

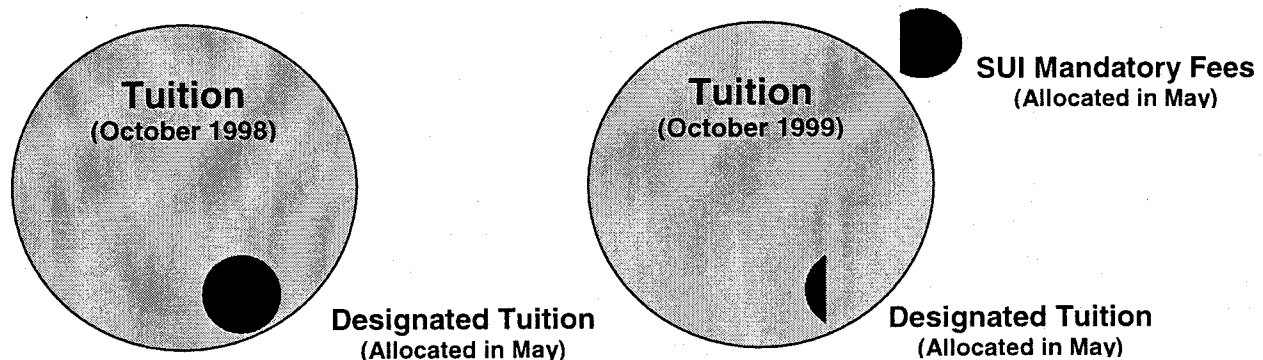
MANDATORY FEES

BACKGROUND

ESTABLISHMENT OF NEW FEES TO REDIRECT TUITION FOR ACADEMIC PURPOSES

For many years, the Board has set tuition and mandatory fees in the fall of each year. During the following May Board meeting, the Board has designated a portion of tuition for specific purposes such as student activities, student services, and debt service. These designations of tuition, in accordance with the Board's Strategic Plan, help assure that the institutional funding base is diverse and consistent with the Board's aspirations for educational excellence.

In October 1999, the Board made a fundamental change in the structure of tuition and fees at the University of Iowa, approving a request of the University of Iowa to establish new mandatory fees for certain student activities and student services rather than using tuition revenues. The change took tuition revenues at the University of Iowa that had been designated historically for student activities and student services, and established them as separate and distinct mandatory fees.



This redirection from tuition to mandatory fees at the University of Iowa had significant consequences:

- Tuition dollars became available for academic areas and needs.
- Students paid mandatory fees rather than tuition to support specific programs that promote student activities and services.
- Students continued to pay the same amount for tuition, plus any base tuition increase approved by the Board for next year (i.e. students continued to pay the same level of tuition but the funds are spent for different purposes).

Iowa Code section 262.34B establishes a procedure for proposing student activity fee changes. The law requires that a Student Fee Committee at each university, composed of five students and five university employees, makes recommendations to the university president, who in turn makes a recommendation to the Board. The final decision on student activity fee changes rests with the Board. This redirection of the designated tuition will not modify the procedure established in Iowa Code section 262.34B. The Student Fee Committee process will continue to determine the specific allocations of student activity fee revenues.

In addition to the University of Iowa's proposal, Iowa State University and the University of Northern Iowa proposed a similar redirection of tuition to new mandatory fees so that an additional portion of tuition revenues may be utilized for academic programs.

In October 1999, the Board required the University of Iowa to return for specific approval of any increase in fees and directed the University to do the following as it implements this change. These requirements should also apply to Iowa State University and the University of Northern Iowa.

- Consult with students regarding the proposed expenditures of the newly available tuition revenues released by redirection of tuition to fees (statutory procedure remains same for consultation regarding student activities).
- Report to the Board on revenues and expenditures for all tuition and fees generated by this proposal (including the disposition of unallocated funds).
- Address the applicability of mandatory fees for part-time students, off-campus students, and summer session students.

University of Iowa

Last year, the Board approved the University of Iowa's proposal to phase in the redirections of tuition to fees over two years. The University of Iowa requested to implement the second year of this plan, which would establish two additional mandatory fees for the 2001-02 academic year: the Student Union Fee of \$58 and the Consolidated Health Fee of \$20. This proposal would allow the University to redirect \$1.9 million of tuition revenues to fund selective, strategic investments in financial aid and financial aid services, revitalization of university libraries, and transformation of the instructional equipment in classrooms, laboratories, and studios at the University. This is consistent with the University's proposal last year and the Board's initial approval of the redirection of tuition.

