

## MEMORANDUM

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Tuition Policies and Proposed Rates  
**Date:** October ~~11~~<sup>7</sup>, 2002

### **Major Memorandum Components:**

- Attachment A:** Tuition (page 9)  
**Attachment B:** Mandatory Fees (page 30)  
**Attachment C:** Surcharges (page 41)  
**Attachment D:** Tuition-Related Miscellaneous Fees (page 50)  
**Attachment E:** Detailed Tuition and Mandatory Fee Table (page 51)

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### **Recommended Actions:**

- A. Consider the following proposals for the 2003-04 academic year tuition and fees, effective with the summer session 2003:
- TUITION
1. A base tuition increase of:
    - a. \$650 for all resident classifications of students;
    - b. \$1,300 for all nonresident classifications of students;
    - c. A new minimum tuition set-aside for financial aid of 15% of gross tuition revenues with direction to the universities to focus on need-based aid; and
    - d. Differential professional tuition rates at the University of Iowa and Iowa State University.
- MANDATORY FEES
2. In addition to the proposed base tuition increase, changes to mandatory fees as outlined in Attachment B, which include:
    - a. A two-year phase out of all designated tuition allocations into mandatory fees; and
    - b. Proposals for new and increased mandatory fees.
- SURCHARGES
3. In addition to the proposed base tuition increases, the surcharges proposed by the University of Iowa included in Attachment C.
- TUITION-RELATED MISCELLANEOUS FEES
4. Tuition-related miscellaneous fees and charges, included in Attachment D.

- TUITION POLICY      B. Consider studies of the Board’s tuition policy and the related statutory timing provisions during the upcoming discussion of the Board’s five-year strategic plan.
- PUBLIC COMMENT      C. Consider providing multiple public comment opportunities on the tuition proposals prior to making a final decision.
- LEGISLATIVE      D. Encourage those seeking elective office to support efforts to increase state and federal commitments to both public universities and state and federal student financial aid programs. This will assist current students with their education, and can help moderate future tuition requests.

**Executive Summary:**

**ADDITIONS FROM  
SEPTEMBER  
MEMORANDUM**

1. Use of proposed new tuition proceeds (See pages 4 and 5.)
2. Update of student financial aid information. (See pages 23 and 24.)
3. Update of per capita income information. (See pages 21 and 22.)

**4. Modification of the proposal for the Iowa State University Veterinary Medicine tuition increases.**

**PROPOSED TUITION &  
MANDATORY FEES**

The recommended increase for undergraduate base tuition plus mandatory fees for 2003-04 are as follows:

**TUITION PROPOSAL  
Resident Undergraduate Rates**

	2002-03 Base Tuition	Proposed 2003-04 Base Tuition	Dollar Increase	2002-03 Total Tuition & Fees*	Proposed 2003-04 Total Tuition & Fees*	Dollar Increase
SUI	\$3,692	\$4,342	\$650	\$4,191.00	\$4,993	\$802.00
ISU	3,692	4,342	650	4,110.00	5,028	918.00
UNI	3,692	4,342	650	4,117.50	4,916	798.50

**TUITION PROPOSAL  
Nonresident Undergraduate Rates**

	2002-03 Base Tuition	Proposed 2003-04 Base Tuition	Dollar Increase	2002-03 Total Tuition & Fees*	Proposed 2003-04 Total Tuition & Fees*	Dollar Increase
SUI	\$13,334	\$14,634	\$1,300	\$13,833.00	\$15,285	\$1,452.00
ISU	12,384	13,684	1,300	12,802.00	14,370	1,568.00
UNI	10,000	11,300	1,300	10,425.50	11,874	1,448.50

\* Dollar costs and increases for students majoring in Business Administration, Engineering, and Pharmacy at SUI and for students majoring in Engineering, Computer Science & Management Information Systems at ISU are slightly higher, as previously approved by the Board.

Estimated Cost of Attendance

Based on the above tuition proposal and university projected increases for room, board, and other costs, the following table estimates the total cost of attendance for a resident undergraduate student.

**TUITION PROPOSAL**  
**2003-04 Academic Year**  
**Estimated Cost of Attendance**  
**Resident Undergraduate**

	Tuition & Fees*	Room & Board**	Other Costs**	Estimated Totals**	Incr. from 2002-03
<b>SUI</b>	\$4,993	\$5,622	\$3,670	\$14,285	\$1,209
<b>ISU</b>	5,028	5,400	3,685	14,113	1,394
<b>UNI</b>	4,916	4,964	3,668	13,548	1,110
<b>Average</b>	4,979	5,329	3,674	13,982	1,238

\* Proposed.  
\*\* Estimated.

**RATIONALE FOR  
BASE TUITION  
INCREASE**

Prior to finalizing the proposed recommended actions, the Board Office first considered numerous tuition alternatives such as further restricting admission into the three universities. The minimal anticipated savings did not justify the change that would have reduced opportunities for young Iowans to attend the state's public universities.

Other options considered and rejected did not adequately balance the factors identified below.

Educational Quality

The top priority for the Regents, in accordance with the Board's strategic plan, is to provide a quality education. This tuition proposal addresses the goal of maintaining educational quality.

Dramatic Reductions in State Support

The reductions in state support for FY 2002 and FY 2003 have been so deep that it is not possible or practical to "make up the difference" by tuition increases alone.

To get a sense of the enormous impact that these appropriations reductions have had on the universities, the appropriation cuts for FY 2002 and FY 2003 of \$124 million equate to approximately \$2,780 per Iowa FTE student.

The state's economic circumstances are not likely to allow for restoration of the previous levels of appropriations in the short-term.

Even if the proposed tuition increases are adopted and state support stays level, the universities will still have to implement other measures to reduce costs in FY 2003 and FY 2004.

Projected Cost Increases

The Regent universities provide teaching, research, and services for over 70,000 students and nearly 3 million Iowans.

Using the estimated inflation projections for FY 2004, just to provide the same general university educational and student services, it will cost between \$25.7 million (2.8% inflation) and \$46.7 million (5.1% inflation) more than FY 2003.

Market-Competitive Tuition Rates

The 2001-02 average Regent undergraduate tuition and fees were below the national average.

Each of the Regent universities' resident and nonresident tuition and fees for 2002-03 were below the average of its respective peer group.

Affordability and  
Accessibility

Iowa's 2001-02 tuition and fees were at 81.4% of the national average. Iowa's per capita income was at 90.1% of the national average.

Iowa per capita income has remained fairly stable over the past ten years compared to other states; Iowa's tuition and fees as a percentage of per capita income have fallen slightly compared with other states.

The Regent 2001-02 tuition and fees as a percentage of Iowa's per capita income for 2001 (12.7%) are less than the percentages for regional and peer states (which average 15.3%) and the national average (14.1%).

Despite recent tuition increases, Iowans are still able to obtain a quality education at Regent universities for a reasonable price.

To help those with the greatest need for financial assistance, a significant portion of tuition revenues must continue to be set aside by the universities for student aid.

Return on  
Investment

The impact of a four-year degree on lifetime earnings is substantial. The U.S. Census Bureau recently published 2000 data that showed the average salary of an individual increases significantly with each additional level of education.

For example, a person with a high school degree earned an average annual salary of \$30,000 compared to \$52,200 with a bachelor's degree. Over a lifetime, that equates to an additional \$900,000. The return on investment is even more compelling when considering higher levels of education such as master, doctoral, or professional degrees.

The state benefits from the increased economic activity and revenue generated by a greater number of college graduates in the workforce.

Tuition Proceeds

The proposed tuition increases for the 2003-04 academic year would provide the following additional revenues:

Gross Tuition Proceeds	\$46.4 million
Financial Aid Set Aside	\$7.4 million
Net Tuition Proceeds	\$39.0 million

Planned Use of  
Tuition Proceeds

The universities propose that the new tuition proceeds be utilized in the following manner:

SUI

- Increase the University's student financial aid set-aside percentage of the new marginal tuition revenue to 20%, which is expected to generate an additional \$800,000 for student aid.
- Provide the earmarked tuition surcharge revenues, after deducting the student financial aid component, in the manner specified for each surcharge.
- Consider the following educational investments:
  - Restoration of faculty positions that were lost with budget reductions; this tuition funding would be used in addition to the incremental FY 2004 appropriations requests.

- Faculty start-up funding.
  - Liberal Arts and Sciences initiative begun in FY 2003.
  - A 10% increase in the library acquisitions budget.
  - Building renewal budget increase to restore funding eliminated with budget reductions to work toward a goal of attaining a building renewal budget equal to 1% of replacement value.
  - Special health insurance restoration adjustments for faculty and professional staff.
  - Instructional technology support.
  - Restorations of provost academic investment funds.
- ISU
- Set aside more than 15% of the new tuition revenue for student financial aid.
  - Use surcharge proceeds paid by Veterinary Medicine students to address critical needs in the College of Veterinary Medicine.
  - Cover mandatory and inflationary cost increases such as cost increases in the State Auditor's fees, property insurance, fuel, library materials, software licenses, web-based systems, building repairs, as well as costs associated with opening new buildings.
  - Support faculty recruitment and retention efforts, and new faculty positions and initiatives.
  - Handle new expenses associated with biohazard security and new data required by the U.S. government on students and scholars who are not U.S. citizens.
- UNI
- Retain student financial aid set-aside at 18% of tuition revenues.
  - Meet mandatory cost increases such as utility costs, audit costs, and insurance costs.
  - Rebuild faculty lines to meet student enrollment levels and strategic planning goal of 75% of faculty being in full-time tenure track positions.
  - Restore building repair budget, which was reduced over 80% during the budget cuts.
  - Provide support for:
    - Information systems.
    - Library support.
    - Supplies and services.
- |

**PROPOSED  
PROFESSIONAL  
TUITION INCREASE  
DIFFERENTIAL**

The University of Iowa and Iowa State University have requested special consideration for their professional tuition rates. SUI requested that the resident and nonresident tuition rates for their professional programs in dentistry, law, medicine, MBA, and Pharm D. be increased at the same dollar amount as for a resident graduate student. Consequently, the nonresident rates for these programs would increase \$650 instead of \$1,300.

Iowa State University had initially requested that the tuition for its professional Veterinary Medicine program be increased at the same percentage increase as the undergraduate resident and nonresident tuitions, respectively.

- The initially proposed veterinary medicine resident tuition increase would be 17.6%, which equates to a \$1,484 increase for continuing students and a \$1,620 increase for new students, instead of the flat dollar increase of \$650.
- The initially proposed nonresident tuition increase would be 10.5%, which equates to a \$2,412 increase for continuing students and a \$2,632 increase for new students, instead of the \$1,300 increase.

In a letter dated October 9, 2002, President Geoffroy requested the Board Office modify the proposed tuition increases for its professional Veterinary Medicine program to be \$650 for residents and \$1,300 for nonresidents.

**MANDATORY FEES**

In the early 1990's, the Board established mandatory fees to provide distinct resources to respond to specific needs of students.

In October 1999, the Board made a fundamental change in the structure of tuition and fees, approving a request of the University of Iowa to establish new mandatory fees for certain student activities and student services rather than using designated tuition revenues.

Each of the universities implemented certain redirections of designated tuition. Iowa State University has not yet finished its multi-year implementation of redirections, which is scheduled for completion during the 2004-05 academic year.

University  
Proposals

The universities' proposals are outlined on the following tables. Each includes inflationary and other adjustments as well as new fees. Attachment B, beginning on page 30, details each of the proposed changes for mandatory fees.

Additional  
Recommendations

Currently, there is a mix of mandatory fees and designated-tuition fees on a per student basis to provide funding for specific needs of students. In certain cases, a particular student need is funded from both sources. This is often confusing. The mechanism for charging student fees needs to be simplified.

The Board Office recommends, in addition to the universities' proposed changes for the 2003-04 academic year for mandatory fees, that the Board eliminate designated tuition by the 2004-2005 academic year.

Summary

**Mandatory Fees**

	Actual 2002-03	University Proposal 2003-04	Board Office Add'l Proposal 2003-04	Total Proposal 2003-04	Remaining Designated Tuition
SUI*	\$499.00	\$ 561	\$ 90	\$ 651	None
ISU*	418.00	568	118	686	\$56
UNI	425.50	484	90	574	77

\* Certain computer fees at SUI and ISU are higher than the regular computer fees.

**SURCHARGES**

**University of Iowa**  
Incremental Surcharges  
2003-04 Academic Year

	<u>Resident</u>	<u>Nonresident</u>
College of Business – Master of Accountancy	\$1,065	\$1,065
College of Law	250	250
College of Nursing		
Masters for Clinical Leadership (MSN)	2,700	2,700
Professional Masters in Nursing & Health Care Practice (formerly known as Masters in Care Management)	1,350	1,350
College of Public Health – Master of Health Administration	1,000	1,000

Tuition surcharges represent earmarked amounts for specific colleges and purposes. Students enrolled in specific colleges pay the surcharge in addition to the university's base tuition and receive the benefits of additional resources. Once a surcharge is implemented, it becomes part of the base tuition for the following years.

Base tuition and base tuition increases are not earmarked for special academic units, but are part of the overall general university fund budgeting process.

**TUITION-RELATED  
MISCELLANEOUS  
FEES**

Miscellaneous fees and charges include both tuition-related and non-tuition-related charges. In each category, students pay only the miscellaneous fees and charges that apply to them; these charges vary depending on each student's program, needs, and interests.

Tuition-related fees include items such as continuing education courses and workshops. These fees are adjusted commensurate with the increase in tuition.

Non-tuition-related fees include a variety of items such as course delivery fees and private music lessons and are presented to the Board in the March/April timeframe at the same time that room and board charges are discussed.

**STUDENT NOTICE**

To increase tuition or mandatory fees, the Board of Regents is required by law to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution and no later than November preceding the fiscal year in which the increase would apply.

**PUBLIC COMMENT**

The Board Office recommends that a series of public opportunities be scheduled to gather input on the proposed tuition recommendations prior to a final decision.

  
Pamela M. Elliott

Approved:   
Gregory S. Nichols

**ORGANIZATION OF MEMORANDUM**

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## TUITION

### BACKGROUND

#### Statutory Provisions

Iowa Code §262.9(23) requires the Board to have a policy for the establishment of tuition rates that provides some predictability for assessing and anticipating changes.

Iowa Code §262.9(18) requires the Board, when increasing tuition or mandatory fees, to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution and no later than the November preceding the academic year in which the increase would apply.

This section further requires that the Regents publish the estimated total cost of attending the Regent universities, including room and board and other costs, at the same time that it publishes final tuition and mandatory fees.

#### Board's Strategic Plan

The Board Strategic Plan identifies the following four key result areas (KRA): quality (KRA 1.0.0.0), access (KRA 2.0.0.0), diversity (KRA 3.0.0.0), and accountability (KRA 4.0.0.0). The Board's tuition policy (including rate setting for mandatory fees) reflects aspects of all of these key result areas.

The Board's Plan is intended to promote broad access for Iowa residents to the Regent institutions, but also requires consideration of resources necessary to meet its aspirations.

The Board, through its strategic plan, challenges its institutions to be the best enterprise of public education in the United States through unique teaching, research, and outreach programs and supports its institutions in this endeavor by:

- Establishing tuition and fees annually to keep pace with inflation in addition to supporting aspirations for excellence;
- Encouraging the institutions to increase funding from private sources and external research grants and contracts;
- Seeking appropriate funding for capital improvements needs;
- Requiring the institutions to reallocate an average of two percent of general operating funds annually; and
- Promoting broad access for Iowa residents to the Regent institutions.

The annual establishment of tuition and fees provides the universities with an important component of overall educational resources — the component that shares the cost of higher education with the students.

Tuition Policy                      Consistent with Iowa law and the Board's strategic plan, the Board's tuition policy provides:

Resident undergraduate tuition at the Regent universities shall be set annually to keep pace with the Higher Education Price Index (HEPI) and to provide support to finance university programs at levels sufficient to implement the Board's aspirations for excellence as outlined in the Board's strategic plan.

The Board's tuition policy is intended recognize the aspirations of the Board and of the institutions. Securing sufficient resources is critical to the successful implementation of the Board's strategic plan. The Regent universities rely heavily on state appropriations. The Board's tuition setting has had its basic premise in stable funding from state appropriations for university operations.

