

II – 4 REVENUE ENHANCEMENT

Date: August 8, 2002

Recommended Action:

Receive the report on MGT Recommendation II – 4: The Board of Regents should prioritize and conduct a review of revenue enhancement opportunities and establish a revenue growth schedule for each university.

Executive Summary:

The pursuit of revenue generating opportunities that are appropriate to the mission and programs of the Regent universities is a long-established management practice at each institution. Revenue generating activities should continue to be encouraged and supported. These activities should be managed within guidelines that recognize the public nature of each university. Activities should be:

- Evaluated in the context of institutional priorities including: access, accountability, quality and diversity;
- Priced to recover costs of the targeted activities;
- Efficient in terms of fee collection and administration; and
- Compliant with Iowa Code Chapter 23A regarding competition with private enterprise.

Other management activities should continue to support the most efficient use of state resources for the functions of each university that are most directly in the public interest. These activities include:

- Improve productivity through the use of new technology and streamlining organization and management;
- Manage assets so as to maximize the benefits to each university in light of highly constrained state budgets;
- Provide incentives to faculty, staff and the units they represent for increasing revenue-generating activities;
- Make innovative use of the private sector; and
- Exercise management oversight of the entrepreneurial activities produced.

Each university went through a process to assess the types and levels of revenue generating activities that are in place today and identify plans or initiatives that are being considered at each institution.

Background:

State appropriations and student tuition and fees are the major sources of revenue available for the delivery of educational programs and services to students.

The MGT report noted, “the reductions in state appropriations are particularly threatening to the universities’ primary teaching missions”. In response to state budget reductions, MGT recommended that the Regent universities give added emphasis to revenue generation.

Analysis:

The following initiatives have been identified by the institutions as opportunities which may enhance revenue:

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| Tuition and Fees | <ul style="list-style-type: none">• Increasing tuition to offset partially the loss in appropriation;• Increasing charges at UNI’s Price Lab School;• Charging by the credit hour rather than a flat amount (above 12 semester hours);• Developing mandatory fee proposals to support functions such as non-academic student services;• Considering tuition differentials by discipline or by lower and upper division;• Billing and collecting tuition and fees before the beginning of the semester or sooner in the semester; and• Managing enrollment and enhancing retention programs;<ul style="list-style-type: none">□ Increasing summer enrollments□ Increasing non-resident student enrollment□ Identifying ways to reduce number of students transferring to other institutions and drop-outs |
| Contracts and Grants | <hr/> <ul style="list-style-type: none">• Increasing proposal solicitations;• Focusing on research strengths;• Establishing minimum facilities and administration (F&A) rates by award type; and• Providing incentives to faculty and staff to submit contract and grant proposals. |
| Marketing Affinity Programs | <hr/> <ul style="list-style-type: none">• Increasing credit card affinity programs;• Expanding beverage sponsorship agreements; and• Developing exclusive campus access agreements. <hr/> |

Sales of
University
Products and
Services

- Otolaryngology hearing aid fitting and sales;
- Video center external sales;
- Central Research facilities;
 - Computer imaging & analysis
 - Mass spectrometry
 - Nuclear Magnetic Resonance
 - Electron Microscopy
- Printing;
- Document imaging;
- Laundry;
- Textbook sales; and
- Focus on increasing number of seminars held on campus year round.

Program
Participation and
User Fees

- Wellness services;
- Staff development classes; and
- Other administrative training.

Cash
Management
and Investment
Practices

- Reviewing available cash balances and best opportunities for short term investment; and
- Evaluating existing investment policies.

Leases / Rentals
of University
Assets

- Promoting facility rentals for sporting and entertainment events;
- Reviewing concession sales at athletic events; and
- Reviewing vending agreements.

Asset
Management

- Considering sale of University assets to finance high priority programs.

Private / Public
Partnerships

- Continue efforts to develop cooperative educational programs with community colleges and private industry such as:
 - Carver Co-Lab at ISU.
 - SUI Mississippi River research station developed with Iowa DNR
 - Lakeside Lab

The universities will continue to explore options, weighing the cost versus the benefit of such options, as resources are available.

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