

**Contact: Brad Berg**

**FY 2013 UNIT COST OF INSTRUCTION**

**Action Requested:**

Receive the unit cost of instruction report for FY 2013.

**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 – 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 FTEs from undergraduate, masters, advanced graduate and professional education levels. FTEs are based on 30 annual credit hours for undergraduates and 18 annual credit hours for each advanced graduate student. Each professional student is counted as one FTE. A 9.6% increase in instructional expenditures coupled with a slight increase in FTE students resulted in a 7.0% increase in the enterprise-wide unit cost of instruction when compared to FY 2011.

Composite Unit Cost by University

	Total Expenditures			FTE Students			Composite Unit Cost		
	FY 2011	FY 2013	Inc/Dec	FY 2011	FY 2013	Inc/Dec	FY 2011	FY 2013	Inc/Dec
SUI	\$447,397,104	\$482,383,092	7.8%	26,253	26,253	0.0%	\$17,042	\$18,374	7.8%
ISU	310,043,308	353,955,798	14.2%	26,526	29,133	9.8%	11,688	12,150	3.9%
UNI	<u>130,622,933</u>	<u>137,143,375</u>	<u>5.0%</u>	<u>11,431</u>	<u>10,425</u>	<u>-8.8%</u>	<u>11,427</u>	<u>13,155</u>	<u>15.1%</u>
Total	\$888,063,345	\$973,482,265	9.6%	64,210	65,811	2.5%	\$13,831	\$14,792	7.0%

\* Undergraduate FTE's based on 30 credit hours per student

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	\$8,990	9,213	\$8,514	10,320	\$9,670	3,535	\$8,881	23,068
Upper Division	14,056	9,566	12,142	14,156	13,767	5,956	13,085	29,678
Undergrad Composite	11,571	18,779	10,612	24,476	12,241	9,491	11,247	52,746
Masters	23,217	2,554	12,992	2,018	20,639	685	18,956	5,257
Advanced Graduate	46,324	2,137	17,064	2,101	27,410	249	31,574	4,487
Professional	38,377	2,783	59,749	538	-	-	41,839	3,321
Total Composite	\$18,374	26,253	\$12,150	29,133	\$13,155	10,425	\$14,792	65,811

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 2013	FY 2013	FY 2011	FY 2013	FY 2013	FY 2011	FY 2013	FY 2013	FY 2011	FY 2013	FY 2013	FY 2011
	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent
Fixed Unit Cost	\$3,842	20.9%	22.7%	\$2,812	23.1%	23.4%	\$1,945	14.8%	19.5%	\$3,085	20.9%	22.5%
Variable Unit Cost	14,532	79.1%	77.3%	9,338	76.9%	76.6%	11,210	85.2%	80.5%	11,707	79.1%	77.5%
Total Unit Cost	\$18,374	100.0%	100.0%	\$12,150	100.0%	100.0%	\$13,155	100.0%	100.0%	\$14,792	100.0%	100.0%

The unit cost of professional programs at SUI and ISU are included in the composite unit cost of instruction. The composite unit cost of instruction for all professional students at SUI increased 3.8% over the two-year period. The FY 2013 unit cost for law students increased from FY 2011 due to additional Law Library acquisitions and other allocable expense increases that were independent of the enrollment decline. The unit cost of instruction for ISU's professional Veterinary Medicine program increased 4.6% when compared to FY 2011 with enrollment in the program remaining flat during the two-year period.

**Professional Level Unit Cost of Instruction**

	FY 2013	FY 2011	Unit Cost	FTE
	Unit Cost	Unit Cost	% Change	% Change
University of Iowa				
Medicine	\$33,240	\$32,288	2.9%	2.9%
Dentistry	65,872	70,556	-6.6%	1.2%
Pharmacy	26,127	24,004	8.8%	-0.7%
Law	45,093	38,963	15.7%	-8.6%
Professional Composite	\$38,377	\$36,983	3.8%	-0.3%
Iowa State University				
Veterinary Medicine	\$59,749	\$57,104	4.6%	0.2%

Comparative detailed data for instructional expenditures, FTE students, and unit cost of instruction for FY 2011 and FY 2013 for each of the five student educational levels are shown on the following page.

