

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Report on Tuition and Financial Aid Policy Review
Date: February 9, 2004

Recommended Action:

Discuss the identified issues and direct the recommendations be implemented.

Executive Summary:

In September 2003, the Board was presented with a number of issues regarding the Board's tuition policies. At that time, the Board indicated a need for a study of tuition related matters.

This month, the following tuition categories are presented for Board discussion:

- Statutory timing of tuition setting
- Mandatory student fees
- Miscellaneous fees and charges (non-tuition related)
- Camp Adventure (UNI)
- Student financial aid set aside

Additional tuition items to be brought to the Board in the spring include:

- Basis for charging tuition
- Budgeting processes
- Fees for athletics
- Lakeside Laboratory
- Miscellaneous fees (tuition-related)
- Surcharges (differential tuition)

Statutory Timing The Board Office and Regent universities considered several scenarios for modifying the statutory timing restrictions for the setting of tuition. Statutory notice for increasing tuition and fees essentially requires the Board to deal with rate increases at two separate meetings. (See Attachment A, page 4.)

Recommendation After evaluating each of the scenarios, the Board Office recommends the following timing be implemented for the 2005-06 academic year tuition decisions, contingent on necessary statutory revision:

December/February, with a March statutory deadline.

- Under ordinary conditions, the REC would have set official forecasts for state revenues by the December Board meeting and specific recommendations for tuition and fee increases could be presented to the Board in December. At the February meeting, the Board would give final approval to tuition rates for the coming year.

- Under unusual circumstances, a range of tuition rates could be offered in December, with further discussion in February, and a final decision made by the Board in March.

Proposed
Legislation

Legislation (HF 2140) has been introduced to extend the date for the Board's tuition setting to no later than March. The Board, based on December action and review by the President of the Board and Executive Director, is on record supporting this legislation.

Mandatory Fees

The Board Office and Regent universities considered several policy issues related to mandatory fees. (See Attachment B, page 9.) These issues focused on whether policies should be implemented by the Board for the following:

- Maximum limits for mandatory fees
- Detailed definitions and purposes for mandatory fees
- Disposition guidelines for unexpended mandatory fees
- Uniform allocation of mandatory fees for part-time students

Recommendation

The Board Office recommends changes be made to the Board policy for miscellaneous fees as follows, effective for the 2005-06 academic year:

For a new mandatory fee to be established, a university must:

- Disclose the origination of the proposed fee (i.e. by student request or a need identified by the university).
- Identify the basis for the fee (i.e. services to be provided by fee and related costs of those services).
- Obtain documentation from the recognized student body governments indicating student support for the new fee.

Additionally, Board policy should require that unexpended funds from mandatory fees be spent for the purposes for which the fee was originally implemented.

Miscellaneous Fees

The Board Office and Regent universities considered several policy issues related to non-tuition-related miscellaneous fees (Attachment C, page 13), which include:

- Standardizing increases
- Establishing criteria for new fees
- Setting a minimum dollar amount which requires Board approval

Recommendation

The Board Office recommends changes be made to the Board policy for miscellaneous fees as follows:

The Board would approve:

- All new institutional or college-wide fees; and
- Fees of \$20 or more per occurrence.

The university presidents would be authorized to make changes in approved fees as long as the fees remain below the \$20 threshold per occurrence.

Since the Board is scheduled to review and approve 2004-05 non-tuition-related miscellaneous fees during March and April, the Board Office recommends that this policy be effective with the 2005-06 academic year.

**Camp
Adventure™
(UNI)**

The Board Office considered the advantages and disadvantages of students paying the corresponding tuition rate for the credits received from the *Camp Adventure™* program. (See Attachment D, page 16.)

Recommendation

The Board Office recommends the Board require that UNI charge the corresponding tuition rate for all credits awarded to students from the *Camp Adventure™* program and consider establishing a scholarship program to provide for the relevant tuition charges, effective with the 2005-06 academic year.

Tuition Set-Aside

The Board Office and Regent universities considered several policy issues related to student financial aid from tuition set-aside. These policy issues focused on whether more specific criteria should be implemented by the Board of Regents to direct the use of those set-aside funds, such as defining:

- Percentage of need-based aid versus merit-based aid
- Percentage of resident aid versus nonresident aid
- Objectives for tuition set-aside program

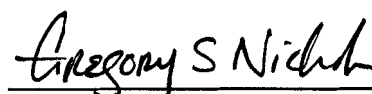
Recommendations

The Board Office recommends the Board implement new policies, effective for the 2005-06 academic year, that include:

- Continuing the minimum rate of set-aside of gross tuition revenues for student financial aid at 15%.
 - Within the 15% tuition set-aside, no less than 50% of the dollars are to be distributed to undergraduate students.
 - Of the undergraduate proportion of tuition set-aside, no less than 50% of the dollars are to be distributed to resident students.
 - Of the undergraduate proportion of tuition set-aside, no less than 50% of the dollars are to be distributed for aid to need-based students.
- Authorizing each university to set aside additional tuition revenues for student aid to help achieve institutional strategic enrollment goals:
 - Up to an additional 10% of gross tuition revenues.
 - Not subject to the restrictions of the first 15%.
- Authorizing a transition period to enable the universities to meet current commitments to students.


Pamela M. Elliott

Approved:


Gregory S. Nichols

Statutory Timing of Tuition Setting

Background:

University Resources

Financing of higher education is complex, considering the unpredictability of state funding for the Regent universities. Securing sufficient resources is critical to the successful implementation of the Board's strategic plan.

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 universities' general education component is primarily funded by a combination of state funds and tuition revenues. The Board and the Regent universities rely heavily on state appropriations.

Funding from the state for base operating appropriations, incremental salary needs, and incremental strategic investments are fundamental to sustaining educational services at the universities.

The Board's tuition setting has had its basic premise in stable funding from state appropriations for general educational operations of the universities.