Chronology of  
Funding

Tuition Setting

- By law, the Board of Regents is required to set tuition no later than November of the year preceding the start of the academic year. At that time, the Board outlines and approves the uses for the expected proceeds from tuition increases.
- Prior to FY 2002, tuition revenues had provided about 30% of the general university funding.

State Funding

- The formal state revenue estimates, by law, are determined in December by the State's Revenue Estimating Conference.
- The legislative session, which begins in January, must use those estimates in determining state spending levels for the ensuing fiscal year, which begins in July.
- The December revenue estimates may be reduced by the state's Revenue Estimating Conference during the legislative session.

Regent Enterprise  
Activities

During July 2002, several members of the Board, the institutional officials, and Board Office staff, held eight different outreach meetings around the state.

Legislators and legislative candidates were invited to attend these meetings. Those individuals in attendance did not expect any major increases in state support for the Regent institutions for FY 2004. Many acknowledged that significant increases in tuition might be necessary to preserve higher education quality in FY 2004

**Analysis:**

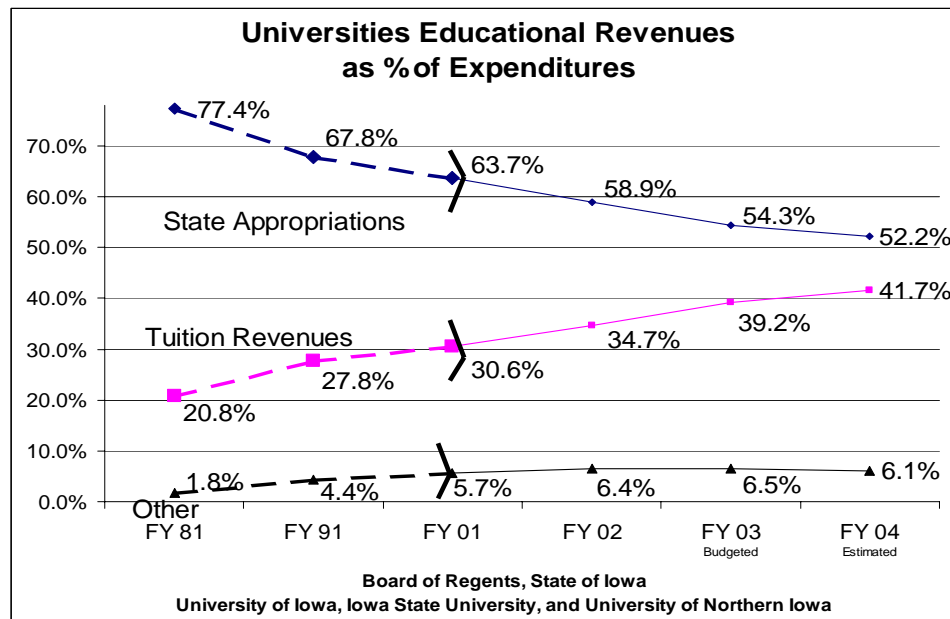
**University Funding**

To achieve the aspirations outlined in the Board and the institutional strategic plans, it is necessary for the Board to assure that the funding base is diverse and consistent with the Board's aspirations of becoming the best public education enterprise in the United States.

Resources are needed to maintain current operations, as well as student academic and support services. Resources are needed to meet strategic planning goals, especially with respect to undergraduate educational needs. These include classroom improvements, instructional equipment, library resources, experiential learning opportunities, student access, class size, and technology.

**Sources**

General university revenues are comprised of state appropriations, tuition, federal support, interest, indirect cost reimbursements, sales and services receipts, and other revenues. These revenues are unrestricted and provide funding for the general education of students.



Assumptions for chart: The FY 2004 percentages assume approval of the recommended tuition rates by the Board of Regents and funding of the Regent state appropriations requests for FY 2004, net of incremental salary funding, by the General Assembly and the Governor.

**State Appropriations**

State appropriations have historically funded a large portion of the universities' educational costs. Since FY 1981, the portion of university expenditures financed by state appropriations has declined from 77.4% to an estimated 51.7%, as noted in the table.

Stable state support is vital to the mission of the Board and its institutions. Given recent appropriation reductions, increased state support in the future will be critical to moderate future tuition increases.

The Regent share of the state's general fund appropriations from FY 1992 through FY 2001 ranged from 14.7% to 15.3%. For FY 2003, the Regent share of the state general fund is less than 14.0%.

**Appropriations Reductions** The Regent institutions have had appropriations reductions in each of the last four years with the most significant reductions in state appropriations in FY 2002 and FY 2003.

**State Appropriations Reductions  
Regent Institutions**

FY 2000	(\$3.4 million)
FY 2001	(\$2.7 million)
FY 2002	(\$81.9 million)
FY 2003	(\$42.6 million)

The appropriation reductions for FY 2002 and FY 2003 equate to approximately \$2,780 dollars per Iowa student.

**Tuition** As indicated in the table on the previous page, the percent of tuition revenue to total general university expenditures has increased since 1999. Using the budget for 2002-03, the percent of tuition revenue to total general university expenditure reaches the highest percentage level (39.2%) in history.

Based on level state funding and the proposed tuition increases, the percentage of general university expenditures met through tuition income is expected to increase to 41.7% for FY 2004.

The Regent undergraduate tuition increases have been moderate, except during periods of time when significant cutbacks in state support have been experienced.

**Undergraduate Tuition Increase**

1998-99	3.9%	\$100
1999-00	4.5%	\$120
2000-01	4.3%	\$120
2001-02	7.2%	\$210
2002-03	18.5%	\$576
Proposed 2003-04	17.6%	\$650

**Shifting Revenue Sources** A considerable shift in university revenues has occurred since FY 2000. In the aggregate, the state appropriations percentage of the budget declined by 10.0% while tuition and fees as a share of the budget increased by 9.1%. University revenue sources are being shifted from state appropriations to students and their families.

State appropriated dollars for the general university budgets have decreased 5.7% since FY 2000 while tuition dollars have increased 45.7%

**Reallocations** Since FY 1997, the Board has required each institution to reallocate an average of 2% of its general operating fund per year as one means to support strategic planning initiatives.

The plan was for the institutions to utilize these reallocations to provide greater efficiency and effectiveness in achieving the institutional strategic plans by providing a structured means to strengthen good programs and eliminate weak programs.

In recent years, with the significant appropriation reductions, the institutions have, by necessity, used reallocations attempt to maintain rather than improve quality.

## Higher Education Costs

Inflation	<p>The Board's policy is to keep pace with higher education inflation.</p> <p>Inflation is generally discussed using price indexes that measure how the rate of inflation affects buyers (comparing increases in prices for the same goods and services). Price indexes, such as the Consumer Price Index, have been widely used by economists for many years to measure the purchasing power for consumer goods.</p> <p>Consumer-based indexes, such as the Consumer Price Index, are limited in what they measure and therefore often are not appropriate to measure the substantially different mix of goods and services purchased by distinct economic sectors or commercial enterprises. Specialized sector indexes have been developed to measure more accurately the effects of inflation on enterprises that purchase goods and services which are significantly different than those purchased by consumers.</p> <p>The education sector has long utilized specialized indexes – for elementary and secondary schools, as well as for colleges and universities.</p>
Higher Education Price Index	<p>The U.S. Department of Education published the first Higher Education Price Index (HEPI) in 1975 to quantify the effects of inflation on the operations of colleges and universities. A similar index, the School Price Index, was later developed to measure the effects on inflation in elementary and secondary schools.</p> <p>The U.S. Department of Education no longer calculates and publishes HEPI. Rather, Research Associates of Washington, a private research organization, periodically prepares and publishes HEPI in a publication entitled "Inflation Measures for Schools, Colleges, and Libraries." The publication reports distinctive education price information for school and college current operations, university sponsored research, academic and public library operation, tuition pricing, building construction, and capital equipment.</p> <p>HEPI measures "the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures excluding expenditures for research," as defined by Research Associates of Washington.</p>

HEPI is based upon the prices of over 100 items purchased for current operations by colleges and universities in the following categories:

- Professional personnel (faculty, graduate assistants, extension/public service, administrative/institutional service, and library);
- Nonprofessional personnel (technicians, craftsmen, clerical, students, services, operators, and laborers);
- Services (data processing, communication, transportation, print, duplication, and miscellaneous);
- Supplies, equipment, and library acquisitions; and
- Utilities.

HEPI categories are weighted based upon their relative importance to educational and general budgets. HEPI is divided into personnel compensation and contracted services, supplies, and equipment. Personnel compensation is further weighted for professional salaries, nonprofessional wages and salaries, and fringe benefits. Contracted services, supplies, and equipment is further weighted according to utilities, services, supplies and materials, equipment, and library acquisitions.

Inflation  
Projections

Since the Board determines tuition increases well in advance of the actual expenditure of funds, the Board utilizes inflation projections. The Institute for Economic Research at the University of Iowa prepares these projections, which include a range for HEPI.

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
<b>HEPI Projections*</b>	2.6 – 6.4%	3.0 – 4.6%	2.8 – 5.1%
<b>HEPI Actuals</b>	3.8%	NA	NA

\* Forecasted ranges during the time the Board sets tuition.  
NA Not available.

Salaries

Salaries comprise more than 75% of the institutional general fund budgets, excluding the University of Iowa hospital operations.

State Salary  
Policy

The state, during its process of negotiating collective bargaining agreements, determines the statewide salary increase policy. Certain Regent salary increases are determined through various collective bargaining agreements, including the state's negotiation of the AFSCME contract.

Historically, legislation requires that Regent institutions provide comparable salary increases for non-contract employees as provided for contract-covered employees.

In addition to these reductions, state appropriations to implement the state's salary policy have been underfunded during this same time period.

**State Appropriations Salary Underfunding  
Regent Institutions**

FY 2000	(\$1.6 million)
FY 2001	(\$17.7 million)
FY 2002	(\$7.0 million)
FY 2003	(\$8.0 million)

Unit Cost of  
Instruction  
versus Tuition  
Charged

The Regent universities compile information regarding the cost of instruction per student ("unit cost") on a biennial basis. The most recent unit cost study covered FY 2001 and was presented to the Board in June 2002. It has been Board policy that nonresident students pay, at a minimum, the full cost of their education at Regent universities.

Unit cost represents the general fund supported cost of instruction of a full-time equivalent student at a given level and is calculated making certain assumptions relative to instruction costs at the various student levels (i.e., lower division undergraduates, upper division undergraduates, graduate, and professional).

Costs such as building repairs, public service, scholarships and fellowships, auxiliary enterprises, health care units, indirect cost recovery, and capitals have historically been excluded from the unit cost calculations.

Unit Cost with  
Estimated  
Capital  
Component

The Board requested that a capital component be incorporated into the unit cost calculation to more accurately reflect the cost of educating a student.

Facilities studies from national organizations indicate that in order to preserve the value of college or university facilities, institutions should allocate:

- Sufficient renewal funds on an ongoing basis to keep facilities in good condition for present use (1.5% - 2.5% of plant replacement costs); and
- Sufficient facility adaptation funds on an ongoing basis to alter the facilities for changes in use and codes and standards (0.5% - 1.5% of plant replacement costs)

The Board Office has provided an estimate of undergraduate unit costs using 2% of building replacement value as the capital component as detailed in the following table. Two percent represents the sum of the low end of the ranges identified above.

This methodology provides more consistent data than using actual costs that fluctuate considerably from year to year due partially to the timing and cash flows of capital projects. In addition, recent budget reductions in building repair funds would negatively impact the capital component costs compared to prior years.

The following table compares Regent resident and nonresident undergraduate tuition, estimated unit costs of instruction for FY 2003, and actual unit costs from the reports covering FY 2000 and FY 2001. The FY 2003 unit cost estimates are based on FY 2001 unit cost data adjusted for general fund budget and enrollment changes. Note that the tuition for nonresident undergraduates exceeds the computed unit cost of instruction at all three universities for FY 2003.

<b>University of Iowa</b>	<b>FY 2001</b>	<b>FY 2003</b>
Resident Undergraduate Tuition Only	\$2,906	\$3,692
Nonresident Undergraduate Tuition Only	\$10,668	\$13,334
Undergraduate Unit Costs	\$9,432	\$9,699*
Undergraduate Unit Cost with Est. Capital	\$10,264	\$10,849*
<b>Iowa State University</b>	<b>FY 2001</b>	<b>FY 2003</b>
Resident Undergraduate Tuition Only	\$2,906	\$3,692
Nonresident Undergraduate Tuition Only	\$9,748	\$12,384
Undergraduate Unit Costs	\$8,402	\$8,679*
Undergraduate Unit Cost with Est. Capital	\$9,124	\$9,532*
<b>University of Northern Iowa</b>	<b>FY 2001</b>	<b>FY 2003</b>
Resident Undergraduate Tuition Only	\$2,906	\$3,692
Nonresident Undergraduate Tuition Only	\$7,870	\$10,000
Undergraduate Unit Costs	\$8,132	\$8,167*
Undergraduate Unit Cost with Est. Capital	9,230	9,363*

\* Projected.

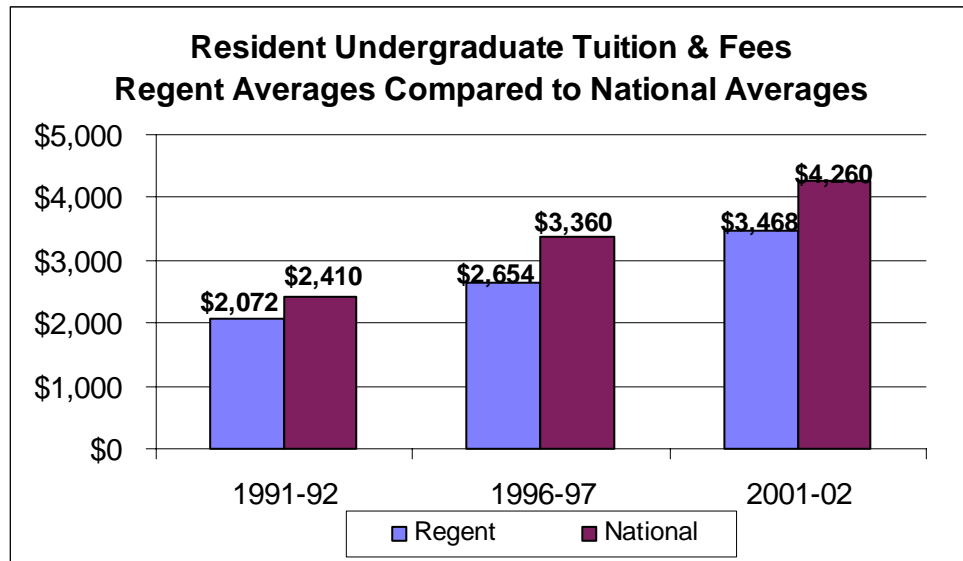


**Market Price**

National  
Comparisons

Averages of Tuition and Fees for Public Universities

The national average resident undergraduate tuition and fees for public universities have grown at a higher rate than Regent tuition and fees over the last 10 years as evidenced in the following table.



Source: "2001-2002 Tuition and Fee Rates, A National Comparison," Washington State Higher Education Coordinating Board, January 2002.

Peer Group Comparisons

Resident undergraduate tuition and fees at the Regent universities are below the average tuition and fees of their established peer university comparison groups. The University of Northern Iowa is closest to the average of its peer group at 98.5%. The University of Iowa and Iowa State University are at 81.9% and 80.4%, respectively, of the averages of their peer groups' tuition and fees.

<b>Regent Undergraduate Tuition and Fees 2002-03 Academic Year</b>		
	<b>Resident</b>	<b>Nonresident</b>
<b>University of Iowa</b>	<b>\$4,191</b>	<b>\$13,833</b>
SUI Peer Group Average *	5,116	15,932
\$ from Peer Group Average	925	2,099
% of Peer Group Average	81.9%	86.8%
<b>Iowa State University</b>	<b>\$4,110</b>	<b>\$12,802</b>
ISU Peer Group Average *	5,110	15,213
\$ from Peer Group Average	1,000	2,411
% of Peer Group Average	80.4%	84.2%
<b>University of Northern Iowa</b>	<b>\$4,118</b>	<b>\$10,426</b>
UNI Peer Group Average *	4,182	11,912
\$ from Peer Group Average	64	1,486
% of Peer Group Average	98.5%	87.5%

\* Averages exclude Regent institutions.

