

- A. For the purpose of developing a formulation for the construction and operation of a tri-state school, the sum of \$15 million is proposed as the estimated cost for building and equipping a school for an entering class of 90 students (based on extrapolation of the costs at the Medical Center, University of Alabama). Implementation of the project would be contingent upon the passage of federal health manpower legislation for the funding of optometric educational facilities and the award of federal assistance. The assumption is made that the cost sharing arrangement might be 80% federal, 20% state.

The sum of \$3 million is proposed as the estimated cost for annual operation, based upon extrapolation of operational costs at the University of Alabama.

B. Sharing of Capital Funding for Construction and Equipment (Total - \$15 million)

- (1) From Federal Government (HEW): 80% or \$12.0 million
- (2) Matching funds from the three states: 20% or \$3.0 million

- (a) Georgia: 35 guaranteed spaces at 40% of cost or \$1.2 million
- (b) North Carolina: 35 guaranteed spaces at 40% of cost or 1.2 million
- (c) South Carolina: 20 guaranteed spaces at 20% of cost or 0.6 million

\$3.0 million

C. Sharing of Operating Expenses

- (1) From payments from the three states, calculated on a proportional basis to the number of spaces occupied, at the SREB rate for out-of-state contract charges (\$3,000/student space)

- (a) Estimated share for 35 students/each of 4 classes from Georgia, or 140 students at \$3,000 \$0.42 million
- (b) Estimated share for 35 students/each of 4 classes from North Carolina, or 140 students at \$3,000 0.42 million
- (c) Estimated share for 20 students/each of 4 classes from South Carolina, or 80 students at \$3,000 0.24 million

From Cost Sharing, Subtotal \$1.08 million

- (2) The remainder (\$3.00 million minus \$1.08 million) would come from the state to be selected as the host for the regional school. (The host state will own the school, retain the tuition, fees, sponsored research, and earnings from the clinics, perhaps totalling \$0.5 million).

Total Operational Cost/Year \$3.0 million

D. Summary of Costs

	<u>Capital Costs</u>	<u>Annual Operating Costs</u>
Georgia	\$1.2 million	\$0.42 million
North Carolina	\$1.2 million	\$0.42 million
South Carolina	\$0.6 million	\$2.16 million (if selected as host state) or \$0.24 million (if not selected as host state)