Resources are needed to maintain and improve current operations, as well as student academic and support services, such as ensuring sufficient number of faculty, classroom improvements, instructional equipment, library resources, experiential learning opportunities, student access, class size, and technology.

The Board has supported its institutions by:

- Seeking appropriate state funding for operating and capital improvements needs;
- Establishing tuition and fees annually to keep pace with inflation in addition to supporting aspirations for excellence;
- Encouraging the institutions to increase funding from private sources and external research grants and contracts; and
- Requiring the institutions to reallocate general funds annually.

Statutory Provisions

Iowa Code §262.9(18) requires the Board, when increasing tuition or mandatory fees, to take action no sooner than 30 days after notification of the proposed increase to presiding officers of each student government organization at each affected institution and no later than the November preceding the academic year in which the increase would apply. It further requires that the regular November meeting shall not be held during the period in which classes have been suspended for Thanksgiving vacation.

Current Statutory Timing

- November
The Board of Regents must set tuition and mandatory fees (i.e. November 2003 for tuition revenues for the 2004-05 academic year)
- December
The state's Revenue Estimating Conference (REC) determines maximum state spending levels for the ensuing fiscal year, which begins the following July (i.e. December 2003 revenue estimates for FY 2005 spending levels).

- January
The legislative session begins and the Governor must set forth a state budget no later than February 1 using the December REC estimates.
- March
The REC meets again to evaluate state receipts. If the REC lowers state predictions at this time, the state spending levels are reduced. Spending levels cannot be increased from the December levels.
- April, May, or June
The state legislature and the Governor finalize state appropriations (i.e. 2004 General Assembly sets funding for FY 2005).
- July
Fiscal year begins.

Issues

The funding decisions for state appropriations and tuition revenues are integral to the financial well-being of the universities.

Because of the statutory timing, the Board sets tuition rates prior to the state parameters being established and prior to decisions of the legislature and the Governor.

The Board does not have the flexibility to adjust tuition rates to compensate for reductions or shortfalls in state appropriations.

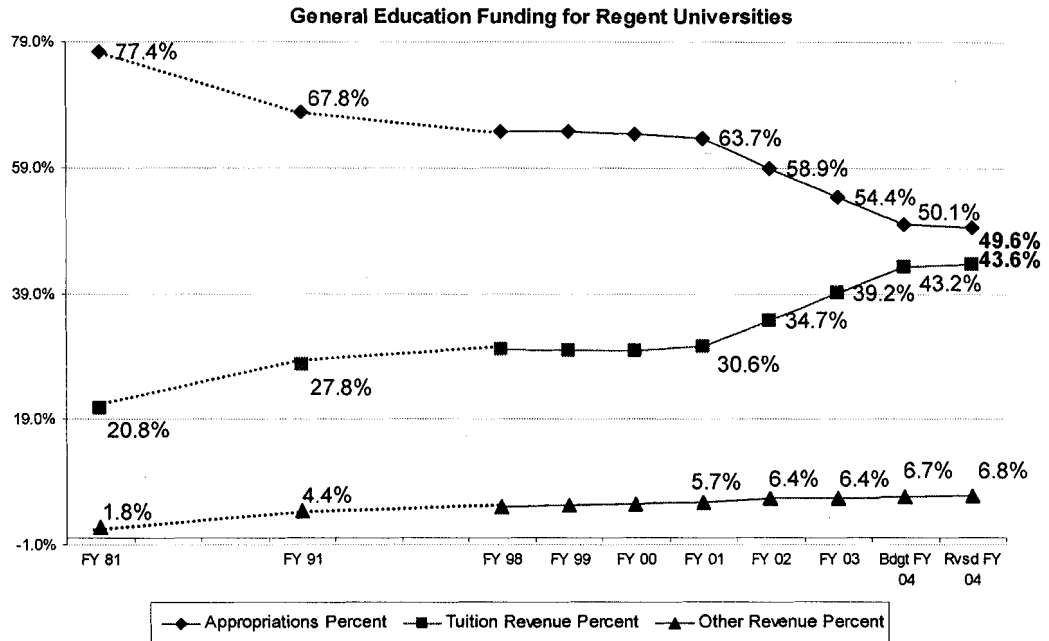
Any negative actions taken on state appropriations, such as significant reductions in state funding, cannot be addressed by the Board through modified tuition increases until a year after the cuts have been implemented.

Unless there is a modification of the statute, the Board cannot effectively plan for the future.

State
Appropriations

State appropriations have historically funded a large portion of the universities educational costs.

Since FY 1981, the portion of university expenditures financed by state appropriations has declined from 77.4% to an estimated 49.6% in FY 2004 after the midyear budget cuts.



Appropriations
Reductions

The Regent institutions have experienced appropriations reductions for five consecutive years with significant reductions in state appropriations the last three years.

The Regent share of the state's general fund appropriations has also declined:

- Between FY 1992 and FY 2001, the Regent share ranged from 14.7% to 15.3%.
- For FY 2003, the Regent share was only 14.0%
- FY 2004 estimates indicate the Regent share of the state's general fund budget at only 13.2%.

Previous Board
Action

In December 2003, the Board voted to support efforts to change the statutory timing requirement for setting tuition.

Analysis:

Increased state support in the future will be critical to moderate future tuition increases.

In September 2003, considerations were presented to the Board regarding the timing of tuition setting, which could:

- Allow the Board to set tuition based on the appropriations decisions of the General Assembly and Gubernatorial actions.
- Provide for setting of conditional tuitions whereby the Board could establish floors and ceilings, with the final tuition decisions being made after the General Assembly and Gubernatorial actions.
- Significantly delay the notification of tuition increases to students, which would impede the ability for students to plan.
- Delay final student financial aid decisions and increase related administrative costs since financial aid notices are generally determined in March.
- Delay Board action on tuition until after legislative actions are completed, meaning the Board may presumably not act on tuition until July (after the beginning of the fiscal year), due to the statutory 30-day notification.