While the base tuition percentage increases of the past two years have been higher at the Regent institutions than in the past, the dollar increases have been below or comparable to those of peer group institutions. The tables on the following page show peer group comparisons of undergraduate resident tuition and fees for the 2002-2003 academic year.

The University of Iowa and the University of Northern Iowa have both gained one position within the group since the 2001-2002 academic year. Iowa State University remains in the same relative position within its peer group.

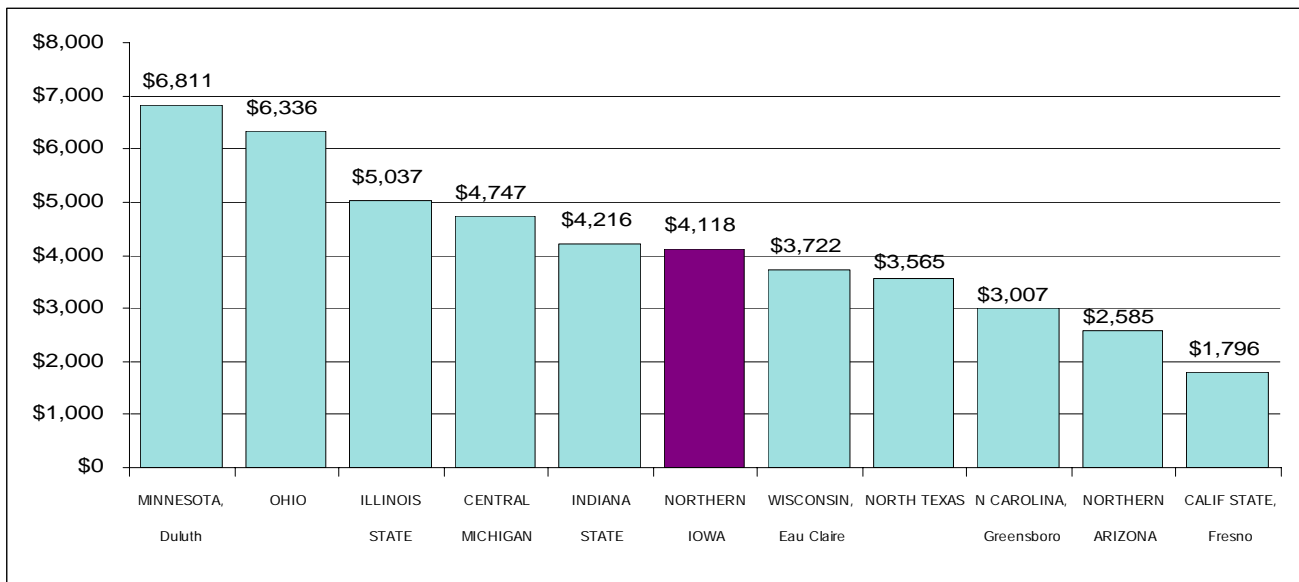
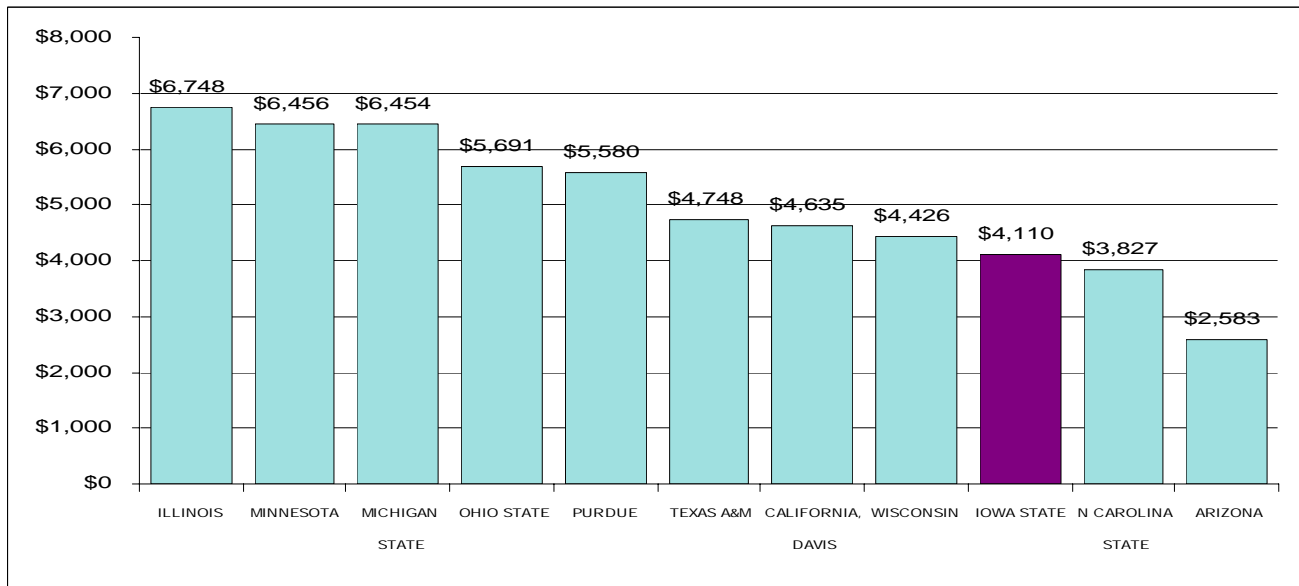
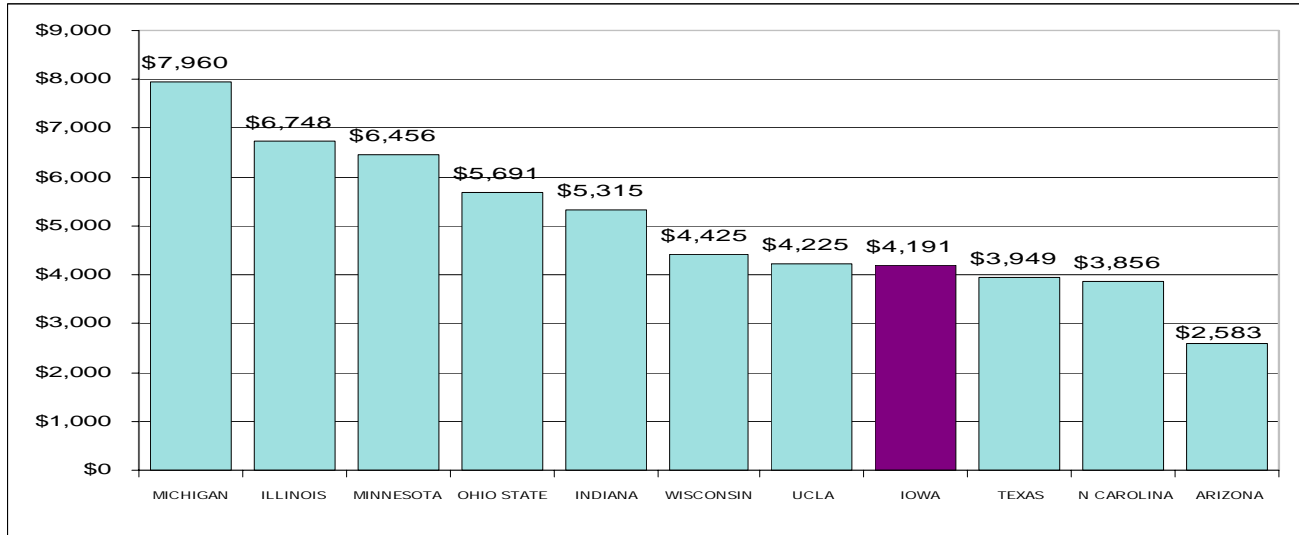
Some of the peer institutions have established two levels of tuition – one for new students and one for continuing students. The tables reflect the cost to a new student.

Iowa Private College Comparison

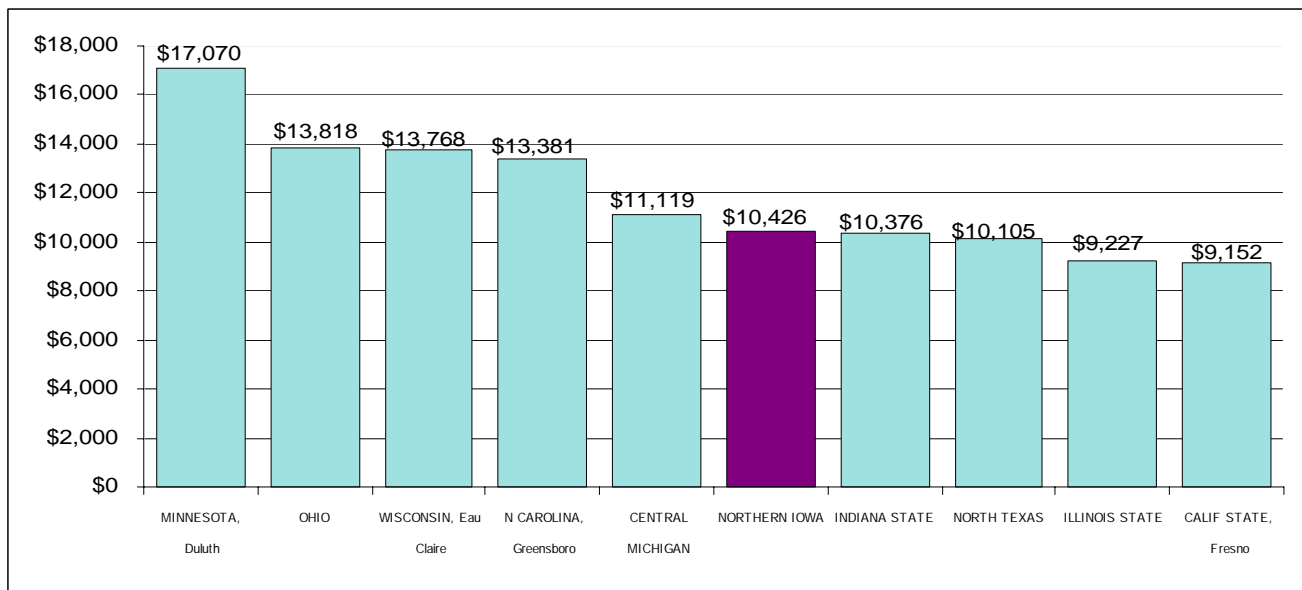
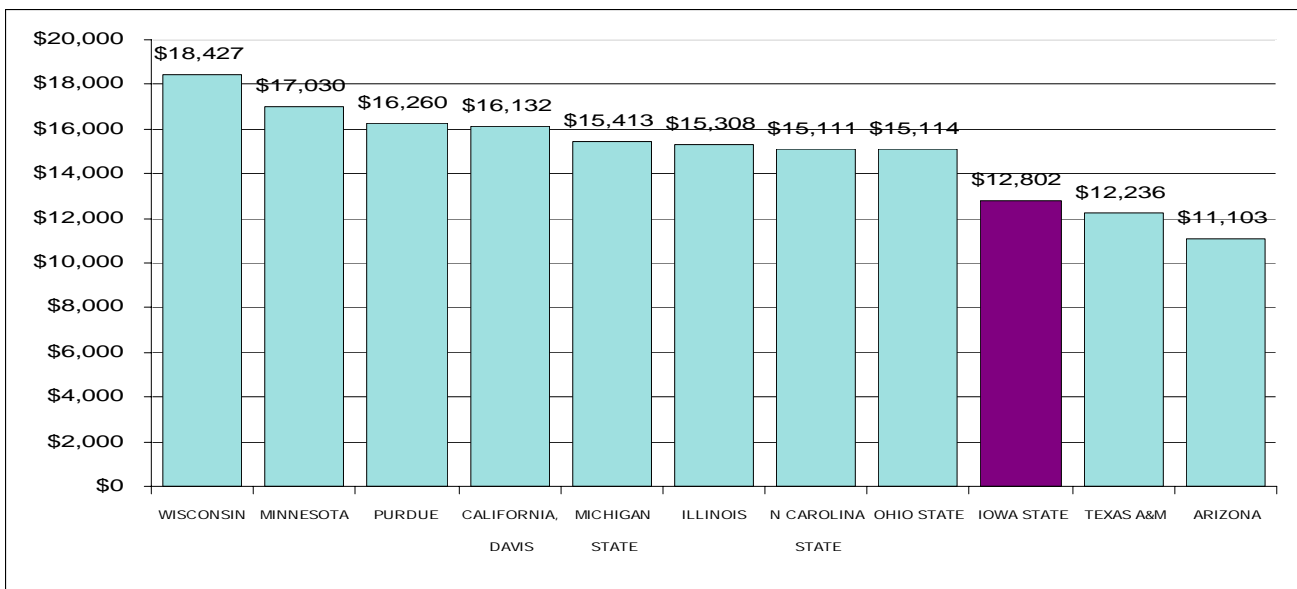
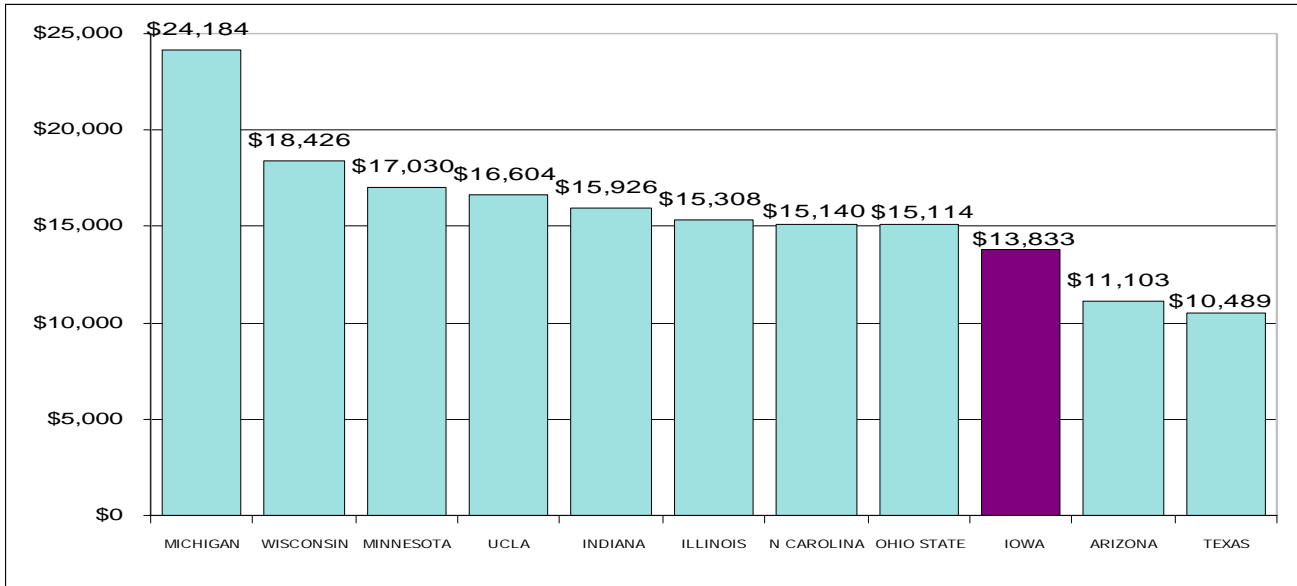
The average tuition and fees of Iowa's independent colleges and universities is 4.0 times higher than the average of the Regent institutions.

