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October 31, 2013

TO: **Temporary Co-chairpersons Senator Rita Hart and Representative Greg Forristall, and Members of the Administrative Costs in Higher Education Study Committee**

FROM: **Kathleen Hanlon, Legal Services Division, Legislative Services Agency**

RE: **Background Statement**

Administrative Costs in Higher Education Study Committee

The Legislative Council approved the Administrative Costs in Higher Education Study Committee on July 18, 2013, and granted it one meeting date in which to complete the following charge: Examine administrative costs at higher education institutions and the impact of these costs on Iowa students and their families. The committee shall compare the growth in administrative costs and instructional costs at Board of Regents institutions, community colleges, private colleges, and for-profit colleges. The committee shall identify fragmentation, overlap, or duplication of administrative services on a campus-wide and system-wide basis, and look for ways to reduce the financial impact on students and their families. The committee shall also examine the manner in which fee rates charged to students are established.

Background Statement Overview

The purpose of this background statement is to provide basic information to assist the members of the study committee prior to the study committee's Tuesday, November 5, 2013, meeting, which will be held in Room 116 of the State Capitol Building in Des Moines, Iowa. The information includes Iowa Code language relating to the authority granted to public postsecondary educational institutions to determine administrative costs and mandatory fees. Also included are additional materials published by the State Board of Regents, the Bureau of Adult, Career, and Community College Education, and background materials recommended by the Education Commission of the States and the National Conference of State Legislatures.

Current Related Iowa Code Provisions

The board of directors of each community college and the State Board of Regents are granted broad authority under the Iowa Code to administer the institutions they are charged with governing.

Community Colleges. Iowa Code section 260C.14(5) directs community colleges to establish policy and make rules "for its own government and that of the administrative, teaching, and other personnel, and the students of the college, and aid in the enforcement of such laws, rules,

and regulations." Such boards have the powers and duties set forth in Iowa Code chapter 260C for community colleges, essentially the same powers and duties prescribed for local school boards under Iowa Code chapter 279 (Iowa Code section 260C.14(3)), and the power to enter into contracts and take other necessary action to ensure a sufficient curriculum and efficient operation and management of the college and maintain and protect the physical plant, equipment, and other property of the college (Iowa Code section 260C.14(4)). Two or more community colleges may engage in program and administrative sharing agreements under guidelines established by the Department of Education (Iowa Code section 260C.46).

Iowa Code section 260C.14(2) and (14) authorize the boards to determine tuition rates, though the rates shall not exceed the lowest rate charged by a regents institution, and requirements relating to residency and refunds apply (see also Iowa Code section 260C.42). Iowa Code section 260C.18 authorizes the boards to receive and expend federal funds (for purposes provided by federal laws, rules, and regulations, or as approved by the Director of the Department of Education), tuition, state aid, state funds for sites and facilities made available by the director, donations and gifts, and student fees collected from students (though "any increases in student fees for activities shall be determined by the student government unit with administrative and board approval"). Community colleges may operate, control, maintain, and manage student residence halls, dormitories, and dining halls, and collect fees for the rent or use of such halls and dormitories (Iowa Code sections 260C.57 and 260C.61). Auxiliary enterprises are self-supporting services provided at a community college such as food services, college stores, student unions, institutionally operated vending services, recreational activities, faculty clubs, laundries, parking facilities, and intercollegiate athletics; and the profits from the fees collected for those services may be expended for services and equipment (Iowa Code section 260C.31). A reasonable fee may be charged by a community college for the cost of impoundment and storage of a vehicle or bicycle parked in violation of rules adopted by the board (Iowa Code section 260C.14(10)).

State Board of Regents. Iowa Code section 262.12 grants the State Board of Regents the authority to "exercise all the powers necessary and convenient for the effective administration of its office and of the institutions under its control, and to this end may create such committees, offices and agencies from its own members or others, and employ persons to staff the same, fix their compensation and tenure and delegate thereto, or to the administrative officers and faculty of the institutions under its control, such part of the authority and duties vested by statute in the board, and shall formulate and establish such rules, outline such policies and prescribe such procedures therefor, all as may be desired or determined by the board as recorded in their minutes." The board may increase tuition and mandatory fees, but the Iowa Code establishes tuition-related requirements for notification, predictability, residency, interest rates, and refunds (Iowa Code section 262.9(17), (19), (24), (29), and (30)). Each university must establish a student fee committee responsible for considering any proposed student activity changes and making recommendations concerning those changes to the university president for review (Iowa Code section 262.34B).

The board is authorized to acquire or construct self-liquidating and revenue-producing buildings and facilities for the students including but not limited to student unions, recreational buildings, auditoriums, stadiums, field houses, athletic buildings and areas, parking structures and areas, electric, heating, sewage treatment, and communication utilities, research equipment, and additions to or alterations of existing buildings or structures; and may charge and collect fees and charges for the use and availability of such buildings (Iowa Code sections 262.44 and 262.47). The board may operate, control, maintain, and manage student residence halls, dormitories, and dining halls, and collect fees for the rent or use of such halls and dormitories (Iowa Code sections 262.56 and 262.60).

Accredited Private Institutions. Students who are residents of the state of Iowa who have established financial need and are making satisfactory progress toward graduation may qualify for an Iowa Tuition Grant, which may be used to pay for tuition and mandatory fees at an institution that meets the following requirements, which are specified in the definition of "accredited private institution" established in Iowa Code section 261.9(1) and 283 IAC 12.2(1):

- Is accredited by the North Central Association of Colleges and Schools and is exempt from taxation under the Internal Revenue Code or, if not exempt, must have been an eligible participant during the 2003-04 academic year.
- Annually provides matching aggregate institutional financial aid to Iowa Tuition Grant recipients equal to a required percentage of the amount received by its students under the Iowa Tuition Grant Program (though specialized colleges offering health professional programs affiliated with health care systems located in Iowa are exempt from this requirement).
- Is located in Iowa.
- Promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the College Student Aid Commission upon request.
- Adopts a policy prohibiting unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the institution or in conjunction with activities sponsored by the institution, and distributes such information to all students and employees.
- Develops a written policy, which is disseminated during student registration or orientation, addressing counseling, campus security, education, and reporting as such issues relate to sexual abuse.
- Adopts a policy relating to student registration and course refunds for certain students relative to Iowa National Guard or U.S. reserve forces members ordered to duty.
- Develops and implements a consistent written policy for an employee who in the scope of the person's employment responsibilities examines, attends, counsels, or treats a child to report suspected physical or sexual abuse (Iowa Code section 261.9(1)).

Other Background Materials

The following materials are included with this background statement, which shall be posted on the study committee's Internet site at:
https://www.legis.iowa.gov/Schedules/committeeDocs.aspx?GA=85&CID=927

1. *Comparisons of FTE Staffing Levels for Iowa's Public Universities and Community Colleges*, a report compiled by Robin Madison, Senior Legislative Analyst, Fiscal Services Division, Legislative Services Agency, October 29, 2013, https://www.legis.iowa.gov/DOCS/LSA/IntComDoc/2014/IDKBH000.PDF
2. *The Annual Condition of Iowa's Community Colleges 2012, Section 13 – Tuition and Fees, and Section 15 – Financial*, Bureau of Adult, Career, and Community College Education, Iowa Department of Education, March 25, 2013. The full report is available at:
   http://publications.iowa.gov/14207/1/Condition%20of%20Iowa%20Community%20Colleges%20201222.pdf

3. *Proposed 2013-2014 Tuition and Fees*, State Board of Regents, Agenda Item 5, December 5, 2012, http://www.regents.iowa.gov/Meetings/DocketMemos/12Memos/December2012/1212_ITEM05.pdf
4. *Comprehensive Fiscal Report for FY 2012*, State Board of Regents, Agenda Item 4j, October 24-25, 2012, http://www.regents.iowa.gov/Meetings/DocketMemos/12Memos/October2012/1012_ITEM04j.pdf
5. *Tuition & Fees Report: 2012-2013*, Bureau of Adult, Career, and Community College Education, Iowa Department of Education, September 2012, https://www.educateiowa.gov/sites/files/ed/documents/2013%20Tuition%20and%20Fees%20Report.pdf
6. *FY 2011 Unit Cost of Instruction*, State Board of Regents, Agenda Item 3b, June 6, 2012, http://www.regents.iowa.gov/Meetings/DocketMemos/12Memos/June2012/0612_ITEM03b.pdf
7. *Trends in College Spending 1999-2009: Where Does the Money Come From? Where Does it Go? What Does It Buy?*, full report published by the Delta Project on Postsecondary Education Costs, Productivity, and Accountability, September 2011, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf
8. *College Spending Impacted by the Recession: Cost Cutting, Tuition Increases and Growing Gaps*, a news release published by the Delta Project on Postsecondary Education Costs, Productivity, and Accountability, September 2011, http://www.deltacostproject.org/resources/pdf/deltanewsreleasesept10.pdf
9. *College Productivity: Tracking Momentum*, Edition 9, Produced by HCM Strategists with support from Lumina Foundation, September 2012, http://www.collegeproductivity.org/sites/default/files/tm_issue9_final.pdf
10. *College Productivity: Four Steps to Finishing First, An Agenda for Increasing College Productivity to Create a Better-Educated Society*, published by the Lumina Foundation, August 9, 2011. For a much easier to read copy of this report, see the online version: http://www.luminafoundation.org/publications/Four_Steps_to_Finishing_First_in_Higher_Education.pdf
11. *Administrative Bloat at American Universities: The Real Reason for High Costs in Higher Education*, Policy Report No. 239, Goldwater Institute, August 17, 2010, http://goldwaterinstitute.org/sites/default/files/Administrative%20Bloat.pdf

Further information of interest available from the study committee's Internet site:

- Regent University *Salary Information,* provided to Representative Jeff Kaufmann in a letter from Robert Donley, State Board of Regents Executive Director, October 13, 2011.
- *A Report to the Legislature: Additional Data 2012*, Bureau of Adult, Career, and Community College Education, Iowa Department of Education, December 2012.
- *Course Corrections: Experts Offer Solutions to the College Cost Crisis*, an initiative of the Lumina Foundation for Education, October 2005, http://files.eric.ed.gov/fulltext/ED494195.pdf

Finally, Kathy Christie, Vice President of Knowledge/Information Management & Dissemination at the Education Commission of the States recommends a visit to the National Center for Higher Education Management Systems' "Higher Ed Info" Internet site, http://www.higheredinfo.org/. The site contains quality information concerning a variety of college cost metrics and a "State Profile Report" for Iowa.

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Comparisons of FTE Staffing Levels for Iowa's Public Universities and Community Colleges

The following charts reflect data from the National Center for Education Statistics' (NCES) Integrated Postsecondary Data System (IPEDS). NCES is located within the U. S. Department of Education and the Institute of Education Sciences (IES). Data in the system is reported by individual schools, colleges, and universities. The FTE categories used are those defined by the IPEDS. **(Attachment A)**

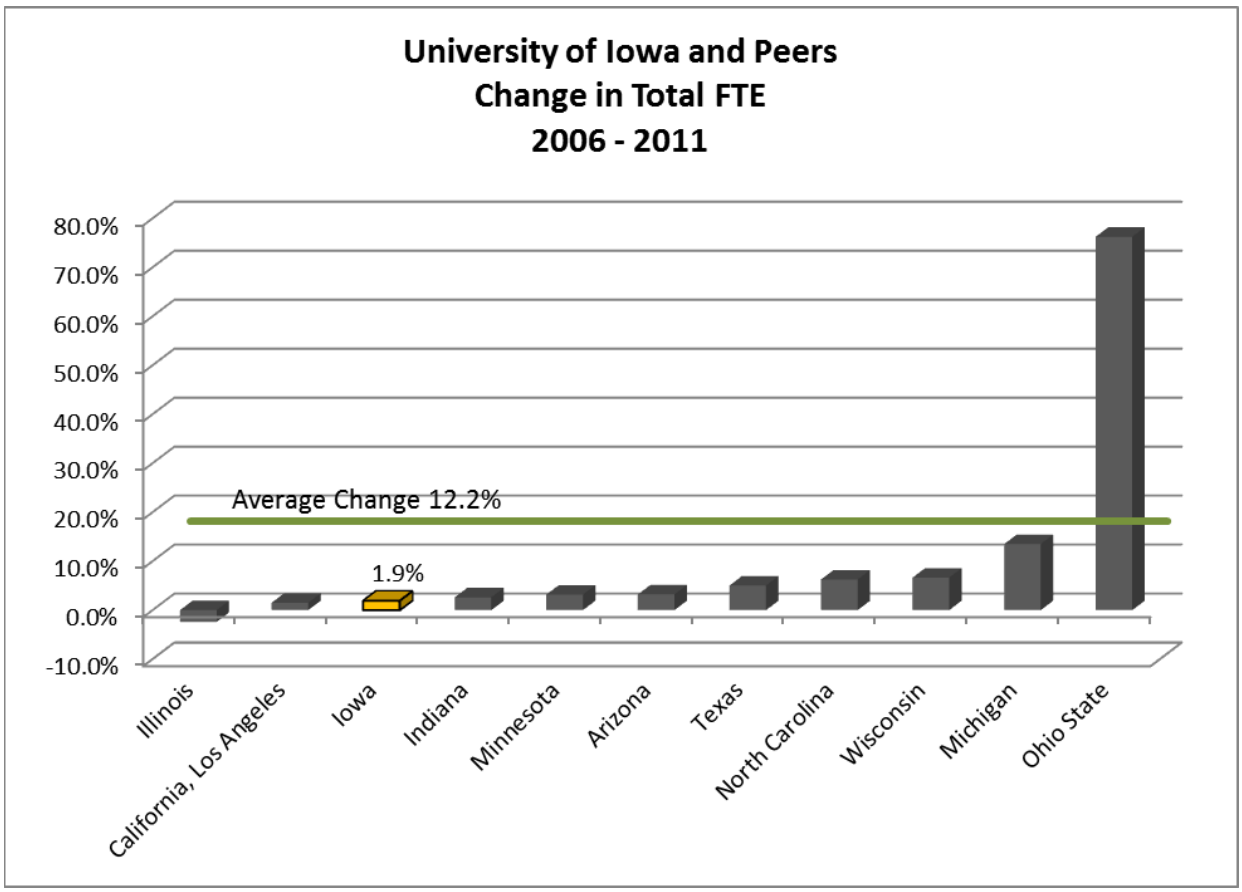
Each of the three Regents' Universities is compared to a group of ten of its peer institutions, as selected by the Board of Regents. **(Attachment B)**

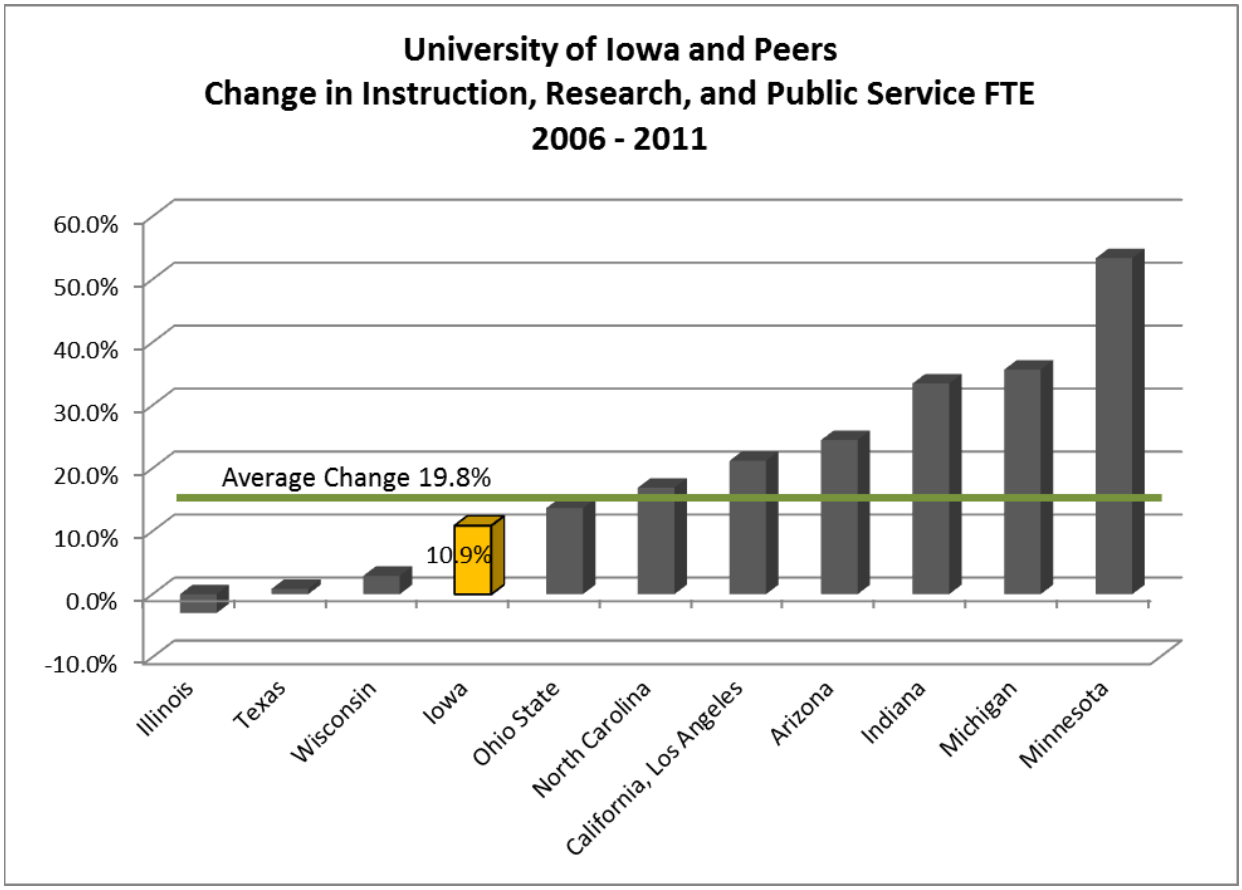
The IPEDS includes Iowa in the Plains region with Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota. In the community college comparisons in this document, the FTE levels for all the 2-year public colleges in each of those states are combined and the change is calculated for the entire state.

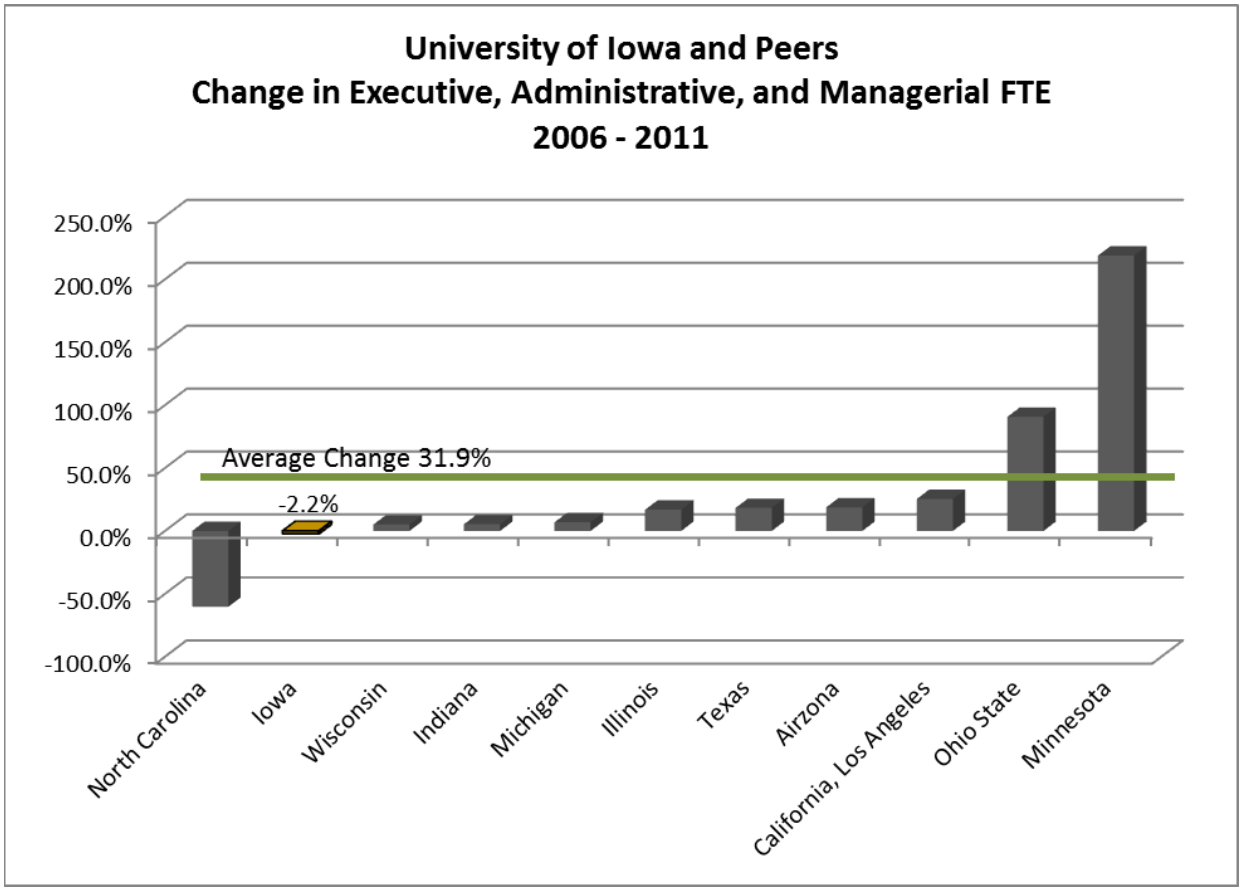
The IPEDS does not provide explanation for specific instances of very large changes in FTE staffing.

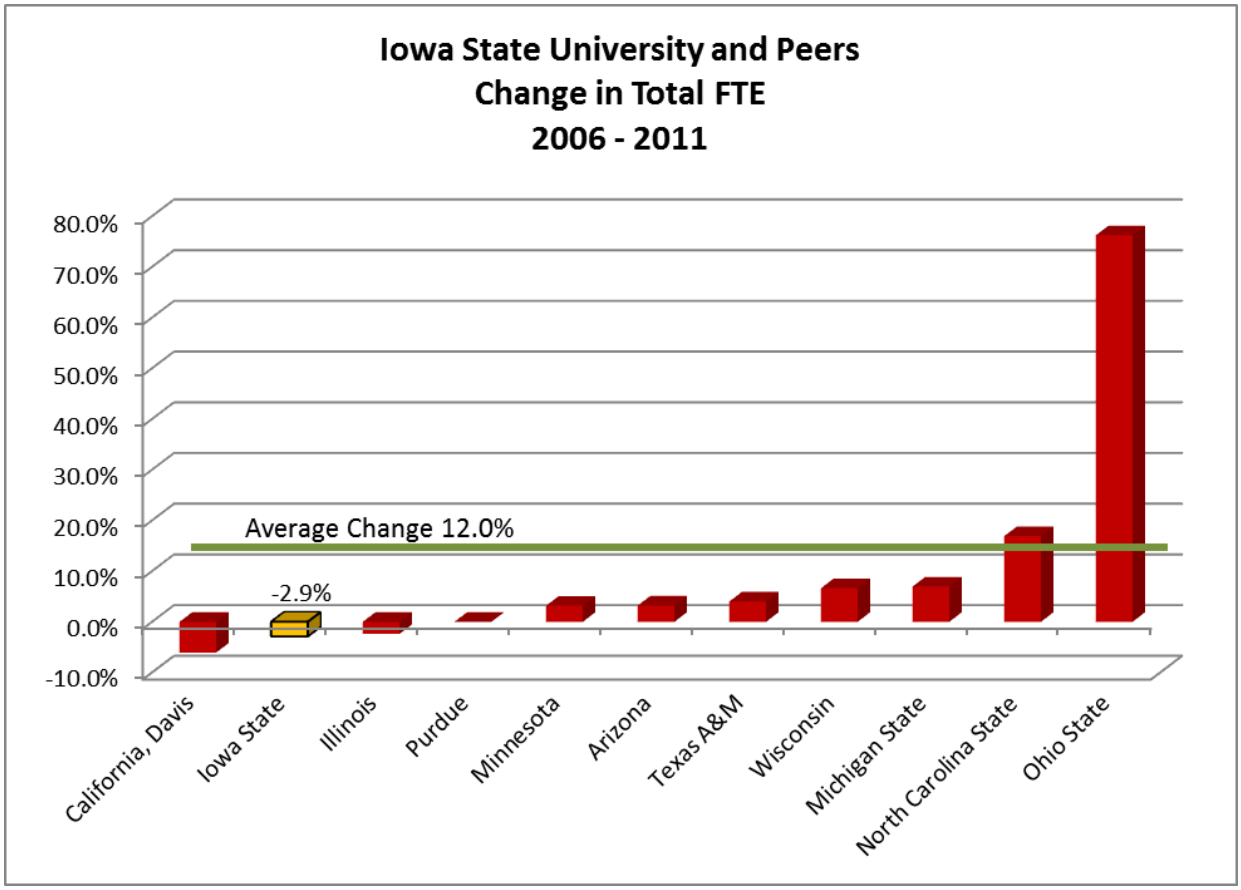
For additional information, please contact Robin Madison, Legislative Services Agency, 515-281-5270, robin.madison@legis.iowa.gov.

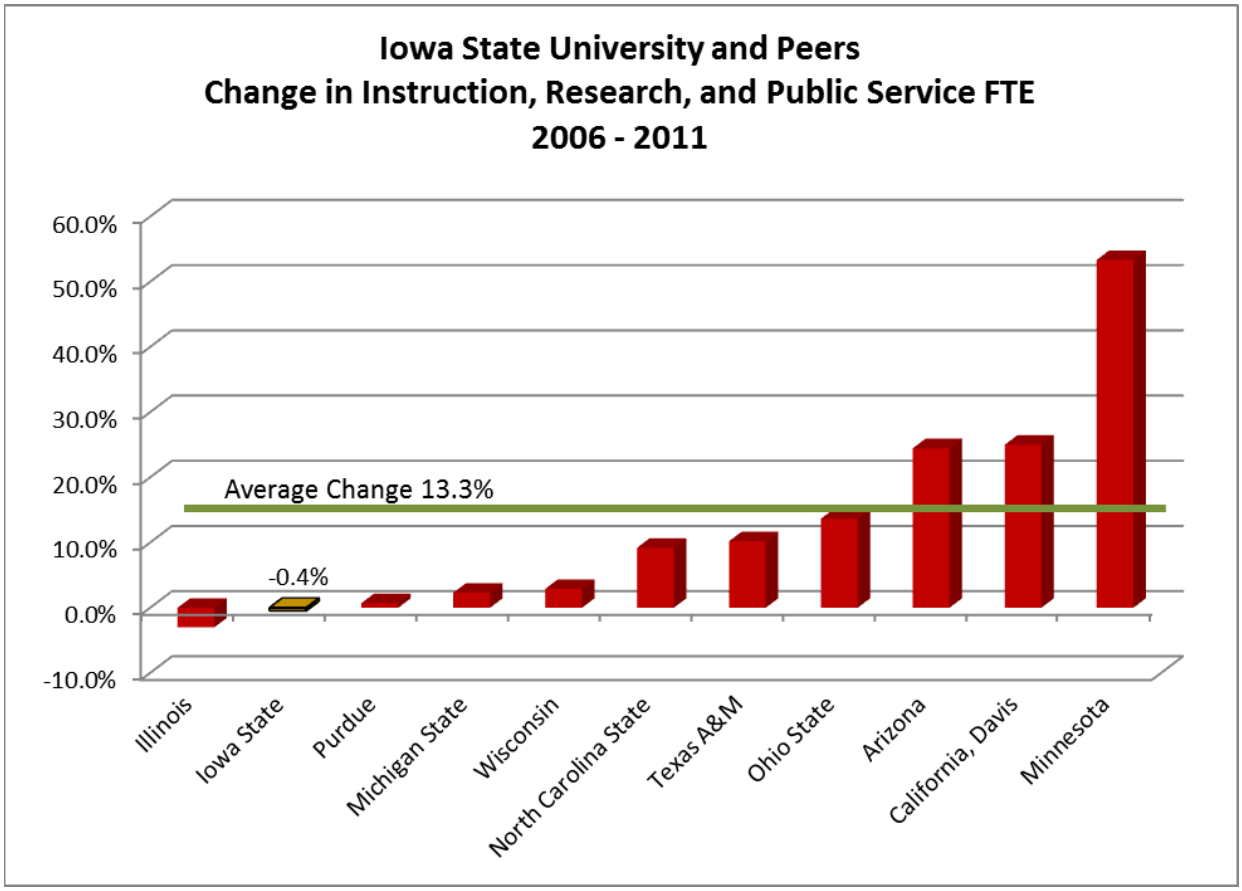
Regents' Universities

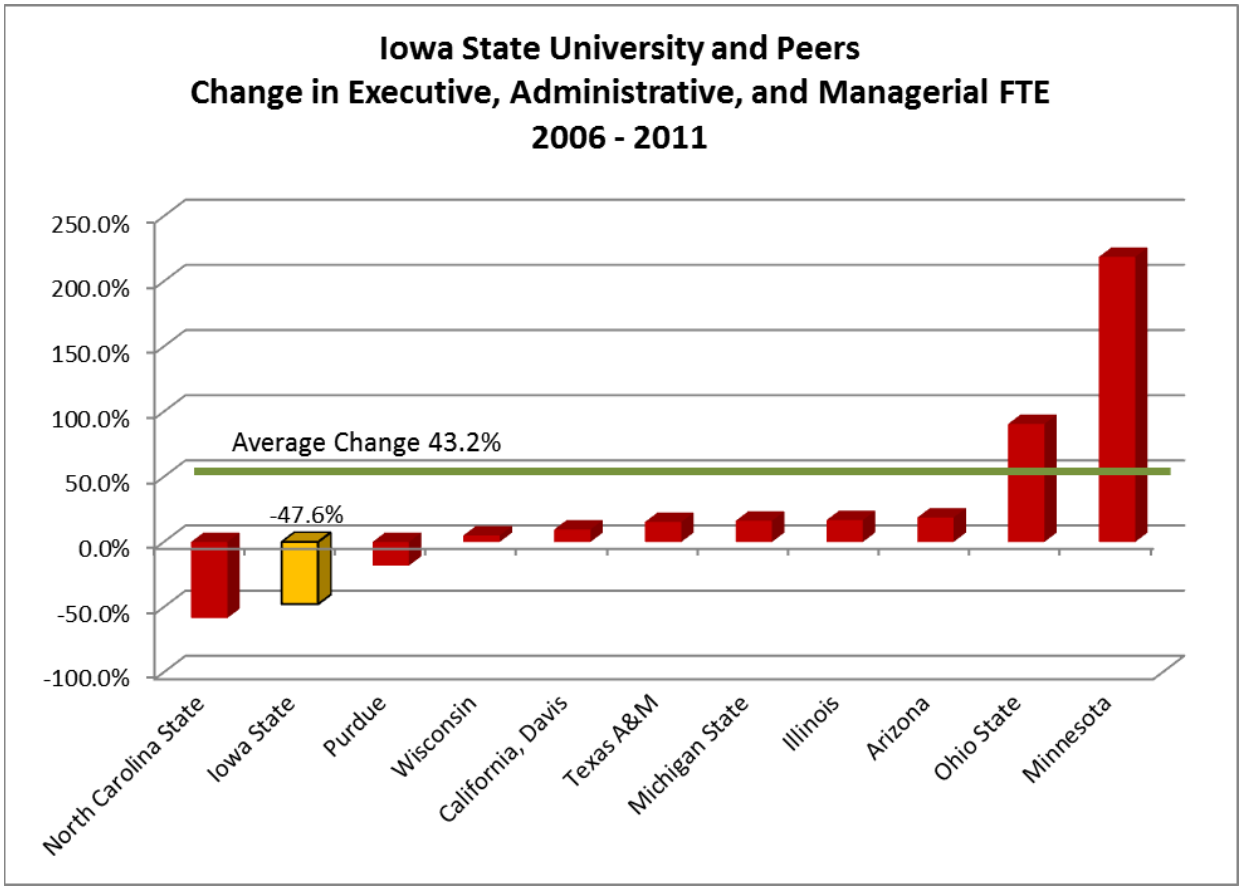


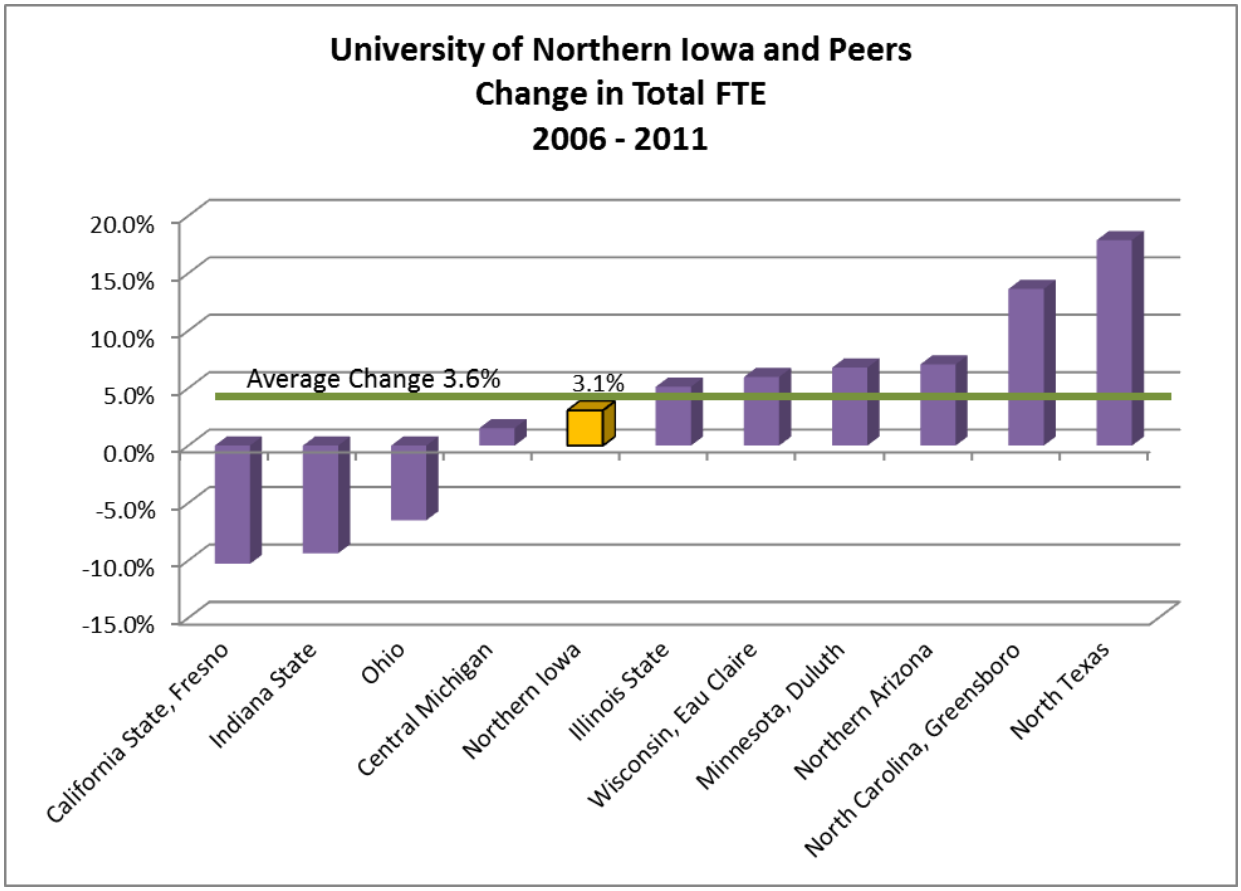

University of Iowa and Peers
Change in Instruction, Research, and Public Service FTE
2006 - 2011
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
Average Change 19.8%
10.9%
Illinois
Texas
Wisconsin
Iowa
Ohio State
North Carolina
California, Los Angeles
Arizona
Indiana
Michigan
Minnesota

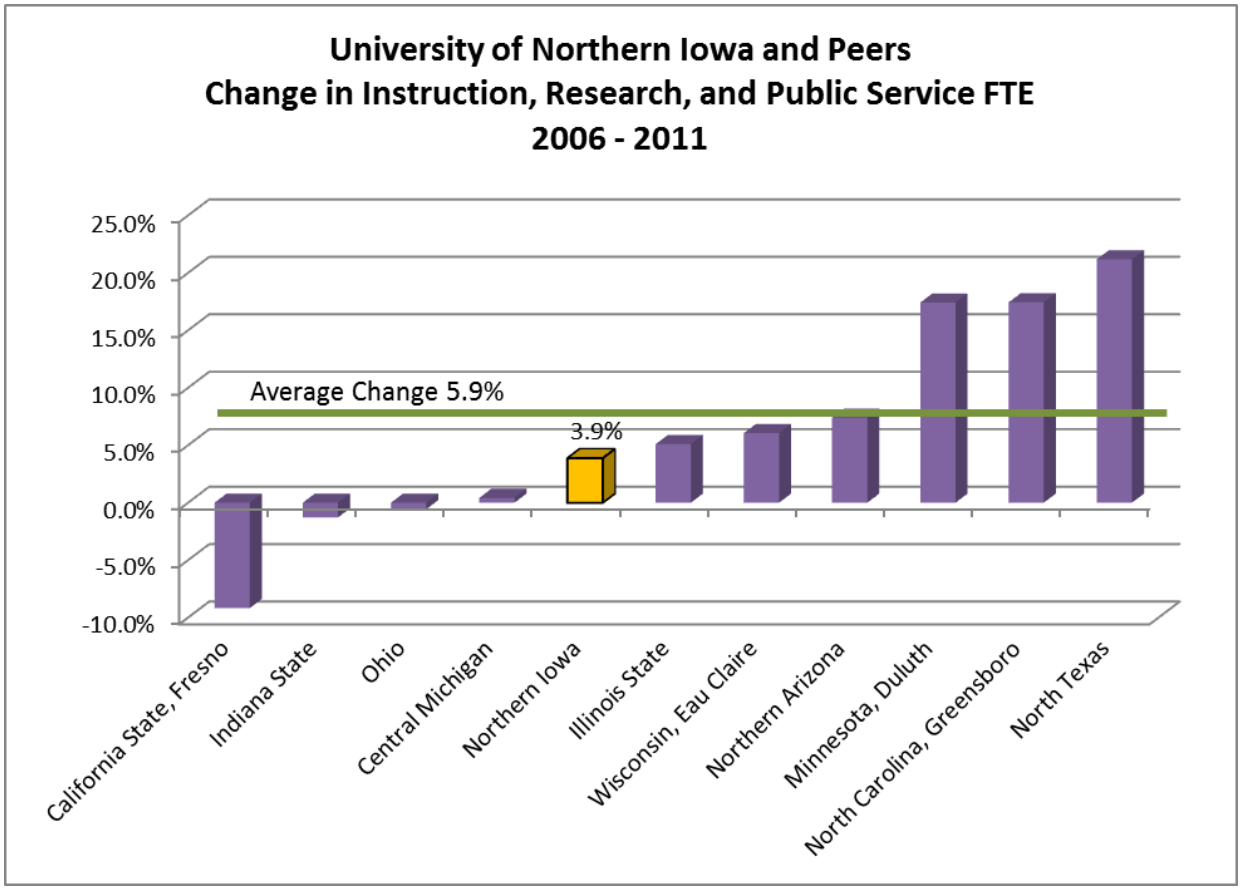

University of Iowa and Peers
Change in Executive, Administrative, and Managerial FTE
2006 - 2011
250.0%
200.0%
150.0%
100.0%
50.0%
0.0%
-50.0%
-100.0%
Average Change 31.9%
-2.2%
North Carolina
Iowa
Wisconsin
Indiana
Michigan
Illinois
Texas
Airzona
California, Los Angeles
Ohio State
Minnesota

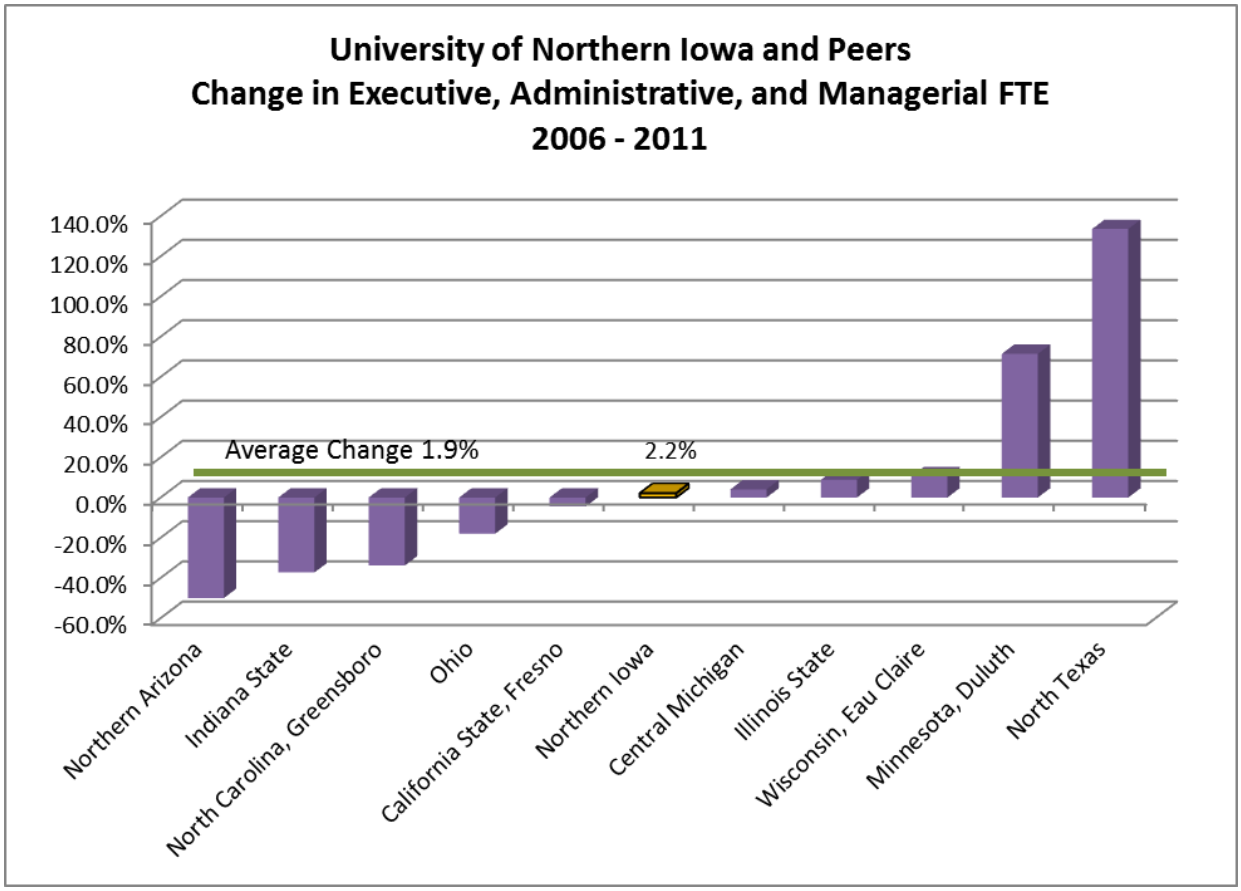

Iowa State University and Peers
Change in Total FTE
2006 - 2011
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
Average Change 12.0%
-2.9%
California, Davis
Iowa State
Illinois
Purdue
Minnesota
Arizona
Texas A&M
Wisconsin
Michigan State
North Carolina State
Ohio State


Iowa State University and Peers
Change in Instruction, Research, and Public Service FTE
2006 - 2011
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
Average Change 13.3%
-0.4%
Illinois
Iowa State
Purdue
Michigan State
Wisconsin
North Carolina State
Texas A&M
Ohio State
Arizona
California, Davis
Minnesota

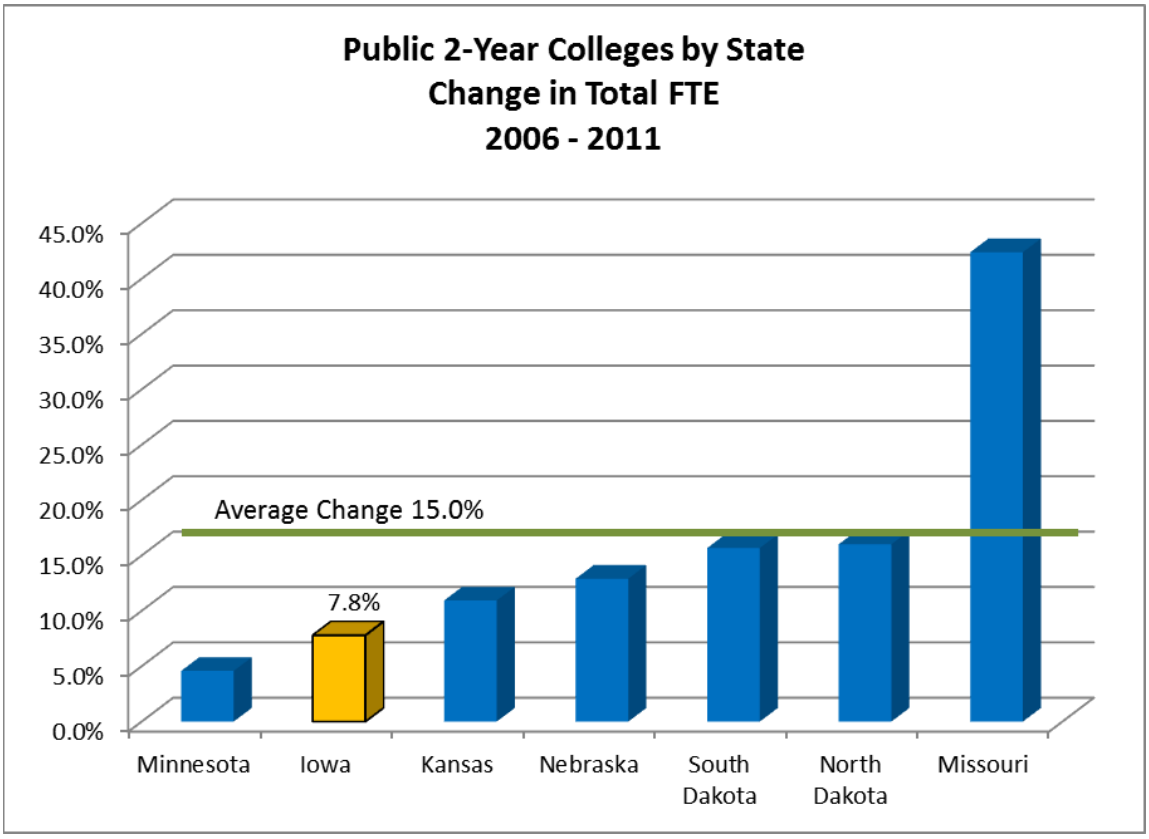

Iowa State University and Peers
Change in Executive, Administrative, and Managerial FTE
2006 - 2011
250.0%
200.0%
150.0%
100.0%
50.0%
0.0%
-50.0%
-100.0%
Average Change 43.2%
-47.6%
North Carolina State
Iowa State
Purdue
Wisconsin
California, Davis
Texas A&M
Michigan State
Illinois
Arizona
Ohio State
Minnesota

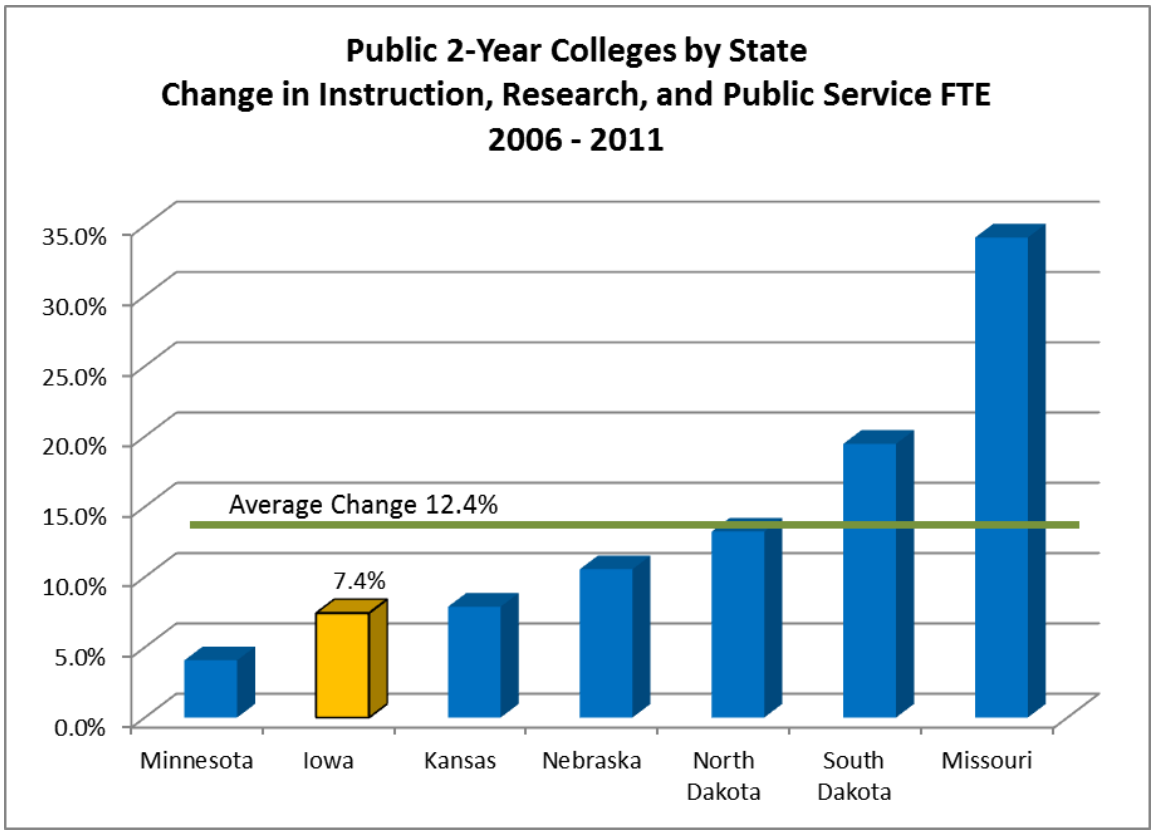

University of Northern Iowa and Peers
Change in Total FTE
2006 - 2011
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
-15.0%
Average Change 3.6%
3.1%
California State, Fresno
Indiana State
Ohio
Central Michigan
Northern Iowa
Illinois State
Wisconsin, Eau Claire
Minnesota, Duluth
Northern Arizona
North Carolina, Greensboro
North Texas

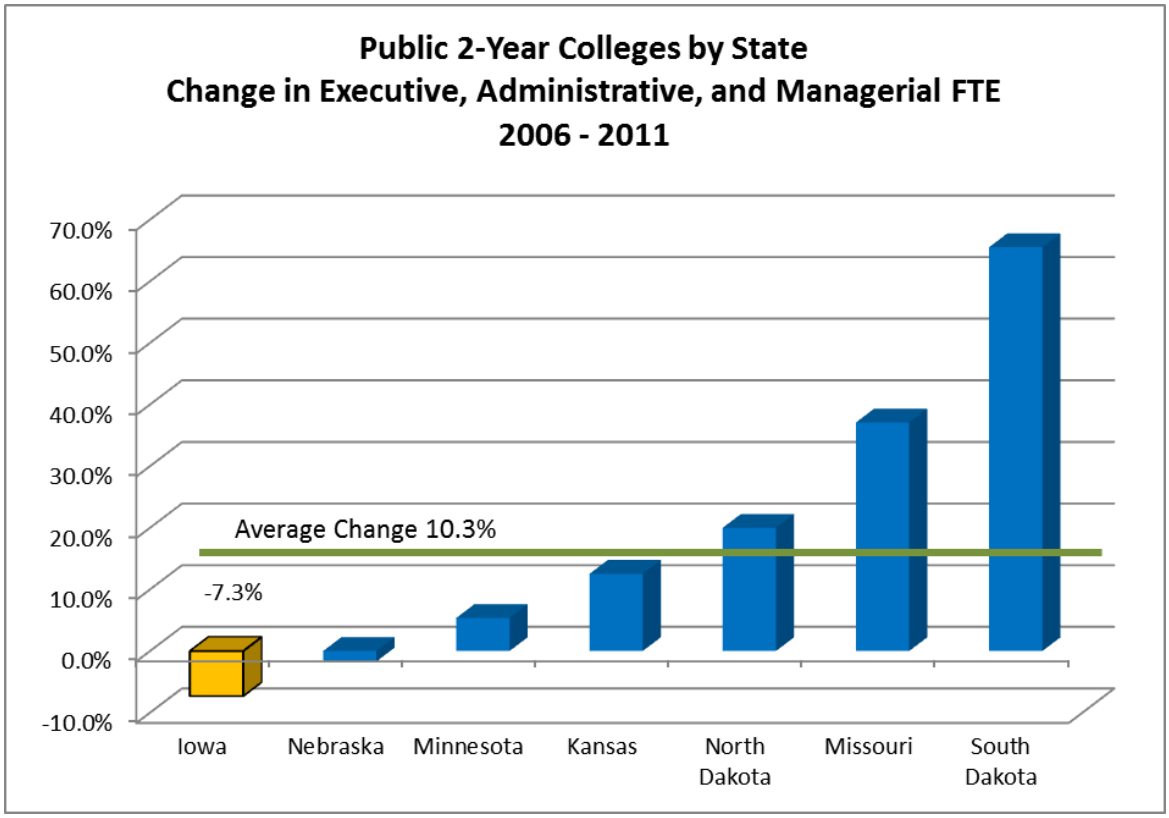

University of Northern Iowa and Peers
Change in Instruction, Research, and Public Service FTE
2006 - 2011
25.0%
20.0%
15.0%
10.0%
5.0%
0.0%
-5.0%
-10.0%
Average Change 5.9%
3.9%
California State, Fresno
Indiana State
Ohio
Central Michigan
Northern Iowa
Illinois State
Wisconsin, Eau Claire
Northern Arizona
Minnesota, Duluth
North Carolina, Greensboro
North Texas


University of Northern Iowa and Peers
Change in Executive, Administrative, and Managerial FTE
2006 - 2011
140.0%
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
-20.0%
-40.0%
-60.0%
Average Change 1.9%
2.2%
Northern Arizona
Indiana State
North Carolina, Greensboro
Ohio
California State, Fresno
Northern Iowa
Central Michigan
Illinois State
Wisconsin, Eau Claire
Minnesota, Duluth
North Texas

Community Colleges






Public 2-Year Colleges by State
Change in Executive, Administrative, and Managerial FTE
2006 - 2011
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
-10.0%
Average Change 10.3%
-7.3%
Iowa
Nebraska
Minnesota
Kansas
North Dakota
Missouri
South Dakota

IPEDS Variable Definitions

Instruction, research, and public service FTE:

Primarily instruction - A primary function or occupational activity category used to classify persons whose specific assignments customarily are made for the purpose of conducting instruction or teaching and who hold academic titles of professor, associate professor, assistant professor, instructor, lecturer or the equivalent. Includes deans, directors, or the equivalent, as well as associate deans, assistant deans, and executive officers of academic departments (chairpersons, heads, or equivalent) if their principal activity is instruction.

