

Contact: Pam Elliott Cain

PROPOSED ENERGY / ENVIRONMENT SURCHARGE

Actions Requested: Consider:

- Approval of a temporary Energy / Environment Surcharge of \$100 per full-time student per semester for the 2006-07 academic year, prorated for part-time students.
- Encouragement for students and the Universities to collaboratively reduce energy consumption on the campuses.
- Approval of a three-year moratorium on state capital funding requests for new buildings.

Executive Summary: At its May 2006 meeting, the Board discussed how limited academic resources for FY 2007, especially from state appropriations, will put the Universities at a financial disadvantage and will inhibit the ability of the Universities to maintain the excellence of their academic, research, and outreach programs. Insufficient resources make it difficult to attract and retain the best faculty who are essential to assure quality instruction and learning for Iowa's students, to continue extraordinary discovery of new knowledge through research, to enhance economic development through myriad research and service activities, and to improve Iowa's quality of life through educational, extension, cultural, clinical, athletic, and related outreach programs.

The Board directed the Board Office and Universities to work on a joint plan to increase academic resources for FY 2007. The framework of the plan focuses on additional student charges, collaborative conservation efforts, and capital restrictions on the Universities.

The Board Office and Universities propose a temporary surcharge of \$100 per semester per full-time student during the 2006-07 academic year for the fall through spring terms. The surcharge would be prorated for part-time students based on the number of credit hours taken.

Students would be encouraged to work with the administrations of the Universities to lead an effort to reduce energy consumption on the campuses.

In exchange for the surcharge and the conservation efforts, the Universities would agree to a three-year moratorium on requests for state capital funding for new buildings. The moratorium would exclude new buildings and projects already receiving some state dollars, new infrastructure resulting from economic development initiatives, or where significant private funds have already been raised. Further, if a University seeks to build new buildings entirely with nonpublic funds, the University must raise additional money to help offset the operating costs of that building. Five-year capital plans will incorporate the planned moratorium.

Projects excluded from the moratorium would include the Hygienic Lab and College of Public Health Building at SUI; the Chemistry, and Agricultural and Biosystems Engineering buildings at ISU; and the Electrical Distribution System at UNI.

While the state has appropriated targeted one-time funding initiatives over the last few years, these initiatives have strained the Universities' educational operating budgets and do not provide a consistent base to maintain quality universities. Long-term plans for academic funding to accomplish long-term goals will be presented when the Board discusses tuition and mandatory fees for the 2007-08 academic year in late fall.

Surcharge Details

This surcharge would not be considered tuition and the Universities would not be required to set aside funding from these revenues for financial aid. The Universities would not be required to adjust grants and scholarships if the proposed surcharge is approved but would assist students in determining other sources of financial aid, such as loans or work opportunities.

The proposed surcharge is expected to generate \$10.9 million for the 2006-07 academic year. Surcharge revenues would be used to relieve a portion of the academic burden by directing the surcharge funds toward basic necessities such as the dramatic cost increases in energy, deferred maintenance, library acquisition / development, operational support of new state-funded academic facilities, and other mandated environmental cost increases outside the control of the Universities.

The Universities believe the additional surcharge resources would allow them to ensure an instructional environment that is conducive to student learning. This funding will cover cost increases in energy, building operations, and maintenance as well as increases in library acquisitions that are critical to maintain the quality of the Universities. The surcharge dollars would enable the Universities to redirect basic operating resources from energy / environment increases to achieve reasonable salary increases to encourage competitive compensation for faculty and staff.

Notification / Compliance

In compliance with statutory requirements, this memorandum is intended to serve as the official 30-day notification to student organizations. Board Office staff contacted student government leaders by phone regarding the release of this memorandum to them on Friday, May 19, 2006.

The next regular meeting of the Board of Regents is scheduled for June 20-22, 2006. Board discussion and action regarding the proposed surcharge is expected to take place on Tuesday, June 20, at 6:00 p.m. in Room 1750 of Beardshear Hall on the Iowa State University campus. Student leaders will be provided an opportunity to present comments to the Board during this meeting.

Iowa law also requires the Board to publish the estimated total cost of attending the Regent Universities, including room and board and other costs. Based on the previous tuition, fees, and room / board approvals, the following table estimates the total cost of attendance for a resident undergraduate student.

Other costs, as quantified for financial aid calculations, include estimates by the Universities of student costs for books, supplies, transportation, and personal expenses.

Total Cost of Attendance Resident Undergraduate 2006-07 Academic Year					
	Tuition/ Fees	Room/ Board	Other Charges	Surcharge	Total
University of Iowa	\$5,865	\$6,374	\$4,050	\$200	\$16,489
Iowa State University	\$5,860	\$6,378	\$4,199	\$200	\$16,637
University of Northern Iowa	\$5,912	\$5,740	\$4,155	\$200	\$16,007

**Regent Tuition and Mandatory Fees and Proposed Surcharge
Academic Year 2006-07**

UNDERGRADUATE	Previously Approved		Proposed	Total
	Base Tuition	Mandatory Fees	Temporary Surcharge	
UNIVERSITY OF IOWA				
Resident	5,110.00	755.00	200.00	6,065.00
Nonresident	17,334.00	755.00	200.00	18,289.00
IOWA STATE UNIVERSITY				
Resident	5,086.00	774.16	200.00	6,060.16
Nonresident	15,580.00	774.16	200.00	16,554.16
UNIVERSITY OF NORTHERN IOWA				
Resident	5,086.00	826.00	200.00	6,112.00
Nonresident	13,002.00	826.00	200.00	14,028.00

UNDERGRADUATE Engineering Upper Division	Previously Approved		Proposed	Total
	Base Tuition	Mandatory Fees	Temporary Surcharge	
UNIVERSITY OF IOWA				
Resident	5,610.00	1,063.00	200.00	6,873.00
Nonresident	17,834.00	1,063.00	200.00	19,097.00
IOWA STATE UNIVERSITY				
Resident	5,586.00	999.16	200.00	6,785.16
Nonresident	16,080.00	999.16	200.00	17,279.16

GRADUATE	Previously Approved		Proposed	Total
	Base Tuition	Mandatory Fees	Temporary Surcharge	
UNIVERSITY OF IOWA				
Resident	5,966.00	743.00	200.00	6,909.00
Nonresident	17,360.00	743.00	200.00	18,303.00
IOWA STATE UNIVERSITY				
Resident	5,936.00	730.16	200.00	6,866.16
Nonresident	16,350.00	730.16	200.00	17,280.16
UNIVERSITY OF NORTHERN IOWA				
Resident	5,936.00	826.00	200.00	6,962.00
Nonresident	14,074.00	826.00	200.00	15,100.00

All three universities would be required to use the following surcharge allocation for part-time students.

	Proposed Surcharge For Part-Time Students										
	Semester Hours										
	0-2	3	4	5	6	7	8	9	10	11	12
Undergraduate	\$18	\$27	\$36	\$45	\$54	\$63	\$72	\$81	\$90	\$99	\$100
Graduate	\$24	\$36	\$48	\$60	\$72	\$84	\$96	\$100			