<b>24 Iowa Independent Colleges and Universities Average Tuition and Fees Comparison 2002-03 Academic Year</b>	
<b>Regent University Average Resident Tuition &amp; Fees</b>	<b>\$4,140</b>
Independent's Undergraduate Average	16,576
Regent \$ from Independents Average	12,436
Regent Tuition & Fees as % of Independents Average	25.0%

Peer Group Comparisons of 2002-03 Undergraduate Resident Tuition and Fees



Peer Group Comparisons of 2002-03 Undergraduate Nonresident Tuition and Fees

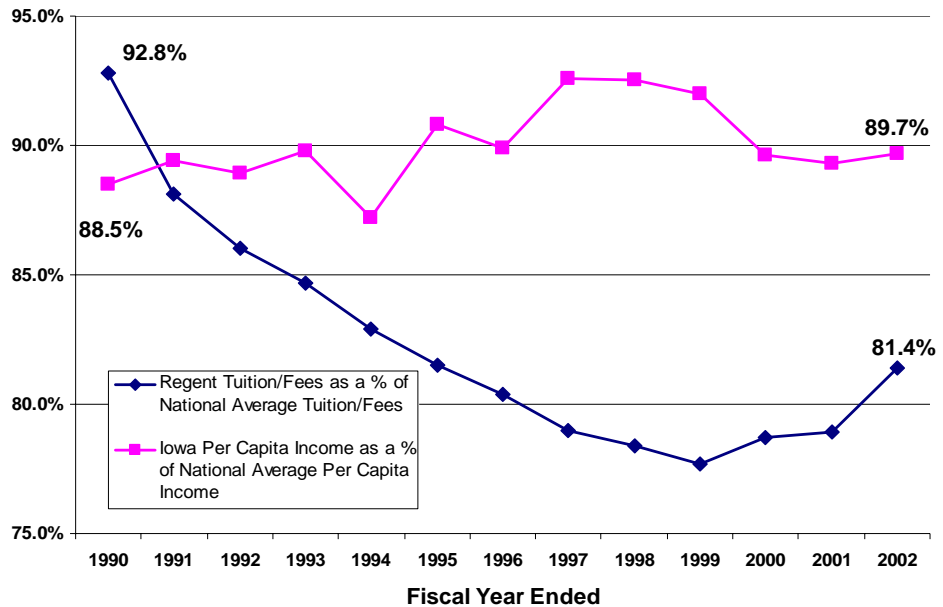


**Accessibility**

Tuition and Fees to Per Capita Income

The following chart shows the Regent tuition as a percent of the national average compared to the Iowa per capita income as a percent of the national average.

Percentages of National Averages



Sources: Washington State Higher Education Coordinating Board, State Tuition and Fee Rates, January 2002 and US Department of Commerce, Bureau of Economic Analysis, September 2002.

Iowa's per capita personal income of \$27,331 in 2001-2002, as published by the U.S. Department of Commerce was 89.7% of the national average of \$30,472. (These numbers were updated since the publication of the September memorandum to reflect the most recently released information.) Regent average tuition and fees of \$3,468 for 2001-2002 were 81.4% of the national average of \$4,260.

State  
Comparisons

The table below lists the ten states represented in the Regent universities peer comparison groups, along with other states contiguous to Iowa, and shows:

- Average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income;
- Tuition and fees ranking within the United States, with one being the highest and 50 being the lowest; and
- Per capita income ranking within the United States with one being the highest and 50 being the lowest.

	<b>Tuition and Fees as % of Per Capita Income</b>		<b>Tuition and Fees Ranking</b>	<b>Per Capita Income Ranking</b>
	<u>2000-01</u>	<u>2001-02</u>	<u>2001-02</u>	<u>2001-02</u>
<b>IOWA</b>	<b>11.9%</b>	<b>12.7%</b>	<b>33</b>	<b>33</b>
Arizona*	9.4%	9.6%	48	38
California	12.6%	12.6%	21	10
Illinois	15.7%	17.4%	7	9
Indiana	16.2%	17.0%	17	31
Michigan	22.4%	23.3%	4	18
Minnesota	15.3%	16.7%	8	8
Missouri	17.4%	17.3%	14	28
Nebraska	12.5%	13.0%	27	22
North Carolina*	10.1%	11.7%	40	32
Ohio	15.7%	16.6%	16	21
South Dakota	13.3%	13.7%	30	36
Texas	13.7%	14.8%	19	26
Wisconsin	13.5%	14.0%	22	19
Average of above excluding Iowa	14.4%	15.2%		
<b>NATIONAL AVERAGE</b>	<b>13.6%</b>	<b>14.0%</b>		

Sources: Washington State Higher Education Coordinating Board, State Tuition and Fee Rates, January 2002 and US Department of Commerce, Bureau of Economic Analysis, September 2002.

\* Certain states, such as Arizona and North Carolina, have constitutional restrictions on tuition.

Regent tuition and fees as a percentage of Iowa per capita personal income is less than the percentages of most of its peer group states, other Midwestern states, and the nation as a whole.

The per capita income numbers were updated based on the September release by the Bureau of Economic Analysis. Although the information related to Iowa did not change, several of the other states' and the national average percentages and per capita rankings changed somewhat.

Regent Tuition  
Financial Aid  
Set-Aside Policy

To accomplish the Board's key result areas on quality and access, it is essential that the universities attract quality students as well as provide affordable higher education. A mix of need-based aid and merit aid from the tuition set-aside addresses both of these Board key result areas.

Currently, the minimum required student aid set-aside is 11%. Normally, the student aid set-aside percentages of the individual universities are commensurate with the overall tuition increases and, therefore, increase as a result of the tuition rate increases approved by the Board. The universities have increased student aid set-aside above the required minimum of 11%.

The following table shows the total institutional student aid as compared to tuition in the FY 2003 budgets.

	<b>FY 2003 Budget</b>		
	<u>Tuition Revenues</u>	<u>Student Aid Set-aside</u>	<u>Student Aid as % of Tuition</u>
SUI	\$171,468,028	\$27,992,610	16.3%
ISU	\$140,407,826	\$28,945,428	20.6%
UNI	\$47,533,069	\$9,189,242	19.3%

The following table shows the FY 2002 student aid set-aside by institution and the percentage that is merit and need-based. In many cases, a student who receives merit-based financial assistance could have also qualified for need-based aid. The footnotes identify the portion of the merit-based aid that reflects the need-based component.

<b>FY 2002 Tuition Set-Aside Student Financial Aid</b>			
	<u>Student Aid Set-Aside</u> <sup>1</sup>	<u>% Need-Based</u> <sup>2</sup>	<u>% Merit</u> <sup>2</sup>
University of Iowa	\$22,110,034	70.2%	29.8% <sup>3</sup>
Iowa State University	\$23,379,882	29.1%	70.9% <sup>4</sup>
University of Northern Iowa	\$7,289,759	43.6%	56.4% <sup>5</sup>

<sup>1</sup> All educational levels.  
<sup>2</sup> Undergraduates.  
<sup>3</sup> 43% demonstrated need.  
<sup>4</sup> 46% demonstrated need.  
<sup>5</sup> 14.3% also had demonstrated need.

As noted in the Annual Student Financial Aid Report, presented in G.D. 1 of the October docket, total student financial assistance for FY 2002 from all sources was \$541.2 million (+11.9%) and encompassed more than 163,000 awards (+4.6%). (Note: the number of awards does not reflect the number of students. A student may receive more than one award.)

<b>FY 2002 Student Financial Assistance</b>			
	<u># of Awards</u>	<u>Value of Awards</u>	<u>Mean Award</u>
Grants/Scholarships	\$60,380	\$133,753,239	\$2,215
Loans	69,799	291,109,154	4,171
Employment	<u>33,684</u>	<u>116,315,107</u>	3,453
Total	\$163,863	\$541,177,500	\$3,303

**Need-Based Loans**

All students that apply for need-based financial assistance must use the Free Application for Federal Student Assistance (FAFSA). The institutions, through a combination of grants/scholarships, loans, and employment, address student's needs individually. The average need-based indebtedness for graduating seniors with debt at the time of graduation in FY 2002 was \$9,855 at SUI, \$12,720 at ISU, and \$11,434 at UNI.

**Financial Aid Information**

The Regent university financial aid directors ran scenarios of financial need with varying tuition increases. Using the 2002-03 enrolled undergraduate students that filed the FAFSA forms, the university financial aid directors identified the students with demonstrated need for the 2002-03 academic year and then projected the increases in students needing financial aid if the \$650 and \$1,300 tuition increase were implemented. The following table presents the projected increases in students needing financial aid if tuition would be increased as proposed.

Undergraduate Students								
	2002-03 Enrollments	Students Submitting FAFSA		Students Showing Need		Students Not Showing Need	Projected Increase in Need with Proposed Tuition Increases	
		#	%	#	%		#	%
<b>SUI</b>								
Resident	18,774	8,427	44.9%	6,279	74.5%	2,148	112	1.8%
Nonresident	10,923	2,977	27.3%	2,072	69.6%	905	73	3.5%
<b>ISU</b>								
Resident	19,926	12,489	62.7%	9,498	76.1%	2,991	202	2.1%
Nonresident	7,972	2,882	36.2%	2,139	74.2%	743	67	3.1%
<b>UNI</b>								
Resident	12,781	8,731	68.3%	6,751	77.3%	1,980	173	2.6%
Nonresident	1,145	444	38.8%	361	81.3%	83	12	3.3%

**Set-Aside Recommendation**

The Board Office is recommending that the Board increase the minimum amount of student aid set-aside from 11% to 15% with an emphasis on increasing the need-based aid.

The Board Office is also recommending that the universities report back to the Board on the allocation between need-based and merit aid of the total set aside, as well as enhanced efforts to provide need-based aid.

Under the current tuition proposal, the increased revenues and the minimum 15% set-aside would provide an additional \$7.4 million for student financial aid.

The Board Office further recommends that Board members encourage those seeking elective office to support efforts to increase state and federal commitments to both public and state and federal student financial aid programs due to the increased needs for many students.



<b>Regent Financial Aid By Funding Source</b>					
	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Grants</b>					
Federal	36,148,323	38,460,623	37,855,786	41,329,761	49,153,189
State	3,560,476	3,477,959	3,511,674	4,169,543	4,501,290
Institutional	<u>58,847,635</u>	<u>63,881,800</u>	<u>69,384,752</u>	<u>72,504,865</u>	<u>80,098,760</u>
	98,556,434	105,820,382	110,752,212	118,004,169	133,753,239
<b>Loans</b>					
Federal	197,134,671	199,506,283	205,414,062	210,035,578	237,685,903
Institutional	1,548,107	1,668,715	1,929,466	1,911,990	2,117,400
Private	<u>15,958,887</u>	<u>22,696,441</u>	<u>29,935,179</u>	<u>40,235,364</u>	<u>51,305,851</u>
	214,641,665	223,871,439	237,278,707	252,182,932	291,109,154
<b>Employment</b>					
Federal	4,732,856	5,644,976	5,320,322	5,355,745	5,463,820
State	2,150,840	2,164,233	2,454,183	1,949,945	-
Institutional	<u>102,580,810</u>	<u>101,852,009</u>	<u>105,546,031</u>	<u>106,271,205</u>	<u>110,851,287</u>
	109,464,506	109,661,218	113,320,536	113,576,895	116,315,107
<b>Totals</b>					
Federal	238,015,850	243,611,882	248,590,170	256,721,084	292,302,912
State	5,711,316	5,642,192	5,965,857	6,119,488	4,501,290
Institutional	162,976,552	167,402,524	176,860,249	180,688,060	193,067,447
Private	<u>15,958,887</u>	<u>22,696,441</u>	<u>29,935,179</u>	<u>40,235,364</u>	<u>51,305,851</u>
	422,662,605	439,353,039	461,351,455	483,763,996	541,177,500

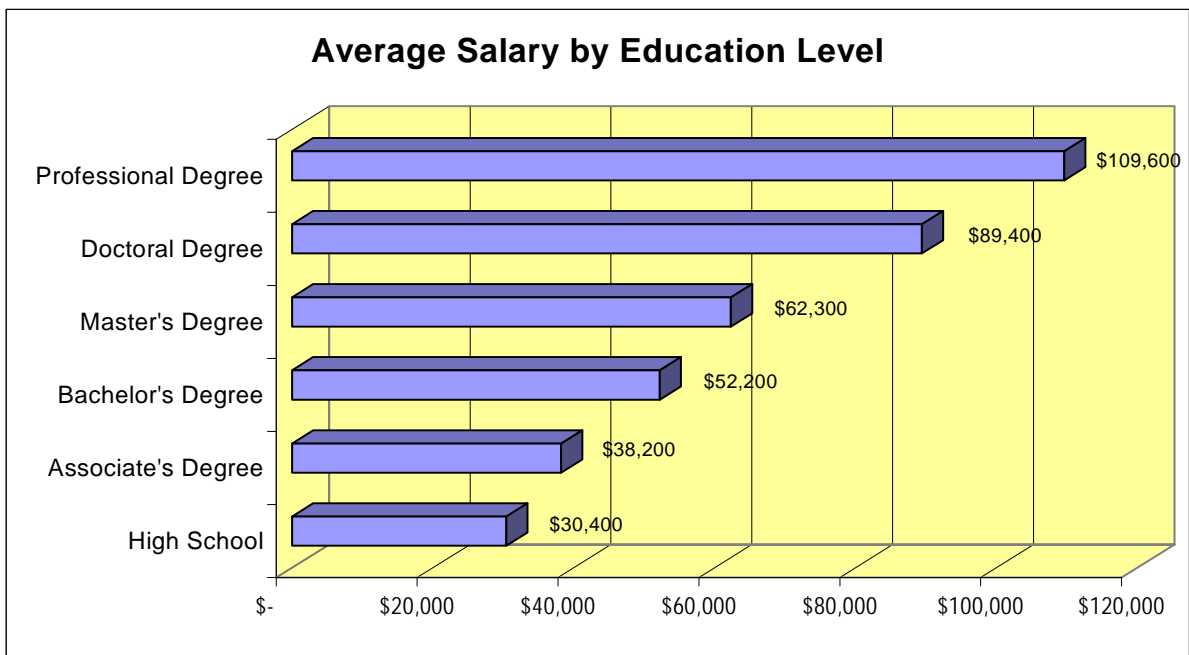
<b>Regent Financial Aid By Aid Type</b>					
	<b>FY 1998</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>	<b>FY 2002</b>
<b>Grants</b>					
Need-based	36,180,356	40,335,709	40,193,123	42,073,027	56,067,255
Need/Merit	35,279,411	36,965,533	40,392,826	42,859,452	45,965,908
Merit only	24,672,808	26,125,526	27,930,597	30,279,350	27,836,388
Other	<u>2,423,859</u>	<u>2,393,614</u>	<u>2,235,666</u>	<u>2,792,340</u>	<u>3,883,688</u>
	98,556,434	105,820,382	110,752,212	118,004,169	133,753,239
<b>Loans</b>					
Need-based	113,308,641	112,451,593	109,610,891	109,551,554	119,569,184
Other	<u>101,333,024</u>	<u>111,419,846</u>	<u>127,667,816</u>	<u>142,631,378</u>	<u>171,539,970</u>
	214,641,665	223,871,439	237,278,707	252,182,932	291,109,154
<b>Employment</b>					
Need-based	6,883,696	7,809,209	7,774,505	7,305,690	5,463,820
Other	<u>102,580,810</u>	<u>101,852,009</u>	<u>105,546,031</u>	<u>106,271,205</u>	<u>110,851,287</u>
	109,464,506	109,661,218	113,320,536	113,576,895	116,315,107
<b>Totals</b>					
Need-based	156,372,693	160,596,511	157,578,519	158,930,271	181,100,259
Need/Merit	35,279,411	36,965,533	40,392,826	42,859,452	45,965,908
Merit only	24,672,808	26,125,526	27,930,597	30,279,350	27,836,388
Other	<u>206,337,693</u>	<u>215,665,469</u>	<u>235,449,513</u>	<u>251,694,923</u>	<u>286,274,945</u>
	422,662,605	439,353,039	461,351,455	483,763,996	541,177,500

## Return on Investment

**Value of a College Education** The value of education can be measured in many ways. Unquestionably, higher education improves the quality of life, increases individual opportunities, and provides numerous benefits for the individual student and society.

America's business environment has become more global and highly competitive. Information technology, communications, and intellectual capital power today's businesses. The driving forces of this new economy are ideas, knowledge, services, and high-order skills. To succeed in the new economy, workers must be prepared to enhance their skills and make a commitment to lifelong learning.

