

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Tuition Policies and Proposed Rates  
**Date:** October 8, 2001

**Major Memorandum Components:**

- Attachment A:** Tuition (page 9)  
**Attachment B:** Mandatory Fees (page 31)  
**Attachment C:** Surcharges (page 43)  
**Attachment D:** Tuition-Related Miscellaneous Fees (page 63)

**RECOMMENDED ACTIONS**

Consider the following modified preliminary adjustments for the 2002-03 academic year tuition and fees, effective with the summer session 2002:

**TUITION**

1. Consider a preliminary increase of 18.5% in base tuition, derived from the following two components:
  - By 9.5% to maintain quality and effectiveness through an inflationary adjustment based on the Higher Education Price Index (HEPI); and
  - By 9.0% to improve quality to achieve the aspirations of the Board's strategic planning goals of excellence.
2. Consider retaining the percentages of tuition set-aside for financial aid without modification. The institutional financial aid set-aside would increase in proportion to tuition to assure access for students.
3. Nonresident Tuition (University of Iowa only)
  - Consider the University's proposal to increase the nonresident tuition by 15.5% to remain competitive.
  - Consider the University's proposal to increase certain nonresident professional tuition rates at the same dollar amount as the resident tuition increases rather than at the same percentage increase.

**MANDATORY FEES**

Consider, in addition to the proposed base tuition increases, the changes to the mandatory fees for the 2002-03 academic year detailed in Attachment B.

**SURCHARGES**

Consider, in addition to the proposed base tuition increases, the surcharges proposed by the University of Iowa and Iowa State University outlined in Attachment C.

**TUITION-RELATED  
MISCELLANEOUS FEES**

Consider the tuition-related miscellaneous fees and charges included in Attachment D.

## **EXECUTIVE SUMMARY**

### **CHANGES FROM SEPTEMBER**

1. Per the Board's request at the September meeting, the quality component of the proposed tuition rate has been modified to reflect a percentage of dollars based on the total general university education budgets. (Page 13.)
2. Per the Board's request, information was gathered on tuition set-aside of the peer universities. A summary is included on page 26.
3. The University of Iowa requested that consideration be given to its nonresident tuition to remain competitive. The University proposed that its nonresident tuition, excluding the previously discussed professional programs, be increased by 15.5%.
4. The University of Iowa requested an additional increase of \$10 in its Student Union mandatory fee, over that presented in September, to deal with a decline in customer counts.
5. Iowa State University is reducing its new mandatory Student Services Fee from \$64.80 to \$35 because of the significant proposed tuition increase.
6. The University of Northern Iowa provided more detailed information regarding mandatory student fees.
7. Iowa State University requested the addition of a surcharge for its College of Veterinary Medicine program for the items outlined on page 61.
8. Tuition-Related Miscellaneous Fees:
  - Fees were changed commensurate with the modified based tuition rate.
  - Two fees at Iowa State University were deleted: Masters-Education -- Educational Leadership (MEd EL) and Masters-Public Admin (MPA), because they were no longer needed.
  - Iowa State University's summer camp fees have been modified to a per credit/hour charge, similar to Lakeside Lab.

**PROPOSED TUITION &  
MANDATORY FEES  
(MODIFIED)**

The recommended increase of 18.5% utilizes an adjusted HEPI rate of 9.5% and a quality factor of 9.0%.

The recommendations for undergraduate base tuition and fees plus mandatory fees for 2002-03 are as follows:

**Resident Undergraduate Rates**

	2001-02 Base Tuition	2002-03 Proposed Base Tuition	Dollar Increase	2001-02 Total Tuition & Fees*	2002-03 Proposed Total Tuition & Fees*	Dollar Increase
SUI	\$3,116	\$3,692	\$576	\$3,522	\$4,191.00	\$669.00
ISU	3,116	3,692	576	3,442	4,110.00	668.00
UNI	3,116	3,692	576	3,440	4,117.50	677.50

**Nonresident Undergraduate Rates**

	2001-02 Base Tuition	2002-03 Proposed Base Tuition	Dollar Increase	2001-02 Total Tuition & Fees*	2002-03 Proposed Total Tuition & Fees*	Dollar Increase
SUI	\$11,544	\$13,334	\$1,790	\$11,950	\$13,833.00	\$1,883.00
ISU	10,450	12,384	1,934	10,776	12,802.00	2,026.00
UNI	8,438	10,000	1,562	8,762	10,425.50	1,663.50

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

**RATIONALE FOR BASE  
TUITION INCREASE**

The Board's tuition policy anticipates maintaining quality, through a Higher Education Price Index (HEPI) adjustment, and improving quality, through authorization of additional resources.

Inflation

With the June 2001 publication of HEPI numbers for FY 2000 and FY 2001, it became apparent that the HEPI component of the tuition increases in those years was insufficient to meet the Board's policy. Therefore, the Board Office is recommending an adjustment to the HEPI component to maintain compliance with Board policy "to keep pace with" inflation as measured by the Higher Education Price Index (HEPI).

Viewed in dollars, the proposed HEPI increase for tuition of 9.5% will generate approximately \$27.6 million. Utilizing a 5.5% HEPI increase on the total budgeted FY 2002 general university education expenditures, the dollar amount needed for inflation would be \$48.9 million.

### Quality

The Regent universities need sufficient resources to achieve excellence as set forth in the Board's strategic plan. At its September meeting, the Board requested that the quality component of tuition be reevaluated in terms of the general university dollars.

The quality component has its basis in the Board's reallocation policy. Utilizing the FY 2002 general university budgets, the average percentage reallocation for the past five years would equate to \$27.5 million. The modified quality component for tuition, 9%, would generate approximately \$23.7 million for the universities to make progress toward achieving excellence.

### Economic Indicators

Resident undergraduate tuition and fees at the Regent universities are below the median and average tuition and fees of their established peer university comparison groups. Even with the 2001-02 increase in tuition and fees, the universities have had smaller dollar increases over a five-year period than the average of their peer institutions.

The national average resident undergraduate tuition and fees for public universities have grown at a substantially higher rate than the Regent tuition and fees over the last 10 years. The national average tuition increase was 85.5% while the Regent tuition increase was 68.6% for this period.

Students understand the value of educational quality, which is one of the four key result areas of the Board's strategic plan. Increasing enrollments at all of the Regent universities reflect confidence in the Board's commitment to quality. With respect to the Board's review of tuition policy this year, the following items merit consideration:

- With each additional level of education, the average salary an individual can earn increases significantly. The net added value return on investment for tuition paid to earn a bachelor's degree is about \$69.70 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.
- Students continue to pay more of the cost of instruction. In FY 1991, tuition and fees were 31.8% of the unit cost of instruction compared to 38.0% in FY 2001 and a projected 39.3% for FY 2002.

Tuition appears to be “inelastic” within the parameters of the tuition increases approved by the Board during the last ten years. In years when tuition increases were larger, the Regent freshmen enrollment continued to increase at a higher rate than the tuition increase.

**ADJUSTED  
NONRESIDENT TUITION  
UNIVERSITY OF IOWA**

The University of Iowa proposed that the nonresident tuition remain competitive and that certain degree programs offered by the Colleges of Business, Dentistry, and Medicine be increased by a fixed dollar rate rather than the general percentage increase. The University requested that its nonresident tuition rates be increased by 15.5% and its nonresident tuition for on-campus MBA, DDS, and MD degree programs be increased by the same dollar amount that the resident tuition rate will increase. The University cites a high degree of price sensitivity for the competition of excellent nonresident students.

**MANDATORY FEES**

The Board established mandatory fees in the early 1990’s to provide a distinct resource to respond to specific needs of students. The University of Iowa requested an additional \$10 in its Student Union fee over what was presented in September (\$71 to \$81) to deal with a decline in customer counts. Iowa State University requested that its new Student Services fee be reduced from \$64.80 to \$35.00 because of the significant proposed tuition increase.

	SUI		ISU		UNI	
	Actual 2001-02	Proposed 2002-03	Actual 2001-02	Proposed 2002-03	Actual 2001-02	Proposed 2002-03
Computer*	\$135.00	180.00	144.00	180.00	126.00	140.00
Health**	127.00	142.00	110.00	130.00	106.00	112.00
Health Facility	10.00	10.00	16.00	16.00	-	-
Student Activities	35.00	37.00	56.00	57.00	92.00	-
Student Services	41.00	49.00	-	35.00	-	173.50
Student Union	<u>58.00</u>	<u>81.00</u>	-	-	-	-
<b>TOTAL</b>	<b>\$406.00</b>	<b>499.00</b>	<b>326.00</b>	<b>418.00</b>	<b>324.00</b>	<b>425.50</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.

\*\* SUI's consolidated health fee for the 2001-02 year is included in the Health fee.

**ESTIMATED  
COST OF ATTENDANCE**

Iowa Code §262.9 requires that the estimated total cost of attending the Regent universities, including room and board and other costs, be published in a docket memorandum along with the final approved tuition and mandatory fees.

The Regent residence systems and financial aid offices have provided the following estimated 2002-03 room and board charges and other costs associated with attending the Regent universities:

**2002-03 Academic Year  
Estimated Cost of Attendance  
Resident Undergraduate**

	Tuition & Fees*	Room & Board**	Other Costs**	Estimated Totals**
<b>SUI</b>	\$4,191.00	\$4,998.00	\$3,670.00	\$12,859.00
% Increase	19.0%	7.0%	3.1%	9.4%
<b>ISU</b>	\$4,110.00	\$4,964.00	\$3,604.00	\$12,678.00
% Increase	19.4%	6.4%	3.4%	9.3%
<b>UNI</b>	\$4,117.50	\$4,662.00	\$3,976.00	\$12,755.50
% Increase	19.7%	6.0%	3.4%	9.2%
<b>Average</b>	\$4,140.00	\$4,875.00	3,750.00	\$12,764.00
% Increase	19.4%	6.5%	3.3%	9.3%

\* Proposed.  
\*\* Estimated.

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 PROCEEDS**

<u>Estimated Gross Revenues</u>	<u>Tuition Set-Aside</u>	<u>Net Tuition Revenues</u>
\$51.3 million	\$7.3 million	\$44.0 million

The estimated revenues from tuition increases are to be utilized to maintain and improve quality of undergraduate and graduate education for students, enhance student academic programs, and provide other enrichments to students' educational experiences.

Summaries of how the universities will use these tuition revenues are provided in Attachment A – Tuition section on pages 29-30.

**SURCHARGES**

<b>2002-03 Academic Year</b>		
	<b>Resident</b>	<b>Non-resident</b>
<b>UNIVERSITY OF IOWA</b>		
College of Business		
▶ Masters of Business Administration	\$1,065	\$1,065
▶ Masters of Management Information Systems	\$1,065	\$1,065
▶ Masters of Accountancy	1,065	1,065
College of Dentistry	3,000	3,000
College of Law	250	250
College of Nursing: Masters Degree in Care Management	1,350	1,350
College of Public Health		
▶ Masters of Health Administration	1,000	1,000
▶ Masters of Public Health	1,000	1,000
Graduate College: Masters of Physical Therapy	1,350	1,350
<b>IOWA STATE UNIVERSITY</b>		
College of Veterinary Medicine	775	2,100

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.

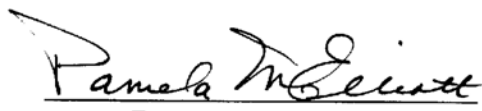
Base tuition and base tuition increases are not earmarked for special academic units, but are part of the overall general university fund budgeting process.


**TUITION-RELATED  
MISCELLANEOUS FEES**

Miscellaneous fees and charges include both tuition-related and non-tuition-related charges. Tuition-related fees include items such as continuing education courses and workshops. Non-tuition-related fees include a variety of items such as course delivery fees and private music lessons. 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.

At the December 2000 meeting, Board members requested that miscellaneous fees and charges be considered in connection with the Board's annual discussion of tuition and mandatory fees.

In consultation with the universities, the Board Office is presenting the tuition-related fees with the Board's annual discussion of tuition and mandatory fees. The Board Office recommends that non-tuition-related fees be presented in the March/April timeframe when the Board discusses room and board charges.

  
Pamela M. Elliott

Approved:   
Robert J. Barak

**ORGANIZATION OF MEMORANDUM**

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## TUITION

### **EXECUTIVE SUMMARY**

The Board of Regents Strategic Plan establishes the following four key result areas: 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 four areas. For example, the Board's policy is intended to promote broad access for Iowa residents to the Regent institutions, but also requires consideration of resources necessary to promote excellence.

Iowa law requires the Board to have a policy for the establishment of tuition rates that provides some predictability for assessing and anticipating changes. Consistent with this requirement, 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.

To increase tuition or mandatory fees, the Board must, by law, 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.

### **RATIONALE FOR PROPOSED INCREASE IN BASE TUITION RATES**

#### **Implement Board Mission and Policy (Maintenance and Quality)**

The Board's mission statement challenges its institutions "to become the best enterprise of public education in the United States through the unique teaching, research and outreach programs established for each university and school." The Board policy anticipates maintaining quality, through a HEPI adjustment, and improving quality, through authorization of additional resources. The policy recognizes the joint aspiration of the Board and Regent institutions to achieve excellence. The Board Office recommendation reflects this aspiration and factors both maintenance and improvement into its recommended action.

The fundamental reasons for increasing the tuition rates are to keep pace with inflation as measured by HEPI and to support aspirations for excellence as outlined in the Board's strategic plan.

The recommended increase of 18.5% utilizes an adjusted HEPI rate of 9.5% and a quality factor of 9.0%.

As of June 2001, the actual HEPI rate for FY 2000 is 4.1% and FY 2001 is 4.8%. The HEPI rates approved by the Board for tuition increases in those years (2.5% and 2.3% respectively) were considerably below the actual HEPI rates. In other words, the Board has not utilized a HEPI rate during FY 2000 and FY 2001 that has sufficiently recognized the actual rate of inflation for higher education. The Board now has an opportunity to adjust for the actual inflation experienced and to obtain critical resources to maintain quality as measured by actual inflation costs.

The projected range for the FY 2002-03 Higher Education Price Index is 4.2% to 5.5%. Utilizing a 5.5% HEPI increase on the total budgeted FY 2002 general university education expenditures, the dollar amount needed for inflation would be \$48.9 million. The proposed HEPI increase for tuition of 9.5% will generate approximately \$27.6 million.

The proposed quality factor of 8.0% will assist the institutions in achieving quality in their strategic plans. This quality factor is based on the Board's reallocation policy. Utilizing the FY 2002 general university budgets, the average percentage reallocation for the past five years would equate to \$27.5 million. The modified quality component for tuition, 9%, would generate approximately \$23.7 million for the universities to make progress toward achieving excellence.

This quality component provides one benchmark and is not intended to be an exclusive factor with respect to future application of the Board's tuition policy. In fact, some flexibility in this area is essential for the Board as it addresses quality and improvement in strategic plans.

### **Assure Access and Accountability**

The Regent universities' 2000-01 tuition and fees were among the lowest in each university's respective peer group of comparable institutions. 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.

- Iowa's per capita income is 90% of the national average compared to Regent tuition and fees being at 80.1% of the national average.
- The Regent 2000-01 tuition and fees as a percentage of Iowa's per capita income for 2000 (12.0%) are less than the percentages for regional and peer states (which average 14.3%) and the national average (13.5%).

Iowans have somewhat more resources than the national average to purchase and invest in higher education. Iowans are able to obtain a high quality education at Regent universities for a reasonable price. The proposed tuition and fee increases will provide needed resources to enhance quality but are intended to assure that the price remains reasonable for Iowans, thus supporting the state's historical goal of broad access.

The Board Office recommends that the universities continue to allocate a proportional share of the proposed tuition increases for student financial aid. As noted in the Annual Student Financial Aid Report presented last month, total student financial aid dollars increased 4.9% in FY 2001.

## **BACKGROUND**

### **BOARD'S STRATEGIC PLAN**

The Board of Regents Strategic Plan identifies the following four key result areas: 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 areas.

The Board 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 HEPI 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 general funds annually; and
- Promoting broad access for Iowa residents to the Regent institutions.

The institutions, through strategic planning, target resources effectively and efficiently and measure results using performance indicators.

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.

The mission of the Board of Regents calls for its institutions "to become the best enterprise of public education in the United States through the unique teaching, research and outreach programs established for each university and school."

In December of 1997, the Board adopted a tuition policy consistent with its mission and strategic plan. The policy assures predictability in establishing rates, but also provides the Board with some flexibility.

The Board's tuition policy is intended to maintain quality and effectiveness as well as improve quality, thereby recognizing the aspirations of the Board and the institutions for achieving excellence. Critical to the successful implementation of the Board's strategic plan is securing sufficient resources.

## **INFLATION INDICATOR: HIGHER EDUCATION PRICE INDEX (HEPI)**

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.

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.

The education sector has long utilized specialized indexes – for elementary and secondary schools, as well as colleges and universities.