Study

The Board Office and Regent universities considered several scenarios for modifying the statutory timing restrictions for the setting of tuition. Statutory notice for increasing tuition and fees essentially requires the Board to deal with rate increases at two separate meetings.

With the change in the Board's meeting schedule to be implemented in August of 2004, the following time frames were evaluated:

- November/December
- February/March
- March/May
- May/June

Advantages and disadvantages of these timing options were considered in determining a more appropriate time for setting tuition.

Recommendation

After evaluating each of the scenarios, the Board Office recommends the following timing be implemented for the 2005-06 academic year tuition decisions, contingent on necessary statutory revision:

December/February, with a March statutory deadline.

- Under ordinary conditions, the REC would have set official forecasts for state revenues by the December Board meeting and specific recommendations for tuition and fee increases could be presented to the Board in December. At the February meeting, the Board would give final approval to tuition rates for the coming year.
- Under unusual circumstances, a range of tuition rates could be offered in December, with further discussion in February, and a final decision made by the Board in March.

Evaluation

Advantages:

- Since the REC establishes maximum spending limits in December, the Board would have a better idea about the state's fiscal situation prior to setting tuition.
- A Board tuition decision made by February would allow the universities to provide students and their families with accurate and timely financial aid packages.
- This timeframe allows the universities to provide accurate and timely notification of student financial aid.
 - The universities currently notify students with financial aid packages during the February/March timeframe.
 - May 1 is the national Candidate Reply Date for student financial aid. If estimated financial award packages are sent to students because tuition is not yet known, federal regulations mandate that universities send out follow-up awards with accurate information.
 - This would significantly increase the administrative costs of the universities and would add uncertainty to the award letters that the students receive.
- The Board would have time to address mid-year appropriation reductions.
 - Currently, if mid-year state appropriation reductions are announced in October or November, the Board cannot address the implications in establishing tuition rates.
- This provides the Board with more flexibility in setting tuition.
- With a statutory deadline of March, the Board, if special circumstances warranted, would have the ability to delay the tuition decision to March.
- Students would still know well in advance.

Disadvantages:

- The Board would not know the level of state appropriations, a significant component of university resources, at the time the tuition levels are set.

Proposed
Legislation

Legislation (HF 2140) has been introduced to extend the date for the Board's tuition setting to no later than March. The Board, based on December action and review by the Presidents and Executive Director is on record supporting this legislation.

Mandatory Fees

Background:

Mandatory Fees History	<p>During the early 1990's, the Regents approved three types of mandatory fees, which were in addition to tuition - health fees, computer fees, and health facility fees. Mandatory fees provide a distinct resource to respond to the specific needs of students.</p> <p>The student health fee was approved for FY 1991, after several months of study. This fee eliminated the existing voluntary health fee and created a mandatory student health fee to benefit all students.</p> <p>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.</p> <p>The health facility fee was initiated at Iowa State University for FY 1994 to be applied to debt service obligations on a bond sale that funded the relocation and improvements of facilities for the Student Health Service. This was followed by the initiation of health facility fees to support improvements to student health facilities.</p>
Student Fee Committee	<p>During the 1992 General Assembly, legislation was enacted providing students the authority to participate in the allocation decisions for student fees.</p> <p>Per <u>Iowa Code</u> §262.34B, a student fee committee at each university, composed of five students and five university employees, is required to make recommendations for the student fee allocations to the university president by April 15 for the subsequent academic year.</p> <p>The university president, in turn, makes a recommendation to the Board and the Board makes the final decision on the allocations of student fees. This process allows student input into the decisions of how the student fees are allocated.</p>
Redirect of Tuition to Mandatory Fees	<p>In October 1999, the Board made a fundamental change in the structure of tuition and fees, approving a request of the University of Iowa to establish new mandatory fees for certain student activities and student services rather than using designated tuition revenues. The change took tuition revenues that had been designated historically for student activities and student services, and established them as separate and distinct mandatory fees.</p> <p>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.</p>
Consequences	<p>As a result of this redirection from tuition to mandatory fees produced the following:</p> <ul style="list-style-type: none">• 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 were spent for different purposes).

Continued Student Involvement

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

- 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.

Elimination of Designated-Tuition Fees

There has been a mix of mandatory fees and designated-tuition fees on a per student basis. In certain cases, a particular student need was funded from both sources which often caused confusion.

In November 2002, the Board directed the universities to phase out all allocations of tuition and establish them as mandatory fees, simplifying student fees. Designated-tuition fees will be completely eliminated by the 2004-05 academic year. During the 2003-04 academic year, only UNI had designated-tuition fees.

Current Policy

Regent Policy Manual §8.03 contains the Board's current policy on mandatory fees in Attachment F on page 21.

Historical Data

The following table provides the authorized dollar amount for mandatory fees and designated tuition since the 1989-90 academic year as well as the annual increases.