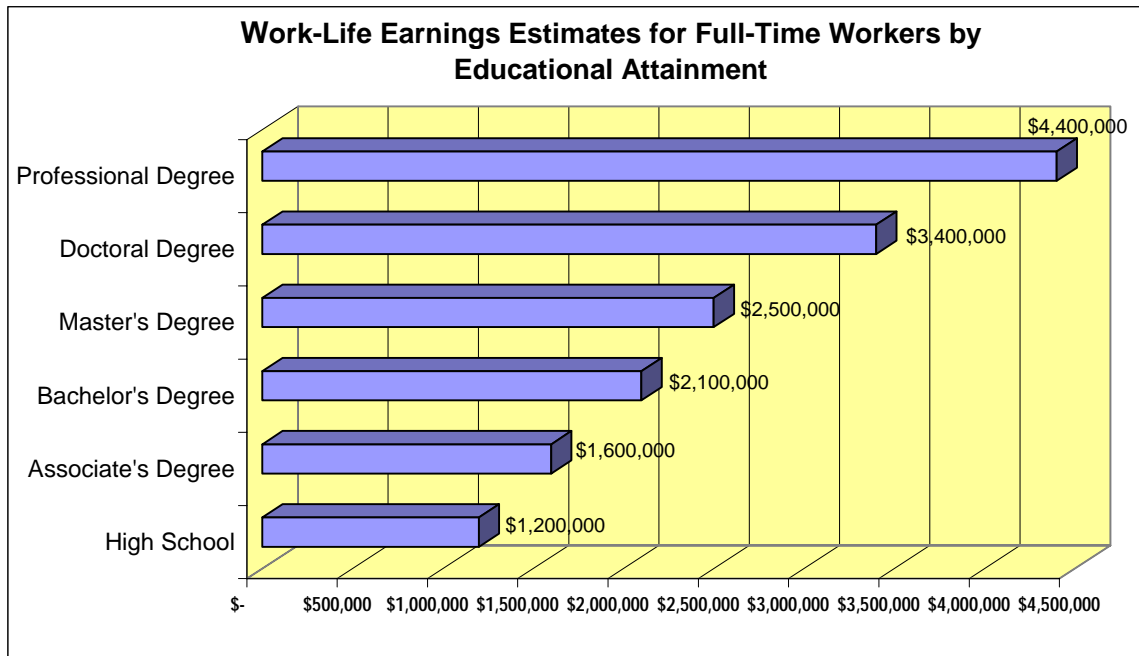
Higher education is uniquely positioned to meet the needs of individuals in the new economy. This is evident in the following table that represents 2000 data from the United States Census Bureau. With each additional level of education, the average salary an individual can earn increases significantly.



Source: U.S. Census Bureau, Current Population Surveys, March 1998, 1999, and 2000.

**Student's Return  
on Educational  
Investment**

The significant increases in salaries by educational attainment compound over a lifetime as illustrated in the following table.



Source: U.S. Census Bureau, Current Population Surveys, March 1998, 1999, and 2000.

The following example is provided to demonstrate the value of higher education to an individual and the substantial return on investment. The analysis is simple and therefore does not take into consideration inflation, wage or cost increases, or promotional opportunities.

Wage/Salary Differential

- The difference in average salary between individuals with a high school diploma and a bachelor's degree is an annual increase of \$21,800 (71.7%) for calendar year 2000.

Cost of Education

- The average tuition at a Regent University for the same time period was \$3,155 per year for a four-year cost of tuition totaling \$12,620.

Opportunity Cost

- If an individual goes to college for four years instead of earning an average salary with a high school diploma of \$30,400 for four years, the opportunity cost (or lost wages) during that four-year period would be \$121,600.

Pay Back Period

- To pay back the average tuition required to achieve the four-year degree, it would take 1.7 years at the average bachelor's degree wage (excluding wages that would have been earned with a high school diploma).
- It would take an additional 5.6 years to recover the opportunity cost.

Added Value

- Assuming that the student works until a projected retirement age of 68, he/she will have earned a salary that was at least 71.7% higher for the remaining 38.7 years of his/her working life after accounting for the years in the pay back period.
- The remaining 38.7 working years would provide additional value in compensation of at least \$843,542.

Return on Investment

- The net added value return on investment for tuition paid to earn a bachelor's degree is about \$66.80 for every tuition dollar spent.
- The return on investment is even more compelling when considering higher levels of education such as master, doctoral, or professional degrees.
- Individuals with each level of higher education would have more disposable income to contribute to the economy.

**Estimated  
Cost of  
Attendance**

The following table provides estimates of the total cost of attendance for an undergraduate student using the two identified tuition proposals.

The Regent residence systems and financial aid offices have provided estimated 2003-04 room and board charges and other costs associated with attending the Regent universities.

Actual room and board rates are set in the spring when the effects of such variables as occupancy rates, and the costs for food, utilities, and repairs are better known.

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

**TUITION PROPOSAL  
2003-04 Academic Year  
Estimated Cost of Attendance  
Resident Undergraduate**

	Tuition & Fees*	Room & Board**	Other Costs**	Estimated Totals**	Incr. from 2002-03**
<b>SUI</b>	\$4,993	\$5,622	\$3,670	\$14,285	\$1,209
<b>ISU</b>	5,028	5,400	3,685	14,113	1,394
<b>UNI</b>	4,916	4,964	3,668	13,548	1,110
<b>Average</b>	\$4,979	\$5,329	\$3,674	\$13,982	\$1,238

\* Proposed.  
\*\* Estimated.

**Proposed  
Professional  
Tuition  
Increase  
Differential**

The University of Iowa requested that the resident and nonresident tuition rates for their professional programs in dentistry, law, medicine, MBA, and Pharm D. be increased at the same dollar amount as for a resident graduate student. Consequently, the nonresident rates for these programs would increase by \$650 instead of by \$1,300.

With the significant base tuition increases and surcharges that have been implemented in recent years, tuition and fees for some of the professional programs have surpassed national averages. In addition, the University has expressed concern about using the same percentage increases in nonresident tuition since the base is significantly greater.

Iowa State University had initially requested that the tuition for its professional Veterinary Medicine program be increased at the same percentage increase as the undergraduate resident and nonresident tuitions, 17.6% and 10.5%, respectively. The proposed veterinary medicine resident tuition increase for a new student would be \$1,620, instead of \$650 and nonresident tuition would be \$2,632, instead of \$1,300.

The University had reported that the College of Veterinary Medicine has slipped significantly since FY 1993 in the amount of tuition it charges compared to its peers. The lower tuition revenue relative to other programs has slowed progress in implementing changes in its strategic plan designed to improve quality and ensure its nationally competitive position. In a letter dated October 9, 2002, President Geoffroy requested the Board Office modify the proposed tuition increases for its professional Veterinary Medicine program to be \$650 for residents and \$1,300 for nonresidents.

The following tables identify proposed revised 2003-04 tuition and mandatory fees for these professional programs.

**Proposed Resident Tuition and Fees**

	2002-03 Base Tuition	Tuition Increase	Surcharge	Mandatory Fees	2003-04 Tuition and Mandatory Fees
<b>SUI</b>					
Dentistry	\$15,284	\$650	\$0	\$651	\$16,585
Law	\$9,910	\$650	\$250	\$793	\$11,603
MBA	\$9,400	\$650	\$0	\$651	\$10,701
Medicine	\$17,188	\$650	\$0	\$651	\$18,489
Pharm D.	\$10,628	\$650	\$0	\$651	\$11,929
<b>ISU</b>					
Veterinary Medicine	\$9,200	<del>\$1,620</del> 650	\$0	\$686	<del>\$11,506</del> 10,536

**Proposed Nonresident Tuition and Fees**

	2002-03 Base Tuition	Tuition Increase	Surcharge	Mandatory Fees	2003-04 Tuition and Mandatory Fees
<b>SUI</b>					
Dentistry	\$30,249	\$650	\$0	\$651	\$31,550
Law	\$23,668	\$650	\$250	\$793	\$25,361
MBA	\$17,712	\$650	\$0	\$651	\$19,013
Medicine	\$35,656	\$650	\$0	\$651	\$36,957
Pharm D.	\$24,782	\$650	\$0	\$651	\$26,083
<b>ISU</b>					
Veterinary Medicine	\$25,062	<del>\$2,632</del> 1,300	\$0	\$686	<del>\$28,380</del> 27,048

## MANDATORY FEES

### Executive Summary:

Mandatory fees provide a distinct resource to respond to the specific needs of students.

SUI

The University of Iowa's proposal for the 2003-04 academic year includes:

- A new building fee of \$29 for the renovation of the Student Union.
- Sizeable increases in the engineering (\$78) and law (\$50) computer fees.
- Inflationary increases for the general computer, health, student activities, student services, and student union fees.

ISU

Iowa State University proposes, for the 2003-04 academic year:

- Continuation of its multi-year redirection of tuition to mandatory fees.
- An \$82 increase in the Student Services fee - \$77 from redirecting designated tuition and a \$5 inflationary adjustment.
- A new \$30 building fee for future improvements to the Memorial Union.
- A \$15 increase in the health fee to stabilize the funding base for the Student Health Center.
- Inflationary increases for all computer fees.

UNI

The University of Northern Iowa proposes:

- An \$18 increase in the Student Services fee: \$10 for the Panther Pass and \$8 for intercollegiate athletics.
- A new \$26 Health Facility fee to support future debt service for a building project to repair, renovate, and add space to the current Student Health Center.
- Inflationary increases for the computer and health fees.

Additional  
Recommendations

The Board Office proposes, in addition to the above, that the Board:

- Eliminate all fees from tuition revenues (designated tuition) over a two-year period, with all designated tuition fees to be eliminated by the 2004-05 academic year.
- For the 2004-05 academic year, redirect all building fees currently in designated fees as mandatory building fees.
- Request ISU to redirect its only remaining Student Services designated-tuition fee (\$45) to mandatory fees during the 2003-04 academic year.
- Reclassify the UNI building fee portion of its Student Services mandatory fee to the proposed new mandatory building fee.

Summary

	<b>Mandatory Fees</b>			
	Actual	Proposed	Dollar	Percentage
	<u>2002-03</u>	<u>2003-04</u>	<u>Increase</u>	<u>Increase</u>
SUI*	\$499.00	\$651	\$152.00	30.5%
ISU*	\$418.00	\$686	\$268.00	64.1%
UNI	\$425.50	\$574	\$148.50	34.9%

\* Computer fees vary at SUI and ISU.

**Background:**

**Mandatory Fees  
History**

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 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 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 to benefit all students.

The health facility fee was initiated at Iowa State University for FY 1994 to be applied to debt service obligations on a bond sale that funded the relocation and improvements of facilities for the Student Health Service.

**Redirect of Tuition  
to Mandatory Fees  
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.

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

In October 2000, the Board made a similar redirection of tuition to new mandatory fees for Iowa State University and the University of Northern Iowa so that an additional portion of tuition revenues could be utilized for academic programs.

**Consequences**

This redirection from tuition to mandatory fees 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).

Student Fee Committee

Iowa Code §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, make 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. The redirection of the designated tuition does not modify the procedure established in Iowa Code §262.34B. The Student Fee Committee process will continue to determine the specific allocations of student activity fee revenues.

Continued Student Involvement

In approving this redirection to mandatory fees, the Board required the universities to return to the Board for specific approval of any increase in fees and to do the following:

- Consult with students regarding the proposed expenditures of the newly available tuition revenues released by redirection of tuition to fees.
- 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.

Comparative Data

Detailed information on the mandatory fees for each of the universities' peer institutions is available from the Board Office.

Summary

**Mandatory Fees**

	Actual 2002-03	University Proposal 2003-04	Board Office Add'l Proposal 2003-04	Total Proposal 2003-04	Remaining Designated Tuition
SUI*	\$499.00	\$ 561	\$ 90	\$ 651	None
ISU*	418.00	568	118	686	\$56
UNI	425.50	484	90	574	77

\* Computer fees for students in Business Administration, Engineering, and Law at SUI; and Computer Science and Management Information Systems at ISU are higher than the regular computer fees, as previously approved by the Board.



**University of Iowa**

	Mandatory Fees				Remaining Designated-Tuition Fees
	2002-03	2003-04 Proposals			
	Actual	University Request	Board Off. Added Recomm.	Total	
Computer*	\$180	\$188	-	\$188	
Health	142	159	-	159	
Health Facility	10	10	-	10	
Student Activities	37	39	-	39	
Student Services	49	51	-	51	
Student Union	81	85	-	85	
Building Fee	-	29	90	119	
<b>TOTAL</b>	<b>\$499</b>	<b>\$ 561</b>	<b>\$ 90</b>	<b>\$ 651</b>	<b>None</b>

\* Computer fees for students in Business Administration, Engineering, and Law at SUI and Computer Science and Management Information Systems at ISU are higher than the above proposed computer fees.

**Computer**

	Actual 2002-03	Proposed 2003-04	Increase	
			\$	%
All students except Business Administration, Law, and Engineering students	\$180	\$188	\$ 8	4.4%
Law students	\$280	\$330	\$50	17.9%
Business Administration students	\$402	\$420	\$18	4.5%
Engineering students	\$402	\$480	\$78	19.4%

The University allocates the collegiate share of its general student computing fees based on the number of students in the colleges. The fees support general student computing labs, technology classrooms, student help desk, and off-campus Internet access, in relation to the number of students it teaches.

The University indicates that the colleges will continue to include students in the decision making process for funding allocations, with oversight of the computer fees provided by the university-wide faculty/student advisory committee.

**Uses of Computer Fee Increases**

The University proposes to utilize the increased computer fees as follows:  
General – to fund inflationary increases and support the increased use of computer and computer-related technology by all students and faculty (\$45,000 new revenues).

Business – to replace old computers and related technology in student labs and to provide support staff to assist students (\$86,000 new revenues).

Law – to finance the College’s continuing commitments to provide student access to legal databases (\$51,000 new revenues).

Engineering – use \$18 to fund inflationary increases and \$60 to return to a three-year upgrade cycle on machines and software (\$88,000 new revenues).

**Health**

The University requests a \$17 increase for the Student Health Service to generate approximately \$418,000 to support the operating expenses of the clinic.

The University indicates that 71% of the student health center income is from the health and health facility fees. Another 20% is from service fees

and the remaining 9% is from a University allocation.

Health Facility	The University does not propose changes to the health facility fee.
Student Activities	The University proposes a \$2 increase (5.4%) for the 2003-04 academic year in the student activities fee. This fee predominantly funds the student government. The University reports that the SUI Student Government (UISG) concurs with the increase.
Student Services	The University proposes a \$2 increase (4.1%) for the 2003-04 academic year in the student service fee. This fee supports CAMBUS, the <i>Daily Iowan</i> , and recreational services. The University did not report on whether SUI Student Government concurs with the increase.
Student Union	The University proposes a \$4 increase (4.9%) for the 2003-04 academic year in the student union fee. This fee supports the operations of the Iowa Memorial Union (IMU), which is an integral part of student life. The University did not report on whether SUI Student Government concurs with the increase.
New Building Fee	The University requests establishment of a student union renovation fee of \$29 for Phase I of a multi-year, multi-phased project to renovate the Iowa Memorial Union facility.

As part of the Student Services Master Plan, a study was conducted of what students desired in a student union facility. The study found that students:

- Considered improvement to the facility a high priority.
- Were willing to finance improvements through student fees.
- Expected student usage of the facility to increase (53% to 79%).
- Wanted more convenient hours, better service, and space dedicated to students.
- Wanted improvements in food service, variety, and cost.

The University reports that the student leaders support the idea. The UISG requested the following stipulations for the renovation:

- Each phase will improve or increase student space, not just maintain present space.
- The fee charged to students will be reviewed with student leaders each year.
- Students will continue to be included in the planning process for these improvements.

The estimated cost of Phase I is \$8,976,000. The inclusion of debt service reserve and issuance costs would require a \$10 million bond issuance.

The University completed implementation of its multi-year plan for redirecting designated tuition toward mandatory fees. The University's only remaining designated tuition is an \$89.04 building allocation. The Board Office proposes to redirect this to a mandatory fee – as a \$90 increase to the University-proposed new building fee.

