

Contact: Brad Berg

FY 2015 UNIT COST OF INSTRUCTION

Action Requested:

Receive the unit cost of instruction report for FY 2015.

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:

- 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 12.3% increase in instructional expenditures over the two-year period coupled with a 7.0% increase in FTE students resulted in a 5.0% increase in the enterprise-wide unit cost of instruction when compared to FY 2013.

Composite Unit Cost by University

	Total Expenditures			FTE Students			Composite Unit Cost		
	FY 2013	FY 2015	Inc/Dec	FY 2013	FY 2015	Inc/Dec	FY 2013	FY 2015	Inc/Dec
SUI	\$482,383,092	\$ 525,849,266	9.0%	26,253	27,474	4.7%	\$ 18,374	\$ 19,140	4.2%
ISU	353,955,798	421,406,269	19.1%	29,133	33,186	13.9%	12,150	12,698	4.5%
UNI	<u>137,143,375</u>	<u>146,271,252</u>	<u>6.7%</u>	<u>10,425</u>	<u>9,765</u>	<u>-6.3%</u>	<u>13,155</u>	<u>14,979</u>	<u>13.9%</u>
Total	\$973,482,265	\$1,093,526,787	12.3%	65,811	70,425	7.0%	\$ 14,792	\$ 15,528	5.0%

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	\$9,520	9,340	\$9,008	11,997	\$10,725	3,381	\$9,436	24,718
Upper Division	<u>14,700</u>	<u>10,723</u>	<u>12,682</u>	<u>15,987</u>	<u>15,436</u>	<u>5,554</u>	<u>13,827</u>	<u>32,264</u>
Undergrad Composite	12,289	20,063	11,107	27,984	13,653	8,935	11,922	56,982
Masters	24,866	2,520	14,961	2,505	28,935	580	20,860	5,605
Advanced Graduate	49,220	2,217	20,485	2,157	29,997	250	34,776	4,624
Professional	40,210	2,674	53,572	540	-	-	42,455	3,214
Total Composite	\$19,140	27,474	\$12,698	33,186	\$14,979	9,765	\$15,528	70,425

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 2015	FY 2015	FY 2013	FY 2015	FY 2015	FY 2013	FY 2015	FY 2015	FY 2013	FY 2015	FY 2015	FY 2013
	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent	Amount	Percent	Percent
Fixed Unit Cost	\$4,297	22.5%	20.9%	\$2,770	21.8%	23.1%	\$2,128	14.2%	14.8%	\$3,278	21.1%	20.9%
Variable Unit Cost	14,843	77.5%	79.1%	9,928	78.2%	76.9%	12,851	85.8%	85.2%	12,250	78.9%	79.1%
Total Unit Cost	\$19,140	100.0%	100.0%	\$12,698	100.0%	100.0%	\$14,979	100.0%	100.0%	\$15,528	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 4.8% over the two-year period. The large unit cost increase for law students largely results from significant decrease in students during the two year period and expense allocations that were independent of the enrollment decline. The unit cost of instruction for ISU's professional Veterinary Medicine program decreased when compared to FY 2013 from a decrease in allocable expenses to the program attributable to large student growth in other sectors.

Professional Level Unit Cost of Instruction

	FY 2015	FY 2013	Unit Cost	FTE
	Unit Cost	Unit Cost	% Change	% Change
University of Iowa				
Medicine	\$33,534	\$33,240	0.9%	3.7%
Dentistry	69,127	65,872	4.9%	-3.8%
Pharmacy	27,079	26,127	3.6%	-2.5%
Law	56,372	45,093	25.0%	-26.3%
Professional Composite	\$40,210	\$38,377	4.8%	-3.9%
Iowa State University				
Veterinary Medicine	\$53,572	\$59,749	-10.3%	0.4%

Comparative detailed data for instructional expenditures, FTE students, and unit cost of instruction for FY 2013 and FY 2015 for each of the five student educational levels are shown below.