The Board Office recommendation did not increase the proposed new fees (student union and consolidated health), which results in an additional \$78 in fees to be paid annually by students. With the redirected fees of \$76 approved by the Board last year, the total increase over the two-year period would be \$154. These amounts are separate from any tuition increase that the Board would approve. The SUI Student Government has expressed support of the University's two-year plan to redirect tuition dollars.

Attachment B – Mandatory Fees

The University also proposed a \$2 increase for the 2001-02 academic year in the student activities fee (5.7%) and the student services fee (4.9%) to bring the total increase over the two-year period to \$158. The Board Office, however, did not recommend the \$2 increase in either the student activities fee or the student services fee at this time, primarily because there may have been an understanding that no increase in these particular fees would occur during the initial two-year implementation period.

University of Iowa Per Academic Year					
	Designated Tuition*		Mandatory Fees to Redirect Tuition for Academic Purposes		
	Approved 2000-01	Estimated 2001-02*	Approved 2000-01	Proposed 2001-02	Recomm. 2001-02
Student Health Services	\$20.18	\$0			
Consolidated Health Fee				\$20.00	\$20.00
Building Fees					
Recreation Project	24.00	24.00			
Recreation Building	4.00	4.00			
Arena/Recreation Project	27.72	27.72			
Iowa Memorial Union	<u>25.92</u>	<u>25.92</u>			
Total Building Fees	81.64	81.64			
Student Activities Fee			\$35.00	37.00	35.00
Student Services Fee			<u>41.00</u>	43.00	41.00
Student Union Support Fee	<u>0</u>	<u>0</u>		<u>58.00</u>	<u>58.00</u>
	\$101.82	\$81.64	\$76.00	\$158.00	\$154.00

* Net of inflationary increases.

Institutions in the University of Iowa's peer group are presented below.

**University of Iowa
Resident Undergraduate Mandatory Fees & Tuition
Peer Group Comparison
2000-01**

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Michigan	\$-	-	-	-	370	185	224	-	\$779	\$6,147	\$6,926
Minnesota	-	-	-	150	-	487	-	-	637	4,401	5,038
Illinois	-	-	-	-	-	680	590	-	1,270	3,724	4,994
Indiana	-	107	-	200	-	42	153	-	502	3,902	4,404
Ohio State	-	-	-	-	-	378	-	-	378	4,005	4,383
Wisconsin	-	-	17	-	139	92	219	34	501	3,290	3,791
UCLA	-	-	-	-	-	3,683	-	-	3,683	-	3,683
Texas	284	-	-	270	219	270	132	-	1,175	2,400	3,575
Iowa	-	35	-	110	-	41	112	-	298	2,906	3,204
N Carolina	-	-	-	-	-	908	-	-	908	1,860	2,768
Arizona	-	-	-	-	50	2,298	-	-	2,348	-	2,348

Iowa State University

Iowa State University proposed a multi-year plan to redirect current designated tuition toward a student activities mandatory fee of \$56 for the 2001-02 academic year, an additional \$74 (total \$130) for the 2002-03 academic year, and an additional \$48 (total \$178) for the 2003-04 academic year. The University would commit the redirected tuition revenues of \$1.5 million in the 2001-02 academic year to selective strategic investments in student financial aid, university library support, information technology, and expanded course offerings for heavily enrolled classes.

The Government of the Student Body of ISU indicated general support for the redirection of the tuition to mandatory fees.

