

BOARD MEMORANDUM

TO: Board of Regents, State of Iowa
FROM: Pamela Elliott Cain
DATE: June 1, 2005 *ASN*
SUBJ: Supplemental Tuition Requests and UNI Computer Fee Changes

Recommended Actions:

1. Consider the following supplemental tuition requests from the university presidents:
 - a. SUI - a 3% supplemental tuition increase for all categories of students for the 2005-06 academic year to be implemented for the winter term which begins December 27, 2005.
 - b. ISU - a 3% supplemental tuition increase for all categories of students for the 2005-06 academic year to be implemented for the spring term which begins January 9, 2006.
 - c. UNI - a 3% supplemental tuition increase for all categories of students for the 2005-06 academic year to be implemented for the spring term which begins January 9, 2006.
 - d. A waiver of current Board policy section 8.02.B.3.c to incorporate these supplemental tuition requests as part of base tuition.
 2. Consider a request from UNI to increase its mandatory computer fee by \$20 effective Fall Semester 2005, which begins August 22, 2005.
 3. Consider a waiver of the Board's policy section 8.02.B.3.d.iii on timing requirement for submission of supplemental tuition requests.
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Executive Summary:

Each of the university presidents has requested the Board consider a 3% supplemental increase in tuition on all categories of students for the 2005-06 academic year. This increase would be on top of the increase approved by the Board at its December meeting. The University Presidents have requested that these increases be implemented after the first semester of the 2005-06 academic year.

The University of Northern Iowa has also requested an additional increase of \$20 in mandatory student fees, specifically computer fees.

In compliance with the statutory 30-day notification requirements, the sending of this memorandum to student organizations is intended to serve as the official notice.

The Board is scheduled to discuss these requested increases at its June meeting. Final Board action is not expected to take place until the July 14 meeting at Iowa State University.

**Proposed Revisions for Regent Tuition and Fees
Academic Year 2005-06**

UNDERGRADUATE	Base Tuition with Supplemental Tuition				Mandatory Fees			Total Tuition and All Mandatory Fees		
	Academic Year	First Semester	Second Semester	Academic Year	Academic Year	Original Academic Year	Revised Academic Year	Academic Year	Original Academic Year	Revised Academic Year
	2004-05	2005-06*	2005-06**	2005-06	2004-05	2005-06*	2005-06	2004-05	2005-06	2005-06
UNIVERSITY OF IOWA										
Resident	4,702	2,445	2,519	4,964	694	722	722	5,396	5,612	5,686
Nonresident	15,354	8,138	8,382	16,520	694	722	722	16,048	16,998	17,242
IOWA STATE UNIVERSITY										
Resident	4,702	2,445	2,519	4,964	724	744	744	5,426	5,634	5,708
Nonresident	14,404	7,490	7,715	15,205	724	744	744	15,128	15,724	15,949
UNIVERSITY OF NORTHERN IOWA										
Resident	4,702	2,445	2,519	4,964	685	712	732	5,387	5,602	5,696
Nonresident	12,020	6,251	6,439	12,690	685	712	732	12,705	13,214	13,422

* Approved in December 2004.

** To be implemented Winter Term for SUI, Spring Term for ISU and UNI.

GRADUATE	Base Tuition with Supplemental Tuition				Mandatory Fees			Total Tuition and All Mandatory Fees		
	Academic Year	First Semester	Second Semester	Academic Year	Academic Year	Original Academic Year	Revised Academic Year	Academic Year	Original Academic Year	Revised Academic Year
	2004-05	2005-06*	2005-06**	2005-06	2004-05	2005-06*	2005-06	2004-05	2005-06	2005-06
UNIVERSITY OF IOWA										
Resident	5,488	2,854	2,940	5,794	694	716	716	6,182	6,424	6,510
Nonresident	15,972	8,306	8,555	16,861	694	716	716	16,666	17,328	17,577
IOWA STATE UNIVERSITY										
Resident	5,488	2,854	2,940	5,794	684	702	702	6,172	6,410	6,496
Nonresident	15,114	7,860	8,096	15,956	684	702	702	15,798	16,422	16,658
UNIVERSITY OF NORTHERN IOWA										
Resident	5,488	2,854	2,940	5,794	685	712	732	6,173	6,420	6,526
Nonresident	13,012	6,766	6,969	13,735	685	712	732	13,697	14,244	14,467

* Approved in December 2004.

