



 THE UNIVERSITY OF IOWA

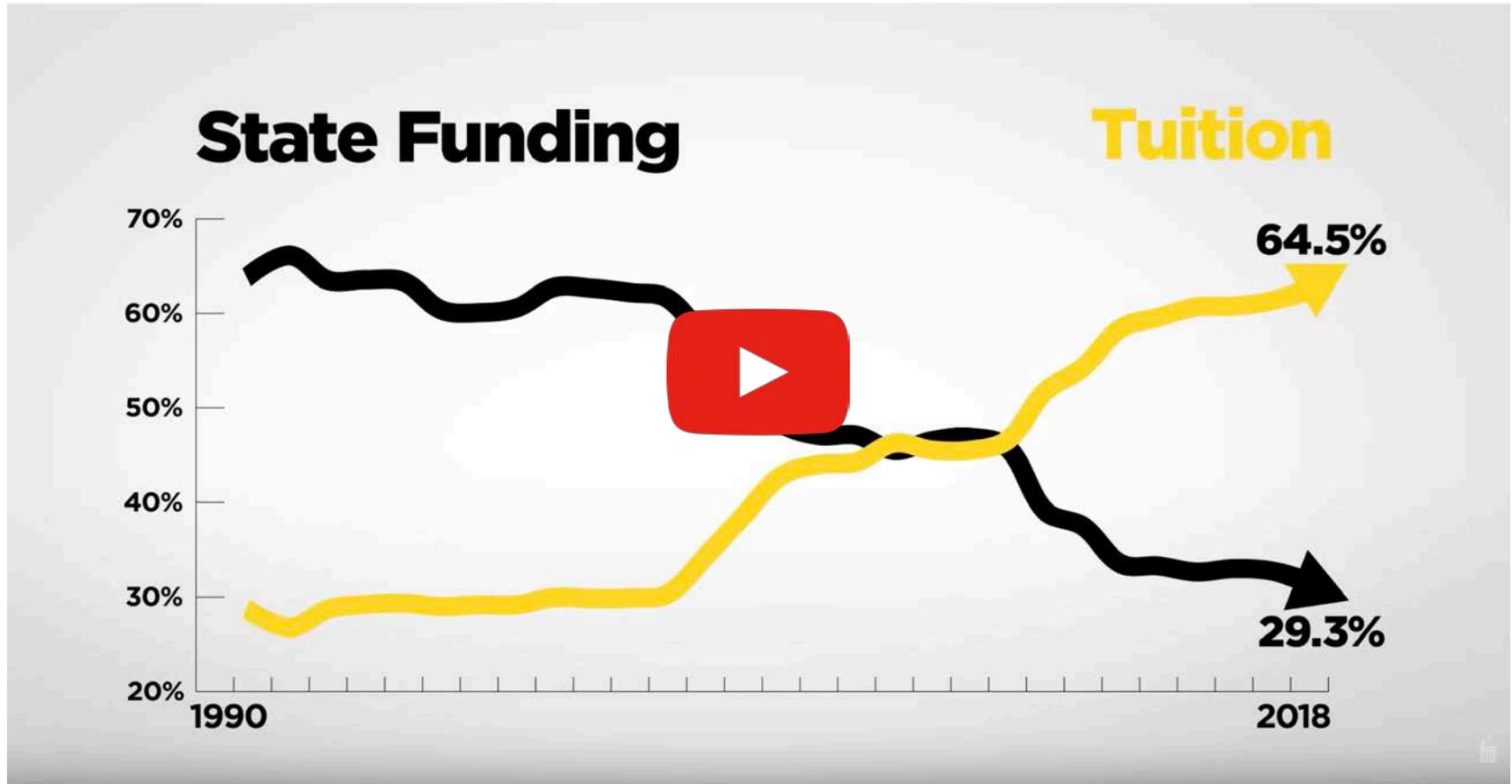
# Tuition Task Force

Stable Resources Plan

# Presentation Outline

- 1 Budget Video
- 2 The Facts
- 3 Student Success and Forces Defining the University of Iowa
- 4 Questions Raised
- 5 The Roadmap to Excellence: The UI Strategic Plan
- 6 The Path Forward

# Budget Video



# FY 1998 vs. FY 2018

- Gas Prices in Iowa
  - FY 1998 – \$1.19/gallon
  - FY 2018 – \$2.21/gallon  85.7%
- Consumer Price Index June '97–June'17  53%
- Support from the state for the University of Iowa
  - FY 1998 – \$224 million
  - FY 2009 – \$277 million
  - FY 2018 – \$217 million (at CPI – \$342m in FY17)

# Total Revenue Changes 1990–2015

From 1990–2015  
11 states saw a reduction in resources (appropriation + tuition) per student