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 on elementary and secondary schools. The U.S. Department of Education no longer calculates and publishes HEPI. Rather, Research Associates of Washington, a private research organization, prepared and published 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. Research Associates of Washington based HEPI calculations on information compiled from data collected by other agencies.

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.

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.

The prices for these items are obtained from various surveys conducted by the American Association of University Professors, the College and University Personnel Association, and the Bureau of Labor Statistics, as well as from components of the Consumer Price Index (CPI) and Producer Price Index (PPI). HEPI thus reflects national average prices for state-of-the-art services and average quality goods purchased by colleges and universities, as price is highly dependent on quality.

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.

Since the Board determines tuition increases well in advance of the actual expenditure of funds, the Board utilizes HEPI projections. These are based on analyses prepared by the Institute for Economic Research at the University of Iowa.

Each year, the Institute for Economic Research at the University of Iowa provides the Board Office with a forecast of the HEPI inflation rate for the fiscal year corresponding to the year that the Board of Regents sets tuition rates. In forecasting the HEPI, the Institute uses historical HEPI data prepared by Research Associates of Washington, the Blue Chip forecast of CPI, historical CPI published by the Bureau of Labor Statistics, and correlations among these. The Institute provides a range for HEPI that is then used by the Board Office as a basis for a recommendation to the Board concerning tuition.

#### **FOCUS ON EXCELLENCE: QUALITY COMPONENT**

The Board of Regents is committed to improving quality and pursuing excellence. To achieve desired quality and excellence as outlined in the Board and 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.

The Regent universities provide teaching, research, and services for 70,000 students and nearly 3 million Iowans. The impact of a four-year degree on lifetime earnings is substantial.

In May 1996, the Board approved a five-year program of reallocations averaging 2% of the general operating fund per year as one means to support strategic planning initiatives to improve quality and pursue excellence.

These reallocations have been utilized by the institutions 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.

Resources are needed to improve student academic and support services. With additional resources reflecting only inflation, the Regent institutions may sustain current operations but will not have resources needed to improve strategic planning goals, especially with respect to undergraduate education needs. These include classroom improvements, instructional equipment, library resources, experiential learning opportunities, increased student access, and technology.

The proposed quality factor of 9.0% will assist the institutions in achieving quality in their strategic plans. This quality factor is based on the Board's reallocation policy.

The Regent universities have cumulatively averaged 3.1% in general fund reallocations over the last five years.

	<b>FY 2002 General University Budget</b>	<b>Application of Average % to FY 2002 Budget</b>	<b>Quality Component for Tuition</b>	<b>2% of FY 2002 Budget</b>
SUI	426,934,130	\$13,235,000	10,000,000	\$8,539,000
ISU	328,949,158	10,197,000	10,100,000	6,579,000
UNI	<u>132,653,110</u>	<u>4,112,000</u>	<u>3,600,000</u>	<u>2,653,000</u>
	888,536,398	\$27,544,000	23,700,000	17,771,000

Utilizing the FY 2002 general university budgets, the average percentage reallocation for the past five years would equate to \$27.5 million. The modified quality component for tuition of 9% would generate approximately \$23.7 million for the universities to make progress toward achieving excellence. This amount is less than utilizing the five-year average reallocation percentage but more than the required 2% reallocations.

The quality factor will assist the institutions in achieving quality in their strategic plans. This quality factor provides one benchmark and is not intended to be an exclusive factor with respect to future application of the Board's tuition policy. In fact, some flexibility in this area is essential for the Board as it addresses quality and improvement in strategic plans.

**ANALYSIS & COMPARATIVE DATA**

**BASE TUITION**

**A. ECONOMIC INDICATORS**

**1. Higher Education Price Index (HEPI)**

The Board's tuition policy anticipates maintaining quality, through a HEPI adjustment, and improving quality, through authorization of additional resources. Beginning with FY 2000, the Board added a component to its base tuition rate for improving quality.

Research Associates of Washington recently published "Inflation Measures for Schools, Colleges and Libraries, June 2001" that provides the actual HEPI rates for FY 2000 of 4.1% and FY 2001 of 4.8%. The actual rates for these years had not been previously available.

The HEPI rates approved by the Board for tuition increases in those years (2.5% and 2.3% respectively) were considerably below the actual HEPI rates. In other words, the Board did not use an inflationary rate during FY 2000 and FY 2001 that kept pace with HEPI.

The following table compares the published HEPI numbers with the Board's tuition increases since FY 2000.

	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<b>HEPI Projections*</b>	2.0 - 3.3%	2.3 – 3.5%	2.6 – 6.4%
<b>HEPI Actuals</b>	4.1%	4.8%	NA
<b>Regent Tuition Inflationary Increases</b>	2.5%	2.3%	5.2%

\* Forecasted ranges when tuition increase adopted.  
NA Not available.

Since the Board's policy is to keep pace with higher education inflation and the tuition increase in those years did not keep pace, the Board Office is recommending a base tuition increase to adjust for insufficient increases in prior years.

The HEPI projections for FY 2003, as provided by the Institute for Economic Research at the University of Iowa, range between 4.2% and 5.5%. By averaging an estimated 5.5% HEPI factor for FY 2003 with the actual HEPI increases for FY 2000 and FY 2001, it would take a 9.5% inflationary component for tuition to keep pace with HEPI.

With a 5.5% HEPI increase on the total budgeted FY 2002 general university education expenditures, the Regent universities would need \$48.9 million just to keep pace. The proposed inflation adjustment for tuition of 9.5% will generate approximately \$27.4 million (56% of the expected expenditure increase due to inflation).

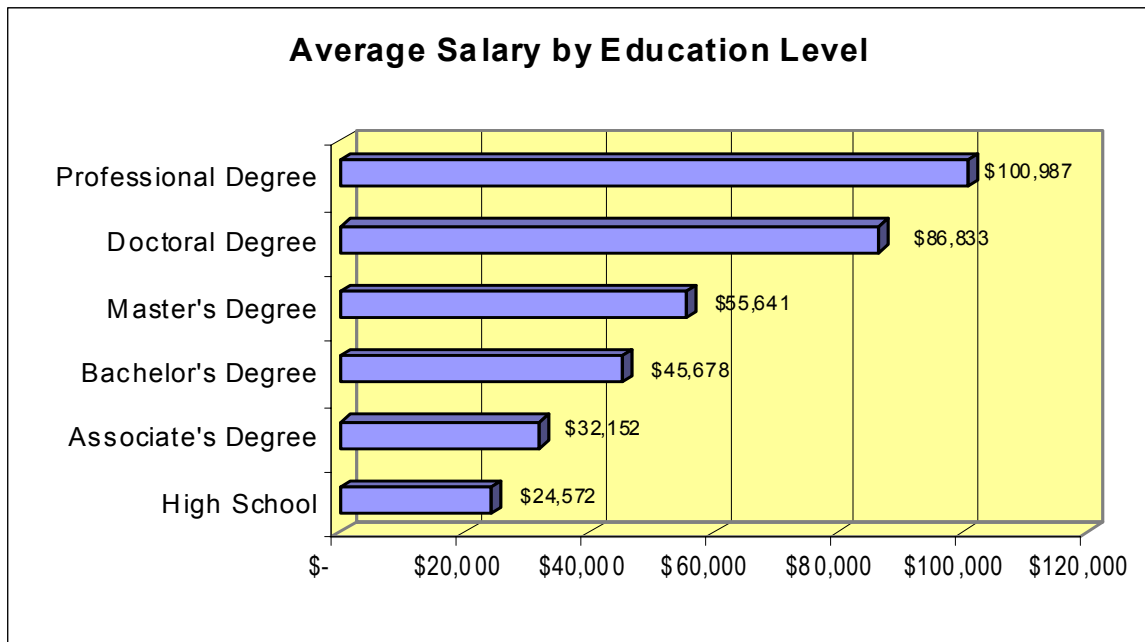
## 2. Value of a College Education

The value of education can be measured in many ways. Unquestionably, higher education improves 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 1999 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. Bureau of Census, 1999 data.





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 \$21,101 (85.9%) for 1999.

#### COST OF EDUCATION

- The average tuition at a Regent University for this same time period was \$2,997 per year for a four-year cost of tuition totaling \$11,988.

#### OPPORTUNITY COST

- If an individual goes to college for four years instead of earning an average salary with a high school diploma of \$24,572 for four years, the opportunity cost (or lost wages) during that four-year period would be \$98,288.

#### PAY BACK PERIOD

- To pay back the average tuition required to achieve the four-year degree, it would take 1.8 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 4.7 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 85.9% higher for the remaining 39.6 years of his/her working life after accounting for the years in the pay back period.
- The remaining 39.6 working years would provide additional value in compensation of at least \$835,429.

#### RETURN ON INVESTMENT

- The net added value return on investment for tuition paid to earn a bachelor's degree is about \$69.70 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.

**C. COMPARATIVE TUITION INFORMATION**

**1. Peer Group Comparisons: Tuition and Fees**

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 95.1%. The University of Iowa and Iowa State University are at 76.4% and 77.3%, respectively, of the averages of their peer groups' tuition.

Even with the increase in tuition and fees for the 2001-02 academic year, the universities have had smaller dollar increases over a five-year period than the average of their peer institutions. With regard to the percentage increases over the last five years, SUI and ISU lag the average percent increase while UNI basically reflects its peer group average.

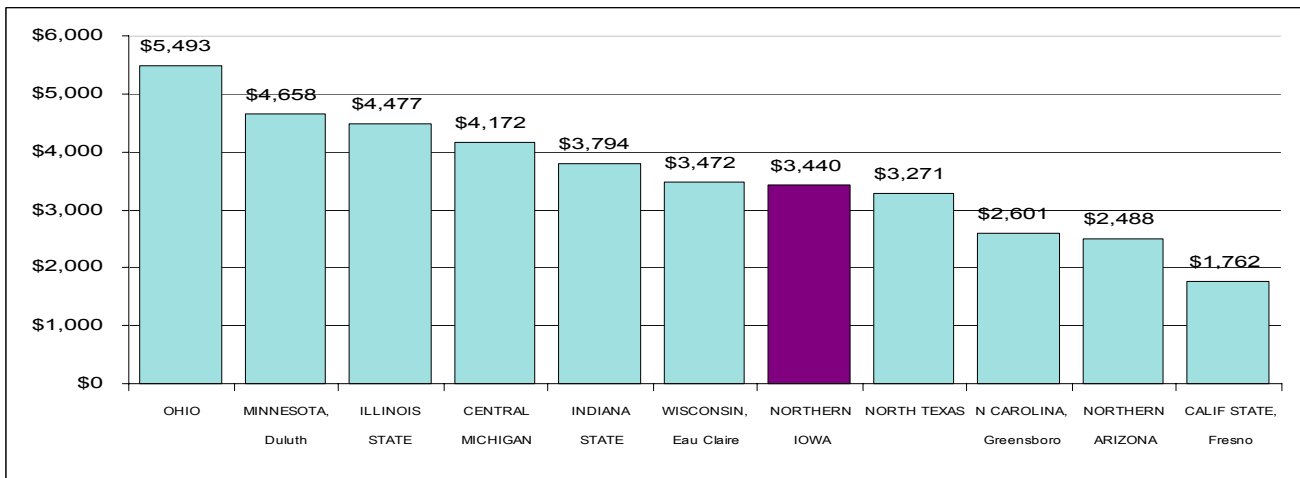
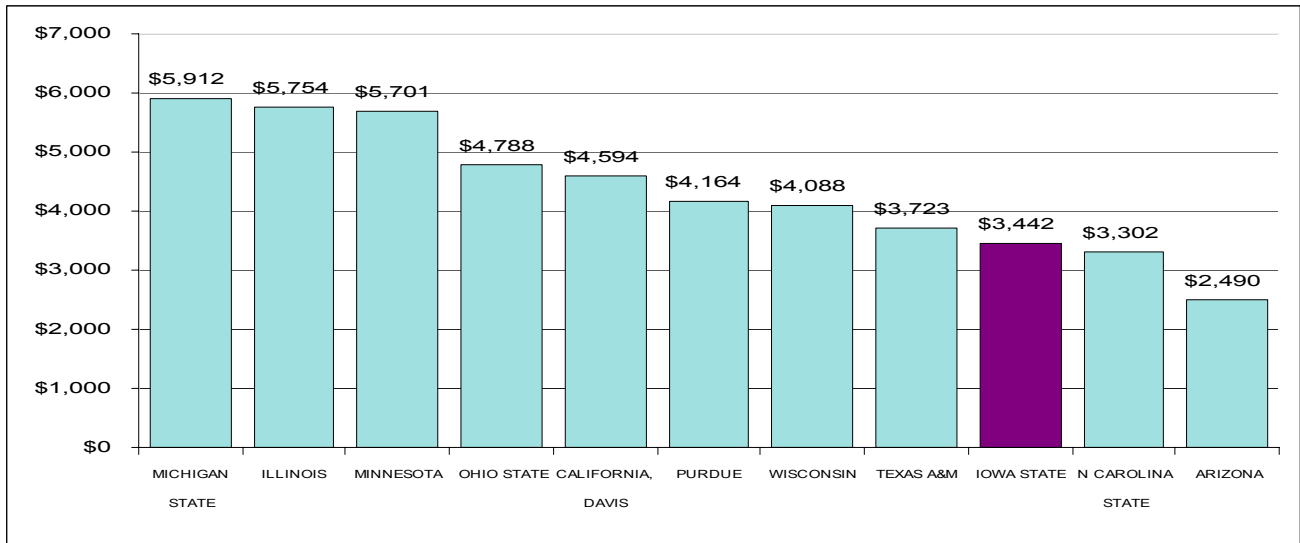
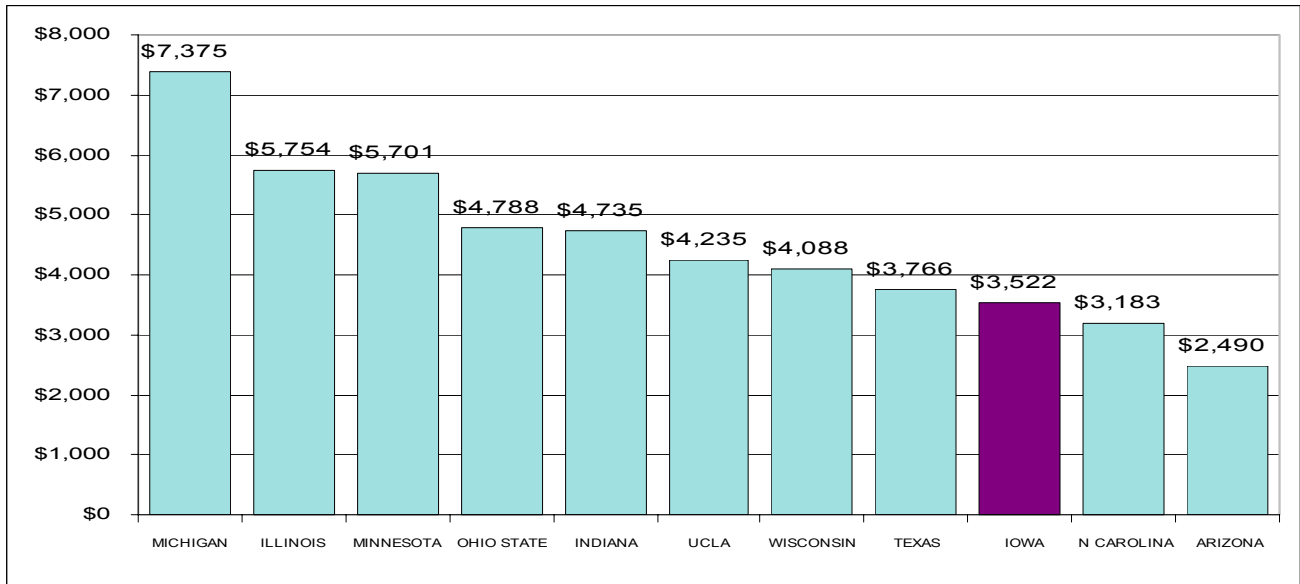
The average tuition and fees of Iowa's 25 independent colleges and universities is 4.5 times higher than the average of the Regent institutions.

	2001-2002			1 Year		Cumulative 5 Year	
	Resident Undergraduate Tuition & Fees	Regent \$ from Average	Regent Tuition As % of Average	\$ Increase 00-01 to 01-02	% Increase 00-01 to 01-02	\$ Increase 96-97 to 01-02	% Increase 96-97 to 01-02
<b>University of Iowa</b>	\$3,522			\$318	9.9%	\$876	33.1%
SUI Peer Group Average *	4,612	\$1,090	76.4%	421	10.0%	\$1,049	29.4%
<b>Iowa State University</b>	\$3,442			\$326	9.9%	\$776	29.1%
ISU Peer Group Average *	4,452	\$1,010	77.3%	440	10.8%	1,060	31.3%
<b>University of Northern Iowa</b>	\$3,440			\$310	9.9%	\$790	29.8%
UNI Peer Group Average *	3,619	\$179	95.1%	336	11.2%	793	28.1%
25 Iowa Independent Colleges and Universities Average	\$15,611	\$12,143	28.6%	\$794	5.4%	\$3,248	26.3%

\* Averages exclude Regent institutions.  
Average is the arithmetic mean of the peer group tuition and fees.