Primarily public service - A primary function or occupational activity category used to classify persons whose specific assignments customarily are made for the purpose of carrying out public service activities such as agricultural extension services, clinical services, or continuing education and who may hold academic titles of professor, associate professor, assistant professor. Includes deans, directors, or the equivalent, as well as associate deans, assistant deans, and executive officers of academic departments (chairpersons, heads, or equivalent) if their principal activity is public service.

Primarily research - A primary function or occupational activity category used to classify persons whose specific assignments customarily are made for the purpose of conducting research and who hold academic titles of professor, associate professor, assistant professor, or titles such as research associate or postdoctoral fellow. Includes deans, directors, or the equivalent, as well as associate deans, assistant deans, and executive officers of academic departments (chairpersons, heads, or equivalent) if their principal activity is research.

Executive, Administrative, and Managerial FTE:

A primary function or occupational activity category used to classify persons whose assignments require management of the institution, or a customarily recognized department or subdivision thereof. Assignments require the performance of work directly related to management policies or general business operations of the institution, department or subdivision. Assignments in this category customarily and regularly require the incumbent to exercise discretion and independent judgment. Included in this category are employees holding titles such as: top executives; chief executives; general and operations managers; advertising, marketing, promotions, public relations, and sales managers; operations specialties managers; administrative services managers; computer and information systems managers; financial managers; human resources managers; purchasing managers; postsecondary education administrators such as: presidents, vice presidents (including assistants and associates), deans (including assistants and associates) if their principal activity is administrative and not primarily instruction, research or public service, directors (including assistants and associates), department heads (including assistants and associates) if their principal activity is administrative and not primarily instruction, research or public service, assistant and associate managers (including first-line managers of service, production and sales workers who spend more than 80 percent of their time performing supervisory activities); engineering managers; food service managers; lodging managers; and medical and health services managers.

PEER INSTITUTIONS

153658	State University of Iowa
104179	University of Arizona
110662	University of California – Los Angeles
145637	University of Illinois – Champaign-Urbana
170976	University of Michigan – Ann Arbor
174066	University of Minnesota – Twin Cities
199120	University of North Carolina – Chapel Hill
151351	Indiana University – Bloomington
204796	Ohio State University
240444	University of Wisconsin – Madison
228778	University of Texas – Austin

153603	Iowa State University
104179	University of Arizona
110644	University of California – Davis
145637	University of Illinois
171100	Michigan State University
174066	University of Minnesota – Twin Cities
199193	North Carolina State
204796	Ohio State University
243780	Purdue University – Main Campus
228723	Texas A&M
240444	University of Wisconsin – Madison

154095	University of Northern Iowa
110556	California State University – Fresno
169248	Central Michigan University
145813	Illinois State University
151324	Indiana State University
174233	University of Minnesota – Duluth
105330	Northern Arizona University
199148	University of North Carolina – Greensboro
227216	University of North Texas
204857	Ohio University – Main
240268	University of Wisconsin – Eau Claire

13 Tuition and Fees

Iowa's Community Colleges Resident Tuition

Table 13-1 lists the average tuition, lowest tuition, and highest tuition charged at Iowa's community colleges for a full-time resident student. Iowa Code limits the total tuition for Iowa residents attending community colleges so as not to exceed the lowest tuition rate per semester charged by a public university for a full-time resident student. A full-time student in this report is a student who enrolls in 15 credit hours.

Average tuition increased $1,526 from fiscal year 2004 to fiscal year 2013, an increase of 60 percent. Tuition gains averaged 5.31 percent each year.

The spread between tuition amounts has increased since 2004. The difference from the highest annual tuition to lowest annual tuition has increased from $390 in fiscal year 2004 to $742 in fiscal year 2013. As a percentage of the average tuition, this variance has increased from 15 percent in 2004 to over 18 percent in 2013.

Table 13-11 lists the full-time resident tuition by college for arts and sciences and career and technical education (CTE) programs.

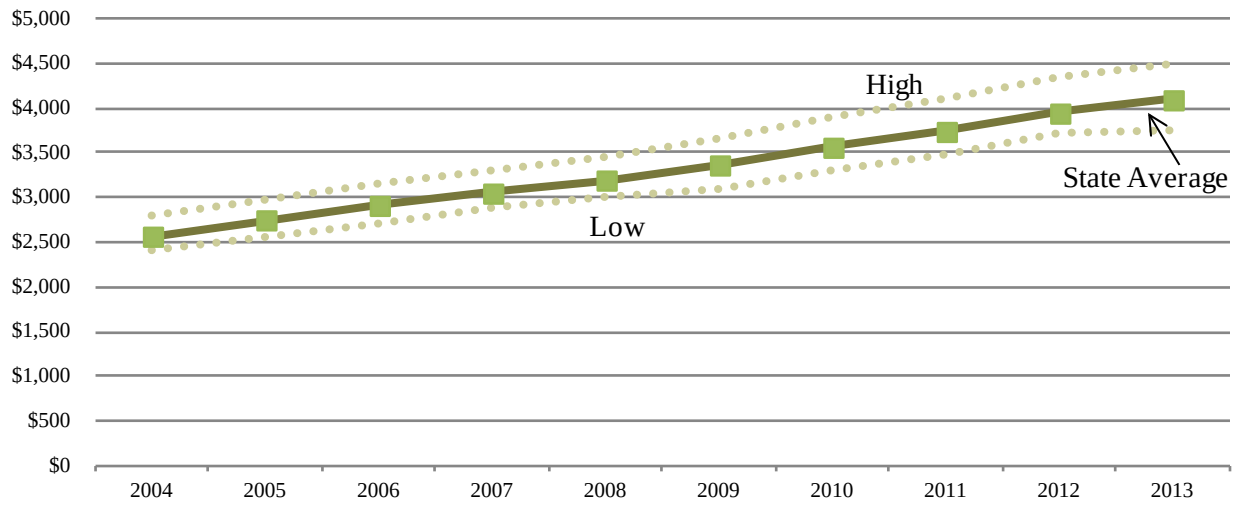
Table 13-1: Annual Iowa Community Colleges Full-Time Resident Tuition

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$2,400	$2,550	$2,700	$2,880	$2,996	$3,106	$3,293	$3,491	$3,720	$3,758
High	$2,790	$2,9w70	$3,150	$3,300	$3,450	$3,660	$3,900	$4,110	$4,350	$4,500
State Average	$2,571	$2,754	$2,916	$3,053	$3,199	$3,368	$3,566	$3,743	$3,948	$4,097
Std. Deviation	107.54	109.67	119.04	127.77	140.38	159.98	180.67	195.18	185.55	211.54

Source: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 12.

Note: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Figure 13-1: Annual Iowa Community Colleges Full-Time Resident Tuition



Source: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 13-11.

Note: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

The tuition per credit hour is shown in Table 13-2. Over the past 10 years, the average tuition cost per credit hour has increased from $85.69 to $136.56 per credit hour. Courses generally range from three to five credit hours in a community college.

Similar to average tuition, the variance between the community colleges has increased. The difference between the highest per credit hour rate and lowest per credit hour rate increased from $13 in fiscal year 2004 to $24.75 in fiscal year 2013. Tables 13-11 and 13-12 list tuition per credit hour by college.

Iowa's Community Colleges Mandatory Fees

Table 13-3 reflects the basic mandatory fees charged at each community college; however, this is not an all–inclusive list of fees charged by the individual community colleges. Some colleges do not charge separate fees in addition to their tuition charge. Moreover, these fees do not include any program specific fees.

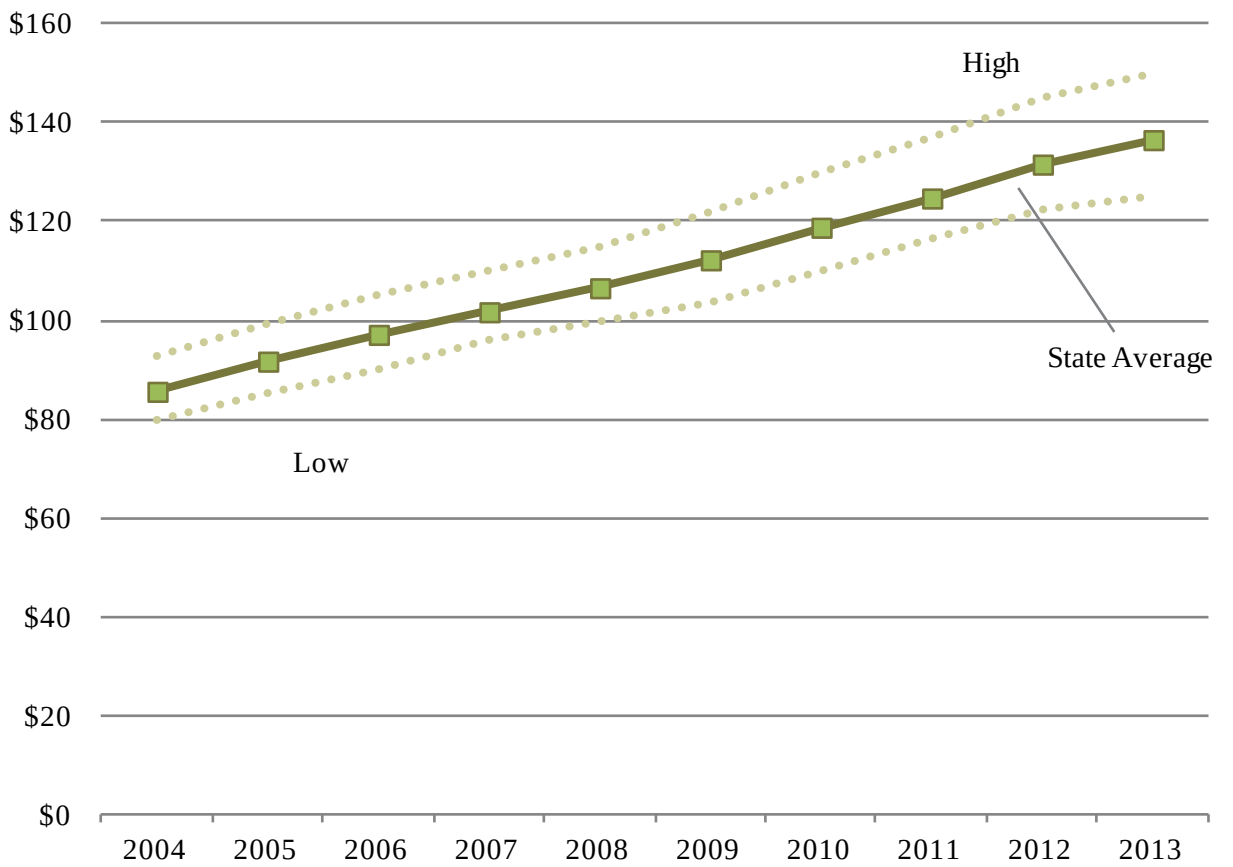
In fiscal year 2013, average fees will increase $.60 to $339.69. Average mandatory tuition fees have grown 3.24 percent per year since fiscal year 2004.

Table 13-2: Annual Iowa Community Colleges Fall Resident Tuition Per Credit Hour

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$80.00	$85.00	$90.00	$96.00	$99.85	$103.55	$109.76	$116.35	$122.20	$125.25
High	$93.00	$99.00	$105.00	$110.00	$115.00	$122.00	$130.00	$137.00	$145.00	$150.00
State Average	$85.69	$91.79	$97.20	$101.77	$106.62	$112.27	$118.85	$124.76	$131.61	$136.56
Std. Deviation	$3.58	$3.66	$3.97	$4.26	$4.68	$5.33	$6.16	$6.51	$6.18	$7.05

Source: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 13-11.

Figure 13-2: Annual Iowa Community Colleges Fall Resident Tuition Per Credit Hour



Source: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education.

Tuition and Mandatory Fees Per Credit Hour

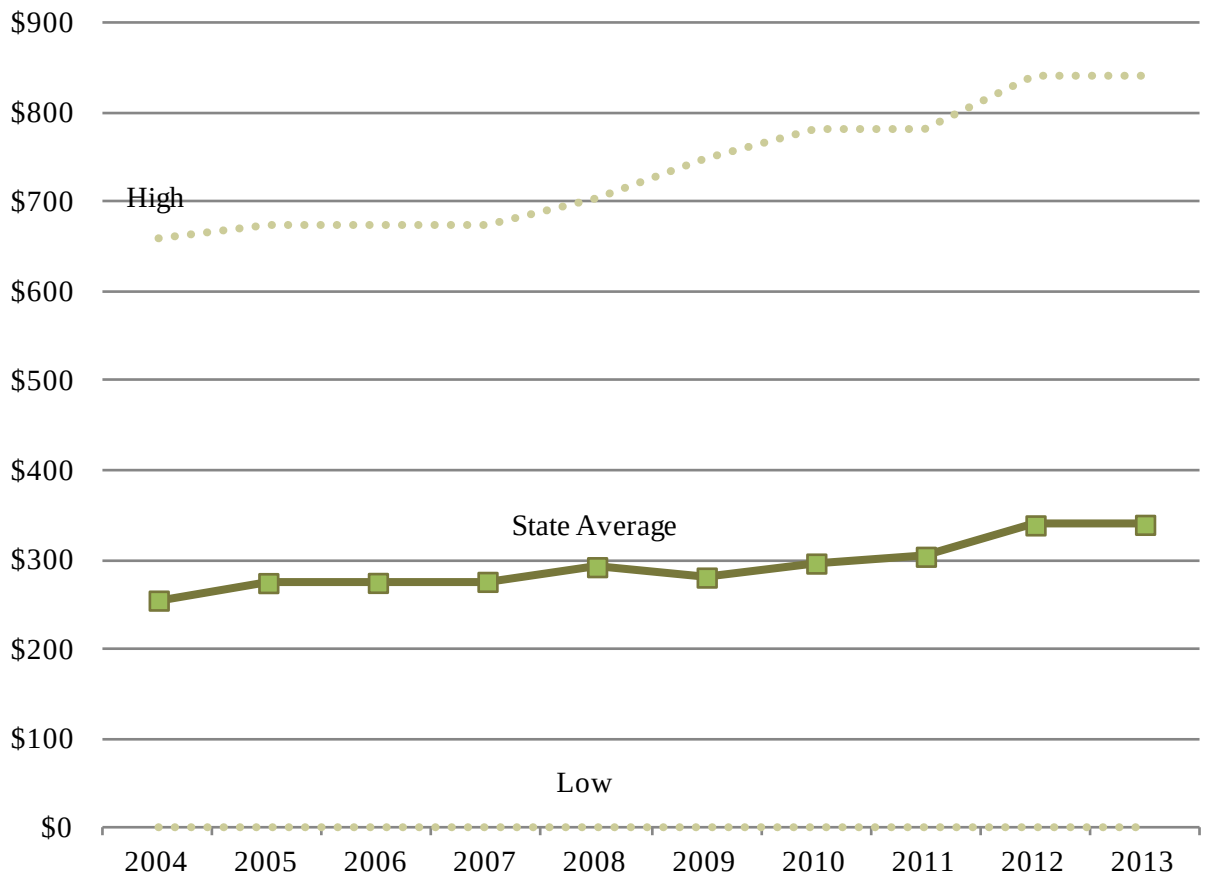
Figure 13-4 shows tuition and mandatory fees per credit hour. Notwithstanding additional fees, this represents the cost of enrolling in a community college. The average tuition and mandatory fees charged per credit hour will increase $4.98 per hour in fiscal 2013 to $147.90. This is a 3.48 percent increase from the previous year. See Table 13-11 for a listing of individual tuition and fees charged by each community college.

Table 13-3: Annual Iowa Community Colleges Full-Time Mandatory Fees

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
High	$660	$675	$675	$675	$705	$750	$780	$780	$840	$840
State Average	$254.97	$274.57	$274.77	$275.93	$292.37	$280.73	$296.39	$303.99	$339.09	$339.69

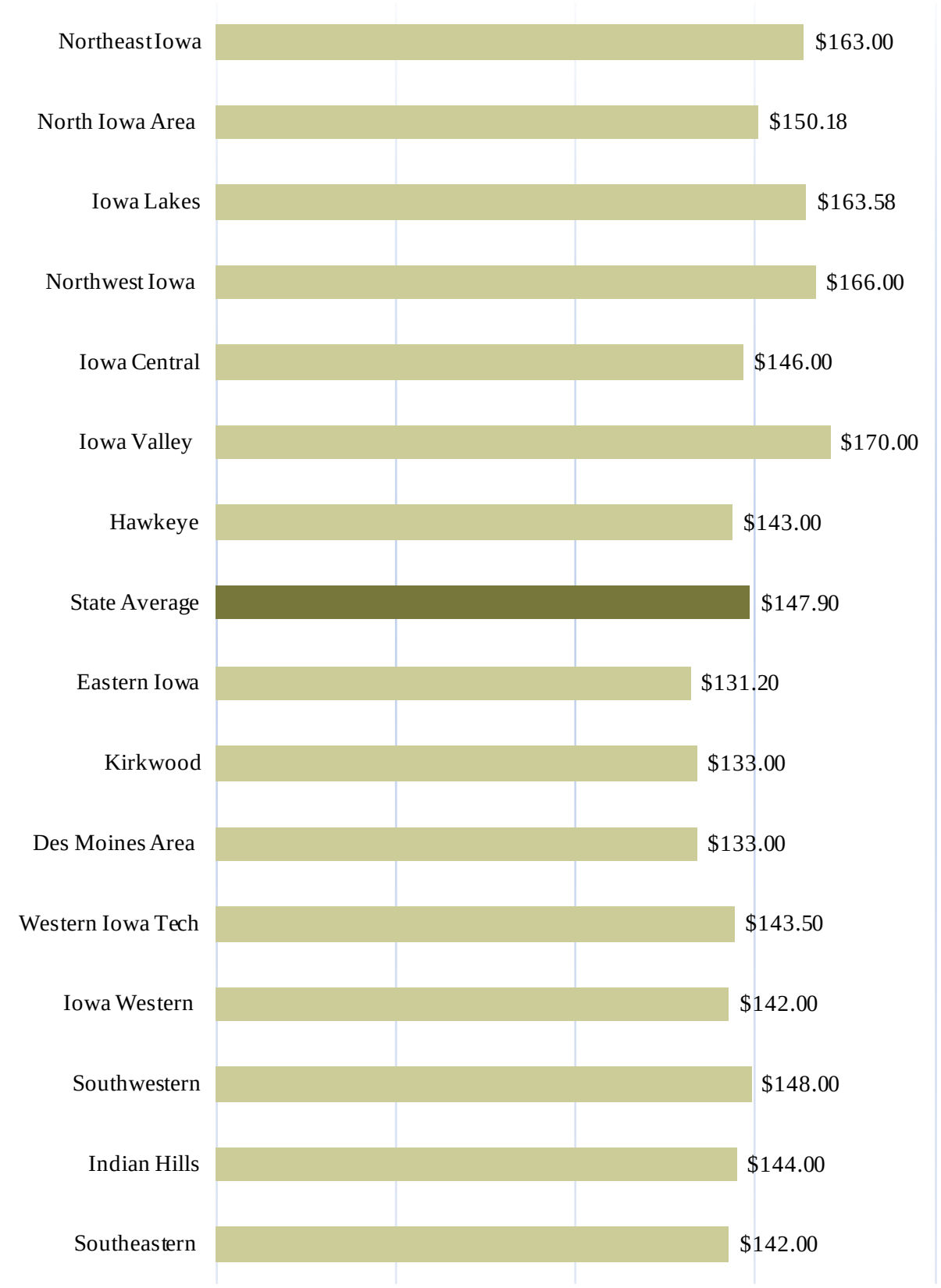
SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Tables 13-10b.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Figure 13-3: Annual Iowa Community Colleges Full-Time Mandatory Fees



SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Tables 13-10b.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Figure 13-4: Resident Tuition and Mandatory Fees Per Credit Hour: Fiscal Year 2013



SOURCE: Table 13-11 for Tuition and Fees amounts.

National Comparison of Tuition and Fees

The following information uses data from The Chronicle of Higher Education, Almanac Issue 2011-2012. This report provides data through 2010, which is the most recent national higher education tuition data available. The information will differ from the previous section as the Chronicle data is based on information supplied to the U.S. Department of Education and includes student fees. Iowa Department of Education tables are based on information provided and verified by Iowa's community colleges to the Iowa Department of Education.

From fiscal year 2003 to fiscal year 2010, average tuition at Iowa's community colleges increased 55 percent while the national average increased 39 percent (see Table 13-5, Figures 13-5 and 13-6). Tuition and fees are still 56 percent above the national average.

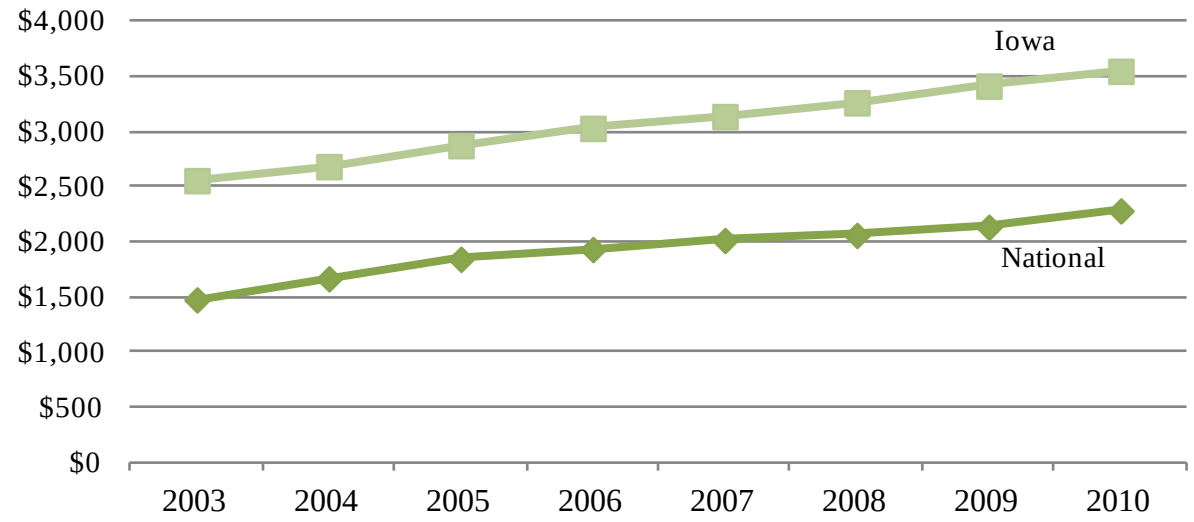
Iowa has the third highest tuition and fees level of its contiguous states (see Table 13-6). Minnesota and South Dakota continue to have the highest average tuition rates in this region. Iowa has the second smallest percentage change in tuition and fees from 2003-2010.

Table 13-5: National and State Average Community College Tuition and Fees

	2003	2004	2005	2006	2007	2008	2009	2010
National	$1,479	$1,670	$1,847	$1,935	$2,017	$2,063	$2,137	$2,285
Iowa	$2,559	$2,686	$2,876	$3,032	$3,139	$3,264	$3,415	$3,549

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. The Chronicle of Higher of Education Almanac Issue 2011-2012.

Figure 13-5 - National and State Average Community College Tuition and Fees



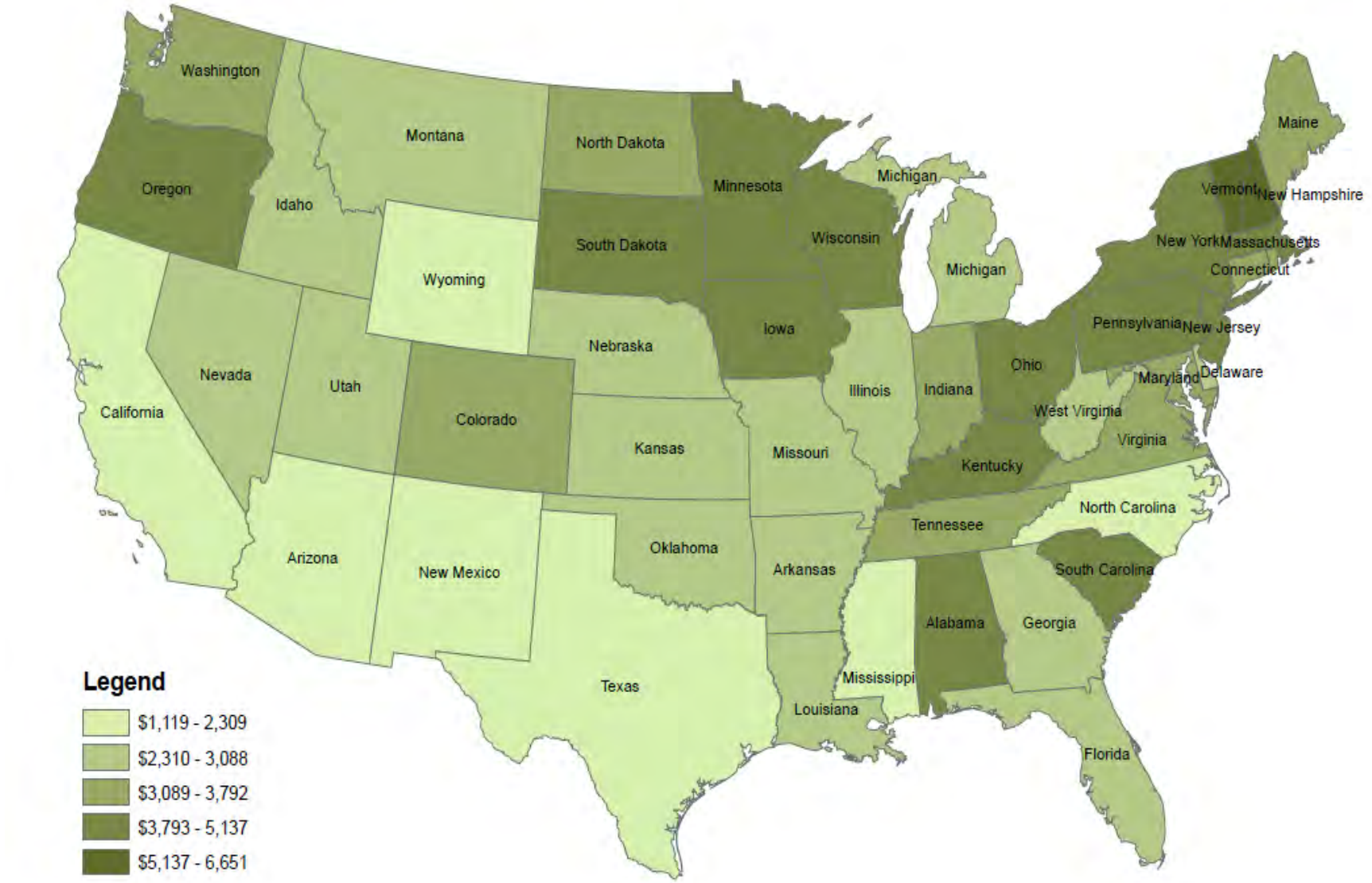
SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. The Chronicle of Higher of Education Almanac Issue 2011-2012.

Table 13-6: Comparison of Average Tuition and Fees with Surrounding States

	2003	2004	2005	2006	2007	2008	2009	2010	Change 2003-2010	
Minnesota	$2,880	$2,812	$3,839	$4,085	$4,359	$4,535	$4,614	$4,791	$1,911	66%
South Dakota	$3,167	$3,414	$2,840	$3,154	$3,495	$3,730	$3,931	$4,357	$1,190	38%
Iowa	$2,559	$2,686	$2,876	$3,032	$3,139	$3,264	$3,415	$3,549	$990	39%
Wisconsin	$2,555	$2,583	$2,796	$2,965	$3,163	$3,694	$3,536	$3,543	$988	39%
Missouri	$1,792	$1,940	$2,128	$2,247	$2,284	$2,385	$2,456	$2,406	$614	34%
Illinois	$1,662	$1,792	$1,952	$2,104	$2,252	$2,377	$2,519	$2,670	$1,008	61%
Kansas	$1,640	$1,783	$1,882	$1,938	$1,942	$2,029	$2,091	$2,212	$572	35%
Nebraska	$1,567	$1,678	$1,772	$1,899	$1,991	$2,128	$2,220	$2,248	$681	43%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. The Chronicle of Higher Education Almanac Issue 2011-2012.

Figure 13-6: National Comparison of Tuition and Fees



SOURCE: The Chronicle of Higher Education web site (Chronicle.com), information for 2011-2012.

Tuition Comparison with Iowa's Public Universities

Tables 13-7 through 13-9 provide a comparison of Iowa's community colleges average annual full-time resident tuition rate to the average tuition rate of Iowa's public universities. By law, community college tuition cannot exceed the minimum tuition at the public universities. In 2013, community college tuition will be 38 percent lower than the public university average tuition.

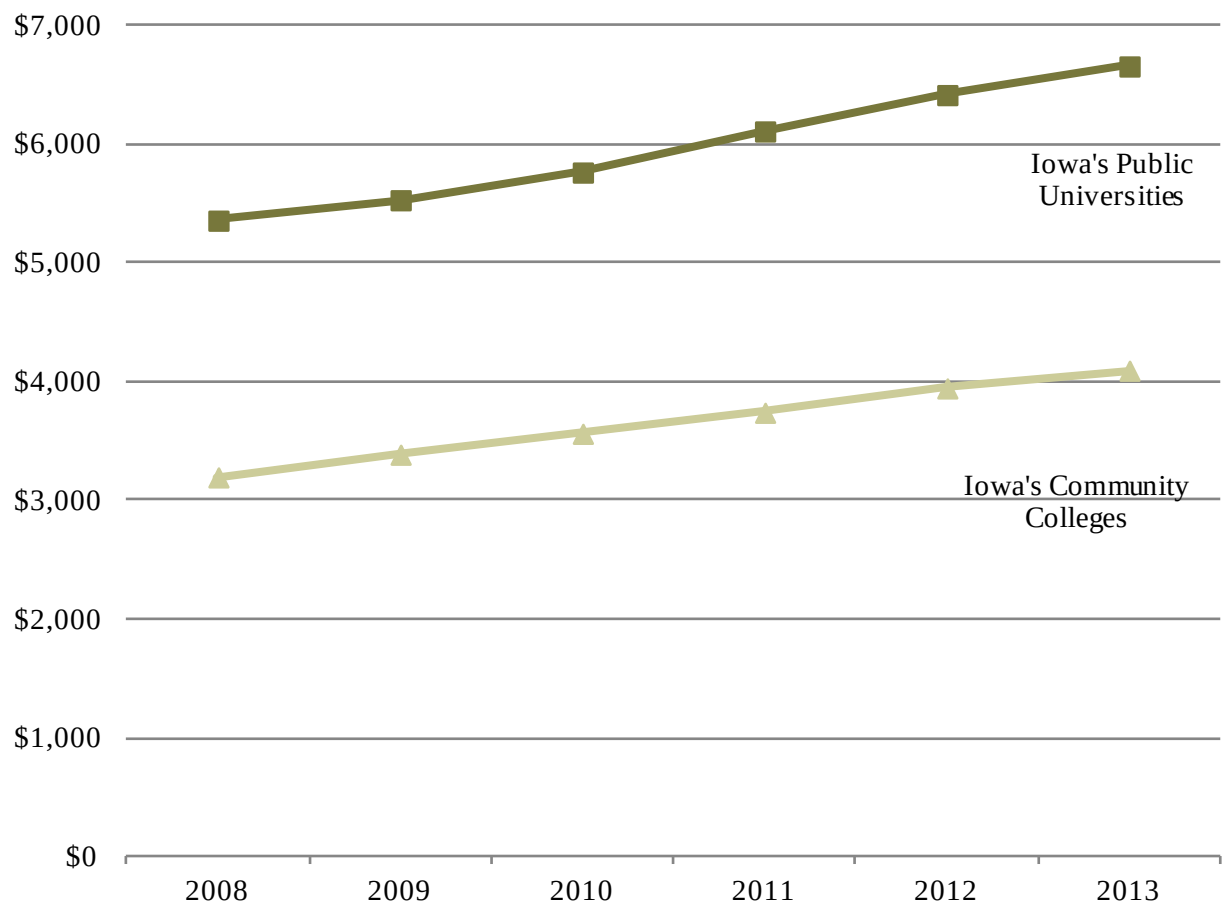
Iowa's public universities increased tuition 3.76 percent in fiscal year 2013 compared to the 3.77 percent gain for Iowa community colleges.

Table 13-7: Annual Full-Time Tuition Rates Comparison

	2008	2009	2010	2011	2012	2013	Change 2008-2013	
Iowa's Community Colleges	$3,199	$3,390	$3,566	$3,743	$3,948	$4,097	$898	28%
Iowa Public Universities	$5,360	$5,532	$5,765	$6,111	$6,417	$6,658	$1,298	24%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.

Figure 13-7: Annual Full-Time Tuition Comparison



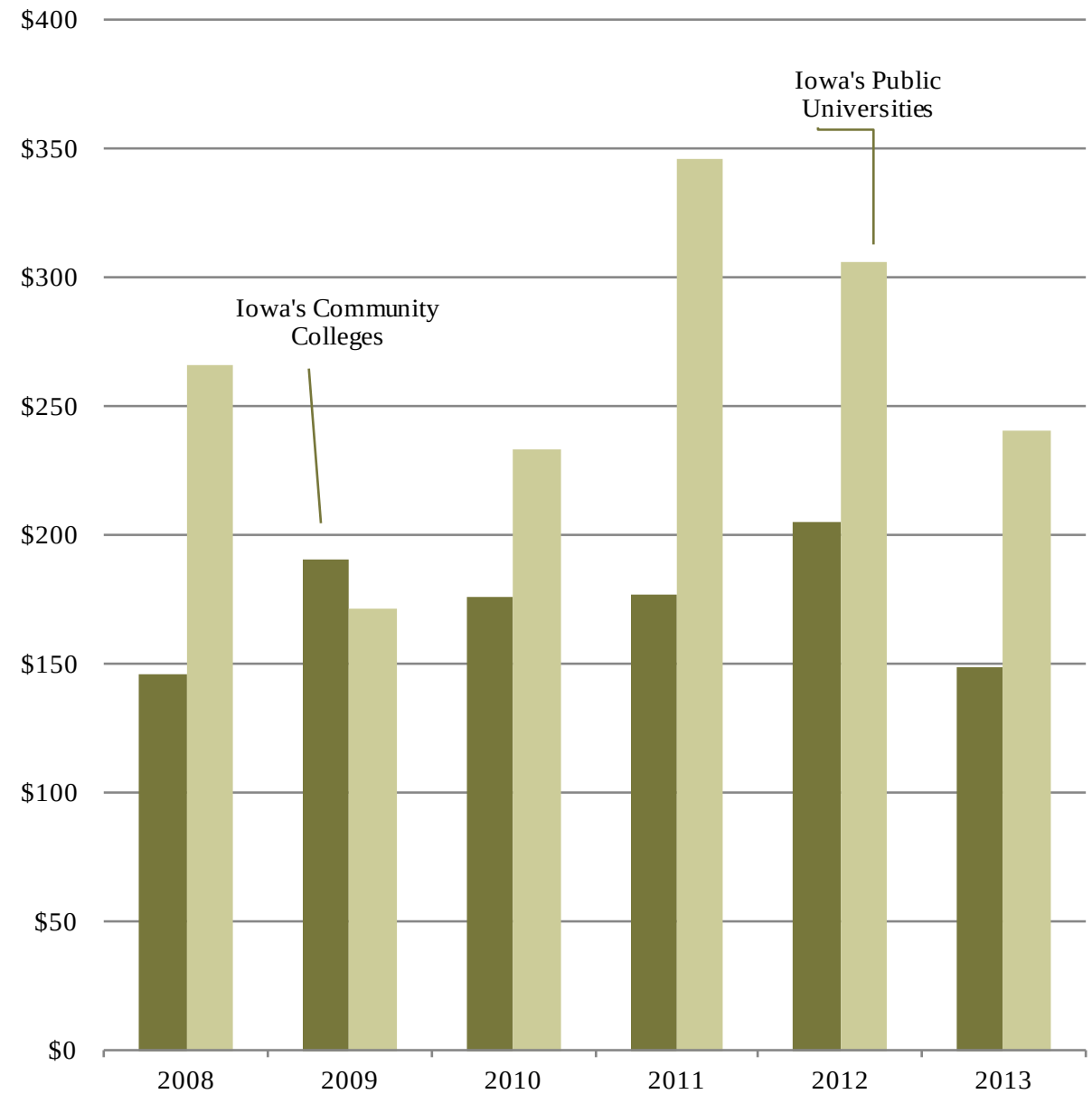
SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

Table 13-8: Annual Full-Time Tuition Increase for Iowa's Public Universities and Iowa's Community Colleges

Fiscal Year	2008	2009	2010	2011	2012	2013
Iowa's Community Colleges	$146	$191	$176	$177	$205	$149
Iowa's Public Universities	$266	$172	$233	$346	$306	$241

SOURCE: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.

Figure 13-8: Annual Average Full-Time Tuition Increase for Public Universities and Community Colleges



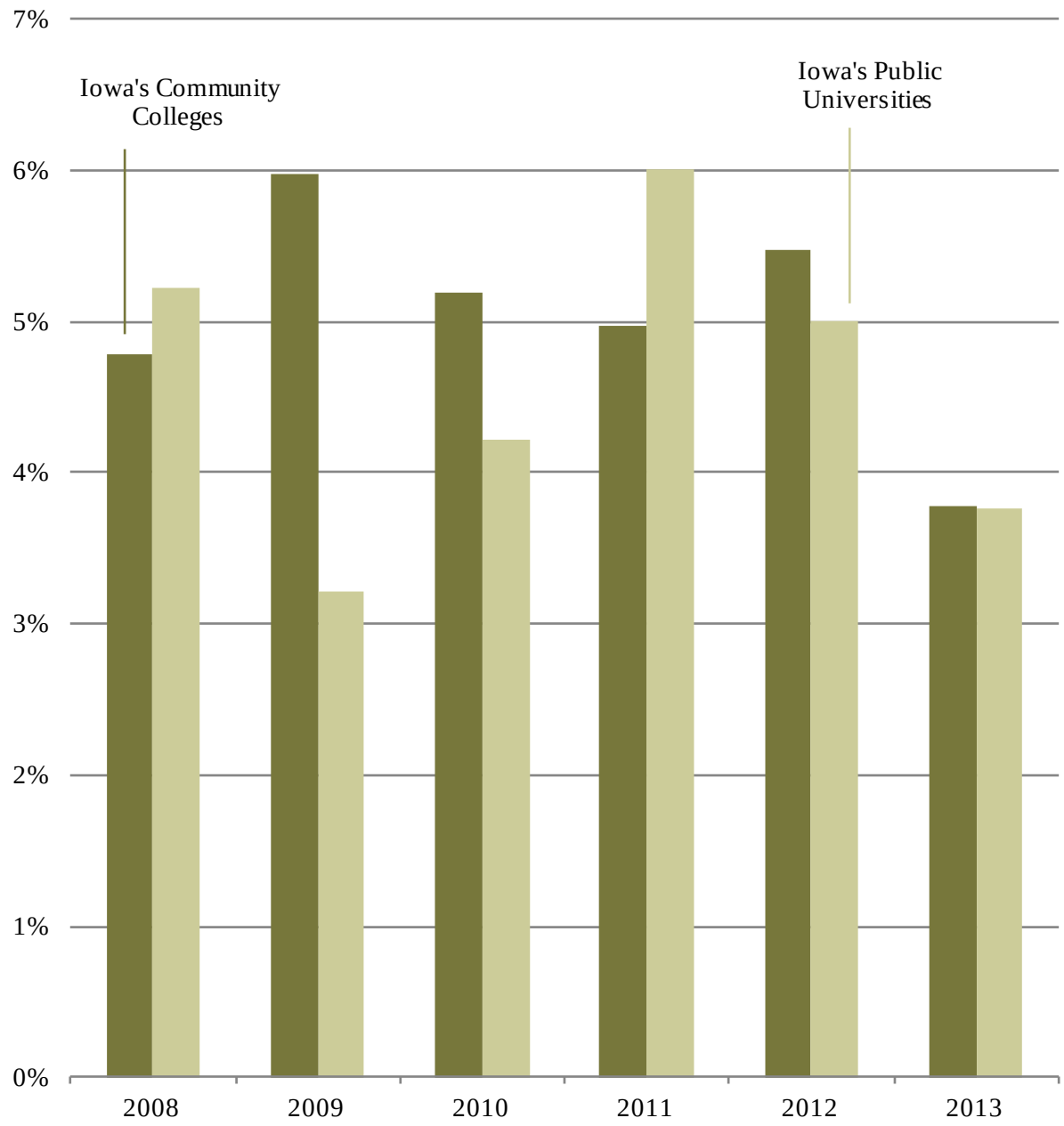
SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

Table 13-9: Annual Average Percentage Increase in Full-Time Tuition

Fiscal Year	2008	2009	2010	2011	2012	2013
Iowa's Community Colleges	4.78%	5.97%	5.19%	4.96%	5.48%	3.77%
Iowa's Public Universities	5.22%	3.21%	4.21%	6.00%	5.01%	3.76%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; public university information obtained from the Iowa Board of Regents' website.