**Iowa is one of those 11**

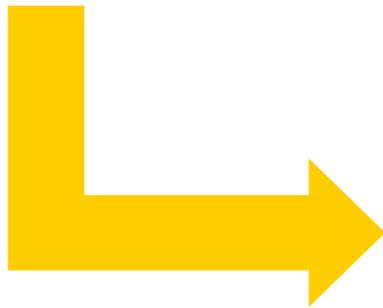


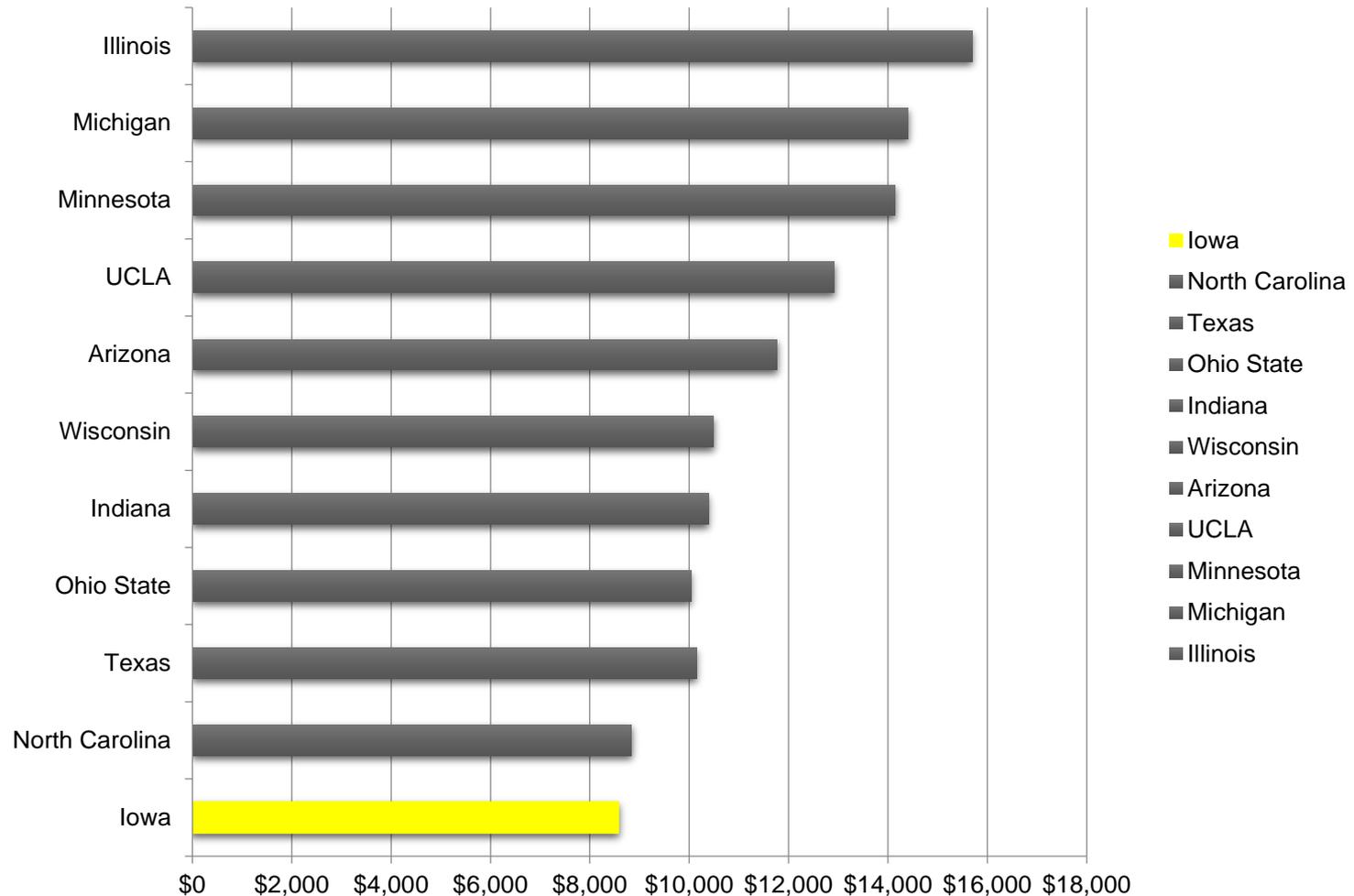
Table 1  
Revenue Changes by State

Appropriations increase, tuition and fees increase	Appropriations decrease, tuition and fees increase more
Alaska, Illinois, Kentucky, Nebraska, North Dakota, West Virginia	Alabama, Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Mexico, New York, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia
Average net per student change (per year): \$169	Average net per student change (per year): \$63
Average total change in revenue (per year): \$34,825,412	Average total change in revenue (per year): \$43,909,211
Appropriations decrease, tuition and fees increase less	Appropriations increase, tuition and fees decrease
California, Florida, Georgia, Idaho, Iowa, New Jersey, North Carolina, Ohio, Pennsylvania, Washington, Wisconsin	Louisiana, Wyoming
Average net per student change (per year): -\$30	Average net per student change (per year): \$83
Average total change in revenue (per year): \$68,388,733	Average total change in revenue (per year): \$15,268,073