**Iowa State University**

	Mandatory Fees				Remaining Designated-Tuition Fees
	2002-03	2003-04 Proposals			
	Actual	University Request	Board Off. Add'l Proposal	Total	
Computer*	\$180	\$188	-	\$188	
Health	130	160	-	160	
Health Facility	16	16	-	16	
Student Activities	57	57	-	57	
Student Services	35	117	\$42	159	\$56**
Building Fee	—	<u>30</u>	<u>76</u>	<u>106</u>	
<b>TOTAL</b>	<b>\$ 418</b>	<b>\$ 568</b>	<b>\$ 118</b>	<b>\$ 686</b>	<b>\$56</b>

\* Computer fees for students in Computer Science and Management Information Systems are higher than the above proposed computer fees.

\*\* \$54 of this fee supports the operating expenses of the Memorial Union; the \$2 allocation for campus safety and child care will become a general fund expense.

**Computer**

	Actual <u>2002-03</u>	Proposed <u>2003-04</u>	Increase \$	%
All students except Computer Science & Management Information Systems and Engineering students	\$180	\$188	\$ 8	4.4%
Computer Science & Management Information Systems students	\$308	\$322	\$14	4.5%
Engineering students	\$386	\$404	\$18	4.7%
Graduate students	\$144	\$150	\$6	4.2%

Iowa State University proposes inflationary increases in all categories of computer fees. The University estimates that the additional fees will generate approximately \$250,000 for the 2003-04 academic year.

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 between a Central Pool and a College Pool. The College Pool is allocated to colleges based on student credit hours and the number of majors in each college. 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.

Health	<p>The University proposes an increase of \$30 (23.1%) in its student health fee. The University reports that the additional fee would generate approximately \$800,000 to provide stable funding for the operations of the Student Health Center.</p> <p>The University indicates that some of the major elements impacting the revenues of the Center include: loss of general university support, increased medical inflation, federally-mandated information technology upgrades, and restoration of operating and capital reserves.</p>
Health Facility	<p>The University does not propose changes to the health facility fee.</p>
Student Activities	<p>The University does not propose changes to the student activities fee.</p>
Student Services	<p>The University is proposing implementation of the third year of a four-year plan (previously reported to the Board) developed in consultation with student government leaders.</p> <p>The University proposes to move the Cyride designated tuition allocation of \$38.80 and the recreation allocation of \$38.20 into its Student Services mandatory fee for the 2003-04 academic year. The Memorial Union allocation will be delayed until the 2004-05 academic year to permit the University to work with the student government on the future operating arrangements of the Memorial Union.</p> <p>This is a modification from the plan presented to the Board last year, which postponed the move of the recreation allocation, not the Memorial Union, until the 2004-05 academic year.</p> <p>Preliminary discussion with student government leaders indicated support for a \$5 inflationary increase to the Student Services mandatory fee in addition to the other changes for the fee.</p>
New Building Fee	<p>The University reports the Memorial Union is in need of renovation, which is a high priority of students, alumni, and the university community. Students have created a reserve for future improvements to the Memorial Union to be utilized for future building renovations or debt service.</p> <p>The building needs to be renovated to:</p> <ul style="list-style-type: none"><li>• Address various access and code issues; and</li><li>• Modernize meeting spaces to permit technology use.</li></ul> <p>Student government leaders supported the implementation of a \$15 per student per semester fee for the Memorial Union at an April 2002 meeting. The Board has approved a project to begin planning the renovations for the Memorial Union.</p> <p>The University's multi-year plan for redirecting designated tuition did not include the \$75.22 building allocation. The Board Office proposes to redirect this to a mandatory fee – as a \$76 increase to the University-proposed new building fee.</p>

## University of Northern Iowa

	Mandatory Fees				Remaining Designated-Tuition Fees
	2002-03	2003-04 Proposals			
	Actual	University Request	Board Off. Added Recomm.	Total	
Computer	\$140.00	\$150	-	\$150	\$77*
Health	112.00	116	-	116	
Health Facility	0	26	-	26	
Student Activities	0	0	-	0	
Student Services	173.50	192	(\$90)	102	
Building Fee	-	0	180	180	
TOTAL	\$ 425.50	\$ 484	\$ 90	\$ 574	\$77

\* This remaining designated-tuition amount represents the Student Activities fee.

## Computer

The University of Northern Iowa proposes a \$10 (7.5%) increase per academic year in computer fees, from \$140 to \$150. The University estimates that the additional fee would generate approximately \$120,000 additional revenues for the 2003-04 academic year.

UNI reported that computer fees are used for any technology-related expenditure that will directly benefit students. Students are expected to use e-mail and the Internet. Faculty increasingly use multimedia to enhance their teaching and provide discipline-specific computer experiences for students.

A portion of the computer fee funds proposals developed by numerous sectors of the University. Campus technology advisory committees and student computer advisory committees review the proposals and provide input. Funding awards are made on a competitive basis.

Historically, these 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, to support interdisciplinary curriculum development, expand networking for access to existing software resources, create student ID cards, and improve the library access system.

## Health

The University proposes a \$4 (3.6%) increase in its student health fee. The increase would result in new income of \$14,700 for the 2003-04 academic year. The fee enables the health system to respond to individual and public health needs and provide counseling, disability, and health promotion services for students.

New Health Facility	<p>The University proposes a new health facility fee of \$26 to finance a building project to repair, renovate, and add space to the current Student Health Center.</p> <p>The Center was built in 1961 to serve a student population, which is approximately one-third of the current number of students on UNI's campus. The space in the facility is inadequate to appropriately serve the students, and the facility needs major repairs.</p> <p>The improvements will improve access to services, improve patient privacy and confidentiality, provide space for coordinated health, counseling, and wellness services, as well as provide a more efficient and aesthetically welcoming and comfortable physical environment.</p> <p>The University reports that the project has been presented to the Student Health Advisory Committee and the Northern Iowa Student Government, and that consultation with student leaders will continue.</p>
Student Services	<p>The University proposes to increase its mandatory Student Services fee by \$18 per year (10.7%). This fee is expected to generate \$227,500.</p> <p>A \$10 increase for the Panther Pass will go to the Gallagher-Bluedorn Performing Arts Center. By combining this revenue stream with an allocation within the Student Activity Fee, the University reports that it can reduce student ticket prices. The Panther Pass also provides free admission to most athletic, theater, and music events at UNI.</p> <p>An increase of \$8 is proposed for the Intercollegiate Athletics to support athletic operational expenditures per request of the students.</p>
Student Support	<p>The University has not indicated whether student government supports these increases.</p>
New Building Fee	<p>The University completed implementation of its multi-year plan for redirecting designated tuition toward mandatory fees. The University's only remaining designated tuition is a \$90.30 building allocation. The Board Office proposes to redirect this to a mandatory fee – as a new \$90 building fee.</p> <p>The Board Office is also recommending the building amount (\$90) in the current Student Services mandatory fee be eliminated from the Student Services fee and combined with the above new building fee for a total building fee of \$180.</p>

## Additional Mandatory Fee Proposals

Currently, there is a mix of mandatory fees and designated-tuition fees on a per-student basis to provide funding for specific needs of students. In certain cases, a particular student need is funded from both sources. This is often confusing. The mechanism for charging student fees needs to be simplified.

Designated fees are carve-outs from tuition. Several years ago, the Board embarked on a fundamental change in redirecting designated tuition toward mandatory fees so that the Board-approved tuition can be directed for academic purposes.

Each of the universities implemented certain redirections of designated tuition. Iowa State University has not yet finished its multi-year implementation of redirections, which is scheduled to be completed during the 2004-05 academic year.

Recommendations The Board Office recommends, in addition to the universities' proposed changes for the 2003-04 academic year for mandatory fees, that the Board:

- Eliminate all fees from tuition revenues (designated tuition) over a two-year period, with all designated tuition fees to be eliminated by the 2004-05 academic year.
- Request ISU to redirect its only remaining Student Services designated-tuition fee (\$45) to mandatory fees during the 2003-04 academic year.
- Reclassify the UNI building fee portion of its Student Services mandatory fee to the proposed new mandatory building fee.

**Designated Tuition**

	Actual 2002-03	University Proposal 2003-04	Board Office Proposal 2003-04	University Proposal 2004-05	Board Office Proposal 2004-05
<u>SUI</u>					
Building	\$ 89.04	\$ 89.04	\$ 0	\$89.04	\$ 0
<u>ISU</u>					
Student Services	\$174.64	\$97.64	\$55.64	\$42.00	\$ 0
Building	\$75.22	\$75.22	\$ 0	\$75.22	\$ 0
<u>UNI</u>					
Student Activities	\$76.90	\$76.90	\$76.90	\$76.90	\$ 0
Building	\$90.30	\$90.30	\$ 0	\$ 0	\$ 0

**New Mandatory Fee**

	Actual 2002-03	University Proposal 2003-04	Board Office Proposal 2003-04	University Proposal 2004-05	Board Office Proposal 2004-05*
<u>SUI</u>					
Building	\$ 0	\$ 29	\$119	\$29	\$119
<u>ISU</u>					
Student Services	\$35	\$117	\$159	\$173	\$215
Building	\$0	\$30	\$106	\$30	\$106
<u>UNI</u>					
Student Activities	\$0	\$0	\$0	\$0	\$77
Student Services		\$192	\$102	\$192	\$102
Building	\$0	\$0	\$180	\$0	\$180

\* Only shows affected mandatory fees net of inflationary adjustments.



## SURCHARGES

**Background**

Tuition surcharges represent earmarked amounts for specific colleges and purposes. Students enrolled in specific colleges pay the surcharge in addition to the university's base tuition and receive the benefits of additional resources. Base tuition and base tuition increases are not earmarked for special academic units but are part of the overall general university fund budgeting process.

The following table represents the proposed surcharges:

<b>University of Iowa Incremental Surcharges 2003-04 Academic Year</b>		
	<u>Resident</u>	<u>Nonresident</u>
College of Business – Master of Accountancy	\$1,065	\$1,065
College of Law	250	250
College of Nursing		
Masters for Clinical Leadership (MSN)	2,700	2,700
Professional Masters in Nursing & Health Care Practice (formerly known as Masters in Care Management)	1,350	1,350
College of Public Health – Master of Health Administration	1,000	1,000

On the following pages, each of the surcharge proposals includes identification of the surcharge, the related tuition and mandatory fee amounts, and details on the planned uses of the new surcharge revenues. The universities will set aside student financial aid dollars in the same percentage as tuition.

**University of Iowa**  
**Henry B. Tippie College of Business – Master of Accountancy**

**Proposal**            The University of Iowa is proposing the third of three annual tuition surcharges of \$1,065 for resident and nonresident students in the Master of Accountancy program.

The Master of Accountancy program is intended to produce graduates who are professionally prepared for a career in today’s world. More than 75 firms recruit accounting students each year. The University reports that the proposed surcharge will have no effect on enrollment.

A total of 42 students are anticipated for the fall of 2003.

<b>History</b>		<u><b>Total Surcharge</b></u>
	Currently presented to the Board for consideration:	
	• \$1,065 for students entering in the fall of 2003	\$3,195
	Previously approved by the Board:	
	• \$1,065 for students entering in the fall of 2002	\$2,130
	• \$1,065 for students entering in the fall of 2001	\$1,065

**Program Charges**            The Master of Accountancy program allows students to tailor their education by selecting one of four specialized tracks: financial / auditing; management information systems; managerial accounting; and tax accounting. Charges for the program are as follows:

	Resident			Nonresident		
	FY 2003 <u>actual</u>	FY 2004 <u>proposed</u>	Percent <u>increase</u>	FY 2003 <u>actual</u>	FY 2004 <u>proposed</u>	Percent <u>increase</u>
<b>Enrolled Fall 2003</b>						
Base Tuition / Surcharge	\$6,716	\$8,431	25.5%	\$16,068	\$18,433	14.7%
Mandatory Fees	499	651	30.5%	499	651	30.5%
<b>Total</b>	<b>\$7,215</b>	<b>\$9,082</b>	<b>25.9%</b>	<b>\$16,567</b>	<b>\$19,084</b>	<b>15.2%</b>
<b>Enrolled Fall 2002</b>						
Base Tuition / Surcharge	\$6,716	\$7,366	9.7%	\$16,068	\$17,368	8.1%
Mandatory Fees	499	651	30.5%	499	651	30.5%
<b>Total</b>	<b>\$7,215</b>	<b>\$8,017</b>	<b>11.1%</b>	<b>\$16,567</b>	<b>\$18,019</b>	<b>8.8%</b>

Surcharges will be applied based on enrollment date.

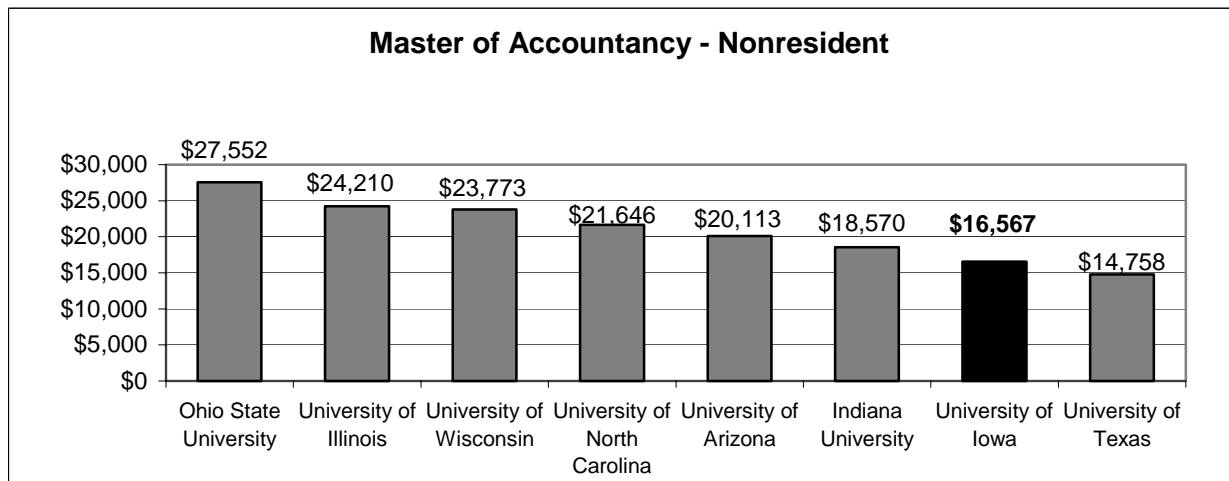
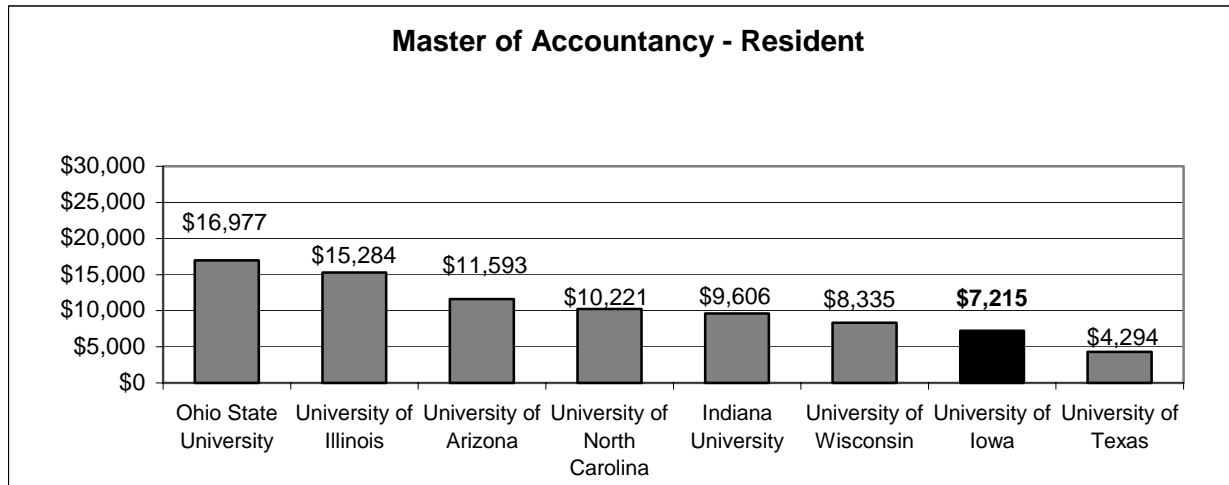
Uses of New Surcharges

The University reports that it plans to utilize the new \$44,730 in revenues generated from the proposed surcharge in the following ways:

Amount	Expenditure Category	Descriptions
\$26,413	Faculty Support	Funds will be used to recruit and retain the faculty, including adjunct instructors and practitioners.
\$7,157	Student Financial Aid (16%)	Aid will be based on merit and need.
\$4,661	Program Support	Funds will be used to recruit students, provide student orientation, and for professional development opportunities.
\$6,499	Technology Maintenance and Development	Funds will provide continued support for software, computer upgrades, and for on-line financial information systems.
\$44,730		

Peer Comparisons 2002-03 Data

Resident and nonresident tuition and fees for the Master of Accountancy program at the University of Iowa are among the lowest in its peer group and are significantly less than the average costs of the School's peer institutions, which are \$10,901 and \$21,517, respectively.