Figure 13-9: Annual Average Percentage Increase in Full-Time Tuition



SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

Table 13-10a: Resident Tuition and Fees Based on 12 Credit Hours per Term: 2012-2013

Community College	2011-2012			2012-2013			Increases			
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	Percent Increase
Northeast Iowa	$3,480.00	$312.00	$3,792.00	$3,600.00	$312.00	$3,912.00	$120.00	$0.00	$120.00	3.16%
North Iowa Area	$2,932.80	$591.12	$3,523.92	$3,006.00	$598.32	$3,604.32	$73.20	$7.20	$80.40	2.28%
Iowa Lakes	$3,336.00	$422.00	$3,758.00	$3,504.00	$422.00	$3,926.00	$168.00	$0.00	$168.00	4.47%
Northwest Iowa	$3,168.00	$672.00	$3,840.00	$3,312.00	$672.00	$3,984.00	$144.00	$0.00	$144.00	3.75%
Iowa Central	$3,024.00	$336.00	$3,360.00	$3,168.00	$336.00	$3,504.00	$144.00	$0.00	$144.00	4.29%
Iowa Valley	$3,336.00	$624.00	$3,960.00	$3,456.00	$624.00	$4,080.00	$120.00	$0.00	$120.00	3.03%
Hawkeye	$3,192.00	$144.00	$3,336.00	$3,288.00	$144.00	$3,432.00	$96.00	$0.00	$96.00	2.88%
Eastern Iowa	$3,072.00	$0.00	$3,072.00	$3,148.80	$0.00	$3,148.80	$76.80	$0.00	$76.80	2.50%
Kirkwood	$3,072.00	$0.00	$3,072.00	$3,192.00	$0.00	$3,192.00	$120.00	$0.00	$120.00	3.91%
Des Moines Area	$3,144.00	$0.00	$3,144.00	$3,192.00	$0.00	$3,192.00	$48.00	$0.00	$48.00	1.53%
Western Iowa Tech	$2,976.00	$372.00	$3,348.00	$3,072.00	$372.00	$3,444.00	$96.00	$0.00	$96.00	2.87%
Iowa Western	$3,024.00	$312.00	$3,336.00	$3,096.00	$312.00	$3,408.00	$72.00	$0.00	$72.00	2.16%
Southwestern	$3,096.00	$288.00	$3,384.00	$3,264.00	$288.00	$3,552.00	$168.00	$0.00	$168.00	4.96%
Indian Hills	$3,288.00	$0.00	$3,288.00	$3,456.00	$0.00	$3,456.00	$168.00	$0.00	$168.00	5.11%
Southeastern	$3,240.00	$0.00	$3,240.00	$3,408.00	$0.00	$3,408.00	$168.00	$0.00	$168.00	5.19%
State Average	**$3,158.72**	**$271.54**	**$3,430.26**	**$3,277.52**	**$272.02**	**$3,549.54**	**$118.80**	**$0.48**	**$119.28**	**3.47%**
Std. Dev. (C.C.)	**$148.44**	**$232.68**	**$273.53**	**$169.23**	**$233.34**	**$287.33**	**$39.19**	**$1.80**	**$38.67**	**3.49%**
Iowa Public Universities	**$6,417.00**	**$1,116.20**	**$7,140.57**	**$6,658.00**	**$1,147.87**	**$7,805.87**	**$241.00**	**$31.67**	**$665.30**	**3.57%**

SOURCE: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa Community Colleges and compiled by the Iowa Department of Education. Iowa Board of Regents, Tuition Rates.
NOTE: Indians Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. Only fees charged for all students are included. Other fees for lab or specific programs are not included.

Table 13-10b: Resident Tuition and Fees Based on 15 Credit Hours Per Term: 2011-2013

Community College	2011-2012			2012-2013			Increases			
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	Percent Increase
Northeast Iowa	$4,350.00	$390.00	$4,740.00	$4,500.00	$390.00	$4,890.00	$150.00	$0.00	$150.00	3.16%
North Iowa Area	$3,666.00	$738.90	$4,404.90	$3,757.50	$747.90	$4,505.40	$91.50	$9.00	$100.50	2.28%
Iowa Lakes	$4,170.00	$522.50	$4,692.50	$4,380.00	$522.50	$4,902.50	$210.00	$0.00	$210.00	4.48%
Northwest Iowa	$3,960.00	$840.00	$4,800.00	$4,140.00	$840.00	$4,980.00	$180.00	$0.00	$180.00	3.75%
Iowa Central	$3,780.00	$420.00	$4,200.00	$3,960.00	$420.00	$4,380.00	$180.00	$0.00	$180.00	4.29%
Iowa Valley	$4,170.00	$780.00	$4,950.00	$4,320.00	$780.00	$5,100.00	$150.00	$0.00	$150.00	3.03%
Hawkeye	$3,990.00	$180.00	$4,170.00	$4,110.00	$180.00	$4,290.00	$120.00	$0.00	$120.00	2.88%
Eastern Iowa	$3,840.00	$0.00	$3,840.00	$3,936.00	$0.00	$3,936.00	$96.00	$0.00	$96.00	2.50%
Kirkwood	$3,840.00	$0.00	$3,840.00	$3,990.00	$0.00	$3,990.00	$150.00	$0.00	$150.00	3.91%
Des Moines Area	$3,930.00	$0.00	$3,930.00	$3,990.00	$0.00	$3,990.00	$60.00	$0.00	$60.00	1.53%
Western Iowa Tech	$3,720.00	$465.00	$4,185.00	$3,840.00	$465.00	$4,305.00	$120.00	$0.00	$120.00	2.87%
Iowa Western	$3,780.00	$390.00	$4,170.00	$3,870.00	$390.00	$4,260.00	$90.00	$0.00	$90.00	2.16%
Southwestern	$3,870.00	$360.00	$4,230.00	$4,080.00	$360.00	$4,440.00	$210.00	$0.00	$210.00	4.96%
Indian Hills	$4,110.00	$0.00	$4,110.00	$4,320.00	$0.00	$4,320.00	$210.00	$0.00	$210.00	5.11%
Southeastern	$4,050.00	$0.00	$4,050.00	$4,260.00	$0.00	$4,260.00	$210.00	$0.00	$210.00	5.19%
State Average	**$3,948.40**	**$339.09**	**$4,287.49**	**$4,096.90**	**$339.69**	**$4,436.59**	**$148.50**	**$0.60**	**$149.10**	**3.47%**
Std. Dev. (C.C.)	**$185.55**	**$290.64**	**$341.51**	**$211.54**	**$291.47**	**$358.72**	**$48.99**	**$2.24**	**$48.34**	**3.49%**
Iowa Public Universities	**$6,417.00**	**$1,116.20**	**$7,140.57**	**$6,658.00**	**$1,147.87**	**$7,805.87**	**$241.00**	**$31.67**	**$665.30**	**3.58%**

SOURCE: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa Community Colleges and compiled by the Iowa Department of Education. Iowa Board of Regents, Tuition Rates.
NOTE: Indians Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. Only fees charged for all students are included. Other fees for lab or specific programs are not included. Education. Iowa Board of Regents, Tuition Rates. Note: Indians Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. Only fees charged for all students are included. Other fees included.

Table 13-11: Resident Tuition and Fees Per Credit Hour: 2011-2013 Academic Years

Community College	Tuition per Semester Hour			Tuition and Fees per Hour		
	2011-2012	2012-2013	Increase	2011-2012	2012-2013	Increase
Northeast Iowa	$145.00	$150.00	$5.00	$158.00	$163.00	$5.00
North Iowa Area	$122.20	$125.25	$3.05	$146.83	$150.18	$3.35
Iowa Lakes	$139.00	$146.00	$7.00	$156.42	$163.58	$7.16
Northwest Iowa	$132.00	$138.00	$6.00	$160.00	$166.00	$6.00
Iowa Central	$126.00	$132.00	$6.00	$140.00	$146.00	$6.00
Iowa Valley	$139.00	$144.00	$5.00	$165.00	$170.00	$5.00
Hawkeye	$133.00	$137.00	$4.00	$139.00	$143.00	$4.00
Eastern Iowa	$128.00	$131.20	$3.20	$128.00	$131.20	$3.20
Kirkwood	$128.00	$133.00	$5.00	$128.00	$133.00	$5.00
Des Moines Area	$131.00	$133.00	$2.00	$131.00	$133.00	$2.00
Western Iowa Tech	$124.00	$128.00	$4.00	$139.50	$143.50	$4.00
Iowa Western	$126.00	$129.00	$3.00	$139.00	$142.00	$3.00
Southwestern	$129.00	$136.00	$7.00	$141.00	$148.00	$7.00
Indian Hills	$137.00	$144.00	$7.00	$137.00	$144.00	$7.00
Southeastern	$135.00	$142.00	$7.00	$135.00	$142.00	$7.00
State Average	**$131.61**	**$136.56**	**$4.95**	**$142.92**	**$147.90**	**$4.98**
Standard Deviation	**$6.18**	**$7.05**	**$1.63**	**$11.38**	**$11.97**	**$1.63**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education.
Note: Indian Hills shown for three 12-week terms. 8 credits per term equals 12 per semester.

Table 13-12: Non-Resident Tuition Per Credit Hour: 2011-2013 Academic Years

Community College	Tuition per Semester Hour			Annual with 24 Hours	Annual with 30 Hours	Percent Increase
	2011-2012	2012-2013	Increase			
Northeast Iowa	$145.00	$150.00	$5.00	$3,600.00	$4,500.00	3.45%
North Iowa Area	$183.30	$187.90	$4.60	$4,509.60	$5,637.00	2.51%
Iowa Lakes	$141.00	$148.00	$7.00	$3,552.00	$4,440.00	4.96%
Northwest Iowa	$154.00	$154.00	$0.00	$3,696.00	$4,620.00	0.00%
Iowa Central	$189.00	$198.00	$9.00	$4,752.00	$5,940.00	4.76%
Iowa Valley *	$160.00	$165.00	$5.00	$3,960.00	$4,950.00	3.13%
Hawkeye	$158.00	$162.00	$4.00	$3,888.00	$4,860.00	2.53%
Eastern Iowa	$192.00	$196.80	$4.80	$4,723.20	$5,904.00	2.50%
Kirkwood	$153.00	$158.00	$5.00	$3,792.00	$4,740.00	3.27%
Des Moines Area	$262.00	$266.00	$4.00	$6,384.00	$7,980.00	1.53%
Western Iowa Tech	$133.00	$133.00	$0.00	$3,192.00	$3,990.00	0.00%
Iowa Western	$131.00	$134.00	$3.00	$3,216.00	$4,020.00	2.29%
Southwestern	$142.50	$142.50	$0.00	$3,420.00	$4,275.00	0.00%
Indian Hills	$206.00	$216.00	$10.00	$5,184.00	$6,480.00	4.85%
Southeastern	$140.00	$147.00	$7.00	$3,528.00	$4,410.00	5.00%
State Average	**$165.99**	**$170.55**	**$4.56**	**$4,093.12**	**$5,116.40**	**2.72%**
Standard Deviation	**$34.00**	**$35.09**	**$2.91**	**$842.25**	**$1,052.81**	**1.71%**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education.
Note: Indian Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. * Iowa Valley number represents the average of the Ellsworth CC ($176) and the Marshalltown CC ($154) rates.

Table 13-13: Recurring Fees for Full-Time Students: 2012-2013 Academic Year

Community College	Amount	Term	Purpose	Annual Fees - 12 credits per Term	Annual Fees - 15 credits per Term
Northeast Iowa	$13.00	Sem Hr.	General	$312.00	$390.00
North Iowa Area	$3.18	Sem Hr.	Student Activity	$76.32	$95.40
	$11.75	Sem Hr.	Materials/Lab/Supply	$282.00	$352.50
	$10.00	Sem Hr.	Technology	$240.00	$300.00
				$598.32	$747.90
Iowa Lakes	$0.75	Sem Hr.	Processing	$18.00	$22.50
	$0.25	Sem Hr.	Noel Levitz LSA Fee	$6.00	$7.50
	$2.25	Sem Hr.	Activity	$54.00	$67.50
	$5.50	Sem Hr.	General	$132.00	$165.00
	$8.00	Sem Hr.	Technology	$192.00	$240.00
	$10.00	Semester	Activity (students registered for 12 or more hours)	$20.00	$20.00
				$422.00	$522.50
Northwest Iowa	$10.00	Sem Hr.	Student Fee	$240.00	$300.00
	$10.00	Sem Hr.	Course Fee	$240.00	$300.00
	$8.00	Sem Hr.	Technology Fee	$192.00	$240.00
				$672.00	$840.00
Iowa Central	$14.00	Sem Hr.	Student Fee	$336.00	$420.00
Iowa Valley	$17.00	Sem Hr.	Materials & Technology Fee	$408.00	$510.00
	$2.00	Sem Hr.	Facility Fee	$48.00	$60.00
	$7.00	Sem Hr.	Student/Distance Learning/Facility Fee	$168.00	$210.00
				$624.00	$780.00
Hawkeye	$4.00	Sem Hr.	Computer user	$96.00	$120.00
	$2.00	Sem Hr.	Activity	$48.00	$60.00
				$144.00	$180.00
Eastern Iowa	None				
Kirkwood	None				
Des Moines Area	None				
Western Iowa Tech	$9.00	Credit Hr.	Technology	$216.00	$270.00
	$6.50	Credit Hr.	Matriculation	$156.00	$195.00
				$372.00	$465.00
Iowa Western	$13.00	Sem Hr.	Student Activity Fee	$312.00	$390.00
Southwestern	$12.00	Sem Hr.	Service/Technology	$288.00	$360.00
Indian Hills	None				
Southeastern	None				

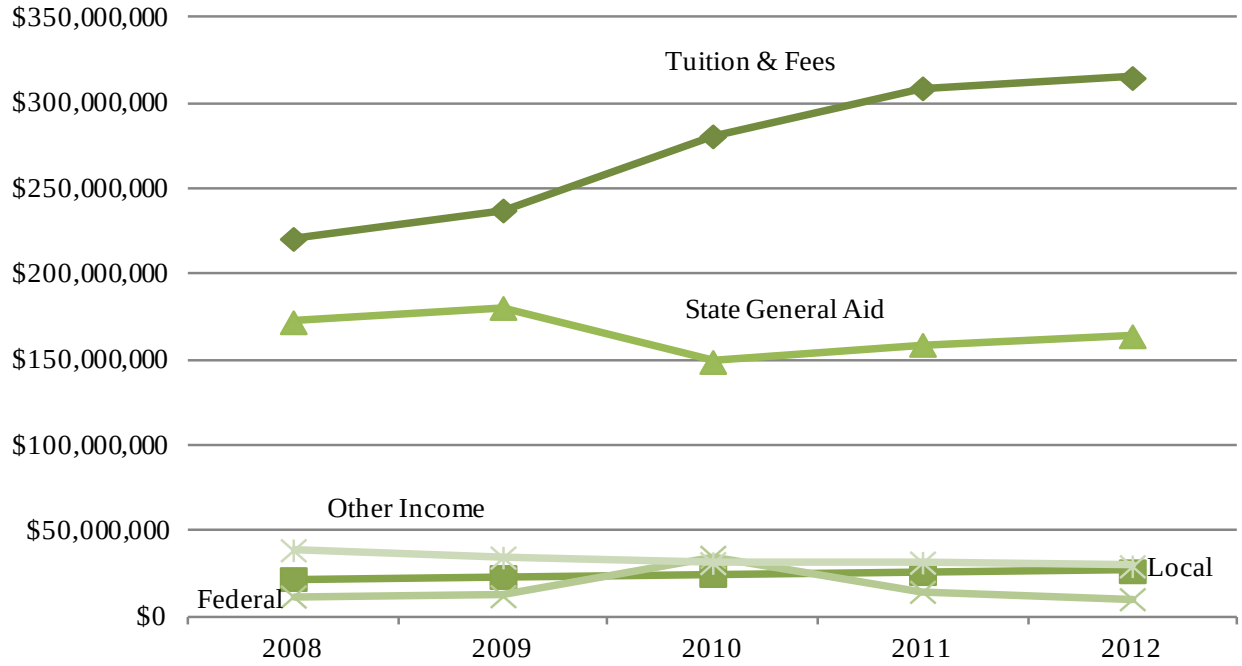
SOURCE: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education.
NOTE: This is not an all inclusive listing of fees charged by the individual community colleges. The fees listed above include all fees charged to each student. Other fees such as lab fees or special class fees may be charged by the individual community college.

15 Financial

The total Fund 1 unrestricted general fund revenues increased $5,659,354 in fiscal year (FY) 2012 from the prior year. This represented a one percent increase in nominal terms. This increase in revenue consisted, in part, from a 1.9 percent increase in tuition and fees, a 4.2 percent increase in local revenue, and a 3.1 percent increase in state general aid (SGA). Other income decreased 6.7 percent. Federal support showed a 29.9 percent decrease.

Tuition and fees (57.8 percent) was the largest source of revenue for the community colleges with state seneral sid (SGA) following at 30.1 percent. Local and federal

Figure 15-1: Nominal General Fund Revenue by Source: 2008-2012



Source: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1. See Table 15-11.

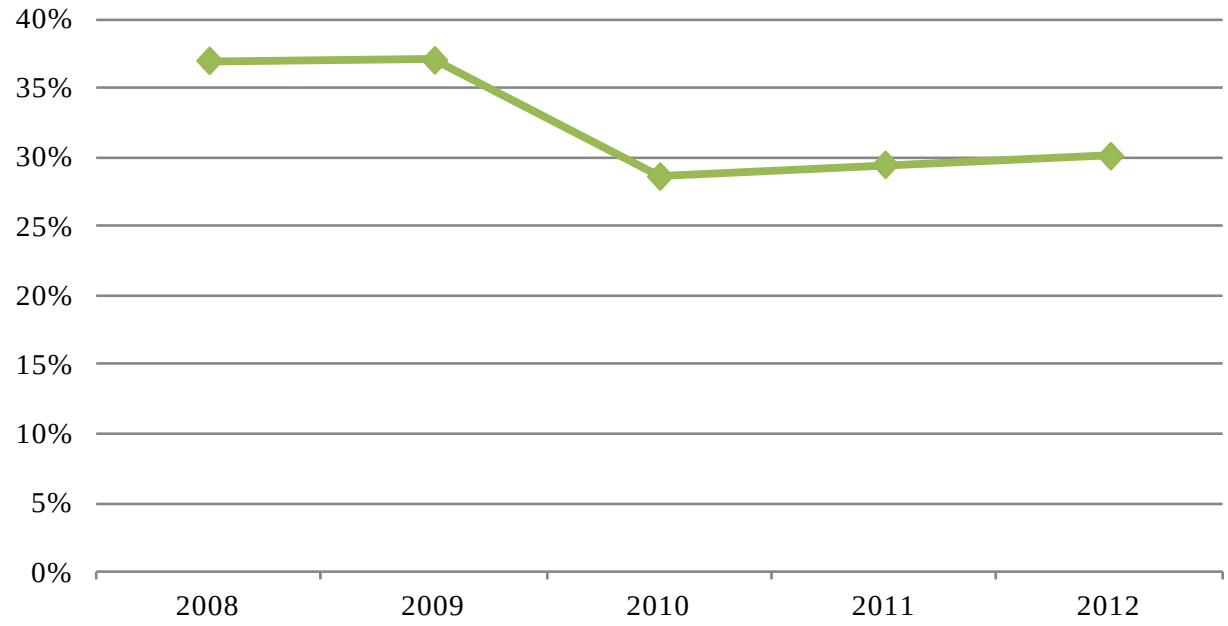
Table 15-1: Adjusted General Fund Revenues Totals by Source in 2012 Dollars

Fiscal Year	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total Revenue
2008	$236,943,894	$23,542,490	$184,659,184	$12,580,815	$41,608,187	$499,334,570
2009	$254,716,688	$24,847,511	$193,572,293	$12,815,236	$37,017,803	$522,969,533
2010	$293,496,445	$25,405,581	$155,604,066	$36,512,244	$32,696,593	$543,714,929
2011	$317,661,246	$26,149,612	$163,398,137	$14,901,978	$32,429,507	$554,540,481
2012	$314,657,804	$26,471,137	$163,774,647	$10,142,936	$29,392,828	$544,439,352

Note: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at end of chapter.

Source: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1.

Figure 15-2: State General Aid as Percent of Revenue: 2008-2012

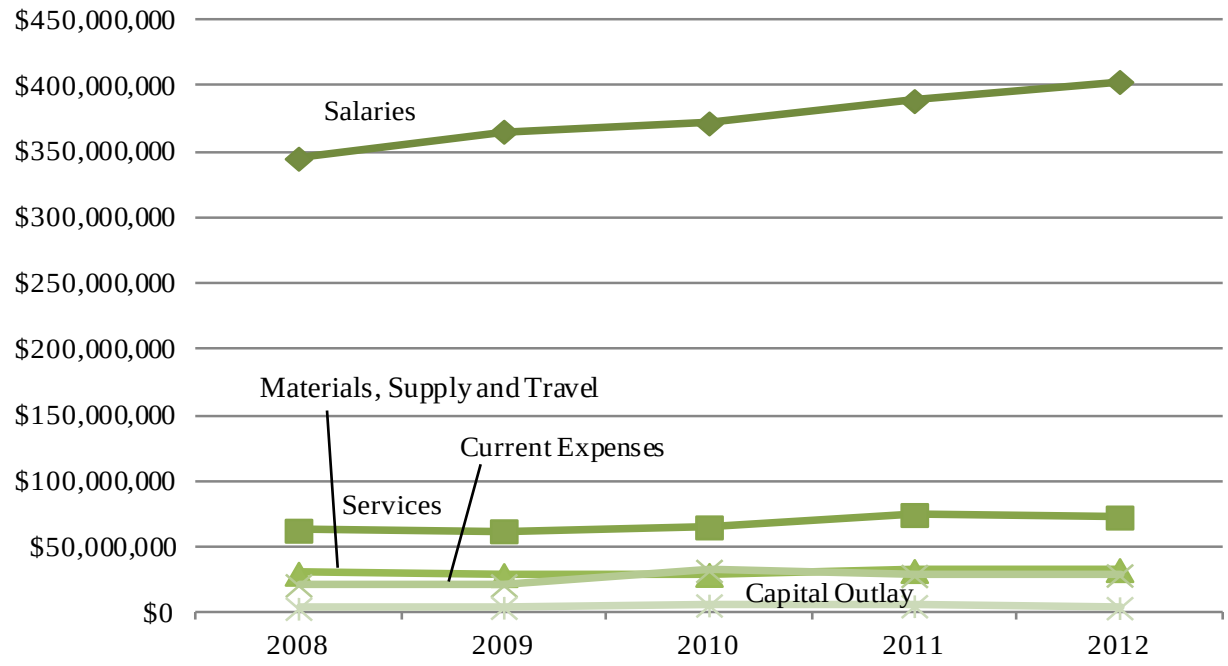


SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1. See Table 15-11.

sources of revenue were 4.9 and 1.9 percent, respectively. Total revenues, adjusted to 2012 dollars, have shown an overall decrease of 1.8 percent from the previous year. In real terms, tuition and fees revenue decreased .9 percent from 2011 and state general aid increased .2 percent.

From 2008 through 2012, total revenue has increased 9 percent in real dollars. During this time (2008–2012), tuition and fees revenue has shown a real dollar increase of 32.8 percent and SGA has decreased 11.3 percent. Local revenue has increased 12.4 percent in real dollars, and federal support has decreased 19.3 percent. Other revenue has decreased by 29.4 percent.

Figure 15-3: Nominal General Fund Expenditures: 2008-2012



SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1. See Table 15-11.

Table 15-2: Adjusted General Fund Expenditures Totals by Source in 2012 Dollars

Fiscal Year	Salaries	Services	Matls, Supp & Travel	Current Expenses	Capital Outlay	Total
2008	$370,473,287	$67,322,010	$32,238,124	$22,772,038	$3,727,025	$496,532,484
2009	$392,346,279	$66,822,660	$31,149,282	$22,755,378	$4,538,047	$517,611,647
2010	$388,885,350	$68,187,471	$30,487,437	$33,639,736	$6,195,996	$527,395,989
2011	$400,086,937	$76,774,885	$33,044,732	$29,137,361	$5,546,586	$544,590,501
2012	$403,231,685	$72,680,073	$32,800,924	$28,672,940	$3,905,209	$541,290,831

NOTE: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at the end of the chapter.

SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1.

Unrestricted General Fund Expenditures by Source

The total Unrestricted General Fund Expenditures in fiscal year 2012 increased $12,178,026 from the previous year in nominal terms. This represented a 2.3 percent increase. The increase in expenditures included a 3.7 percent increase in salaries and benefits, a 1.3 percent increase in current expenses, and a 2.1 percent increase in materials, supplies, and travel. Service expenses decreased 2.6 percent and capital outlays were down 27.5 percent.

Total Unrestricted General Fund Expenditures, adjusted to 2012 dollars, decreased 0.6 percent in 2011 in real dollars. Salaries showed a slight increase of 0.8 percent in real dollars while service expenses (-5.3), materials, supplies and travel (-.7), current expenses (-1.6), and capital outlays (-29.5) all showed real dollar decreases.

From 2008 through 2012, using adjusted dollar amounts, salary expenditures have increased 8.8 percent, service expenditures has increased 7.9 percent. Capital outlays have increased 4.8 percent. Materials, supplies, and travel expenses have increased 1.7 percent since 2008. The services categories are defined below:

1. Salaries – all salaries paid by the community college including administrative, instructional, professional, secretarial and clerical, and service staff. Includes other payroll costs such as fringe benefits and worker's compensation insurance.
2. Services – items such as professional fees, memberships, publications, rental of materials, buildings and equipment, and insurance.
3. Materials, Supplies, and Travel – expenses such as materials and supplies, periodicals, vehicle materials and supplies, and travel expenses.
4. Current Expenses – items such as purchase for resale, payment on debt principal, student compensation, and transfers.
5. Capital Outlay – items such as furniture, machinery, and equipment, lease purchase equipment, vehicles, land, buildings and fixed equipment, and other structures and improvements.

Unrestricted General Fund Expenditures by Function

Total Unrestricted General Fund expenditures in arts and sciences, adjusted to 2012 dollars, increased .7 percent from fiscal year 2011. Adult Education expenditures increased 4.3 percent in real dollars and cooperative programs/services increased 13.4 percent. Administration expenditures increased 3.9 percent and student services spending increased 5.6 percent in real terms. Vocational Tech decreased 1.5 percent and learning resources (-9.6), physical plant -8.8), and general institution (-3) expenses all declined in real dollars.

From 2008 through 2012, in 2012 dollars, the arts and sciences function experienced a 18.7 percent increase in expenditures, the vocational/technical function a 5.4 percent increase, the administration function a 19 percent increase, the physical plant a 3.3 percent increase, general institution expenses increased 11 percent, and student services a 11.8 percent increase. In contrast, adult education expenditures decreased 1.2 percent, learning resources expenditures decreased 13.3 percent, and cooperative program expenses decreased 5.3 percent since FY 2008.

The arts and sciences function continues to be the largest source of expenditures in fiscal year 2012 at 24.9 percent. This function is followed by the vocational/technical function at 24 percent. The physical plant function was 10.7 percent, the general institution expenses were 12.8 percent, adult education was 8.2 percent, learning resources was 2.1 percent, student services was 8.9 percent, cooperative programs was 1.6 percent, and the administration function was 6.5 percent of the total expenditures in fiscal year 2012.

The function categories are defined below:

Arts and Sciences – all administrative and instructional organizational units of the community college that provide instruction in the area of college parallel and career option/college parallel (CO/CP).

Career/Vocational Technical – all organizational units designed to provide vocational, technical, and semi-professional training.

Adult Education – all organizational units designed to

Table 15-3: Adjusted General Fund Expenditures by Function in 2012 Dollars

Fiscal Year	Arts & Science	Vocational Technical	Adult Education	Cooperative Pgms/Svcs.	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
2008	$113,681,914	$123,667,129	$45,324,330	$9,212,839	$29,475,773	$43,110,395	$13,312,296	$56,207,301	$62,540,501	$496,532,478
2009	$124,642,187	$125,276,258	$43,189,533	$11,119,029	$30,992,534	$45,529,836	$14,175,223	$57,877,759	$64,809,282	$517,611,641
2010	$125,857,824	$126,400,507	$40,551,445	$9,257,168	$35,439,329	$44,391,839	$13,306,953	$60,725,113	$71,465,815	$527,395,993
2011	$134,070,164	$132,404,804	$42,886,687	$7,697,414	$33,807,075	$45,651,273	$12,762,722	$63,674,188	$71,636,181	$544,590,507
2012	$135,005,848	$130,382,868	$44,757,665	$8,726,482	$35,131,272	$48,204,240	$11,535,924	$58,071,504	$69,475,026	$541,290,829

NOTE: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at end of chapter.
SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1.

provide services, courses, and programs intended mainly for part-time students who are not a part of one of the instructional divisions of arts and sciences or career/vocational technical functions. Some examples include Adult Basic Education (ABE), high school completion, and short-term preparatory.

Cooperative Programs or Services – all organizational units designed to provide instruction for secondary joint effort activities and all activities concerning Chapter 260E Industrial New Jobs Training and Chapter 260F Jobs Training.

Administration – all expenses of the Community College Board of Trustees, the CEO, and business office, which serves the entire community college.

Student Services – all organizational units, which are primarily concerned with providing services for students.

Learning Resources – all organizational units, which provide for storage, distribution, and use of educational materials throughout the entire community college.

Physical Plant – all organizational units, which are responsible for the operation and maintenance of the community college's physical facilities.

General Institution – all other expenses except those included in the above functions. Some examples include institutional development, data processing, general printing, communication, alumni affairs, early retirement, and telecommunications.

Unrestricted General Fund Revenues vs. Expenditures

After adjusting for inflation (using 2012 dollars), total revenue decreased by 1.8 percent from fiscal year 2011 to fiscal year 2012 and total expenditures decreased by .6 percent. Since fiscal year 2008, both Unrestricted General Fund revenues and Unrestricted General Fund expenditures have grown nine percent.

Full-Time Equivalent Enrollment (FTEE)

The Full-Time Equivalent Enrollment (FTEE) calculation is utilized when determining SGA. Due to timing of the calculation to meet Iowa Legislative deadlines, the enrollment used to calculate SGA is two years behind the year of the aid (i.e., fiscal year 2012 enrollments are used to calculate fiscal year 2014 SGA). Twenty-four (24) credit semester hours equals one FTEE, while 600 non-credit contact hours equals one FTEE.

Until fiscal year 2012, FTEE totals have been increasing from fiscal year 2008 through fiscal year 2011. However fiscal year 2012 saw a decrease of 4,747 FTEE.

This represented a 4.4 percent decrease from the previous year.

State General Aid (SGA)

The fiscal year 2012 SGA amount was $163,774,647. This amount represented an increase of $5,020,415, or 3.2% over the previous year. After adjusting previous SGA amounts into 2012 dollars, the SGA has decreased 5.3 percent in real dollars since fiscal year 2003.

Unrestricted General Fund Revenue and Expenditure per FTEE

Unrestricted General Fund revenue per FTEE, after adjusting to 2012 dollars, indicates that overall amounts of revenue per FTEE have decreased 4.8 percent from FY 2008 through FY 2012. Fiscal year 2012 revenue per FTEE was 2.7 percent more than fiscal year 2011. This increase in revenue per FTEE is due in large part to the fact that the overall FTEE number decreased in fiscal year 2012.

The Unrestricted General Fund expenditures per FTEE, after adjusting to 2012 dollars, show that the total per FTEE has decreased 4.8 percent since fiscal year 2008. The fiscal year 2012 expenditure per FTEE amount increased 4.0 percent from the previous year. This increase in expenditures per FTEE is also due in large part to the overall decrease in FTEE in fiscal year 2012.

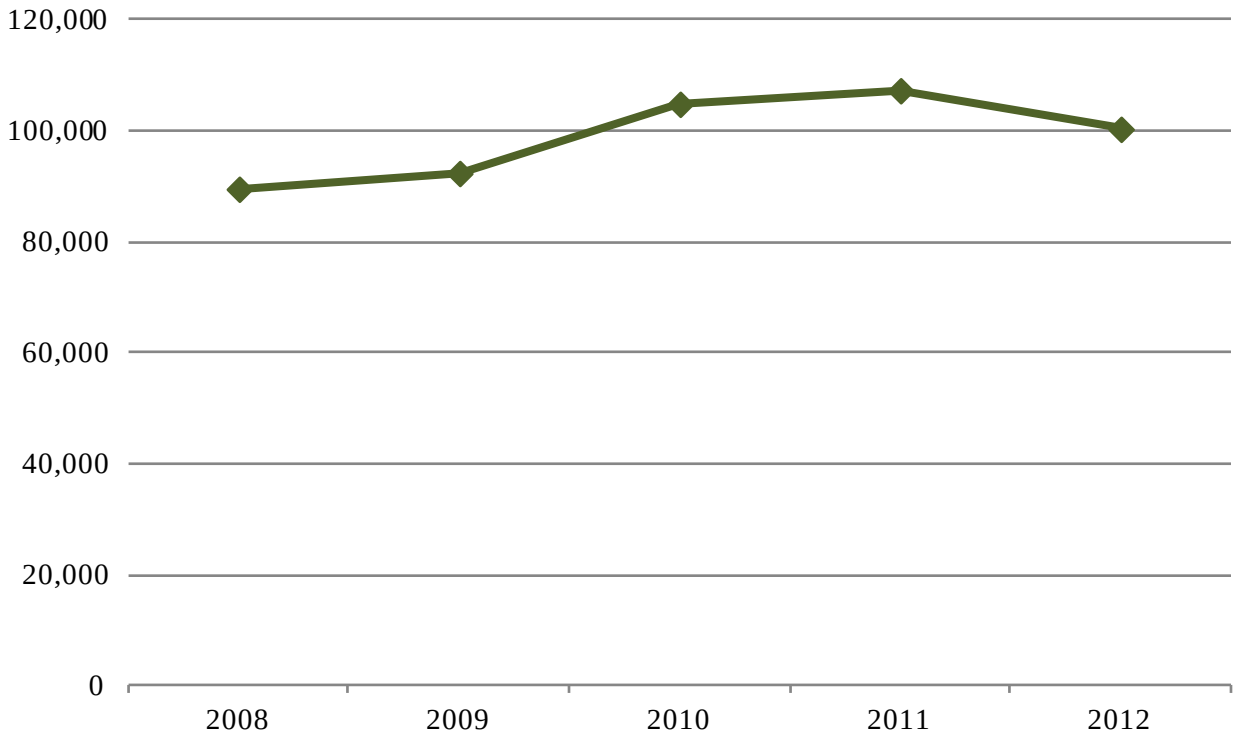
Table 15-4: Unrestricted General Fund Revenues & Expenditures in 2012 Dollars

	Adjusted Revenue	Adjusted Expenditures	% Change Revenue	% Change in Expenditures
2008	$499,334,570	$496,532,484	--	--
2009	$522,969,533	$517,611,647	4.73%	4.25%
2010	$543,714,929	$527,395,989	3.97%	1.89%
2011	$554,540,481	$544,590,501	1.99%	3.26%
2012	$544,439,352	$541,290,831	-1.82%	-0.61%

NOTE: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at end of chapter.

SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1.

Figure 15-4: Full-Time Equivalent Enrollment: 2008-2012



SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS. See Table 15-22 through 15-26.

State General Aid Per FTEE

Utilizing SGA information adjusted into 2012 dollars, the SGA amount per FTEE has been steadily declining since 2003. In the past ten years, the amount dropped from $2,046 per FTEE in 2003 to $1,599 per FTEE in 2012. This represents a decrease of 21.9 percent during this time. Due to the drop in FTEE in fiscal year 2012, the SGA per FTEE amount increased in fiscal year 2012 by 4.9 percent compared to the previous year.

Table 15-5: SGA Totals in 2012 Dollars, FY 2003-2012.

Fiscal Year	Nominal SGA Amount	Adjusted SGA Amount
2003	$138,585,680	$172,881,250
2004	$136,127,396	$166,605,379
2005	$139,779,244	$166,140,862
2006	$149,579,244	$170,975,186
2007	$159,579,244	$178,696,493
2008	$171,962,414	$184,659,184
2009	$180,316,478	$193,572,292
2010	$148,754,233	$155,604,066
2011	$158,754,232	$163,398,137
2012	$163,774,647	$163,774,647

NOTE: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at end of chapter.

SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1.

Table 15-6: Unrestricted General Fund per FTEE Revenue/Expenditures in Dollars 2012

Fiscal Year	Revenue	Expenditures	FTEE Total	Revenue / FTEE	Expenditures / FTEE
2008	$499,334,570	$496,532,484	89,512.99	$5,578	$5,547
2009	$522,969,533	$517,611,647	92,349.23	$5,663	$5,605
2010	$543,714,929	$527,395,989	104,810.67	$5,188	$5,032
2011	$554,540,481	$544,590,501	107,251.01	$5,170	$5,078
2012	$544,439,352	$541,290,831	102,504.34	$5,311	$5,281

NOTE: Numbers are adjusted by Department of Education to 2012 dollars per staff calculations. Methodology is included at end of chapter.

SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1. See Tables 15-11 and 15-22 through 15-26.

Note: Adjustments made on financial information are calculated using January 2012 CPI-U information, which is the middle of the state fiscal year. All other years are adjusted to represent 2012 dollar amounts. The reason for the adjustments being made is that the comparative value of one dollar is different from one year to the next. Since these figures and tables are measuring dollar amounts from various years, the adjustment is necessary to compare value at equal levels. Information on these calculations can be obtained by contacting Kent Farver at kent.farver@iowa.gov.

Figure 15-5: Adjusted State General Aid per FTEE: 2003-2012

SOURCE: Iowa Department of Education, Division of Community Colleges, Annual Report, Unrestricted General Fund AS-15E, Fund 1. See Tables 15-22 through 15-26.

Table 15-7: Unrestricted Fund Revenue by Source: 2008

College	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total
Northeast	$12,234,089	$1,556,224	$8,472,001	$774,726	$2,318,828	$25,355,868
North Iowa Area	9,359,960	984,974	9,282,134	335,559	2,167,069	22,129,697
Iowa Lakes	8,624,319	782,281	8,544,806	440,439	2,343,372	20,735,217
Northwest	4,350,371	508,640	4,200,810	228,385	1,022,338	10,310,544
Iowa Central	15,363,885	1,060,207	9,408,977	613,225	1,354,596	27,800,890
Iowa Valley	9,623,200	695,011	8,169,643	261,274	1,758,695	20,507,823
Hawkeye	14,167,513	1,314,249	12,077,303	979,422	937,104	29,475,591
Eastern Iowa	17,049,468	2,075,006	15,025,656	1,360,084	2,451,671	37,961,885
Kirkwood	39,697,420	3,180,989	25,854,970	2,041,167	6,634,768	77,409,314
Des Moines Area	38,029,641	5,539,836	25,758,739	1,613,443	10,318,155	81,259,814
Western Iowa Tech	11,109,514	1,133,927	9,918,232	883,703	2,437,107	25,482,483
Iowa Western	14,641,772	1,251,208	10,041,096	540,712	1,587,985	28,062,773
Southwestern	4,225,139	439,325	4,251,742	246,768	828,284	9,991,258
Indian Hills	13,372,979	810,659	13,348,554	843,578	1,742,812	30,118,582
Southeastern	8,802,868	591,223	7,607,749	553,301	844,514	18,399,655
Total	**$220,652,138**	**$21,923,759**	**$171,962,412**	**$11,715,786**	**$38,747,298**	**$465,001,394**

NOTE: Other Income includes: Other State Aid, Sales & Services, and Other Income.
Source: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-8: Unrestricted Fund Revenue by Source: 2009

College	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total
Northeast	$13,579,103	$1,614,588	$8,938,308	$757,409	$1,900,495	$26,789,903
North Iowa Area	9,650,246	1,040,892	9,692,972	402,745	2,030,373	22,817,228
Iowa Lakes	9,334,279	871,238	8,909,838	454,741	2,331,421	21,901,517
Northwest	4,594,816	521,020	4,382,525	213,884	755,189	10,467,434
Iowa Central	17,475,618	1,134,542	9,842,430	647,356	1,109,491	30,209,437
Iowa Valley	10,517,933	713,152	8,526,524	225,041	1,570,149	21,552,799
Hawkeye	15,085,782	1,395,063	12,633,964	799,040	1,017,098	30,930,947
Eastern Iowa	17,904,976	2,178,010	15,724,371	1,293,136	2,723,686	39,824,179
Kirkwood	39,944,538	3,319,244	27,248,025	2,327,244	5,515,266	78,354,317
Des Moines Area	42,650,967	5,905,008	27,187,979	1,665,640	8,881,612	86,291,206
Western Iowa Tech	12,273,803	1,175,234	10,364,709	1,004,249	1,937,201	26,755,196
Iowa Western	16,633,660	1,343,301	10,525,503	511,100	1,331,999	30,345,563
Southwestern	4,341,789	459,557	4,437,793	247,663	686,859	10,173,661
Indian Hills	14,064,148	861,267	13,935,395	892,829	1,932,705	31,686,344
Southeastern	9,222,053	613,840	7,966,143	495,573	759,284	19,056,893
Total	**$237,273,711**	**$23,145,956**	**$180,316,479**	**$11,937,650**	**$34,482,828**	**$487,156,624**

NOTE: Other Income includes: Other State Aid, Sales & Services, and Other Income.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-9: Unrestricted Fund Revenue by Source: 2010

College	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total
Northeast	$16,805,634	$1,672,337	$7,403,950	$1,368,781	$1,681,264	$28,931,966
North Iowa Area	10,709,302	1,091,419	7,984,287	1,365,658	1,133,304	22,283,970
Iowa Lakes	11,317,508	909,009	7,350,772	1,411,535	2,906,048	23,894,872
Northwest	5,333,186	550,420	3,610,670	838,330	648,026	10,980,632
Iowa Central	19,753,501	1,184,796	8,100,924	2,054,228	998,395	32,091,844
Iowa Valley	11,786,223	761,734	7,029,131	1,310,844	1,327,409	22,215,341
Hawkeye	17,097,104	1,454,550	10,430,481	2,101,660	1,795,659	32,879,454
Eastern Iowa	21,220,731	2,271,841	12,978,019	3,492,310	1,622,142	41,585,043
Kirkwood*	48,469,761	3,468,726	22,467,762	5,936,171	3,671,174	84,013,594
Des Moines Area	52,266,894	6,253,569	22,457,604	5,683,327	8,779,206	95,440,600
Western Iowa Tech	15,371,432	1,231,359	8,534,499	2,471,720	1,940,972	29,549,982
Iowa Western	18,279,735	1,420,797	8,688,653	1,360,563	1,028,700	30,778,448
Southwestern	5,111,979	481,932	3,660,905	881,980	1,422,789	11,559,585
Indian Hills	17,044,910	896,900	11,485,348	2,858,875	1,614,146	33,900,179
Southeastern	10,008,564	637,815	6,571,228	1,768,960	688,025	19,674,592
Total	**$280,576,464**	**$24,287,204**	**$148,754,233**	**$34,904,942**	**$31,257,259**	**$519,780,102**

NOTE: Kirkwood figures are preliminary, unaudited numbers. Other Income includes: Other State Aid, Sales & Services, and Other Income.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-10: Unrestricted Fund Revenue by Source: 2011

College	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total
Northeast	$17,119,131	$1,749,157	$7,888,456	$1,337,359	$1,870,331	$29,964,434
North Iowa Area	11,626,515	1,138,152	8,408,384	689,235	1,164,465	23,026,751
Iowa Lakes	11,601,597	969,953	7,736,495	775,661	2,553,909	23,637,615
Northwest	5,743,852	589,246	3,801,124	201,606	583,486	10,919,314
Iowa Central	22,122,195	1,265,771	8,735,448	640,597	981,917	33,745,928
Iowa Valley	12,414,962	785,324	7,404,286	507,112	1,418,912	22,530,596
Hawkeye	19,021,047	1,494,466	11,051,482	1,369,289	1,601,823	34,538,107
Eastern Iowa	23,436,173	2,326,779	13,756,305	1,278,838	1,379,408	42,177,503
Kirkwood	54,284,378	3,631,446	24,263,489	2,168,328	6,051,831	90,399,472
Des Moines Area	59,098,106	6,539,506	24,481,690	1,775,181	7,884,455	99,778,938
Western Iowa Tech	17,292,879	1,289,682	9,025,883	966,796	2,008,381	30,583,621
Iowa Western	20,654,400	1,537,006	9,294,922	1,236,104	800,416	33,522,848
Southwestern	5,561,339	497,927	3,860,407	245,648	993,981	11,159,302
Indian Hills	18,767,263	935,302	12,096,214	821,185	1,551,017	34,170,981
Southeastern	9,889,223	656,702	6,949,647	465,513	663,503	18,624,588
Total	**$308,633,060**	**$25,406,419**	**$158,754,232**	**$14,478,452**	**$31,507,835**	**$538,779,998**

NOTE: Other Income includes: Other State Aid, Sales & Services, and Other Income.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-11: Unrestricted Fund Revenue by Source: 2012

College	Tuition & Fees	Local	State General Aid	Federal	Other Income	Total Revenue
Northeast	$17,401,866	$1,791,271	$8,164,628	$639,130	$1,585,047	$29,581,944
North Iowa	$11,837,881	$1,193,542	$8,653,675	$429,511	$1,226,142	$23,340,751
Iowa Lakes	$10,435,705	$1,014,769	$7,965,666	$458,910	$2,426,413	$22,301,463
Northwest	$5,957,494	$620,158	$3,913,107	$116,200	$589,547	$11,196,506
Iowa Central	$22,680,947	$1,325,411	$9,010,344	$598,659	$909,488	$34,524,849
Iowa Valley	$12,563,907	$815,780	$7,621,843	$196,551	$1,426,364	$22,624,445
Hawkeye	$18,571,387	$1,558,679	$11,387,434	$715,527	$1,543,321	$33,776,348
Eastern Iowa	$24,123,085	$2,415,393	$14,181,538	$1,236,789	$1,371,339	$43,328,144
Kirkwood	$57,436,823	$3,821,132	$25,053,587	$901,911	$3,316,164	$90,529,617
Des Moines Area	$61,427,583	$6,790,404	$25,338,428	$1,914,195	$7,988,412	$103,459,022
Western Iowa Tech	$17,114,266	$1,352,908	$9,291,308	$847,701	$2,016,263	$30,622,446
Iowa Western	$22,780,648	$1,596,892	$9,595,296	$500,161	$886,157	$35,359,154
Southwestern	$5,438,167	$526,790	$3,975,456	$243,166	$1,267,489	$11,451,068
Indian Hills	$17,868,768	$974,734	$12,456,925	$867,106	$1,476,701	$33,644,234
Southeastern	$9,019,277	$673,274	$7,165,410	$477,419	$1,363,981	$18,699,361
Total	**$314,657,804**	**$26,471,137**	**$163,774,647**	**$10,142,936**	**$29,392,828**	**$544,439,352**

NOTE: Other Income includes: Other State Aid, Sales & Services, and Other Income.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-12: Expenditures by Category: 2008

College	Salaries	Services	Materials, Supply and Travel	Current Expenses	Capital Outlay	Total
Northeast	$20,519,701	$2,623,104	$982,465	$849,565	$92,059	$25,066,893
North Iowa Area	15,549,139	3,820,027	1,771,021	1,018,274	25,000	22,183,461
Iowa Lakes	16,119,690	2,668,229	1,168,891	1,015,855	109,715	21,082,380
Northwest	6,979,521	1,348,926	749,529	1,120,476	94,536	10,292,987
Iowa Central	19,010,114	4,185,694	2,349,465	1,929,593	263,725	27,738,591
Iowa Valley	14,645,664	3,469,553	1,034,371	933,268	3,000	20,085,856
Hawkeye	22,662,088	3,649,313	2,013,827	441,090	282,970	29,049,288
Eastern Iowa	27,598,238	6,841,888	1,586,753	929,788	761,601	37,718,268
Kirkwood	54,677,928	11,778,853	5,410,154	3,612,729	1,034,562	76,514,226
Des Moines Area	63,940,148	6,498,045	6,272,303	4,009,079	310,445	81,030,019
Western Iowa Tech	18,338,685	4,366,978	1,410,315	1,266,234	156,594	25,538,806
Iowa Western	20,138,647	3,760,336	1,617,303	2,397,017	162,017	28,075,320
Southwestern	7,307,252	1,738,783	712,837	286,858	9,240	10,054,970
Indian Hills	23,423,856	3,631,635	1,988,687	589,579	12,480	29,646,237
Southeastern	14,089,666	2,311,729	953,579	806,876	152,819	18,314,669
Total	**$345,000,337**	**$62,693,093**	**$30,021,500**	**$21,206,281**	**$3,470,763**	**$462,391,971**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-13: Expenditures by Category: 2009