** To be implemented Winter Term for SUI, Spring Term for ISU and UNI.

Tuition Proceeds

Based on the proposed supplemental tuition increases at fall 2004 enrollment levels, the additional revenue expected to be generated for the 2005-06 academic year from supplemental tuition is as follows:

Gross Supplemental Tuition Proceeds	\$6.1 million
Financial Aid Set Aside (at current levels)	<u>1.0 million</u>
Net Supplemental Tuition Proceeds	\$5.1 million

Background:

Board Policy on Supplemental Tuition

Subsection 2.B in Chapter 8 of the Board's Policy Manual sets forth the following for supplemental tuition:

3. Supplemental Tuition:

- a. The presidents of Iowa's three Regent universities are authorized to annually submit supplemental tuition requests for Board consideration.
 - i. The universities' supplemental tuition requests may apply to any category of students – e.g. undergraduate, professional by college, class, program of study, residency status.
 - ii. The universities supplemental tuition may be re-requested with or without adjustment – e.g. inflationary adjustment
 - iii. The universities may request supplemental tuition covering multiple years, as long as the maximum time period of the request is within the scope of the current tuition policy timeframe.
 - iv. The Board of Regents retains the authority to modify multi-year proposals on an annual basis.
- b. Supplemental tuition requests, if approved by the Board, are in addition to any base tuition increase.
- c. Supplemental tuitions do not become part of the base tuition.
- d. Prior to submitting supplemental tuition requests to the Board Office, each university president must:
 - i. Ensure that supplemental tuition proposals are discussed on campus with the elected leadership of faculty and student organizations.
 - ii. Keep the other two university presidents fully informed throughout the development process of supplemental tuition requests.
 - iii. Submit university recommendations to the Board Office at least eight weeks prior to the designated Board meeting for initial tuition discussion.
 - iv. The Board Office will evaluate university requests for supplemental tuition increases on a case-by-case basis, and make recommendations to the Board regarding such requests.
4. The minimum 15% tuition set aside of gross tuition revenues for student financial aid will be calculated on the combination of base tuition revenues and supplemental tuition revenues.
5. Base tuition increases, changes in mandatory student fees, and tuition-related miscellaneous charges must be submitted and presented for the Board's consideration at the same Board meeting. The Board will finalize its decisions on base tuition, mandatory student fees, and tuition related miscellaneous charges at the following regular Board meeting. Supplemental tuition requests may be presented at the same time or at a later date.

Student Notice Iowa Code §262.9(18) requires the Board, when increasing tuition or mandatory fees, to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution.

This memorandum will serve as the only notice of proposed tuition discussions. The Board is expected to discuss these proposals at its June meeting in Council Bluffs on June 13 and 14, 2005. The Board is not scheduled to take action on these proposals until its July 14 meeting in Ames at Iowa State University.

SUI Request President Skorton is requesting that the Board approve a supplemental tuition increase of 3% at the University of Iowa for all categories of students for the 2005-06 academic year, to take effect for the Winter 2006 Semester, which begins December 27, 2005. The University President further requests that this be added to the University's base tuition rate.

University officials stated that they consulted with the elected presidents of our faculty senate, staff council, and student government, along with other elected leaders, to review the circumstances that surround this request. The elected student, faculty and staff representatives were very sympathetic to the needs of students and understand the additional burden the tuition supplement would have on them and their families. However, all groups felt the goal of protecting and improving the quality of the educational product at the University was important enough for them to lend their support to a supplemental tuition increase. The University's student representatives were not sure what the amount of the supplement should be, but the faculty and staff supported a 3% increase.

President Skorton also discussed this request with Presidents Koob and Geoffroy.

The University of Iowa's ability to recruit and retain outstanding faculty, staff, and students depends on its ability to pay competitive salaries and offer the educational and research programs that are in demand. The incremental revenue created by the supplement tuition increase will enable the University to take the first step towards making the improvements outlined in the Iowa Promise, the University's exciting new strategic plan.

ISU President Geoffroy is requesting that the Board approve a supplemental tuition increase of 3% for all categories of Iowa State University students for the 2005-06 academic year, to take effect for the Spring 2006 Semester, which begins January 9, 2006. The University President further requests that the base tuition level be increased by the 3% amount. Although President Geoffroy makes the request reluctantly because of the impact it will have on students, he believes it is necessary given the under-funding of the Regents Plan for Transformation and Excellence.

President Geoffroy's recommendation follows discussion and consultation with faculty, staff, administrators and students on campus, as well as with the Presidents of the University of Iowa and University of Northern Iowa. The concept of a supplemental tuition increase is endorsed by the leadership of the ISU Faculty Senate and Professional and Scientific Council, and by the Special Student Fees Committee and President's Budget and Planning Advisory Committee, which consists of faculty, staff, administrators and the presidents of the Faculty Senate, P&S Council, Government of the Student Body and Graduate and Professional Student Senate.

These additional funds are critically important to the University. They are needed to ensure that ISU's faculty and staff compensation, already in the bottom third of our peer group, does not slip further, and to support our priority of rebuilding faculty in areas that are important to Iowa's future.

UNI

President Koob requests that the Board approve a supplemental tuition increase of 3% at the University of Northern Iowa for all categories of students for the 2005-2006 academic year, to take effect for the Spring 2006 Semester, which begins January 9, 2006.

