

Contact: Brad Berg

FY 2011 UNIT COST OF INSTRUCTION

Action Requested:

Receive the unit cost of instruction report for FY 2011.

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. A slight decrease in instructional expenditures and a 4.4% increase in FTE students resulted in a 5.4% decrease in the enterprise-wide unit cost of instruction when compared to FY 2009.

Composite Unit Cost by University

	Total Expenditures			FTE Students			Composite Unit Cost		
	FY 2009	FY 2011	Inc/Dec	FY 2009	FY 2011	Inc/Dec	FY 2009	FY 2011	Inc/Dec
SUI	\$440,384,308	\$447,397,104	1.6%	25,825	26,253	1.7%	\$17,053	\$17,042	-0.1%
ISU	322,295,152	310,043,308	-3.8%	24,510	26,526	8.2%	13,150	11,688	-11.1%
UNI	<u>135,873,315</u>	<u>130,622,933</u>	<u>-3.9%</u>	<u>11,141</u>	<u>11,431</u>	<u>2.6%</u>	<u>12,196</u>	<u>11,427</u>	<u>-6.3%</u>
Total	\$898,552,775	\$888,063,345	-1.2%	61,476	64,210	4.4%	\$14,616	\$13,831	-5.4%

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	Unit Cost	FTE	Unit Cost	FTE	Unit Cost	FTE
Lower Division	\$8,384	8,984	\$7,773	9,167	\$8,371	3,839	\$8,127	21,990
Upper Division	<u>12,903</u>	<u>9,444</u>	<u>11,406</u>	<u>12,476</u>	<u>11,970</u>	<u>6,381</u>	<u>12,033</u>	<u>28,301</u>
Undergrad Composite	10,700	18,428	9,867	21,643	10,618	10,220	10,325	50,291
Masters	20,253	2,767	13,001	2,047	16,989	877	17,141	5,691
Advanced Graduate	40,124	2,267	17,056	2,299	21,565	334	28,036	4,900
Professional	36,983	2,791	57,104	537	-	-	40,229	3,328
Total Composite	\$17,042	26,253	\$11,688	26,526	\$11,427	11,431	\$13,831	64,210

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 2011	FY 2011	FY 2009	FY 2011	FY 2011	FY 2009	FY 2011	FY 2011	FY 2009	FY 2011	FY 2011	FY 2009
	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent
Fixed Unit Cost	\$3,875	22.7%	19.6%	\$2,730	23.4%	24.4%	\$2,233	19.5%	16.9%	\$3,110	22.5%	20.9%
Variable Unit Cost	13,167	77.3%	80.4%	8,958	76.6%	75.6%	9,194	80.5%	83.1%	10,721	77.5%	79.1%
Total Unit Cost	\$17,042	100.0%	100.0%	\$11,688	100.0%	100.0%	\$11,427	100.0%	100.0%	\$13,831	100.0%	100.0%

The unit cost of professional programs at SUI and ISU are included in the composite unit cost of instruction. Tuition supplements in FY 2010 and FY 2011 for SUI's Law program provided additional funding resulting in increased program expenditures. The supplemental funding for the program combined with a decrease in enrollment resulted in a 21.2% unit cost increase for the program. The 11.6% increase in the number of Veterinary Medicine students at ISU offsets a smaller increase in expenditures (3.4%) resulting in a 7.4% decrease in the unit cost.

Professional Level Unit Cost of Instruction

	FY 2011	FY 2009	Unit Cost	FTE
	Unit Cost	Unit Cost	% Change	% Change
University of Iowa				
Medicine	\$32,288	\$31,617	2.1%	-6.5%
Dentistry	70,556	74,321	-5.1%	3.4%
Pharmacy	24,004	23,689	1.3%	-0.4%
Law	38,963	32,159	21.2%	-8.3%
Professional Composite	\$36,983	\$35,274	4.8%	-4.9%
Iowa State University				
Veterinary Medicine	\$57,104	\$61,655	-7.4%	11.6%

Comparative detailed data for instructional expenditures, FTE students, and unit cost of instruction for FY 2009 and FY 2011 for each of the five student educational levels are shown on the following page.