College	Salaries	Services	Materials, Supply and Travel	Current Expenses	Capital Outlay	Total
Northeast	$22,454,355	$2,690,480	$964,518	$423,050	$90,834	$26,623,237
North Iowa Area	16,110,496	2,692,302	1,583,061	1,685,211	172,224	22,243,294
Iowa Lakes	16,838,867	2,816,174	1,027,225	948,195	461,345	22,091,806
Northwest	7,390,495	1,234,944	892,806	948,244	0	10,466,489
Iowa Central	19,815,446	4,838,206	2,675,574	2,451,442	235,712	30,016,380
Iowa Valley	15,454,638	3,521,548	951,240	1,439,875	22,797	21,390,098
Hawkeye	24,025,950	4,108,026	1,492,377	785,767	272,789	30,684,909
Eastern Iowa	29,085,633	6,743,809	1,372,776	1,578,255	993,648	39,774,121
Kirkwood	57,867,595	10,952,655	5,556,941	1,655,103	1,144,204	77,176,498
Des Moines Area	69,318,170	6,591,444	5,288,515	3,401,908	168,777	84,768,814
Western Iowa Tech	18,514,837	4,289,615	1,753,980	1,876,807	98,082	26,533,321
Iowa Western	21,550,934	4,231,163	1,721,766	2,326,946	188,404	30,019,213
Southwestern	7,668,978	1,536,078	634,321	286,552	2,550	10,128,479
Indian Hills	24,713,500	3,522,665	2,013,482	801,308	254,914	31,305,869
Southeastern	14,668,545	2,477,541	1,087,600	588,429	121,002	18,943,117
Total	**$365,478,439**	**$62,246,650**	**$29,016,182**	**$21,197,092**	**$4,227,282**	**$482,165,645**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-14: Expenditures by Category: 2010

College	Salaries	Services	Materials, Supply and Travel	Current Expenses	Capital Outlay	Total
Northeast	$22,094,125	$2,979,990	$971,669	$1,703,734	$45,070	$27,794,588
North Iowa Area	15,859,564	2,868,231	1,140,326	599,699	50,861	20,518,681
Iowa Lakes	17,123,092	3,411,314	1,054,511	1,010,306	308,272	22,907,495
Northwest	7,534,025	1,141,922	732,050	1,537,066	0	10,945,063
Iowa Central	20,915,565	5,006,237	3,263,496	2,644,263	177,173	32,006,734
Iowa Valley	15,096,113	3,550,963	975,205	1,859,481	83,253	21,565,015
Hawkeye	21,984,865	4,590,665	1,855,770	1,040,691	440,659	29,912,650
Eastern Iowa	28,765,050	7,835,923	1,724,080	1,151,192	1,991,187	41,467,432
Kirkwood*	61,091,592	11,080,318	4,504,014	3,327,717	1,465,783	81,469,424
Des Moines Area	73,835,028	6,698,565	6,161,446	5,380,737	190,810	92,266,586
Western Iowa Tech	18,636,036	4,505,991	1,793,222	4,013,334	81,620	29,030,203
Iowa Western	21,564,418	4,288,470	1,522,463	2,308,943	411,070	30,095,364
Southwestern	7,700,100	1,606,766	615,139	1,332,488	171,882	11,426,375
Indian Hills	24,830,156	3,384,080	1,857,676	2,986,908	114,912	33,173,732
Southeastern	14,736,533	2,236,363	974,285	1,262,325	390,691	19,600,197
Total	**$371,766,262**	**$65,185,798**	**$29,145,352**	**$32,158,884**	**$5,923,243**	**$504,179,539**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-15: Expenditures by Category: 2011

College	Salaries	Services	Materials, Supply and Travel	Current Expenses	Capital Outlay	Total
Northeast	$22,812,489	$3,327,574	$1,109,069	$1,443,470	$0	$28,692,602
North Iowa Area	15,891,871	3,978,965	1,354,899	944,037	40,329	22,210,101
Iowa Lakes	17,463,912	3,203,542	1,242,832	993,009	462,226	23,365,521
Northwest	7,761,782	1,344,623	761,548	1,039,620	0	10,907,573
Iowa Central	22,230,715	5,676,018	3,195,381	1,946,084	507,542	33,555,740
Iowa Valley	15,225,273	3,748,059	1,050,320	2,346,107	31,394	22,401,153
Hawkeye	22,380,170	5,783,052	2,258,930	1,303,160	980,206	32,705,518
Eastern Iowa	30,121,321	7,989,769	1,639,814	1,190,212	1,069,209	42,010,325
Kirkwood	64,615,252	13,351,459	5,523,784	2,884,419	1,162,281	87,537,195
Des Moines Area	79,235,636	7,574,555	5,989,534	6,409,299	427,523	99,636,547
Western Iowa Tech	20,293,771	5,356,990	2,038,010	2,440,331	63,669	30,192,771
Iowa Western	22,537,717	5,012,849	1,802,012	3,727,663	254,288	33,334,529
Southwestern	8,050,998	1,873,057	815,128	448,665	25,585	11,213,433
Indian Hills	25,504,901	3,950,260	2,418,902	681,864	197,768	32,753,695
Southeastern	14,590,339	2,422,110	905,411	511,314	166,928	18,596,102
Total	**$388,716,147**	**$74,592,882**	**$32,105,574**	**$28,309,254**	**$5,388,948**	**$529,112,805**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-16: Expenditures by Category: 2012

College	Salaries	Services	Materials, Supply and Travel	Current Expenses	Capital Outlay	Total
Northeast	$22,415,725	$3,605,333	$999,763	$1,572,720	$55,758	$28,649,299
North Iowa	$16,254,482	$4,295,254	$1,369,982	$1,115,027	$111,732	$23,146,477
Iowa Lakes	$17,067,111	$2,911,355	$988,617	$1,190,135	$80,090	$22,237,308
Northwest	$7,949,020	$1,273,440	$813,346	$1,112,125	$0	$11,147,931
Iowa Central	$23,162,032	$6,032,856	$3,426,494	$1,248,321	$451,618	$34,321,321
Iowa Valley	$16,870,151	$2,139,729	$923,595	$2,392,963	$26,495	$22,352,933
Hawkeye	$24,066,476	$5,684,439	$2,594,584	$1,257,534	$117,488	$33,720,521
Eastern Iowa	$30,735,096	$8,728,503	$1,895,289	$514,763	$1,191,693	$43,065,344
Kirkwood	$66,483,269	$10,913,457	$4,900,761	$5,897,384	$940,102	$89,134,973
Des Moines Area	$83,460,289	$7,811,342	$6,435,830	$5,235,460	$343,439	$103,286,360
Western Iowa Tech	$20,085,983	$5,498,792	$2,103,803	$2,533,189	$59,330	$30,281,097
Iowa Western	$24,246,232	$5,568,297	$1,944,468	$2,834,293	$367,164	$34,960,454
Southwestern	$8,504,306	$1,703,047	$698,838	$507,082	$10,146	$11,423,419
Indian Hills	$27,269,060	$4,072,233	$2,694,606	$738,503	$112,207	$34,886,609
Southeastern	$14,662,453	$2,441,996	$1,010,948	$523,441	$37,947	$18,676,785
Total	**$403,231,685**	**$72,680,073**	**$32,800,924**	**$28,672,940**	**$3,905,209**	**$541,290,831**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-17: Expenditures by Function: 2008

College	Arts & Sciences	Vocational Technical	Adult Education	Cooperative Programs and Services	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Northeast	$3,134,280	$8,512,933	$2,391,824	$2,499,161	$1,801,854	$1,650,781	$426,674	$1,505,297	$3,144,090	$25,066,894
North Iowa Area	6,133,118	3,488,411	3,546,631	42,212	1,430,961	3,009,847	518,989	2,257,005	1,756,287	22,183,461
Iowa Lakes	6,218,531	4,222,454	835,184	1,078,980	998,320	1,609,471	1,499,013	1,681,503	2,938,924	21,082,380
Northwest	1,111,524	3,521,456	752,943	0	690,889	739,662	183,870	698,498	2,594,146	10,292,988
Iowa Central	6,455,922	5,041,491	2,384,653	1,472,579	1,288,398	3,156,701	270,818	3,192,319	4,475,710	27,738,591
Iowa Valley	6,482,511	2,686,772	2,944,218	0	1,208,361	2,118,706	485,313	2,036,316	2,123,657	20,085,854
Hawkeye	5,850,308	8,225,880	2,121,383	0	2,188,262	2,215,571	801,075	2,961,248	4,685,559	29,049,286
Eastern Iowa	9,656,283	7,489,899	3,927,910	863,988	1,994,894	3,478,404	874,700	3,932,362	5,499,827	37,718,267
Kirkwood	19,992,119	19,238,419	8,605,653	472,966	4,151,848	4,589,992	2,428,110	11,788,932	5,246,186	76,514,225
Des Moines Area	20,013,466	23,791,578	6,338,256	0	3,594,487	6,533,916	2,682,552	8,660,422	9,415,343	81,030,020
Western Iowa Tech	3,429,989	7,414,767	2,012,396	350,504	1,379,139	2,040,159	479,021	3,189,776	5,243,055	25,538,806
Iowa Western	6,385,068	5,556,940	2,142,753	904,391	2,802,868	2,859,584	264,751	3,750,598	3,408,367	28,075,320
Southwestern	2,346,104	2,134,766	749,114	18,662	872,179	1,002,307	183,177	1,616,398	1,132,263	10,054,970
Indian Hills	4,646,008	9,607,609	2,251,322	89,182	1,554,901	3,303,044	872,263	3,373,801	3,948,107	29,646,237
Southeastern	4,010,158	4,230,667	1,203,686	786,759	1,491,721	1,838,072	426,645	1,698,132	2,628,829	18,314,669
Total	**$105,865,389**	**$115,164,042**	**$42,207,926**	**$8,579,384**	**$27,449,082**	**$40,146,217**	**$12,396,971**	**$52,342,607**	**$58,240,350**	**$462,391,968**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-18: Expenditures by Function: 2009

College	Arts & Sciences	Vocational Technical	Adult Education	Cooperative Programs and Services	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Northeast	$5,646,883	$6,582,362	$2,448,957	$2,587,945	$2,272,377	$1,773,720	$533,150	$1,714,366	$3,063,477	$26,623,237
North Iowa Area	6,756,614	3,741,399	2,309,758	39,853	1,525,764	3,225,467	549,150	2,251,048	1,844,240	22,243,293
Iowa Lakes	6,287,148	4,279,474	840,254	1,117,642	1,028,971	2,170,945	1,431,155	2,221,862	2,714,355	22,091,806
Northwest	1,188,901	3,802,760	792,932	0	647,070	791,575	184,932	747,012	2,311,307	10,466,489
Iowa Central	7,027,778	5,340,666	2,350,947	1,447,283	1,371,585	3,282,042	293,611	3,819,970	5,082,498	30,016,380
Iowa Valley	6,944,467	2,800,797	2,662,175	0	1,570,686	2,266,634	532,663	2,369,288	2,243,388	21,390,098
Hawkeye	6,638,554	8,785,375	748,160	1,484,343	2,329,717	2,418,228	799,825	3,200,633	4,280,074	30,684,909
Eastern Iowa	10,218,327	7,926,596	4,199,576	885,552	1,772,094	3,528,450	854,263	4,637,483	5,751,780	39,774,121
Kirkwood	21,264,698	18,901,685	8,872,158	544,728	4,273,345	4,811,662	3,253,722	9,673,773	5,580,723	77,176,494
Des Moines Area	21,765,047	24,580,325	6,843,614	0	3,518,176	6,719,279	2,723,074	8,421,184	10,198,115	84,768,814
Western Iowa Tech	3,815,742	7,421,280	1,791,785	394,682	1,696,748	1,824,026	335,173	3,869,109	5,384,776	26,533,321
Iowa Western	7,033,322	5,922,814	2,266,125	915,551	2,839,924	3,090,421	264,972	4,068,614	3,617,470	30,019,213
Southwestern	2,475,716	2,132,710	774,376	16,897	803,108	1,033,612	175,021	1,516,765	1,200,274	10,128,479
Indian Hills	4,941,796	10,081,050	2,104,963	93,270	1,716,936	3,493,592	831,981	3,597,932	4,444,349	31,305,869
Southeastern	4,101,708	4,398,057	1,226,137	829,853	1,503,667	1,982,304	441,813	1,805,256	2,654,322	18,943,117
Total	**$116,106,701**	**$116,697,350**	**$40,231,917**	**$10,357,599**	**$28,870,168**	**$42,411,957**	**$13,204,505**	**$53,914,295**	**$60,371,148**	**$482,165,640**

SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-19: Expenditures by Function: 2010

College	Arts & Sciences	Vocational Technical	Adult Education	Cooperative Programs and Services	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Northeast	$5,687,368	$6,886,125	$2,617,493	$2,566,780	$1,922,859	$1,731,485	$537,409	$1,969,159	$3,875,910	$27,794,588
North Iowa Area	6,213,303	3,421,900	1,950,687	46,608	1,461,790	2,901,135	529,619	2,269,401	1,724,238	20,518,681
Iowa Lakes	6,862,449	4,456,540	843,913	1,170,702	1,028,056	1,731,117	1,226,906	1,966,021	3,621,791	22,907,495
Northwest	1,220,584	3,951,185	724,791	0	676,411	820,054	170,355	727,093	2,654,590	10,945,063
Iowa Central	7,573,569	5,904,147	1,943,400	1,003,162	1,562,802	3,507,242	315,758	4,801,925	5,394,729	32,006,734
Iowa Valley	6,857,930	2,914,870	2,421,300	0	1,901,601	2,006,822	403,880	2,616,131	2,442,481	21,565,015
Hawkeye	6,128,388	8,642,517	745,082	963,901	2,657,996	2,383,516	762,632	2,863,339	4,765,279	29,912,650
Eastern Iowa	10,294,958	8,186,695	4,311,707	903,393	1,924,169	3,564,741	828,211	4,056,043	7,397,515	41,467,432
Kirkwood*	22,653,731	19,821,887	9,164,466	550,244	5,732,777	4,845,435	3,189,986	9,790,483	5,720,415	81,469,424
Des Moines Area	23,591,330	26,845,772	6,608,336	0	3,847,013	7,071,094	2,821,836	10,446,955	11,034,250	92,266,586
Western Iowa Tech	4,005,301	7,412,169	1,833,728	330,696	1,735,792	1,841,323	324,695	5,786,706	5,759,793	29,030,203
Iowa Western	7,529,436	5,369,424	2,121,435	228,402	3,167,715	3,430,260	257,828	4,058,048	3,932,817	30,095,365
Southwestern	2,604,413	2,091,261	679,796	15,833	936,022	1,070,079	183,771	1,493,265	2,351,935	11,426,375
Indian Hills	4,967,878	10,392,813	1,594,966	160,015	3,962,444	3,557,181	717,093	3,431,395	4,389,947	33,173,732
Southeastern	4,126,810	4,538,936	1,205,233	909,923	1,361,810	1,976,186	451,190	1,775,974	3,254,135	19,600,197
Total	**$120,317,448**	**$120,836,241**	**$38,766,333**	**$8,849,659**	**$33,879,257**	**$42,437,670**	**$12,721,169**	**$58,051,938**	**$68,319,825**	**$504,179,540**

NOTE: Kirkwood figures are preliminary, unaudited numbers. Figures rounded to the nearest dollar.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-20: Expenditures by Function: 2011

College	Arts & Sciences	Vocational Technical	Adult Education	Cooperative Programs and Services	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Northeast	$5,354,051	$7,165,856	$2,858,384	$2,535,535	$2,443,625	$1,701,221	$526,850	$2,067,934	$4,039,146	$28,692,602
North Iowa Area	6,349,786	3,368,641	2,080,107	51,059	1,567,640	3,211,544	551,845	2,300,931	2,728,548	22,210,101
Iowa Lakes	6,815,819	4,673,770	766,682	954,061	1,061,580	1,788,430	1,639,607	1,866,708	3,798,864	23,365,521
Northwest	1,378,701	3,870,575	757,156	0	824,089	775,326	171,944	759,948	2,369,834	10,907,573
Iowa Central	8,496,626	6,649,919	2,065,891	752,907	1,799,434	3,971,914	341,546	4,558,497	4,919,006	33,555,740
Iowa Valley	7,812,823	3,268,050	2,301,105	0	1,693,091	1,604,913	308,780	2,770,342	2,642,049	22,401,153
Hawkeye	6,708,543	9,741,430	2,429,652	0	1,894,759	2,696,320	713,523	3,213,517	5,307,774	32,705,518
Eastern Iowa	10,627,857	8,576,548	4,392,963	864,320	2,013,256	3,976,280	848,814	4,092,220	6,618,067	42,010,325
Kirkwood	24,775,718	21,184,606	9,429,803	515,549	6,167,055	4,520,601	2,696,917	11,889,782	6,357,170	87,537,201
Des Moines Area	26,251,886	28,290,173	6,942,167	0	3,571,180	7,808,926	2,808,902	12,182,895	11,780,418	99,636,547
Western Iowa Tech	4,474,980	8,372,618	2,140,688	303,566	2,309,034	1,985,827	329,023	3,852,910	6,424,125	30,192,771
Iowa Western	8,597,680	5,742,632	2,224,215	194,431	3,631,224	3,427,750	256,159	4,572,328	4,688,110	33,334,529
Southwestern	2,901,156	2,217,572	715,950	16,693	838,745	1,145,532	200,124	1,726,230	1,451,431	11,213,433
Indian Hills	5,479,279	11,208,434	1,588,685	183,019	1,599,402	3,707,985	611,580	4,177,081	4,198,230	32,753,695
Southeastern	4,234,878	4,310,930	974,365	1,107,507	1,432,137	2,031,258	394,381	1,833,194	2,277,452	18,596,102
Total	**$130,259,783**	**$128,641,754**	**$41,667,813**	**$7,478,647**	**$32,846,251**	**$44,353,827**	**$12,399,995**	**$61,864,517**	**$69,600,224**	**$529,112,811**

NOTE: Figures rounded to the nearest dollar.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E.

Table 15-21: Expenditures by Function: 2012

College	Arts & Science	Vocational Technical	Adult Education	Cooperative Programs and Services	Administration	Student Services	Learning Resources	Physical Plant	General Institution	Total
Northeast	$5,881,276	$7,115,591	$3,161,135	$3,489,218	$1,230,081	$1,789,232	$643,067	$2,134,710	$3,204,989	$28,649,299
North Iowa	$6,469,316	$3,649,919	$2,400,475	$46,728	$2,097,115	$3,362,057	$570,038	$2,151,849	$2,398,980	$23,146,477
Iowa Lakes	$6,883,803	$4,811,443	$767,545	$984,890	$1,094,400	$1,806,309	$1,304,546	$1,726,374	$2,857,998	$22,237,308
Northwest	$1,533,011	$3,773,817	$787,087	$0	$772,710	$802,500	$178,762	$747,597	$2,552,447	$11,147,931
Iowa Central	$8,601,080	$7,093,671	$1,988,041	$654,813	$1,942,671	$4,282,375	$341,525	$4,902,578	$4,514,567	$34,321,321
Iowa Valley	$8,126,234	$2,999,284	$2,461,275	$0	$1,305,334	$1,703,804	$367,799	$2,850,212	$2,538,991	$22,352,933
Hawkeye	$7,242,739	$9,528,945	$2,580,398	$0	$1,927,394	$2,973,149	$819,600	$3,242,456	$5,405,840	$33,720,521
Eastern Iowa	$10,887,987	$8,533,989	$4,963,055	$923,939	$2,186,192	$4,140,377	$827,063	$4,169,441	$6,433,301	$43,065,344
Kirkwood	$24,744,537	$18,852,764	$9,829,201	$780,355	$9,517,197	$6,349,797	$1,681,000	$7,891,115	$9,489,005	$89,134,971
Des Moines Area	$28,049,131	$29,950,685	$7,824,121	$0	$3,672,320	$8,112,265	$2,938,579	$11,505,185	$11,234,074	$103,286,360
Western Iowa Tech	$4,352,526	$8,872,163	$2,147,790	$289,323	$1,677,866	$1,912,578	$335,022	$4,342,379	$6,351,450	$30,281,097
Iowa Western	$9,213,313	$6,201,597	$2,192,160	$199,343	$3,510,316	$3,852,567	$326,863	$4,879,794	$4,584,501	$34,960,454
Southwestern	$2,903,909	$2,582,801	$698,759	$0	$879,832	$1,160,302	$204,096	$1,518,918	$1,474,802	$11,423,419
Indian Hills	$5,839,414	$12,262,786	$1,739,807	$195,683	$1,831,660	$3,908,325	$602,093	$4,233,319	$4,273,522	$34,886,609
Southeastern	$4,277,572	$4,153,413	$1,216,816	$1,162,190	$1,486,184	$2,048,603	$395,871	$1,775,577	$2,160,559	$18,676,785
Total	**$135,005,848**	**$130,382,868**	**$44,757,665**	**$8,726,482**	**$35,131,272**	**$48,204,240**	**$11,535,924**	**$58,071,504**	**$69,475,026**	**$541,290,829**

NOTE: Figures rounded to the nearest dollar.
SOURCE: Iowa Department of Education, Division of Community Colleges, AS-15E

Table 15-22: Full-Time Equivalent Enrollment (FTEE): 2008

College	Credit		Non-Credit		
	Eligible Credit Hours	FTEE	Eligible Contact Hours	FTEE	Total FTEE
Northeast	97,481	4,061.71	338,129	563.55	4,625.26
North Iowa Area	68,219	2,842.46	435,744	726.24	3,568.70
Iowa Lakes	69,415	2,892.29	83,578	139.30	3,031.59
Northwest	29,668	1,236.17	224,563	374.27	1,610.44
Iowa Central	117,385	4,891.04	526,377	877.29	5,768.33
Iowa Valley	61,988	2,582.83	321,244	535.41	3,118.24
Hawkeye	126,222	5,259.25	313,813	523.02	5,782.27
Eastern Iowa	149,518	6,229.92	825,888	1,376.48	7,606.40
Kirkwood	337,606	14,066.92	914,090	1,523.48	15,590.40
Des Moines Area	371,161	15,465.04	1,631,203	2,718.67	18,183.71
Western Iowa Tech	99,937	4,164.04	381,868	636.45	4,800.49
Iowa Western	114,261	4,760.88	469,274	782.12	5,543.00
Southwestern	32,228	1,342.83	212,347	353.91	1,696.74
Indian Hills	109,797	4,574.88	304,986	508.31	5,083.19
Southeastern	74,034	3,084.75	251,686	419.48	3,504.23
Total	**1,858,920**	**77,455.01**	**7,234,790**	**12,057.98**	**89,512.99**

SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS.

Table 15-23: Full-Time Equivalent Enrollment (FTEE): 2009

College	Credit		Non-Credit		
	Eligible Credit Hours	FTEE	Eligible Contact Hours	FTEE	Total FTEE
Northeast	102,771	4,282.13	385,162	641.94	4,924.06
North Iowa Area	74,898	3,120.75	416,916	694.86	3,815.61
Iowa Lakes	71,822	2,992.58	93,215	155.36	3,147.94
Northwest	29,557	1,231.54	206,581	344.30	1,575.84
Iowa Central	12,712	5,113.00	513,752	856.25	5,969.25
Iowa Valley	66,248	2,760.33	309,611	516.02	3,276.35
Hawkeye	127,914	5,329.75	308,028	513.38	5,843.13
Eastern Iowa	152,300	6,345.83	912,705	1,521.18	7,867.01
Kirkwood	342,517	14,271.54	1,043,749	1,739.58	16,011.12
Des Moines Area	394,903	16,454.29	1,403,672	2,339.45	18,793.75
Western Iowa Tech	96,902	4,037.58	419,720	699.53	4,737.12
Iowa Western	122,700	5,112.50	479,292	798.82	5,911.32
Southwestern	32,217	1,342.38	220,421	367.37	1,709.74
Indian Hills	114,089	4,753.71	292,528	487.55	5,241.26
Southeastern	75,816	3,159.00	220,035	366.73	3,525.73
Total	**1,817,366**	**80,306.92**	**7,225,387**	**12,042.31**	**92,349.23**

SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS.

Table 15-24: Full-Time Equivalent Enrollment (FTEE): 2010

College	Credit		Non-Credit		Total FTEE
	Eligible Credit Hours	FTEE	Eligible Contact Hours	FTEE	
Northeast	118,145	4,922.71	364,047	606.75	5,529.45
North Iowa Area	80,476	3,353.17	292,595	487.66	3,840.83
Iowa Lakes	84,096	3,504.00	75,911	126.52	3,630.52
Northwest	35,260	1,469.17	205,574	342.62	1,811.79
Iowa Central	135,546	5,647.75	487,751	812.92	6,460.67
Iowa Valley	73,990	3,082.92	282,042	470.07	3,552.99
Hawkeye	141,643	5,901.79	227,094	378.49	6,280.28
Eastern Iowa	182,627	7,609.46	922,253	1,537.09	9,146.55
Kirkwood	397,813	16,575.54	993,414	1,655.69	18,231.23
Des Moines Area	478,186	19,924.42	1,444,779	2,407.97	22,332.38
Western Iowa Tech	111,094	4,628.92	494,761	824.60	5,453.52
Iowa Western	139,617	5,817.38	464,254	773.76	6,591.13
Southwestern	36,586	1,524.40	208,335	347.22	1,871.62
Indian Hills	135,617	5,650.71	277,569	462.62	6,113.32
Southeastern	86,245	3,593.54	222,512	370.85	3,964.40
Total	**2,236,941**	**93,205.85**	**6,962,891**	**11,604.82**	**104,810.67**

SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS.

Table 15-25: Full-Time Equivalent Enrollment (FTEE): 2011

College	Credit		Non-Credit		Total FTEE
	Eligible Credit Hours	FTEE	Eligible Contact Hours	FTEE	
Northeast	112,593	4,691.38	351,993	586.66	5,278.03
North Iowa Area	78,489	3,270.38	153,607	256.01	3,526.39
Iowa Lakes	85,787	3,574.46	74,627	124.38	3,698.84
Northwest	35,842	1,493.42	218,949	364.92	1,858.33
Iowa Central	145,112	6,046.33	412,257	687.10	6,733.43
Iowa Valley	74,486	3,103.58	252,415	420.69	3,524.28
Hawkeye	145,035	6,043.13	245,219	408.70	6,451.82
Eastern Iowa	192,597	8,024.88	842,727	1,404.55	9,429.42
Kirkwood	406,155	16,923.13	981,877	1,636.46	18,559.59
Des Moines Area	499,585	20,816.04	1,347,484	2,245.81	23,061.85
Western Iowa Tech	124,995	5,208.13	565,987	943.31	6,151.44
Iowa Western	154,220	6,425.83	439,440	732.40	7,158.23
Southwestern	39,082	1,628.42	193,580	322.63	1,951.05
Indian Hills	139,839	5,826.63	238,726	397.88	6,224.50
Southeastern	80,883	3,370.13	164,220	273.70	3,643.83
Total	**2,314,700**	**96,445.83**	**6,483,108**	**10,805.18**	**107,251.01**

SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS.

Table 15-26: Full-Time Equivalent Enrollment (FTEE): 2012

	Credit		Non-Credit		
College	Eligible Credit Hours	FTEE	Eligible Contact Hours	FTEE	Total FTEE
Northeast	103,918.00	4,329.92	304,590.00	507.65	4,837.57
North Iowa Area	74,101.00	3,087.54	163,581.06	272.64	3,360.18
Iowa Lakes	76,037.00	3,168.21	75,036.00	125.06	3,293.27
Northwest	34,342.00	1,430.92	150,031.00	250.05	1,680.97
Iowa Central	143,253.00	5,968.88	365,942.00	609.90	6,578.78
Iowa Valley	69,329.00	2,888.71	302,415.00	504.03	3,392.73
Hawkeye	137,166.00	5,715.25	233,010.00	388.35	6,103.60
Eastern Iowa	188,135.00	7,838.96	791,058.00	1,318.43	9,157.39
Kirkwood	380,670.00	15,861.25	1,001,043.00	1,668.41	17,529.66
Des Moines Area	490,370.00	20,432.08	1,530,242.00	2,550.40	22,982.49
Western Iowa Tech	112,011.00	4,667.13	488,542.00	814.24	5,481.36
Iowa Western	161,186.00	6,716.08	414,041.00	690.07	7,406.15
Southwestern	36,911.00	1,537.96	167,192.64	278.65	1,816.61
Indian Hills	126,174.00	5,257.25	241,895.00	403.16	5,660.41
Southeastern	70,704.00	2,946.00	166,312.00	277.19	3,223.19
Total	**2,204,307.00**	**91,846.13**	**6,394,930.70**	**10,658.22**	**102,504.34**

SOURCE: Iowa Department of Education, Division of Community Colleges, Community College MIS.

BOARD OF REGENTS **AGENDA ITEM 5**
STATE OF IOWA **DECEMBER 5, 2012**

Contact: Patrice Sayre

PROPOSED 2013-2014 TUITION AND FEES

Action Requested: Consider approval of the proposed conditional tuition and mandatory fees for the 2013-2014 academic year as outlined in this memorandum, effective with the summer session 2013.

Executive Summary: The Board of Regents advocates for adequate support for Regent institutions from all sources for high-quality, accessible educational opportunities for Iowans, research and scholarship, service activities, and economic development efforts.

During what is being called the Great Recession, the Regent universities absorbed over $125 million in permanent budget reductions to General University funds. Despite the material cuts imposed, the Board of Regents held tuition and mandatory fees increases for undergraduate resident students to an average of 4.4% ($260/year) over this time period – less than the national average of 6.8%. According to The College Board, the average national increase in tuition for public 4-year universities in FY 2013 is 7%; the Regent universities increased tuition by only 3.75%.

At its September 2012 meeting, the Board reviewed the proposed spending and funding plans that support strategic goals and maximize available resources, and approved the request for FY 2014 state appropriations. The request for General University support was a modest increase of 2.6% based upon the Higher Education Price Index (HEPI) projection for FY 2014 which shows the likely course for inflation to range from 1.8% to 3.4%, with a median of 2.6%.

Given this projected low inflation, the universities' management of lowered budgets, and the request for incremental support from the Governor and Legislature, the Board of Regents met in September and directed the public universities to not raise undergraduate resident tuition for next year.

The Board of Regents is committed to working with the State to secure additional appropriations. Based on funding actions of the legislature, tuition rates may be adjusted subsequent to the 2013 legislative session.

Regent Tuition and Mandatory Fees
Proposed Academic Year 2013-14

UNDERGRADUATE	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	$ Incr	% Incr
UNIVERSITY OF IOWA												
Resident[1]	6,678.00	6,678.00	-	0.00%	1,379.00	1,383.00	4.00	0.28%	8,057.00	8,061.00	4.00	0.05%
Nonresident	24,900.00	25,548.00	648.00	2.60%	1,379.00	1,383.00	4.00	0.28%	26,279.00	26,931.00	652.00	2.48%
IOWA STATE UNIVERSITY												
Resident	6,648.00	6,648.00	-	0.00%	1,077.60	1,077.60	-	0.00%	7,725.60	7,725.60	-	0.00%
Nonresident	18,760.00	19,200.00	440.00	2.35%	1,077.60	1,077.60	-	0.00%	19,837.60	20,277.60	440.00	2.22%
UNIVERSITY OF NORTHERN IOWA												
Resident	6,648.00	6,648.00	-	0.00%	987.00	1,037.00	50.00	5.07%	7,635.00	7,685.00	50.00	0.65%
Nonresident	15,734.00	16,144.00	410.00	2.60%	987.00	1,037.00	50.00	5.07%	16,721.00	17,181.00	460.00	2.75%

UNDERGRADUATE Division Differentials	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	$ Incr	% Incr
UNIVERSITY OF IOWA												
Business lower division												
Resident	7,678.00	7,678.00	-	0.0%	1,535.00	1,539.00	4.00	0.3%	9,213.00	9,217.00	4.00	0.04%
Nonresident	25,900.00	26,574.00	674.00	2.6%	1,535.00	1,539.00	4.00	0.3%	27,435.00	28,113.00	678.00	2.47%
Business upper division												
Resident	8,980.00	8,980.00	-	0.0%	1535.00	1539.00	4.00	0.3%	10,515.00	10,519.00	4.00	0.04%
Nonresident	27,302.00	28,012.00	710.00	2.6%	1535.00	1539.00	4.00	0.3%	28,837.00	29,551.00	714.00	2.48%
Engineering freshman												
Resident	6,678.00	6,678.00	-	0.0%	1590.00	1594.00	4.00	0.3%	8,268.00	8,272.00	4.00	0.05%
Nonresident	24,900.00	25,548.00	648.00	2.6%	1590.00	1594.00	4.00	0.3%	26,490.00	27,142.00	652.00	2.46%
Engineering sophomore												
Resident	7,716.00	7,716.00	-	0.0%	1590.00	1594.00	4.00	0.3%	9,306.00	9,310.00	4.00	0.04%
Nonresident	25,946.00	26,622.00	676.00	2.6%	1590.00	1594.00	4.00	0.3%	27,536.00	28,216.00	680.00	2.47%
Engineering upper division												
Resident	8,824.00	8,824.00	-	0.0%	1,590.00	1,594.00	4.00	0.3%	10,414.00	10,418.00	4.00	0.04%
Nonresident	27,202.00	27,910.00	708.00	2.6%	1,590.00	1,594.00	4.00	0.3%	28,792.00	29,504.00	712.00	2.47%
Medicine												
Resident	6,678.00	6,678.00	-	0.0%	1,201.00	1,205.00	4.00	0.3%	7,879.00	7,883.00	4.00	0.05%
Nonresident	24,900.00	25,548.00	648.00	2.6%	1,201.00	1,205.00	4.00	0.3%	26,101.00	26,753.00	652.00	2.50%
Nursing												
Resident	8,988.00	8,988.00	-	0.0%	1,379.00	1,383.00	4.00	0.3%	10,367.00	10,371.00	4.00	0.04%
Nonresident	27,254.00	27,962.00	708.00	2.6%	1,379.00	1,383.00	4.00	0.3%	28,633.00	29,345.00	712.00	2.49%
IOWA STATE UNIVERSITY												
Business upper division												
Resident	8,290.00	8,290.00	-	0.0%	1,117.60	1,117.60	-	0.0%	9,407.60	9,407.60	-	0.00%
Nonresident	20,364.00	20,842.00	478.00	2.3%	1,117.60	1,117.60	-	0.0%	21,481.60	21,959.60	478.00	2.23%
Engineering upper division												
Resident	8,814.00	8,814.00	-	0.0%	1,293.60	1,293.60	-	0.0%	10,107.60	10,107.60	-	0.00%
Nonresident	20,796.00	21,284.00	488.00	2.3%	1,293.60	1,293.60	-	0.0%	22,089.60	22,577.60	488.00	2.21%
AST/ITec upper division[2]												
Resident	7,838.00	8,422.00	584.00	7.5%	1,293.60	1,293.60	-	0.0%	9,131.60	9,715.60	584.00	6.40%
Nonresident	19,944.00	20,996.00	1,052.00	5.3%	1,293.60	1,293.60	-	0.0%	21,237.60	22,289.60	1,052.00	4.95%
Architecture												
Resident	7,048.00	7,448.00	400.00	5.7%	1,077.60	1,077.60	-	0.0%	8,125.60	8,525.60	400.00	4.92%
Nonresident	19,160.00	20,010.00	850.00	4.4%	1,077.60	1,077.60	-	0.0%	20,237.60	21,087.60	850.00	4.20%
UNIVERSITY OF NORTHERN IOWA												
Business upper division												
Resident	8,204.00	8,204.00	-	0.0%	987.00	1,037.00	50.00	5.1%	9,191.00	9,241.00	50.00	0.54%
Nonresident	17,290.00	17,700.00	410.00	2.4%	987.00	1,037.00	50.00	5.1%	18,277.00	18,737.00	460.00	2.52%

GRADUATE	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	Incr	% Incr	2012-13	2013-14	$ Incr	% Incr
UNIVERSITY OF IOWA												
Resident	7,900.00	8,106.00	206.00	2.60%	1,413.00	1,417.00	4.00	0.3%	9,313.00	9,523.00	210.00	2.25%
Nonresident	24,064.00	24,690.00	626.00	2.60%	1,413.00	1,417.00	4.00	0.3%	25,477.00	26,107.00	630.00	2.47%
IOWA STATE UNIVERSITY												
Resident	7,756.00	7,848.00	92.00	1.19%	1,031.60	1,031.60	-	0.0%	8,787.60	8,879.60	92.00	1.05%
Nonresident	19,696.00	20,158.00	462.00	2.35%	1,031.60	1,031.60	-	0.0%	20,727.60	21,189.60	462.00	2.23%
UNIVERSITY OF NORTHERN IOWA												
Resident	7,756.00	7,756.00	-	0.00%	987.00	1,037.00	50.00	5.1%	8,743.00	8,793.00	50.00	0.57%
Nonresident	17,026.00	17,470.00	444.00	2.60%	987.00	1,037.00	50.00	5.1%	18,013.00	18,507.00	494.00	2.74%

[1] Most undergraduate students are in the College of Liberal Arts & Sciences

[2] Agricultural Systems Technology/Industrial Technology

Undergraduate Tuition

- For the current year, undergraduate tuition revenues make up 72% of total tuition revenues at SUI; 84% at ISU; and 92% at UNI.

- Resident tuition accounts for 43.7% of total tuition revenues; broken down by individual university as:
  - 37.3% at SUI
  - 41.3% at ISU
  - 85.1% at UNI

The universities are proposing to increase undergraduate nonresident tuition near the HEPI median as shown in the chart below.

General Undergraduate Tuition Increase Proposals 2013-14 Academic Year				
	Resident		Nonresident	
SUI	$0	0.0%	$648	2.60%
ISU	$0	0.0%	$440	2.35%
UNI	$0	0.0%	$410	2.60%

In addition to the base undergraduate resident and nonresident tuition changes shown above, the universities have requested the following for the 2013-2014 academic year:

STATE UNIVERSITY OF IOWA

❖ Distance Education – Off-Campus Degree Program Rates – the University proposes to freeze undergraduate off-campus degree program tuition at the FY 2012-13 rate. Off-campus graduate and professional degree program rates will be increased by 2.6%

IOWA STATE UNIVERSITY

❖ Agricultural Systems Technology (AST) and Industrial Technology (I-Tec) – for upper division students, an additional tuition of $584. Initially proposed as a three-year supplement phase in, an additional year of implementation will be needed in FY 2015 to fully align with Engineering majors. These programs fall within the department of Agricultural and Biosystems Engineering, but are jointly administered by the College of Engineering and the College of Agriculture and Life Sciences. The program has been ranked in the top five undergraduate programs in the *U.S. News & World Report* for each of the past seven years; listed 2nd in 2012 and tied with the University of Illinois, Urbana-Champaign.

  Improving educational experiences and maintaining national competitiveness requires low student-to-faculty ratios, top-flight instruction, and significant cutting edge, hands-on laboratory experiences. These experiences distinguish ISU graduates and make them competitive and highly sought after by business and industry.

  As there is overlap with the College of Engineering, this tuition differential seeks to align tuition between the two colleges.

❖ Architecture – an additional tuition of $400; the second year of a three-year phase in. The program has seen a 30% increase in enrollment since Fall 2007 resulting in an average studio class size of 18 students, exceeding the peer norm of 15. A key feature of accredited architecture education is small class size and studio-centered teaching.

The Architecture program at ISU is highly ranked nationally and faculty have received numerous awards for their work in teaching, scholarship and peer leadership. However, the program's rankings have slipped such that in 2011, the program was no longer ranked among the top 20 programs.

The proposed tuition differential will support the following:

- enable curricular standards and learning outcomes, and foster faculty productivity in order to improve national ranking;
- provide resources for recruiting and retaining outstanding students, and for recruiting and retaining outstanding faculty; and
- enable faculty to pursue scholarship that advances the discipline.

With the proposed differential tuition, Iowa State's in-state tuition will be lower than in-state tuition for all peer institutions, except Kansas State University, the University of Nebraska and North Dakota State University.

Graduate and Professional Tuition

General Graduate/Professional Tuition Increase Proposals 2013-2014 Academic Year				
	Resident		Nonresident	
SUI*	$206	2.60%	$626	2.60%
ISU	$ 92	1.19%	$462	2.35%
UNI	$0	0.00%	$444	2.60%
*- varies by major; College of Liberal Arts & Sciences used as standard				

In addition to base tuition increases for graduate/professional programs, the universities have requested the following for the 2013-2014 academic year:

STATE UNIVERSITY OF IOWA

❖ Dentistry – The University proposes a $3,000 tuition supplement for new resident and non-resident students entering the DDS program beginning with the entering class of Fall 2013. The proposal would be the first increment of a four year phase in. Students currently enrolled in the College of Dentistry will not be assessed this supplement.

For more than 125 years, the College of Dentistry has been an integral part of the University of Iowa and a resource to the state of Iowa. As the state's only dental school, the great majority of Iowa dentists are alumni of the College of Dentistry. However, Iowa has an aging dental workforce; approximately 15% of private practicing dentists were over 60 years of age and 49% were over 50 years of age, in 2006. The dentist-to-population ratio in Iowa is about 1:2,200.

With the arrival of the 21st century, the curriculum reflects new knowledge, technical excellence, ethics and practice management, with an increased emphasis on critical thinking and problem-based learning.

Supplemental funds will be used to:

- Hire an Associate Dean for Education to manage the quality and outcomes of the predoctoral educational programs to meet or exceed all relevant standards, including those associated with accreditation. This position would administer and manage processes related to: curriculum logistics to ensure that review of program expansions also considers program reductions; incorporating technology into the learning programs on a college-wide basis; managing the interface of patient and student needs (the College has over 125,000 patient visits per year); and providing a seamless avenue to integrate collegiate programs in an interdisciplinary fashion across all four years of the DDS program, between departments, and within departments.

- Hire an additional faculty person in the department of Prosthodontics. Prosthodontics, the dental specialty involving crowns, fixed partial dentures (bridges), removable partial dentures, complete dentures, maxillofacial prostheses, and implant prostheses, is a major discipline in the education of dental students and requires intense faculty/student interaction.

- Support the Office of Practice Opportunities. To address a predicted dentist workforce shortage, the Office of Iowa Practice Opportunities was created, with funding from Delta Dental of Iowa, to coordinate and facilitate the connections between communities and graduates. An advisory committee comprised of a representative from the Iowa Department of Public Health, Delta Dental of Iowa, Iowa Dental Association, and the College of Dentistry was also established. The grant funding from Delta Dental is expiring, which will eliminate the Opportunities Coordinator. As this position has proven to be a success, the College would like the office to continue assisting students find practice opportunities post-graduation.

- Support the College of Dentistry Pharmacy. In continuous operation since 1975, the pharmacy provides substantial value to faculty, students, patients and regional practitioners, including dental alumni. For the collegiate patients, in addition to the convenience of prescription filling which includes compounded medications that are not available elsewhere, the pharmaceutical staff provides real-time pharmaceutical counseling regarding possible drug side-effects and interactions.

- Provide student financial aid support until such time as other revenues are identified.

- Support the hiring and retention of faculty as College of Dentistry salaries lag those earned in private practice.

IOWA STATE UNIVERSITY

❖ Architecture – for both resident and nonresident students, an additional tuition of $400; the second year of a three-year phase in. This supplement aligns undergraduate and graduate supplemental tuition. Please see rationale for increase under the proposal for undergraduate students in Architecture.

Unit Cost of Instruction versus Tuition

Board policy requires that tuition for nonresident undergraduate students should, at a minimum, cover the full cost of their education at each Regent university. The Board has historically used university-compiled information regarding the cost of instruction per student ("unit cost") to measure compliance.

The unit cost represents general fund supported cost of instruction of a full-time equivalent student at a given level and includes certain assumptions relative to instructional costs at the various student levels (i.e., lower division undergraduates, upper division undergraduates, graduate, and professional). Costs such as building repairs, public service, scholarships and fellowships, auxiliary enterprises, health care units, indirect cost recovery, and capitals are excluded from the unit cost calculations.

The most recent unit cost study, based on FY 2011 expenditures, was presented to the Board in June 2012. Proposed tuition for nonresident undergraduates exceeds the projected unit costs of instruction at all three universities.

	FY 2013 Undergraduate Tuition Only		Estimated FY 2013 Undergraduate Unit Cost
	Resident	Nonresident	
SUI	$6,678	$24,900	$10,452
ISU	$6,648	$18,760	$9,135
UNI	$6,648	$15,734	$11,316

Tuition Set-Aside for Student Financial Aid

The Board's tuition policy mandates that a minimum of 15% of gross tuition proceeds be set-aside for student financial aid, a mix of need-based and merit-based aid. This combination of financial assistance is essential for the universities to attract high achieving students as well as provide affordable higher education.

The policy is under revision and new sources of funding are proposed for FY 2015. FY 2014 will be a transition year.

The proposed set-aside percentages for undergraduate resident students total 17.8%; financial support from all tuition revenues will average 21% for FY 2014. Each university has met or exceeded the minimum requirements for set-aside during the last several years.

Projected Tuition Revenue Increases

Based on Fall 2012 enrollments, the combined additional revenues from the proposed undergraduate and graduate/professional tuition rate increases are expected to provide additional revenues and set-aside funding for the 2013-2014 academic year.

Incremental tuition revenues for the Regent universities are estimated to be $13.8 million consisting of:

- Increase in base tuition for nonresident undergraduate - $9.3 million
- Increase in base tuition for graduate and professional resident/nonresident students and supplemental tuition - $4.5 million

After subtracting tuition set-aside for student financial aid, the incremental net tuition revenues are approximately $12.3 million. This is approximately half of the net tuition revenues received in the previous year.

Enrollment increases projected for FY 2014 could add another $2.2 million in gross tuition revenues.

Mandatory Fee Increases

Mandatory fees, charged to each student, provide a distinct resource to respond to specific needs of students.

Mandatory Fee Proposals

	SUI				ISU				UNI			
	Actual 2012-13	Proposed 2013-14	Increase $	Increase %	Actual 2012-13	Proposed 2013-14	Increase $	Increase %	Actual 2012-13	Proposed 2013-14	Increase $	Increase %
Technology [1]	463.00	463.00	-	0.0%	230.00	230.00	-	0.0%	252.00	258.00	6.00	2.4%
Health	237.00	237.00	-	0.0%	196.00	196.00	-	0.0%	189.00	203.00	14.00	7.4%
Health Facility	-	-	-	#DIV/0!	16.00	16.00	-	0.0%	29.00	31.00	2.00	6.9%
Student Activities	69.00	70.00	1.00	1.4%	70.70	70.70	-	0.0%	-	-	-	
Student Services	74.00	74.00	-	0.0%	188.20	188.20	-	0.0%	217.00	258.00	41.00	18.9%
Student Union	120.00	120.00	-	0.0%	-	-	-		-	-	-	
Building	123.00	123.00	-	0.0%	55.10	55.10	-	0.0%	235.00	220.00	(15.00)	-6.4%
Career Services - Undergrad	26.00	26.00	-	0.0%	-	-	-		-	-	-	
Arts & Cultural Events	24.00	24.00	-	0.0%	-	-	-		-	-	-	
Recreation	243.00	246.00	3.00	1.2%	321.60	321.60	-	0.0%	65.00	67.00	2.00	3.1%
Totals	$1,379.00	$1,383.00	$ 4.00	0.3%	$1,077.60	$1,077.60	$ -	0.0%	$987.00	$1,037.00	$ 50.00	5.1%

[1] For SUI, the technology fee for the College of Liberal Arts & Sciences has been used as the basic computer fee. Dollar costs and increases for students majoring in Business, Engineering, Law, Nursing, Pharmacy, and College of Public Health at SUI and for students majoring in Business, Engineering, AST/ITec & Computer Science at ISU are higher. Graduate rates at ISU are generally lower. The 2013-14 proposals for differential technology fees are detailed below.

	SUI				ISU				UNI			
	Actual 2012-13	Proposed 2013-14	Increase $	Increase %	Actual 2012-13	Proposed 2013-14	Increase $	Increase %	Actual 2012-13	Proposed 2013-14	Increase $	Increase %
Technology												
General - (CLAS - SUI)	463.00	463.00	-	0.0%	230.00	230.00	-	0.0%	252.00	258.00	6.00	2.4%
Business - Undergrad	619.00	619.00	-	0.0%	270.00	270.00	-	0.0%				
Business - Grad					224.00	224.00	-	0.0%				
Computer Science (UG/G)					446.00	446.00	-	0.0%				
AST/Itec					446.00	446.00						
Engineering (UG/G)	674.00	674.00	-	0.0%	446.00	446.00	-	0.0%				
Education - Grad	463.00	463.00	-	0.0%								
Law	846.00	879.00	33.00	3.9%								
General - Other-Grad/Prof	285.00	285.00	-	0.0%	184.00	184.00	-	0.0%				
Dentistry	285.00	463.00	178.00	62.5%								
Pharm D	639.00	639.00	-	0.0%								
Public Health MS/PhD	674.00	674.00	-	0.0%								
Veterimary Medicine					230.00	230.00	-	0.0%				

Fee proposals for the 2013-2014 academic year that vary from the identified HEPI median of 2.6% are highlighted below:

STATE UNIVERSITY OF IOWA

- Law Technology – the increase of $33 will fund the purchase of new databases in the Law Library, cover subscription rate increases to existing databases, provide technology staff to assist law students, and support other central computing costs.
- Dentistry Technology – the increase of $178 will align this fee with that charged by the College of Liberal Arts & Sciences. A recent revision of accreditation criteria adds a new competency that Dentistry graduates "should be able to evaluate, assess, and apply current and emerging science and technology". The increase will allow for partial funding of a Digital Dental Designer, as well as support renewed focus on emerging technologies and equipment.