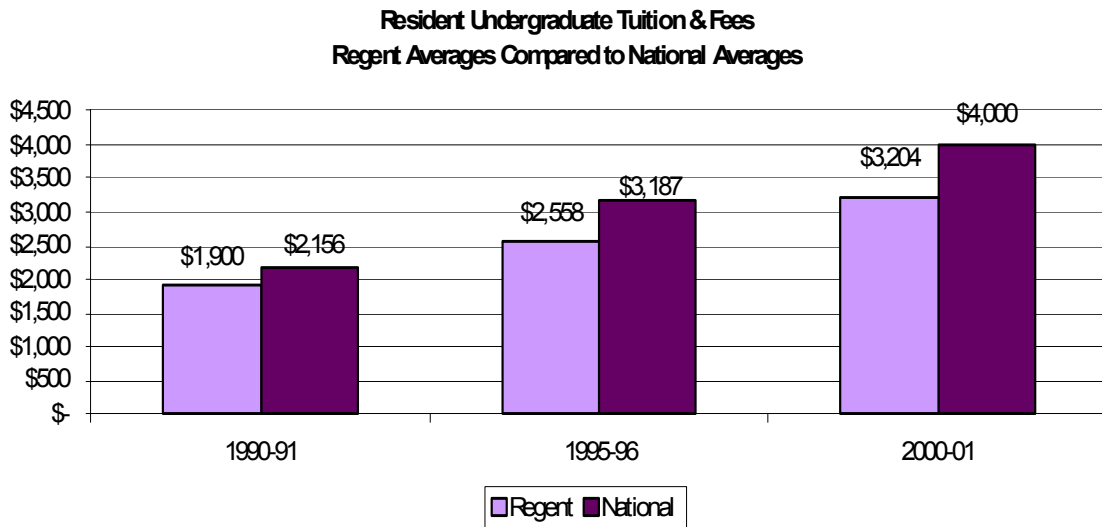
<b>Nonresident Undergraduate Tuition and Fees 2001-02 Academic Year</b>	
<b>University of Iowa</b>	<b>\$11,950</b>
SUI Peer Group Average *	14,413
<b>Iowa State University</b>	<b>\$10,776</b>
ISU Peer Group Average *	13,502
<b>University of Northern Iowa</b>	<b>\$8,762</b>
UNI Peer Group Average *	10,699

**Peer Group Comparisons of 2001-02 Undergraduate Resident Tuition and Fees**



## 2. 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 substantially higher rate than Regent tuition and fees over the last 10 years. The national average tuition increase was 85.5% while the Regent tuition increase was 68.6% for this period.



Source: "2000-2001 Tuition and Fee Rates, A National Comparison", Washington State Higher Education Coordinating Board, January 2001.

**C. HIGHER EDUCATION COSTS**

**1. Unit Cost of Instruction Comparisons**

Normally, the Regent universities compile information regarding the cost of instruction per student (“unit cost”) on a biennial basis. The most recent unit cost study was an interim report that covered FY 2000 and was presented to the Board in July 2001. 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, professional).

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

The following table compares Regent resident and nonresident undergraduate tuition and mandatory fees, estimated unit costs of instruction for FY 2002, and actual unit costs from the reports covering FY 1999 and FY 2000. The FY 2002 unit cost estimates are based on FY 2000 unit cost data adjusted for general fund budgets increases and enrollment changes.

<b>University of Iowa</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2002</b>
Resident Undergraduate Tuition Only	\$2,666	\$2,786	\$3,116
Nonresident Undergraduate Tuition Only	\$9,788	\$10,228	\$11,544
Undergraduate Unit Costs	\$8,301	\$8,378	\$9,131*
<b>Iowa State University</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2002</b>
Resident Undergraduate Tuition Only	\$2,666	\$2,786	\$3,116
Nonresident Undergraduate Tuition Only	\$8,944	\$9,346	\$10,450
Undergraduate Unit Costs	\$8,242	\$8,563	\$9,051*
<b>University of Northern Iowa</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2002</b>
Resident Undergraduate Tuition Only	\$2,666	\$2,786	\$3,116
Nonresident Undergraduate Tuition Only	\$7,221	\$7,546	\$8,438
Undergraduate Unit Costs	\$7,742	\$7,978	\$8,288*

\* Projected.

**2. General University Expense Comparisons**

In 2001-2002, the percentage of general university expenditures met through tuition income is expected to increase at all three universities and overall:

**Tuition Revenues as a Percent of General University Expenditures**

	University of Iowa	Iowa State University	University of Northern Iowa	Regent Combined Total
<b>1997-98</b>	30.1%	31.1%	27.7%	30.1%
<b>1998-99</b>	29.8%	30.9%	27.6%	29.9%
<b>1999-00</b>	29.9%	31.0%	27.6%	30.0%
<b>2000-01</b>	30.4%	31.9%	28.1%	30.6%
<b>2001-02*</b>	32.4%	35.0%	30.3%	33.0%

\* Budgeted.

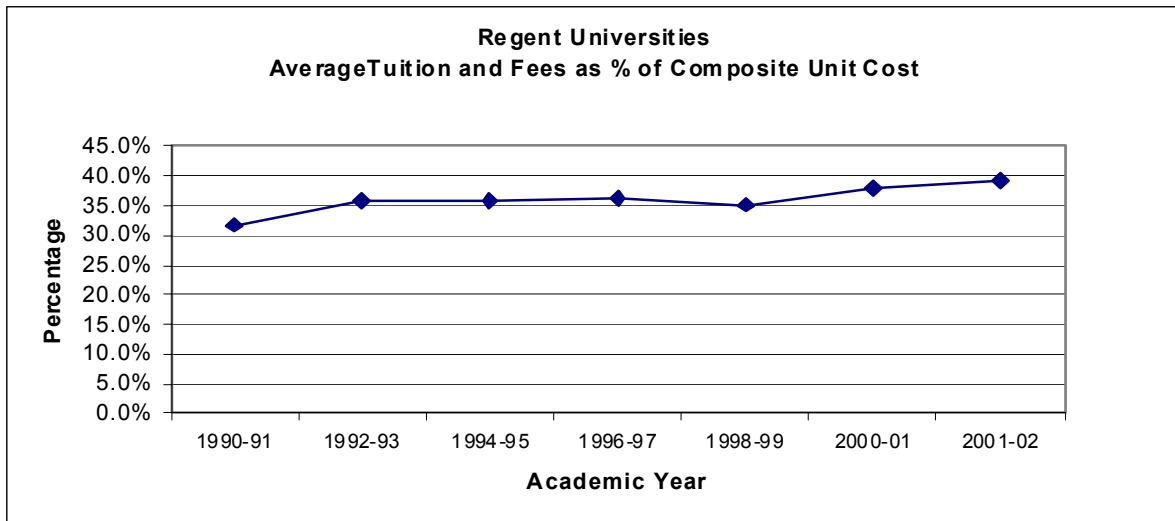
General university revenues are comprised of state appropriations, tuition, federal support, interest, indirect cost reimbursements, sales and services receipts, and other revenues. These revenues are unrestricted and provide funding for the general education of students.

As indicated in the above table, the percent of tuition revenue to total general university expenditures decreased slightly from 1998 to 1999. Since 1999, however, the percent has increased. Using the budget for 2001-02, the percent of tuition revenue to total general university expenditure reaches its highest percentage level (33.0%) in history.

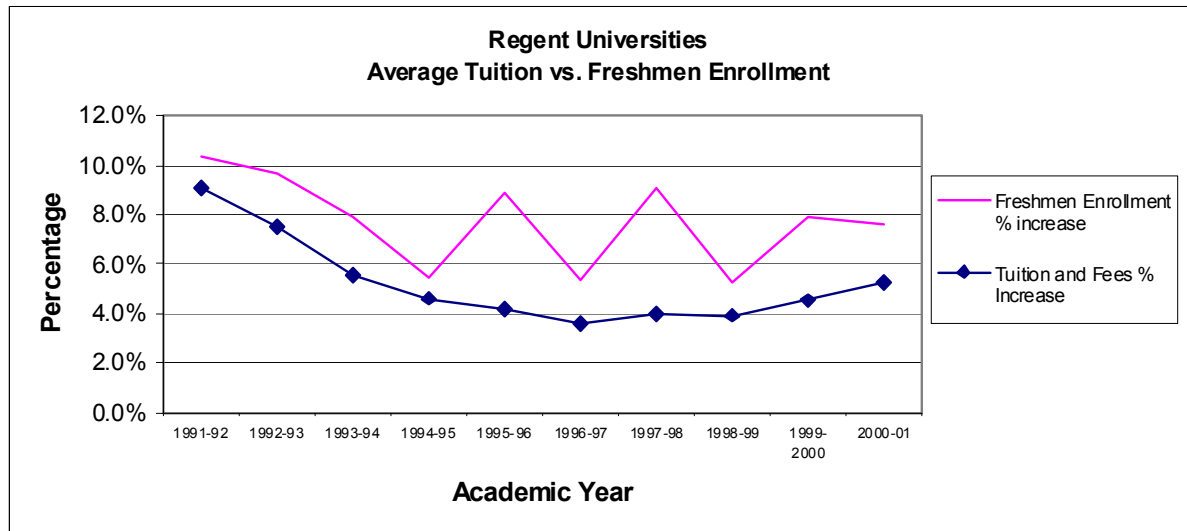
In 1981, tuition revenues represented 20.8% of budgeted general university expenditures.

**3. Student Cost and Student Demand**

Students continue to pay more of the cost of instruction. The following graph shows tuition and fees as a percent of unit cost. In FY 1991, tuition and fees were 31.8% of the unit cost of instruction compared to 38.0% in FY 2001 and a projected 39.3% for FY 2002.



The following graph compares the percentage increases of Regent resident undergraduate tuition and fees (price of an education) with the percentage increase of Regent freshmen enrollment (exercised demand) over a ten-year period at the Regent universities.



If price increases with minimal effect on demand, then the demand is considered inelastic. This graph demonstrates that undergraduate tuition and fees has been inelastic within the parameters of the tuition increases of the last ten years.

**D. ABILITY TO PAY: INCOME COMPARISONS**

**1. Overall Personal Income Growth**

The Institute for Economic Research at the University of Iowa, in consultation with the Iowa Economic Forecasting Council, publishes predictions quarterly relative to various sectors of Iowa's economy.

Part of that publication includes national predictions of the *Blue Chip Economic Indicators*, which uses the consensus of fifty-one national forecasters surveyed on a regular basis.

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>National disposable personal income growth</b>	3.2%	3.2%	1.9%	3.4%	N/A
<b>Iowa personal income growth</b>	1.8%	4.3%	1.3%	3.0%	3.3%

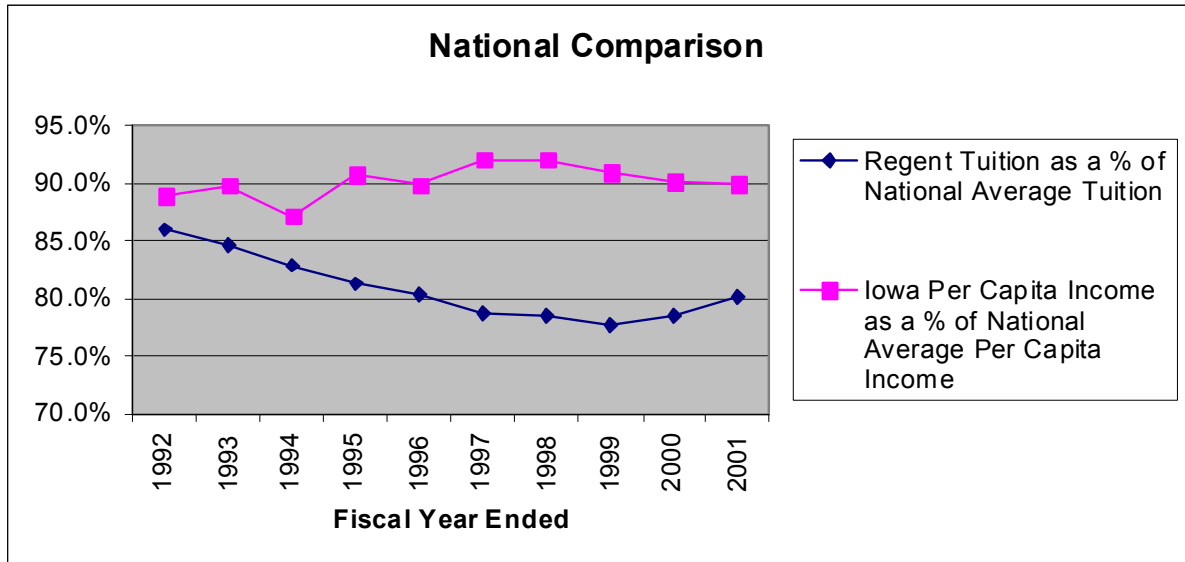
N/A – Projected information not available at this time.

According to the Institute for Economic Research, as of September 10, 2001, Iowa personal income is predicted to grow 1.3% in 2001 while the *Blue Chip Economic Indicators'* forecast for national disposable personal income growth is 1.9%.

For 2002, the Iowa forecast for personal income is expected to increase by 3.6% while the *Blue Chip Economic Indicators'* forecast for national disposable personal income growth is 3.4%.

## 2. Tuition and Fees in Relation 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.



Sources: Washington State Higher Education Coordinating Board, State Tuition and Fee Rates, January 2001 and US Department of Commerce, Bureau of Economic Analysis, June 2001.

Iowa's per capita personal income of \$26,723 in 2000-2001, as published by the US Department of Commerce was 90.0% of the national average of \$29,676. Regent tuition and fees of \$3,204 for 2000-2001 were 80.1% of the national average of \$4,000.



The table below lists the ten states represented in the Regent universities peer comparison groups, along with other states contiguous to Iowa, and shows the 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 as a Percentage of Per Capita Personal Income\***

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<b>IOWA</b>	<b>11.6%</b>	<b>11.8%</b>	<b>12.4%</b>	<b>12.0%</b>	<b>12.1%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.6%</b>	<b>11.7%</b>	<b>12.0%</b>
Arizona	9.1%	8.8%	9.8%	9.6%	9.5%	9.3%	9.0%	8.9%	8.9%	9.2%
California	12.2%	14.3%	17.3%	18.5%	17.8%	17.0%	16.3%	14.8%	13.6%	12.5%
Illinois	14.9%	15.2%	15.0%	15.1%	15.5%	15.5%	15.5%	15.4%	15.3%	15.5%
Indiana	13.8%	13.9%	14.2%	15.9%	16.4%	16.6%	16.4%	16.2%	16.1%	16.2%
Michigan	20.9%	22.6%	23.9%	23.9%	23.1%	23.4%	22.8%	22.7%	22.1%	22.0%
Minnesota	14.3%	15.3%	15.7%	15.4%	16.9%	17.0%	16.2%	15.7%	15.2%	15.2%
Missouri	13.6%	14.3%	15.3%	16.0%	17.1%	17.8%	17.6%	17.7%	17.5%	17.2%
Nebraska	10.9%	10.8%	11.3%	11.4%	11.5%	11.0%	11.4%	11.9%	11.9%	12.5%
North Carolina	6.8%	6.5%	7.1%	7.3%	7.5%	9.2%	9.0%	8.8%	8.8%	10.0%
Ohio	13.4%	13.8%	14.0%	14.0%	14.3%	14.7%	14.6%	14.9%	15.2%	15.4%
South Dakota	11.7%	11.5%	11.7%	12.7%	13.4%	12.5%	12.6%	12.7%	12.9%	13.2%
Texas	7.0%	7.4%	7.5%	8.3%	11.1%	14.1%	13.7%	15.2%	14.9%	13.6%
Wisconsin	11.7%	11.8%	12.3%	12.6%	12.8%	12.9%	13.0%	13.0%	13.6%	13.4%
Average of above	12.3%	12.8%	13.5%	13.9%	14.4%	14.7%	14.5%	14.5%	14.3%	14.3%
<b>NATIONAL AVERAGE</b>	<b>12.0%</b>	<b>12.5%</b>	<b>13.1%</b>	<b>13.4%</b>	<b>13.5%</b>	<b>13.6%</b>	<b>13.6%</b>	<b>13.6%</b>	<b>13.4%</b>	<b>13.5%</b>

Sources: Washington State Higher Education Coordinating Board, State Tuition and Fee Rates, January 2001 and US Department of Commerce, Bureau of Economic Analysis, June 2001.

\* 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 average increase of the peer states and Midwestern states for 2000 is 14.3%, compared to Iowa's 12.0%.

### 3. Student Financial Aid Considerations

The universities, during recent years, have made significant efforts to increase student financial aid from institutional and private sources. These efforts help to ensure affordability and support access, a key result area in the Board's Strategic Plan.

