

Contact: Brad Berg

FY 2009 UNIT COST OF INSTRUCTION

Action Requested:

Receive the unit cost of instruction report for FY 2009.

Executive Summary:

The unit cost of instruction represents the general fund supported cost of educating a full-time equivalent student for one school year. The unit cost equals the total amount of instructional expenditures divided by the number of FTE students. The Regent universities have compiled the unit costs of instruction on a biennial basis since FY 1969. The unit cost information is utilized in part to:

- assist in tuition rate discussions
- analyze historical data
- form the basis for the Iowa Tuition Grant Program

The following costs are included in the unit cost calculation:

- instruction – costs associated with classroom teaching and preparation
- research – departmental and organized research funded by general education funds
- academic support (excludes Price Lab School) – libraries, Dean’s offices, academic computing, academic affairs functions
- student services – portion of health services and counseling related to instruction
- institutional support – administrative costs attributable to instructional units
- plant operation & maintenance (excludes building repairs) – costs attributable to instructional units

The following costs are excluded from the unit cost calculation:

- building repairs
- public service
- scholarships and fellowships
- auxiliary enterprises
- health care units
- indirect costs

The composite unit cost includes FTE’s from undergraduate, masters, advanced graduate and professional education levels. FTE’s are based on 30 credit hours for undergraduates and 18 credit hours for each advanced graduate student. Each professional student is counted as one FTE.

Composite Unit Cost by University

	Total Expenditures			FTE Students			Composite Unit Cost		
	FY 2007	FY 2009	Inc/Dec	FY 2007	FY 2009	Inc/Dec	FY 2007	FY 2009	Inc/Dec
SUI	\$390,770,189	\$440,384,308	12.7%	25,826	25,825	0.0%	\$15,131	\$17,053	12.7%
ISU	286,581,836	322,295,152	12.5%	22,499	23,869	6.1%	12,738	13,503	6.0%
UNI	<u>120,705,624</u>	<u>135,873,315</u>	<u>12.6%</u>	<u>10,784</u>	<u>11,141</u>	<u>3.3%</u>	<u>11,193</u>	<u>12,196</u>	<u>9.0%</u>
Total	\$798,057,649	\$898,552,775	12.6%	59,109	60,835	2.9%	\$13,501	\$14,770	9.4%

The unit cost of instruction varies significantly by student level and educational program. SUI has the highest composite unit cost due to the higher costs associated with their advanced graduate and professional level programs.

Unit Cost by Student Level

	SUI		ISU		UNI		Composite	
	Unit Cost	FTE						
Lower Division	\$8,565	8,522	\$9,076	8,387	\$9,149	4,003	\$8,881	20,912
Upper Division	13,180	9,537	12,873	10,819	12,805	5,921	12,969	26,277
Undergrad Composite	11,002	18,059	11,215	19,206	11,330	9,924	11,158	47,189
Masters	19,910	2,782	15,002	1,887	17,752	912	17,898	5,581
Advanced Graduate	40,400	2,050	21,313	2,295	23,744	305	29,887	4,650
Professional	35,274	2,934	61,705	481	-	-	38,997	3,415
Total Composite	\$17,053	25,825	\$13,503	23,869	\$12,196	11,141	\$14,770	60,835

Unit cost of instruction includes fixed costs and variable costs. Fixed costs include research, library books, plant operations, and equipment. The fixed costs are expected to remain stable within a reasonable enrollment range. Variable costs include direct instructional costs, general administration, and student services.

Unit Cost by Fixed/Variable Costs

	SUI			ISU			UNI			Composite		
	FY 2009	FY 2009	FY 2007	FY 2009	FY 2009	FY 2007	FY 2009	FY 2009	FY 2007	FY 2009	FY 2009	FY 2007
	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent
Fixed Unit Cost	\$3,592	21.1%	19.6%	\$3,302	24.5%	24.1%	\$2,064	16.9%	17.3%	\$3,198	21.7%	20.9%
Variable Unit Cost	13,461	78.9%	80.4%	10,201	75.5%	75.9%	10,132	83.1%	82.7%	11,572	78.3%	79.1%
Total Unit Cost	\$17,053	100.0%	100.0%	\$13,503	100.0%	100.0%	\$12,196	100.0%	100.0%	\$14,770	100.0%	100.0%

The unit cost of professional programs at SUI and ISU are included in the composite unit cost of instruction. A tuition supplement provided additional funding resulting in increased program expenditures for the Pharmacy and Law programs at SUI. The supplemental funding for the programs combined with modest changes in enrollment resulted in unit cost increases for programs. The unit cost increase in Veterinary Medicine is the result of additional funds being dedicated to Vet Med to achieve reaccreditation and for Phase I of the renovation/addition, and an increase in the allocation of prorated costs based on enrollment in accordance with the Resource Management budget model.