President Koob's recommendation follows discussion and consultation that he and his colleagues have had with faculty, staff, and student leadership on campus to explain the need for the supplemental, sharing the circumstances behind it, and to request their support. In each case, the leadership was supportive of the request because it would help the University continue to provide a quality educational experience and environment.

The supplemental tuition revenue will enable the University to fund an unavoidable increase in utility prices and to support three exciting new academic programs that are part of our transformational plan.

UNI Computer
Fee Increase
Request

President Koob also requests that the Board, at the June 2005 meeting, consider and approve a mandatory computer fee increase of \$20.00, effective Fall Semester 2005. This would increase the computer fee for the 2005-06 academic year from the \$116.00 approved by the Board in December 2004 to \$136.00.

At the beginning of the FY 2004-05 Academic Year, the UNI mandatory computer fee was \$165.00. A fee increase of \$15.00 to bring the computer fee to \$180, effective for the 2005-2006 Academic Year, was proposed to the Board of Regents for consideration at the November 2004 meeting. This proposal had gone through the University's collaborative process and had received broad based student support. In November, the President of the Board asked the universities to make the mandatory student fee increases parallel the 4% tuition increase for an overall 4.0% increase, part of the Regent's transformational plan proposal.

Due to lower enrollment and a change in methodology for collecting fees from designated tuition to mandatory fees, two mandatory fees at UNI, the Health Facility Fee and the Building Fee, required an increase to meet the bond coverage requirements. To stay within the 4.0% tuition and fees increase ceiling, the computer fee was decreased by \$49.00, from \$165.00 to \$116.00, a reduction of \$485,000 in revenue.

As noted in the November Board minutes, President Forsyth, at the meeting, stated that he told President Skorton and President Koob that in the event the institutions do not receive their shares of the additional \$40 million in State Appropriations, the Board will consider supplemental requests on tuition and fees relative to the needs of the institutions. Thus, the University requests the Board increase the mandatory computer fee by \$20. The UNI student leadership endorses this request for the fee increase which would restore approximately \$200,000 of the lost revenue and allow for the replacement of computer equipment, purchase needed printing technology and software, and provide other support directly related and beneficial to students.

Board of Regents
Proposed Tuition with Supplemental Tuition and Mandatory Fees
Academic Year 2005-06

	TUITION with SUPPLEMENTAL TUITION	MANDATORY FEES										REVISED TOTALS
		Revised Computer Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Career Services Fee	Revised Mandatory Fees	Tuition, Supplemental & Mandatory Fees
UNIVERSITY OF IOWA												
Undergraduate Resident	\$ 4,964	\$ 215	\$ 172	\$ 10	\$ 51	\$ 53	\$ 55	\$ 92	\$ 119	6	\$ 722	\$ 5,686
Undergraduate Resident - Business	4,964	458	172	10	51	53	55	92	119	6	965	5,929
Undergraduate Resident - Engineering	4,964	510	172	10	51	53	55	92	119	6	1,017	5,981
Undergraduate Nonresident	16,520	215	172	10	51	53	55	92	119	6	722	17,242
Undergraduate Nonresident - Business	16,520	458	172	10	51	53	55	92	119	6	965	17,485
Undergraduate Nonresident - Engineering	16,520	510	172	10	51	53	55	92	119	6	1,017	17,537
Graduate Resident	5,794	215	172	10	51	53	55	92	119	-	716	6,510
Graduate Resident - Engineering	5,794	510	172	10	51	53	55	92	119	-	1,011	6,805
Graduate Nonresident	16,861	215	172	10	51	53	55	92	119	-	716	17,577
Graduate Nonresident - Engineering	16,861	510	172	10	51	53	55	92	119	-	1,011	17,872
Master of Accountancy Resident	9,377	215	172	10	51	53	55	92	119	-	716	10,093
Master of Accountancy Nonresident	20,410	215	172	10	51	53	55	92	119	-	716	21,126
Master of Information System Resident	8,252	215	172	10	51	53	55	92	119	-	716	8,968
Master of Information System Nonresident	19,285	215	172	10	51	53	55	92	119	-	716	20,001
Master of Physical Therapy Resident	8,908	215	172	10	51	53	55	92	119	-	716	9,624
Master of Physical Therapy Nonresident	19,458	215	172	10	51	53	55	92	119	-	716	20,174
Master of Nursing and Healthcare Practice Resident	8,644	215	172	10	51	53	55	92	119	-	716	9,360
Master of Nursing and Healthcare Practice Nonresident	19,712	215	172	10	51	53	55	92	119	-	716	20,428
Master of Science - Nursing Resident	8,644	215	172	10	51	53	55	92	119	-	716	9,360
Master of Science - Nursing Nonresident	19,712	215	172	10	51	53	55	92	119	-	716	20,428
Master of Health Administration Resident	8,961	215	172	10	51	53	55	92	119	-	716	9,677
Master of Health Administration Nonresident	20,028	215	172	10	51	53	55	92	119	-	716	20,744
Master of Public Health Resident	7,905	215	172	10	51	53	55	92	119	-	716	8,621
Master of Public Health Nonresident	18,973	215	172	10	51	53	55	92	119	-	716	19,689
Other Public Health MS and PhD Resident	5,794	515	172	10	51	53	55	92	119	-	1,016	6,810
Other Public Health MS and PhD Nonresident	16,861	515	172	10	51	53	55	92	119	-	1,016	17,877
MBA Resident	11,084	215	172	10	51	53	55	92	119	-	716	11,800
MBA Resident (entering fall 2005)	12,150	215	172	10	51	53	55	92	119	-	716	12,866
MBA Nonresident	20,333	215	172	10	51	53	55	92	119	-	716	21,049
MBA Nonresident (entering fall 2005)	22,290	215	172	10	51	53	55	92	119	-	716	23,006
Dentistry Resident (entering fall 2002 & 2003)	17,296	215	172	10	51	53	55	92	119	-	716	18,012
Dentistry Resident (entering fall 2004)	18,351	215	172	10	51	53	55	92	119	-	716	19,067
Dentistry Resident (entering fall 2005)	20,381	215	172	10	51	53	55	92	119	-	716	21,097
Dentistry Nonresident (entering fall 2002 & 2003)	33,570	215	172	10	51	53	55	92	119	-	716	34,286
Dentistry Nonresident (entering fall 2004)	34,624	215	172	10	51	53	55	92	119	-	716	35,340
Dentistry Nonresident (entering fall 2005)	36,654	215	172	10	51	53	55	92	119	-	716	37,370
Law Resident	12,505	390	172	10	51	53	55	92	119	-	891	13,396
Law Nonresident	27,505	390	172	10	51	53	55	92	119	-	891	28,396
Medicine Resident	19,306	215	172	10	51	53	55	92	119	-	716	20,022
Medicine Nonresident	38,800	215	172	10	51	53	55	92	119	-	716	39,516
Pharm. D. Resident	12,381	488	172	10	51	53	55	92	119	-	989	13,370
Pharm. D. Nonresident	27,322	488	172	10	51	53	55	92	119	-	989	28,311