As noted in the Annual Student Financial Aid Report, presented in G.D. 6 of the September docket, total student financial assistance for FY 2001 from all sources was \$483.8 million (+4.9%) and encompassed more than 156,000 awards (+1.9%).

<b>FY 2001 Student Financial Assistance</b>			
	<u># of Awards</u>	<u>Value of Awards</u>	<u>Mean Award</u>
Grants/Scholarships	\$59,405	\$118,004,169	\$1,986
Loans	65,650	252,182,932	3,841
Employment	<u>31,594</u>	<u>113,576,895</u>	3,595
Total	\$156,649	\$483,763,996	\$3,088

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 all graduating seniors at the time of graduation in FY 2001 was \$5,440 at SUI, \$7,455 at ISU, and UNI \$6,788.

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. Student aid set-asides include both merit and need-based assistance.

The following table shows the FY 2001 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 need-based aid.

<b>FY 2001 Tuition Set-Aside Student Financial Aid</b>			
	<u>Student Aid Set-Aside</u>	<u>% Need-Based</u>	<u>% Merit</u>
University of Iowa	\$20,852,667	77%	23% <sup>1</sup>
Iowa State University	20,243,290	66%	34% <sup>2</sup>
University of Northern Iowa	7,556,398	43%	57% <sup>3</sup>

<sup>1</sup>45% Need and 55% Merit

<sup>2</sup>Information not available

<sup>3</sup>40% Need and 60% Merit

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 tuition set-aside addresses both of these Board key result areas.

Additional Financial Aid Information

The Regent university financial aid directors were requested to run scenarios of financial need with varying tuition increases.

Using the 2001-02 enrolled undergraduate students that filed the FAFSA forms, the university financial aid directors identified the students with demonstrated need for the 2001-02 academic year and then projected the increases in students needing financial aid if an 11.5%, 13%, and 18% tuition increase were implemented. The following table presents the projected increases in students needing financial aid if tuition would be increased by 18%.

	<b>Students Demonstrating Need</b>	<b>Students Not Demonstrating Need</b>	<b>Projected Increase in Need with an 18% Tuition Increase</b>	
			<b>Students</b>	<b>Percentage</b>
SUI				
Resident	5,796	2,196	40	0.6%
Nonresident	1,870	943	70	3.7%
ISU				
Resident	9,410	3,228	205	2.2%
Nonresident	2,004	771	82	4.1%
UNI				
Resident	6,307	2,090	151	2.4%
Nonresident	296	76	11	3.7%

Since the September Board meeting, Board Office staff surveyed 24 of the 25 peer institutions regarding institutional financial aid programs. Approximately two-thirds of these institutions have some form of institutional financial aid (need and merit), which may include fee remissions or waivers. Some programs subsidize the tuition differential between resident and nonresident tuition rates.

The average percentage of tuition revenues for financial aid among these institutions is approximately 7.5% including those without institutional programs and 11.7% excluding those with no institutional programs. The Regent universities tuition set-asides for financial aid are: SUI at 16%, ISU at 11%, and UNI at 18%.

Other universities, such as the University of Illinois and Michigan State University, (two of the highest resident undergraduate tuition rates in ISU's peer group) and the University of Wisconsin, responded that no such tuition revenue aid program is available.

The Board Office recommends retaining the percentages of tuition set-aside for financial aid without modification. The institutional financial aid set-aside would increase in proportion to tuition to assure access for students.

**ADJUSTED NONRESIDENT TUITION RATE – UNIVERSITY OF IOWA ONLY**

The University of Iowa is proposing that nonresident tuition rates, including certain professional degree programs, be increased at a rate different than the resident undergraduate tuition.

Nonresident Tuition Rate

The University is proposing a 15.5% tuition increase for its nonresident students rather than the 18.5% for resident tuition. The proposed undergraduate nonresident tuition increase would be \$1,790. This is more than three times the dollar increase of the resident undergraduate tuition increase of \$576.

The University’s fall 2001 nonresident enrollment represents 36% of its total enrollment. Tuition revenues from these nonresident enrollments provide a diverse and significant funding base for the University of Iowa, consistent with the Board’s aspirations for institutional excellence. Nonresident students are essential for the University of Iowa to achieve its strategic plan, which incorporates the Board’s key result areas.

- Quality: To attract the best and brightest students from outside the state of Iowa, the University must maintain quality academic programs. Competition necessitates that these students receive a quality education for a reasonable cost.
- Access: The Board’s strategic plan requires the institutions to identify and eliminate impediments to access and retention at Regent institutions. Affordability is a major factor in a nonresident’s decision to attend the University of Iowa. The proposed nonresident undergraduate tuition and fees of \$13,833 should keep the University at or below the midpoint of its peer institutions.

<b>Comparable Peer Universities</b>	<b>2001-02 Nonresident Undergraduate Tuition &amp; Fees</b>
University of Michigan	\$22,405
Univ. of Cal., Los Angeles	15,259
University of Wisconsin	15,976
University of Minnesota	15,167
Indiana University	14,469
Ohio State University	13,554
University of Illinois	13,574
University of North Carolina	13,270
<b>University of Iowa</b>	<b>11,950</b>
University of Texas	10,096
University of Arizona	10,356

- Diversity: The Board values a diverse educational community that enhances students’ experiences. Nonresident students augment overall diversity.
- Accountability: In 16 of the last 21 years, nonresident tuition at the University of Iowa was increased at a rate greater than the undergraduate tuition. The Board’s policy is that nonresident students pay, at a minimum, the full cost of their education at Regent universities. The proposed rate increase for the University of Iowa’s nonresident tuition is more than sufficient to cover the anticipated “unit cost of Instruction.”

Certain Professional Degree Programs

The University cites a high degree of price sensitivity for the competition of excellent nonresident students in the Colleges of Business, Dentistry, and Medicine. Specifically, the University requests that the nonresident tuition for on-campus MBA, DDS, and MD degree programs be increased by the same dollar amount that the resident tuition rate will increase.

The deans of the colleges have identified competitive pressures in the national and international student recruiting market. The University believes that to successfully recruit the best and brightest nonresident student/scholars for these professional programs, an adjustment to nonresident tuition is in order for the 2002-03 academic year only.

The University does not anticipate a significant financial impact from this proposal and indicates that the mix of resident and nonresident students will not be altered as a result of the proposal. The University reports that these nonresident tuition rates will continue to cover the cost of educating these professional students using the Board's "unit costing" methodology.

**TUITION PROCEEDS**

Assuming enrollments at the projected fall 2001 level, the estimated increases in tuition revenues for 2002-03 with the recommended tuition increases are as follows:

	In millions			
	University of Iowa	Iowa State University	University of Northern Iowa	Total
Inflation Component	\$13.0	10.7	3.9	27.6
Quality Component	<u>10.0</u>	<u>10.1</u>	<u>3.6</u>	<u>23.7</u>
Gross Tuition Increase	\$23.0	20.8	7.5	51.3
Student Financial Aid Set Aside	<u>3.7</u>	<u>2.3</u>	<u>1.3</u>	<u>7.3</u>
Net Tuition Increase	\$19.3	18.5	6.2	44.0

The Board Office recommends that general institutional financial aid for students be increased at the same rate as the proposed increase in tuition and mandatory fees to offset the impact on students receiving institutional financial aid.

## **USES OF TUITION PROCEEDS**

The Universities have provided general information regarding the expenditure of the tuition increases.

### **University of Iowa**

Tuition proceeds will be used for:

- Maintaining the student aid percentage at 16% of budgeted tuition revenues;
- Committing earmarked tuition surcharge and fee revenues in the specific described manner;
- Applying tuition attributable to enrollment increases to the cost of serving students including adequate course sections, academic counseling services, and other requirements;
- Fund inflationary and other non-discretionary costs; and
- Supporting investment opportunities including the following:
  - Revitalization of the College of Liberal Arts and Sciences - this is a four year plan to support new faculty hires including start-up packages where needed;
  - Increase the retention of students who experience academic challenges; and
  - Student academic resource improvements.

### **Iowa State University**

Tuition proceeds will be used for:

- Attracting and retaining quality tenure and tenure-track faculty;
- Maintaining the student aid percentage at 11% of budgeted tuition revenues;
- Technological improvements to meet instructional needs;
- Offsetting the rapidly increasing costs associated with library subscriptions and acquisitions; and
- Offsetting unavoidable cost increases.

### **University of Northern Iowa**

Tuition proceeds will be used for:

- Unavoidable cost increases;
- Technology and equipment needs; and
- Building repair and classroom modernization;
- Improve the quality of education for students, including:
  - Continue the provision of financial aid for students (18%);
  - Meet demand for enrollment growth;
  - Reestablish equipment and supplies and services budgets as well as library support; and
  - Provide operations support for the Performing Arts Center.

## MANDATORY FEES

### EXECUTIVE SUMMARY

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

The proposals for the 2002-03 academic year represent the second year of the implementation for ISU and UNI of the redirection of tuition to mandatory fees.

The University of Iowa's proposal includes an additional \$10 increase in its Student Union fee to deal with a decline in customer counts, which represents a 39.7% increase rather than the 22.4% increase recommended in September. The University's other proposed mandatory fee increases remained unchanged. Those included substantial increases in most of its mandatory fees: an increase of 33.3% in its computer fees; an 11.8% in its health fee; and a 19.5% increase in its student services fee (which includes a \$6 increase for Cambus to maintain current levels of service,).

Iowa State University proposed the second-year of a two-year plan to increase computer fees, 25% for the 2002-03 academic year. The 18.2% increase in the health fee is to provide stable funding for the operations of its Student Health Center. Iowa State University requested that its new Student Services fee be reduced from \$64.80 to \$35.00 because of the significant proposed tuition increase.

The University of Northern Iowa proposed an 11.1% increase in its computer fee. In implementing the second year of its two-year plan to redirect tuition revenues, the University proposed to modify the name of its mandatory student fee from Student Activities to Student Services to avoid confusion with the designated tuition fee.

### Mandatory Fees

	SUI			ISU			UNI		
	Actual 2001-02	Proposed 2002-03	% Incr.	Actual 2001-02	Proposed 2002-03	% Incr.	Actual 2001-02	Proposed 2002-03	% Incr.
Computer <sup>1</sup>	\$135.00	180.00	33.3%	144.00	180.00	25.0%	126.00	140.00	11.1%
Health <sup>2</sup>	127.00	142.00	11.8%	110.00	130.00	18.2%	106.00	112.00	5.7%
Health Facility	10.00	10.00	0.0%	16.00	16.00	0.0%	-	-	-
Student Activities	35.00	37.00	5.7%	56.00	57.00	1.8%	92.00	-	-
Student Services <sup>3</sup>	41.00	49.00	19.5%	-	35.00	New	-	173.50	88.6%
Student Union	<u>58.00</u>	<u>71.00</u>	22.4%	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$406.00</b>	<b>489.00</b>	<b>20.4%</b>	<b>326.00</b>	<b>418.00</b>	<b>28.2%</b>	<b>324.00</b>	<b>425.50</b>	<b>31.3%</b>

<sup>1</sup> Computer fees for student 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 for the 2002-03 academic year.

<sup>2</sup> SUI's consolidated health fee for the 2001-02 year is included in the Health fee.

<sup>3</sup> UNI proposed to reclassify its Student Activities Fee as a Student Services fees; percentage increase reflects the change and increase.

## **BACKGROUND**

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

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

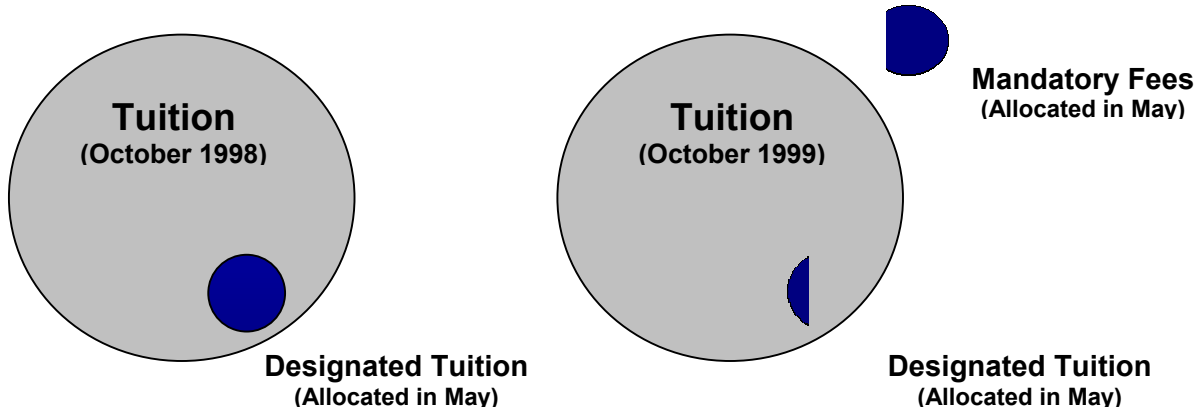
## **REDIRECT OF TUITION TO MANDATORY FEES FOR ACADEMIC PURPOSES**

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. These designations of tuition, in accordance with the Board's Strategic Plan, help assure that the institutional funding base is diverse and consistent with the Board's aspirations for educational excellence.

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

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.





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).

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. This redirection of the designated tuition will 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.

In approving this redirection, 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.

**University of Iowa**

**University of Iowa**  
Per Academic Year

Fees	Designated Tuition			Mandatory Fees			
	Approved 2000-01	2001-02	Est. 2002-03	Approved 2000-01	Approved 2001-02	Proposed 2002-03	% Incr.
Computer				\$110.00	\$135.00	180.00	33.3%
Health				102.00	107.00	142.00	11.8%
Health Facility				10.00	10.00	10.00	0.0%
Student Health Services Consolidated Health	\$20.18	-			\$20.00	-	-
Building	81.64	\$87.64	\$87.64				
Student Activities				\$35.00	35.00	37.00	5.7%
Student Services				41.00	41.00	49.00	19.5%
Student Union **				-	58.00	81.00	39.7%
	<b>\$101.82</b>	<b>\$87.64</b>	<b>\$87.64</b>	<b>\$298.00</b>	<b>\$406.00</b>	<b>\$499.00</b>	<b>22.9%</b>

\* Net of inflationary increases.

\*\* The 2002-03 amount revised from \$71 presented in September.

Computer

The University of Iowa proposed a \$45 dollar (33.3%) increase to its basic computer fee and other significant increases to its Law and Medicine computer fees. The University anticipates that the increase in the computer fees will generate approximately \$950,000 to meet the growing cost of technology and its support.

University of Iowa Computer Fees

	Actual	Proposed	Increase	
	2001-02	2002-03	\$	%
All students except Business Administration, Law, Engineering, and Medicine students	\$135	\$180	\$45	33.3%
Law students	232	280	48	20.7%
Business Administration and Engineering students	382	402	20	5.2%
College of Medicine students and students in division of associated medical sciences	144	180	36	25.0%

The University reported that it intends to utilize the computer fees in two major areas: 1) site licensing for Microsoft products used by students, and 2) extension of technical staffing support for shared use classrooms and collegiate innovation and technical staffing support costs, especially in the College of Liberal Arts & Sciences. The University also plans to replace equipment and software in public labs.

The University allocates the collegiate share of student computing fees collected based on the number of students in the colleges. The colleges then support the central information technology infrastructure, which includes 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 would continue to include students in the decision making process of funding allocations, with oversight of the computer fees provided by the university-wide faculty/student advisory committee.

### Health

In October 2000, the Board approved the establishment of a \$20 consolidated health Mandatory Fee. The University is proposing to combine that fee with the previously established mandatory health fee of \$107 and increase the entire combined health fee by \$15 (11.8%). The University reports that \$300,000 of additional revenues are needed for the basic operations of the Student Health Service.

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% was from a University allocation. Several factors have already impacted the FY 2002 projected revenues negatively, including a decrease in general university allocation.

The University does not propose changes to the health facility fee.

### Student Activities

The University also proposes a \$2 increase (5.7%) for the 2002-03 academic year in the student activities fee. The Student Government had recommended a 5% inflationary increase.

### Student Services

The University is requesting an inflationary increase in the Student Services fee of \$2 and an additional \$6 increase for support of the Cambus for a total 2002-03 fee of \$49 (19.5%).

Cambus is the University's student run public transit system, which employs 140 students, 4 full time mechanics, and one full time manager. Cambus operates a fleet of twenty-eight buses. It provided 3.4 million rides in FY 2001. The University reports that ridership on Cambus is second in Iowa only to the city of Des Moines.

The revenues for the Cambus have traditionally come from student fees, state and federal transit assistance, and campus parking revenues for the shuttle service. Recently, state and federal program funding has declined. To provide continued services, the University is proposing to increase the fee by \$6, which would provide an additional \$150,000 in revenues, for estimated total revenues for FY 2003 from fees of \$770,000. The University parking system would also contribute an additional \$150,000, for a total of \$550,000 for FY 2003.