IOWA STATE UNIVERSITY

- No changes in mandatory fees are proposed.

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- Health – this fee increase of $14 will support student access for health services, including clinic, counseling and health educator consultations.

- Health Facility – this fee increase of $2 is necessary to meet bond requirements.

- Student Services – $25 of this total increase of $41 will go to Intercollegiate Athletics to reduce General Fund support of this operation. The balance will support student activities and services such as Northern Iowa Student Government, Homecoming, Family Weekend, and Panther Shuttle.

- Building – the $15 decrease in this fee is due to savings from a refunding on Maucker Union and Fieldhouse bonds.

Estimated Cost of Attendance

Iowa Code §262.9(18) requires the Board to publish the estimated total cost of attending the Regent universities, including room and board and other costs, at the same time that it publishes final tuition and mandatory fees.

Based on the preceding tuition proposal and university projected increases for room, board, and other costs, the following table estimates the total cost of attendance for a resident undergraduate student.

Other costs, as quantified for financial aid calculations, include the universities' estimates of student costs for books, supplies, transportation, and personal expenses.

2013-14 Academic Year
Resident Undergraduate
Estimated Cost of Attendance

	Tuition & Mandatory Fees*	Room & Board**	Other Costs**	Estimated Totals**	$ Increase	% Increase
SUI	8,061.00	8,802.00	4,605.00	21,468.00	755.00	3.6%
ISU	7,725.60	7,977.00	3,452.00	19,154.60	475.00	2.5%
UNI	7,685.00	7,863.00	3,380.00	18,928.00	(151.00)	-0.8%
Average	7,823.87	8,214.00	3,812.33	19,850.20	359.67	1.8%

* Proposed
** Estimated

Board of Regents, State of Iowa
Proposed Tuition and Mandatory Fees
Academic Year 2013-14

	TUITION	MANDATORY FEES														TOTALS		
	FY 2014 Base Tuition	$ Increase in Tuition	% Increase in Tuition	Technology Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Career Services Fee	Arts & Cultural Events	Recreation Fee	Professional Enhancemt Fee	Total Mandatory Fees	Proposed Tuition & Mandatory Fees	$ Increase in Tuition & Mandatory Fees	% Increase In Tuition & Mandatory Fees
UNIVERSITY OF IOWA																		
Undergraduate Resident - Business (lower division)	$ 7,678	$ -	0.00%	$ 619	$ 237	$ -	$ 70	$ 74	$ 120	$ 123	$ 26	$ 24	$ 246		$ 1,539	$ 9,217	$ 4	0.04%
Undergraduate Resident - Business (upper division)	8,980	-	0.00%	619	237	-	70	74	120	123	26	24	246		1,539	$ 10,519	$ 4	0.04%
Undergraduate Resident - CLAS	6,678	-	0.00%	463	237	-	70	74	120	123	26	24	246		1,383	8,061	4	0.05%
Undergraduate Resident - Engineering (freshman)	6,678	-	0.00%	674	237	-	70	74	120	123	26	24	246		1,594	8,272	4	0.05%
Undergraduate Resident - Engineering (sophomore)	7,716	-	0.00%	674	237	-	70	74	120	123	26	24	246		1,594	9,310	4	0.04%
Undergraduate Resident - Engineering (upper division)	8,824	-	0.00%	674	237	-	70	74	120	123	26	24	246		1,594	10,418	4	0.04%
Undergraduate Resident - Medicine	6,678	-	0.00%	285	237	-	70	74	120	123	26	24	246		1,205	7,883	4	0.05%
Undergraduate Resident - Nursing	8,988	-	0.00%	463	237	-	70	74	120	123	26	24	246		1,383	10,371	4	0.04%
Undergraduate Nonresident - Business (lower division)	26,574	674	2.60%	619	237	-	70	74	120	123	26	24	246		1,539	28,113	678	2.47%
Undergraduate Nonresident - Business (upper division)	28,012	710	2.60%	619	237	-	70	74	120	123	26	24	246		1,539	29,551	714	2.48%
Undergraduate Nonresident - CLAS	25,548	648	2.60%	463	237	-	70	74	120	123	26	24	246		1,383	26,931	652	2.48%
Undergraduate Nonresident - Engineering (freshman)	25,548	648	2.60%	674	237	-	70	74	120	123	26	24	246		1,594	27,142	652	2.46%
Undergraduate Nonresident - Engineering (sophomore)	26,622	676	2.60%	674	237	-	70	74	120	123	26	24	246		1,594	28,216	680	2.47%
Undergraduate Nonresident - Engineering (upper division)	27,910	708	2.60%	674	237	-	70	74	120	123	26	24	246		1,594	29,504	712	2.47%
Undergraduate Nonresident - Medicine	25,548	648	2.60%	285	237		70	74	120	123	26	24	246		1,205	26,753	652	2.50%
Undergraduate Nonresident - Nursing	27,962	708	2.60%	463	237	-	70	74	120	123	26	24	246		1,383	29,345	712	2.49%
Graduate Resident	8,106	206	2.60%	285	237	-	70	74	120	123	-	24	246	$ 60	1,239	9,345	210	2.30%
Graduate Resident - CLAS	8,106	206	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	9,523	210	2.25%
Graduate Resident - Education	9,614	244	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	11,031	248	2.30%
Graduate Resident - Engineering	8,106	206	2.60%	674	237	-	70	74	120	123	-	24	246	60	1,628	9,734	210	2.20%
Graduate Nonresident	24,690	626	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	25,929	630	2.49%
Graduate Nonresident - CLAS	24,690	626	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	26,107	630	2.47%
Graduate Nonresident - Education	26,226	664	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	27,643	668	2.48%
Graduate Nonresident - Engineering	24,690	626	2.60%	674	237	-	70	74	120	123	-	24	246	60	1,628	26,318	630	2.45%
Master of Accountancy Resident	13,116	332	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	14,355	336	2.40%
Master of Accountancy Nonresident	29,096	736	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	30,335	740	2.50%
Doctor of Physical Therapy Resident	13,884	352	2.59%	285	237	-	70	74	120	123	-	24	246	60	1,239	15,123	356	2.41%
Doctor of Physical Therapy Nonresident	29,186	740	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	30,425	744	2.51%
Master of Nursing Programs Resident	14,460	366	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	15,877	370	2.39%
Master of Nursing Programs Nonresident	30,514	772	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	31,931	776	2.49%
Master of Health Administration Resident	12,532	318	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	13,771	322	2.39%
Master of Health Administration Nonresident	28,550	724	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	29,789	728	2.51%
Master of Public Health Resident	12,414	314	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	13,653	318	2.38%
Master of Public Health Nonresident	28,426	720	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	29,665	724	2.50%
Master of Speech Pathology Resident	10,000	254	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	11,417	258	2.31%
Master of Speech Pathology Nonresident	26,618	674	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	28,035	678	2.48%
Doctor of Audiology Resident	10,000	254	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	11,417	258	2.31%
Doctor of Audiology Nonresident	26,618	674	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	28,035	678	2.48%
Doctor of Nursing Practice Resident	16,786	426	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	18,203	430	2.42%
Doctor of Nursing Practice Nonresident	34,216	866	2.60%	463	237	-	70	74	120	123	-	24	246	60	1,417	35,633	870	2.50%
Other Public Health MS and PhD Resident	8,106	206	2.60%	674	237	-	70	74	120	123	-	24	246	60	1,628	9,734	210	2.20%
Other Public Health MS and PhD Nonresident	24,690	626	2.60%	674	237	-	70	74	120	123	-	24	246	60	1,628	26,318	630	2.45%

Board of Regents, State of Iowa
Proposed Tuition and Mandatory Fees
Academic Year 2013-14

	TUITION	MANDATORY FEES														TOTALS		
	FY 2014 Base Tuition	$ Increase in Tuition	% Increase in Tuition	Technology Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Career Services Fee	Arts & Cultural Events	Recreation Fee	Professional Enhancemt Fee	Total Mandatory Fees	Proposed Tuition & Mandatory Fees	$ Increase in Tuition & Mandatory Fees	% Increase In Tuition & Mandatory Fees
UNIVERSITY OF IOWA																		
MBA Resident	19,246	488	2.60%	285	237	-	70	74	120	123	-	24	246		1,179	20,425	492	2.47%
MBA Nonresident	35,314	894	2.60%	285	237	-	70	74	120	123	-	24	246		1,179	36,493	898	2.52%
Dentistry Resident	35,930	910	2.60%	463	237	-	70	74	120	123		24	246		1,357	37,287	1,092	3.02%
Dentistry Resident - entering Fall 2013	38,930	3,910	11.17%	463	237		70	74	120	123		24	246		1,357	40,287	4,092	11.31%
Dentistry Nonresident	58,688	1,486	2.60%	463	237		70	74	120	123		24	246		1,357	60,045	1,668	2.86%
Dentistry Nonresident - entering Fall 2013	61,688	4,486	7.84%	463	237	-	70	74	120	123	-	24	246		1,357	63,045	4,668	8.00%
Law Resident	26,274	666	2.60%	879	237	-	70	74	120	123	-	24	246		1,773	28,047	703	2.57%
Law Nonresident	47,252	1,196	2.60%	879	237	-	70	74	120	123	-	24	246		1,773	49,025	1,233	2.58%
Medicine Resident	32,370	820	2.60%	285	237	-	70	74	120	123	-	24	246		1,179	33,549	824	2.52%
Medicine Nonresident	48,852	1,238	2.60%	285	237	-	70	74	120	123	-	24	246		1,179	50,031	1,242	2.55%
Physician Assistant - Resident	13,616	346	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	14,855	350	2.41%
Physician Assistant -Nonresident	28,630	726	2.60%	285	237	-	70	74	120	123	-	24	246	60	1,239	29,869	730	2.51%
Pharm. D. Resident	21,188	536	2.60%	639	237	-	70	74	120	123	-	24	246		1,533	22,721	540	2.43%
Pharm. D. Nonresident	39,502	1,000	2.60%	639	237	-	70	74	120	123	-	24	246		1,533	41,035	1,004	2.51%
OFF-CAMPUS DEGREE PROGRAM RATES																		
Undergraduate - Business																		
Entrepreneurial Management-BBA Online	8,980	-	0.00%	619											619	9,599	-	0.00%
Undergraduate - CLAS																		
Bachelor of Liberal Studies	6,678	-	0.00%	463											463	7,141	-	0.00%
Bachelor of Applied Studies	6,678	-	0.00%	463											463	7,141	-	0.00%
Liberal Studies Interest	6,678	-	0.00%	463											463	7,141	-	0.00%
Off-Campus Program	6,678	-	0.00%	463											463	7,141	-	0.00%
Undergraduate - CCOM																		
Radiation Sciences-BS Online	6,678	-	0.00%	285											285	6,963	-	0.00%
Undergraduate - Nursing																		
Nursing-RN to BSN	8,988	-	0.00%	463											463	9,451	-	0.00%
Graduate - CLAS																		
Social Work-Master Off-Campus	8,106	206	2.60%	463											463	8,569	206	2.46%
Off-Campus Program	8,106	206	2.60%	463											463	8,569	206	2.46%
Graduate - Education																		
Educational Administration	9,614	244	2.60%	463											463	10,077	244	2.48%
Special Education	9,614	244	2.60%	463											463	10,077	244	2.48%
Master of Nursing Programs																		
Nursing-Master of Science Online	14,460	366	2.60%	463											463	14,923	366	2.51%

Board of Regents, State of Iowa
Proposed Tuition and Mandatory Fees
Academic Year 2013-14

	TUITION	MANDATORY FEES														TOTALS		
	FY 2014 Base Tuition	$ Increase in Tuition	% Increase in Tuition	Technology Fee	Health Fee	Health Facility Fee	Student Activities Fee	Student Services Fee	Student Union Fee	Building Fee	Career Services Fee	Arts & Cultural Events	Recreation Fee	Professional Enhancemt Fee	Total Mandatory Fees	Proposed Tuition & Mandatory Fees	$ Increase in Tuition & Mandatory Fees	% Increase In Tuition & Mandatory Fees
IOWA STATE UNIVERSITY																		
Undergraduate Resident	$ 6,648	$ -	0.00%	$ 230	$ 196	$ 16	$ 70.70	$ 188.20	$ -	$ 55.10	$ -	$ -	$ 321.60		$ 1,077.60	$ 7,725.60	$ -	0.0%
Undergraduate Resident - Business	6,648	-	0.00%	270	196	16	70.70	188.20	-	55.10	-	-	321.60		1,117.60	7,765.60	$ -	0.0%
Undergraduate Resident - Business - upper division	8,290	-	0.00%	270	196	16	70.70	188.20	-	55.10	-	-	321.60		1,117.60	9,407.60	$ -	0.0%
Undergraduate Resident - Engineering (lower division)	6,648	-	0.00%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	7,941.60	$ -	0.0%
Undergraduate Resident - Engineering (upper division)	8,814	-	0.00%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	10,107.60	$ -	0.0%
Undergraduate Resident - Comp Science	6,648	-	0.00%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	7,941.60	$ -	0.0%
Undergraduate Resident - AST/I-Tec (lower division)	6,648	-	0.00%	446	196	16	70.70	188.20		55.10			321.60		1,293.60	7,941.60	$ -	0.0%
Undergraduate Resident - AST/I-Tec (upper division)	8,422	584	7.45%	446	196	16	70.70	188.20		55.10			321.60		1,293.60	9,715.60	$ 584.00	6.4%
Undergraduate Resident - Architecture	7,448	400	5.68%	230	196	16	70.70	188.20		55.10			321.60		1,077.60	8,525.60	$ 400.00	4.9%
Undergraduate Nonresident	19,200	440	2.35%	230	196	16	70.70	188.20	-	55.10	-	-	321.60		1,077.60	20,277.60	$ 440.00	2.2%
Undergraduate Nonresident - Business	19,200	440	2.35%	270	196	16	70.70	188.20	-	55.10	-	-	321.60		1,117.60	20,317.60	$ 440.00	2.2%
Undergraduate Nonresident - Business - upper division	20,842	478	2.35%	270	196	16	70.70	188.20	-	55.10	-	-	321.60		1,117.60	21,959.60	$ 478.00	2.2%
Undergraduate Nonresident - Engineering (lower division)	19,200	440	2.35%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	20,493.60	$ 440.00	2.2%
Undergraduate Nonresident - Engineering (upper division)	21,284	488	2.35%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	22,577.60	$ 488.00	2.2%
Undergraduate Nonresident - Comp Science	19,200	440	2.35%	446	196	16	70.70	188.20		55.10			321.60		1,293.60	20,493.60	$ 440.00	2.2%
Undergraduate Nonresident - AST/I-Tec (lower division)	19,200	440	2.35%	446	196	16	70.70	188.20		55.10			321.60		1,293.60	20,493.60	$ 440.00	2.2%
Undergraduate Nonresident - AST/I-Tec(upper division)	20,996	1,052	5.27%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	22,289.60	$ 1,052.00	5.0%
Undergraduate Nonresident - Architecture	20,010	850	4.44%	230	196	16	70.70	188.20		55.10			321.60		1,077.60	21,087.60	$ 850.00	4.2%
Graduate Resident	7,848	92	1.19%	184	196	16	70.70	188.20	-	55.10	-	-	321.60		1,031.60	8,879.60	$ 92.00	1.0%
Graduate Resident - Business	9,528	112	1.19%	224	196	16	70.70	188.20	-	55.10	-	-	321.60		1,071.60	10,599.60	$ 112.00	1.1%
Graduate Resident - Engineering	9,046	106	1.19%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	10,339.60	$ 106.00	1.0%
Graduate Resident - Comp Science	7,848	92	1.19%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	9,141.60	$ 92.00	1.0%
Graduate Resident - Architecture	8,654	498	6.11%	184	196	16	70.70	188.20		55.10			321.60		1,031.60	9,685.60	$ 498.00	5.4%
Graduate Nonresident	20,158	462	2.35%	184	196	16	70.70	188.20	-	55.10	-	-	321.60		1,031.60	21,189.60	$ 462.00	2.2%
Graduate Nonresident - Business	21,840	502	2.35%	224	196	16	70.70	188.20	-	55.10	-	-	321.60		1,071.60	22,911.60	$ 502.00	2.2%
Graduate Nonresident - Engineering	21,304	490	2.35%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	22,597.60	$ 490.00	2.2%
Graduate Nonresident - Comp Science	20,158	462	2.35%	446	196	16	70.70	188.20	-	55.10	-	-	321.60		1,293.60	21,451.60	$ 462.00	2.2%
Graduate Nonresident - Architecture	20,968	872	4.34%	184	196	16	70.70	188.20		55.10			321.60		1,031.60	21,999.60	$ 872.00	4.1%
Veterinary Medicine Resident	19,152	648	3.50%	230	196	16	70.70	188.20	-	55.10	-	-	321.60		1,077.60	20,229.60	$ 648.00	3.3%
Veterinary Medicine Resident - 4th year	28,308	957	3.50%	230	196	16	70.70	188.20	-	55.10	-	-	321.60		1,077.60	29,385.60	$ 957.00	3.4%
Veterinary Medicine Nonresident	42,840	1,450	3.50%	230	196	16	70.70	188.20	-	55.10	-	-	321.60		1,077.60	43,917.60	$ 1,450.00	3.4%
Veterinary Medicine Nonresident - 4th year	51,459	1,740	3.50%	230	196	16	70.70	188.20	-	55.10	-	-	321.60		1,077.60	52,536.60	$ 1,740.00	3.4%

UNIVERSITY OF NORTHERN IOWA																		
Undergraduate Resident	$ 6,648	$ -	0.00%	$ 258	$ 203	$ 31	$ -	$ 258	$ -	$ 220	$ -	$ -	$ 67		$ 1,037.00	$ 7,685.00	$ 50	0.7%
Undergraduate Resident - Business - upper division	8,204	-	0.01%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	9,241.00	50	0.5%
Undergraduate Nonresident	16,144	410	2.60%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	17,181.00	460	2.8%
Undergraduate Nonresident - Business - upper division	17,700	410	2.37%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	18,737.00	460	2.5%
Graduate Resident	7,756	-	0.00%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	8,793.00	50	0.6%
Graduate Resident - Business	9,312	-	0.00%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	10,349.00	50	0.5%
Graduate Nonresident	17,470	444	2.60%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	18,507.00	494	2.7%
Graduate Nonresident - Business	19,026	444	2.39%	258	203	31	-	258	-	220	-	-	67		$ 1,037.00	20,063.00	494	2.5%

Part-time Tuition and Mandatory Fees

The Regent Policy Manual §8.02A directs that residents and nonresidents be charged the same tuition for 0 to 4 credit hours. A flat rate is charged to students taking 0 to 2 credit hours, with charges for 3 and 4 credits progressively higher but remaining the same for resident and nonresident students. Resident and nonresident rates are different for 5 credit hours and above, with the rate differential based on full-time tuition rates.

The intent of the policy is to encourage enrollment at the Regent universities on a part-time basis. Nonresidents in states bordering Iowa are encouraged to take Regent courses at the graduate study centers located in the Quad Cities, Sioux City, and Council Bluffs.

The proposed 2013-14 part-time tuition and fee rates for resident and nonresident undergraduate and graduate courses at the three universities are consistent with the proposed tuition and mandatory fee rates for full-time students.

Undergraduate and professional part-time tuition and mandatory fees are based on 12 credit hours, while graduate part-time rates are based on 9 credit hours.

The proposed mandatory fees for part-time students as well as summer semesters are assessed differently among the universities.

Student Health fees – All universities

- Full fee assessed to all students taking 5 or more hours per semester; for SUI, ISU and UNI; no fee assessed to student taking less than 5 credit hours.

Student Health Facility fees

- SUI – full fee assessed to all students taking 5 or more hours per semester; no fee assessed to student taking less than 5 credit hours
- ISU – full fee assessed to all students regardless of the number of credit hours taken
- UNI - full fee assessed to all students taking 5 or more hours per semester; half of the fee assessed for 4 or fewer credit hours

All other mandatory fees

For undergraduate students:

- SUI and ISU – assessed at 75% of the full semester rates for 6 through 11 hours and at 50% for less than 6 credit hours
- UNI – assessed at 75% of full semester rates for 9 through 11 credit hours, at 50% for 6 through 8 hours, and at 25% for less than 6 hours: exception – Building and Recreation fees assessed at full semester rates to all students taking 5 or more hours per semester and at 50% for less than 5 credit hours

For graduate students:

- SUI – assessed at 75% of full semester rates for 4 through 8 hours and 50% for less than 4 credit hours
- ISU – assessed at 75% of full semester rates for 5 through 8 hours and 50% for less than 5 credit hours
- UNI – assessed at 75% of full semester rates for 7 and 8 hours, 50% for 5 and 6 hours, and 25% for less than 5 credit hours; exception – Building and Recreation fees assessed at full semester rates to all students taking 5 or more hours per semester and at 50% for less than 5 credit hours

Summer school

- SUI & ISU – computer fees assessed at full semester rate; maximum of other fees at 50%
- UNI – assessed at 75% of the full semester rate

Proposed Undergraduate Per Hour
Resident Tuition and Mandatory Fees Rates
Academic Year 2013-14

	SUI			ISU			UNI		
	Tuition	Mand. Fees	Total	Tuition	Mand. Fees	Total	Tuition	Mand. Fees	Total
12+ hours (full semester)	3,339.00	691.50	4,030.50	3,324.00	538.80	3,862.80	3,324.00	518.50	3,842.50
11 hours	3,069.00	548.50	3,617.50	3,047.00	431.25	3,478.25	3,047.00	454.00	3,501.00
10 hours	2,790.00	548.50	3,338.50	2,770.00	431.25	3,201.25	2,770.00	454.00	3,224.00
9 hours	2,511.00	548.50	3,059.50	2,493.00	431.25	2,924.25	2,493.00	454.00	2,947.00
8 hours	2,232.00	548.50	2,780.50	2,216.00	431.25	2,647.25	2,216.00	389.50	2,605.50
7 hours	1,953.00	548.50	2,501.50	1,939.00	431.25	2,370.25	1,939.00	389.50	2,328.50
6 hours	1,674.00	548.50	2,222.50	1,662.00	431.25	2,093.25	1,662.00	389.50	2,051.50
5 hours	1,395.00	405.00	1,800.00	1,385.00	323.00	1,708.00	1,385.00	325.00	1,710.00
4 hours	1,116.00	286.50	1,402.50	1,108.00	225.00	1,333.00	1,108.00	144.00	1,252.00
3 hours	837.00	286.50	1,123.50	831.00	225.00	1,056.00	831.00	144.00	975.00
0-2 hours	558.00	286.50	844.50	554.00	225.00	779.00	554.00	144.00	698.00

Proposed Graduate Per Hour
Resident Tuition and Mandatory Fees Rates
Academic Year 2013-14

	SUI			ISU			UNI		
	Tuition	Mand. Fees	Total	Tuition	Mand. Fees	Total	Tuition	Mand. Fees	Total
9+ hours	$4,053.00	708.50	$4,761.50	3,924.00	$515.80	4,439.80	3,878.00	$518.50	4,396.50
8 hours	$3,608.00	561.25	$4,169.25	3,488.00	$414.00	3,902.00	3,448.00	$454.00	3,902.00
7 hours	$3,157.00	561.25	$3,718.25	3,052.00	$414.00	3,466.00	3,017.00	$454.00	3,471.00
6 hours	$2,706.00	561.25	$3,267.25	2,616.00	$414.00	3,030.00	2,586.00	$389.50	2,975.50
5 hours	$2,255.00	561.25	$2,816.25	2,180.00	$414.00	2,594.00	2,155.00	$389.50	2,544.50
4 hours	$1,804.00	442.75	$2,246.75	1,744.00	$213.50	1,957.50	1,724.00	$144.00	1,868.00
3 hours	$1,353.00	295.00	$1,648.00	1,308.00	$213.50	1,521.50	1,293.00	$144.00	1,437.00
0-2 hours	$902.00	295.00	$1,197.00	872.00	$213.50	1,085.50	862.00	$144.00	1,006.00

Additional Information:

Board Tuition Policy

The Board tuition policy includes, in part:

> The Board will use, as a benchmark in evaluating tuition and fee increases, an inflationary percentage range of the projected HEPI (Higher Education Price Index) as determined by the University of Iowa's Institute for Economic Research, in consultation with economists at Iowa State University and the University of Northern Iowa.

Higher Education Price Index

HEPI measures the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities through current educational and general expenditures excluding research. HEPI documents inflation affecting the higher education industry, allowing colleges and universities to specifically determine the increase in funding required each year to maintain real investment.

Since the Board determines tuition increases well in advance of the actual expenditure of funds, the Board has utilized inflation projections. The Institute for Economic Research at the University of Iowa prepares these projections, which include a range for HEPI.

HEPI Projections

	Range	Median
FY 2010	4.2 – 5.6%	0.9%
FY 2011	1.8 – 3.5%	2.3%
FY 2012**	2.8 -- 4.1%	1.7%
FY 2013**	1.7 - 3.1%	2.4%
FY 2014**	1.8 - 3.4%	2.6%

Range is the original projection; Median is actual unless noted

** Projected

Peer Groups

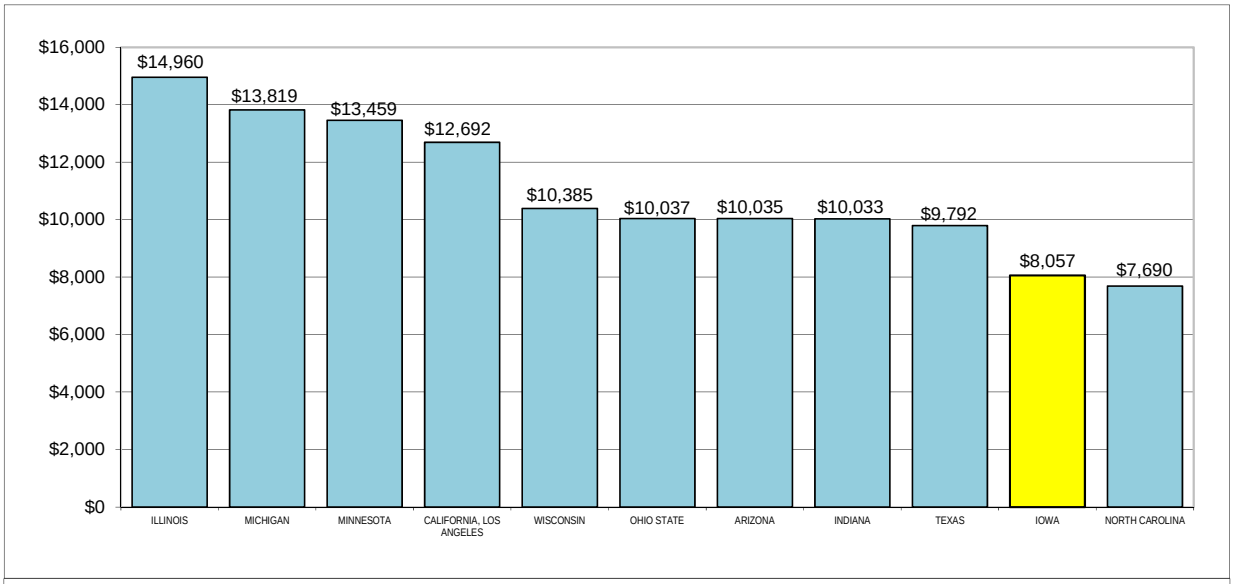
The following table and those on the next two pages represent comparative analyses with the Board-established peer groups; ten other universities are represented in each of the Regent universities peer comparison groups.

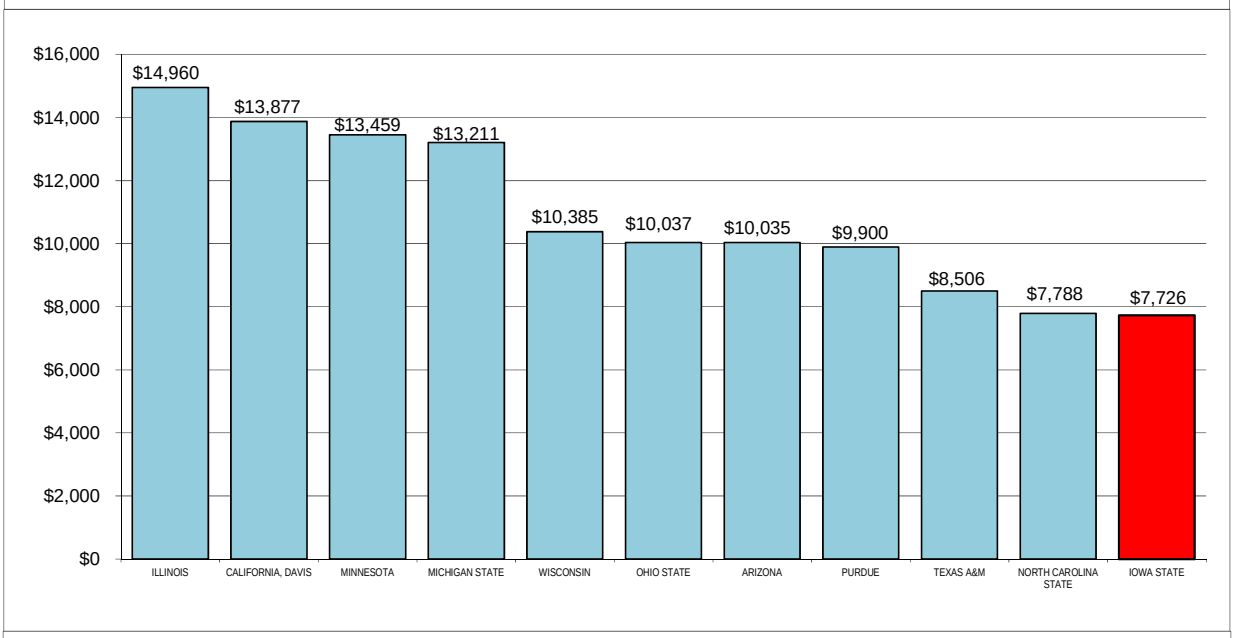
Regent Undergraduate Tuition and Fees
2012-13 Academic Year

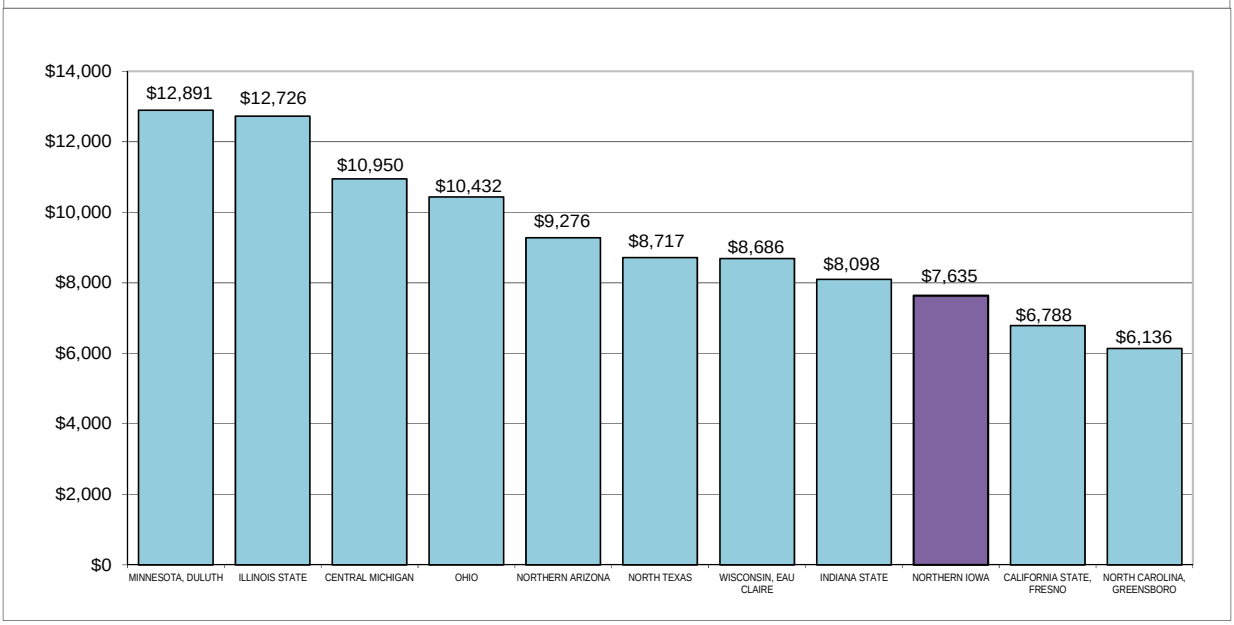
	Resident	Nonresident
University of Iowa	**$8,057**	**$26,279**
SUI Peer Group Average *	$11,290	$29,517
$ from Peer Group Average	$3,233	$3,238
% of Peer Group Average	71.4%	89.0%
Iowa State University	**$7,726**	**$19,838**
ISU Peer Group Average *	$11,216	$27,066
$ from Peer Group Average	$3,490	$7,228
% of Peer Group Average	68.9%	73.3%
University of Northern Iowa	**$7,635**	**$16,721**
UNI Peer Group Average *	$9,470	$18,905
$ from Peer Group Average	$1,835	$2,184
% of Peer Group Average	80.6%	88.4%

*Averages exclude Regent institutions.

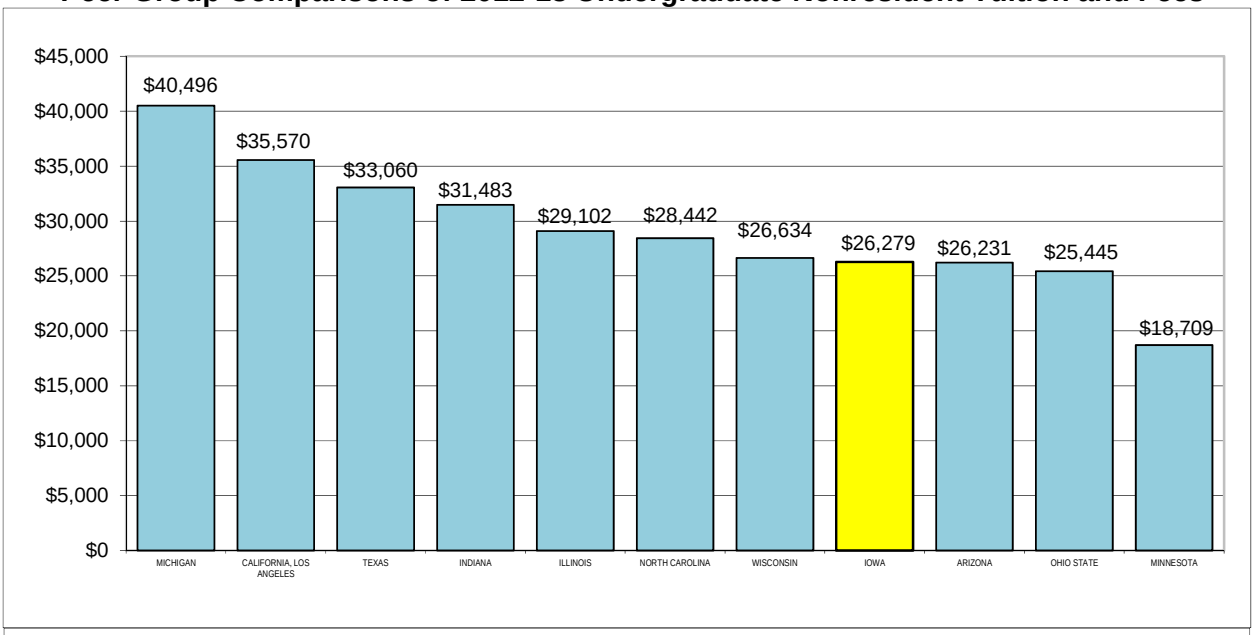
Peer Group Comparisons of 2012-13 Undergraduate Resident Tuition and Fees

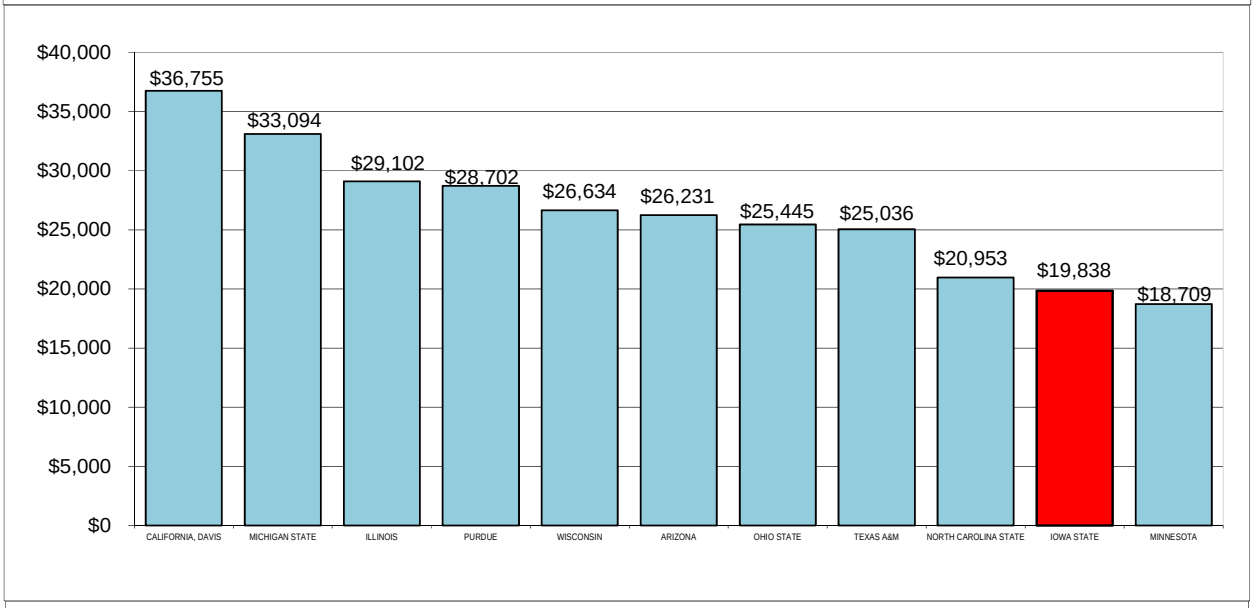


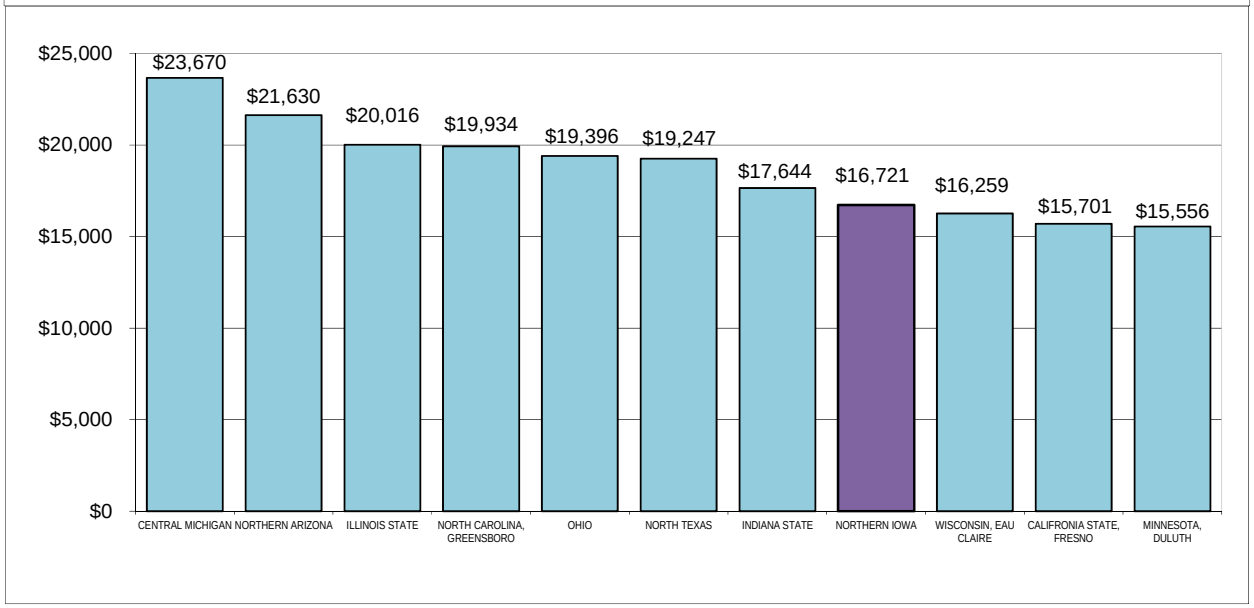




Peer Group Comparisons of 2012-13 Undergraduate Nonresident Tuition and Fees







State Comparisons

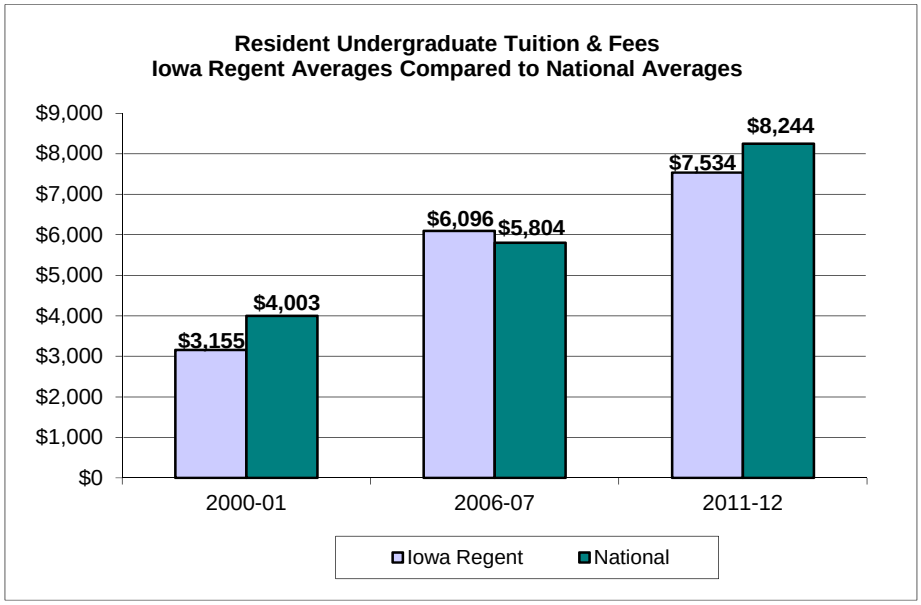
The table below lists the ten states represented in the Regent universities peer comparison groups, along with other states contiguous to Iowa, and shows:

- Average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income, comparing the relative amount of income paid toward tuition.
- Per Capita Income ranking within the United States with one being the highest per capital income and 50 being the lowest.

	Tuition & Fees as % of Per Capita Income		Per Capita Income Ranking
	2010-11	2011-12	2009-10
IOWA	**18.8%**	**18.7%**	**24**
Arizona	23.4%	26.3%	40
California	17.6%	20.3%	12
Illinois	26.1%	26.3%	14
Indiana	23.5%	23.4%	41
Michigan	29.2%	29.7%	36
Minnesota	21.9%	22.3%	11
Missouri	19.7%	20.0%	29
Nebraska	16.6%	16.7%	22
North Carolina	15.2%	15.7%	38
Ohio	23.8%	23.6%	33
South Dakota	16.0%	16.5%	21
Texas	20.5%	20.4%	26
Wisconsin	20.2%	20.4%	25
Average of above excluding Iowa	21.0%	21.7%	
NATIONAL AVERAGE	**19.1%**	**19.8%**	

Sources: College Board,
US Department of Commerce, BEA, Sept. 2012

National Comparisons



BOARD OF REGENTS
STATE OF IOWA

AGENDA ITEM 4j
OCTOBER 24-25, 2012

Contact: Brad Berg

COMPREHENSIVE FISCAL REPORT FOR FY 2012

Action Requested:

Receive the FY 2012 Comprehensive Fiscal Report.

Executive Summary:

Each year, the Board conducts a series of reviews and approvals for budgetary and financial matters. The comprehensive fiscal report compares actual revenues and expenditures with the Board-approved budgets and identifies significant variances. The report also includes a five-year history of actual revenues and expenditures for each university and special school.

The Board approved the original university and special school FY 2012 budgets in August 2011. Revised FY 2012 operating budgets were later approved for each Iowa's three public universities to reflect updated revenue projections. Details of the budget revisions are provided in the attachments.

The general operating fund and the restricted funds are the primary funds of the institutions.

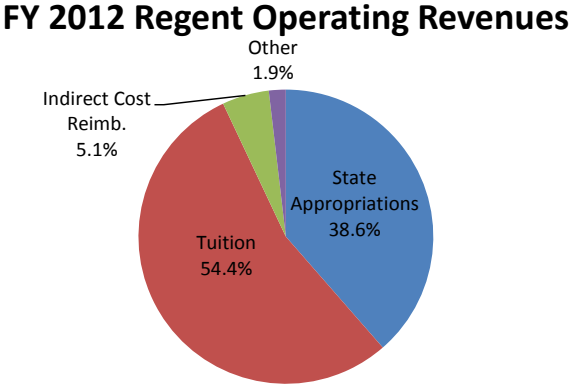
- General operating funds include state operating appropriations, some federal funds, interest income, tuition and fee revenues, reimbursed indirect costs, and sales and services. General fund operating revenues can vary from expenditures due to legislation that allows the Regent universities to retain student charges and due to non-reversion language for the economic development and Specialized Child Health Services special purpose appropriated units.
- Restricted funds are specifically designated or restricted for a particular purpose or enterprise and include capital appropriations, tuition replacement appropriations, gifts, bond proceeds, sponsored funding from federal and private sources, residence systems, athletics, as well as other auxiliary or independent functions such as parking and utility systems.

Total FY 2012 actual revenues for the Regent enterprise totaled $4.27 billion.

	General Operating	UIHC Operating	Restricted	Total
FY 2012 Actual Revenues	$1.36 billion	$0.98 billion	$1.93 billion	$4.27 billion

General Operating

The primary revenue sources providing FY 2012 general operating funds for Iowa's public universities are state appropriations and tuition revenues.



For FY 2012, Iowa's public universities and special schools (excluding UIHC units) were appropriated approximately $526 million in general state operating funding which comprised 38.6% of all operating revenues. Actual university tuition revenues totaled $741.6 million and were 54.4% of total operating revenues.

The following table compares the final FY 2012 budget (excluding UIHC) as approved by the Board to actual revenues and expenditures. Budget-to-actual comparisons for each of Iowa's public universities and special schools are contained in the attachments. Note: The comparison for the UIHC units is provided in Attachment A beginning on page 8.

General Operating Fund - All Institutions
FY 2012 (excludes UIHC units)

	Board Approved Budget	Actual	Variance Over/(Under)	% of Budget
REVENUES				
APPROPRIATIONS				
General	$ 525,987,450	$ 525,888,871	$ (98,579)	100.0%
Other	82,049	82,049	-	100.0%
RESOURCES				
Federal Support	14,086,000	14,165,837	79,837	100.6%
Interest	2,661,489	2,514,957	(146,532)	94.5%
Tuition and Fees	740,741,329	741,563,393	822,064	100.1%
Reimbursed Indirect Costs	72,637,479	70,167,952	(2,469,527)	96.6%
Sales and Services	7,394,701	6,946,095	(448,606)	93.9%
Other Income	9,221,530	1,603,784	(7,617,746)	17.4%
TOTAL REVENUES	$ 1,372,812,027	$ 1,362,932,938	$ (9,879,089)	99.3%
EXPENDITURES				
Salaries	$ 947,182,730	$ 944,918,564	$ (2,264,166)	99.8%
Prof. /Scientific Supplies	119,986,963	89,619,796	(30,367,167)	74.7%
Library Acquisitions	28,479,235	29,320,034	840,799	103.0%
Rentals	5,893,822	6,480,022	586,200	109.9%
Utilities	66,320,889	67,409,051	1,088,162	101.6%
Building Repairs	25,854,128	45,792,429	19,938,301	177.1%
Auditor of State	1,450,150	1,290,169	(159,981)	89.0%
Equipment	14,098,880	15,271,720	1,172,840	108.3%
Aid to Individuals	163,545,230	166,174,791	2,629,561	101.6%
TOTAL EXPENDITURES	$ 1,372,812,027	$ 1,366,276,576	$ (6,535,451)	99.5%

Actual tuition revenue slightly exceeded the budget (0.1%) while aggregate indirect cost reimbursements were 3.2% less than the budget primarily due to the difficulty in projecting federal grant awards. The amended budgets for SUI and UNI also included approximately $7.6 million of revenue earned and reported in prior years (advanced commitment funds) but budgeted for expenditure in FY 2012. With the actual revenues being reported in the year received, an expected budget-to-actual variance occurs in "other income".