	SUI				ISU				UNI			
	Mandatory Fees	Designated Fees*	Total	% Increase	Mandatory Fees	Designated Fees*	Total	% Increase	Mandatory Fees	Designated Fees*	Total	% Increase
1989-90	-	128.92	128.92	7.0%	-	179.96	179.96	7.0%	-	127.50	127.50	7.0%
1990-91	20.00	128.92	148.92	15.5%	20.00	185.36	205.36	14.1%	20.00	131.30	151.30	18.7%
1991-92	120.00	128.92	248.92	67.2%	120.00	192.40	312.40	52.1%	120.00	136.40	256.40	69.5%
1992-93	140.00	132.70	272.70	9.6%	140.00	202.02	342.02	9.5%	140.00	136.20	276.20	7.7%
1993-94	160.00	132.70	292.70	7.3%	176.00	212.02	388.02	13.4%	160.00	142.20	302.20	9.4%
1994-95	164.00	136.02	300.02	2.5%	180.00	221.66	401.66	3.5%	164.00	148.20	312.20	3.3%
1995-96	172.00	141.68	313.68	4.6%	188.00	230.96	418.96	4.3%	172.00	154.20	326.20	4.5%
1996-97	176.00	147.14	323.14	3.0%	196.00	239.04	435.04	3.8%	180.00	159.60	339.60	4.1%
1997-98	194.00	152.88	346.88	7.3%	200.00	248.36	448.36	3.1%	186.00	165.60	351.60	3.5%
1998-99	202.00	162.26	364.26	5.0%	208.00	258.04	466.04	3.9%	194.00	172.00	366.00	4.1%
1999-00	212.00	173.02	385.02	5.7%	218.00	269.64	487.64	4.6%	202.00	179.70	381.70	4.3%
2000-01	298.00	101.64	399.64	3.8%	226.00	281.24	507.24	4.0%	224.00	187.40	411.40	7.8%
2001-02	406.00	87.64	493.64	23.5%	326.00	242.22	568.22	12.0%	324.00	147.30	471.30	14.6%
2002-03	499.00	89.04	588.04	19.1%	418.00	249.86	667.86	17.5%	425.50	167.20	592.70	25.8%
2003-04	651.00	-	651.00	10.7%	686.00	-	686.00	2.7%	574.00	90.00	664.00	12.0%
2004-05	694.00	-	694.00	6.6%	724.00	-	724.00	5.5%	685.00	-	685.00	3.2%

* Allocated part of tuition

Analysis:

Study

The Board Office and Regent universities considered several policy issues related to mandatory fees. These issues focused on whether policies should be implemented by the Board for the following:

- Maximum limits for mandatory fees
- Detailed definitions and purposes for mandatory fees
- Disposition guidelines for unexpended mandatory fees
- Uniform allocation of mandatory fees for part-time students

Evaluation

Mandatory fees are in addition to tuition. Fees for the 2004-05 academic year are approximately 15% of tuition and 13% of the combined tuition and mandatory amounts.

**Undergraduate Resident Tuition and Mandatory Fees
2004-05 Academic Year**

	<u>Tuition</u>	<u>Fees</u>	<u>Total</u>	<u>Fees as % of Tuition</u>	<u>Fees as % of Total</u>
SUI*	\$4,702	\$694	\$5,396	14.8%	12.9%
ISU*	4,702	724	5,426	15.4%	13.3%
UNI	4,702	685	5,387	14.6%	12.7%

* Computer fees vary at SUI and ISU.

Mandatory fees vary by university. Student participation in the activities supported by mandatory fees also varies by campus.

**Mandatory Fees
2004-05 Academic Year**

	<u>SUI</u>	<u>ISU</u>	<u>UNI</u>
Computer Fee*	\$ 206	\$ 196	\$ 165
Health Fee	166	170	124
Health Facility Fee	10	16	26
Student Activities Fee	51	57	-
Student Services Fee	53	179	190
Student Union Fee	89	-	-
Building Fee	<u>119</u>	<u>106</u>	<u>180</u>
	\$ 694	\$ 724	\$ 685

* Computer fees vary at SUI and ISU.

Students have a primary role in the setting of priorities and establishing the level of support for the activities funded by mandatory fees. Students participate in proposing fee increases to respond to campus-specific needs.

Mandatory fees proposals are determined on the basis of anticipated costs. Unlike tuition revenues, unspent mandatory fees may be carried over to subsequent fiscal years.

Subsequent allocations of student fees, except for building fees, are recommended by students, in accordance with state law.

While the institutions are accountable to the Board for these mandatory fees, they believe that additional thresholds would be unduly restrictive.

The universities indicated that current Board policy provides some flexibility with a great amount of oversight already since all increases or new mandatory fees must be approved by the Board. Further restrictions by the Board limits potential responses to the particular needs of the individual campuses.

Recommendation The Board Office recommends changes be made to the Board policy for miscellaneous fees as follows, effective for the 2005-06 academic year:

For a new mandatory fee to be established, a university must:

- Disclose the origination of the proposed fee (i.e. by student request or a need identified by the university).
- Identify the basis for the fee (i.e. services to be provided by fee and related costs of those services).
- Obtain documentation from the recognized student body governments indicating student support for the new fee.

Additionally, Board policy should require that unexpended funds from mandatory fees must be spent for the purposes for which the fee was originally implemented.

The Board Office recommends the following changes to current Board policy:

8.03 Mandatory Fees

A. General Policy

Mandatory fees, charged to each student, provide a distinct resource to respond to specific needs of students. Each institution must seek Board approval for any new mandatory fees or changes in mandatory fees.

For a new mandatory fee to be established, a university must:

- Disclose origination of proposed fee (i.e. by student request or a need identified by the university).
- Identify the basis for the fee (i.e. services to be provided by fee and related costs of those services).
- Consult with students regarding the proposed expenditures of the newly available revenues;
- Obtain documentation from the recognized student body governments indicating student support for new fee.

For proposed increases in mandatory fees above inflation, a university must follow the steps outlined for a proposed new fee.

Annually, during the discussion of tuition and mandatory fees, the universities must:

- Report to the Board on revenues and expenditures for all fees generated by the mandatory fees (including the disposition of unallocated funds);
 - Unexpended funds from mandatory fees must be spent for the purposes for which the fee was originally implemented.
- Address the applicability of mandatory fees for part-time students, off-campus students, and summer session students.

Each university must establish formal policies and procedures for assessing each mandatory fee and for granting exemptions.