Peer comparison information was provided by the University of Iowa.

**University of Iowa - College of Law**

**Proposal**      The University of Iowa proposes a tuition surcharge of \$250 for all resident and nonresident students entering the College of Law in the fall of 2003. The University anticipates a total of 712 students.

The average surcharge over the previous nine years is \$306 for residents and \$476 for nonresidents.

**History**

Entering Fall of:	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Resident	350	350	350	350	300	300	300	200	250
Nonresident	500	735	500	500	500	500	500	300	250

**Program Charges**      The College of Law is a three-year academic program. Law school policy does not allow for less than full-time attendance. Charges for the program are as follows:

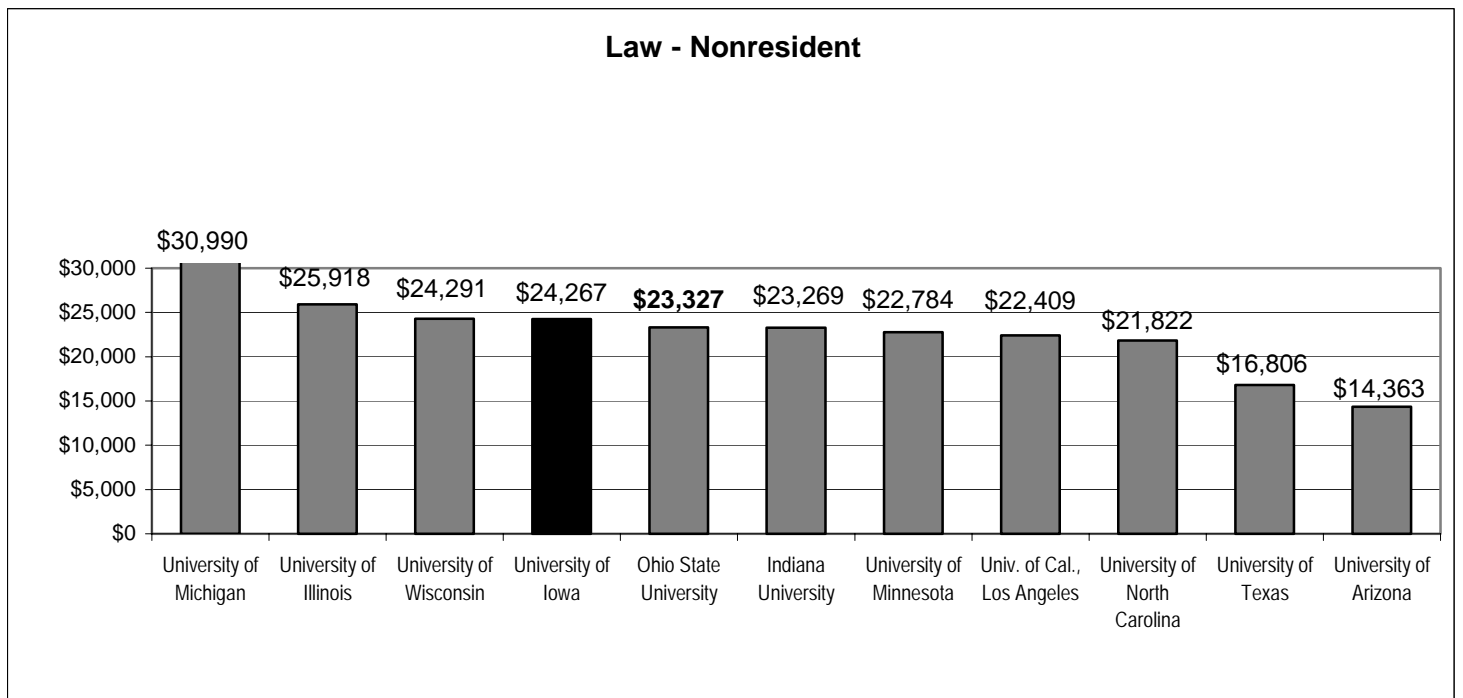
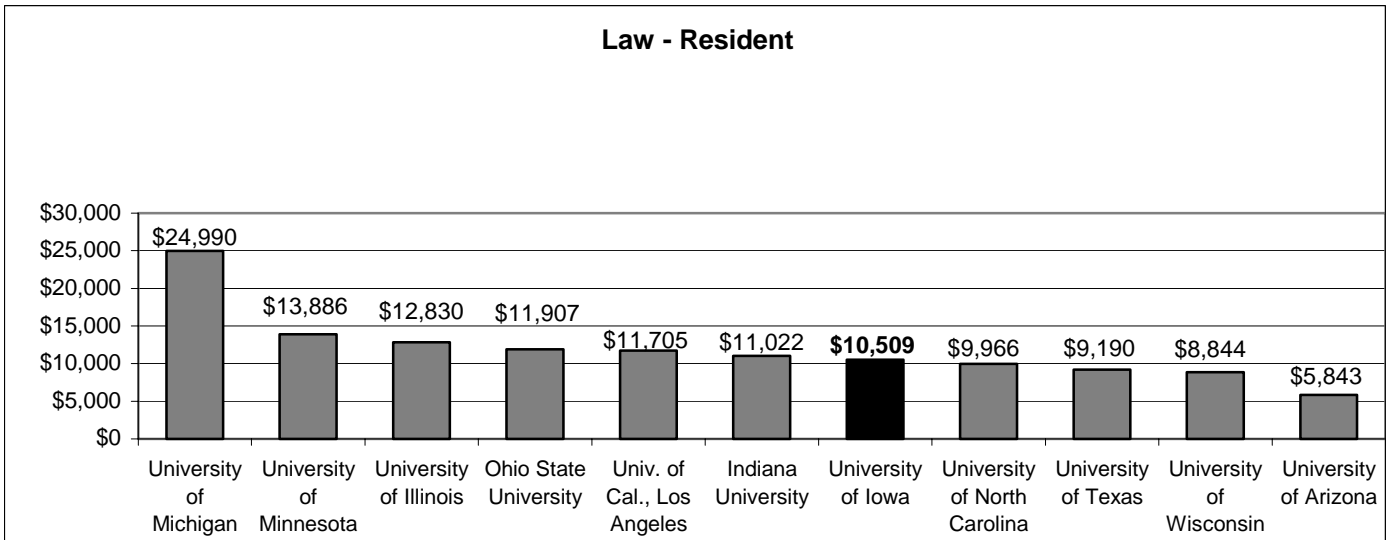
	<u>Resident</u>			<u>Nonresident</u>		
	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>
Base Tuition / Surcharge	\$9,910	\$10,810	9.1%	\$23,668	\$24,568	3.8%
Mandatory Fees	<u>599</u>	<u>793</u>	32.4%	<u>599</u>	<u>793</u>	32.4%
Total	\$10,509	\$11,603	10.4%	\$24,267	\$25,361	4.5%

**Uses of New Surcharges**      The University reports that it plans to utilize the new \$178,000 in revenues generated from the proposed surcharge in the following ways:

Amount	Expenditure Category	Descriptions
\$65,000	Student Research Assistants	Funds will provide support for research assistants to supervise programs, provide leadership training, and assistance to the faculty in scholarly research.
\$34,520	Secretarial Support for Student Organizations	Funds will support an additional secretary.
\$28,480	Student Financial Aid (16%)	Aid will be based on merit and need.
\$25,000	Student Activity Fund	Funds will cover administrative costs associated with maintaining 22 active co-curricular and professional student organizations. It will support travel to competitions, conferences, and meetings with students from other schools.
\$25,000	Writing Resource Center Graduate Instructor	Funds will cover an instructor to provide individualized instruction to law students.
\$178,000		

Peer Comparisons 2002-03 Data Resident tuition and fees in the Law program at the University of Iowa rank in the bottom half of the institutions in the University’s peer group and are less than the average of \$12,018.

Nonresident tuition and fees at the University of Iowa rank close to the middle of the peer group and are just over the average cost of \$22,598.



Peer comparison information was provided by the University of Iowa.

**University of Iowa**  
**College of Nursing – Professional Masters in Nursing and Healthcare Practice**

**Proposal**      The University of Iowa is proposing the second of two annual surcharges of \$1,350 for resident and nonresident students enrolled in the Professional Masters in Nursing and Healthcare Practice program (formerly known as the Masters Degree in Care Management) during calendar year 2004.

The College anticipates that 32 students will be in the class that begins in January 2004. The program runs on a calendar year basis.

<b>History</b>		<u><b>Total Surcharge</b></u>
	Currently presented to the Board for consideration:	
	• \$1,350 for students entering January 2004.	\$2,700
	Previously approved by the Board:	
	• \$1,350 for students entering January 2003.	\$1,350

**Program Charges**      The Professional Masters in Nursing and Healthcare Practice is four semesters long. The fourth semester is a paid internship. Charges for the program are as follows:

	<u>Resident</u>			<u>Nonresident</u>		
	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>
Base Tuition / Surcharge	\$5,738	\$7,738	34.9%	\$15,122	\$17,772	17.5%
Mandatory Fees	499	651	30.5%	499	651	30.5%
<b>Total</b>	<b>\$6,237</b>	<b>\$8,389</b>	<b>34.5%</b>	<b>\$15,621</b>	<b>\$18,423</b>	<b>17.9%</b>

**Uses of New Surcharges**      The University reports that it plans to utilize the \$86,400 in revenues generated from the proposed surcharge in the following ways:

Amount	Expenditure Category	Descriptions
\$48,576	Faculty and Teaching Assistant Salary Support	Funds will be used to add new faculty and for graduate teaching assistants.
\$24,000	Program Support	Funds will be used to hire one person to operate the program, provide student support, and for small general expenses.
\$13,824	Student Financial Aid (16%)	Aid will be based on merit and need.
<b>\$86,400</b>		

**Peer Comparisons 2002-03 Data**      The University reports that since the Masters in Nursing and Healthcare Practice is unique and none of its peer institutions currently offers such a degree program, no tuition fee comparisons are presented.

**University of Iowa – College of Nursing – Masters for Clinical Leadership**

**Proposal**      The University of Iowa is proposing a per semester tuition surcharge of \$1,350 for resident and nonresident students enrolled in the Masters for Clinical Leadership program (basic Master of Science in Nursing) during the FY 2003-04 academic year.

The University reports that nurses are willing to pay the fees since they are able to remain employed while enrolled in the program. A total of 30 students are anticipated for the FY 2003-04 academic year.

**History**      Total Surcharge

Currently presented to the Board for consideration:

- \$2,700 per year (\$1,350 per semester) proposed for students entering in the fall of 2003. \$2,700

**Program Charges**      FY 2004 is the first year for this program. The program is 33 semester hours and is a redesign and reorganization of the former basic Master of Science in Nursing program. No new courses are required. Charges for the program are as follows:

	<u>Resident</u>			<u>Nonresident</u>		
	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>
Base Tuition / Surcharge	\$4,388	\$7,738	76.3%	\$13,772	\$17,772	29.0%
Mandatory Fees	<u>499</u>	<u>651</u>	30.5%	<u>499</u>	<u>651</u>	30.5%
<b>Total</b>	<b>\$4,887</b>	<b>\$8,389</b>	<b>71.7%</b>	<b>\$14,271</b>	<b>\$18,423</b>	<b>29.1%</b>

**Uses of New Surcharges**      The University reports that it plans to utilize the \$81,000 in revenues generated from the proposed surcharge in the following ways:

Amount	Expenditure Category	Descriptions
\$39,040	Faculty Salaries/Support	Funds will provide for additional faculty.
\$22,660	Administrative Staff Support	Funds will provide for staff to administer the program.
\$13,600	Student Texts/Materials	Funds will cover instructional materials.
\$4,500	Student Fees (Computer and Student Activities)	Funds will provide for reimbursement to the University for services.
\$1,200	Operating Costs	Funds will provide for travel and promotional expenses.
<b>\$81,000</b>		

**Peer Comparisons 2002-03 Data**      The University reports that since the Masters for Clinical Leadership is unique and none of its peer institutions currently offers such a degree program, no tuition fee comparisons are presented.

**University of Iowa – College of Public Health – Master of Health Administration**

**Proposal**      The University of Iowa is proposing the second of three annual tuition surcharges of \$1,000 for resident and nonresident students in the Master of Health Administration program.

The University reports that it remains competitive in price with its peer institutions. A total of 15 students are anticipated for the fall of 2003.

**History**      Total Surcharge

Currently presented to the Board for consideration:

- \$1,000 for students entering in the fall of 2003      \$2,000

Previously approved by the Board:

- \$1,000 for students entering in the fall of 2002      \$1,000

**Program Charges**      The Master of Health Administration requires a total of 60 semester hours of graduate credit (generally 21 months of full-time study) to complete the program. Charges for the program are as follows:

	<u>Resident</u>			<u>Nonresident</u>		
	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>	<u>FY 2003 actual</u>	<u>FY 2004 proposed</u>	<u>Percent increase</u>
<b>Enrolled Fall 2003</b>						
Base Tuition / Surcharge	\$5,388	\$7,038	30.6%	\$14,772	\$17,072	15.6%
Mandatory Fees	499	651	30.5%	499	651	30.5%
Total	\$5,887	\$7,689	30.6%	\$15,271	\$17,723	16.1%
<b>Enrolled Fall 2002</b>						
Base Tuition / Surcharge	\$5,388	\$6,038	12.1%	\$14,772	\$16,072	29.1%
Mandatory Fees	499	651	30.5%	499	651	30.5%
Total	\$5,887	\$6,689	13.6%	\$15,271	\$16,723	9.5%

Surcharges will be applied based on enrollment date.