Reflective of the service nature of Iowa's public universities and special schools, salary-related expenses comprised the largest portion (69.2%) of the operating budgets and were 0.2% less than the budget. Professional/Scientific supplies and services were under budget at all three universities and were redistributed to address needs in other areas such as building repairs and financial aid.

The following table provides a five-year revenue and expense history of all operating units (excluding UIHC) for Iowa's public universities and special schools. The table reflects the dynamic changes in state appropriations, tuition revenue, and includes the infusion of the ARRA funds in FY 2010. A five-year history specific to each of Iowa's public universities and special schools is contained in the attachments.

For FY 2010, the 2009 legislature appropriated approximately $80.3 million in State Fiscal Stabilization Funds from the American Recovery and Reinvestment Act of 2009 (ARRA) to be distributed to Iowa's public universities and special schools. These one-time funds were effectively used to bridge strategic budget decisions in FY 2010 to achieve permanent budget reductions that positively impacted future year budgets, thus minimizing the "funding cliff" realized in FY 2011.

General Operating Fund - All Institutions
FY 2008 - FY 2012 (excludes UIHC Units)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
General	$ 645,964,131	$ 674,271,577	$ 566,673,443	$ 555,670,904	$ 525,888,871
Other	264,600	260,631	85,140	285,140	82,049
ARRA-State Stabilization			80,280,000		
RESOURCES					
Federal Support	13,200,728	13,223,096	13,328,241	14,236,120	14,165,837
Interest	4,722,432	1,815,403	3,053,527	2,583,391	2,514,957
Tuition and Fees	507,306,596	550,207,301	604,732,008	676,102,832	741,563,393
Reimbursed Indirect Costs	63,416,149	64,515,247	72,052,568	74,679,294	70,167,952
Sales and Services	5,254,265	6,358,351	7,320,345	6,859,188	6,946,095
Other Income	2,092,816	2,466,979	2,609,032	1,534,590	1,603,784
TOTAL REVENUES	$ 1,242,221,717	$ 1,313,118,585	$ 1,350,134,304	$ 1,331,951,459	$ 1,362,932,938
EXPENDITURES					
Salaries	$ 900,528,299	$ 952,716,291	$ 935,665,009	$ 919,301,070	$ 944,918,564
Prof. /Scientific Supplies	85,996,326	95,507,689	94,158,676	92,812,693	89,619,796
Library Acquisitions	24,697,176	28,646,126	25,661,535	30,016,230	29,320,034
Rentals	4,446,298	5,223,791	8,339,711	5,824,736	6,480,022
Utilities	59,893,487	59,791,145	62,881,492	65,029,266	67,409,051
Building Repairs	29,473,228	32,054,437	35,657,373	64,957,927	45,792,429
Auditor of State	1,196,630	1,383,137	1,306,200	1,268,118	1,290,169
Equipment	15,675,285	12,688,711	21,194,506	15,553,528	15,271,720
Aid to Individuals	107,203,987	121,876,786	133,618,753	150,450,391	166,174,791
TOTAL EXPENDITURES	$ 1,229,110,716	$ 1,309,888,113	$ 1,318,483,255	$ 1,345,213,959	$ 1,366,276,576

Restricted

External forces greatly affect the revenues and expenditures of the restricted funds. Restricted funds are managed at the fund level and the actuals can vary significantly from the budget due to the timing of federal funds and capital proceeds. Capital appropriation revenues reflect the draw down of funds (based upon expenditures) from current and prior year appropriations, while the budgets reflect the total amounts appropriated by fiscal year. Federal support and reimbursed indirect costs are difficult to project due to the uncertainty and volatility of federal grant awards. Other revenue and expenditures are affected by the timing and amounts of bond issues and nonfederal gifts, grants, and contracts. This report includes a combined budget-to-actual restricted fund comparison for all Regent institutions using the budget as approved by the Board in August 2011. Restricted fund budget-to-actual comparisons for the individual institutions are available in the Board Office.

The athletic and residence system budgets are part of the restricted fund budgets. Information comparing athletic and residence system budget-to-actual and five-year historical data for each university is provided in the attachments. The attachments also include annual enrollment and occupancy information for the university residence systems.

Restricted Fund - All Institutions
FY 2012

	Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
Grow IA Values Fund	$ 1,440,000	$ 1,440,000	$ -	100.0%
Capital	5,000,000	14,743,244	9,743,244	294.9%
Tuition Replacement	24,305,412	23,989,301	(316,111)	98.7%
Other	1,763,000	1,898,000	135,000	107.7%
RESOURCES				
Federal Support	463,674,627	507,595,930	43,921,303	109.5%
Interest	2,305,000	2,111,203	(193,797)	91.6%
Tuition and Fees	107,000,000	111,191,600	4,191,600	103.9%
Reimbursed Indirect Costs	34,800,000	36,248,329	1,448,329	104.2%
Sales and Services	421,649,157	443,699,038	22,049,881	105.2%
Other Income	865,789,241	789,848,011	(75,941,230)	91.2%
TOTAL RESOURCES	$ 1,927,726,437	$ 1,932,764,656	$ 5,038,219	100.3%
EXPENDITURES				
Salaries	$ 654,459,895	$ 700,681,793	$ 46,221,898	107.1%
Prof. /Scientific Supplies	542,981,718	578,515,487	35,533,769	106.5%
Library Acquisitions	30,500	35,016	4,516	114.8%
Rentals	21,020,000	26,534,378	5,514,378	126.2%
Utilities	27,663,706	27,249,983	(413,723)	98.5%
Building Repairs	12,327,000	16,986,278	4,659,278	137.8%
Auditor of State	10,500	-	(10,500)	0.0%
Equipment	27,032,001	37,827,641	10,795,640	139.9%
Aid to Individuals	138,150,000	134,815,824	(3,334,176)	97.6%
Debt Service	118,391,117	123,202,892	4,811,775	104.1%
Plant Capital	385,660,000	360,909,280	(24,750,720)	93.6%
TOTAL EXPENDITURES	$ 1,927,726,437	$ 2,006,758,572	$ 79,032,135	104.1%

Revenue Variances

- Actual capital appropriation draw downs, which are based on incurred expenditures, were greater than the total appropriated amounts included in the budget. Reversion dates for capital appropriations are generally three years after the fiscal year for which funds are appropriated. The variance is primarily related to draws from prior year appropriations for SUI's Pappajohn Biomedical Discovery Building and the Hygienic Laboratory.
- Federal support exceeded the budget at all three universities due to additional federal grant opportunities and the success of securing sponsored research grants.
- Higher enrollments than originally budgeted (primarily at ISU) resulted in student fee revenue exceeding the budget.
- Other income includes, in part, bond and loan proceeds, workshop and seminar revenues, royalties, practice plan revenues, and nonfederal gifts, grants, and contracts. Other income was short of budget primarily due to budget-to-actual variances in the timing of bond issues for capital projects.

Expense Variances

- Restricted salary costs exceeded the budget primarily from higher levels of professional and scientific and faculty staff working for activities funded from grants and contracts and for auxiliary enterpises.
- Professional/Scientific supplies and services exceed the budget at all three universities primarily due to additional purchases for auxiliaries and grant funded activities.
- The variance in plant capital expenditures result from changes in construction project schedules compared to the original budget.

The following provides a consolidated 5-year history of actual revenues and expenditures from the restricted funds for all institutions.

Restricted Fund - All Institutions
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
Grow IA Values Fund	$ 4,800,000	$ 3,839,292	$ 4,320,000	$ 4,004,766	$ 1,440,000
Capital	15,690,592	31,134,637	37,752,033	40,724,538	14,743,244
Tuition Replacement	23,870,594	27,774,500	21,803,585	24,030,371	23,989,301
Battelle	1,838,113	100,000	545,075	-	-
Other	50,000	100,000	238,000	1,903,000	1,898,000
RESOURCES					
Federal Support	386,470,790	428,761,782	456,778,992	481,254,061	507,595,930
Interest	9,128,151	4,708,993	2,966,703	2,013,907	2,111,203
Tuition and Fees	91,282,468	89,370,164	92,714,125	103,004,379	111,191,600
Reimbursed Indirect Costs	29,732,454	33,053,969	35,440,526	36,920,791	36,248,329
Sales and Services	382,325,703	389,719,682	408,142,912	407,639,897	443,699,038
Other Income	847,984,720	800,123,017	853,824,080	862,472,955	789,848,011
TOTAL REVENUES	$1,793,173,585	$1,808,686,036	$1,914,526,031	$1,963,968,665	$1,932,764,656
EXPENDITURES					
Salaries	$ 585,934,563	$ 633,958,923	$ 639,126,302	$ 659,378,842	$ 700,681,793
Prof. /Scientific Supplies	500,005,372	508,825,821	530,978,125	550,031,143	578,515,487
Library Acquisitions	39,692	32,552	28,081	22,842	35,016
Rentals	17,154,941	17,057,967	17,079,613	22,334,208	26,534,378
Utilities	22,567,968	21,322,137	22,639,271	27,307,761	27,249,983
Building Repairs	9,389,769	11,802,215	13,739,861	13,607,641	16,986,278
Auditor of State	-	-	9,800	-	-
Equipment	26,191,137	26,719,033	25,357,947	27,291,028	37,827,641
Aid to Individuals	101,937,082	108,095,654	127,469,006	139,173,735	134,815,824
Debt Service	95,271,726	102,748,073	102,810,729	113,361,053	123,202,892
Plant Capital	281,969,821	411,740,993	303,695,737	284,553,273	360,909,280
TOTAL EXPENDITURES	$ 1,640,462,071	$ 1,842,303,368	$ 1,782,934,472	$ 1,837,061,526	$ 2,006,758,572

University of Iowa

The budget-to-actual comparison below contains the general university and special purpose appropriated units except for the four hospital units, which are reported in a subsequent table.

University of Iowa - General Operating Fund FY 2012 (excludes UIHC units)	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 219,718,042	$ 219,619,463	$ (98,579)	100.0%
RESOURCES				
Interest	1,685,189	1,636,760	(48,429)	97.1%
Tuition and Fees	365,684,000	366,397,221	713,221	100.2%
Reimbursed Indirect Costs	49,897,327	47,973,649	(1,923,678)	96.1%
Sales and Services	2,763,099	2,514,087	(249,012)	91.0%
Other Income	4,245,000	120,162	(4,124,838)	2.8%
TOTAL REVENUES	$ 643,992,657	$ 638,261,342	$ (5,731,315)	99.1%
EXPENDITURES				
Salaries	$ 437,975,164	$ 439,903,989	$ 1,928,825	100.4%
Prof. /Scientific Supplies	50,684,781	40,215,585	(10,469,196)	79.3%
Library Acquisitions	16,062,000	15,866,309	(195,691)	98.8%
Rentals	3,397,401	4,212,760	815,359	124.0%
Utilities	34,860,369	35,432,308	571,939	101.6%
Building Repairs	14,173,000	15,400,048	1,227,048	108.7%
Auditor of State	605,000	565,595	(39,405)	93.5%
Equipment	10,171,942	8,737,521	(1,434,421)	85.9%
Aid to Individuals	76,063,000	80,182,770	4,119,770	105.4%
TOTAL EXPENDITURES	$ 643,992,657	$ 640,516,885	$ (3,475,772)	99.5%

Actual expenditures exceeded revenues in FY 2012 due to the expenditure of advanced commitment revenues earned and reported in prior years. The Board approved revised operating budgets for SUI this summer. To submit a balanced budget, the amendment included $4.0 million in advanced commitment funds budgeted as “other income”. With the actual revenues reported in the year received, an expected budget-to-actual variance occurs in “other income”. The funds were used for expenses related to the Library Student Commons project previously approved by the Board. The budget-to-actual comparisons are based on the revised budget.

Revenue Variances

- State appropriations were slightly less than budget due to a reversion for the Iowa Online Advanced Placement Academy. FY 2012 was the first year for the Academy. The appropriation was established late in the session resulting in delayed advertisement of the online courses. The University reverted $98,579 at the end of FY 2012. In accordance with Section 8.62 of the Iowa Code, fifty percent of the reverted amount was carried forward into FY 2013 and will be used by the Academy for technology enhancements.
- Indirect cost reimbursements were $1.9 million or 3.9% under budget. A complicating factor in projecting indirect cost recoveries has been the application of substantial, one-time federal ARRA grant awards.

Expense Variances

- Salaries comprised 68.7% of all general operating fund expenditures and were 100.4% of the salary budget.
- Professional and Scientific Supplies/Services were under budget. Many University units redirected these resources toward other non-recurring expenses such as building repairs and student aid. This resulted in these expenditure lines exceeding the budget.

The University reallocated $5.3 million from collegiate and vice presidential units and reinvested those funds to support student success initiatives and strategic priorities. In addition, collegiate and non-collegiate units reallocated an additional $3.2 million to fund required and performance-based salary cost increases.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and special purpose units (does not include the four hospital units). State appropriations comprised 47.3% of University operating revenues in FY 2008; these have declined to 34.4% in FY 2012.

University of Iowa - General Fund
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
University Approp. Units					
REVENUES					
General Appropriations	$ 269,684,579	$ 281,480,361	$ 236,681,950	$ 231,586,438	$ 219,619,463
ARRA State-Stabilization			35,393,382	-	-
RESOURCES					
Interest	1,787,590	61,936	2,167,711	1,722,877	1,636,760
Tuition and Fees	252,315,603	272,263,415	299,505,345	335,272,910	366,397,221
Reimbursed Indirect Costs	43,150,431	45,363,862	50,872,224	51,844,960	47,973,649
Sales and Services	3,001,354	3,167,187	3,051,924	2,336,210	2,514,087
Other Income	286,987	211,944	185,850	124,502	120,162
TOTAL REVENUES	$ 570,226,544	$ 602,548,705	$ 627,858,386	$ 622,887,897	$ 638,261,342
EXPENDITURES					
Salaries	$ 418,912,211	$ 441,562,693	$ 438,587,243	$ 423,332,774	$ 439,903,989
Prof. /Scientific Supplies	36,953,256	34,956,489	35,386,816	37,101,537	40,215,585
Library Acquisitions	13,160,870	13,907,424	14,691,588	15,755,140	15,866,309
Rentals	2,103,853	2,553,763	5,919,827	3,360,269	4,212,760
Utilities	29,624,657	30,748,310	32,182,585	33,427,427	35,432,308
Building Repairs	11,252,886	14,489,609	17,238,167	25,463,722	15,400,048
Auditor of State	486,434	540,014	586,677	549,820	565,595
Equipment	9,049,763	7,825,119	11,373,671	10,298,430	8,737,521
Aid to Individuals	48,682,614	55,965,284	62,826,037	72,163,373	80,182,770
TOTAL EXPENDITURES	$ 570,226,544	$ 602,548,705	$ 618,792,611	$ 621,452,492	$ 640,516,885

The table below contains the FY 2012 budget-to-actual consolidated comparison for UIHC, Psychiatric Hospital, Specialized Child Health Services, and the Center for Disabilities and Development. Actual revenues and expenditures for the Health Care Units exceeded the budget by 0.7%.

University of Iowa - Health Care Appropriated Units
FY 2012

	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 72,170,319	$ 70,993,368	$ (1,176,951)	98.4%
RESOURCES				
Federal Support	3,074,743	3,148,841	74,098	102.4%
Reimbursed Indirect Costs	5,479,796	5,077,189	(402,607)	92.7%
Sales and Services	892,954,188	891,360,602	(1,593,586)	99.8%
Other Income	2,088,988	11,883,189	9,794,201	568.8%
TOTAL REVENUES	$ 975,768,034	$ 982,463,189	$ 6,695,155	100.7%
EXPENDITURES				
Salaries	$ 642,603,796	$ 627,352,532	$ (15,251,264)	97.6%
Prof. /Scientific Supplies	298,829,218	322,135,680	23,306,462	107.8%
Rentals	5,539,409	4,260,948	(1,278,461)	76.9%
Utilities	28,795,611	28,512,198	(283,413)	99.0%
TOTAL EXPENDITURES	$ 975,768,034	$ 982,261,358	$ 6,493,324	100.7%

Revenue Variances

- In addition to the $27.3 million of appropriated funds authorized in FY 2012 to support the IowaCare program, the General Assembly approved supplemental funding for additional support services provided to IowaCare patients. A timing difference in the provision of patient services compared to the corresponding cash receipts resulted in a budget-to-actual variance of $1.2 million in the supplemental IowaCare appropriation.
- UIHC experienced volume increases beyond budget levels in admissions, acute patient days, surgical procedures, and emergency treatment center visits. While patient volumes were generally higher than budget, actual patient revenue was slightly below (0.2%) the sales and services budget.
- Other income significantly exceeded the budget primarily from Meaningful Use funds of $9.4 million received in FY 2012. These funds are associated with new incentives provided by Medicare and Medicaid for use of the electronic health records in the care of patients.

Expense Variances

- In FY 2012, a concerted effort to monitor and manage labor costs was utilized to minimize the need for additional staffing costs while providing safe and high quality patient care services. All new position and vacancy hire requests were reviewed by a Hiring Board. These efforts resulted in labor costs being less than the budget.
- Increased patient volumes reflected in higher patient admissions and surgical volumes resulted in greater use of patient care related medical supplies and services. Increased supply use of medical implants, robotic surgery supplies and drugs contributed to the variance over budget.

The following provides a consolidated five-year history of actual revenues and expenditures from the four hospital units.

University of Iowa - Health Care Units
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
General Appropriations	$ 55,417,370	$ 66,763,498	$ 59,852,785	$ 79,159,331	$70,993,368
Federal Support	869,003	905,363	712,900	1,774,990	3,148,841
Reimbursed Indirect Costs	3,937,027	4,976,423	5,301,879	5,453,806	5,077,189
Sales and Services	728,365,734	793,364,878	763,845,872	813,404,161	891,360,602
Other Income	1,644,724	1,198,442	764,759	2,019,494	11,883,189
TOTAL REVENUES	$ 790,233,858	$ 867,208,604	$ 830,478,195	$ 901,811,782	$ 982,463,189
EXPENDITURES					
Salaries	$ 505,642,104	$ 567,287,610	$ 546,527,163	$ 572,396,446	$627,352,532
Prof. /Scientific Supplies	257,818,806	268,533,335	253,798,794	297,593,749	322,135,680
Rentals	5,414,105	6,102,577	5,493,726	6,352,795	4,260,948
Utilities	22,006,349	24,202,456	24,767,378	25,805,003	28,512,198
Building Repairs	17,730	-	-	-	-
Equipment	8,190	-	8,124	24,480	-
TOTAL EXPENDITURES	$ 790,907,284	$ 866,125,978	$ 830,595,185	$ 902,172,473	$ 982,261,358

UNIVERSITY OF IOWA ATHLETICS

	FY 2012 Budget	FY 2012 Actuals	Variance
INCOME:			
Men's Sports			
Football	$20,879,309	$ 21,824,362	$ 945,053
Basketball	2,602,243	2,550,266	(51,977)
Wrestling	425,000	479,270	54,270
All Other	12,000	14,328	2,328
Total Men's Sports	**$ 23,918,552**	**$ 24,868,226**	**$ 949,674**
Women's Sports			
Basketball	$ 185,000	$ 169,829	$ (15,171)
Volleyball	13,000	13,958	958
All Other	13,000	12,646	(354)
Total Women's Sports	**$ 211,000**	**$ 196,433**	**$ (14,567)**
Other Income			
Facility Debt Service/Student Fees	$ 500,000	$ 543,574	$ 43,574
Learfield Multi Media Contract Income	5,407,000	5,374,600	(32,400)
Athletic Conference	22,844,000	23,795,775	951,775
Interest	500,000	371,219	(128,781)
Foundation Support	8,614,664	7,152,407	(1,462,257)
Foundation Premium Seat Revenue	7,700,000	7,926,439	226,439
Novelties--Bookstore	3,000,000	3,762,889	762,889
General Income	2,247,500	2,813,558	566,058
Total Other Income	**$ 50,813,164**	**$ 51,740,461**	**$ 927,297**
TOTAL INCOME	**$ 74,942,716**	**$ 76,805,120**	**$ 1,862,404**
EXPENSES:			
Men's Sports			
Football	$16,437,772	$ 16,534,656	$ 96,884
Basketball	5,123,290	5,275,489	152,199
Wrestling	1,126,937	1,105,291	(21,646)
Other Sports	4,039,707	4,096,459	56,752
Total Men's Sports	**$26,727,706**	**$ 27,011,895**	**$ 284,189**
Women's Sports			
Basketball	$3,205,034	$ 3,354,595	$ 149,561
Volleyball	1,151,326	1,170,302	18,976
Other Sports	7,801,245	7,779,729	(21,516)
Total Women's Sports	**$ 12,157,605**	**$ 12,304,626**	**$ 147,021**
Other Expenses			
Training Services	$1,563,072	$ 1,581,585	$ 18,513
Sports Information	691,951	754,657	62,706
Admin. & General Expenses	10,839,656	11,300,654	460,998
Facility Debt Service	11,736,734	11,736,733	(1)
Transfer for New Facility Costs & Reserves	1,000,000	1,000,000	-
Academic & Counseling	1,730,688	1,598,402	(132,286)
Buildings & Grounds	8,495,304	9,516,568	1,021,264
Total Other Expenses	**$ 36,057,405**	**$ 37,488,599**	**$ 1,431,194**
TOTAL EXPENSE	**$ 74,942,716**	**$ 76,805,120**	**$ 1,862,404**

The following describes the budget-to-actual revenue and expense variances for SUI Athletics as shown on the previous page.

Revenue Variances

- Football revenue was above budget due to additional revenue from ticket sales, parking, and handling fees.
- Athletic conference revenues were higher than projected resulting from additional Men's Basketball Conference Gate Sharing and Conference Tournament, football bowl, and television distributions.
- Performance from other revenue streams enabled foundation support to be less than budgeted.
- Licensing revenue was greater than projected due to increased novelty and apparel sales.
- General income exceeded the budget due to the new agreement for Herky's Locker Room (merchandise and apparel), and higher concession and seat back sales.

Expense Variances

- Administrative expenses were above budget because of higher postseason and administrative travel, rent for Herky's Locker Room, and higher salary costs.
- Building and Grounds expenses were higher than projected due to higher utilities, maintenance, and custodial costs associated with the first-year occupancy of the renovated Carver Hawkeye Arena. Also, Kinnick Stadium utilities and maintenance costs were greater than expected.

The following provides a 5-year history of actual revenues and expenditures for SUI Athletics. Athletics is fully self-supporting and has not received general university support during the five-year period.

University of Iowa Athletics
FY 2008-FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues					
Sports Income	$ 20,787,018	$ 22,291,981	$ 22,362,821	$ 23,696,710	$ 25,064,659
Alumni / Foundation / Corp Support / Sponsorship	11,955,735	13,322,998	13,135,009	13,868,807	15,078,846
Athletic Conference / NCAA Support	18,781,140	19,145,182	20,019,049	21,967,980	23,795,775
Student Fees	1,487,795	525,941	525,707	564,680	543,574
Other Income	10,159,640	10,051,456	10,739,480	11,481,810	12,322,266
Total Income	$ 63,171,328	$ 65,337,558	$ 66,782,066	$ 71,579,987	$ 76,805,120
Expenses					
Men's Sports	$ 21,897,146	$ 23,757,103	$ 25,164,180	$ 25,776,573	$ 27,011,895
Women's Sports	10,224,129	10,680,382	10,624,206	11,487,092	12,304,626
Other Expenses	30,682,753	30,900,073	30,993,680	34,316,322	37,488,599
Total Expenses	$ 62,804,028	$ 65,337,558	$ 66,782,066	$ 71,579,987	$ 76,805,120

University of Iowa Residence System - FY 2012				
	Budget	**Actual**	**Variance Over/(Under)**	**Percent**
Revenues	$63,108,956	$64,390,761	$1,281,805	102.0%
Expenditures	49,140,441	48,295,519	($844,922)	98.3%
Debt Service	4,716,930	4,703,627	($13,303)	99.7%
Mandatory Transfers	600,000	600,000	-	100.0%
Net Revenues	8,651,585	10,791,615	$2,140,030	124.7%
Net Revenues as % of Gross Revenue	13.7%	16.8%		

Revenues from the SUI Residence System were 102% of budget. Contract residence hall room and board revenues exceeded the budget due to increased demand resulting from the large first-year class size for Fall 2011. Other income was also over budget due to high non-contract food sales in the retail and catering areas that transitioned into the Residence System during FY 2012.

Total expenditures were approximately $0.8 million (1.7%) under budget. Savings in utility costs from reduced gas, steam, and electricity during the winter and lower than projected snow removal, data services, and telecommunication costs contributed to the expense reductions.

University of Iowa - Residence System FY 2008 - FY 2012					
	FY 2008	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**
Revenues	$ 45,109,482	$ 46,437,517	$ 49,470,939	$ 53,622,260	$ 64,390,761
Expenditures for Operations	30,870,381	34,194,597	34,899,205	37,808,037	48,295,519
Debt Service and Mandatory Transfers	5,568,395	5,577,426	5,603,144	5,388,061	5,303,627
Net Revenues after Debt Service and Mandatory Transfers	$ 8,670,706	$ 6,665,494	$ 8,968,590	$ 10,426,162	$ 10,791,615
Net Revenues as % of Gross Revenue	19.2%	14.4%	18.1%	19.4%	16.8%

The residence system annual report is available in the Board Office and provides information on various aspects of the University of Iowa residence system for FY 2012. The report includes enrollment data, residence hall and apartment utilization, and financial information. The annual report also contains Fall 2012 enrollment and occupancy information. The table below reflects a larger Fall 2012 lower division student enrollment and total student occupancy compared to Fall 2011. The University continues to lease two off-campus properties to address the increased demand for student housing.

University of Iowa Residence System				
	Fall 2011	Fall 2012	**Change**	**% Change**
Total University Enrollment	31,181	31,498	317	1.0%
Lower Division	10,271	10,390	119	1.2%
Lower Div as % of Total	32.9%	33.0%		
Total Occupancy	6,501	6,566	65	1.0%
Occupancy as a % of Enrollment	20.8%	20.8%		

In March 2012, the Board approved the financing plan and budget for a new West Campus Residence Hall Campus to house approximately 500 students. The first of two series of bonds for the project was sold in August 2012. The University currently projects construction to be ready for occupancy in Fall 2015.

The principal outstanding on dormitory revenue bonds for SUI as of June 30, 2012, was $38.0 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled $13.3 million at year end.

Iowa State University

The budget-to-actual comparison below contains revenue and expenditure data for the general university and all special purpose appropriated units.

Iowa State University - General Operating Fund
FY 2012

	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 216,625,997	$ 216,625,997	$ -	100.0%
RESOURCES				
Federal Support	13,700,000	13,700,000	-	100.0%
Interest	140,000	96,920	(43,080)	69.2%
Tuition and Fees	294,377,470	294,606,623	229,153	100.1%
Reimbursed Indirect Costs	20,630,000	19,979,951	(650,049)	96.8%
Other Income	1,328,000	1,471,706	143,706	110.8%
TOTAL REVENUES	$ 546,801,467	$ 546,481,197	$ (320,270)	99.9%
EXPENDITURES				
Salaries	$ 368,051,255	$ 366,115,250	$ (1,936,005)	99.5%
Prof. /Scientific Supplies	54,335,062	35,408,899	(18,926,163)	65.2%
Library Acquisitions	10,415,000	11,364,211	949,211	109.1%
Rentals	1,674,000	1,444,841	(229,159)	86.3%
Utilities	25,381,000	26,569,097	1,188,097	104.7%
Building Repairs	10,200,000	28,163,139	17,963,139	276.1%
Auditor of State	525,150	412,423	(112,727)	78.5%
Equipment	3,325,000	5,509,651	2,184,651	165.7%
Aid to Individuals	72,895,000	71,111,750	(1,783,250)	97.6%
TOTAL EXPENDITURES	$ 546,801,467	$ 546,099,261	$ (702,206)	99.9%

The Board approved revised FY 2012 operating budgets for ISU this summer. The amended budget projected additional tuition revenue of $10.2 million and indirect cost reimbursements of $1.0 million. Actual operating revenues and expenses were 99.9% of the amended budget.

A record enrollment in FY 2012 resulted in tuition revenue slightly exceeding the amended budget by $0.2 million. Actual indirect cost reimbursements of $20.0 million were 3.2% less than the budget.

Salary and related benefits were within 1% of the budget with slight, but offsetting, variances between faculty, professional and scientific staff, and general service staff salary costs. Budgeted purchases of professional and scientific supplies were redirected to on-going campus flood repairs resulting in building repairs exceeding the budget.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose units. State appropriations comprised 54.2% of operating revenues in FY 2008; they were 39.6% of revenues in FY 2012.

Iowa State University - General Fund
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
General Appropriations	$ 267,358,107	$ 276,483,151	$ 231,209,458	$ 228,133,348	$ 216,625,997
ARRA-State Stabilization			31,595,952		
RESOURCES					
Federal Support	12,828,617	12,828,617	12,828,617	13,709,264	13,700,000
Interest	2,056,558	1,301,018	67,021	169,105	96,920
Tuition and Fees	191,094,747	211,130,075	233,832,393	263,927,004	294,606,623
Reimbursed Indirect Costs	18,174,171	16,804,534	18,741,253	20,536,852	19,979,951
Other Income	1,656,972	2,239,390	2,405,535	1,393,247	1,471,706
TOTAL REVENUES	$ 493,169,172	$ 520,786,785	$ 530,680,229	$ 527,868,820	$ 546,481,197
EXPENDITURES					
Salaries	$ 346,245,077	$ 369,387,807	$ 360,260,250	$ 357,445,034	$ 366,115,250
Prof. /Scientific Supplies	34,426,124	40,857,434	37,924,392	37,645,935	35,408,899
Library Acquisitions	9,397,518	12,493,675	8,901,193	12,269,146	11,364,211
Rentals	1,353,289	1,649,521	1,524,447	1,556,130	1,444,841
Utilities	24,824,022	23,496,951	24,913,351	25,802,929	26,569,097
Building Repairs	13,710,926	14,347,995	13,502,270	34,866,046	28,163,139
Auditor of State	426,040	469,224	442,769	423,804	412,423
Equipment	5,141,081	3,512,242	7,779,668	4,164,335	5,509,651
Aid to Individuals	47,099,253	53,769,249	57,073,187	63,823,890	71,111,750
TOTAL EXPENDITURES	$ 482,623,330	$ 519,984,098	$ 512,321,527	$ 537,997,249	$ 546,099,261

IOWA STATE UNIVERSITY ATHLETICS

INCOME	FY 2012 Budget	FY 2012 Actuals	Variance
Sports:			
Football	$ 8,557,074	$ 9,556,820	$ 999,746
Men's Basketball	2,325,000	2,656,849	331,849
Women's Basketball	550,000	526,444	(23,556)
Wrestling	110,000	133,806	23,806
Other Sports	205,000	283,521	78,521
Subtotal	**$ 11,747,074**	**$ 13,157,440**	**$ 1,410,366**
Other Income			
Big Twelve Conference/NCAA	$ 16,038,434	$ 21,060,168	$ 5,021,734
Post-Season Revenue	1,400,000	1,781,904	381,904
Fundraising	8,156,066	5,021,501	(3,134,565)
Multi-Media Rights	3,344,725	3,349,225	4,500
Student Fees	1,640,000	1,721,450	81,450
Game Guarantees	275,000	361,000	86,000
Auxillary Revenue	1,195,000	1,444,019	249,019
Investment Income	107,606	121,020	13,414
ISU Licensing	514,206	646,319	132,113
Other Revenue	1,696,200	1,937,299	241,099
Subtotal	**$ 34,367,237**	**$ 37,443,905**	**$ 3,076,668**
TOTAL INCOME	**$ 46,114,311**	**$ 50,601,345**	**$ 4,487,034**
EXPENSES			
Sports Operations			
Football	$ 2,912,327	$ 3,163,729	$ 251,402
Men's Basketball	1,389,000	1,430,205	41,205
Women's Basketball	706,750	736,757	30,007
Wrestling	215,480	210,385	(5,095)
Other Sports	1,717,439	1,861,302	143,863
Subtotal	**$ 6,940,996**	**$ 7,402,378**	**$ 461,382**
Sports Program Support Units:			
Medical	$ 550,000	$ 501,202	$ (48,798)
Video Operations	223,400	244,379	20,979
Athletic Training	213,220	224,512	11,292
Academic Services	184,990	273,006	88,016
Other	227,265	239,106	11,841
Subtotal	**$ 1,398,875**	**$ 1,482,205**	**$ 83,330**
Internal Operations:			
Administration	$ 464,530	$ 605,771	$ 141,241
Big 12 Expenses	1,433,654	1,680,000	246,346
Information Technology	276,000	274,528	(1,472)
Other	347,196	271,374	(75,822)
Subtotal	**$ 2,521,380**	**$ 2,831,673**	**$ 310,293**
Salaries & Benefits	$ 16,910,625	$ 16,808,696	$ (101,929)
Scholarships	5,843,039	5,393,899	(449,140)
External Operations	1,374,063	1,503,353	129,290
Facilities & Events	4,100,000	4,317,806	217,806
Postseason	1,890,000	2,423,601	533,601
Debt Service	3,435,723	7,047,809	3,612,086
Capital Projects	1,827,550	1,329,525	(498,025)
Coaching Change	(200,000)	-	200,000
TOTAL EXPENSES	**$ 46,042,251**	**$ 50,540,945**	**$ 4,498,694**

The following summarizes the significant budget-to-actual revenue and expense variances for ISU Athletics as shown on the previous page.

Revenue Variances

- Record attendance at football games resulted in ticket sales exceeding the budget.
- Conference realignment and new television contracts resulted in conference and NCAA revenue exceeding the budget.
- Increases in Conference and other revenues resulted in less fundraising support needed from the Cyclone Club.
- Other revenue exceeded the budget resulting from the Presidential straw poll held at Hilton Coliseum in August 2011.
- Postseason revenue and expenses were more than the budget resulting from participation in the Pinstripe Bowl.

Expense Variances

- Sports Operations expenses were higher than budget from additional allowable NCAA expenses primarily related to meals and lodging.
- Costs associated with the Big 12 Conference commissioner search and marketing strategies resulted in Internal Operation expenses exceeding the budget.
- Scholarship costs were under budget due a higher resident to nonresident mix of scholarships awarded during the year.
- The early retirement of debt from Jack Trice Stadium – East Concourse project and the Hilton Scoreboard resulted in debt service costs in excess of budget. In addition and as previously reported with the FY 2013 budget, FY 2012 actuals include the debt service funded by major gifts from donors previously part of the ISU Foundation and now reflected in athletics.
- The timing of the completion of capital projects resulted in the expenses being under budget.

The following provides a five-year summary of ISU Athletics' revenues and expenditures. In accordance with the general university support for Athletics reduction plan presented to the Board in March 2010, ISU Athletics was self-supporting and received no general university support in FY 2012.

Iowa State University Athletics
FY 2008 - FY 2012

	FY 2008	*FY 2009	FY 2010	FY 2011	FY 2012
Revenues					
Sports Income	$ 13,320,217	$ 11,846,824	$ 11,510,957	$ 11,820,168	$ 13,157,439
Alumni / Foundation / Corp Support / Sponsorship	6,844,118	8,819,526	9,608,746	9,430,103	8,370,726
Athletic Conference / NCAA Support	8,819,450	10,428,104	11,511,505	13,409,778	22,842,072
General University Support	2,953,733	3,604,793	1,612,923	1,599,423	-
Student Fees	1,098,035	1,197,018	1,182,648	1,233,698	1,721,450
Other Income	2,509,827	3,838,522	4,860,442	4,950,874	4,509,657
Total Revenues	$ 35,545,380	$ 39,734,787	$ 40,287,221	$ 42,444,044	$ 50,601,344
Expenses					
Sports Operations	$ 5,731,702	$ 6,393,368	$ 6,115,553	$ 7,029,198	$ 7,402,378
Non-Sport Operations	7,147,722	7,971,943	8,277,360	8,972,610	10,135,037
Scholarships	5,404,874	6,045,549	5,940,717	6,698,901	5,393,899
Other Expenses	17,169,873	19,298,151	19,750,383	19,648,589	27,609,631
Total Expenses	$ 35,454,171	$ 39,709,011	$ 40,084,013	$ 42,349,298	$ 50,540,945

*Athletics assumed management of Hilton Coliseum beginning in FY 2009

Iowa State University Residence System - FY 2012				
	Budget	**Actual**	**Variance Over/(Under)**	**Percent**
Revenues	$82,379,287	$84,478,305	$2,099,018	102.5%
Expenditures	58,593,003	59,290,134	$697,131	101.2%
Debt Service	10,872,042	10,411,183	(460,859.00)	95.8%
Mandatory Transfers	500,000	500,000	-	100.0%
Net Revenues	12,414,242	14,276,988	$1,862,746	115.0%
Net Revenues as % of Gross Revenue	15.1%	16.9%		

ISU residence system revenues exceeded the budget by $2.1 million due to higher room and board contract revenue from increased occupancy and other revenue received from the Odyssey of the Mind World Finals hosted by ISU in late May 2012.

Expenditures were $0.7 million over budget due to additional expenditures for food resulting from higher occupancy and greater sales at retail food locations. Maintenance and repair costs also exceeded the budget due to large expense items including HVAC and roof repairs, tuckpointing, and painting. These expense increases were partially offset by savings in salary and utility costs. Net revenues were significantly higher in FY 2012 than the previous four years.

Iowa State University - Residence System FY 2008 - FY 2012					
	FY 2008	**FY 2009**	**FY 2010**	**FY 2011**	**FY 2012**
Revenues	$ 66,178,786	$ 71,884,662	$ 72,795,895	$ 77,385,073	$ 84,478,305
Expenditures for Operations	46,094,142	49,721,330	49,968,320	54,416,611	59,290,134
Debt Service and Mandatory Transfers	10,768,360	11,166,307	11,261,339	11,213,229	10,911,183
Net Revenues after Debt Service and Mandatory Transfers	$ 9,316,284	$ 10,997,025	$ 11,566,236	$ 11,755,233	$ 14,276,988
Net Revenues as % of Gross Revenue	14.1%	15.3%	15.9%	15.2%	16.9%

The residence system annual report is available in the Board Office and provides information on various aspects of Iowa State University's residence system for FY 2012 including enrollment data, residence hall and apartment utilization, and financial information. The annual report also contains Fall 2012 enrollment and occupancy information. ISU has enjoyed record freshmen enrollments with occupancy increasing at a rate higher than enrollment. Housing demand is expected to exceed capacity in the foreseeable future, resulting in facility expansion considerations (see Agenda Item 12).

Iowa State University Residence System				
	Fall 2011	Fall 2012	Change	% Change
Total University Enrollment	29,887	31,040	1,153	3.9%
Lower Division	11,027	11,712	685	6.2%
Lower Div as % of Total	36.9%	37.7%		
Total Occupancy	9,976	10,426	450	4.5%
Total Occupancy % of Enrollment	33.4%	33.6%		

The principal outstanding on dormitory revenue bonds for ISU as of June 30, 2012, was $112.9 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled $33.3 million at year end.

University of Northern Iowa

The following compares the FY 2012 general fund approved budget with the actual revenue and expenditure transactions for all appropriated units.

University of Northern Iowa - General Operating Fund FY 2012				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 77,344,516	$ 77,344,516	$ -	100.0%
RESOURCES				
Interest	821,000	781,121	(39,879)	95.1%
Tuition and Fees	80,679,859	80,559,549	(120,310)	99.9%
Reimbursed Indirect Costs	2,068,884	2,173,084	104,200	105.0%
Sales and Services	520,000	442,983	(77,017)	85.2%
Other Income	3,636,614		(3,636,614)	0.0%
TOTAL REVENUES	$ 165,070,873	$ 161,301,253	$ (3,769,620)	97.7%
EXPENDITURES				
Salaries	$ 127,227,084	$ 125,009,541	$ (2,217,543)	98.3%
Prof. /Scientific Supplies	13,088,887	11,970,054	(1,118,833)	91.5%
Library Acquisitions	1,992,009	2,082,474	90,465	104.5%
Rentals	822,421	822,421	-	100.0%
Utilities	5,414,000	4,937,753	(476,247)	91.2%
Building Repairs	1,200,000	1,881,459	681,459	156.8%
Auditor of State	255,000	243,089	(11,911)	95.3%
Equipment	484,242	944,222	459,980	195.0%
Aid to Individuals	14,587,230	14,880,271	293,041	102.0%
TOTAL EXPENDITURES	$ 165,070,873	$ 162,771,284	$ (2,299,589)	98.6%

The Board approved revised FY 2012 operating budgets for UNI earlier this summer. The budget amendment decreased projected tuition revenues by approximately $1.4 million due to smaller than projected enrollments. The amended budget also included small adjustments to interest income and indirect cost reimbursements. The budget-to-actual comparisons are based on the revised budget.

To submit a balanced budget, the budget revision also included $3.6 million in advanced commitment funds budgeted as “other income”. With the actual revenues reported in the year received, an expected budget-to-actual variance occurs in “other income”. These one-time funds were dedicated to offset a portion of a net revenue shortfall and to support core operational needs, adjunct instructors, seed funding for grants, the student information system project, bridge funding to facilitate permanent divisional cuts, and student recruitment strategies.

With the exception of expected variance advanced commitment funds (other income), all other revenue streams were comparable to the projections reflected in the budget.

Expense Variances

- Salary costs were slightly under budget primarily from unfilled positions and Price Laboratory School program reductions during May and June.
- Savings in the professional/scientific supplies and services budget line were reallocated to support additional needs in building repairs and equipment.
- Building repairs exceeded the budget due to HVAC upgrades in multiple buildings, a turbine generator overhaul, and classroom/corridor improvements in Seerley Hall.

The following provides a consolidated five-year history of actual revenues and expenditures from the general university and all special purpose units. Reflective of UNI's reliance on state funding for operations, appropriations comprised 58% of operating revenues in FY 2008; they were 48% of revenue in FY 2012. Total operating revenues for each of the two years were approximately $161 million.

University of Northern Iowa - General Fund
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
General Appropriations	$ 93,775,731	$ 100,693,508	$ 84,463,016	$ 81,728,481	$ 77,344,516
ARRA-State Stabilization			12,376,464		
RESOURCES					
Interest	826,354	446,117	814,277	690,413	781,121
Tuition and Fees	63,896,246	66,813,811	71,394,270	76,902,918	80,559,549
Reimbursed Indirect Costs	2,053,211	2,301,699	2,391,577	2,256,214	2,173,084
Sales and Services	612,073	483,641	497,309	481,989	442,983
TOTAL REVENUES	$ 161,163,615	$ 170,738,776	$ 171,936,913	$ 162,060,015	$ 161,301,253
EXPENDITURES					
Salaries	$ 121,926,676	$ 127,374,663	$ 122,128,989	$ 123,327,890	$ 125,009,541
Prof. /Scientific Supplies	12,531,475	17,662,591	18,550,815	15,745,831	11,970,054
Library Acquisitions	2,135,031	2,243,484	2,058,168	1,979,522	2,082,474
Rentals	989,156	1,020,507	895,437	908,337	822,421
Utilities	4,831,652	4,991,469	5,260,673	5,283,923	4,937,753
Building Repairs	3,362,647	1,409,733	3,085,584	3,727,283	1,881,459
Auditor of State	224,599	313,916	222,355	243,397	243,089
Equipment	1,175,100	1,152,375	1,788,791	950,180	944,222
Aid to Individuals	11,422,120	12,142,253	13,719,529	14,463,128	14,880,271
TOTAL EXPENDITURES	$ 158,598,456	$ 168,310,991	$ 167,710,341	$ 166,629,491	$ 162,771,284

UNIVERSITY OF NORTHERN IOWA ATHLETICS

INCOME	**FY 2012 Budget**	**FY 2012 Actuals**	**Variance**
Sports:			
Football	$990,500	$ 961,664	$ (28,836)
Men's Basketball	992,950	552,483	(440,467)
Men - All Other Sports	45,200	65,082	19,882
Women - All Sports	105,200	164,219	59,019
Subtotal - Sports	**$ 2,133,850**	**$ 1,743,448**	**$ (390,402)**
Other Income:			
Student Activity Fees	$ 1,468,393	$ 1,468,392	$ (1)
General University Support			
General Support	3,055,200	3,039,545	(15,655)
Scholarship Support	1,283,481	1,283,481	-
Alumni/Foundation Support	1,300,000	1,880,754	580,754
Athletic Marketing	1,081,000	1,072,963	(8,037)
Athletic Conf/NCAA Support	650,000	896,969	246,969
Novelties-Outings	175,000	281,395	106,395
Miscellaneous	342,200	577,470	235,270
Subtotal - Other	**9,355,274**	**10,500,969**	**1,145,695**
TOTAL INCOME	**$ 11,489,124**	**$ 12,244,417**	**$ 755,293**
EXPENSES			
Men's Sports:			
Football	$ 2,700,511	$ 2,799,848	$ 99,337
Basketball	1,721,617	1,964,063	242,446
All Other Men's Sports	1,021,134	1,144,516	123,382
Subtotal - Men's Sports	**$ 5,443,262**	**$ 5,908,427**	**$ 465,165**
Women's Sports:			
Basketball	$ 864,762	$ 1,015,630	$ 150,868
Volleyball	667,028	743,437	76,409
All Other	2,025,334	2,158,764	133,430
Subtotal - Women's Sports	**$ 3,557,124**	**$ 3,917,831**	**$ 360,707**
Other Expenses:			
Athletic Training	$ 226,414	$ 143,990	$ (82,424)
Administration & General	1,972,913	1,967,401	(5,512)
Athletic Marketing	214,411	246,917	32,506
Contingency	75,000	-	(75,000)
Subtotal - Other Expenses	**$ 2,488,738**	**$ 2,358,308**	**$ (130,430)**
TOTAL EXPENSE	**$ 11,489,124**	**$ 12,184,566**	**$ 695,442**

The following describes the budget-to-actual revenue and expense variances for UNI Athletics as shown on the previous page.

Revenue Variances

- Missouri Valley Conference revenue distributions were reflected as men's basketball revenue in the original budget. The revenue applies to all sports and is now classified as Athletic Conference/NCAA Support. This resulted in men's basketball revenues being less than the budget and Athletic Conference revenues exceeding the budget.
- Funds in excess of budget were drawn from the Foundation to support travel cost and mid-year operating cost increases.
- Novelties exceeded the budget due to increased sales and royalties.
- Miscellaneous revenue exceeded the budget due to hosting special one-time events.

Expense Variances

- Men's Basketball and Other Men's Sports' travel costs exceeded the budget due to post-season travel.
- Women's Basketball post-season and regular season travel costs were greater than anticipated in the original budget. In addition, operating costs for Other Women's Sports were also higher than projected.
- A contingency expense account was budgeted for athletics with actual expenses being reported in the appropriate expense category.

The following provides a consolidated five-year history of actual revenues and expenditures for UNI Athletics. In accordance with the general university support for Athletics reduction plan presented to the Board in March 2010, University support for athletics was approximately $1 million less in FY 2012 than in FY 2008.

University of Northern Iowa Athletics
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues					
Sports Income	$ 2,132,457	$ 2,556,215	$ 2,296,587	$ 2,175,394	$ 1,743,448
Alumni / Foundation / Corp Support / Sponsorship	1,610,762	2,239,783	2,280,349	2,313,857	2,953,717
Athletic Conference / NCAA Support	533,941	597,553	641,630	682,641	896,969
General University Support	5,354,845	5,231,210	4,449,174	4,559,447	4,323,026
Student Fees	1,210,148	1,209,614	1,212,518	1,263,343	1,468,392
Other Income	276,535	338,378	749,300	623,651	858,865
Total Revenues	$ 11,118,688	$ 12,172,753	$ 11,629,558	$ 11,618,333	$ 12,244,417
Expenses					
Men's Sports	$ 5,039,491	$ 5,749,288	$ 5,400,066	$ 5,530,894	$ 5,908,427
Women's Sports	3,466,215	3,288,418	3,422,237	3,602,138	3,917,831
Other Expenses	2,465,379	3,043,858	2,764,770	2,482,927	2,358,308
Total Expenses	$ 10,971,085	$ 12,081,564	$ 11,587,073	$ 11,615,959	$ 12,184,566

University of Northern Iowa Residence System - FY 2012				
	Budget	Actual	Variance Over/(Under)	Percent
Revenues	$37,675,032	$38,561,780	$886,748	102.4%
Expenditures	27,226,376	25,825,875	($1,400,501)	94.9%
Debt Service	5,772,924	4,839,001	(933,923)	83.8%
Mandatory Transfers	330,000	330,000	-	100.0%
Net Revenues	4,345,732	7,566,904	$3,221,172	174.1%
Net Revenues as % of Gross Revenue	11.5%	19.6%		

The UNI Residence System's total operating revenues were $0.9 million higher than the budget largely due to higher than expected single student housing contracts from greater retention of returning students.