EXPENDITURES INCLUDED, FTE STUDENTS, AND UNIT COST OF INSTRUCTION  
FY 2011, FY 2013

	Expenditures			FTE Students			Unit Costs		
	FY 2011	FY 2013	% Change	FY 2011	FY 2013	% Change	FY 2011	FY 2013	% Change
<b>UNIVERSITY OF IOWA</b>									
Lower Division	75,320,472	82,826,668	10.0%	8,984	9,213	2.5%	8,384	8,990	7.2%
Upper Division	121,857,125	134,460,206	10.3%	9,444	9,566	1.3%	12,903	14,056	8.9%
Subtotal Undergraduate	\$197,177,597	\$217,286,874	10.2%	18,428	18,779	1.9%	\$10,700	\$11,571	8.1%
Masters	56,039,298	59,297,186	5.8%	2,767	2,554	-7.7%	20,253	23,217	14.6%
Advanced Graduate	90,961,162	98,995,353	8.8%	2,267	2,137	-5.7%	40,124	46,324	15.5%
Professional	103,219,047	106,803,679	3.5%	2,791	2,783	-0.3%	36,983	38,377	3.8%
Total	\$447,397,104	\$482,383,092	7.8%	26,253	26,253	0.0%	\$17,042	\$18,374	7.8%
<b>IOWA STATE UNIVERSITY</b>									
Lower Division	71,251,469	87,859,497	23.3%	9,167	10,320	12.6%	7,773	8,514	9.5%
Upper Division	142,302,796	171,882,297	20.8%	12,476	14,156	13.5%	11,406	12,142	6.5%
Subtotal Undergraduate	\$213,554,265	\$259,741,794	21.6%	21,643	24,476	13.1%	\$9,867	\$10,612	7.6%
Masters	26,612,812	26,216,930	-1.5%	2,047	2,018	-1.4%	13,001	12,992	-0.1%
Advanced Graduate	39,211,527	35,852,169	-8.6%	2,299	2,101	-8.6%	17,056	17,064	0.0%
Professional	30,664,704	32,144,905	4.8%	537	538	0.2%	57,104	59,749	4.6%
Total	\$310,043,308	\$353,955,798	14.2%	26,526	29,133	9.8%	\$11,688	\$12,150	3.9%
<b>UNIVERSITY OF NORTHERN IOWA</b>									
Lower Division	32,138,161	34,182,656	6.4%	3,839	3,535	-7.9%	8,371	9,670	15.5%
Upper Division	76,382,871	81,998,033	7.4%	6,381	5,956	-6.7%	11,970	13,767	15.0%
Subtotal Undergraduate	\$108,521,032	\$116,180,689	7.1%	10,220	9,491	-7.1%	\$10,618	\$12,241	15.3%
Masters	14,899,035	14,137,595	-5.1%	877	685	-21.9%	16,989	20,639	21.5%
Advanced Graduate	7,202,866	6,825,091	-5.2%	334	249	-25.4%	21,565	27,410	27.1%
Total	\$130,622,933	\$137,143,375	5.0%	11,431	10,425	-8.8%	\$11,427	\$13,155	15.1%
<b>TOTAL REGENT UNIVERSITIES</b>									
Lower Division	178,710,102	204,868,821	14.6%	21,990	23,068	4.9%	8,127	8,881	9.3%
Upper Division	340,542,792	388,340,536	14.0%	28,301	29,678	4.9%	12,033	13,085	8.7%
Subtotal Undergraduate	\$519,252,894	\$593,209,357	14.2%	50,291	52,746	4.9%	\$10,325	\$11,247	8.9%
Masters	97,551,145	99,651,711	2.2%	5,691	5,257	-7.6%	17,141	18,956	10.6%
Advanced Graduate	137,375,555	141,672,613	3.1%	4,900	4,487	-8.4%	28,036	31,574	12.6%
Professional	133,883,751	138,948,584	3.8%	3,328	3,321	-0.2%	40,229	41,839	4.0%
<b>TOTAL</b>	\$888,063,345	\$973,482,265	9.6%	64,210	65,811	2.5%	\$13,831	\$14,792	7.0%