EXPENDITURES INCLUDED, FTE STUDENTS, AND UNIT COST OF INSTRUCTION									
FY 2013, FY 2015									
	Expenditures			FTE Students			Unit Costs		
	FY 2013	FY 2015	%	FY 2013	FY 2015	%	FY 2013	FY 2015	%
			Change			Change			Change
UNIVERSITY OF IOWA									
Lower Division	82,826,668	88,921,100		9,213	9,340		8,990	9,520	
Upper Division	<u>134,460,206</u>	<u>157,626,010</u>	17.2%	<u>9,566</u>	<u>10,723</u>	12.1%	<u>14,056</u>	<u>14,700</u>	4.6%
Subtotal Undergraduate	<u>\$217,286,874</u>	<u>\$246,547,110</u>	13.5%	<u>18,779</u>	<u>20,063</u>	6.8%	<u>\$11,571</u>	<u>\$12,289</u>	6.2%
Master's	59,297,186	62,661,358	5.7%	2,554	2,520	-1.3%	23,217	24,866	7.1%
Advanced Graduate	98,995,353	109,119,985	10.2%	2,137	2,217	3.7%	46,324	49,220	6.2%
Professional	<u>106,803,679</u>	<u>107,520,813</u>	0.7%	<u>2,783</u>	<u>2,674</u>	-3.9%	<u>38,377</u>	<u>40,210</u>	4.8%
Total	<u>\$482,383,092</u>	<u>\$525,849,266</u>	9.0%	<u>26,253</u>	<u>27,474</u>	4.7%	<u>\$18,374</u>	<u>\$19,140</u>	4.2%
IOWA STATE UNIVERSITY									
Lower Division	87,859,497	108,069,033	23.0%	10,320	11,997	16.3%	8,514	9,008	5.8%
Upper Division	<u>171,882,297</u>	<u>202,744,923</u>	18.0%	<u>14,156</u>	<u>15,987</u>	12.9%	<u>12,142</u>	<u>12,682</u>	4.4%
Subtotal Undergraduate	<u>\$259,741,794</u>	<u>\$310,813,956</u>	19.7%	<u>24,476</u>	<u>27,984</u>	14.3%	<u>\$10,612</u>	<u>\$11,107</u>	4.7%
Master's	26,216,930	37,476,708	42.9%	2,018	2,505	24.1%	12,992	14,961	15.2%
Advanced Graduate	35,852,169	44,186,871	23.2%	2,101	2,157	2.7%	17,064	20,485	20.0%
Professional	<u>32,144,905</u>	<u>28,928,734</u>	-10.0%	<u>538</u>	<u>540</u>	0.4%	<u>59,749</u>	<u>53,572</u>	-10.3%
Total	<u>\$353,955,798</u>	<u>\$421,406,269</u>	19.1%	<u>29,133</u>	<u>33,186</u>	13.9%	<u>\$12,150</u>	<u>\$12,698</u>	4.5%
UNIVERSITY OF NORTHERN IOWA									
Lower Division	34,182,656	36,260,436	6.1%	3,535	3,381	-4.4%	9,670	10,725	10.9%
Upper Division	<u>81,998,033</u>	<u>85,729,416</u>	4.6%	<u>5,956</u>	<u>5,554</u>	-6.7%	<u>13,767</u>	<u>15,436</u>	12.1%
Subtotal Undergraduate	<u>\$116,180,689</u>	<u>\$121,989,852</u>	5.0%	<u>9,491</u>	<u>8,935</u>	-5.9%	<u>\$12,241</u>	<u>\$13,653</u>	11.5%
Master's	14,137,595	16,782,233	18.7%	685	580	-15.3%	20,639	28,935	40.2%
Advanced Graduate	<u>6,825,091</u>	<u>7,499,167</u>	9.9%	<u>249</u>	<u>250</u>	0.4%	<u>27,410</u>	<u>29,997</u>	9.4%
Total	<u>\$137,143,375</u>	<u>\$146,271,252</u>	6.7%	<u>10,425</u>	<u>9,765</u>	-6.3%	<u>\$13,155</u>	<u>\$14,979</u>	13.9%
TOTAL REGENT UNIVERSITIES									
Lower Division	204,868,821	233,250,569	13.9%	23,068	24,718	7.2%	8,881	9,436	6.3%
Upper Division	<u>388,340,536</u>	<u>446,100,349</u>	14.9%	<u>29,678</u>	<u>32,264</u>	8.7%	<u>13,085</u>	<u>13,827</u>	5.7%
Subtotal Undergraduate	<u>\$593,209,357</u>	<u>\$679,350,918</u>	14.5%	<u>52,746</u>	<u>56,982</u>	8.0%	<u>\$11,247</u>	<u>\$11,922</u>	6.0%
Master's	99,651,711	116,920,299	17.3%	5,257	5,605	6.6%	18,956	20,860	10.0%
Advanced Graduate	141,672,613	160,806,023	13.5%	4,487	4,624	3.1%	31,574	34,776	10.1%
Professional	<u>138,948,584</u>	<u>136,449,547</u>	-1.8%	<u>3,321</u>	<u>3,214</u>	-3.2%	<u>41,839</u>	<u>42,455</u>	1.5%
Total	<u>\$973,482,265</u>	<u>\$1,093,526,787</u>	12.3%	<u>65,811</u>	<u>70,425</u>	7.0%	<u>\$14,792</u>	<u>\$15,528</u>	5.0%