Student Union

In September, the University proposed an inflationary increase of \$3 and additional increase of \$10. This month, the University proposes to add another \$10 increase in this fee, for an overall increase of \$23 (39.7%), for a total Student Union fee of \$81. The additional \$20 fee is expected to generate approximately \$500,000 for the Student Union. The University indicated that the original fee of \$58 supplanted the \$1.4 million of general education funding the University had previously subsidized the union operations. The University had budgeted \$250,000 from the general education fund for the union for FY 2002 operations. It anticipates that another \$250,000 is needed for FY 2003. The University reported that it has informed Student Government leaders about the proposed increases in mandatory fees.

The Student Union is an integral part of student life, even though customer counts have declined in the Bookstore, Food Service, and the Iowa House. The University reports that the management of the Student Union has implemented several cost cutting measures to combat this customer, and related revenue decline. The University wishes to maintain the financial viability of the Student Union, and relieve the general education fund of the budget burden.

**University of Iowa**  
**Resident Undergraduate Mandatory Fees & Tuition**  
Peer Group Comparison  
2001-02

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Michigan	\$-	-	-	-	370	174	238	-	\$782	\$6,593	\$7,375
Illinois	-	-	-	-	650	60	634	-	1,344	4,410	5,754
Minnesota	150	-	-	-	150	549	-	-	849	4,852	5,701
Ohio State	-	-	-	-	-	378	-	-	378	4,410	4,788
Indiana	-	118	-	200	-	455	166	-	539	4,196	4,735
UCLA	-	-	-	-	-	4,235	-	-	4,235	-	4,235
Wisconsin	-	14	-	-	145	92	230	39	520	3,568	4,088
Texas	322	-	-	284	180	299	121	40	1,246	2,520	3,766
<b>Iowa</b>	-	<b>35</b>	-	<b>135</b>	<b>58</b>	<b>41</b>	<b>137</b>	-	<b>406</b>	<b>3,116</b>	<b>3,522</b>
N Carolina	-	-	-	-	-	949	-	-	949	2,234	3,183
Arizona	-	-	-	-	50	2,440	-	-	2,490	-	2,490

**Iowa State University**

The Board approved Iowa State University to implement a multi-year plan to redirect current designated tuition toward a student activities and services mandatory fee through the 2003-04 academic year. The University proposed to modify its plan to redirect designated tuition: the \$50.00 Memorial Union fee would remain in the proposal for the 2003-04 academic year but the redirection of the Recreation fee of \$34.20 would be postponed until the 2004-05 academic year.

Iowa State University has lowered its student fees proposal for the 2002-03 academic year from what was presented in September by reducing the amount of designated tuition that would be converted to mandatory fees. The proposed new Student Services fee would be \$35 for 2002-03 academic year rather than \$64.80. This change was made because of the significant tuition increases being proposed.

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

		<b>Iowa State University</b>						
		Per Academic Year						
		<b>Designated Tuition*</b>				<b>Mandatory Fees</b>		
	Approved <u>2000-01</u>	Approved <u>2001-02*</u>	Proposed <u>2002-03*</u>	Proposed <u>2003-04*</u>	Approved <u>2001-02</u>	Proposed <u>2002-03*</u>	Proposed <u>2003-04*</u>	
<b>Computer</b>					\$144.00	\$180.00	\$180.00	
<b>Health</b>					110.00	130.00	130.00	
<b>Health Facility</b>					16.00	16.00	16.00	
<b>Student Activities</b>								
Student Government	\$54.98	\$-	\$-	\$-	55.70	56.70	56.70	
Reserve for Legislative Relations	0.10	-	-	-	0.10	0.10	0.10	
Equipment/Program Support	0.20	-	-	-	0.20	0.20	0.20	
<b>Student Services</b>								
Cy-Ride (Bus System)	43.00	46.80	29.80	-		35.00	64.80	
Memorial Union Operation	47.60	50.00	50.00	-			50.00	
Intercollegiate Athletics	36.00	36.00	36.00	36.00				
Recreation	31.40	34.20	34.20	34.20				
<b>Building Fees</b>	<u>\$67.96</u>	<u>75.22</u>	<u>75.22</u>	<u>75.22</u>				
<b>TOTALS</b>	<b>\$281.24</b>	<b>\$242.22</b>	<b>\$225.22</b>	<b>\$145.42</b>	<b>\$326.00</b>	<b>\$418.00</b>	<b>\$497.80</b>	

\* Net of adjustments and inflationary increases.

Computer

Computer Fees				
	Actual 200-02	Proposed 2002-03	Increase	
			\$	%
All students except Engineering, Computer Science & Management Information Systems students	\$144	\$180	\$36	25.0%
Engineering students	366	386	20	5.5%
Computer Science & Management Information Systems students	292	308	16	5.5%

Iowa State University proposed a 25.0% increase in its basic computer fee and an inflationary increase of 5.5% in all other categories of computer fees. The University estimates that the additional fee will generate approximately \$1.1 million for the 2002-03 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 evenly between a Central Pool and a College Pool. The additional amount for the specific computer fees is allocated to those programs based on the student's major. The Central Pool allocates funds for access to the Center for Academic Information technologies facilities and services, for databases and other information services in the Parks Library, and for other projects on a competitive basis.

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

The University reported that current maintenance and upgrade costs are so high that they consume more money than is received from the student computer fee, leaving no funds for more innovative uses of the computer. Computer laboratories are core services for learning and scholarship.

This is the second year of a two-year plan, endorsed by the Government of the Student Body, to provide appropriate computer facilities. The University indicates that the two-year plan will cover approximately two-thirds of the expected costs for core laboratory resources.

Health

The University proposed an increase of \$10 (18.2%) in its student health fee and no change in its health facility fee. The University reports that the additional fee would generate approximately \$500,000 to provide stable funding for the operations of the Student Health Center.

The University indicates that some of the major elements impacting the revenues of the Center include: loss of general university support, increased medical inflation, state and federal safety requirements, and personnel shortages in medical occupations.

Student Activities

In preliminary discussions with the student government leaders, an inflationary increase of \$1 (1.8%) was proposed for the 2002-03 academic year in the student activities fee.

Student Services

In student government elections held this past spring, a student referendum passed to increase the fee for the Cyride bus fees by \$18 per year to make access to the bus system free to all students and to expand the bus services. Because of this increase, the University proposed to modify its plan presented in the fall of 2000 to redirect designated tuition: the \$50.00 Memorial Union fee would remain in the proposal for the 2003-04 academic year but the redirection of the Recreation fee of \$34.20 would be postponed until the 2004-05 academic year.

Between September and October 2001, the University proposed to reduce the amount of designated tuition to be converted to mandatory fees. This change was made because of the significant tuition increases being proposed

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

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Mich.State	\$-	-	-	-	-	654	-	-	\$654	\$5,258	\$5,912
Illinois	-	-	-	-	650	60	634	-	1,344	4,410	5,754
Minnesota	150	-	-	-	150	549	-	-	849	4,852	5,701
Ohio State	-	-	-	-	-	378	-	-	378	4,410	4,788
UC - Davis	-	324	-	-	223	3,429	618	-	4,594	-	4,594
Purdue	24	101	-	108	78	-	124	-	334	3,830	4,164
Wisconsin	-	14	-	-	146	92	230	39	521	3,568	4,089
Texas A&M	384	-	-	278	285	-	100	156	1,203	2,520	3,723
<b>Iowa State</b>	<b>56</b>	-	-	<b>144</b>	<b>16</b>	-	<b>110</b>	-	<b>326</b>	<b>3,116</b>	<b>3,442</b>
N Car State	147	-	84	320	67	119	-	58	974	2,326	3,302
Arizona	-	-	-	-	50	2,440	-	-	2,490	-	2,490

**University of Northern Iowa**

The Board approved a two-year plan for the University of Northern Iowa to redirect current designated tuition toward a mandatory student fee. The University proposed to change the name of its mandatory student fee from Student Activities to Student Services to avoid confusion with the designated tuition fee.

In October, the University reported that it has been having on-going conversations with student government leaders to detail the uses of the Student Services fees. The following table reflects the detailed information.

<b>University of Northern Iowa</b>					
Per Academic Year					
	Designated Tuition*			Mandatory Fees	
	Approved <u>2000-01</u>	Approved <u>2001-02</u>	Est. <u>2002-03*</u>	Approved <u>2001-02</u>	Proposed <u>2002-03</u>
<b>Computer</b>				126.00	140.00
<b>Health</b>				106.00	112.00
<b>Student Activities</b>					
Intercollegiate Athletics	48.60	52.00	15.00		
Fine Arts/Cultural	12.60	13.80	13.80		
Intercollegiate Academics	6.30	6.90	6.90		
Northern Iowa	2.30	2.50	2.50		
Homecoming	1.20	1.20	1.20		
Child Care Committee	.80	1.20	1.20		
Student Activities Programming	3.40	5.50	5.50		
Wellness and Recreation	8.90	8.90	8.90		
Center for Multicultural Education	-	<u>2.00</u>	<u>2.00</u>		
<b>Student Activities</b>	\$84.10	\$94.00	\$57.00	\$92.00	
<b>Student Services</b>					173.50
<b>Building Fees</b>	53.30	53.30	90.30		
<b>TOTALS</b>	<b>\$137.40</b>	<b>\$147.30</b>	<b>\$147.30</b>	<b>\$324.00</b>	<b>\$425.50</b>

\* Net of adjustments and inflationary increases.

Mandatory or designated student fees can be pledged as a source of repayment of revenue bonds. Any bond resolution will affirm the covenant of the Board to maintain student fees at a level sufficient with project income to pay debt service and otherwise comply with the requirements of the bond resolution. It is expected that the student fees will be maintained to at an annual level equal to one times debt service so long as project income is adequate to maintain coverage at an acceptable level.

Computer

The University of Northern Iowa proposed an 11.1% increase per academic year in computer fees, from \$126 to \$140. The University estimates that the additional fee would generate approximately \$170,000 additional revenues for the 2002-03 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 fees fund 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, the funds have been used for expansion of discipline specific computer support including laboratories, multimedia, presentation classrooms, and demonstration stations for students and faculty. The fee is also used to replace obsolete computer equipment in student labs, support for interdisciplinary curriculum development, expanded networking for access to existing software resources, creation of student ID cards, and improvements in the library access system.

Health

The University proposed a \$6 (5.7%) increase in its student health fee and a change in the methodology of charging summer students. The combination of the increase and the modified summer charge would result in new income of \$125,000 for the 2002-03 academic year.

The change proposal would be for the University to charge the fee to all students registering for at least three credit hours, (approximately 1/3 of a full summer academic load) rather than the current practice of charging when five credit hours are taken.

The fee increase would be used to cover salary/wage and operating increases, operating expenditures during an expanded summer session, and non-recurring capital expenses. The University Health Services plans to deal with issues of preventive care and consumer education as student access care through the clinic as well as address the increasing international travel by students.

Student Services

The University proposed to increase its mandatory Student Services fee by \$81.50 per year (88.6%). The University, after working with the student government leaders to identify specifics of the fee proposal, proposes that \$37 be separated from the Student Activity designated tuition from Intercollegiate Athletics. An additional \$19.95 would be added to the Maucker Union fee and, at the students' requests, \$30 of the fee would be allocated for the implementation of a Panther Pass, which would provide free admission for student to UNI athletic, music, and theatre events. The Panther Shuttle would be eliminated for 2002-03 while student government studies the value of the service.

	<u>Approved</u> <u>2001-02 Allocation</u>	<u>Proposed</u> <u>2002-03 Allocation</u>
<b>Student Services Fee</b>		
Student Organizations	\$16.45	16.40
Panther Pass	-	30.00
Panther Shuttle Bus	5.50	-
Maucker Union	70.05	90.00
Intercollegiate Athletics	-	<u>37.00</u>
	<u>\$92.00</u>	<u>\$173.40</u>

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

	Academic Service	Activity	Athletic	Computing	Facilities	General Student Services	Health Service	Recreation	Total Mandatory Fees	Tuition	Total Tuition & Mandatory Fees
Ohio U	-	-	-	-	-	1,290	-	-	1,290	4,203	5,493
Minn Duluth	-	-	38	371	105	40	98	69	722	3,936	4,658
Illinois State	-	125	212	-	256	156	312	84	1,145	3,332	4,477
Ctrl Mich	-	100	-	220	75	210	-	-	605	3,567	4,172
Indiana St	-	-	-	50	-	-	-	-	-	3,744	3,794
Wisc EC	135	240	-	-	183	38	-	-	596	2,876	3,472
<b>Northern Ia</b>	-	<b>92</b>	-	<b>126</b>	-	-	<b>106</b>	-	<b>324</b>	<b>3,116</b>	<b>3,440</b>
No Texas	165	80	-	216	-	300	50	-	811	2,460	3,271
NC Grnsbro	-	271	320	190	272	12	178	-	1,243	1,358	2,601
Northern Az	-	-	-	-	50	2,438	-	-	2,488	-	2,488
Cal State	36	20	-	-	6	1,570	130	-	1,762	-	1,762

## SURCHARGES

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.

In addition to the University of Iowa surcharges presented in September, Iowa State University proposed a surcharge for its College of Veterinary Medicine program.

The following table represents the proposed surcharges:

**PROPOSED SURCHARGES – 2002-03 Academic Year**

	Resident	Nonresident
<b>UNIVERSITY OF IOWA</b>		
College of Business	\$1,065	\$1,065
▶ Masters of Business Administration		
▶ Masters in Management Information Systems		
▶ Masters in Accountancy		
College of Dentistry	\$3,000	\$3,000
College of Law	\$250	\$250
College of Nursing	\$1,350	\$1,350
▶ Masters Degree in Care Management		
College of Public Health	\$1,000	\$1,000
▶ Masters of Health Administration		
▶ Masters of Public Health		
Graduate College	\$1,350	\$1,350
▶ Masters of Physical Therapy		
<b>IOWA STATE UNIVERSITY</b>		
College of Veterinary Medicine	\$1,593	\$4,340

The Board has not yet approved the University of Iowa’s College of Nursing Masters in Care Management. The surcharge for this program would be subject to the Board’s approval of the program.

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 uses of the new surcharge revenues. The Universities will set aside student financial aid dollars in the same percentage as tuition.

**Henry B. Tippie College of Business: Masters of Business Administration**

The University of Iowa proposed the third of three annual tuition surcharges of \$1,065 for resident and nonresident students in the Masters of Business Administration (MBA) program. Surcharges will be applied based on enrollment date.

**SURCHARGES**

Currently presented to the Board for consideration	Cumulative Surcharge
• \$1,065 for students entering in the fall of 2002	\$3,195
Previously approved by the Board	
• \$1,065 for students entering in the fall of 2001 (October 2000)	\$2,130
• \$1,065 for students entering in the fall of 2000 (October 1999)	\$1,065

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$9,400	33.6%		\$17,712	15.4%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$9,899	33.1%		\$18,211	15.6%
<b>Enrolled fall 2001</b>						
Base Tuition/Surcharge	\$7,034	\$8,336	18.5%	\$15,346	\$16,648	8.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$7,440	\$8,835	18.8%	\$15,752	\$17,147	8.9%
<b>Enrolled fall 2000</b>						
Base Tuition/Surcharge	\$5,970	\$7,074	18.5%	\$14,282	\$15,386	7.7%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$6,376	\$7,573	18.8%	14,688	\$15,885	8.1%
<b>Enrolled prior to fall 2000</b>						
Base Tuition/Surcharge	\$4,628	\$5,484	18.5%	\$13,142	\$13,998	6.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$5,034	\$5,983	18.9%	\$13,548	\$14,497	7.0%