MISCELLANEOUS FEES

Background

Requirements	The Regent <u>Policy Manual</u> specifies that the Board has authority over all institutional or college wide fees over \$1 per semester and all department fees over \$10 per semester. Review and approval of miscellaneous fees and charges is consistent with the Board's strategic plan to provide effective stewardship of institutional resources while advocating for resources needed to provide access to educational, research, and service opportunities.
Types of Miscellaneous Fees	Miscellaneous fees and charges include both tuition-related and non-tuition-related charges. In each category, students pay only the miscellaneous fees and charges that apply to them; these charges vary depending on each student's program, needs, and interests. Non-tuition related charges are presented to the Board in the spring.
Tuition-Related Miscellaneous Fees	Tuition-related fees include items such as continuing education courses and workshops. These fees are adjusted commensurate with the increase in tuition.
Non-Tuition-Related Miscellaneous Fees	Non-tuition related fees include a variety of items ranging from course delivery fees to private music lessons. In each category, students pay only for miscellaneous fees and charges that apply to them, with variances in type and amount dependent on each student's program, needs, and interests
Authority	<u>Iowa Code</u> §262.9(18) and <u>Regent Policy Manual</u> §8.04 (Attachment F, page 21) require that the Board review and approve miscellaneous fees and charges annually after acting upon tuition rates for the coming academic year.

Analysis

Study	<p>The Board Office and Regent universities considered several policy issues related to non-tuition-related miscellaneous fees, which include:</p> <ul style="list-style-type: none">• Standardizing increases• Establishing criteria for new fees• Setting a minimum dollar amount which requires Board approval
Evaluation	<p>Non-tuition-related miscellaneous fees are brought to the Board for approval in the spring of each year at the same meeting that room and board charges and parking rates are presented.</p> <p>Non-tuition-related fees represent 47 categories and almost 150 specific fees which include fees that are common to all institutions and many others that are not. A summary table of these fees is included on page 15.</p> <p>Standardizing fees would be unnecessarily restrictive and would not reflect institutional differences. Actual costs of some products/services may increase more sharply than others.</p> <p>Establishing basic criteria for miscellaneous fees could be difficult due to the unique nature of the diverse needs at the universities. Criteria that are too stringent may limit the institutions' ability to request fees commensurate with emerging needs and restrict the university's ability to request fees for areas outside the established parameters.</p>

Creating a new dollar threshold for miscellaneous fees needing Board approval would allow the institutions the ability to institute new fees that are below the threshold throughout the year. The universities would be able to recoup costs in a timelier manner.

Recommendation The Board Office recommends changes be made to the Board policy for miscellaneous fees as follows:

The Board would approve:

- All new institutional or college-wide fees; and
- Fees of \$20 or more per occurrence.

The university presidents would be authorized to make changes in approved fees as long as the fees remain below the \$20 threshold per occurrence.

Since the Board is scheduled to review and approve 2004-05 non-tuition-related miscellaneous fees during March and April, the Board Office recommends that this policy be effective with the 2005-06 academic year.

8.04 Miscellaneous Fees

A. Consistency Among Universities

The three universities are to continue to work together to establish common titles and charges for miscellaneous fees.

Some differences in fee titles and charges may remain because of the unique nature of some programs and services at each institution.

B. Institutional or College-Wide Fees

~~Universities must secure Board approval prior to the initiation of new student fees or increases in the amount of existing fees.~~

Board approval is required for:

- All new institutional or college-wide fees.
- All institutional or college-wide fees of \$20 or more per occurrence.

For approved fees under \$20 per occurrence, the university presidents are authorized to modify these fees.

~~The fees to which these provisions are applicable will include all institutional or college wide fees over \$1 per semester and all department fees over \$10 per semester.~~

These feesy do not include course fees for payment for materials used, fees that represent returnable deposits, fees assessed for damage or breakage by individual students, and fees assessed to pay for services external to the university.

NON-TUITION RELATED FEES AND MISCELLANEOUS CHARGES

Actual FY 2004

# of fees		SUI	ISU	UNI
1	Account Review Fee (per hour)	-	\$10	-
1	Additional Billing Statement Fee	-	\$5	-
7	Admission / Tuition Deposit	\$50 - \$500	\$300	-
5	Application Fee (non-refundable)	\$20 - \$75	\$30 - \$70	\$30 - \$50
7	Applied Music	\$83 - \$265	\$90 - \$130	\$25 - \$150
2	Career Service Fee	\$25 - \$50	-	-
1	Catalog Sales	\$10	\$5	\$5
1	CLEP Score Report	\$5	-	-
1	Cooperative Education Placement Fee	-	-	\$15
1	Copyright Fee -- Doctoral Dissertation (optional)	-	-	\$45
2	Course Delivery Fees	\$60	\$75	-
19	Dentistry Fees (DDS Students)	\$30 - \$4,925	-	-
2	Deferred Billing Administrative Fee	\$15 - \$20	\$20	\$15 - \$20
1	Degree Audit (additional copy)	\$5	\$3	-
1	Departmental Exam for Credit (per exam)	\$50	\$100	\$50
2	Developmental Courses	-	\$362	\$364
1	Diploma Replacement	\$25	\$20	\$25
1	Duplicate Check Charge	-	\$20	-
1	Essay Fee -- Doctorate of Musical Arts (DMA)	\$120	-	-
1	Fax Fee (for sending official documents)	\$7	\$7	\$7
1	Financial Aid A/R Reissue Check	\$10	-	-
1	Graduation Fee	\$25	\$20	\$25
1	ID Card Replacement	\$20	\$20	\$15
1	ID Card Annual Maintenance (non-students/non-employees)	-	\$10	-
1	Installment Payment Plan	-	\$50	-
2	International Students and Scholars (Administrative Fee)	\$20 - \$40	-	-
1	Late Payment of Fees and Charges	-	1%	-
1	Microfilm Fee -- Doctoral Dissertation	-	-	\$55
1	Orientation Services	\$105	-	\$75
1	New Student Programs/Matriculation	-	\$131	-
3	Perkins Loan Fees	-	-	\$3 - \$10
23	Placement Services	\$6 - \$25	\$5 - \$25	\$5 - \$25
1	Praxis I Preparation	-	\$25	-
8	Price Laboratory School (annual rates)	-	-	\$10 - \$1,000
14	Registration Fees	\$10 - \$70	\$8 - \$100	\$10 - \$70
13	Refund Schedule	% varies	% varies	% varies
1	Reinstatement Fee	\$25	-	-
1	Restricted Enrollment Fee (per occurrence)	-	-	\$25
1	Returned Check Charge	\$20	\$20	\$20
1	Returned Direct Debit	-	\$20	\$20
1	Senior Fee (optional)	-	\$2	-
1	Sponsored International Student Fee	-	5% of fees	-
1	Student Class Schedule Replacement	-	-	\$1
1	Student Teaching Fee	-	-	\$50
6	Study Aboard	\$125-\$600	\$95 - \$300	\$100 - \$400
3	Thesis Fee	\$100 - \$175	\$15 - \$70	\$25 - \$35
1	Transcripts	\$8	\$8	\$8