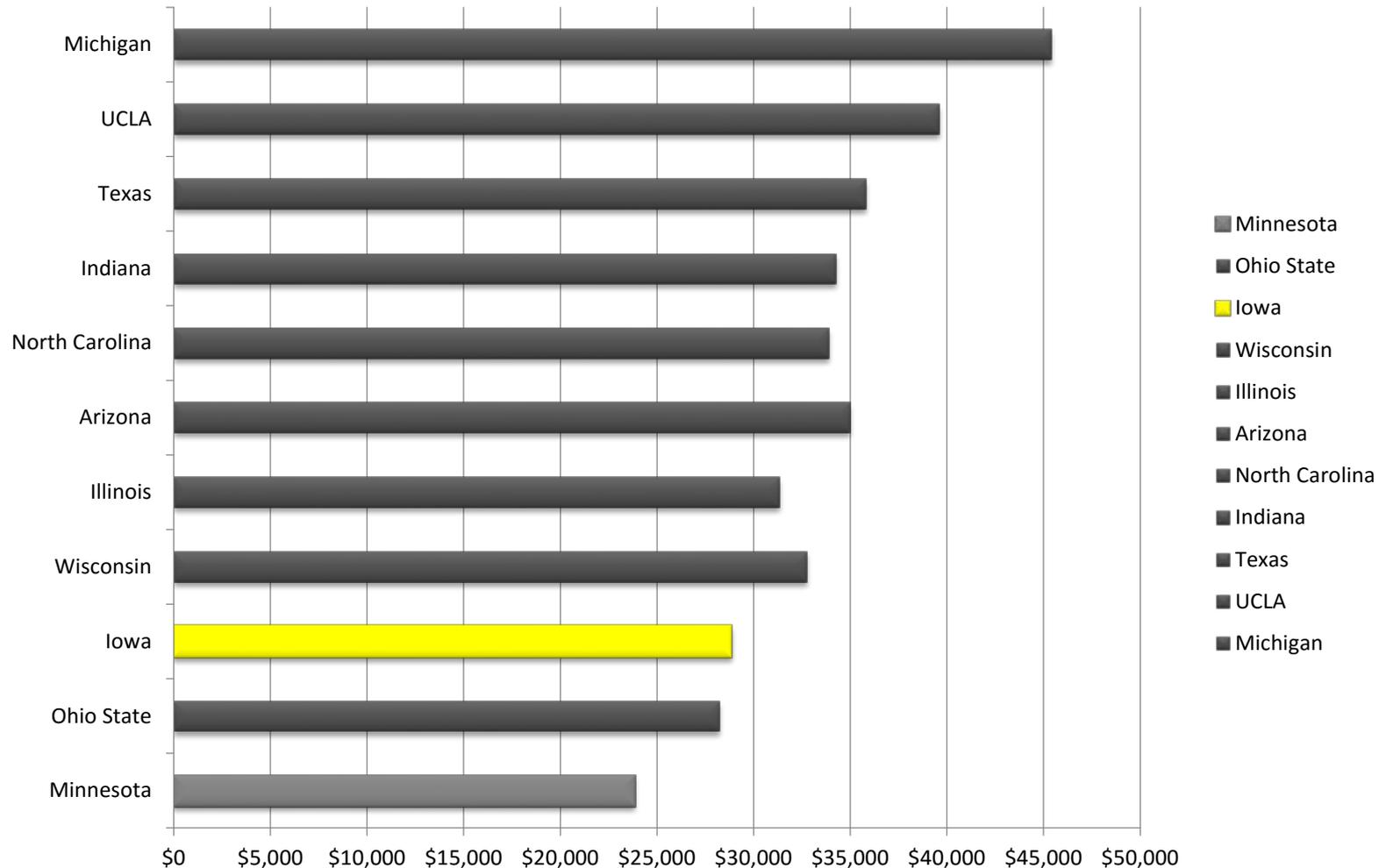
\*Cato Institute

Source: Author groupings using data from State Higher Education Executive Officers, "State-by-State Wave Charts (XLS)," SHEF—State Higher Education Finance FY15, <http://www.sheeo.org/projects/shef-fy15>.