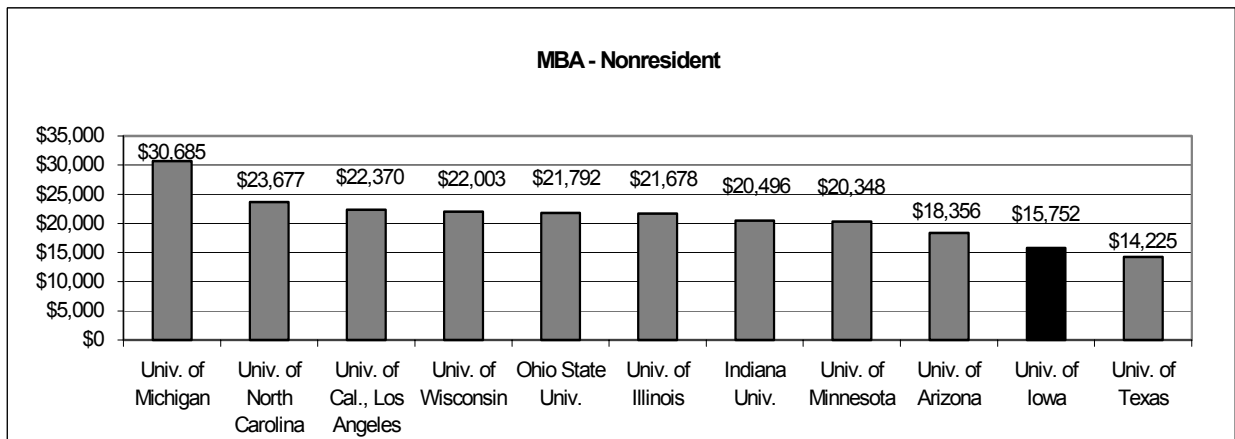
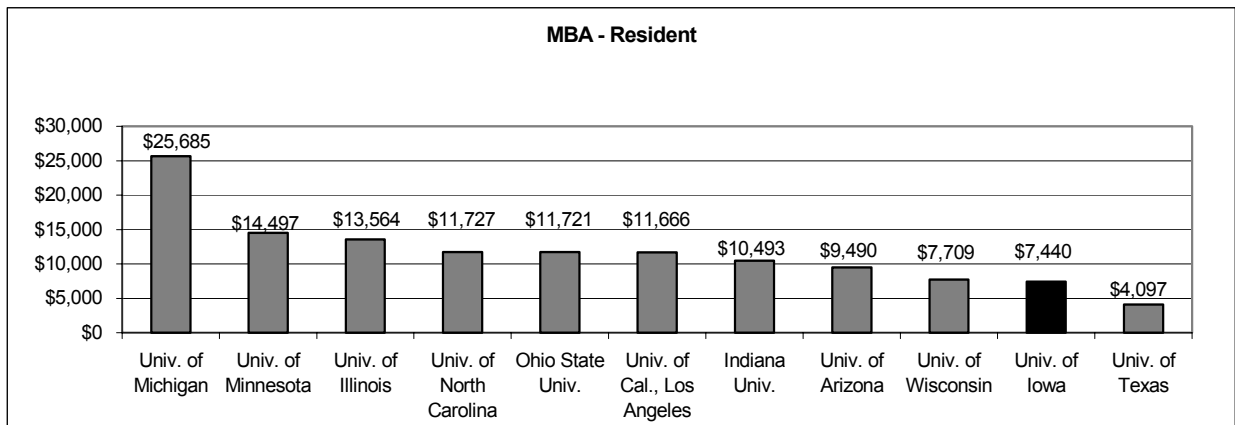
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

<b>Amount</b>	<b>Expenditure Category</b>	<b>Descriptions</b>
\$70,600	Improved Student Services	Support for a business writing tutor, career placement assistance, and support for alumni relations.
\$57,300	Technology Enhancement	Represents per student expenditure equal to technology fee paid by undergraduates in business. Projects include expansion of wireless LAN and purchase of loaner notebook for the library and addition of on-line financial information systems that allow hands-on experience for the MBA students.
\$25,560	Student Financial Aid (16%)	Aid will be based on academic merit.
\$6,290	Student Development	Travel to visit companies and bring business speakers to campus. Support for Students for Responsible Business Association, particularly in the area of speakers and to attend national conference.
<b>\$159,750</b>		

**PEER COMPARISONS**  
**2001-02 Data**

The University of Iowa MBA is currently the second lowest in its peer group for both resident and nonresident tuition. According to SUI, students have indicated that the increased cost of the Iowa MBA has not been an obstacle to attending the program.



**Henry B. Tippie College of Business: Masters Program in Management Information Systems (MIS) and Masters Program in Accountancy (MAC)**

The University of Iowa proposed the second of three annual tuition surcharges of \$1,065 for resident and nonresident students in the MIS and the MAC programs. Surcharges will be applied based on enrollment date.

**SURCHARGES**

<b>Previously approved by the Board (October 2000)</b>	Cumulative Surcharge
• \$1,065 for students entering in the fall of 2001	\$1,065
<b>Currently presented to the Board for consideration</b>	
• \$1,065 proposed for students entering in the fall of 2002	\$2,130
<b>To be presented to the Board in October 2002</b>	
• \$1,065 for students entering in the fall of 2003	\$3,195

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$6,716	40.9%		\$16,068	23.7%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$7,215	39.4%		\$16,567	23.7%
<b>Enrolled fall 2001</b>						
Base Tuition/Surcharge	\$4,768	\$5,650	18.5%	\$12,989	\$15,002	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$5,174	\$6,149	18.8%	\$13,395	\$15,501	15.7%
<b>Enrolled prior to fall 2001</b>						
Base Tuition/Surcharge	\$3,702	\$4,388	18.5%	\$11,924	\$13,772	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	4,108	\$4,887	19.0%	\$12,330	\$14,271	15.7%

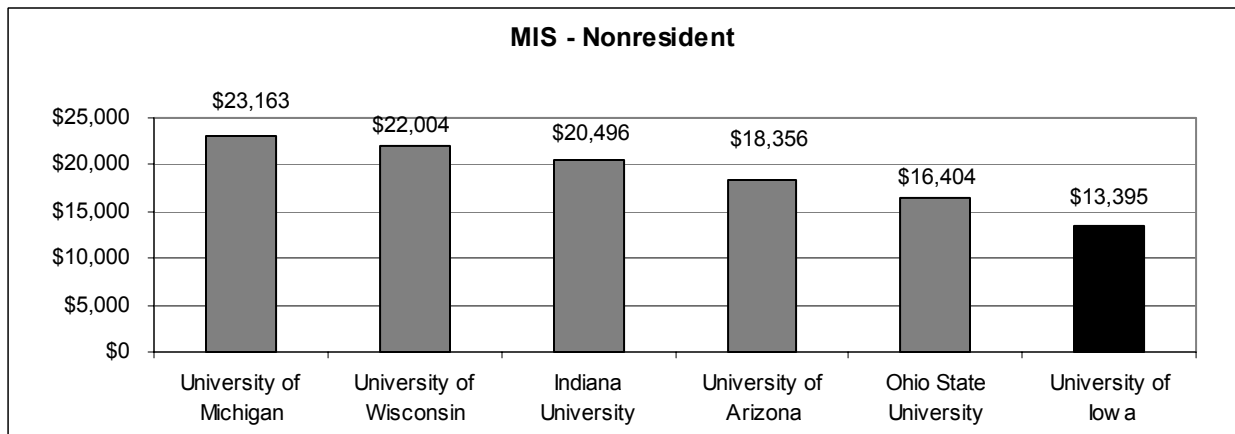
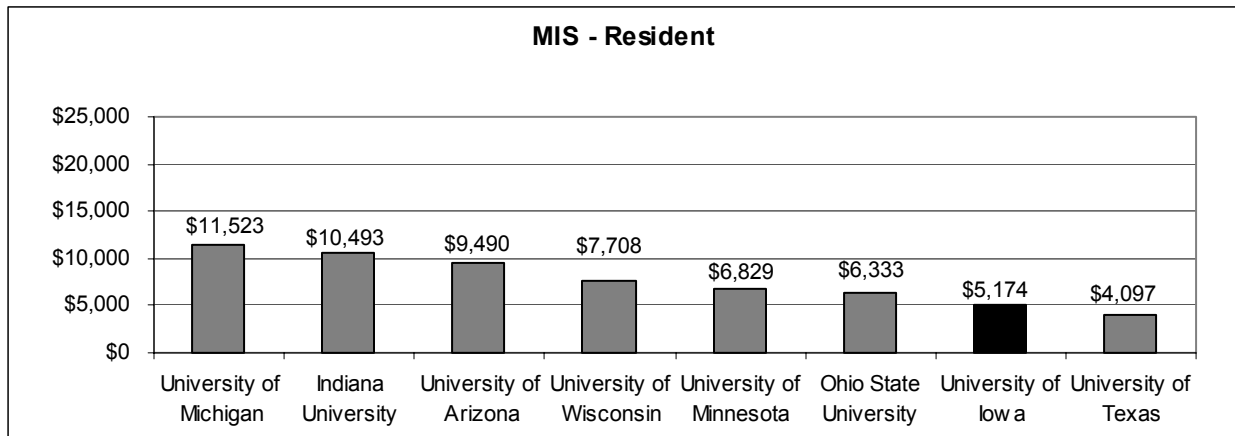
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount MIS	Amount MAC	Expenditure Category	Descriptions
\$40,200	\$8,000	Career Services and Program Support	Provide support to improve student programs and opportunities, job readiness skills and placement assistance. Money for student recruitment, new student orientation, and professional development programs for students.
\$16,088	\$44,419	Faculty Support	Recruit and retain the very best faculty.
\$15,280	\$5,730	Technology Enhancement	Represents per student expenditure equal to technology fee paid by undergraduates in business. Access to computer labs, software support, and upgrades for computers.
\$13,632	\$11,076	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$85,200</b>	<b>\$69,225</b>		

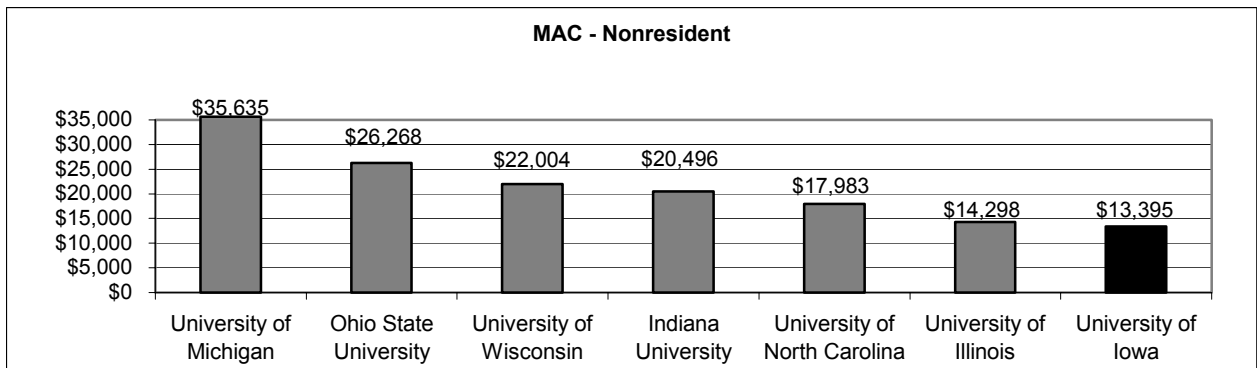
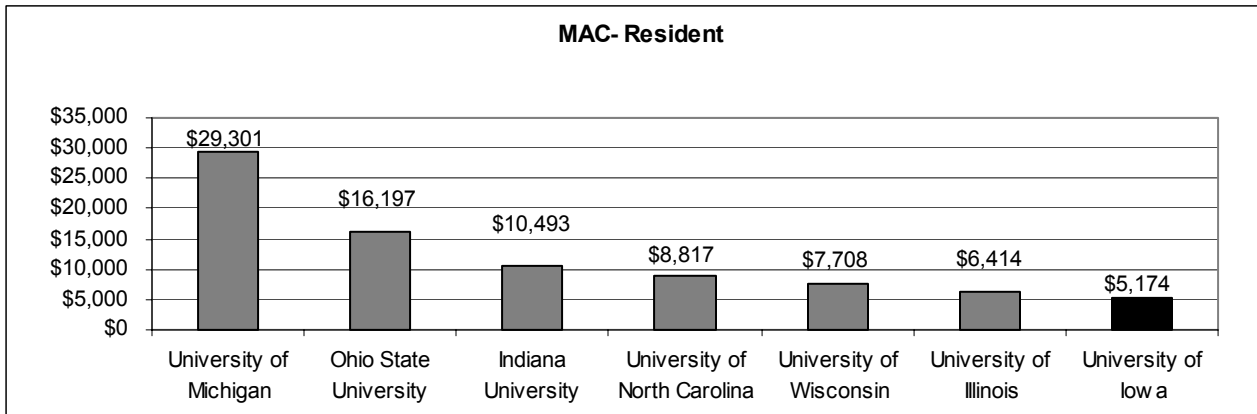
**PEER COMPARISONS – MIS**  
**2001-02 Data**

MIS resident tuition and fees at the University of Iowa is the second lowest in its peer group. MIS nonresident tuition and fees are the lowest in its peer group. Tuition and fees in the MIS program at the University of Iowa are less than the average resident tuition (\$8,068) by almost \$3,000 and less than the average nonresident tuition (\$17,400) by just over \$4,000.



**PEER COMPARISONS - MAC**  
**2001-02 Data**

Resident and nonresident tuition and fees for the Masters in Accountancy at the University of Iowa are the lowest among the colleges in its peer group. The University reports that the program is intended to produce graduates who are professionally prepared to enter the workforce and to provide immediate value and focused competence to employers. The demand for these graduates in business is high, and starting salaries are generous and rising.





**College of Dentistry**

The University of Iowa proposed an additional annual tuition surcharge of \$3,000 for resident and nonresident students in the College of Dentistry for students enrolling in fall 2002. Surcharges are to be applied based on enrollment date. In October 1999, the Board approved a \$2,000 surcharge for students enrolling in the fall of 2000.

**SURCHARGES**

<b>Previously approved by the Board (October 1999)</b>	Total Surcharge
• \$2,000 for students entering in the fall of 2000	\$2,000
<b>Presented to the Board this month for consideration</b>	
• \$3,000 proposed for students entering in the fall of 2002	<u>\$3,000</u>
	<b>\$5,000</b>

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$15,284	47.4%		\$30,250	19.4%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$15,783	46.5%		\$30,749	19.5%
<b>Enrolled fall 2001</b>						
Base Tuition/Surcharge	\$10,366	\$12,284	18.5%	\$25,332	\$27,250	7.6%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$10,772	\$12,783	18.7%	\$25,738	\$27,749	7.8%
<b>Enrolled prior to fall 2001</b>						
Base Tuition/Surcharge	\$8,222	\$9,744	18.5%	\$23,188	\$24,710	6.6%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$8,628	\$10,243	18.7%	\$23,594	\$25,209	6.8%

The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

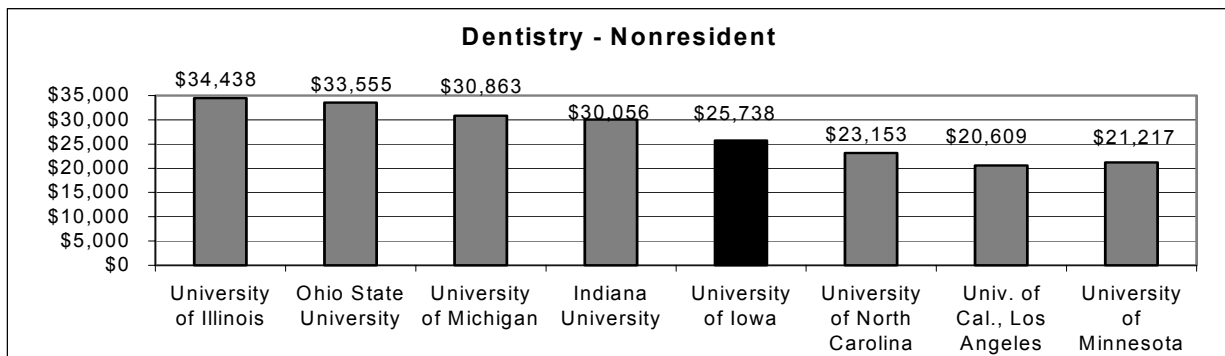
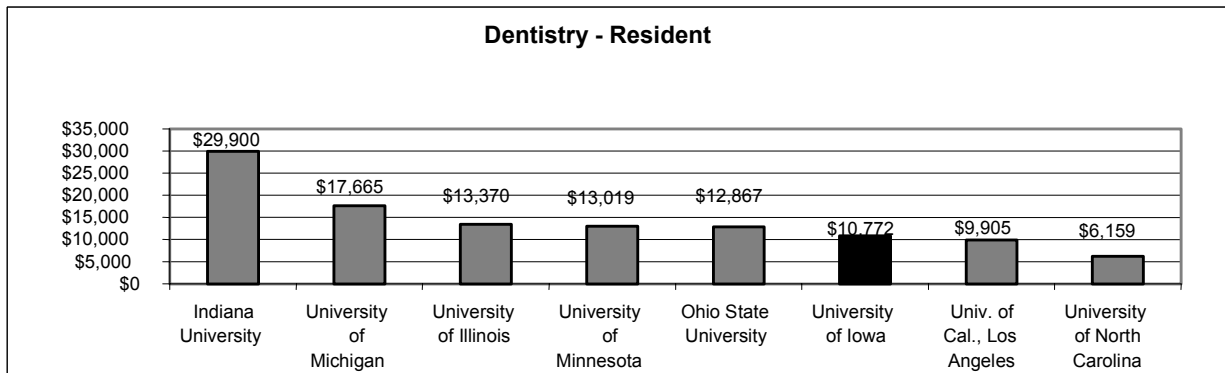
<b>Phased in tuition surcharges of \$2,000</b>		
<b>Amount</b>	<b>Expenditure Category</b>	<b>Descriptions</b>
\$127,680	Faculty Salaries and Technology	Additional faculty in procedure-intense clinical areas; faculty retention efforts to recruit and keep top faculty; and support for technology-related advances.
\$24,320	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$152,000</b>		

<b>New Tuition Surcharge of \$3,000</b>		
<b>Amount</b>	<b>Expenditure Category</b>	<b>Descriptions</b>
\$191,520	Faculty Salaries	Three faculty positions will be added. The remaining funds will be applied to faculty recruitment and retention.
\$36,480	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$228,000</b>		

**PEER COMPARISONS**

**2001-02 Data**

Dentistry resident tuition and fees at the University of Iowa for the 2001-2001 academic year are the third lowest in its peer group and less than the average tuition (\$14,698) of its peer group. Dentistry nonresident tuition and fees at the University of Iowa are the fourth lowest and also lower than average (\$27,699) in comparison to its peer universities. SUI expects the College of Dentistry to remain competitive with peer and regional dental schools after the increase. The University reported that growing scholarships and low-interest loan programs ensure that no qualified Iowa applicant will be unable to attend because of costs.