Camp Adventure™ (UNI)

Background:

Program History Founded in 1985 at the University of Oregon, *Camp Adventure Youth Services* operates in partnership with five other universities in the United States and the People's Republic of China. The program operates staff development programs at seven universities including the University of Northern Iowa.

The program has generated over \$30 million in grants and contracts since being moved to the University of Northern Iowa from the University of Oregon in 1991. Most of the cost of instruction is borne by the extramural funds provided by the U.S. Department of Defense.

Most staff members of the program are students studying for careers in education, youth/human services, or the leisure industry; however, at *Camp Adventure™*, all majors are welcome. The program is a 60-hour development program emphasizing basic values and traditions as well as the skills and knowledge needed to operate programs and services.

More than 750 college and university students participate in *Camp Adventure™* each summer. The program offers students the opportunity to travel and provide summer recreation programs at more than 100 program sites worldwide.

Analysis:

Study The Board Office considered the advantages and disadvantages of students paying the corresponding tuition rate for the credits received from the *Camp Adventure™* program.

The University is concerned that *Camp Adventure™*:

- May experience a reduction in the number of students participating in the program.
- Would be unable to meet contractual requirements as agreed to in the ten-year contract extension with the U.S. Air Force.

Evaluation Students in the *Camp Adventure™* program pay \$285 for 12 hours of continuing education credits, or nearly one semester of elective credit. This arrangement was negotiated when the program came to UNI in 1990.

In its June 30, 2002 report, the Auditor of State recommended that UNI, *Camp Adventure™*, and the Board review and determine the tuition and number of credit hours to be awarded for the program.

UNI responded by stating that *Camp Adventure™* contracts with the U.S. Military to fund the full cost of instruction of *Camp Adventure™* participants (college credits, living arrangements, and expenses) and that federal guidelines provide for the waiving of tuition.

The Board of Regents does not allow tuition waivers.

Recommendation The Board Office recommends the Board require that UNI charge the corresponding tuition rate for all credits awarded to students from the *Camp Adventure™* program and consider establishing a scholarship program to provide for the relevant tuition charges, effective with the 2005-06 academic year.

Student Financial Aid from Tuition Set-Aside

Background:

Access and Affordability

The ability and means to pay for college are significant considerations for students when making college decisions.

Historically, the state of Iowa has had very few programs to assist Iowa students with higher education costs at the public universities. In fact, the state has not funded its statutory work-study program for the last several years.

Tuition Set-Aside

Many years ago, the Board of Regents implemented a policy requiring the universities to set aside a percentage of tuition revenues for student financial assistance.

In November 2002, the Board increased the minimum rate to be set aside. Beginning in the 2003-2004 academic year, the universities are required to set aside at least 15% of gross tuition revenue for student financial aid. At that time, the Board directed the universities to increase their focus on need-based aid. Several other Board discussions have revolved around the financial needs of undergraduate students and resident students.

To provide high quality educational opportunities for all students, it is essential that the universities:

- Attract a diverse student body
- Provide affordable higher education

Other Aid Programs

The universities administer a number of federal and state student financial aid programs. These programs have very specific regulations for awarding student assistance, which generally focus around need-based aid.

In addition to federal/state aid programs, the universities administer a variety of scholarship/grant programs, including those from private sources, which must be administered according to donor wishes.

Analysis:

Study

The Board Office and Regent universities considered several policy issues related to student financial aid from tuition set-aside. These policy issues focused on whether more specific criteria should be implemented by the Board of Regents to direct the use of those set-aside funds, such as defining:

- Percentage of need-based aid versus merit-based aid
- Percentage of resident aid versus nonresident aid
- Objectives for tuition set-aside program

Evaluation

The tuition aid set-aside program, as budgeted for FY 2004, provides approximately \$79 million for student financial aid, which is well above the mandated minimum percent of 15%.

The universities have increased tuition set-aside resources at a greater rate than the rate of growth in tuition revenues. For FY 2004, the universities' tuition set-asides range from 17.1% to 22.1% of tuition revenues.

The current tuition set-aside program provides dedicated resources for the universities to utilize in attracting a diverse student body, including:

- Students from various demographic, ethnic, and socioeconomic backgrounds
- High ability students
- Transfer students and non-traditional students
- Resident and nonresident students

The tuition set-aside program is a valuable tool that allows the universities broad discretion to meet the needs of students, as well as Board and institutional strategic priorities.

The program provides maximum flexibility in responding to market and economic conditions as well as successful enrollment management. (For example, the universities were able to specifically earmark set-aside funds for Iowa farm students during the economic downturn in farming.)

For the most part, the universities believe that stringent mandates on tuition set-aside funds are not necessary because they could:

- Limit the responsiveness of the universities.
- Change the focus from students and quality educational objectives to percentages.
- Compromise current financial aid commitments to students that extend 4 years (subject to certain criteria), absent transition provisions.