Iowa State University Per Academic Year					Mandatory Fees to Redirect Tuition for Academic Purposes		
	Designated Tuition*				Proposed 2001-02	Proposed 2002-03*	Proposed 2003-04*
	Approved 2000-01	Proposed 2001-02*	Proposed 2002-03*	Proposed 2003-04*			
Student Activities							
Student Government	\$54.98	\$0	\$0	\$0			
Reserve for Legislative Relations	0.10	0	0	0			
Equipment/Program Support	0.20	0	0	0			
Subtotal	\$55.28	\$0	\$0	\$0			
Student Activities Mandatory Fee					\$56	\$56	\$56
Student Services							
Cy-Ride (Bus System)	43.00	43.00	0	0			
Memorial Union Operation	47.60	47.60	47.60	0			
Intercollegiate Athletics	36.00	36.00	36.00	36.00			
Recreation	31.40	31.40	0	0			
Subtotal	\$158.00	\$158.00	\$83.60	\$36.00			
Student Services Mandatory Fee					\$0	\$74	\$122
Building Fees							
Memorial Union	\$7.80	\$7.80	\$7.80	\$7.80			
Memorial Union Reserve - Future Improvements	3.26	3.26	3.26	3.26			
Hilton Coliseum	18.00	18.00	18.00	18.00			
Recreation Facility	30.50	30.50	30.50	30.50			
New Ice Facility	8.40	8.40	8.40	8.40			
Subtotal	\$67.96	\$67.96	\$67.96	\$67.96			
TOTALS	\$281.24	\$225.96	\$151.56	\$103.96	\$56	\$130	\$178

* Net of adjustments and inflationary increases.

Institutions in Iowa State University's peer group are presented below.

Iowa State University
Resident Undergraduate Mandatory Fees & Tuition
Peer Group Comparison
2000-01

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Mich.State	\$-	-	-	-	-	602	-	-	\$602	\$4,830	\$5,432
Minnesota	-	-	-	150	-	487	-	-	637	4,401	5,038
Illinois	-	-	-	-	-	680	590	-	1,270	3,724	4,994
Indiana	-	107	-	200	-	42	153	-	502	3,902	4,404
Ohio State	-	-	-	-	-	378	-	-	378	4,005	4,383
UC - Davis	-	314	-	-	223	3,429	106	-	4,072	-	4,072
Purdue	-	101	-	100	-	-	119	-	320	3,552	3,872
Wisconsin	-	-	17	-	139	92	219	34	501	3,290	3,791
Texas A&M	248	-	-	247	279	-	100	100	974	2,400	3,374
Iowa State	-	-	-	108	16	-	102	-	226	2,906	3,132
N Car State	-	-	-	-	-	908	-	-	908	1,860	2,768
Arizona	-	-	-	-	50	2,298	-	-	2,348	-	2,348

University of Northern Iowa

The University of Northern Iowa had originally proposed a single year plan to establish a new mandatory fee of \$129 for the 2001-02 academic year. In preparing the September docket materials, the Board Office recommended that UNI's proposal be implemented over two years, with a maximum of \$84 in the 2001-02 academic year. At the September Board meeting, President Koob indicated that UNI was planning to modify its proposal based on significant input from the Northern Iowa Student Government.

The revised UNI proposal for the redirection of designated tuition will take place over two years. A new mandatory fee of \$92 for the 2001-02 academic year is proposed. Only \$50 of this new fee is to be redirected from designated tuition. The \$8 increase in the proposed mandatory fee (from \$84 to \$92) is to be offset by the \$8 decrease proposed in the computer fee. The revenue generated by the new student mandatory fee would be focused on student needs such as additional resources for student organizations, and a dedicated funding stream for the renovation of Maucker Student Union. The University would commit the redirected tuition revenues to strategic initiatives to improve quality, including study abroad, first year student experience program, advising services, additional faculty to meet student demands, and faculty/staff professional and career development.

University of Northern Iowa
Per Academic Year

	Designated Tuition*		Mandatory Fees to Redirect Tuition for Academic Purposes	
	Approved	Estimated	Initial Board Office Proposal	Revised UNI Proposal
	2000-01	2001-02*	2001-02	2001-02
Student Fees				
Student Organizations	\$10.50	\$0	\$10.50	\$16.45
Intercollegiate Athletics	48.60	48.60	34.00	
Fine Arts/Cultural	12.60	12.60		
Intercollegiate Academics	6.30	6.30		
Northern Iowan	2.30	2.30		
Homecoming	1.20	1.20		
Student Activities Programming	3.40	3.40		
Wellness and Recreation	8.90	8.90		
Panther Shuttle Bus	5.50	0	5.50	5.50
Child Care Committee	0.80	0.80		
Student Union	15.00	0	15.00	15.00
Fieldhouse	53.30	53.30		
Maucker Union Renovation	19.00	0	19.00	55.05
Student Mandatory Fee **			\$84.00	\$92.00
TOTALS	\$187.40	\$137.40	\$84.00	\$92.00

* Net of adjustments and inflationary increases.