# UI Peer Group 2016-2017 Resident Tuition/Mandatory Fees

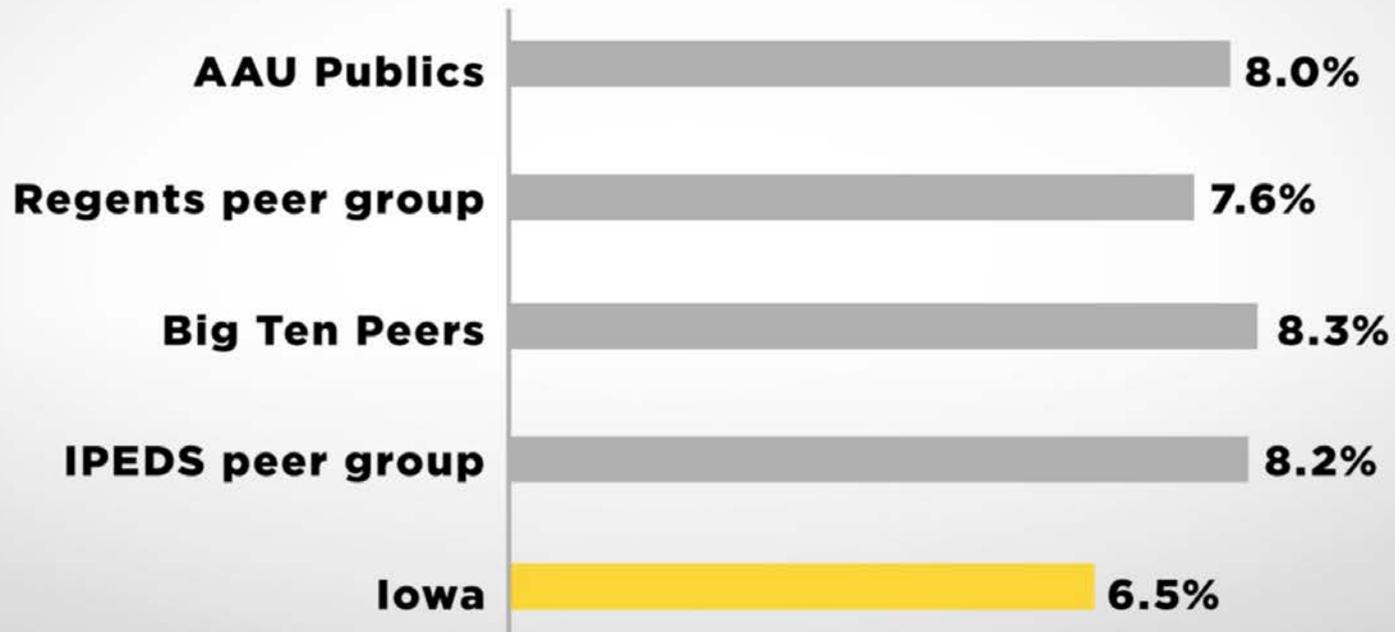


# UI Peer Group 2016-2017 Non-Resident Tuition/Mandatory Fees



# Controlling Expenses and Directing Resources

## Institutional Support as % of Core Expense<sub>FY15</sub>



# Controlling Expenses and Directing Resources

- The UI operating O/H is 14.5% more efficient than its national peers
- 2009 - 2012 State cuts (\$67M) forced efficiency efforts throughout
- TIER/"TIER+" ongoing & constant

# Controlling Expenses and Directing Resources

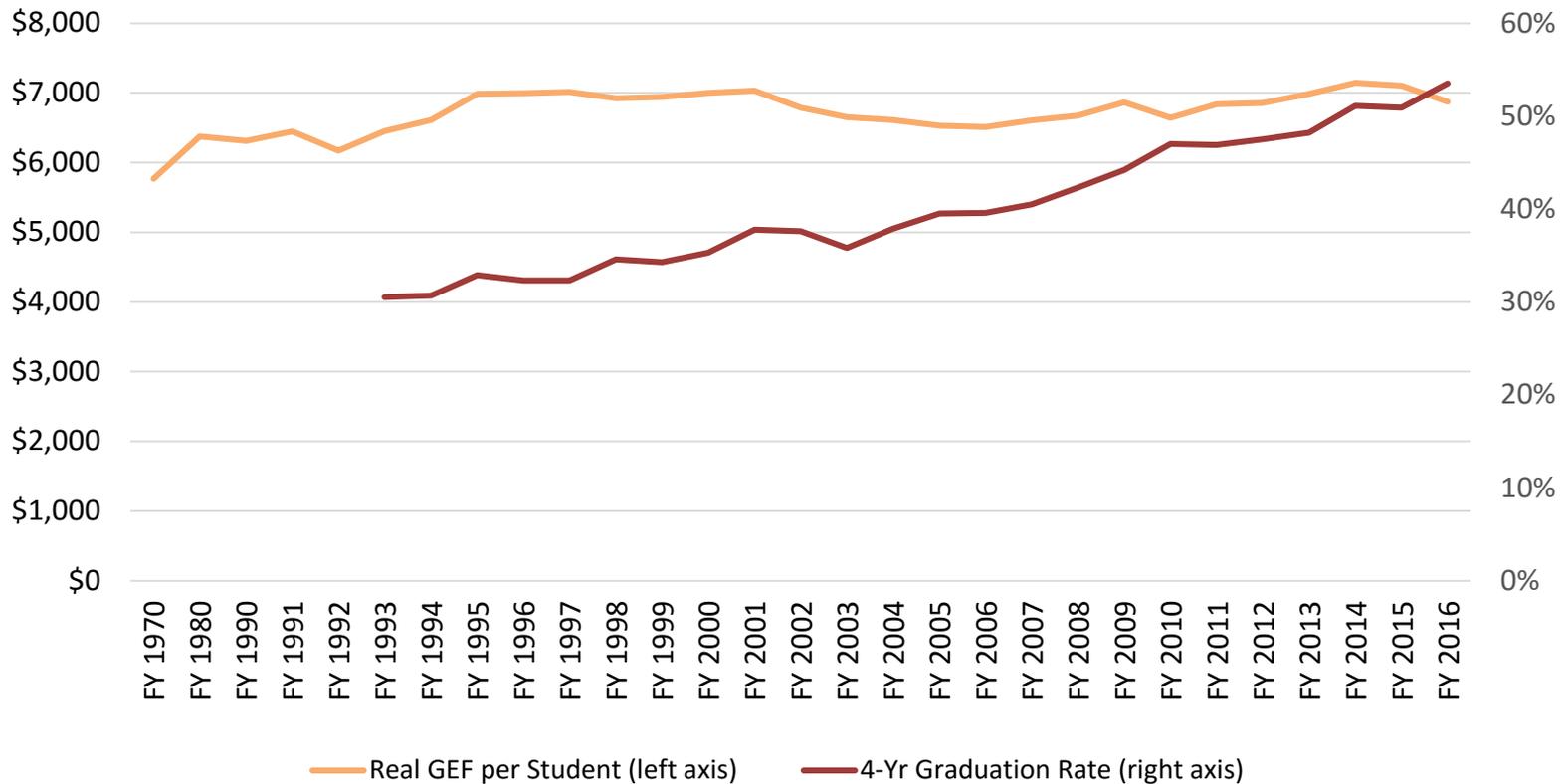
- ACTA studied higher education spending
- Average ratio of spending on administrative support similar to the UI is \$.17/\$1.00
- UI ratio of spending on administrative support is \$.136/\$1.00