Professional Level Unit Cost of Instruction

	FY 2009	FY 2007	Unit Cost	FTE
	Unit Cost	Unit Cost	% Change	% Change
University of Iowa				
Medicine	\$31,617	\$32,089	-1.5%	13.3%
Dentistry	74,321	69,348	7.2%	1.6%
Pharmacy	23,689	20,935	13.2%	2.1%
Law	32,159	27,881	15.3%	-3.8%
Professional Composite	\$35,274	\$33,647	4.8%	6.1%
Iowa State University				
Veterinary Medicine	\$61,705	\$54,997	12.2%	9.6%

Comparative detailed data for instructional expenditures, FTE students, and unit cost of instruction for FY 2007 and FY 2009 for each of the five student educational levels are shown on the following page. A 12.6% increase in instructional expenditures and a 2.9% increase in FTE students resulted in a 9.4% increase in the Regent enterprise unit cost of instruction.

EXPENDITURES INCLUDED, FTE STUDENTS, AND UNIT COST OF INSTRUCTION
FY 2007, FY 2009

	Expenditures			FTE Students			Unit Costs		
	FY 2007	FY 2009	% Change	FY 2007	FY 2009	% Change	FY 2007	FY 2009	% Change
UNIVERSITY OF IOWA									
Lower Division	64,696,906	72,987,012	12.8%	8,616	8,522	-1.1%	7,509	8,565	14.1%
Upper Division	111,877,235	125,694,870	12.4%	9,761	9,537	-2.3%	11,462	13,180	15.0%
Subtotal Undergraduate	\$176,574,141	\$198,681,882	12.5%	18,377	18,059	-1.7%	\$9,608	\$11,002	14.5%
Masters	48,759,031	55,388,754	13.6%	2,657	2,782	4.7%	18,351	19,910	8.5%
Advanced Graduate	72,370,613	82,819,530	14.4%	2,026	2,050	1.2%	35,721	40,400	13.1%
Professional	93,066,404	103,494,142	11.2%	2,766	2,934	6.1%	33,647	35,274	4.8%
Total	\$390,770,189	\$440,384,308	12.7%	25,826	25,825	0.0%	\$15,131	\$17,053	12.7%
IOWA STATE UNIVERSITY									
Lower Division	66,328,993	76,119,008	14.8%	7,380	8,387	13.6%	8,988	9,076	1.0%
Upper Division	127,284,619	139,275,306	9.4%	10,644	10,819	1.6%	11,958	12,873	7.7%
Subtotal Undergraduate	\$193,613,612	\$215,394,314	11.2%	18,024	19,206	6.6%	\$10,742	\$11,215	4.4%
Masters	25,297,140	28,308,050	11.9%	1,819	1,887	3.7%	13,907	15,002	7.9%
Advanced Graduate	43,527,598	48,912,914	12.4%	2,217	2,295	3.5%	19,634	21,313	8.6%
Professional	24,143,486	29,679,874	22.9%	439	481	9.6%	54,997	61,705	12.2%
Total	\$286,581,836	\$322,295,152	12.5%	22,499	23,869	6.1%	\$12,738	\$13,503	6.0%
UNIVERSITY OF NORTHERN IOWA									
Lower Division	29,560,782	36,623,403	23.9%	3,609	4,003	10.9%	8,191	9,149	11.7%
Upper Division	70,004,668	75,818,648	8.3%	5,968	5,921	-0.8%	11,730	12,805	9.2%
Subtotal Undergraduate	\$99,565,450	\$112,442,051	12.9%	9,577	9,924	3.6%	\$10,396	\$11,330	9.0%
Masters	14,239,165	16,189,410	13.7%	870	912	4.8%	16,367	17,752	8.5%
Advanced Graduate	6,901,009	7,241,854	4.9%	337	305	-9.5%	20,478	23,744	15.9%
Total	\$120,705,624	\$135,873,315	12.6%	10,784	11,141	3.3%	\$11,193	\$12,196	9.0%
TOTAL REGENT UNIVERSITIES									
Lower Division	160,586,681	185,729,423	15.7%	19,605	20,912	6.7%	8,191	8,881	8.4%
Upper Division	309,166,522	340,788,824	10.2%	26,373	26,277	-0.4%	11,723	12,969	10.6%
Subtotal Undergraduate	\$469,753,203	\$526,518,247	12.1%	45,978	47,189	2.6%	\$10,217	\$11,158	9.2%
Masters	88,295,336	99,886,214	13.1%	5,346	5,581	4.4%	16,516	17,898	8.4%
Advanced Graduate	122,799,220	138,974,298	13.2%	4,580	4,650	1.5%	26,812	29,887	11.5%
Professional	117,209,890	133,174,016	13.6%	3,205	3,415	6.6%	36,571	38,997	6.6%
TOTAL	\$798,057,649	\$898,552,775	12.6%	59,109	60,835	2.9%	\$13,501	\$14,770	9.4%