** The University expects to request an additional \$29.95 in FY 2003 to get the Maucker Union renovation fee to \$85.

University of Northern Iowa
Resident Undergraduate Mandatory Fees & Tuition
Peer Group Comparison
2000-01

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Ohio U	-	-	-	-	-	-	-	-	-	5,085	5,085
Illinois State	-	118	207	-	246	152	312	83	1,117	3,219	4,336
Minn Duluth	-	-	41	289	92	42	98	83	645	3,570	4,215
Ctrl Mich	-	100	-	200	50	180	-	-	530	3,245	3,775
Indiana St	-	-	-	-	-	-	-	-	-	3,564	3,564
Wisc EC	-	225	-	-	169	164	-	-	558	2,694	3,252
Northern Ia	-	-	-	122	-	-	102	-	224	2,906	3,130
Northern Az	-	-	-	-	50	2,296	-	-	2,346	-	2,346
No Texas	48	-	-	161	-	339	50	-	598	1,704	2,302
NC Grnsbro	-	263	311	177	152	128	178	-	1,093	1,108	2,201
Cal State	36	20	-	-	6	1,564	130	-	1,756	-	1,756

INCREASES IN PREVIOUSLY ESTABLISHED FEES

BACKGROUND

During the early 1990's, the Regents approved three types of mandatory fees - health fees, computer fees, and health facility fees.

- The computer fee was initiated in the fall of 1990 for FY 1992. The institutions were charging numerous, miscellaneous computer fees for courses/programs. The Board consolidated these miscellaneous computer fees into a comprehensive fee to improve computer education and access for all students.
- The student health fee was approved for FY 1991, after several months of study. This fee eliminated the existing voluntary health fee and created a mandatory student health fee for the benefit of all students.
- The health facility fee was initiated at the University of Iowa for FY 1998 to be applied to debt service obligations on a bond sale that funded the relocation and improvements of facilities for the Student Health Service.

COMPUTER FEES

The mandatory computer fee continues to serve the purpose for which it was established, providing a distinct resource to respond to computer infrastructure and technology needs to support instructional initiatives and programs.

The proposed fee increases cover costs due to inflation, remove the need for larger, extraordinary increases in the future, and continue to meet the growing demands and rising expectations of accrediting agencies, faculty, and students for expanded, state-of-the-art instructional computing resources.

Earmarked funds permit the institutions to plan programs and regular upgrades to sustain and improve technology based learning environments.

Business Administration, Engineering, Law, and Medicine students at the University of Iowa and Engineering, Computer Science, and Management Information Systems students at Iowa State University currently pay higher mandatory computer fees than other students.

The universities propose the following computer fees for the 2001-02 academic year:

Computer Fees As Revised		Actual 2000-01	Proposed 2001-02	Increase	
				\$	%
SUI	All students except Business Administration, Law, Engineering, and Medicine students	\$110	\$135	\$25	22.8%
	Law students	220	232	12	5.5%
	Business Administration and Engineering students	362	382	20	5.5%
	College of Medicine students and students in division of associated medical sciences	136	144	8	5.5%
ISU	All students except Engineering, Computer Science & Management Information Systems students	108	144	36	33.3%
	Graduate students	108	116	8	7.4%
	Engineering students	350	366	16	4.6%
	Computer Science & Management Information Systems students	280	292	12	4.3%
UNI	All students	122	126	4	3.3%

Assuming stable enrollments, the estimated 2001-02 revenues from the recommended computer fees are:

Computer Fee Revenues As Revised		
	Estimated 2001-02 Gross Revenues	Estimated Increase From 2000-01
University of Iowa	\$3,940,000	\$569,000
Iowa State University	4,423,000	654,000
University of Northern Iowa	<u>1,461,000</u>	<u>46,000</u>
TOTAL	\$9,824,000	\$1,269,000

University of Iowa

In preparing the September tuition request, the University of Iowa had proposed inflationary increases of 5.5% for all categories of computer fees to support the increasing use of computer and computer-related technology. As indicated by President Coleman in her presentation at the September Board meeting, the University is now requesting an increase in the general mandatory computer fee of \$25 (from \$110 to \$135) which represents a 23% increase. The University of Iowa plans to utilize this increase to support basic computer need within the undergraduate colleges, particularly the College of Liberal Arts.