ACTA  
AMERICAN COUNCIL OF  
TRUSTEES AND ALUMNI

# Improving graduation rates while maintaining costs

Real General Education Fund Expenditures per Student  
(indexed for inflation)  
and 4-Yr Graduation Rates



# Defining Forces



- ✓ **Attracting top faculty and researchers**
  - AAU is **THE** standard for top tier research universities (only 62)
  - Membership is based upon many metrics including research/scholarship, doctoral education, National Academy Members
  - Iowa has fallen relatively, against its peers, over the past 10 years

# Defining Forces



## ✓ Attracting Students

- Rankings are a key source for students & families (especially top students with many choices)
- Over the last 10 years: UI has dropped 18 places, to #82 (near bottom of its peer list)
- 4 year grad rate **12%** below peers

# Rankings and Reputation

School	US News & World Report Ranking - Public	US News & World Report Ranking - Public/Private	Retention Rate	4 Year Graduation Rate	Earnings per year 10 years post freshman year	AAU
UCLA	#2	#24	96%	74%	\$59,600	Yes
Michigan	#4	#27	97%	75%	\$57,400	Yes
UNC - Chapel Hill	#5	#30	97%	82%	\$51,000	Yes
Illinois - Champaign Urbana	#10 - tied	#44 - tied	94%	71%	\$56,600	Yes
Wisconsin - Madison	#10 - tied	#44 - tied	95%	57%	\$51,600	Yes
Ohio State	#16	#54	93%	59%	\$42,900	Yes
Texas - Austin	#18	#56	95%	52%	\$53,000	Yes
Minnesota - Twin Cities	#26	#71	92%	59%	\$48,300	Yes
<b>Iowa</b>	<b>#33</b>	<b>#82</b>	<b>86%</b>	<b>51%</b>	<b>\$49,100</b>	<b>Yes</b>
Indiana	#36	#86	89%	60%	\$44,700	Yes
Arizona	#60	#124	81%	43%	\$44,000	Yes

Average	19	56	93%	63%	\$50,910
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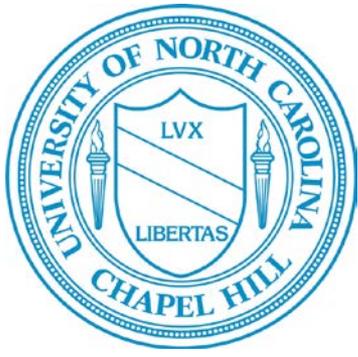
<b>UI vs Average</b>	<b>14</b>	<b>26</b>	<b>-7%</b>	<b>-12%</b>	<b>-\$1,810</b>
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# Defining Quality

- ✓ Student to Faculty ratio
- ✓ Quality of Faculty
- ✓ Faculty pay

Faculty pay is determined by Tuition Revenue (65%)\*, State Appropriations (29%), Indirect Rec. (6%)

- Indirect Cost Recoveries (research) – trending downward
- State Appropriations –trending downward (↓ \$60M since '09)
- What is left? **Tuition**

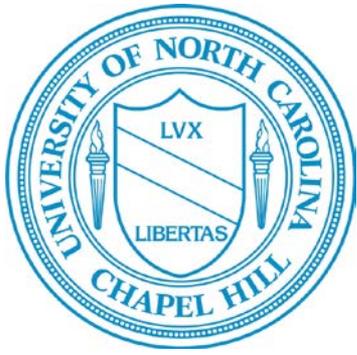


# Resources: A Peer Example University of North Carolina

*Nearly the same size and institutional make-up*

## ✓ Greater Resources

- \$18M/yr. additional tuition revenue
- \$240M/yr. additional state appropriation
- **\$258M more each year for the same mission**