Board of Regents
Proposed Tuition with Supplemental Tuition and Mandatory Fees
Academic Year 2005-06

	TUITION with SUPPLEMENTAL TUITION	MANDATORY FEES										REVISED TOTALS
		Revised Computer Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Career Services Fee	Revised Mandatory Fees	Tuition, Supplemental & Mandatory Fees
IOWA STATE UNIVERSITY												
Undergraduate Resident	\$ 4,964	\$ 204	\$ 170	\$ 16	\$ 57	\$ 60	\$ 188	\$ -	\$ 106		\$ 744	\$ 5,708
Undergraduate Resident - Engineering	4,964	437	170	16	57	60	188	-	106		977	5,941
Undergraduate Resident - Comp Sci & MIS	4,964	347	170	16	57	60	188	-	106		887	5,851
Undergraduate Nonresident	15,205	204	170	16	57	60	188	-	106		744	15,949
Undergraduate Nonresident - Engineering	15,205	437	170	16	57	60	188	-	106		977	16,182
Undergraduate Nonresident - Comp Sci & MIS	15,205	347	170	16	57	60	188	-	106		887	16,092
Graduate Resident	5,794	162	170	16	57	60	188	-	106		702	6,496
Graduate Resident - Engineering	5,794	437	170	16	57	60	188	-	106		977	6,771
Graduate Resident - Comp Sci & MIS	5,794	347	170	16	57	60	188	-	106		887	6,681
Graduate Nonresident	15,956	162	170	16	57	60	188	-	106		702	16,658
Graduate Nonresident - Engineering	15,956	437	170	16	57	60	188	-	106		977	16,933
Graduate Nonresident - Comp Sci & MIS	15,956	347	170	16	57	60	188	-	106		887	16,843
Veterinary Medicine Resident	12,127	204	170	16	57	60	188	-	106		744	12,871
Veterinary Medicine Nonresident	30,992	204	170	16	57	60	188		106		744	31,736
UNIVERSITY OF NORTHERN IOWA												
Undergraduate Resident	\$ 4,964	\$ 136	\$ 144	\$ 32	\$ -		\$ 222	\$ -	\$ 198		\$ 732	\$ 5,696
Undergraduate Nonresident	12,690	136	144	32	-		222	-	198		732	13,422
Graduate Resident	5,794	136	144	32	-		222	-	198		732	6,526
Graduate Nonresident	13,735	136	144	32	-		222	-	198		732	14,467