

Contact: Jean Friedrich

IOWA STATE UNIVERSITY
COLLEGE OF DESIGN COMPUTER LEASE PROGRAM

Action Requested: Consider authorizing Iowa State University to enter into a financing arrangement of up to \$600,000 for FY 2008 and annually thereafter for the computer lease program.

Executive Summary: Since FY 2002, Iowa State University has leased computers to students in the College of Design for a three-year period. The student's interest rate for the lease is set by the University at a rate high enough to establish a loan loss reserve fund. At the end of the lease, students are required to turn the computers in to the College so that any University software can be removed. Students are given the option to buy the computer for \$5 at the end of the three-year lease agreement. The College of Design reports that the program has been successful; in August 2006, the Board authorized continuation of the computer lease program.

Iowa State University requests that it be authorized to enter into the financing arrangement of up to \$600,000 for FY 2008 and annually thereafter for the University's purchase of approximately 150 laptop computers for leasing to students in the College of Design. The University will request Board approval if the financing needed is over \$600,000.

The University indicates that this is a voluntary program and reported that the computer lease costs are allowable for financial aid. Students who lease the laptops continue to pay mandatory computer fees. The cost to a student for leasing the laptop and program specific software averages \$662.50 per semester for 6 semesters for a total of \$3,975.

The number of new students participating in the program has grown from 87 in FY 2002 to 182 in FY 2007. Currently, 550 students participate in the program.

The College has sent out invitations for participation to incoming sophomores in the professional programs.

The College has been responsible for the maintenance of these machines under the lease. The College has contributed staff time and resources and will continue to do so; it has continued to add new wireless access points and more software licenses.

The University will competitively bid for financing of the laptop computers and program specific software. The number of computers and the amount financed from previous years, and the estimated costs for FY 2008 are detailed in the exhibit book.