# Resources: A Peer Example University of North Carolina

## ✓ Greater Success

- US News & World Report ranking: #5
- 82% 4-year graduation rate
- 97% retention rate
- Higher average earnings 10 years post graduation

# Moving Towards Excellence

Developed 4 budget principles:  
**Student Success, Quality Metrics, Our Values, and Our Future**

Line by line review of the budget:  
**Empowered Deans in budget process**

Strategic Plan developed and aligned with the Board of Regents strategic plan

Aligning existing and new resources with the strategic plan

# Moving Towards Quality

## Collegiate Economic Model

Revenue	
Tuition	
	(Student Financial Aid)
Net Tuition	
Indirect Cost Recovery	
Interest & Other	
<b>Total Net Revenue</b>	

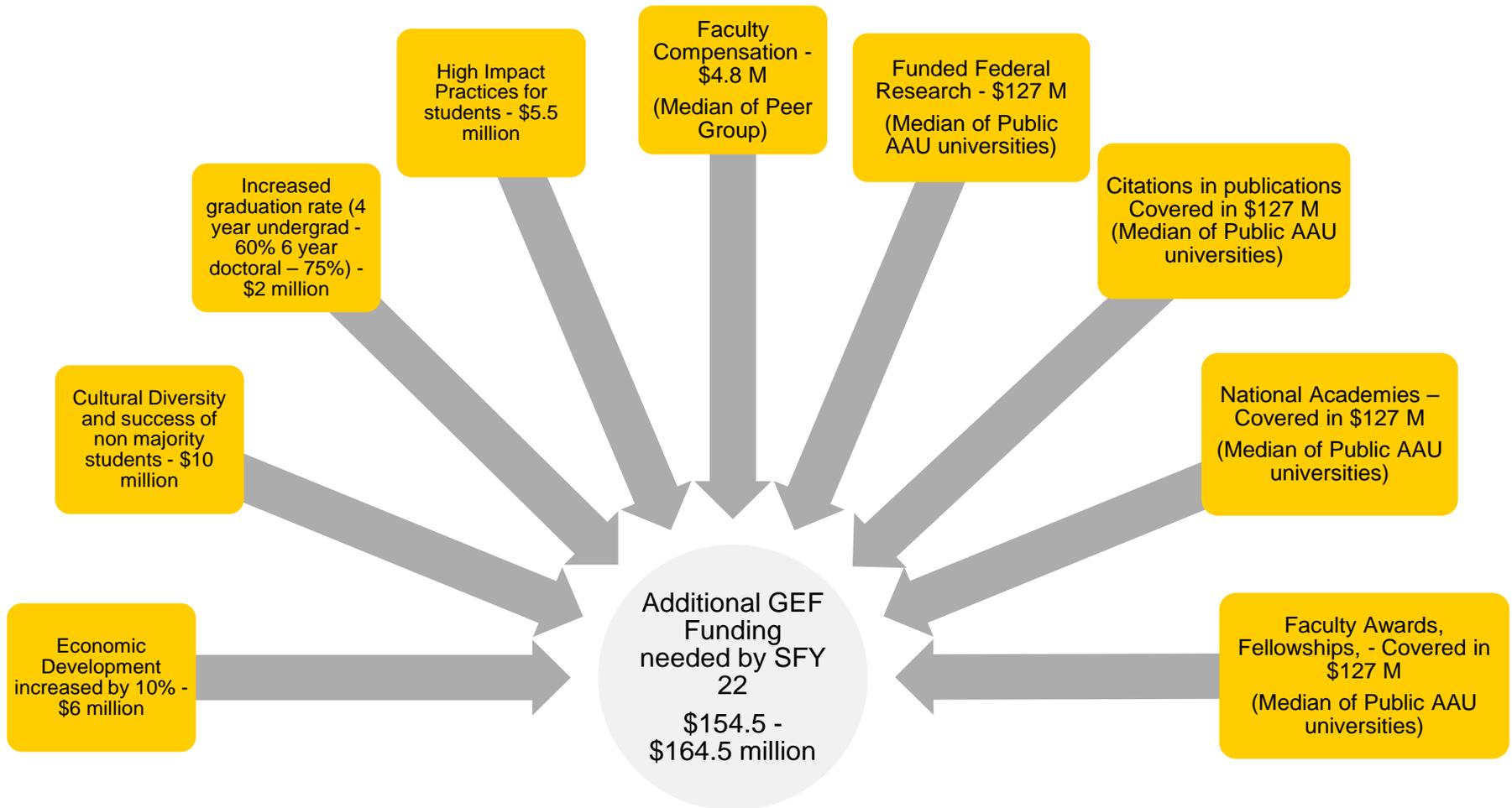
Expenses in the College  
(faculty, staff, etc)

Expenditures	
Direct Collegiate Expenditure	
Shared Collegiate Expenditure Allocated by:	
	<i>Student Headcount:</i>
	<i>Research (by funds)</i>
	<i>Building Space &amp; Replacement Value</i>
	<i>Employee Headcount</i>
	<i>Employee and Student Headcount</i>
<b>Total Expenditure</b>	

Shared expenses  
(HR, Research, IT, etc)

**Net**

# Implementing the UI Strategic Plan



# The Strategic Plan – Student Success

## Examples of High Impact Practices

### ✓ Iowa Interns Program (IIP)

The IIP program would bridge the skills gap between our students and industry in Iowa.

