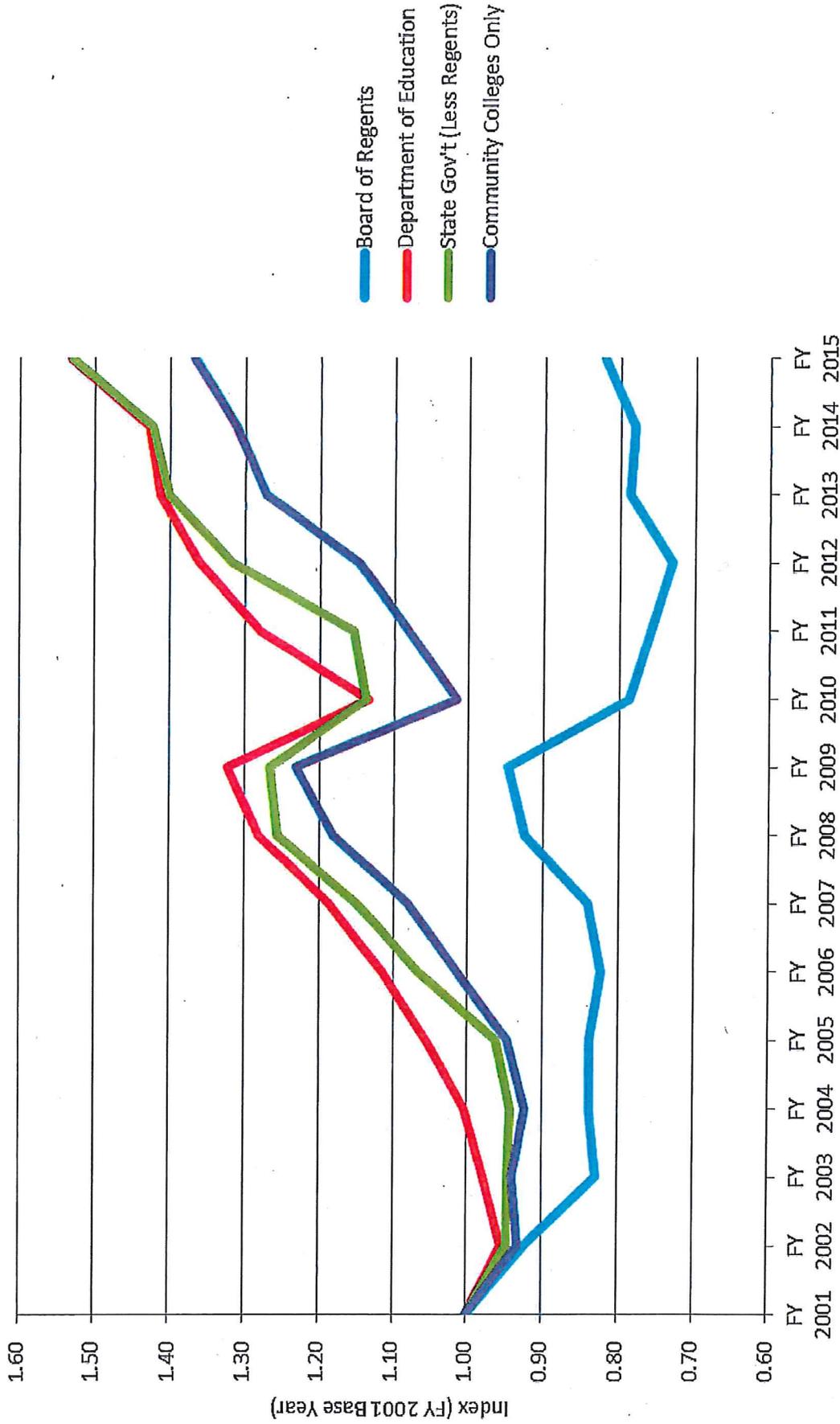
Projected Iowa High School Graduates

From FY04 to FY14, the average number of Iowa high school graduates is 35,677. The University of Northern Iowa's average market share of resident freshman is 4.89%. The University of Iowa's average market share is 6.35% and Iowa State University's is 8.46%. On average, the three Regent universities attract approximately **20%** of the market share of direct from Iowa high school students. This percentage means there are more than **80%**, or approximately **28,541**, direct from Iowa high school students to enroll. This population will continue to be available as the projected numbers begin to show growth.



# Comparative State General Fund Appropriations

Source: LSA's Gray Book



Source: Legislative Services Agency