While revenues for the Residence System exceeded budget, total expenditures for the system were $1.4 million less than the budget. Revenues exceeded the budget due to greater retention of students living in the residence halls, higher catering revenue, and interest income primarily from bond proceeds received but not yet expended. Administrative costs were under budget due to salary and fringe savings, and a contingency budget that was not used. Debt service was less than budget due to the issuance of refunding bonds at a lower interest rate, and the true interest costs of the December 2011 bond sale were 1.1% less than budgeted.

As expected, net revenues after debt service and mandatory transfers declined slightly beginning in FY 2011 after several years of positive growth as shown in the five-year history below. The decline results from debt service payments for the Panther Village apartment project.

University of Northern Iowa - Residence System FY 2008 - FY 2012					
	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Revenues	$32,181,568	$35,645,340	$36,308,224	$37,083,719	$38,561,780
Expenditures for Operations	24,102,082	25,211,051	24,860,280	24,865,282	25,825,875
Debt Service and Mandatory Transfers	3,620,449	3,615,136	3,610,804	4,647,379	5,169,001
Net Revenues after Debt Serv/Mand Transfers	$ 4,459,037	$ 6,819,153	$ 7,837,140	$ 7,571,058	$ 7,566,904
Net Revenues as % of Gross Revenue	13.9%	19.1%	21.6%	20.4%	19.6%

The residence system annual report is available in the Board Office and provides enrollment data, residence hall and apartment occupancy, and financial information. The annual report also contains Fall 2012 enrollment and occupancy information. Fall 2012 occupancy in the Residence System is down 5.4% from Fall 2011 and total enrollment has declined 6.8% during the same time period.

University of Northern Iowa Residence System				
	Fall 2011	Fall 2012	Change	% Change
Total University Enrollment	13,168	12,273	-895	-6.8%
Lower Division	4,601	4,187	-414	-9.0%
Lower Div as % of Total	34.94%	34.12%		
Total Occupancy	4,359	4,123	-236	-5.4%
Occupancy as a % of Enrollment	33.1%	33.6%		

The principal outstanding of revenue bond obligations for the UNI residence system as of June 30, 2012, was $67.0 million (excludes July 1 principal payment). The Voluntary Reserve Fund balance totaled $15.1 million at year end.

Iowa School for the Deaf

The following compares the FY 2012 general fund approved budget with actual revenue and expenditure transactions. Total revenues and expenses were 99.8% of the budget.

Iowa School for the Deaf - General Fund
FY 2012

	Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 8,679,964	$ 8,679,964	$ -	100.0%
Other	77,175	77,175	-	100.0%
RESOURCES				
Federal Support	54,000	58,834	4,834	109.0%
Interest	15,000	156	(14,844)	1.0%
Sales and Services	333,274	325,238	(8,036)	97.6%
Other Income	11,916	11,916	-	100.0%
TOTAL REVENUES	$ 9,171,329	$ 9,153,283	$ (18,046)	99.8%
EXPENDITURES				
Salaries	$ 7,512,924	$ 7,585,092	$ 72,168	101.0%
Prof. /Scientific Supplies	1,040,521	1,025,404	(15,117)	98.5%
Library Acquisitions	8,226	5,912	(2,314)	71.9%
Utilities	350,520	245,027	(105,493)	69.9%
Building Repairs	156,442	254,074	97,632	162.4%
Auditor of State	35,000	28,667	(6,333)	81.9%
Equipment	67,696	9,107	(58,589)	13.5%
TOTAL EXPENDITURES	$ 9,171,329	$ 9,153,283	$ (18,046)	99.8%

While total general fund revenues and expenditures were consistent with the budget, line item variance explanations are provided below.

Variances

- Interest income was less than budgeted due to lower interest rates on investments.
- Utility expenses were under budget due to a mild heating season and the installation of a new, steam generated, high efficiency boiler.
- Funds redistributed from utilities to building repairs were used for HVAC repairs, asbestos abatement, Boys Dormitory improvements, and fire safety projects.
- Expenses paid to the State Auditor were less than the original cost estimate.
- Equipment was under budget due to the deferral of vehicle purchases until FY 2013.

The following provides a five-year history of general operating revenues and expenditures. State appropriations continued their decline in FY 2012; they comprised 95.6% of total operating revenues, and were approximately $1.4 million less than FY 2009 funding levels.

Iowa School for the Deaf - General Fund
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
General	$ 9,689,607	$ 9,974,495	$ 9,263,866	$ 9,075,944	$ 8,679,964
Other	173,735	180,687	75,680	77,321	77,175
ARRA-State Stabilization			583,987		
RESOURCES					
Federal Support	43,235	43,534	53,117	57,711	58,834
Interest	16,387	1,406	3,724	783	156
Sales and Services	336,225	385,811	416,178	351,265	325,238
Other Income	11,916	11,916	11,916	11,916	11,916
TOTAL REVENUES	$ 10,271,105	$ 10,597,849	$ 10,408,468	$ 9,574,940	$ 9,153,283
EXPENDITURES					
Salaries	$ 8,159,021	$ 8,389,417	$ 7,703,991	$ 7,729,012	$ 7,585,092
Prof. /Scientific Supplies	1,202,762	1,088,288	1,094,153	1,103,118	1,025,404
Library Acquisitions	3,449	21	8,430	9,029	5,912
Utilities	389,672	358,157	299,351	275,586	245,027
Building Repairs	354,222	579,725	1,161,360	303,526	254,074
Auditor of State	33,880	34,500	29,791	28,669	28,667
Equipment	128,099	147,741	111,392	126,000	9,107
TOTAL EXPENDITURES	$ 10,271,105	$ 10,597,849	$ 10,408,468	$ 9,574,940	$ 9,153,283

On August 18, 2011, the Iowa School for the Deaf campus was impacted by severe weather. Each of the buildings on campus was affected to varying degrees, with the Lied Multipurpose Complex suffering extensive hail damage to its roof. Heavy rains occurred in the weeks following the hail storm, resulting in additional damage to the building. The storm required significant corrective work to the Lied Multipurpose Complex. The roof over the Complex was replaced, and the gym floor was removed and replaced. Inspection of the tile roof on the Giangreco Administration Building is complete, and ISD is awaiting the results. All other repairs have been completed.

Since 1994, the School has carried property insurance on its facilities with a $1 million deductible. ISD's FY 2013 restricted budget includes $1,000,000 from a capital appropriation to fund actual storm rehabilitation expenses up to the insurance deductible amount.

Iowa Braille and Sight Saving School

The following compares the FY 2012 general operating fund approved budget with actual revenue and expenditure transactions. Total revenues and expenditures were 0.5% less than the budget.

Iowa Braille and Sight Saving School - General Fund
FY 2012

	Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	$ 3,618,931	$ 3,618,931	$ -	100.0%
Other	4,874	4,874	-	100.0%
RESOURCES				
Federal Support	332,000	407,003	75,003	122.6%
Interest	300		(300)	0.0%
Reimbursed Indirect Costs	41,268	41,268	-	100.0%
Sales and Services	3,778,328	3,663,787	(114,541)	97.0%
TOTAL REVENUES	$ 7,775,701	$ 7,735,863	(39,838)	99.5%
EXPENDITURES				
Salaries	$ 6,416,303	$ 6,304,692	$ (111,611)	98.3%
Prof. /Scientific Supplies	837,712	999,854	162,142	119.4%
Library Acquisitions	2,000	1,128	(872)	56.4%
Utilities	315,000	224,866	(90,134)	71.4%
Building Repairs	124,686	93,709	(30,977)	75.2%
Auditor of State	30,000	40,395	10,395	134.7%
Equipment	50,000	71,219	21,219	142.4%
TOTAL EXPENDITURES	$ 7,775,701	$ 7,735,863	(39,838)	99.5%

While total general fund revenues and expenditures were consistent with the budget, line item variance explanations are provided below.

Revenue Variances

- Federal support exceeded the budget due to additional State Vision Grant revenue being allocated to cover higher Orientation and Mobility personnel costs.
- Sales and service revenue was less than budget due to salary support for two Vision Itinerant Teachers (TVI) coming from state funds and not being billed to the AEA's as budgeted.

Expense Variances

- Salary costs were less than the budget due to lower base salaries for new hires, unfilled positions, and lower paraeducators/support staff costs for summer programming.
- Professional and scientific supplies/services were over budget due to additional contracted IT services related to the development of the Student Database, contracted support services with the Grant Wood AEA, and costs associated with the Spring Conference and Summer Institute.
- Utility costs were under budget primarily due to the mild winter.
- Building repair projects budgeted from operating funds were cancelled due the storm in July 2011 which resulted in actual expenses being less than the budget.

The following provides a consolidated five-year history of actual general operating revenues and expenditures. A 26.4% decrease in the base operating appropriation coupled with the loss of one-time funding received in FY 2011, resulted in a total state operating funding decrease of $1.7 million for FY 2012.

Beginning in FY 2008, the salary and mileage billings for the TVI's and Certified Orientation and Mobility Specialists (COMS) employed by the school and under contractual agreement with the AEAs/LEAs were reported as sales and services in the general operating fund. The number of TVI's and COMS employed by the school and contracted with the AEAs/LEAs significantly increased in FY 2010 as a part of the Statewide System for Vision Services. The sales and services line also contains the rental income received from the agreement with Americorps.

Iowa Braille and Sight Saving School - General Fund
FY 2008 - FY 2012

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
REVENUES					
APPROPRIATIONS					
General	$ 5,456,107	$ 5,640,062	$ 5,055,153	$ 5,146,693	$ 3,618,931
Other	90,865	79,944	9,460	207,819	4,874
ARRA-State Stabilization			330,215		
RESOURCES					
Federal Support	328,876	350,945	446,507	469,145	407,003
Interest	35,543	4,926	794	213	
Reimbursed Indirect Costs	38,336	45,152	47,514	41,268	41,268
Sales and Services	1,304,613	2,321,712	3,354,934	3,689,724	3,663,787
Other	136,941	3,729	5,731	4,925	
TOTAL REVENUES	$ 7,391,281	$ 8,446,470	$ 9,250,308	$ 9,559,787	$ 7,735,863
EXPENDITURES					
Salaries	$ 5,285,314	$ 6,001,711	$ 6,984,536	$ 7,466,360	$ 6,304,692
Prof. /Scientific Supplies	882,709	942,887	1,202,500	1,216,272	999,854
Library Acquisitions	308	1,522	2,156	3,393	1,128
Utilities	223,484	196,258	225,532	239,401	224,866
Building Repairs	792,547	1,227,375	669,992	597,350	93,709
Auditor of State	25,677	25,483	24,608	22,428	40,395
Equipment	181,242	51,234	140,984	14,583	71,219
TOTAL EXPENDITURES	$ 7,391,281	$ 8,446,470	$ 9,250,308	$ 9,559,787	$ 7,735,863

On July 11, 2011, the IBSSS campus was impacted by a severe straight line wind storm. Each of the buildings on campus was affected to varying degrees, with Old Main suffering extensive damage. President Obama declared this storm affecting a six-county area to be a Major Disaster for Public Assistance, qualifying the cleanup/repair/restoration of the facilities for federal assistance through FEMA. FEMA eligibility allows the recovery of 75% of eligible costs outside the coverage of insurance, and does not cover debris removal. The School carries property insurance on its facilities with a $1 million deductible.

IBSSS's FY 2013 restricted budget includes $1,000,000 from a capital appropriation to fund the deductibles on property insurance and to provide the necessary match for funds which may be available from FEMA. Replacement of the Old Main roof is currently scheduled to begin in October 2012 with completion estimated for August 2013.

Tuition & Fees Report 2012-2013

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STATE OF IOWA
DEPARTMENT OF EDUCATION
GRIMES STATE OFFICE BUILDING
DES MOINES, IOWA

Executive Summary

The average tuition for a full-time student enrolled in Iowa's community colleges will rise $149 to $4,097 in fiscal year 2013 (Table 1). The average tuition increase this year will be 3.77 percent. Since fiscal year 2004, tuition has grown an average of 5.31 percent per year.

The average mandatory fee charged by the community colleges is $339.69 (Table 3). Five (5) community colleges do not charge students general fees (Table 15). As a result of the attached mandatory fees, the average tuition and fees per credit hour will rise to $147.90, a 3.48 percent increase from fiscal year 2012.

In comparing regional tuition rates across the surrounding states in the Midwest, Iowa moved into third position as the third highest average tuition rate among the eight states surveyed. Minnesota and South Dakota continue to have the highest average tuition rates in this region (Table 7).

In fiscal year 2011, 57.28 percent of the community colleges' unrestricted operating revenue (Fund 1) came from tuition and fees. As Tables 4 and 5 show, this has gradually increased from the 1980 level (adjusted for inflation) of just over 24 percent, more than doubling in the last 30 years. During that same time period and using the same inflation adjusted numbers, state general aid has decreased from just over 49 percent in 1980, to 29 percent in 2011.

By law, community college tuition is not allowed to exceed the lowest resident tuition charged by Iowa's public universities. In fiscal year 2013, the average community college tuition will be 38 percent lower than the average public university tuition rate (Table 8).

About this Report

The community college tuition and fees report is prepared each fiscal year. The report includes trends in tuition and fees among Iowa's community colleges, as well as comparisons to Iowa's public universities and national comparisons.

Table of Contents

Iowa's Community Colleges Resident Tuition

Table 1 lists the average tuition, lowest tuition, and highest tuition charged at Iowa's community colleges for a full-time resident student. Iowa Code limits the total tuition for Iowa residents attending community colleges so as not to exceed the lowest tuition rate per semester charged by a public university for a full-time resident student. A full-time student in this report is a student who enrolls in 15 credit hours.

Average tuition increased $1,526 from fiscal year 2004 to fiscal year 2013, an increase of 60 percent. Tuition gains averaged 5.31 percent each year.

The spread between tuition amounts has increased since 2004. The difference from the highest annual tuition to lowest annual tuition has increased from $390 in fiscal year 2004 to $742 in fiscal year 2013. As a percentage of the average tuition, this variance has increased from 15 percent in 2004 to over 18 percent in 2013.

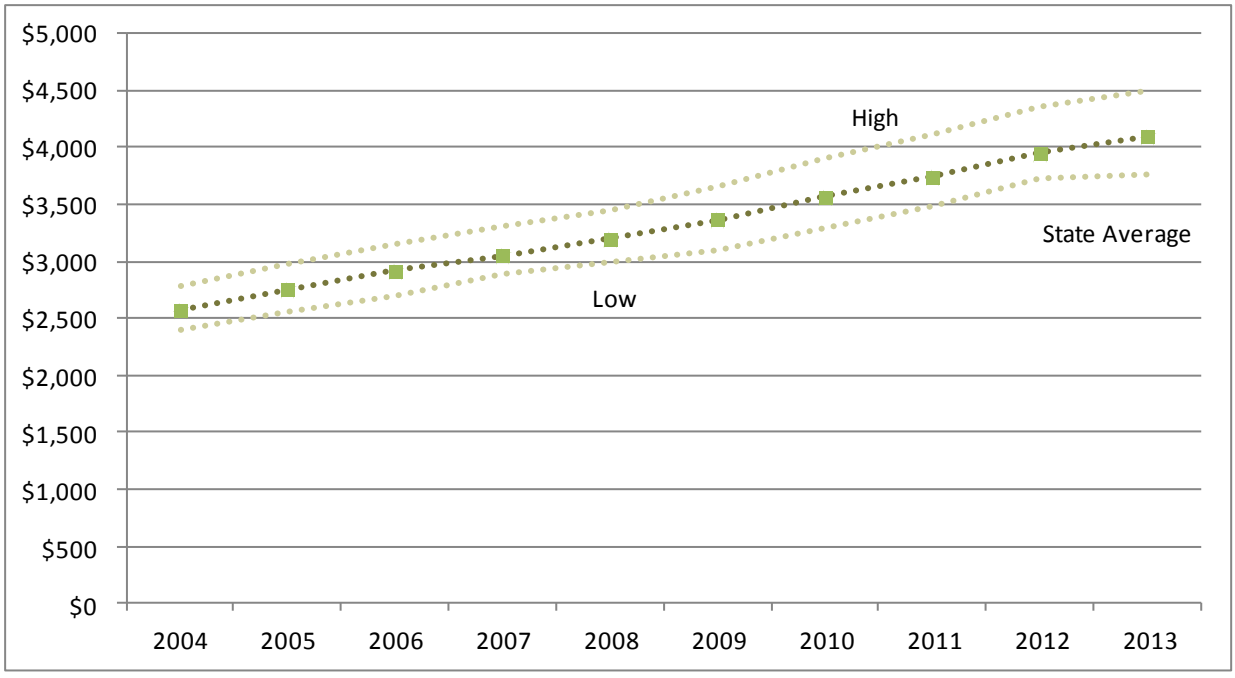
Table 12 in the appendix lists the full-time resident tuition by college for arts and sciences and career and technical education (CTE) programs.

Table 1 - Annual Iowa Community Colleges Full-Time Resident Tuition

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$2,400	$2,550	$2,700	$2,880	$2,996	$3,106	$3,293	$3,491	$3,720	$3,758
High	$2,790	$2,970	$3,150	$3,300	$3,450	$3,660	$3,900	$4,110	$4,350	$4,500
State Average	$2,571	$2,754	$2,916	$3,053	$3,199	$3,368	$3,566	$3,743	$3,948	$4,097
Std. Deviation	107.54	109.67	119.04	127.77	140.38	159.98	180.67	195.18	185.55	211.54

SOURCE: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 12.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Figure 1 - Annual Iowa Community Colleges Full-Time Resident Tuition



SOURCE: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 12.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Iowa's Community Colleges Resident Tuition *(continued)*

The tuition per credit hour is shown in Table 2. Over the past 10 years, the average tuition cost per credit hour has increased from $85.69 to $136.56 per credit hour. Courses generally range from three to five credit hours in a community college.

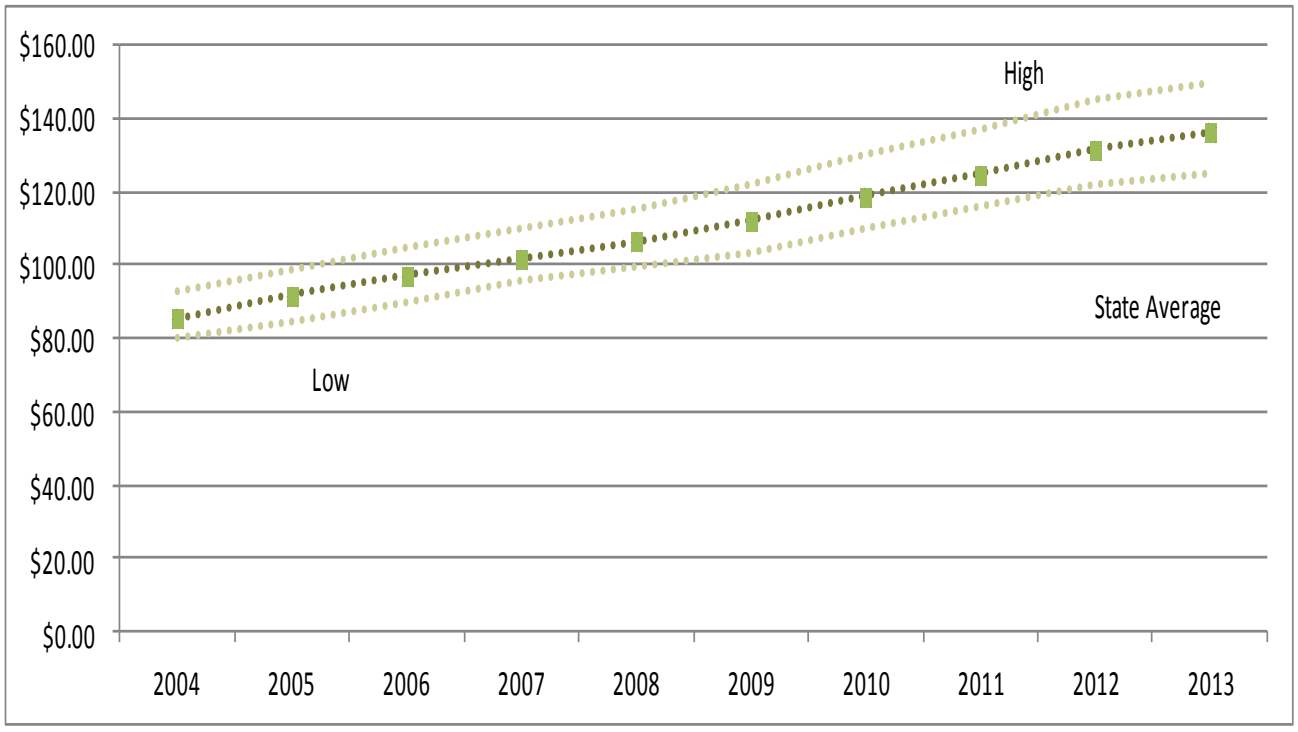
Similar to average tuition, the variance between the community colleges has increased. The difference between the highest per credit hour rate and lowest per credit hour rate increased from $13 in fiscal year 2004 to $24.75 in fiscal year 2013. Table 13 in the appendix lists tuition per credit hour by college.

Table 2 - Fall Resident Tuition Per Credit Hour

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$80.00	$85.00	$90.00	$96.00	$99.85	$103.55	$109.76	$116.35	$122.20	$125.25
High	$93.00	$99.00	$105.00	$110.00	$115.00	$122.00	$130.00	$137.00	$145.00	$150.00
State Average	$85.69	$91.79	$97.20	$101.77	$106.62	$112.27	$118.85	$124.76	$131.61	$136.56
Std. Deviation	$3.58	$3.66	$3.97	$4.26	$4.68	$5.33	$6.16	$6.51	$6.18	$7.05

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Table 13.

Figure 2 - Fall Resident Tuition Per Credit Hour



SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education.

Iowa's Community Colleges Mandatory Fees

Table 3 reflects the basic mandatory fees charged at each community college. Some colleges do not charge a separate fee in addition to their tuition charge. Moreover, these fees do not include any program specific fees.

In fiscal year 2013, average fees will increase $.60 to $339.69. Average mandatory tuition fees have grown 3.24 percent per year since fiscal year 2004.

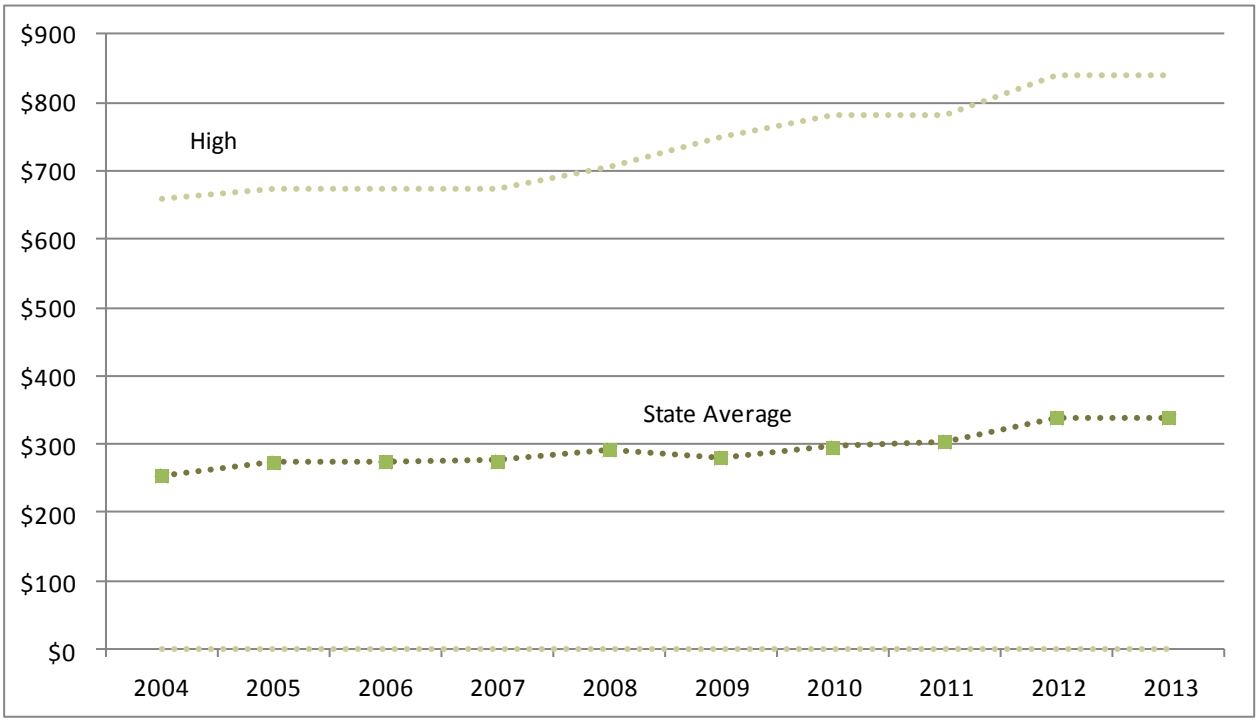
Table 15 in the appendix of this report lists regular, recurring fees charged by each college. This is not an all – inclusive list of fees charged by the individual community colleges.

Table 3 - Annual Iowa Community Colleges Full-Time Mandatory Fees

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Low	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
High	$660	$675	$675	$675	$705	$750	$780	$780	$840	$840
State Average	$254.97	$274.57	$274.77	$275.93	$292.37	$280.73	$296.39	$303.99	$339.09	$339.69

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Tables 12.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Figure 3 - Annual Iowa Community Colleges Full-Time Mandatory Fees

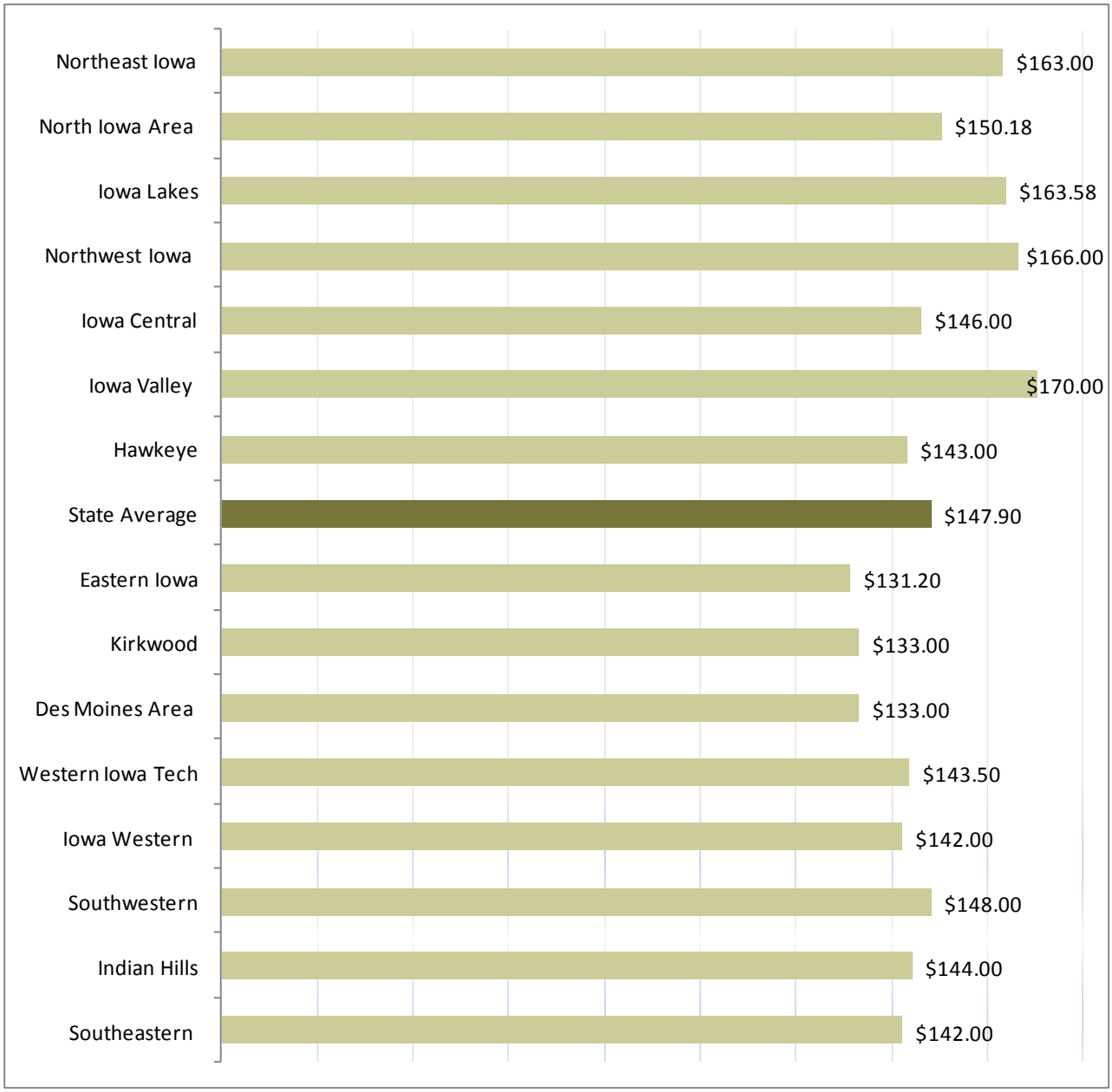


SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education. See Tables 12.
NOTE: Annual rates are based on a projection of fall tuition rates. Based upon 15 credits per term.

Tuition and Mandatory Fees per Credit Hour

Figure 4 shows the per credit hour tuition and mandatory fees. Notwithstanding additional fees, this represents the cost of enrolling in a community college. The average tuition and mandatory fees charged per credit hour will increase $4.98 per hour in fiscal 2013 to $147.90. This is a 3.48 percent increase from the previous year. See Table 13 for a listing of individual tuition and fees charged by each community college.

Figure 4 - Resident Tuition and Mandatory Fees Per Credit Hour: Fiscal Year 2013



SOURCE: Appendix -Table 11 for Tuition and Fees amounts. See Table 13.

Revenue Sources for Iowa's Community Colleges

Tables 4 and 5 reflect the major sources of revenue for the system of Iowa's community colleges adjusted for inflation. Tuition and fees is the largest share of general operating fund revenues.

This revenue comprises 57 percent of total revenues. State, local, and federal funding shares remain at 25-year lows (see Figure 5). State support has been reduced from a high of just under 50 percent in fiscal year 1980 down to just under 30 percent in fiscal year 2011. Local funding is down from just over 12 percent in fiscal year 1980 down to just under 5 percent in fiscal year 2011.

Table 4 - Adjusted General Operating Fund Revenues by Source

Fiscal Year	Tuition & Fees	Local	State	Federal	Other Income
1980	$58,794,604	$29,133,507	$119,363,414	$26,890,058	$6,914,116
1985	$81,580,293	$28,199,866	$119,618,982	$16,206,309	$11,704,001
1990	$102,131,108	$25,575,071	$152,093,036	$16,676,907	$14,917,821
1995	$130,093,644	$22,581,480	$169,190,337	$14,248,893	$16,227,327
2000	$157,656,228	$23,724,882	$184,707,348	$13,827,984	$27,023,241
2001	$159,089,779	$23,863,964	$185,607,872	$13,859,313	$25,474,827
2002	$178,970,452	$24,414,223	$171,087,133	$14,341,449	$23,392,277
2003	$191,379,079	$24,498,200	$167,967,827	$14,808,173	$24,544,344
2004	$206,077,293	$24,463,484	$162,777,257	$15,279,948	$36,403,618
2005	$221,733,641	$23,065,107	$161,419,008	$14,315,232	$29,533,300
2006	$219,805,351	$22,640,097	$166,117,768	$13,671,956	$33,854,787
2007	$225,710,697	$23,318,607	$173,617,796	$12,999,886	$39,463,515
2008	$230,209,759	$22,873,394	$179,411,023	$12,223,258	$40,425,649
2009	$247,477,437	$24,141,325	$188,070,813	$12,451,017	$26,625,564
2010	$285,155,042	$24,683,534	$151,181,674	$35,474,537	$31,767,330
2011	$308,633,060	$25,406,419	$158,754,232	$14,478,452	$31,507,835

SOURCE: 1980 through 2010 data taken from the 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011 (source: AS-15E's, Fund 1); Annual Report Fiscal Year 2011 (AS-15E), Unrestricted General Fund, Fund 1. See Table 16.
NOTE: Amounts are adjusted for inflation to 2011 levels using December rates from the Consumer Price Index-Urban. Revenues for unrestricted funds only.

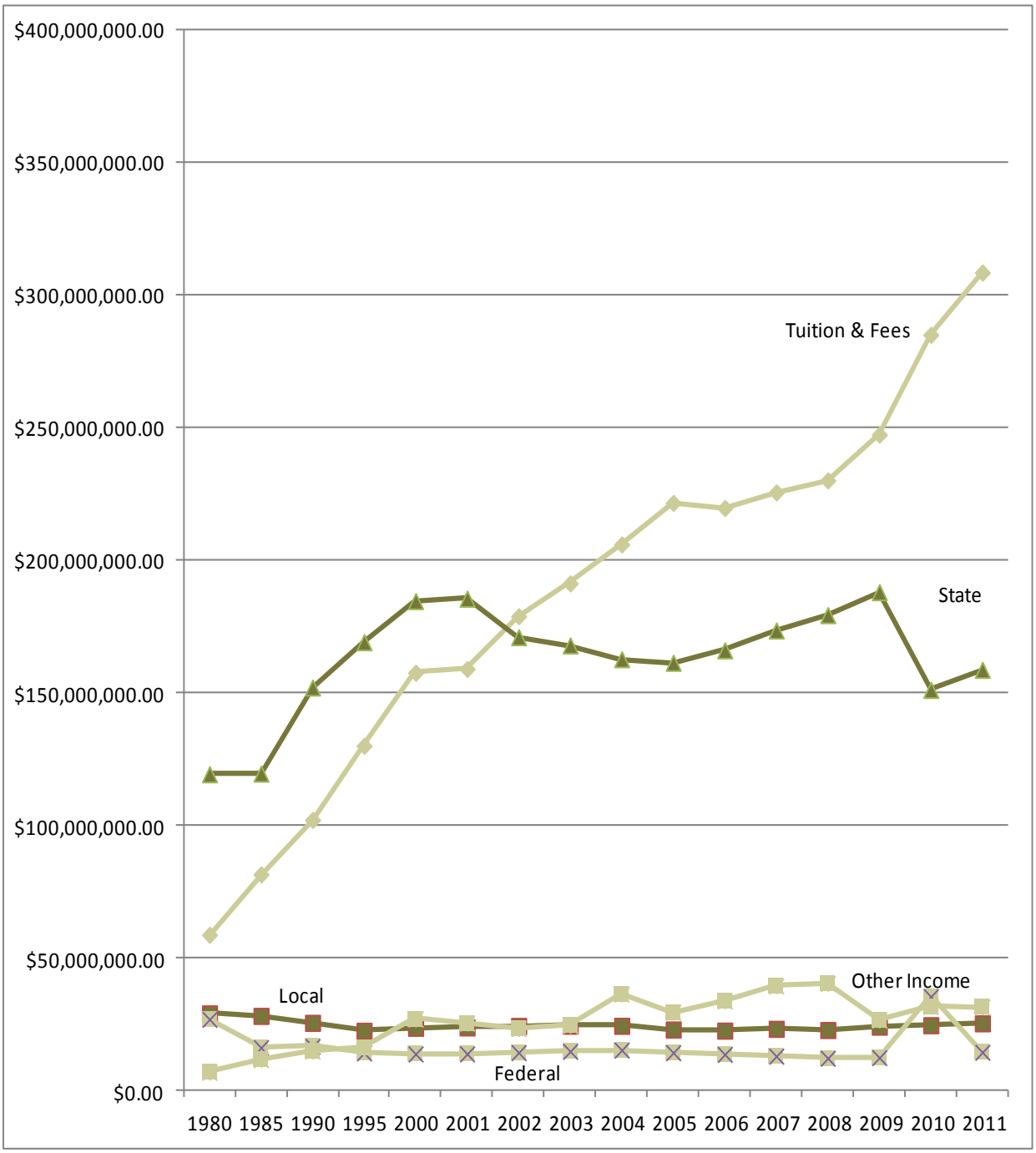
Table 5 - General Operating Fund Revenues by Source as a Percentage of Total Revenues

Fiscal Year	Tuition & Fees	Local	State	Federal	Other Income
1980	24.39%	12.08%	49.51%	11.15%	2.87%
1985	31.71%	10.96%	46.49%	6.30%	4.55%
1990	32.80%	8.21%	48.84%	5.36%	4.79%
1995	36.92%	6.41%	48.02%	4.04%	4.61%
2000	38.74%	5.83%	45.39%	3.40%	6.64%
2001	39.00%	5.85%	45.50%	3.40%	6.25%
2002	43.42%	5.92%	41.51%	3.48%	5.67%
2003	45.22%	5.79%	39.69%	3.50%	5.80%
2004	46.31%	5.50%	36.58%	3.43%	8.18%
2005	49.27%	5.12%	35.87%	3.18%	6.56%
2006	48.19%	4.96%	36.42%	3.00%	7.42%
2007	47.51%	4.91%	36.54%	2.74%	8.31%
2008	47.45%	4.71%	36.98%	2.52%	8.33%
2009	49.62%	4.84%	37.71%	2.50%	5.34%
2010	53.98%	4.67%	28.62%	6.72%	6.01%
2011	57.28%	4.72%	29.47%	2.69%	5.85%

SOURCE: 1980 through 2010 data taken from the 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011 (Source: AS-15E's, Fund 1); Annual Report Fiscal Year 2011 (AS-15E), Unrestricted General Fund, Fund 1. See Table 16.
NOTE: Amounts are adjusted for inflation to 2011 levels using December rates from the Consumer Price Index-Urban. Revenues for unrestricted funds only.

Tuition as a Revenue Source

Figure 5 - Adjusted General Operating Fund Revenues by Source: 1980-2011



SOURCE: 1980 through 2010 data taken from the 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Annual Report Fiscal Year 2011 (AS-15E), Unrestricted General Fund, Fund 1.
NOTE: Amounts are adjusted for inflation to 2011 levels using December from the Consumer Price Index-Urban. Revenues for unrestricted funds only.

National Comparison of Tuition and Fees

The following information uses data from *The Chronicle of Higher Education, Almanac Issue 2011-2012*. This report provides data through 2010, which is the most recent national higher education tuition data available. The information will differ from the previous section as the *Chronicle* data is based on information supplied to the U.S. Department of Education and includes student fees. Iowa Department of Education tables are based on information provided and verified by Iowa's community colleges to the Iowa Department of Education.

From fiscal year 2003 to fiscal year 2010, average tuition at Iowa's community colleges increased 55 percent while the national average increased 39 percent (see Table 6). Tuition and fees are still 56 percentpercent above the national average.

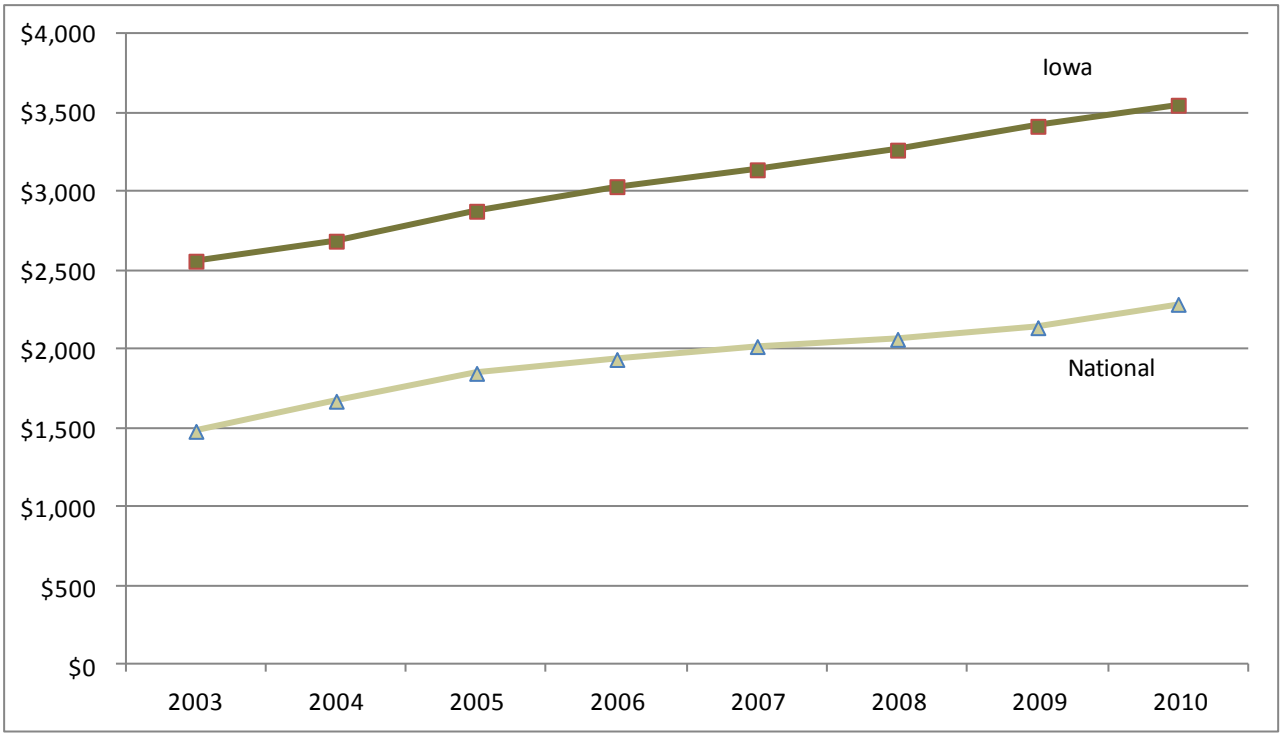
Iowa has the third highest tuition and fees level of its contiguous states (see Table 7). Minnesota and South Dakota continue to have the highest average tuition rates in this region. Iowa has the second smallest percentage change in tuition and fees from 2003-2010.

Table 6 - National and State Average Community College Tuition and Fees

	Fiscal Year								Change	Change
	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010	2003-2010
National	$1,479	$1,670	$1,847	$1,935	$2,017	$2,063	$2,137	$2,285	$806	55%
Iowa	$2,559	$2,686	$2,876	$3,032	$3,139	$3,264	$3,415	$3,549	$990	39%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. *The Chronicle of Higher of Education Almanac Issue 2011-2012.*

Figure 6 - National and State Average Community College Tuition and Fees



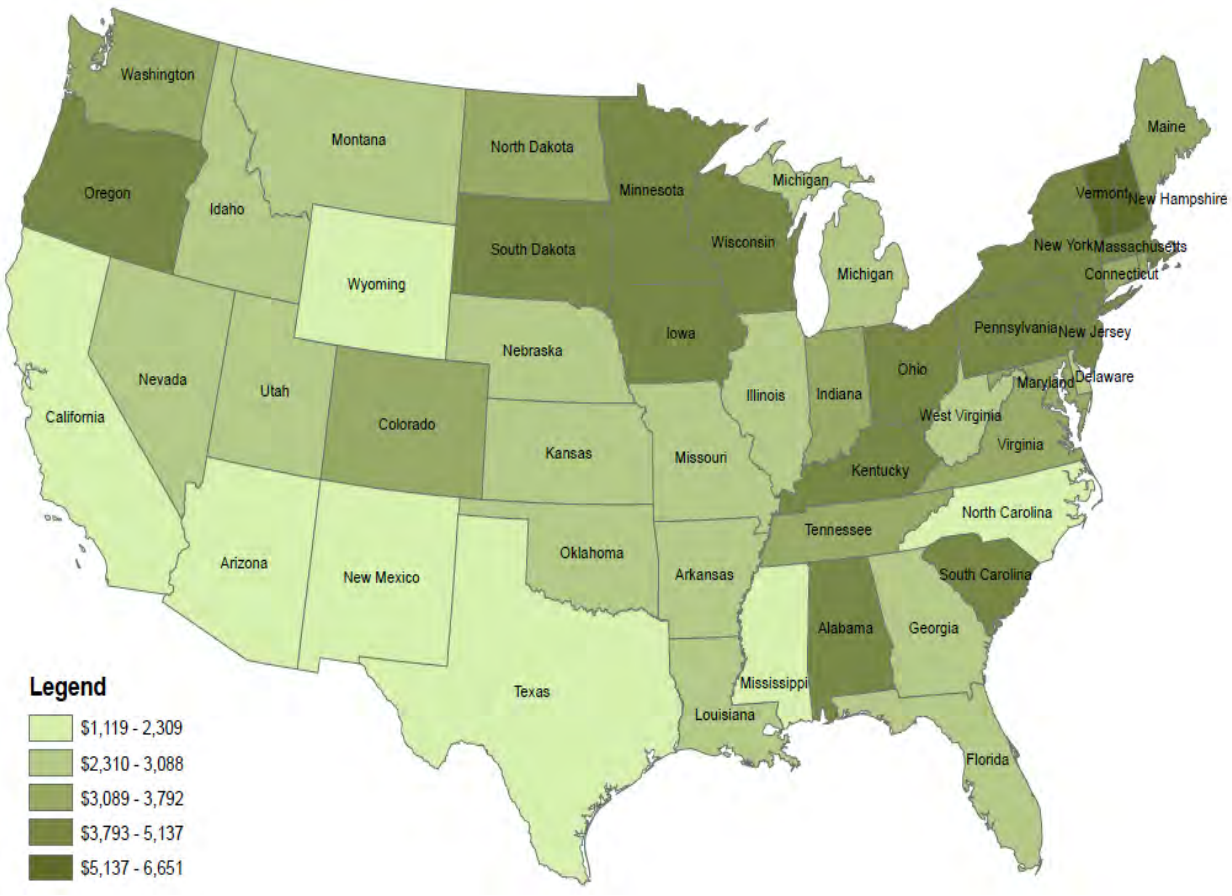
SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. *The Chronicle of Higher of Education Almanac Issue 2011-2012.*

Regional Comparison of Tuition and Fees

Table 7 - Comparison of Average Tuition and Fees with Surrounding States

	Fiscal Year								Change	Change
	2003	2004	2005	2006	2007	2008	2009	2010	2003-2010	2003-2010
Minnesota	$2,880	$2,812	$3,839	$4,085	$4,359	$4,535	$4,614	$4,791	$2,045	74%
South Dakota	$3,167	$3,414	$2,840	$3,154	$3,495	$3,730	$3,931	$4,357	$1,393	47%
Iowa	$2,559	$2,686	$2,876	$3,032	$3,139	$3,264	$3,415	$3,549	$1,187	50%
Wisconsin	$2,555	$2,583	$2,796	$2,965	$3,163	$3,694	$3,536	$3,543	$1,233	53%
Missouri	$1,792	$1,940	$2,128	$2,247	$2,284	$2,385	$2,456	$2,406	$908	61%
Illinois	$1,662	$1,792	$1,952	$2,104	$2,252	$2,377	$2,519	$2,670	$1,101	70%
Kansas	$1,640	$1,783	$1,882	$1,938	$1,942	$2,029	$2,091	$2,212	$771	54%
Nebraska	$1,567	$1,678	$1,772	$1,899	$1,991	$2,128	$2,220	$2,248	$750	50%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011. *The Chronicle of Higher Education Almanac Issue 2011-2012.*



SOURCE: *The Chronicle of Higher Education web site (Chronicle.com), information for 2011-2012.*

Tuition Comparison with Iowa's Public Universities

Tables 8, 9, and 10 provide a comparison of Iowa's community colleges average annual full-time resident tuition rate to the average tuition rate of Iowa's public universities. By law, community college tuition cannot exceed the minimum tuition at the public universities. In 2013, community college tuition will be 38 percent lower than the public university average tuition.