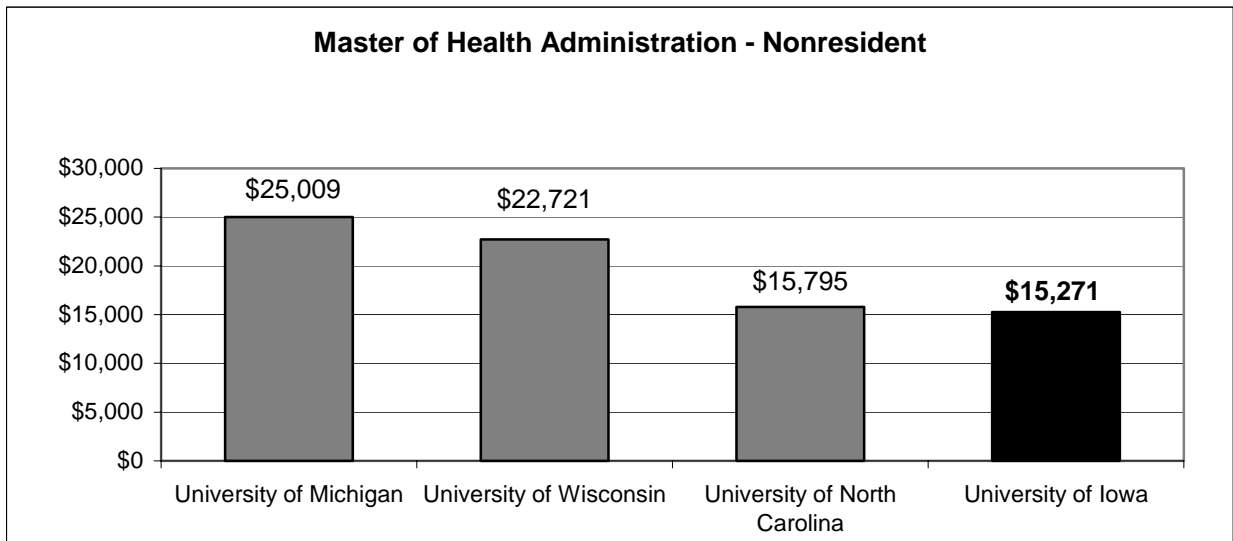
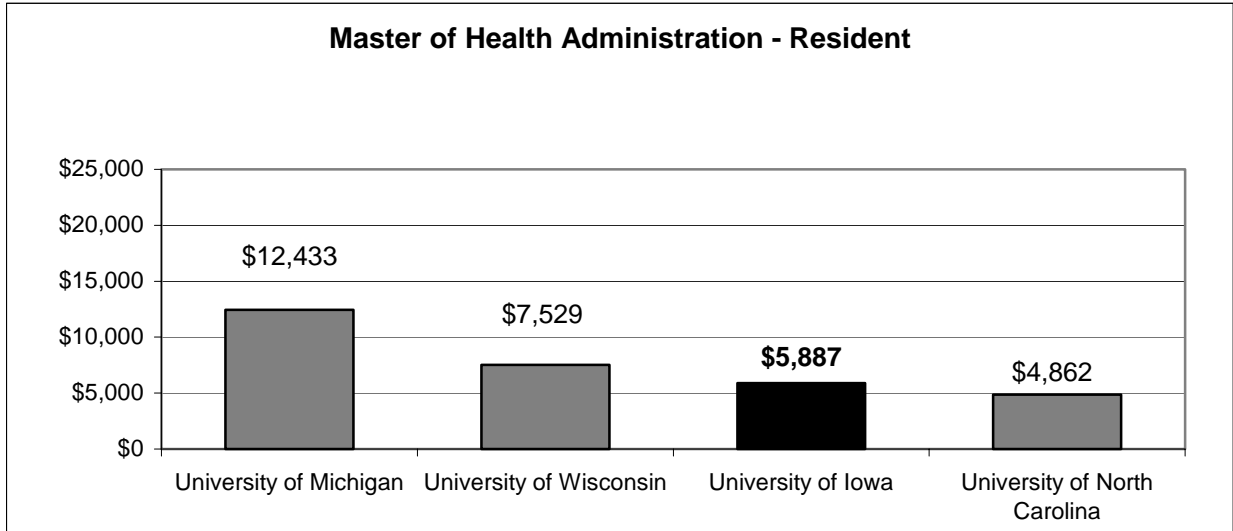
**Uses of New Surcharges**      The University reports that it plans to utilize the new \$15,000 in revenues generated from the proposed surcharge in the following ways:

Amount	Expenditure Category	Descriptions
\$6,000	Instructional design, & course delivery	Funds will be used for curriculum enhancement and computer-based course design and instruction.
\$3,000	Professional development	Funds will be used to support student trips and conferences.
\$2,850	Recruitment and student support	Funds will be used for student recruitment activities.
\$2,400	Student Financial Aid (16%)	Aid will be based on merit and need.
\$750	Program accreditation	Funds will support program accreditation.
\$15,000		



Peer Comparisons  
 2002-03 Data

Resident tuition and fees in the Master of Health Administration program at the University of Iowa rank in the lower half of the institutions in the University's peer group and are less than the average of \$8,275. Nonresident tuition and fees are the lowest and are less than the average of \$21,175.



Peer comparison information was provided by the University of Iowa.

## TUITION-RELATED MISCELLANEOUS FEES

Requirement	The Regent <u>Policy Manual</u> specifies that the Board has authority over all institutional or college wide fees over \$1 per semester and all department fees over \$10 per semester. Review and approval of miscellaneous fees and charges is consistent with the Board's strategic plan to provide effective stewardship of institutional resources while advocating for resources needed to provide access to educational, research, and service opportunities.
Types of Miscellaneous Fees	Miscellaneous fees and charges include both tuition-related and non-tuition-related charges. In each category, students pay only the miscellaneous fees and charges that apply to them; these charges vary depending on each student's program, needs, and interests.
Tuition-Related	Tuition-related fees include items such as continuing education courses and workshops. These fees are adjusted commensurate with the increase in tuition.
Non-Tuition-Related	Non-tuition-related fees include a variety of items such as course delivery fees and private music lessons and are presented to the Board in the March/April timeframe at the same time as room and board charges are discussed.

### TUITION-RELATED FEES AND MISCELLANEOUS CHARGES ACTUAL FY 2003 and PROPOSED FY 2004

Tuition-Related Fees and Miscellaneous Charges	University of Iowa			Iowa State University			University of Northern Iowa		
	FY 2003	FY 2004	% Change	FY 2003	FY 2004	% Change	FY 2003	FY 2004	% Change
Correspondence Study (per semester hour)	\$118	\$140	18.6%				\$118	\$140	18.6%
Extension Courses/Continuing Education (per credit)									
Undergraduate	\$154	\$182	18.2%	\$154	\$182	18.2%	\$154	\$182	18.2%
Graduate	\$244	\$280	14.8%	\$244	\$280	14.8%	\$244	\$280	14.8%
Hospital Certificate Technology Programs (per year)	\$587	\$692	17.9%						
Lakeside Lab (5 weeks)									
Undergraduate (per credit)	\$154	\$182	18.2%	\$154	\$182	18.2%	\$154	\$182	18.2%
Graduate (per credit)	\$244	\$288	18.0%	\$244	\$280	14.8%	\$244	\$280	14.8%
Law -- Special 10-Week Summer Session									
Resident	\$3,306	\$3,608	9.1%						
Nonresident	\$7,887	\$8,188	3.8%						
Open Credit (per project)							\$309	\$364	17.8%
Workshops/Telecourses (per semester hour)									
Undergraduate	\$154	\$182	18.2%	\$154	\$182	18.2%	\$154	\$182	18.2%
Graduate	\$244	\$280	14.8%	\$244	\$280	14.8%	\$244	\$280	14.8%

**BOARD OF REGENTS, STATE OF IOWA**  
**REVISED PROPOSED ACADEMIC YEAR TUITION AND MANDATORY FEES**  
**2003-04**

	TUITION	MANDATORY FEES							TOTALS			
	Base Tuition & Surcharge	Computer Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Total Mandatory Fees	Tuition & Mandatory Fees	% Increase in Tuition & Mandatory Fees	Total Dollar Increase In Tuition & Fees
<b>UNIVERSITY OF IOWA</b>												
Undergraduate Resident	\$ 4,342	188	\$ 159	\$ 10	\$ 39	\$ 51	85	119	\$ 651	\$ 4,993	19.1%	\$ 802.00
Undergraduate Resident - Business Admin.	4,342	420	159	10	39	51	85	119	883	5,225	18.4%	812.00
Undergraduate Resident - Engineering	4,342	480	159	10	39	51	85	119	943	5,285	19.8%	872.00
Undergraduate Resident - Medical	4,342	188	159	10	39	51	85	119	651	4,993	19.1%	802.00
Undergraduate Nonresident	14,634	188	159	10	39	51	85	119	651	15,285	10.5%	1,452.00
Undergraduate Nonresident - Business Admin.	14,634	420	159	10	39	51	85	119	883	15,517	10.4%	1,462.00
Undergraduate Nonresident - Engineering	14,634	480	159	10	39	51	85	119	972	15,606	11.0%	1,551.00
Undergraduate Nonresident - Medical	14,634	188	159	10	39	51	85	119	680	15,314	10.7%	1,481.00
Graduate Resident	5,038	188	159	10	39	51	85	119	651	5,689	16.4%	802.00
Graduate Resident - Dentistry	5,038	188	159	10	39	51	85	119	651	5,689	16.4%	802.00
Graduate Resident - Engineering	5,038	480	159	10	39	51	85	119	943	5,981	17.1%	872.00
Graduate Resident - Physical Therapy enrolled fall 2001	6,638	188	159	10	39	51	85	119	651	7,289	12.4%	802.00
Graduate Resident - Physical Therapy enrolled fall 2002 and 2003	7,988	188	159	10	39	51	85	119	651	8,639	10.2%	802.00
Graduate Nonresident	15,072	188	159	10	39	51	85	119	651	15,723	10.2%	1,452.00
Graduate Nonresident - Dentistry	15,072	188	159	10	39	51	85	119	651	15,723	10.2%	1,452.00
Graduate Nonresident - Engineering	15,072	480	159	10	39	51	85	119	943	16,015	10.5%	1,522.00
Graduate Nonresident - Physical Therapy enrolled fall 2001	16,632	188	159	10	39	51	85	119	651	17,283	9.2%	1,452.00
Graduate Nonresident - Physical Therapy enrolled fall 2002 and 2003	17,982	188	159	10	39	51	85	119	651	18,633	8.5%	1,452.00
Master of Accountancy Resident enrolled fall 2002	7,366	188	159	10	39	51	85	119	651	8,017	11.1%	802.00
Master of Accountancy Resident enrolled fall 2003	8,431	188	159	10	39	51	85	119	651	9,082	25.9%	1,867.00
Master of Info System Resident	7,366	188	159	10	39	51	85	119	651	8,017	11.1%	802.00
Master of Health Administration Resident enrolled fall 2002	6,038	188	159	10	39	51	85	119	651	6,689	13.6%	802.00
Master of Health Administration Resident enrolled fall 2003	7,038	188	159	10	39	51	85	119	651	7,689	30.6%	1,802.00
Master of Nursing and Healthcare Practice (Care Management) Resident	7,738	188	159	10	39	51	85	119	651	8,389	34.5%	2,152.00
Master of Science - Nursing (NEW Clinical Leadership) Resident	7,738	188	159	10	39	51	85	119	651	8,389	71.7%	3,502.00
Master of Public Health Resident	6,038	188	159	10	39	51	85	119	651	6,689	13.6%	802.00
MBA Resident	10,050	188	159	10	39	51	85	119	651	10,701	8.1%	802.00
Master of Accountancy Nonresident enrolled fall 2002	17,368	188	159	10	39	51	85	119	651	18,019	8.8%	1,452.00
Master of Accountancy Nonresident enrolled fall 2003	18,433	188	159	10	39	51	85	119	651	19,084	15.2%	2,517.00
Master of Info System Nonresident	17,368	188	159	10	39	51	85	119	651	18,019	8.8%	1,452.00
Master of Health Administration Nonresident enrolled fall 2002	16,072	188	159	10	39	51	85	119	651	16,723	9.5%	1,452.00
Master of Health Administration Nonresident enrolled fall 2003	17,072	188	159	10	39	51	85	119	651	17,723	16.1%	2,452.00
Master of Nursing and Healthcare Practice (Care Management) Nonresident	17,772	188	159	10	39	51	85	119	651	18,423	17.9%	2,802.00
Master of Science - Nursing (NEW) Nonresident	17,772	188	159	10	39	51	85	119	651	18,423	29.1%	4,152.00
Master of Public Health Nonresident	16,072	188	159	10	39	51	85	119	651	16,723	9.5%	1,452.00
MBA Nonresident - enrolled fall 2001	17,298	188	159	10	39	51	85	119	651	17,949	4.7%	802.00
MBA Nonresident - enrolled fall 2002 & 2003	18,362	188	159	10	39	51	85	119	651	19,013	4.4%	802.00
Dentistry Resident, enrolled fall 2000 & 2001	12,934	188	159	10	39	51	85	119	651	13,585	6.3%	802.00
Dentistry Resident, enrolled fall 2002	15,934	188	159	10	39	51	85	119	651	16,585	5.1%	802.00
Dentistry Nonresident, enrolled fall 2000 & 2001	27,900	188	159	10	39	51	85	119	651	28,551	2.9%	802.00
Dentistry Nonresident, enrolled fall 2002 & 2003	30,899	188	159	10	39	51	85	119	651	31,550	2.6%	802.00
Law Resident	10,810	330	159	10	39	51	85	119	793	11,603	10.4%	1,094.00
Law Nonresident	24,568	330	159	10	39	51	85	119	793	25,361	4.5%	1,094.00
Medicine Resident - enrolled prior to fall 2001	13,690	188	159	10	39	51	85	119	651	14,341	5.9%	802.00
Medicine Resident	17,838	188	159	10	39	51	85	119	651	18,489	4.5%	802.00
Medicine Nonresident - enrolled prior to fall 2001	32,158	188	159	10	39	51	85	119	651	32,809	2.5%	802.00
Medicine Nonresident	36,306	188	159	10	39	51	85	119	651	36,957	2.2%	802.00
Pharm. D. Resident - enrolled prior to fall 2001	7,724	188	159	10	39	51	85	119	651	8,375	10.6%	802.00
Pharm. D. Resident	11,278	188	159	10	39	51	85	119	651	11,929	7.2%	802.00
Pharm. D. Nonresident - enrolled prior to fall 2001	21,968	188	159	10	39	51	85	119	651	22,619	3.7%	802.00
Pharm. D. Nonresident	25,432	188	159	10	39	51	85	119	651	26,083	3.2%	802.00

**BOARD OF REGENTS, STATE OF IOWA**  
**REVISED PROPOSED ACADEMIC YEAR TUITION AND MANDATORY FEES**  
**2003-04**

	TUITION	MANDATORY FEES								TOTALS		
	Base Tuition & Surcharge	Computer Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Total Mandatory Fees	Tuition & Mandatory Fees	% Increase in Tuition & Mandatory Fees	Total Dollar Increase In Tuition & Fees
<b>IOWA STATE UNIVERSITY</b>												
Undergraduate Resident	4,342	188	\$ 160	\$ 16	\$ 57	\$ 159	-	106	\$ 686	\$ 5,028	22.3%	\$ 918.00
Undergraduate Resident - Engineering	4,342	404	160	16	57	159	-	106	902	5,244	21.5%	928.00
Undergraduate Resident - Comp Sci & MIS	4,342	322	160	16	57	159	-	106	820	5,162	21.8%	924.00
Undergraduate Nonresident	13,684	188	160	16	57	159	-	106	686	14,370	12.2%	1,568.00
Undergraduate Nonresident - Engineering	13,684	404	160	16	57	159	-	106	902	14,586	12.1%	1,578.00
Undergraduate Nonresident - Comp Sci & MIS	13,684	322	160	16	57	159	-	106	820	14,504	12.2%	1,574.00
Graduate Resident	5,038	150	160	16	57	159	-	106	648	5,686	19.2%	916.00
Graduate Resident - Engineering	5,038	404	160	16	57	159	-	106	902	5,940	18.5%	928.00
Graduate Resident - Comp Sci & MIS	5,038	322	160	16	57	159	-	106	820	5,858	18.7%	924.00
Graduate Nonresident	14,214	150	160	16	57	159	-	106	648	14,862	11.8%	1,566.00
Graduate Nonresident - Engineering	14,214	404	160	16	57	159	-	106	902	15,116	11.7%	1,578.00
Graduate Nonresident - Comp Sci & MIS	14,214	322	160	16	57	159	-	106	820	15,034	11.7%	1,574.00
Veterinary Medicine Resident, enrolled prior to 2002	9,076	188	160	16	57	159	-	106	686	9,762	10.4%	918.00
Veterinary Medicine Resident	9,850	188	160	16	57	159	-	106	686	10,536	9.5%	918.00
Veterinary Medicine Nonresident, enrolled prior to 2002	24,262	188	160	16	57	159	-	106	686	24,948	6.7%	1,568.00
Veterinary Medicine Nonresident	26,362	188	160	16	57	159	-	106	686	27,048	6.2%	1,568.00
<b>UNIVERSITY OF NORTHERN IOWA</b>												
Undergraduate Resident	4,342	150	\$ 116	26	-	\$ 102	-	180	\$ 574	\$ 4,916	19.4%	\$ 798.50
Undergraduate Nonresident	11,300	150	116	26	-	102	-	180	574	11,874	13.9%	1,448.50
Graduate Resident	5,038	150	116	26	-	102	-	180	574	5,612	16.6%	798.50
Graduate Nonresident	12,112	150	116	26	-	102	-	180	574	12,686	12.9%	1,448.50

Enrolled period indicates initial year of enrollment