*\$500,000 annually would provide 125 students access to summer internships through stipends that will help the students as well as industry in Iowa.*



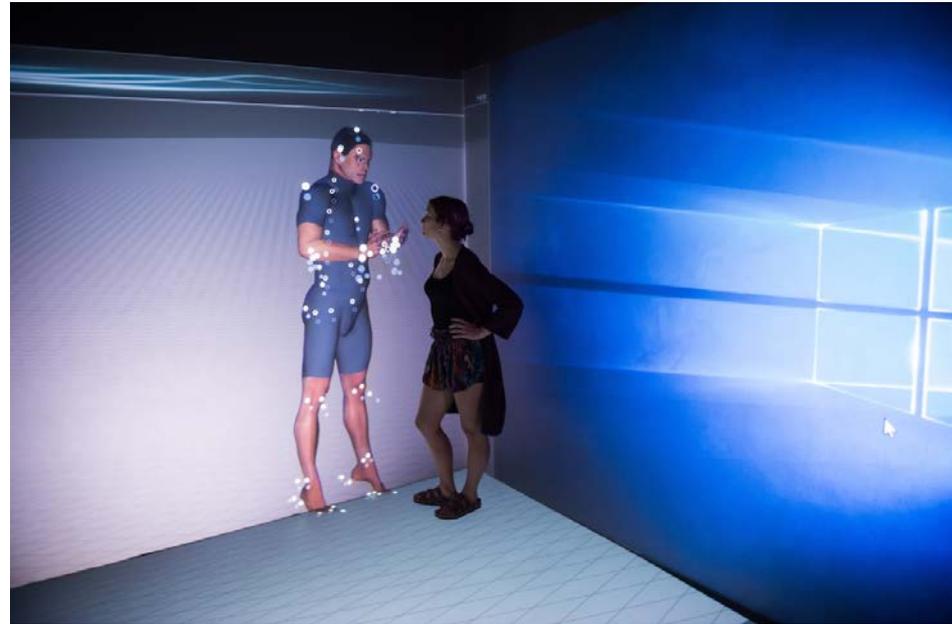
# The Strategic Plan – Student Success

## Examples of High Impact Practices

### ✓ Iowa Center for Research by Undergraduates (ICRU) Expansion

Undergraduate research experiences is another proven strategy for increasing student retention and cultivating transferrable skills for the job market.

*\$1M annually would enable ICRU to expand the research and scholarship program ensure that the majority of undergraduates are engaged in experiential learning*

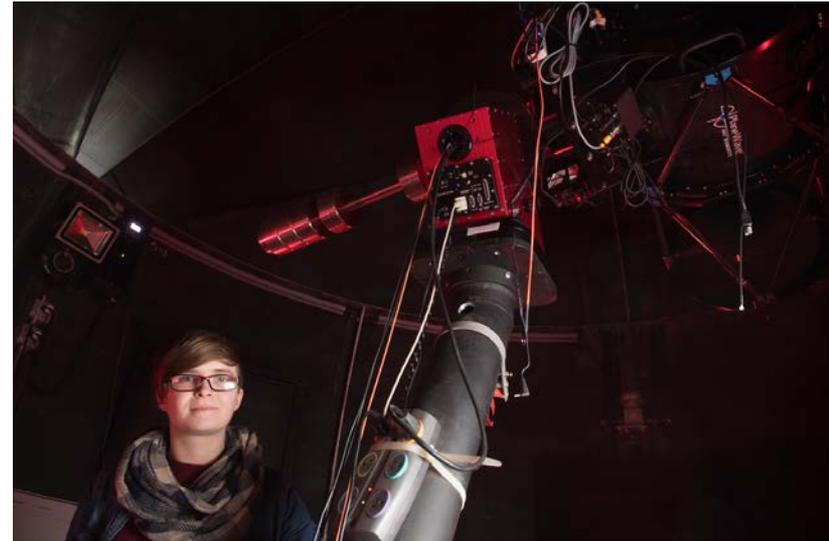


# The Strategic Plan – Student Success

## Examples of High Impact Practices

### ✓ Undergraduate Research

- College of Liberal Arts and Sciences, Department of Physics and Astronomy
- 38 Undergraduate Research Projects (2016–2017)
- Students worked on the Voyager program, the Cassini spacecraft, Mars Express program, (2016–2017)