**College of Law**

The University of Iowa proposed a tuition surcharge of \$250 for all resident and nonresident students in the College of Law. This would be the 9<sup>th</sup> College of Law surcharge in 10 years. The average surcharge of the previous nine years is \$278 for residents and \$448 for nonresidents.

**SURCHARGES**

<b>Currently presented to the Board for consideration</b>										Total Surcharge
• \$250 for resident and nonresident students entering in the fall of 2002										\$250
<b>Surcharge History</b>										
• Entering Fall of:	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	
Resident	0	350	350	350	350	300	300	300	200	
Nonresident	0	500	735	500	500	500	500	500	300	

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
Base Tuition/Surcharge	\$8,152	\$9,910	21.6%	\$20,274	\$23,668	16.7%
Mandatory Fees	<u>503</u>	<u>599</u>	19.1%	<u>503</u>	<u>599</u>	19.1%
Total	\$8,655	\$10,509	21.4%	\$20,777	\$24,267	16.8%

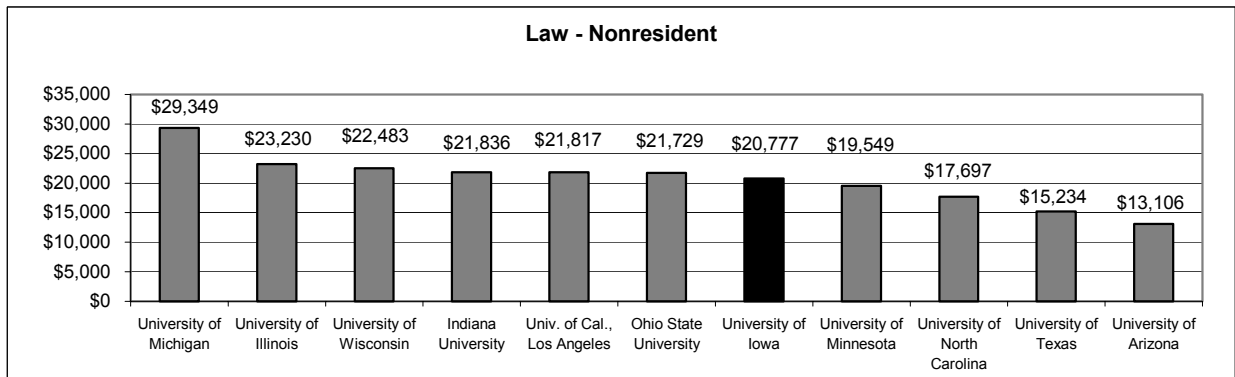
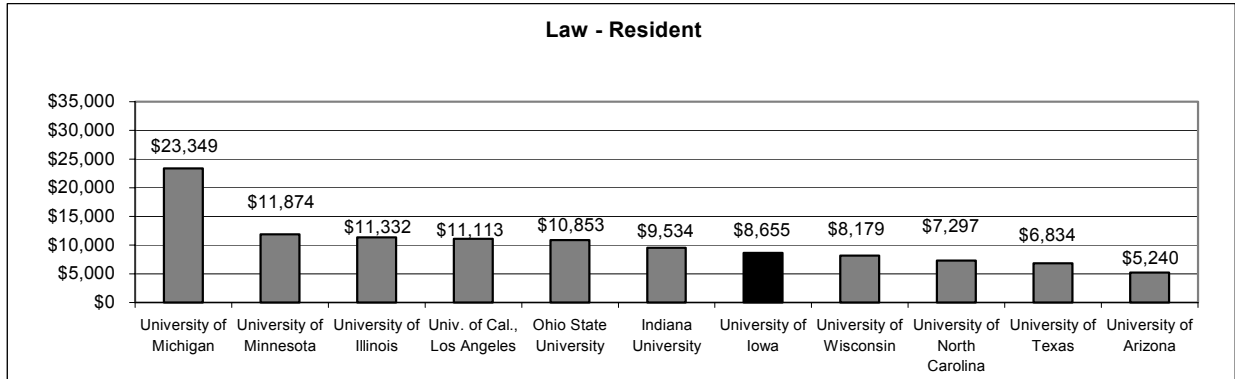
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$47,500	Assistant Director of Admissions	This person will organize and carry out off-campus student recruitment activities and plan and administer on-campus events for prospective and admitted students.
\$45,000	Library Assistant and Secretarial Support	The half-time Library Assistant will restore full coverage to the Circulation Desk. The half-time Secretary will provide support to three co-curricular programs.
\$42,500	Law Research Assistant (RA) Positions	These RA's will assist the faculty in their research and will supervise lawyer skill-training exercises in student-run, co-curricular programs.
\$25,715	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$160,715</b>		

**PEER COMPARISONS**  
**2001-02 Data**

Resident and nonresident 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. The University reports that the recently approved surcharges have not changed the College’s relative position among its peers.



**College of Nursing: Masters Degree in Care Management**

The University of Iowa proposed a tuition surcharge of \$1,350 for resident and nonresident students in the Master of Care Management program. The Board has not yet approved the University of Iowa’s College of Nursing Masters in Care Management. The surcharge for this program would be subject to the Board’s approval of the program.

**SURCHARGES**

<b>Currently presented to the Board for consideration</b>	Cumulative Surcharge
• \$1,350 per year proposed for students entering in the fall of 2002.	\$1,350
<b>To be presented to the Board in October 2002</b>	
• \$1,350 for students entering in the fall of 2003.	\$2,700

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)*	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)*	FY 2003 (proposed)	Percent Increase
Base Tuition/Surcharge	\$3,702	\$5,738	55.0%	\$11,924	\$15,122	26.8%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
<b>Total</b>	<b>\$4,108</b>	<b>\$6,237</b>	<b>51.8%</b>	<b>\$12,330</b>	<b>\$15,621</b>	<b>26.7%</b>

\*Graduate nursing tuition.

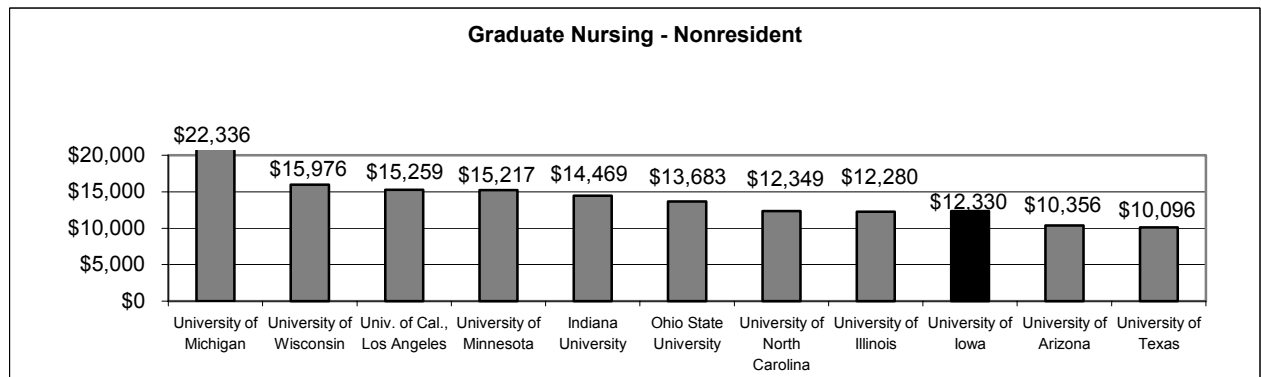
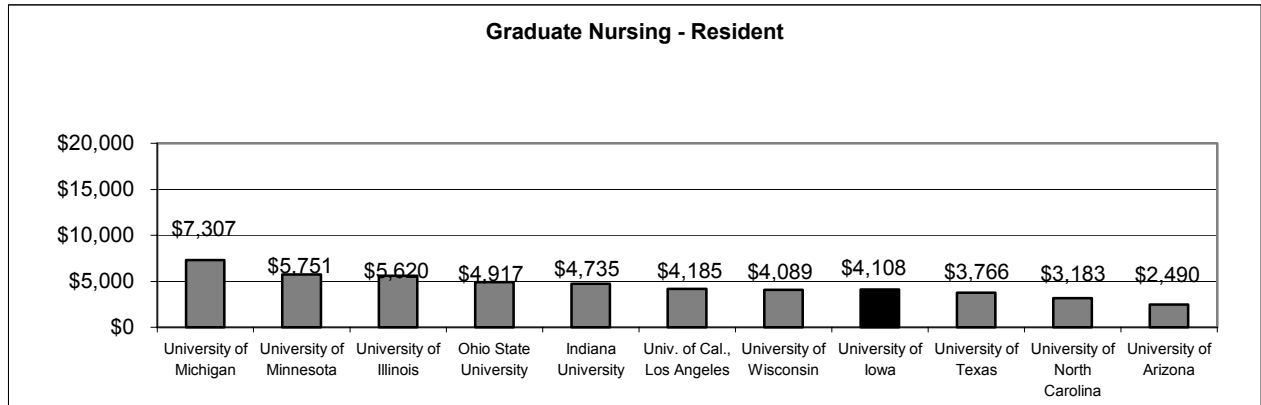
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$380,000	Faculty Support	Recruit and retrain faculty to match the growth of the anticipated increase in student enrollment.
\$104,000	Student Financial Aid (16%)	Aid will be based on academic merit.
\$100,000	Faculty Support	Teaching assistants to run the program.
\$50,000	Administration Support	Personnel to administer the program.
\$16,000	Program Expenses	General operating costs.
<b>\$650,000</b>		

**PEER COMPARISONS**  
**2001-02 Data**

Graduate nursing tuition and fees at the University of Iowa are the third lowest in its peer group for both residents and nonresidents. The University of Iowa's program is also less than the average tuition for residents (\$4,604) by just over \$1,000 and less than the average tuition for nonresidents (\$14,202) by more than \$2,200.



**College of Public Health: Master of Health Administration**

The University of Iowa proposed the first of three annual tuition surcharges of \$1,000 for resident and nonresident students entering the Master of Health Administration program in the fall of 2002. Surcharges will be applied based on enrollment date.

**SURCHARGES**

<b>Currently presented to the Board for consideration</b>	Cumulative Surcharge
• \$1,000 for students entering in the fall of 2002	\$1,000
<b>To be presented to the Board in subsequent years</b>	
• \$1,000 for students entering in the fall of 2003	\$2,000
• \$1,000 for students entering in the fall of 2004	\$3,000

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$5,388	45.5%		\$14,772	23.9%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$5,887	43.3%		\$15,271	23.9%
<b>Enrolled prior to fall 2002</b>						
Base Tuition/Surcharge	\$3,702	\$4,388	18.5%	\$11,924	\$13,772	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$4,108	\$4,887	19.0%	\$12,330	\$14,271	15.7%

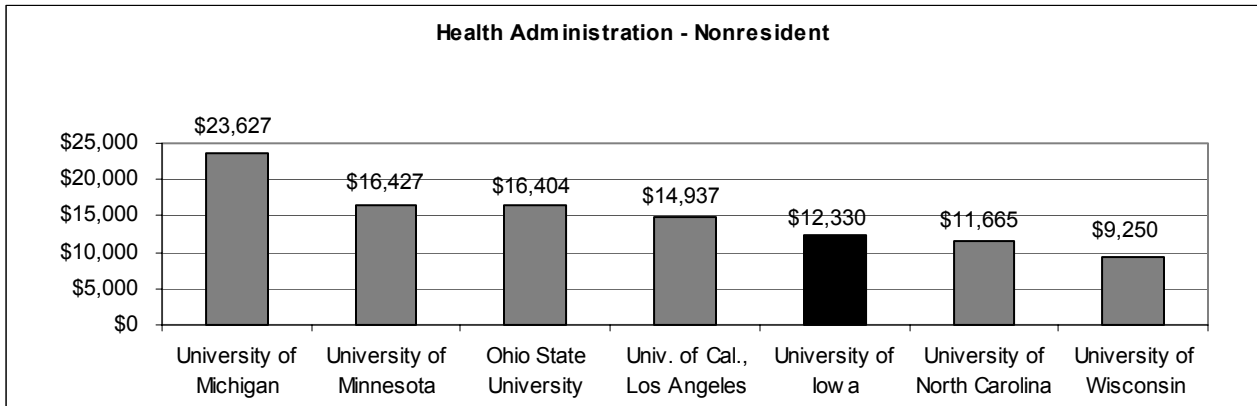
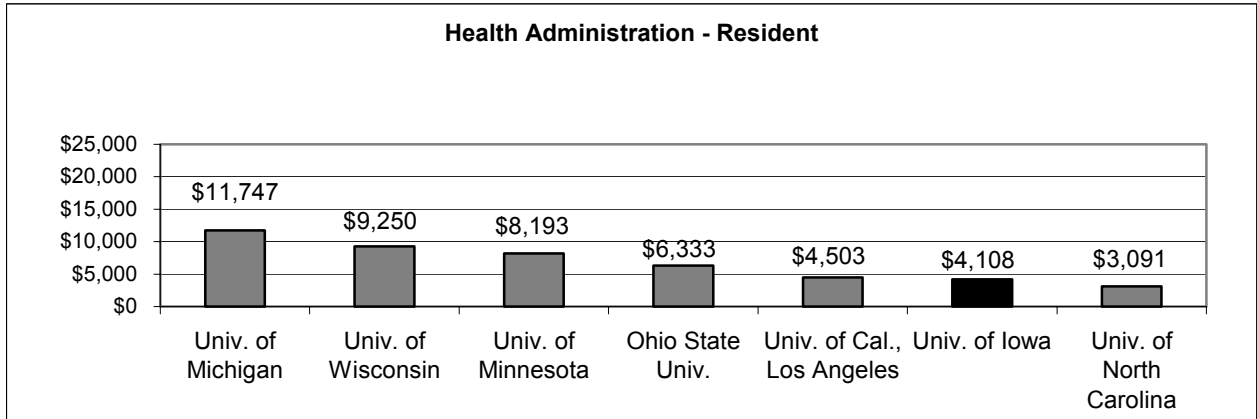
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$7,500	Laboratory Enhancement and Expanded Instructional Delivery	Enhance the laboratory by including upgrades to student computers, ensuring state-of-the-art production equipment, enhancing the computer-based curricula, and securing requisite technical assistance. Strengthen courses in design and in delivery.
\$2,400	Student Financial Aid (16%)	Aid will be based on academic merit.
\$5,100	Recruitment, Travel, and Accreditation Costs	Support for student trips and conferences; materials and travel expenses for recruitment events, conferences, other institutions, public health organizations, and government agencies. Assure accreditation by the Accrediting Commission on Education for Health Services (ACEHS).
<b>\$15,000</b>		

**PEER COMPARISONS**  
**2001-02 Data**

The University of Iowa Masters of Health Administration program is currently the second lowest in its peer group for resident and third lowest for nonresident. In addition, resident tuition (\$4,108) is less than the average cost (\$7,186) of tuition at the other peer institutions.





**College of Public Health: Masters of Public Health**

The University of Iowa proposed a tuition surcharge of \$1,000 for all resident and nonresident students entering the Master of Public Health program in the fall of 2002. Surcharges will be applied based on enrollment date.