Each summer more faculty receive special training to incorporate technology into their classes, increasing the demand for access to technology and technology rich classrooms. The University states that the lack of technology and the infrastructure to support technology will impact the ability of the colleges to fulfill their mission. The colleges will use the added computer fees to replace old computers and related technology in student labs and to provide support staff to assist students with technology. Students need access to up-to-date information resources and state-of-the-art technology and software that are used in industry.

Iowa State University

Iowa State University proposes a 33.3% increase in its basic computer fee and an inflationary increase of 4.6% in all other categories of computer fees. ISU is modifying its proposed computer fee for graduate students from that presented in the September docket materials. After consultation with students, ISU proposes to establish a new basic computer fee for graduate students which is at 80% of the basic computer fee for undergraduate students. Instead of a \$144 fee, the graduate student computer fee would be \$116, or an increase of \$8, a 7.4% increase.

These fees support microcomputing, as well as other student instructional computing facilities and services, such as print services, short courses, computer training opportunities, and library databases and other information services. Individual colleges use funds for hardware maintenance, hardware and software upgrades, student laboratory monitors, and printing supplies.

Iowa State University splits the generated fees evenly between a Central Pool and a College Pool. The additional amount for the specific computer fees get allocated to those programs based on the student's major. The Central Pool allocates funds for access to the Center for Academic Information technologies facilities and services, for databases and other information services in the Parks Library, and for other projects on a competitive basis.

The College Pool is allocated to the colleges using an algorithm of student credit hours and majors. The funds are used to upgrade and replace outdated hardware and software and support many other student instructional projects. The University states that, each year, the funding needs for maintaining, upgrading, and replacing hardware and software have a growing impact on funding available for innovative computer technology applications.

University of Northern Iowa

As indicated by President Koob at the September Board meeting, UNI planned to modify its proposal based on significant input from the Northern Iowa Student Government. The University of Northern Iowa is now proposing a revision to its previously requested increase in computer fees of \$12 (9.8%) per academic year. UNI's revised proposal decreases the computer fee from \$134 to \$126, an \$8 decrease from the original proposal but a \$4 increase to the computer fee. The proposed \$8 decrease in the UNI computer fee is being shifted to increase the new mandatory student fee as previously described.

UNI computer fees are used to maintain and improve academic and instructional computing services in a wide variety of methods. Students are expected to use e-mail and the Internet. Faculty use multimedia increasingly to enhance teaching and provide discipline-specific computer experiences for students.

A portion of the computer fee revenues is set aside for special projects. Computer fee usage proposals are developed by numerous sectors of the University and awarded on a competitive basis.

Historically, the funds have been used for expansion of discipline specific computer support including laboratories, multimedia, presentation classrooms, and demonstration stations for students and faculty. The fee is also used to replace obsolete computer equipment in student labs, support for interdisciplinary curriculum development, expanded networking for student and faculty access to existing software resources, and improvements in the library access system.

HEALTH FEES

The Board Office recommends the following student health fees for the 2001-02 academic year:

	Health Fees			
	Actual <u>2000-01</u>	Proposed <u>2001-02</u>	Dollar <u>Increase</u>	% <u>Increase</u>
University of Iowa	\$102	\$107	\$5	4.9%
Iowa State University	102	110	8	7.8%
University of Northern Iowa	102	106	4	3.9%

The Board Office is recommending the increase to cover increased costs due to inflation and to remove the need for larger, extraordinary increases in the future.

Assuming stable enrollments, the estimated revenues from the recommended 2001-02 student health fees are as follows:

	Health Fee Revenues	
	Estimated 2001-02 <u>Gross Revenues</u>	Estimated <u>Increase</u>
University of Iowa	\$2,526,000	\$287,000
Iowa State University	2,766,000	124,000
University of Northern Iowa	<u>1,260,000</u>	<u>47,000</u>
TOTAL	\$6,552,000	\$458,000

HEALTH FACILITY FEE

No increases are proposed or recommended for the 2001-02 academic year mandatory student health facility fee.