However, a diverse student body, including a mix of need-based and merit-based students and resident and nonresident students, are necessary to ensure quality higher education opportunities.

Other Statistical
Data

The following tables represent student financial aid data relative to the current discussion.

Revised Budget Data FY 2004				
	<u>Tuition Revenue</u>	<u>15% Tuition Set-Aside</u>	<u>Incremental Tuition Set-Aside</u>	<u>% Tuition Set-Aside</u>
SUI	\$198,291,993	\$29,743,799	\$4,072,311	17.1%
ISU	159,809,266	23,971,390	11,338,215	22.1%
UNI	56,100,000	8,415,000	1,685,000	18.0%
Total Tuition and Tuition Set-Aside Percentage of Dollars 2002-2003				
	Resident		Nonresident	
	<u>Tuition</u>	<u>Set-Aside</u>	<u>Tuition</u>	<u>Set-Aside</u>
SUI	48.0%	61.0%	52.0%	39.0%
ISU	49.1%	36.4%	50.9%	63.1%
UNI	86.6%	61.3%	13.4%	38.7%

Tuition and Tuition Set-Aside Percentage of Dollars 2002-2003				
	Undergraduate		Graduate/Professional	
	<u>Tuition</u>	<u>Set-Aside</u>	<u>Tuition</u>	<u>Set-Aside</u>
SUI	72.2%	54.0%	27.8%	46.0%
ISU	84.4%	73.9%	15.6%	26.1%
UNI	92.0%	78.4%	8.0%	21.6%
Undergraduate Tuition and Tuition Set-Aside Percentage of Dollars 2002-2003				
	Resident		Nonresident	
	<u>Tuition</u>	<u>Set-Aside</u>	<u>Tuition</u>	<u>Set-Aside</u>
SUI	39.1%	59.2%	60.9%	40.8%
ISU	49.7%	40.3%	50.3%	59.7%
UNI	87.0%	61.6%	13.0%	38.4%
Undergraduate Tuition Set-Aside Percentage of Dollars 2002-2003				
	<u>Need-Based</u>	<u>Merit-Based</u>		
SUI	70.0%	30.0%	(41% demonstrated need)	
ISU	46.2%	53.8%	(48% demonstrated need)	
UNI	44.7%	55.3%	(50% demonstrated need)	
Undergraduate Students Receiving Need-Based Aid Percentage of Students 2002-2003				
	Resident	Nonresident	Total	
SUI	49.0%	32.0%	46.0%	
ISU	49.8%	36.5%	46.7%	
UNI	62.9%	47.3%	61.9%	
Undergraduate Students Receiving Tuition Set-Aside Awards Percentage of Awards 2002-2003				
	Resident		Nonresident	
SUI	62.4%		37.6%	
ISU	66.8%		33.2%	
UNI	85.2%		14.8%	
Undergraduate Students Receiving Tuition Set-Aside Awards Percentage of Awards 2002-2003				
	Resident		Nonresident	
	<u>Need-Based</u>	<u>Merit-Based</u>	<u>Need-Based</u>	<u>Merit-Based</u>
SUI	37.0%	25.4%	10.7%	26.9%
ISU	48.2%	18.6%	14.5%	18.7%
UNI	39.4%	45.8%	6.3%	8.5%

Recommendations The Board Office believes that the tuition set-aside program should remain flexible, but should also address concerns expressed by the Board of Regents about undergraduate students and students with financial need. The Board Office recommends that the Board establish the following new policies to be included in Chapter 8 of the Regent Policy Manual, effective for the 2005-06 academic year:

Tuition Set-Aside

- Each year, the universities are directed to set-aside at least 15% of gross tuition revenues for student financial aid.
 - Within the 15% minimum tuition set-aside, no less than 50% of the dollars are to be distributed to undergraduate students.
 - Of the undergraduate proportion of tuition set-aside, no less than 50% of the dollars are to be distributed to resident students.
 - Of the undergraduate proportion of tuition set-aside, no less than 50% of the dollars are to be distributed for aid to need-based students.
 - The universities are authorized to set aside additional tuition revenues for student aid to help achieve institutional strategic enrollment goals:
 - Up to an additional 10% of gross tuition revenues.
 - Not subject to the restrictions of the first 15%.
 - If necessary, a transition period could be requested by the universities to enable them to meet current commitments to students.
-

Related Excerpts from the Board's Policy Manual Chapter VIII. Fees and Charges

8.01 Board Responsibilities

The Board of Regents is responsible for establishing fees and charges at the Regent institutions, such as tuition, mandatory fees, miscellaneous charges, room and board rates for university residence systems, and parking rates. Certain exceptions do apply.

Each proposed increase in student charges is presented to the Board twice — first for preliminary consideration and public notice requirements and second for final approval.

State law [I.C. §262.9.18 and IAC §681—9.6(1)] requires the Board to:

1. Notify the presiding officers of the student government organizations not less than thirty days prior to action to increase charges, including a copy of the related docket memorandum; and
2. Make the final decision on tuition and mandatory fees for the next academic year no later than the Board's November meeting, which is to be held in one of the three university cities but not held during the Thanksgiving break.

The Iowa Administrative Code [IAC §681—9.6(2)] requires, that if an increase is proposed from the initial amount to increase a tuition, fee, or charge is increased, the docket is to be resent to student leaders and an additional 30-day notice period is to be given prior to Board approval.

The distribution of Board docket materials relating to the proposed increases shall be sent to the person identified by each institution as the student government president and mailed or emailed to the student government office listed in each university directory

8.02 Tuition

A. Tuition Policy

Iowa law (I.C. §262.9.23) requires the Board to adopt a policy for establishment of tuition rates that provide some predictability for assessing and anticipating changes. Consistent with this requirement, the Board's tuition policy is as follows:

Resident undergraduate tuition at the Regent universities shall be set annually to keep pace with the Higher Education Price Index 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.