**SURCHARGE**

Currently presented to the Board for consideration	Total Surcharge
• \$1,000 for students entering in the fall of 2002	\$1,000

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$5,388	45.5%		\$14,772	23.9%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$5,887	43.3%		\$15,271	23.9%
<b>Enrolled prior to fall 2002</b>						
Base Tuition/Surcharge	\$3,702	\$4,388	18.5%	\$11,924	\$13,772	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$4,108	\$4,887	19.0%	\$12,330	\$14,271	15.7%

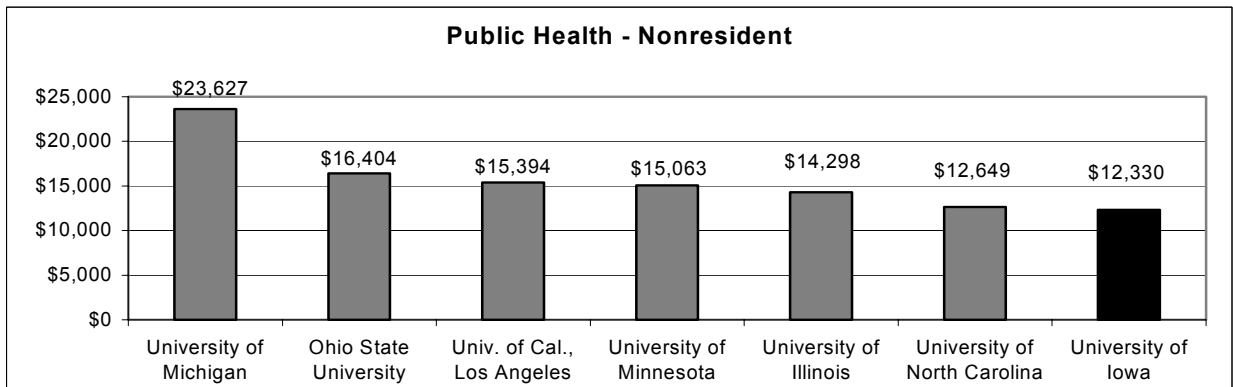
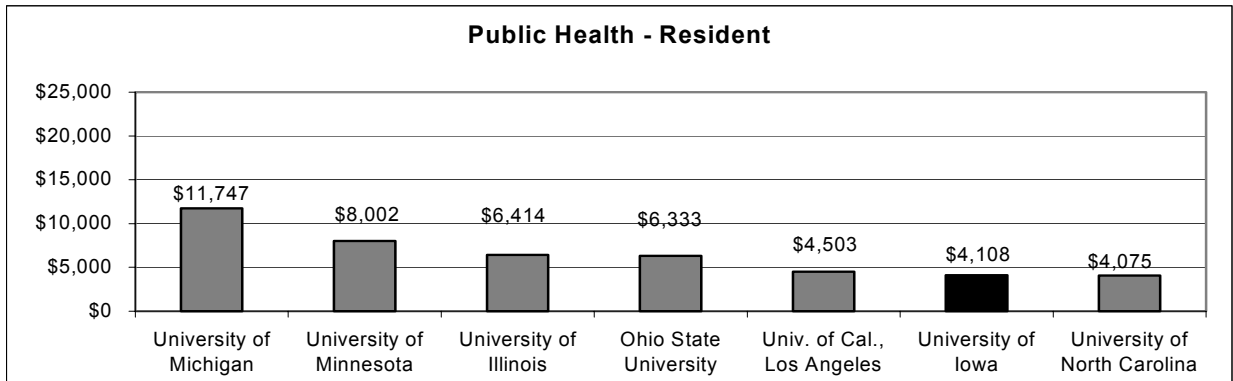
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$22,500	Student Recruitment and Expanded Instructional Delivery	Support for materials and travel expenses for recruitment events and conferences as well as travel to other institutions, public health organizations, and government agencies; offer additional core courses; hire part-time adjunct faculty; identify and facilitate practicum opportunities; develop and operate summer facilities; and establish certification programs.
\$15,300	Administrative Costs	Support to obtain full accreditation from the Council on Education for Public Health (application fee, annual fee, accreditation review, and travel expenses associated with site or consultation visits).
\$7,200	Student Financial Aid (16%)	Aid will be based on academic merit.
<b>\$45,000</b>		

**PEER COMPARISONS**  
**2001-02 Data**

Resident tuition and fees for the Master of Public Health program at the University of Iowa are less than the average tuition (\$6,846) of its comparable universities by more than \$2,700 while the nonresident tuition and fees are just over \$3,900 above the peer group average (\$16,239). The University reports that the proposed increase would place the University closer to the average tuition and fee charges for all accredited public health schools or colleges.



**Graduate College: Master of Physical Therapy**

The University of Iowa proposed a tuition surcharge of \$1,350 for resident and nonresident students entering the Graduate College Master of Physical Therapy program in the fall of 2002. Surcharges will be applied based on enrollment date.

**SURCHARGES**

Currently presented to the Board for consideration	Cumulative Surcharge
• \$1,350 proposed for students entering in the fall of 2002	\$2,700
Previously approved by the Board	
• \$1,350 for students entering in the fall of 2001 (October 2000)	\$1,350

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
<b>Enrolled fall 2002</b>						
Base Tuition/Surcharge		\$7,338	45.2%		\$16,682	25.7%
Mandatory Fees		<u>499</u>	22.9%		<u>499</u>	22.9%
Total		\$7,837	43.6%		\$17,181	25.6%
<b>Enrolled fall 2001</b>						
Base Tuition/Surcharge	\$5,052	\$5,988	18.5%	\$13,274	\$15,332	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$5,458	\$6,487	18.9%	\$13,680	\$15,831	15.7%
<b>Enrolled fall 2000</b>						
Base Tuition/Surcharge	\$3,702	\$4,388	18.5%	\$11,924	\$13,772	15.5%
Mandatory Fees	<u>406</u>	<u>499</u>	22.9%	<u>406</u>	<u>499</u>	22.9%
Total	\$4,108	\$4,887	19.0%	\$12,330	\$14,271	15.7%

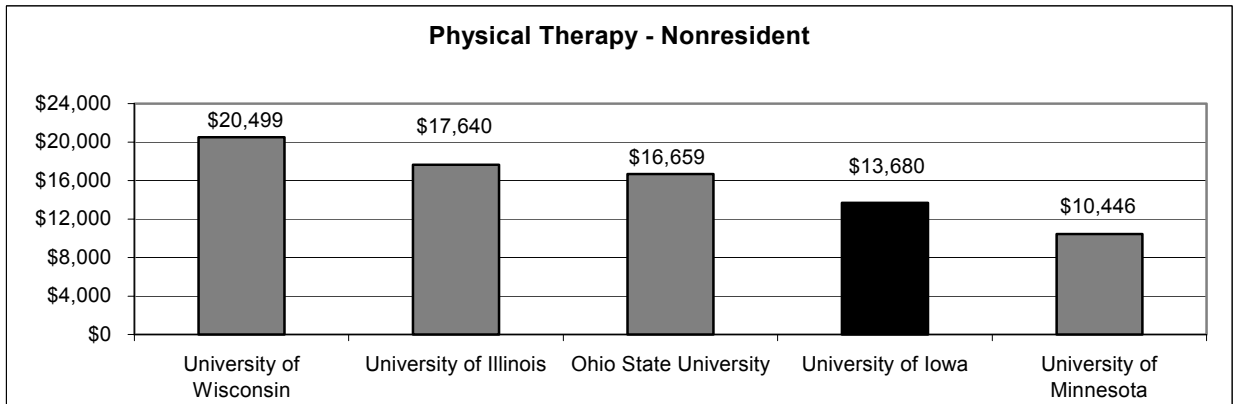
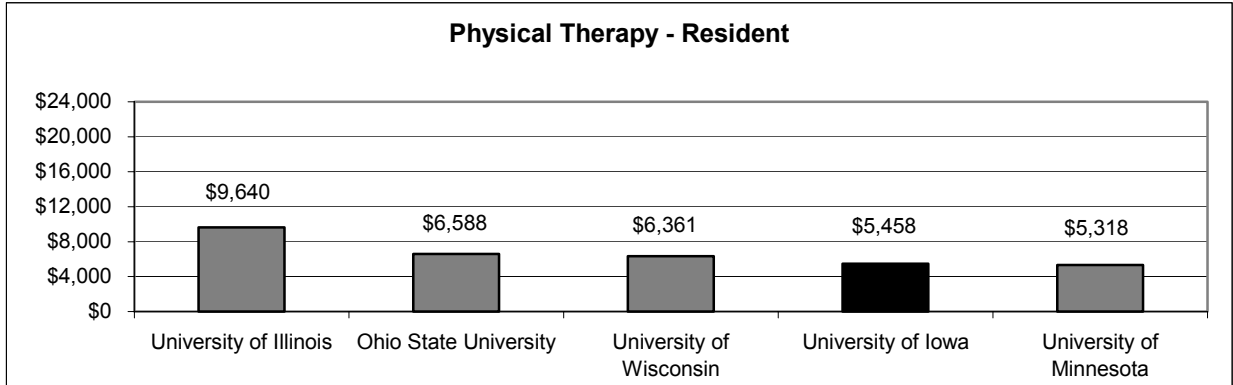
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$106,000	Faculty/Staff	Expand current curriculum; expand course; increase emphasis on outcomes/evidence-based research; and expand clinical educational program.
\$53,000	Graduate Teaching Assistants (TA)	TA's complement the teaching faculty and the projected expanded curriculum.
\$38,868	Student Financial Aid (16%)	Aid will be based on academic merit.
\$20,000	Teaching and Technical Support Equipment	Ancillary clinical teaching equipment such as therapeutic physical modalities and clinical exercise testing and training equipment as well as technical support equipment.
\$15,000	Clinical Education Management/ Coordination	Support for teaching assistants including travel and on-site visitation as well as compensation to clinical educators for education workshops.
\$7,600	Student Research	Maintain the quality of student research.
<b>\$240,468</b>		

**PEER COMPARISONS**  
**2001-02 Data**

Of the reported peer institutions that have Physical Therapy programs, the University of Iowa has the second lowest tuition and fees. The University of Iowa Physical Therapy Graduate Program historically has been nationally recognized as a model program and, according to the *2001 US News & World Report*, is ranked third among the best graduate schools in the country.



**Iowa State University – College of Veterinary Medicine**

Iowa State University is proposing a tuition surcharge of \$775 for resident and \$2,100 for nonresident students entering the College of Veterinary Medicine program in the fall of 2002. Surcharges will be applied based on enrollment date.

**SURCHARGE**

Currently presented to the Board for Consideration	Resident	Nonresident
• For students entering in the fall of 2002	\$775	\$2,100

**PROGRAM CHARGES**

	Resident			Nonresident		
	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase	FY 2002 (actual)	FY 2003 (proposed)	Percent Increase
Base Tuition/Surcharge	\$7,110	\$9,200	29.4%	\$19,376	\$25,062	29.3%
Mandatory Fees	<u>326</u>	<u>418</u>	28.2%	<u>326</u>	<u>418</u>	28.2%
Total	\$7,436	\$9,618	29.3%	\$19,702	\$25,480	29.3%

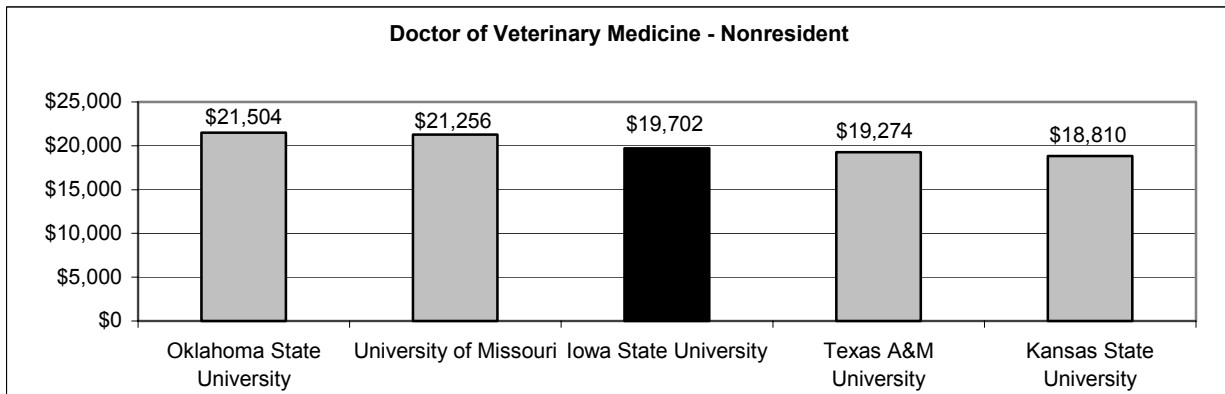
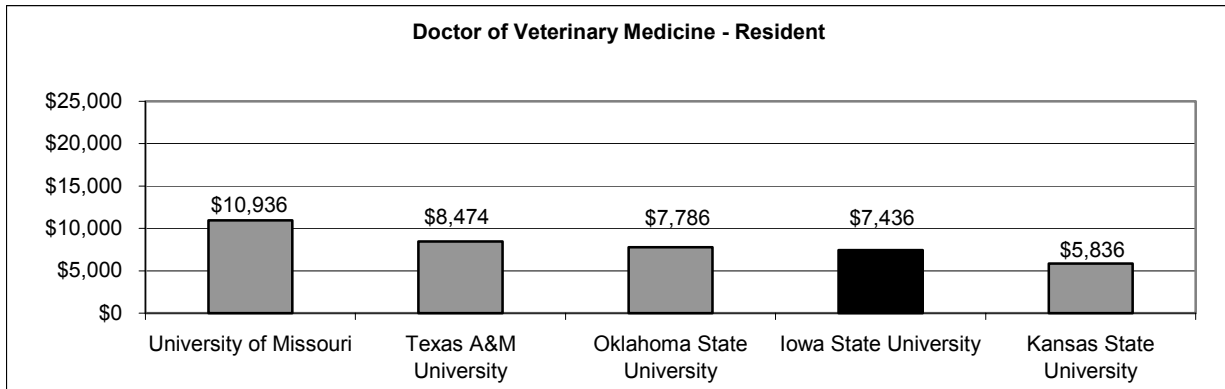
The University reports that it plans to utilize the revenues generated from the proposed surcharge in the following ways:

**USES OF NEW FUNDS**

Amount	Expenditure Category	Descriptions
\$845,240	Faculty Salaries and Benefits	Veterinary Teaching Hospital – 8 faculty in the following areas: Equine Medicine, Radiologist, Neurologist, Clinical Pathologist, Behavior/Animal Welfare, Oncology, Ophthalmologist, and Dermatologist.
\$189,420	Staff Salary and Benefits	Veterinary Teaching Hospital – 5 staff members. Additional staff are needed to respond to the increasing patient load resulting from referrals from Iowa-based veterinarians.
\$78,482	Clinical and Teaching Equipment	Maintenance and replacement.
\$137,580	Student Financial Aid (11%)	Maintaining student aid set-aside policy.
<b>\$1,250,722</b>		

**PEER COMPARISONS**  
**2001-02 Data**

Resident tuition and fees for the Doctor of Veterinary Medicine (DVM) program at Iowa State University are less than the average tuition (\$8,258) of its comparable universities by just over \$800 while the nonresident tuition and fees are less than the average tuition of \$20,211 by approximately \$500. The University reports that the proposed increase would place the University closer to the average tuition and fee charges at its peer institutions.



## TUITION-RELATED MISCELLANEOUS FEES

The Regent Procedural Guide 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.

Miscellaneous fees and charges include both tuition-related and non-tuition-related charges. Tuition-related fees include items such as continuing education courses and workshops. Non-tuition-related fees include a variety of items such as course delivery fees and private music lessons. In each category, students pay only the miscellaneous fees and charges that apply to them, with variances, in type and amount dependent on each student’s program, needs, and interests.

At the December 2000 meeting, Board members requested that consideration be given to approval of miscellaneous fees and charges in connection with the Board’s annual discussion of tuition and mandatory fees. In consultation with the universities, the Board Office is presenting the tuition-related fees with the Board’s annual discussion of tuition and mandatory fees. The non-tuition-related fees will be presented in the March/April timeframe when the Board discusses room and board.

Changes from September: 1) Fees modified to reflect higher recommended tuition rate; 2) Two fees at Iowa State University were deleted (Masters-Education -- Educational Leadership (MEd EL) and Masters-Public Admin (MPA)) because they were no longer needed; 3) Iowa State University’s summer geological field camp fees are listed with Lakeside Lab as a per credit fee.

	University of Iowa			Iowa State University			University of Northern Iowa		
	Actual FY 2002	Recomm. FY 2003	% Inc.	Actual FY 2002	Recomm. FY 2003	% Inc.	Actual FY 2002	Recomm. FY 2003	% Inc.
Correspondence Study (per hour)	\$99	\$118	19.2%				\$99	\$118	19.2%
Extension Courses/Continuing Education									
Undergraduate	\$130	\$155	19.2%	\$130	\$155	19.2%	\$130	\$155	19.2%
Graduate	\$206	\$245	18.9%	\$206	\$245	18.9%	\$206	\$245	18.9%
Masters-Business Administration (MBA)	\$268	\$318	18.7%	\$268	\$318	18.7%	\$268	\$318	18.7%
MBA - Weekend (per credit)				\$268	\$318	18.7%			
Hospital Certificate Technology (per year)	\$495	\$587	18.6%						
Lakeside Lab (All)/Field Camp (ISU)									
Undergraduate (per credit/hour)	\$130	\$155	19.2%	\$130	\$155	19.2%	\$130	\$155	19.2%
Graduate (per credit/hour)	\$206	\$245	18.9%	\$206	\$245	18.9%	\$206	\$245	18.9%
Law - Special 10-wk Summer Session									
Resident*	\$2,718	\$3,306	21.6%						
Nonresident*	\$6,758	\$7,887	16.7%						
Open Credit (per project)							\$260	\$309	18.8%
Workshops/Telecourses (per hour)									
Undergraduate	\$130	\$155	19.2%	\$130	\$155	19.2%	\$130	\$155	19.2%
Graduate	\$206	\$245	18.9%	\$206	\$245	18.9%	\$206	\$245	18.9%

\* Same percentage increases as recommended for law school tuition.