EXPENDITURES INCLUDED, FTE STUDENTS, AND UNIT COST OF INSTRUCTION
FY 2009, FY 2011

	Expenditures			FTE Students			Unit Costs		
	FY 2009	FY 2011	% Change	FY 2009	FY 2011	% Change	FY 2009	FY 2011	% Change
UNIVERSITY OF IOWA									
Lower Division	72,987,012	75,320,472	3.2%	8,522	8,984	5.4%	8,565	8,384	-2.1%
Upper Division	125,694,870	121,857,125	-3.1%	9,537	9,444	-1.0%	13,180	12,903	-2.1%
Subtotal Undergraduate	\$198,681,882	\$197,177,597	-0.8%	18,059	18,428	2.0%	\$11,002	\$10,700	-2.7%
Master's	55,388,754	56,039,298	1.2%	2,782	2,767	-0.5%	19,910	20,253	1.7%
Advanced Graduate	82,819,530	90,961,162	9.8%	2,050	2,267	10.6%	40,400	40,124	-0.7%
Professional	103,494,142	103,219,047	-0.3%	2,934	2,791	-4.9%	35,274	36,983	4.8%
Total	\$440,384,308	\$447,397,104	1.6%	25,825	26,253	1.7%	\$17,053	\$17,042	-0.1%
IOWA STATE UNIVERSITY*									
Lower Division	76,303,083	71,251,469	-6.6%	8,667	9,167	5.8%	8,804	7,773	-11.7%
Upper Division	139,688,334	142,302,796	1.9%	11,180	12,476	11.6%	12,494	11,406	-8.7%
Subtotal Undergraduate	\$215,991,417	\$213,554,265	-1.1%	19,847	21,643	9.0%	\$10,883	\$9,867	-9.3%
Master's	28,125,276	26,612,812	-5.4%	1,887	2,047	8.5%	14,905	13,001	-12.8%
Advanced Graduate	48,522,245	39,211,527	-19.2%	2,295	2,299	0.2%	21,143	17,056	-19.3%
Professional	29,655,214	30,664,704	3.4%	481	537	11.6%	61,655	57,104	-7.4%
Total	\$322,295,152	\$310,043,308	-3.8%	24,510	26,526	8.2%	\$13,150	\$11,688	-11.1%
UNIVERSITY OF NORTHERN IOWA									
Lower Division	36,623,403	32,138,161	-12.2%	4,003	3,839	-4.1%	9,149	8,371	-8.5%
Upper Division	75,818,648	76,382,871	0.7%	5,921	6,381	7.8%	12,805	11,970	-6.5%
Subtotal Undergraduate	\$112,442,051	\$108,521,032	-3.5%	9,924	10,220	3.0%	\$11,330	\$10,618	-6.3%
Master's	16,189,410	14,899,035	-8.0%	912	877	-3.8%	17,752	16,989	-4.3%
Advanced Graduate	7,241,854	7,202,866	-0.5%	305	334	9.5%	23,744	21,565	-9.2%
Total	\$135,873,315	\$130,622,933	-3.9%	11,141	11,431	2.6%	\$12,196	\$11,427	-6.3%
TOTAL REGENT UNIVERSITIES									
Lower Division	185,913,498	178,710,102	-3.9%	21,192	21,990	3.8%	8,773	8,127	-7.4%
Upper Division	341,201,852	340,542,792	-0.2%	26,638	28,301	6.2%	12,809	12,033	-6.1%
Subtotal Undergraduate	\$527,115,350	\$519,252,894	-1.5%	47,830	50,291	5.1%	\$11,021	\$10,325	-6.3%
Master's	99,703,440	97,551,145	-2.2%	5,581	5,691	2.0%	17,865	17,141	-4.0%
Advanced Graduate	138,583,629	137,375,555	-0.9%	4,650	4,900	5.4%	29,803	28,036	-5.9%
Professional	133,150,356	133,883,751	0.6%	3,415	3,328	-2.5%	38,990	40,229	3.2%
TOTAL	\$898,552,775	\$888,063,345	-1.2%	61,476	64,210	4.4%	\$14,616	\$13,831	-5.4%

*ISU's FY09 data has been updated since the original submission.