B. Classifications of Residents and Nonresidents for Tuition

1. General

The rules for classification of a student as a resident or nonresident for tuition and fee purposes are found in the IAC §681 - 1.4. Those rules include general residency guidelines, with specific discussion of military personnel, American Indians, refugees, and immigrants.

2. Graduate Assistants and Spouses

Nonresident students with graduate assistantships of 1/4-time or more retain their nonresidency classification, but are assessed Iowa resident tuition and fees as long as the graduate assistantship is continued.

The spouse of a nonresident 1/4-time or more graduate assistant is eligible for Iowa resident tuition during the period of the assistantship appointment. Iowa residency is not granted. When the graduate assistantship ends, the resident tuition assessment for the spouse is terminated.

C. Tuition for Students

- A. Undergraduate Part-Time Tuition -- Resident Rates
 - a. A fixed amount for 0 through 2 credits per term.
 - b. An additional amount for each credit per term from 3 credits per term through 11 credits per term.
 - c. A fixed amount for 12 credits per term and over as established by the Board of Regents.
- B. Undergraduate Part-Time Tuition -- Nonresident Rates
 - a. Rates are to be identical to resident rates for 0 through 4 credits per term.
 - b. Follow the above pattern for undergraduate resident rates for 5 credits per term and over as established by the Board of Regents.
- C. Graduate Part-Time Tuition
 - a. A fixed amount for 0 through 2 credits per term.
 - b. An additional amount for each credit per term from 3 credits per term through 9 credits per term for each university.
 - c. A fixed amount for 9 credits per term and over as established by the Board of Regents.
 - d. Rates for nonresident students are to be identical to resident rates for 0 through 4 credits.
- D. Guidelines for counting post-baccalaureate students as graduate students or special students:
 - a. Count as graduate students only those students who meet the academic requirements (e.g., rank in class, grade point average, subject matter background, standardized test scores, etc.) and are admitted to the Graduate College (ISU, SUI). (See [3] for special conditions relative to UNI.)
 - b. Do not permit students to register for more than 15 credits per term for graduate degrees.
 - c. Establish a category of students called special student (or some appropriate equivalent) that includes students with a baccalaureate degree not admitted to the graduate college. This category does not include professional students (medicine, dentistry, law, nursing, pharmacy, veterinary medicine). At UNI, all students with baccalaureate degrees are classified as graduate students upon admission and may be classified subsequently as degree candidates with departmental and graduate college approval.
 - d. Charge special students the same tuition as is charged undergraduate students.
 - e. Recognize that unusual situations may occur and allow deviations from the guidelines set forth above only under conditions as established by the academic vice presidents so that a level of excellence in all programs will be maintained.

D. Tuition for Students Taking an Overload

An additional tuition fee will not be charged for any overload credits taken by a full-time student at a Regent university.

8.03 Mandatory Fees

• **General Policy**

Mandatory fees, charged to each student, provide a distinct resource to respond to specific needs of students. Each institution must seek Board approval for any new mandatory fees or changes in mandatory fees. For a new mandatory fee to be established, a university must:

- Consult with students regarding the proposed expenditures of the newly available revenues;
- Report to the Board on revenues and expenditures for all fees generated by the mandatory fees (including the disposition of unallocated funds); and
- Address the applicability of mandatory fees for part-time students, off-campus students, and summer session students.

Each university must establish formal policies and procedures for assessing each mandatory fee and for granting exemptions.

• **Mandatory Fees for Part-Time Students**

The institutions must submit any changes regarding assessment of mandatory fees to part-time students to the Board for approval during the annual discussion of tuition and mandatory fees.

• **Exemptions**

The universities may grant exemptions from mandatory fees to extension and study abroad students and other off-campus groups, such as student teachers, co-op students, internship students, and practicum students.

University exemption policies should consider the student's access to campus services and physical proximity to campus. University policies should include definitions and criteria for judging access to institutional facilities and should be consistent with related bond covenants.

8.04 Miscellaneous Fees

C. Consistency Among Universities

The three universities are to continue to work together to establish common titles and charges for miscellaneous fees.

Some differences in fee titles and charges may remain because of the unique nature of some programs and services at each institution.

D. Institutional or College-Wide Fees

Universities must secure Board approval prior to the initiation of new student fees or increases in the amount of existing fees. The fees to which these provisions are applicable will include all institutional or college-wide fees over \$1 per semester and all department fees over \$10 per semester. They do not include course fees for payment for materials used, fees that represent returnable deposits, fees assessed for damage or breakage by individual students, and fees assessed to pay for services external to the university.

E. Student Organization Fees

The Board approves the concept of a negative checkoff system (opt-out funding) for a student organization financed by nonmandatory student fee collections for the University of Northern Iowa.

The Board approves the concept of a positive checkoff system (opt-in funding) for students to a student organization financed by nonmandatory student fee collections for the University of Iowa and Iowa State University.

F. Types of Miscellaneous Fees

1. Tuition related

Tuition-related fees include items such as continuing education courses and workshops. The tuition-related fees are presented with the Board's annual discussion of tuition and mandatory fees.

2. Non-tuition related

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. The non-tuition-related fees are presented in the spring timeframe when the Board discusses room and meal rates.

8.05 Allocation of Student Fees from Mandatory Fees and Designation Tuition

State law [I.C 262.34B] provides procedures for changing allocations of student fees.

- A student fee committee at each university, composed of five students and five university employees, makes recommendations for the student fee allocations to the university president by April 15 for the subsequent academic year.
- The university president forwards the student fee committee recommendations and provides a recommendation to the Board for consideration.
- The Board makes the final decision on changes to student fees.

Two distinct types of allocations/designations may be made:

- Allocation of certain mandatory student fees; and
- Allocation of a portion of tuition specifically designated as student fees.