

IOWA STATE UNIVERSITY

Office of the President

Update to the Board of Regents, State of Iowa

Iowa State University Efficiency Efforts

Benjamin J. Allen, Interim President
September 25th, 2017



Objectives

1. Update Board of Regents on ISU's Efficiency & Cost Avoidance Efforts
2. Describe Cost Profile Relative to Peers
3. Overview of Ongoing and Future Efforts to Gain Efficiencies



Efficiency & Cost Avoidance Efforts

- ❑ Analyzed 115+ examples across campus that either:
 - a. Reduced costs, or
 - b. Enabled avoidance of future costs

- ❑ Focused on efforts that have occurred since 2014
(corresponding with launch of TIER)



Efficiency & Cost Avoidance Efforts

Cost Reductions and Cost Avoided			
Savings Category	One-time	Recurring	Total
Salary and Related Benefits			
Operational			
Facilities			
Total:			

Efficiency & Cost Avoidance Efforts

Cost Reductions and Cost Avoided			
Savings Category	One-time	Recurring	Total
Salary and Related Benefits	\$17,350	\$6,143,114	\$6,160,464
Operational			
Facilities			
Total:			

Efficiency & Cost Avoidance Efforts

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Savings Category	One-time	Recurring	Total
Salary and Related Benefits	\$17,350	\$6,143,114	\$6,160,464
Operational	\$2,750,628	\$12,807,981	\$15,558,609
Facilities			
Total:			

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Facilities	-	\$ 984,600	\$984,600
Total:			

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Operational	\$2,750,628	\$12,807,981	\$15,558,609
Facilities	-	\$ 984,600	\$984,600
Total:	\$2,767,978	\$19,935,695	\$22,703,674

Institutional Benchmarking – External Coverage



Administrative staff spending vs. Instructional staff spending

Median spending (*schools similar to Iowa State*):
17¢ for every \$1

ISU (FY16): 12¢ for every \$1

ISU (FY17): 10¢ for every \$1

Source: IPEDS Data Center

Ongoing and Future Efforts

- ❑ Annual Reallocation Target (*component of ISU's 5-year tuition proposal*)
 - 2.25% of General Fund Budget, or
 - \$16.2 million for FY19

- ❑ Institution-wide Savings
 - Accountable Care Organization
 - Lower claims costs
 - 2015 savings: \$2.2 million
 - 2016 savings: \$3.2 million
(*estimated*)



THANK YOU



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