

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Campus Video System Service – Fee Proposals
Date: April 10, 2000

Recommended Action:

Approve proposed Campus Video Service fee increases for the next three years at the University of Iowa as follows:

	Existing <u>FY2000</u>	<u>Proposed</u>		
		<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>
Basic Service	\$16.00	\$18.00	\$20.00	\$22.00

Fees for optional services are proposed to remain at the existing rates of \$9.95 each for CINEMAX and HBO, \$1.50 for remote control and \$10 for a one-time subscription-processing fee.

Executive Summary:

At the March 2000 Board meeting, the Board gave preliminary consideration to the proposed fee increases for Campus Video Services. The proposed fee increases are unchanged from those presented at the March Board meeting. Final approval is now requested.

Campus Video System is a component of the University Broadcasting Services. It provides optional entertainment television (cable) services to residence halls and family housing.

The current rate for these services of \$16 has been in place with no increase since July 1994. The proposed increases are intended to cover higher costs and necessary enhancements.

Iowa Code §262.9(18) and Board of Regents Procedural Guide §2.09 require notification to students 30 days prior to action by the Board to increase tuition, charges and fees at the Regent universities. The student government offices at each of the Regent universities, received written notification of the proposed increases and a copy of the March 2000 docket memorandum on March 8, 2000.

Background and Analysis:

In December 1986, the Board of Regents approved an agreement between Heritage Cablevision (which later became TCI and now is AT&T) and the University of Iowa. Through this contract, cable programming services are distributed by the University and made available on an optional basis to students living in the University residence system housing.

Subscription rates pay for operating maintenance and programming expenses to provide the entertainment services. The original monthly fee for this service was set at \$15. In January 1994, the Board approved a \$1 increase for a fee of \$16 per month to be implemented in July 1994. This rate has been in place with no increase since July 1994.

Residential cable rates over this 6-year period have increased 65 percent, from \$20.93 to the current level of \$34.40 per month. During this period, cable services have been significantly enhanced (by the addition of six new channels) which has contributed to the increase in costs incurred by the University to make cable services available.

For the University to continue to make quality cable services available, including ongoing technological enhancements and repairs (such as \$580,723 in expenses related to rewiring of residence halls) and new programmatic options, it is necessary to lock in rate increases for the next 3-year period. For those students who elect to purchase the services, the scheduled increases will cover operating costs and will enable enhancements of the cable services.

Deb A. Hendrickson

Approved: _____
Frank J. Stork