Department of Physics  
and Astronomy

# The Strategic Plan – Research & Scholarship

## ✓ Focused hiring in strategic areas of growth

(Human Simulation, Neuroscience, Autonomous Vehicles)

100 New Faculty

- 50 Associate/Full
- 50 Assistant

25 Research Scientists

Retaining current faculty through competitive compensation

Providing the research/scholarship budget needed to recruit and retain strategic hires



# The Strategic Plan - Faculty Salaries

- UI's 11 colleges compared to peers: (Does not reflect 2018 investment)
  - **0%** of faculty are in the top tier
  - **16.5%** (171/1034) of faculty are in middle tier
  - **83.5%** (863/1034) of faculty are in the bottom tier

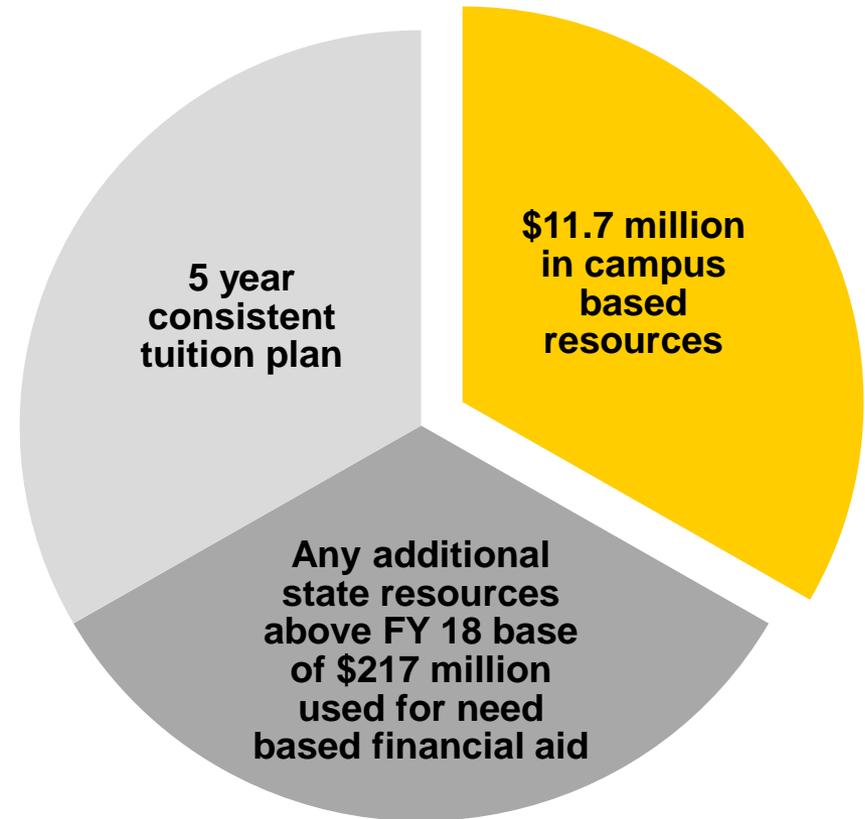
College	Assistant Professor	Associate Professor	Professor
College of Business	22	21	33
College of Dentistry	12	15	22
College of Education	19	26	19
College of Engineering	19	23	44
College of Law	0	4	16
College of Liberal Arts & Sciences	117	181	234
College of Medicine	21	28	42
College of Nursing	8	9	7
College of Pharmacy	8	9	6
College of Public Health	17	16	20
Graduate College	6	5	5
<b>Total</b>	<b>249</b>	<b>337</b>	<b>448</b>

Top Tier
Middle Tier
Bottom Tier

# Funding the Strategic Plan

## Campus Incremental Revenues

- SFY 18–22
- \$11.7 Million/FY of campus incremental resources (TIER/realignment of resources to priorities)



# Establishing Predictable Tuition

	Peer Average	U of I Actual	U of I Actual					
	Fall 16	Fall 16	Fall 17	Fall 18	Fall 19	Fall 20	Fall 21	Fall 22
<b>5 year - R UG</b>								
<b>Tuition Only</b>	\$10,537	\$7,128	\$7,486	\$8,016	\$8,583	\$9,191	\$9,841	\$10,537
\$ Increase			\$358	\$530	\$567	\$607	\$650	\$696
% Increase			5.02%	7.08%	7.08%	7.08%	7.08%	7.08%

<b>5 year - NR UG</b>								
<b>Tuition Only</b>	\$32,288	\$27,366	\$29,130	\$29,736	\$30,354	\$30,986	\$31,630	\$32,288
\$ Increase			\$1,764	\$606	\$618	\$631	\$644	\$658
% Increase			6.45%	2.08%	2.08%	2.08%	2.08%	2.08%

\* Assumes no reduction in state appropriations.

# Predictable Resources = A Secure Future

## ✓The Plan

- Control overhead and ensure current expenditures are in alignment with strategic plan
- Establish a predictable/affordable 5 year plan for tuition increases
- Maximize scholarship opportunities for need-based students and merit-based students
- Invest in strategic plan to deliver on student success goals