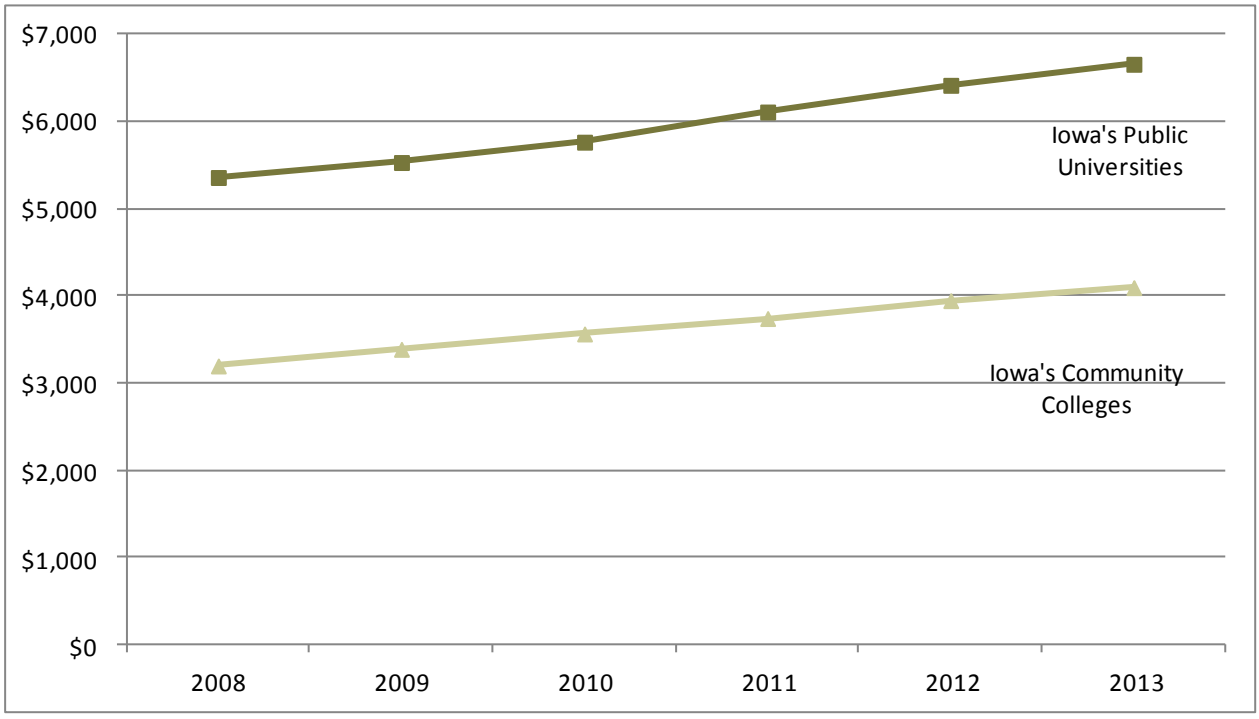
Iowa's public universities increased tuition 3.76 percent in fiscal year 2013 compared to the 3.77 percent gain for Iowa community colleges.

Table 8 - Annual Full-Time Tuition Rates Comparison

	Fiscal Year						Change	Change
	2008	2009	2010	2011	2012	2013	2008-2013	2008-2013
Iowa's Community Colleges	$ 3,199	$ 3,390	$ 3,566	$ 3,743	$ 3,948	$4,097	$898	28%
Iowa's Public Universities	$ 5,360	$ 5,532	$ 5,765	$ 6,111	$ 6,417	$6,658	$1,298	24%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.

Figure 8 - Annual Full-Time Tuition Comparison



SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

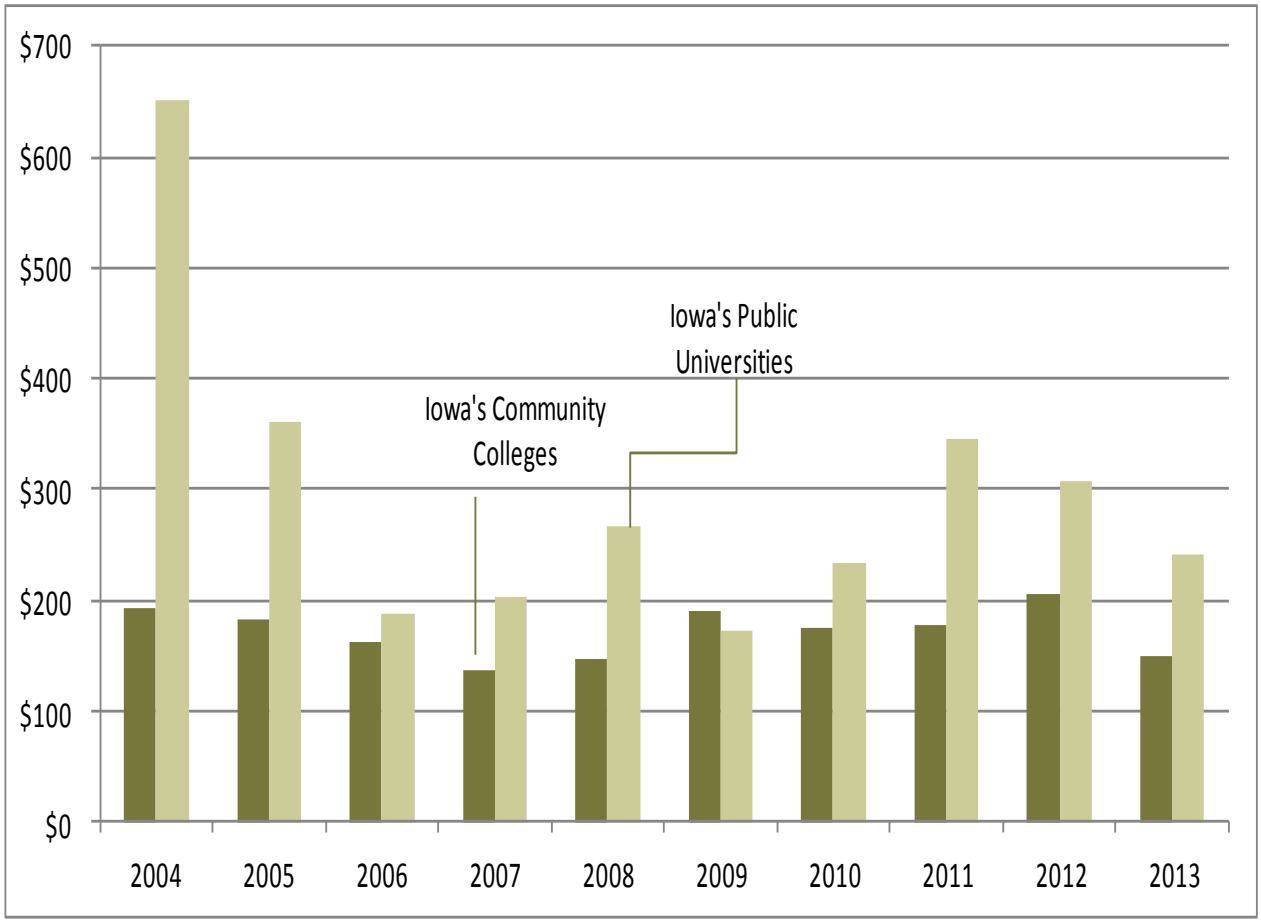
Tuition Comparison with Iowa's Public Universities *(continued)*

Table 9 - Annual Full-Time Tuition Increase for Iowa's Public Universities and Iowa's Community Colleges

Fiscal Year	2008	2009	2010	2011	2012	2013
Iowa's Community Colleges	$146	$191	$176	$177	$205	$149
Iowa's Public Universities	$ 266	$172	$ 233	$ 346	$306	$241

SOURCE: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.

Figure 9 - Annual Average Full-Time Tuition Increase



SOURCE: 2011-2012 Academic Year Iowa's Community Colleges Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

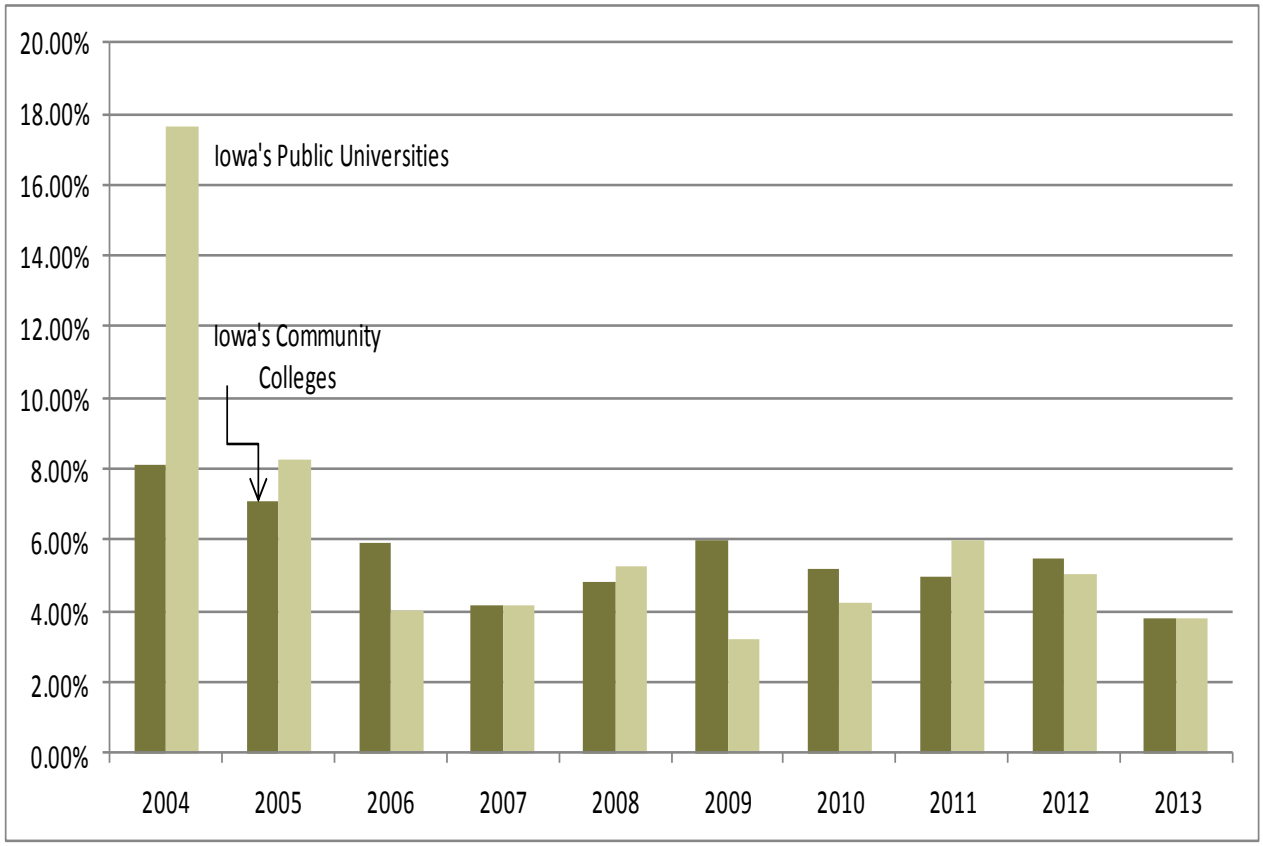
Tuition Comparison with Iowa's Public Universities *(continued)*

Table 10 - Annual Average Percentage Increase in Full-Time Tuition

	2008	2009	2010	2011	2012	2013
Iowa's Community Colleges	4.78%	5.97%	5.86%	4.96%	5.49%	3.77%
Iowa's Public Universities	5.22%	3.21%	4.21%	6.00%	5.00%	3.76%

SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; public university information obtained from the Iowa Board of Regents' website.

Figure 10 - Annual Average Percentage Increase in Full-Time Tuition



SOURCE: 2011-2012 Academic Year, Iowa's Community Colleges, Tuition and Fees Report, issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa's community colleges and compiled by the Iowa Department of Education; Public university information obtained from the Iowa Board of Regents' website.
NOTE: Annual rates are based on a projection of fall tuition rates. 15 hours per semester for Iowa's community colleges; full-time for Iowa's public universities.

Appendix

Table 11 - Resident Tuition and Fees Based on 12 Credit Hours per Term: 2011-2013

Community College	2011-2012			2012-2013			Increases			Percent Increase
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	
Northeast Iowa	$3,480.00	$312.00	$3,792.00	$3,600.00	$312.00	$3,912.00	$120.00	$0.00	$120.00	3.16%
North Iowa Area	$2,932.80	$591.12	$3,523.92	$3,006.00	$598.32	$3,604.32	$73.20	$7.20	$80.40	2.28%
Iowa Lakes	$3,336.00	$422.00	$3,758.00	$3,504.00	$422.00	$3,926.00	$168.00	$0.00	$168.00	4.47%
Northwest Iowa	$3,168.00	$672.00	$3,840.00	$3,312.00	$672.00	$3,984.00	$144.00	$0.00	$144.00	3.75%
Iowa Central	$3,024.00	$336.00	$3,360.00	$3,168.00	$336.00	$3,504.00	$144.00	$0.00	$144.00	4.29%
Iowa Valley	$3,336.00	$624.00	$3,960.00	$3,456.00	$624.00	$4,080.00	$120.00	$0.00	$120.00	3.03%
Hawkeye	$3,192.00	$144.00	$3,336.00	$3,288.00	$144.00	$3,432.00	$96.00	$0.00	$96.00	2.88%
Eastern Iowa	$3,072.00	$0.00	$3,072.00	$3,148.80	$0.00	$3,148.80	$76.80	$0.00	$76.80	2.50%
Kirkwood	$3,072.00	$0.00	$3,072.00	$3,192.00	$0.00	$3,192.00	$120.00	$0.00	$120.00	3.91%
Des Moines Area	$3,144.00	$0.00	$3,144.00	$3,192.00	$0.00	$3,192.00	$48.00	$0.00	$48.00	1.53%
Western Iowa Tech	$2,976.00	$372.00	$3,348.00	$3,072.00	$372.00	$3,444.00	$96.00	$0.00	$96.00	2.87%
Iowa Western	$3,024.00	$312.00	$3,336.00	$3,096.00	$312.00	$3,408.00	$72.00	$0.00	$72.00	2.16%
Southwestern	$3,096.00	$288.00	$3,384.00	$3,264.00	$288.00	$3,552.00	$168.00	$0.00	$168.00	4.96%
Indian Hills	$3,288.00	$0.00	$3,288.00	$3,456.00	$0.00	$3,456.00	$168.00	$0.00	$168.00	5.11%
Southeastern	$3,240.00	$0.00	$3,240.00	$3,408.00	$0.00	$3,408.00	$168.00	$0.00	$168.00	5.19%
State Average	**$3,158.72**	**$271.54**	**$3,430.26**	**$3,277.52**	**$272.02**	**$3,549.54**	**$118.80**	**$0.48**	**$119.28**	**3.47%**
Std. Dev. (C.C.)	**$148.44**	**$232.68**	**$273.53**	**$169.23**	**$233.34**	**$287.33**	**$39.19**	**$1.80**	**$38.67**	**3.49%**
Iowa Public Universities	**$6,417.00**	**$1,116.20**	**$7,140.57**	**$6,658.00**	**$1,147.87**	**$7,805.87**	**$241.00**	**$31.67**	**$665.30**	**3.57%**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa Community Colleges and compiled by the Iowa Department of Education. Iowa Board of Regents, Tuition Rates. Note: Indians Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. Only fees charged for all students are included. Other fees for lab or specific programs are not included.

Table 12 - Resident Tuition and Fees Based on 15 Credit Hours Per Term: 2011-2013

Community College	2011-2012			2012-2013			Increases			Percent Increase
	Tuition	Fees	Total	Tuition	Fees	Total	Tuition	Fees	Total	
Northeast Iowa	$4,350.00	$390.00	$4,740.00	$4,500.00	$390.00	$4,890.00	$150.00	$0.00	$150.00	3.16%
North Iowa Area	$3,666.00	$738.90	$4,404.90	$3,757.50	$747.90	$4,505.40	$91.50	$9.00	$100.50	2.28%
Iowa Lakes	$4,170.00	$522.50	$4,692.50	$4,380.00	$522.50	$4,902.50	$210.00	$0.00	$210.00	4.48%
Northwest Iowa	$3,960.00	$840.00	$4,800.00	$4,140.00	$840.00	$4,980.00	$180.00	$0.00	$180.00	3.75%
Iowa Central	$3,780.00	$420.00	$4,200.00	$3,960.00	$420.00	$4,380.00	$180.00	$0.00	$180.00	4.29%
Iowa Valley	$4,170.00	$780.00	$4,950.00	$4,320.00	$780.00	$5,100.00	$150.00	$0.00	$150.00	3.03%
Hawkeye	$3,990.00	$180.00	$4,170.00	$4,110.00	$180.00	$4,290.00	$120.00	$0.00	$120.00	2.88%
Eastern Iowa	$3,840.00	$0.00	$3,840.00	$3,936.00	$0.00	$3,936.00	$96.00	$0.00	$96.00	2.50%
Kirkwood	$3,840.00	$0.00	$3,840.00	$3,990.00	$0.00	$3,990.00	$150.00	$0.00	$150.00	3.91%
Des Moines Area	$3,930.00	$0.00	$3,930.00	$3,990.00	$0.00	$3,990.00	$60.00	$0.00	$60.00	1.53%
Western Iowa Tech	$3,720.00	$465.00	$4,185.00	$3,840.00	$465.00	$4,305.00	$120.00	$0.00	$120.00	2.87%
Iowa Western	$3,780.00	$390.00	$4,170.00	$3,870.00	$390.00	$4,260.00	$90.00	$0.00	$90.00	2.16%
Southwestern	$3,870.00	$360.00	$4,230.00	$4,080.00	$360.00	$4,440.00	$210.00	$0.00	$210.00	4.96%
Indian Hills	$4,110.00	$0.00	$4,110.00	$4,320.00	$0.00	$4,320.00	$210.00	$0.00	$210.00	5.11%
Southeastern	$4,050.00	$0.00	$4,050.00	$4,260.00	$0.00	$4,260.00	$210.00	$0.00	$210.00	5.19%
State Average	**$3,948.40**	**$339.09**	**$4,287.49**	**$4,096.90**	**$339.69**	**$4,436.59**	**$148.50**	**$0.60**	**$149.10**	**3.47%**
Std. Dev. (C.C.)	**$185.55**	**$290.64**	**$341.51**	**$211.54**	**$291.47**	**$358.72**	**$48.99**	**$2.24**	**$48.34**	**3.49%**
Iowa Public Universities	**$6,417.00**	**$1,116.20**	**$7,140.57**	**$6,658.00**	**$1,147.87**	**$7,805.87**	**$241.00**	**$31.67**	**$665.30**	**3.58%**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa Community Colleges and compiled by the Iowa Department of Education. Iowa Board of Regents, Tuition Rates. Note: Indians Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. Only fees charged for all students are included. Other fees for lab or specific programs are not included.

Table 13 - Resident Tuition and Fees Per Credit Hour: 2011-2013 Academic Years

Community College	Tuition per Semester Hour			Tuition and Fees per Hour		
	2011-2012	2012-2013	Increase	2011-2012	2012-2013	Increase
Northeast Iowa	$145.00	$150.00	$5.00	$158.00	$163.00	$5.00
North Iowa Area	$122.20	$125.25	$3.05	$146.83	$150.18	$3.35
Iowa Lakes	$139.00	$146.00	$7.00	$156.42	$163.58	$7.17
Northwest Iowa	$132.00	$138.00	$6.00	$160.00	$166.00	$6.00
Iowa Central	$126.00	$132.00	$6.00	$140.00	$146.00	$6.00
Iowa Valley	$139.00	$144.00	$5.00	$165.00	$170.00	$5.00
Hawkeye	$133.00	$137.00	$4.00	$139.00	$143.00	$4.00
Eastern Iowa	$128.00	$131.20	$3.20	$128.00	$131.20	$3.20
Kirkwood	$128.00	$133.00	$5.00	$128.00	$133.00	$5.00
Des Moines Area	$131.00	$133.00	$2.00	$131.00	$133.00	$2.00
Western Iowa Tech	$124.00	$128.00	$4.00	$139.50	$143.50	$4.00
Iowa Western	$126.00	$129.00	$3.00	$139.00	$142.00	$3.00
Southwestern	$129.00	$136.00	$7.00	$141.00	$148.00	$7.00
Indian Hills	$137.00	$144.00	$7.00	$137.00	$144.00	$7.00
Southeastern	$135.00	$142.00	$7.00	$135.00	$142.00	$7.00
State Average	**$131.61**	**$136.56**	**$4.95**	**$142.92**	**$147.90**	**$4.98**
Standard Deviation	**$6.18**	**$7.05**	**$1.63**	**$11.38**	**$11.97**	**$1.63**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education. Note: Indian Hills shown for three 12-week terms. 8 credits per term equals 12 per semester.

Table 14 - Non-Resident Tuition Per Credit Hour: 2011-2013 Academic Years

Community College	Tuition per Semester Hour			Annual with 24 Hours	Annual with 30 Hours	Percent Increase
	2011-2012	2012-2013	Increase			
Northeast Iowa	$145.00	$150.00	$5.00	$3,600.00	$4,500.00	3.45%
North Iowa Area	$183.30	$187.90	$4.60	$4,509.60	$5,637.00	2.51%
Iowa Lakes	$141.00	$148.00	$7.00	$3,552.00	$4,440.00	4.96%
Northwest Iowa	$154.00	$154.00	$0.00	$3,696.00	$4,620.00	0.00%
Iowa Central	$189.00	$198.00	$9.00	$4,752.00	$5,940.00	4.76%
Iowa Valley *	$160.00	$165.00	$5.00	$3,960.00	$4,950.00	3.13%
Hawkeye	$158.00	$162.00	$4.00	$3,888.00	$4,860.00	2.53%
Eastern Iowa	$192.00	$196.80	$4.80	$4,723.20	$5,904.00	2.50%
Kirkwood	$153.00	$158.00	$5.00	$3,792.00	$4,740.00	3.27%
Des Moines Area	$262.00	$266.00	$4.00	$6,384.00	$7,980.00	1.53%
Western Iowa Tech	$133.00	$133.00	$0.00	$3,192.00	$3,990.00	0.00%
Iowa Western	$131.00	$134.00	$3.00	$3,216.00	$4,020.00	2.29%
Southwestern	$142.50	$142.50	$0.00	$3,420.00	$4,275.00	0.00%
Indian Hills	$206.00	$216.00	$10.00	$5,184.00	$6,480.00	4.85%
Southeastern	$140.00	$147.00	$7.00	$3,528.00	$4,410.00	5.00%
State Average	**$165.99**	**$170.55**	**$4.56**	**$4,093.12**	**$5,116.40**	**2.72%**
Standard Deviation	**$34.00**	**$35.09**	**$2.91**	**$842.25**	**$1,052.81**	**1.71%**

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education. Note: Indian Hills shown for three 12-week terms. 8 credits per term equals 12 per semester. * Iowa Valley number represents the average of the Ellsworth CC ($176) and the Marshalltown CC ($154) rates.

Table 15 - Recurring Fees for Full-Time Students: 2012-2013 Academic Year

Community College	Amount	Term	Purpose	Annual - 12 Credits per Term	Annual - 15 Credits per Term
Northeast Iowa	$13.00	Sem Hr.	General	$312.00	$390.00
North Iowa Area	$3.18	Sem Hr.	Student Activity	$76.32	$95.40
	$11.75	Sem Hr.	Materials/Lab/Supply	$282.00	$352.50
	$10.00	Sem Hr.	Technology	$240.00	$300.00
				$598.32	$747.90
Iowa Lakes	$0.75	Sem Hr.	Processing	$18.00	$22.50
	$0.25	Sem Hr.	Noel Levitz LSA Fee	$6.00	$7.50
	$2.25	Sem Hr.	Activity	$54.00	$67.50
	$5.50	Sem Hr.	General	$132.00	$165.00
	$8.00	Sem Hr.	Technology	$192.00	$240.00
	$10.00	Semester	Activity (students registered for 12 or more hours)	$20.00	$20.00
				$422.00	$522.50
Northwest Iowa	$10.00	Sem Hr.	Student Fee	$240.00	$300.00
	$10.00	Sem Hr.	Course Fee	$240.00	$300.00
	$8.00	Sem Hr.	Technology Fee	$192.00	$240.00
				$672.00	$840.00
Iowa Central	$14.00	Sem Hr.	Student Fee	$336.00	$420.00
Iowa Valley	$17.00	Sem Hr.	Materials & Technology Fee	$408.00	$510.00
	$2.00	Sem Hr.	Facility Fee	$48.00	$60.00
	$7.00	Sem Hr.	Student/Distance Learning/Facility Fee	$168.00	$210.00
				$624.00	$780.00
Hawkeye	$4.00	Sem Hr.	Computer user	$96.00	$120.00
	$2.00	Sem Hr.	Activity	$48.00	$60.00
				$144.00	$180.00
Eastern Iowa	None				
Kirkwood	None				
Des Moines Area	None				
Western Iowa Tech	$9.00	Credit Hr.	Technology	$216.00	$270.00
	$6.50	Credit Hr.	Matriculation	$156.00	$195.00
				$372.00	$465.00
Iowa Western	$13.00	Sem Hr.	Student Activity Fee	$312.00	$390.00
Southwestern	$12.00	Sem Hr.	Service/Technology	$288.00	$360.00
Indian Hills	None				
Southeastern	None				

Source: 2011-2012 Academic Year, Iowa Community Colleges, Tuition and Fees Report, Issued September 2011; Electronic 2012-2013 tuition survey data submitted by Iowa community colleges and compiled by the Iowa Department of Education.
Note: This is not an all inclusive listing of fees charged by the individual community colleges. The fees listed above include all fees charged to each student. Other fees such as lab fees or special class fees may be charged by the individual community college.

Table 16 - Adjusted Source of Revenues, Constant 2011 Dollars: 1980-2011

Fiscal Year	Tuition & Fees	Local	State	Federal	Other Income	Total Revenue
1980	$ 20,770,856	$10,292,235	$ 42,168,500	$ 9,499,673	$ 2,442,607	$ 85,173,871
1981	$ 25,378,916	$10,996,524	$ 45,926,991	$11,186,726	$ 2,530,891	$ 96,020,048
1982	$ 29,551,450	$11,894,036	$ 48,828,338	$10,660,780	$ 2,783,449	$103,718,053
1983	$ 32,964,482	$12,555,326	$ 54,943,365	$ 7,920,067	$ 4,069,473	$112,452,713
1984	$ 35,635,911	$13,251,604	$ 54,905,514	$ 9,020,315	$ 6,106,408	$118,919,752
1985	$ 39,081,844	$13,509,424	$ 57,304,653	$ 7,763,792	$ 5,606,917	$123,266,630
1986	$ 41,874,013	$14,341,590	$ 57,318,691	$ 7,238,891	$ 6,682,867	$127,456,052
1987	$ 44,234,418	$15,238,260	$ 59,364,009	$ 7,842,465	$ 7,743,795	$134,422,947
1988	$ 46,320,889	$15,494,622	$ 74,298,897	$ 8,731,043	$ 6,879,925	$151,725,376
1989	$ 52,939,398	$14,842,017	$ 81,145,557	$ 8,444,365	$ 8,574,540	$165,945,877
1990	$ 59,083,307	$14,795,294	$ 87,986,508	$ 9,647,666	$ 8,630,027	$180,142,802
1991	$ 64,611,612	$14,628,725	$ 99,007,776	$10,013,803	$ 7,374,254	$195,636,170
1992	$ 71,468,172	$15,363,740	$103,957,683	$10,128,910	$ 7,267,997	$208,186,502
1993	$ 80,328,838	$14,809,399	$105,999,720	$ 9,619,520	$ 7,856,403	$218,613,880
1994	$ 84,320,603	$14,983,318	$111,520,721	$ 9,052,982	$ 9,090,428	$228,968,052
1995	$ 88,787,614	$15,411,635	$115,470,717	$ 9,724,727	$11,074,989	$240,469,682
1996	$ 94,510,410	$16,295,106	$120,871,270	$ 9,390,517	$11,161,382	$252,228,685
1997	$101,810,818	$16,021,489	$126,006,271	$ 8,695,009	$12,851,532	$265,385,119
1998	$110,149,417	$16,613,665	$130,852,051	$ 8,988,029	$15,244,492	$281,847,654
1999	$115,529,785	$17,468,287	$135,366,156	$ 9,504,535	$18,594,675	$296,463,438
2000	$120,842,833	$18,185,022	$141,577,403	$10,599,091	$20,713,200	$311,917,549
2001	$126,492,784	$18,974,313	$147,577,403	$11,019,583	$20,255,115	$324,319,198
2002	$143,925,326	$19,633,548	$137,585,680	$11,533,176	$18,811,715	$331,489,445
2003	$157,901,666	$20,212,798	$138,585,680	$12,217,820	$20,250,870	$349,168,834
2004	$173,303,945	$20,572,952	$136,890,098	$12,849,913	$30,614,196	$374,231,104
2005	$192,008,125	$19,973,009	$139,779,246	$12,396,138	$25,574,079	$389,730,597
2006	$197,923,928	$20,386,296	$149,580,895	$12,310,925	$30,484,574	$410,686,618
2007	$207,459,968	$21,433,089	$159,579,244	$11,948,729	$36,272,537	$436,693,567
2008	$220,652,139	$21,923,759	$171,962,414	$11,715,785	$38,747,297	$465,001,394
2009	$237,273,711	$23,145,956	$180,316,478	$11,937,650	$25,527,767	$487,156,624
2010	$280,576,464	$24,287,204	$148,754,233	$34,904,942	$31,257,259	$519,780,102
2011	$308,633,060	$25,406,419	$158,754,232	$14,478,452	$31,507,835	$538,779,998

Source: Data from 1980 through 2010 taken from the Iowa Community Colleges, Tuition and Fees Report issued September 2011 (AS-15E's, Fund 1); Annual Report, Fiscal year 2011 (AS-15E). Table is adjusted for inflation using December values of the CPI-U.

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BOARD OF REGENTS **AGENDA ITEM 3b**
STATE OF IOWA **JUNE 6, 2012**

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	135,873,315	130,622,933	-3.9%	11,141	11,431	2.6%	12,196	11,427	-6.3%
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	12,903	9,444	11,406	12,476	11,970	6,381	12,033	28,301
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 Amount	FY 2011 Percent	FY 2009 Percent	FY 2011 Amount	FY 2011 Percent	FY 2009 Percent	FY 2011 Amount	FY 2011 Percent	FY 2009 Percent	FY 2011 Amount	FY 2011 Percent	FY 2009 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 Unit Cost	FY 2009 Unit Cost	Unit Cost % Change	FTE % 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	29,656,214	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.

Trends in College Spending

1999-2009

Where does the money come from?
Where does it go?
What does it buy?

A report of the Delta Cost Project

Supported by Lumina Foundation for Education

Trends in College Spending

1999–2009

Where does the money come from?

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Donna M. Desrochers

Jane V. Wellman

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For additional copies of this report:

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A PDF of this report, which includes additional data not available in the print version, is available online at no charge: www.deltacostproject.org.

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Trends in college spending

Where does the money come from? Where does it go? What does it buy?

Higher education at the beginning of the Great Recession

Trends in College Spending, 1999–2009: Where does the money come from? Where does it go? What does it buy? is the fourth in a series of reports on college and university spending from the Delta Cost Project on Postsecondary Education Costs, Productivity, and Accountability. The mission of the Delta Cost Project is to improve public accountability for spending in higher education through the presentation of measures that put financial information into context, showing how money is spent and how that spending relates to institutional performance. The findings presented in this report concentrate on the 1999 to 2009 academic years; 2009 is the last year for which spending data are available and the first year of the "Great Recession," whose effects are still reverberating through higher education.

Readers should be cautioned against viewing 2009 spending levels as emblematic of the fiscal situation facing institutions today. Consequences of this deep recession are only beginning to show up in the data in this report. Although the recession technically was declared over in mid-2009, sustained economic growth has yet to return, and the negative consequences on state budgets in particular won't play out until 2012 or 2013 when the state fiscal troughs will be at their lowest levels, and the federal stimulus funds will have been spent.[1]

Highlights of *Trends, 1999–2009*:

- The immediate effect of the recession was most evident at public community colleges. Spending per student fell in 2009, fueled by a combination of enrollment growth and revenue losses. As a result, community colleges fell further behind other institutions—public, non-profit, and for-profit—in their ability to serve growing populations of students with resources adequate to ensure access, attainment, and quality.
- Although non-profit private institutions experienced large paper losses on their financial investments, other sources of revenue grew and spending went up, continuing a twenty-year trend of widening differences between public and private institutions.

[1] National Association of State Budget Officers and the National Conference of State Legislatures, "A New Funding Paradigm for Higher Education," available at www.nasbo.org/LinkClick.aspx?fileticket=MEqFX1WtTPY%3d&tabid=38

About the Delta Cost Project IPEDS database

The data in this report were drawn from the Delta IPEDS database. This database was developed using publicly available data reported to the federal government through a series of annual IPEDS surveys on higher education finance, enrollments, completions, staffing, and student aid. Adjustments were made to harmonize and standardize the data as much as possible, to account for changes over time in accounting standards and IPEDS reporting formats. These adjustments ensure reasonable consistency in the patterns over time and allow broad comparisons between public and private institutions. The data for each institution are standardized by FTE enrollments. National estimates are derived for each sector from these institutional, FTE-adjusted data. Estimates are further adjusted for inflation.

All of the fiscal trends presented in this report were produced using a consistent panel (or "matched set") of institutions. This ensures that variations in spending across time are not explained by differences in the number of institutions reporting data. More than 2,000 institutions are included in the 11-year matched set (1999-2009) used in this report, which collectively accounts for about 90 percent of two- and four-year institutions in the public and private, non-profit sectors. The data are organized into "Carnegie 2005" classifications to distinguish between research, comprehensive or master's institutions, community colleges, and baccalaureate institutions, and also between the public and private, non-profit sectors. The institutions are classified as follows:

1) public research—152 institutions
2) public master's—229 institutions
3) public community colleges—797 institutions
4) non-profit private research—99 institutions
5) non-profit private master's—313 institutions
6) non-profit private bachelor's—470 institutions

For ease of data presentation, private non-profit two-year colleges, public bachelor's institutions, tribal colleges, and specialty schools are excluded from the presentation of financial data. They are included (along with for-profit institutions) in select measures on enrollments and completions.

The classification presented is the best way to organize the data for national reports such as this, although it may not translate well to the governing structures used in many public institutions. Institution-level data available in our web-based data system "Trends in College Spending Online" *(see www.tcs-online.org)* can be aggregated to the state level.

As in most cost studies, this report focuses only on operating budgets and excludes spending on building or capital improvement projects. Financial data for the for-profit private sector are also not included in this report because rapid growth in this sector makes it difficult to generate a consistent sample over time. Improving the quality and reliability of public data about revenues and spending for this important, growing sector should be a priority for future federal attention to improvements in the IPEDS financial files.

- While public four-year institutions were unable to keep pace with spending increases at private non-profit institutions, they did protect educational spending per student even as overall revenues per student declined, spending about what they averaged in 2008.
- There is some good news: An uptick in the conversion of enrollments into degrees and lower numbers of student credit hours per degree or certificate signal improvement in educational degree productivity over the decade. These increases have not yet translated to decreased production costs, as spending continued to rise. Only community colleges have managed to lower their production costs per completion, largely through producing less-costly certificates rather than boosting degree output.
- Contrary to patterns in previous years, we see in 2009 public four-year institutions protecting instruction and student services by shifting spending away from administration and deferring maintenance. These spending changes suggest that institutions were managing budget reductions more strategically than in previous recessions, when across-the-board cuts were more common.
- The proportion of education and related spending financed from tuition revenues went up, exceeding even the jump following the 2001 recession. At public institutions, revenues from tuition rose to replace lost revenues from other sources, but in private non-profit institutions, increased revenues from tuition were redistributed primarily through tuition discounts. Almost everywhere, rising student tuition revenues did not translate into greater education and related spending, so students were paying for more while institutions were subsidizing less. This gap between prices and spending raises troubling questions about the sustainability of the funding model for the future and is the source of growing public and policy critiques of higher education.
- Disparities between rich and poor institutions in overall spending levels have never been larger. Since policy makers and the public often form impressions about higher education based on a relatively small handful of elite institutions, it is important to note that by far the largest majority of students are being served in institutions that spend on average around $10,000 per student per year—no more than we spend for elementary and secondary education.

The Delta Metrics

Improving cost accountability in higher education lies, in part, in the metrics of cost or expenditure analysis and in organizing information to spotlight where the money comes from, where it goes, and what it buys. Most fiscal indicators in higher education focus on revenues only or on tuition prices. This narrow focus fails to put resources into context by showing the proportion of revenues going to pay for core educational purposes and thus revealing changes over time relative to enrollments or in comparison with other institutions. Sloppy metrics about higher education finance contribute to confusion about costs and prices and obscure how resources are used.

To advance the discussion, the Delta Project has organized data already in the public domain, through the federal IPEDS (Integrated Postsecondary Education Data System) program, into the aggregate measures presented in this report. All of the metrics are designed to put financial figures into context by adjusting them for student enrollment and for inflation.[2] These metrics can be applied to individual institutions or aggregated into sector-level measures at both the national and state levels, allowing policy makers to compare institutions or state systems around the country, and to look within state systems to see how institutions compare against each other.[3] This report focuses on national averages across sectors; more detailed data showing institutional measures can be found at the Delta Project on-line data base, at www.tcs-online.org. Metrics include:

Revenues

1. Revenues by source
2. Net tuition compared against state and local appropriations
3. Sticker price, gross tuition, and net tuition differences

Spending

4. Spending by standard expense categories
5. Total spending by aggregated expense categories, including education and related (E&R) expenditures
6. The proportion of education and related spending going to pay for instruction and student services
7. Changes in employee compensation

Spending, subsidies, and tuitions

8. Subsidy share versus student share of education and related costs
9. Tuition increases compared against spending and subsidy shifts

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[2] Enrollments are adjusted per full-time equivalent (FTE) student enrolled, and inflation using the CPI-U (fiscal-year basis). Analysts preferring to use a different inflation adjustor, either the Higher Education Price Index (HEPI), or the Higher Education Cost Adjustment (HECA), may find this option at www.tcs-online.org.

[3] Data for individual institutions and the national-level data described in this report are available at www.tcs-online.org; state data are available at www.deltacostproject.org/data/state.

Spending and results

10. Total degrees and completions
11. The ratio of total degrees and completions relative to enrollments
12. Education and related spending per graduate or other completers
13. Credit hours per completion

Spending and equity

14. Spending compared against enrollment: where the money goes and where the students attend; and
15. Comparative changes in spending and enrollment over time.

Enrollments: Where do students attend?

Higher education finance data are most useful when put into context, beginning by looking at spending in relation to enrollments, and adjusting for changes over time. Enrollment-adjusted funding trends show very different patterns than when looking only at revenues or expenditures alone. So we begin this report by reflecting on the enrollment changes occurring across post-secondary education in 2009.

Enrollments at U.S. postsecondary institutions increased by more than 860,000 students between 2008 and 2009—nearly a 5 percent increase since 2008 and the single largest one-year increase since the mid 1970s.[4] These tremendous enrollment increases provide important context for the subsequent financial analyses because the patterns and trends on revenues and expenditures are all normalized by full-time equivalent (FTE) enrollment.[5]

Greatest enrollment growth was in public community colleges and for-profit institutions, but all types of institutions added new students. Community colleges had the greatest increase in enrollment in 2009, adding 341,000 students and growing by nearly 5.5 percent—a significant uptick relative to recent years *(see Figure 1, next page)*. Enrollment in for-profit institutions (two- and four-year) also rose substantially, growing at a faster *rate* than community colleges, albeit on a lower base; community colleges still enrolled many more new students and have a student body that is four-times as large as the for-profit sector. In four-year institutions enrollments grew between 1 to 2 percent in 2009. Despite the rapid gains in community colleges and for-profit enrollments, the share of students enrolled part-time in higher education has remained unchanged at about 38 percent since 2005.

[4] Enrollment grew by 960,000 students between 1974 and 1975, but attendance reached a historic high in academic year 2009-10, when an additional 1.3 million students enrolled in higher education. Thomas D. Snyder and Sally A. Dillow, 2011, *Digest of Education Statistics, 2010*. (Washington, DC: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education (NCES 2011-015, Table 197)).

[5] After converting enrollments to a "full-time equivalent" (FTE) basis to account for part-time students, the substantial enrollment increases in 2009 remain. FTE enrollments grew by 4.5 percent in 2009 and increased by more than 636,000 students—the largest increase during the 1999–2009 period. Although community colleges typically have a significantly larger share of part-time students, these institutions still grew faster and added more students than other sectors when comparing FTE-adjusted enrollments.

Figure 1

Public community colleges had the greatest enrollment increase in 2009, but private for-profit institutions grew at the fastest rate

Total enrollment by institutional sector and student level, AY1999-2009 (in millions)

Note: "Other" includes public baccalaureate, private associate's, and all specialty, tribal, less than two-year, and unclassified institutions.

Source: Delta Cost Project IPEDS database, 1987-2009, unmatched set.

Change in market share. Over the past decade, there has been a palpable shift in sector shares of the undergraduate student market, with more than a 5 percent share loss among four-year institutions, and a 4.6 percentage point increase in the for-profit market *(see Figure 2)*. The shift has been even more pronounced in the graduate and professional market, where for-profit institutions increased their market share by more than 7 percentage points. Despite these shifts, the proportion of undergraduate and graduate/first-professional students remained steady over the 1999 to 2009 period, with undergraduates consistently accounting for 86 percent of all enrollments.[6]

Postsecondary education continues to become increasingly diverse. Enrollments increased among all race/ethnic groups in 2009, and all types of postsecondary institutions became more diverse. But with significantly faster growth rates among minority students, they represented 42 percent of postsecondary enrollments in 2009 *(see Figure 3)*, compared to 34 percent in 1999.

[6] The classification of students by graduate and first-professional levels in IPEDS was modified starting in the 2009 academic year. These two categories have been combined into post-baccalaureate students to provide consistent data over time.

Figure 2

Change in market share of enrollment

Distribution of undergraduate and graduate enrollments, AY1999-2009

	Undergraduate			Graduate		
	1999	2009	Change	1999	2009	Change
Public research	22.8%	20.4%	-2.4%	42.2%	36.9%	-5.3%
Public master's	14.9%	13.8%	-1.1%	17.9%	15.6%	-2.3%
Community colleges	41.9%	42.6%	0.7%	—	—	—
Private research	4.8%	4.1%	-0.7%	22.0%	19.8%	-2.3%
Private master's	6.4%	5.8%	-0.5%	14.0%	15.8%	1.8%
Private bachelor's	5.5%	4.9%	-0.5%	1.7%	2.4%	0.7%
Private for-profit sector (two- and four-year only)	3.7%	8.4%	4.6%	2.1%	9.4%	7.4%
Total enrollment	100%	100%	—	100%	100%	—

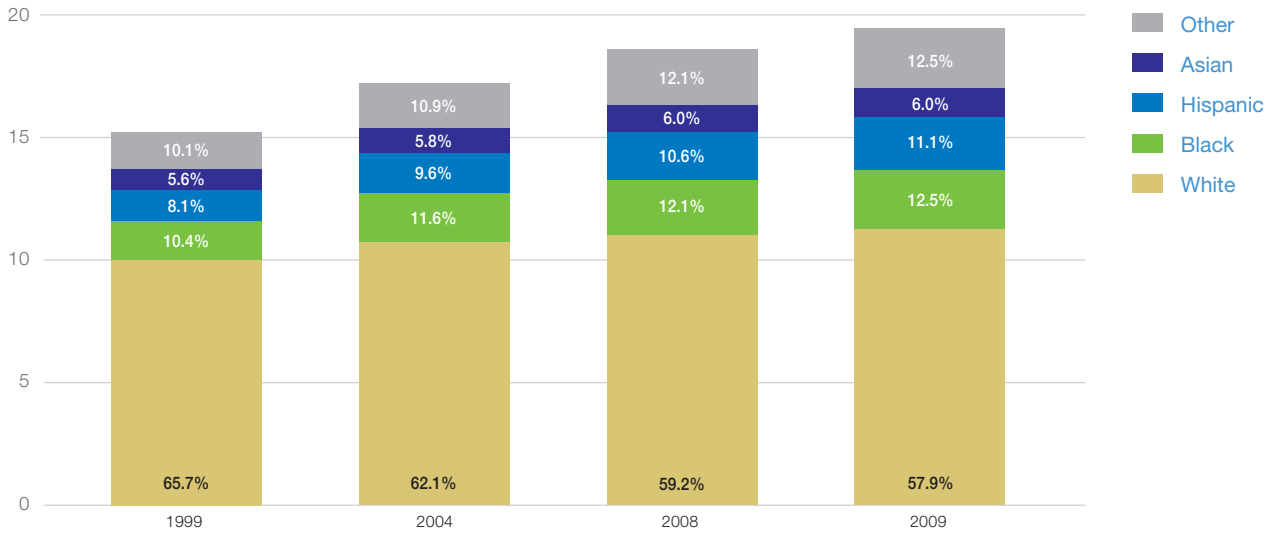
Note: Excludes "other" institutions (public baccalaureate, private associate's, and all specialty, tribal, less than two-year, and unclassified institutions).

Source: Delta Cost Project IPEDS database, 1987-2009, unmatched set.

Figure 3

Enrollments increased among all race/ethnic groups, and diversity continued to increase across institutional sectors

Fall headcount enrollment by race/ethnicity, AY1999-2009 (in millions)



Note: "Other" includes: American Indian, Alaska native, non-resident, and unknown.

Source: Delta Cost Project IPEDS database, 1987-2009, unmatched set.

Hispanic student enrollments have consistently grown the fastest, and were up by nearly 10 percent in 2009 alone. Though growth among Black students has been slightly slower over the period, they remain the largest group of minority students. The number of new White students enrolling each year is still greater than the number of new students from any other single race/ethnic group, but they accounted for only 58 percent of total enrollments in 2009, a decline of 8 percentage points in ten years.

Policy implications

For-profits' growth will increase policy interest in their performance. The shift in undergraduate market share from four-year to two-year institutions and from public and private non-profit institutions to for-profit institutions, is particularly relevant to federal policy, because of the heavy dependence of many for-profit institutions on tuitions supported by federal loans. It is not surprising from these trends that the federal government has started to pay more attention to measures of the market value of these degrees, a scrutiny we suspect will not be confined to the for-profit career colleges for long.

Change in market share for graduate and professional markets. The growth in the graduate/professional share of the market among non-profit master's and for-profit institutions bears deeper analysis. We suspect that most of this shift is occurring in the first-professional areas, where student and employer demand has been strong because of well-documented wage premiums paid to holders of professional degrees. As the undergraduate markets become increasingly pinched, the master's/professional market presents an opportunity for institutions to reach new "full-pay" student audiences, a decidedly attractive niche for institutions looking for new sources of net tuition revenue.

Revenues: Where does the money come from?

Revenue patterns and trends show the level of resources available over time as well as changes in the source of those revenues. Shifts in revenue sources are significant to spending patterns because the source often dictates how the money can be spent. To understand how revenues patterns may have shifted, we look at the following primary revenue metrics:

1. Total operating revenues by major sources;
2. The interaction between net tuitions revenues and state and local appropriations, which are the primary funding sources for the academic mission at public institutions; and
3. Patterns of tuition discounting and the differences between sticker price, gross tuition, and net tuition revenues.

The 2009 academic year was turbulent from a revenues perspective, reflecting significant impacts of the economic recession on state budgets and financial markets, which in turn affected institutions in different ways. Here are our primary findings on the ways the recession affected revenues:

1. **Public community colleges showed the deepest effects of the early recession in 2009, with declines in revenues per student deeper than in other public institutions.** Increases in tuition were not enough to offset sharp declines in state and local appropriations per student, and community colleges suffered absolute reductions in revenue per student in 2009 of

Where the money comes from: Revenue sources

- **Net tuition revenue:** Total revenue from tuition and fees (including grant and loan aid used by students to pay tuition); institutional student aid that is applied to tuition and fees is excluded.
- **State and local appropriations:** Revenues received through state or local legislative organizations (except grants, contracts, and capital appropriations).
- **Private gifts, investment returns, and endowment income (PIE):** Private gifts include revenues received from private donors, or from private contracts for specific goods or services provided by the institution that are directly related to instruction, research, public service, or other institutional purposes. Investment revenues are from interest income, dividend income, rental income or royalty income. Endowment income is generally income from trusts held by others and income from endowments and similar funds.
- **State and local grants and contracts:** Revenues from state or local government agencies for training programs or similar activities that are either received or are reimbursable under a contract or grant.
- **Federal appropriations, grants, and contracts:** The total amount of revenue coming from federal appropriations, grants, and contracts (excluding Pell grants).
- **Auxiliary enterprises:** Revenues generated by or collected from auxiliary enterprise operations of the institution that furnish a service to students, faculty, or staff, and that charge a fee related to the cost of service. These are generally self-supporting activities such as residence halls, food services, student health services, and inter-collegiate athletics.
- **Hospitals, independent operations, and other sources:** Revenue generated by hospitals operated by the postsecondary institution. Revenues associated with the medical school are not included. "Independent operations" are revenues associated with operations independent or unrelated to instruction, research, or public services and generally include only revenues from major, federally funded research and development centers. "Other sources" includes educational sales and services and miscellaneous revenues not covered elsewhere.

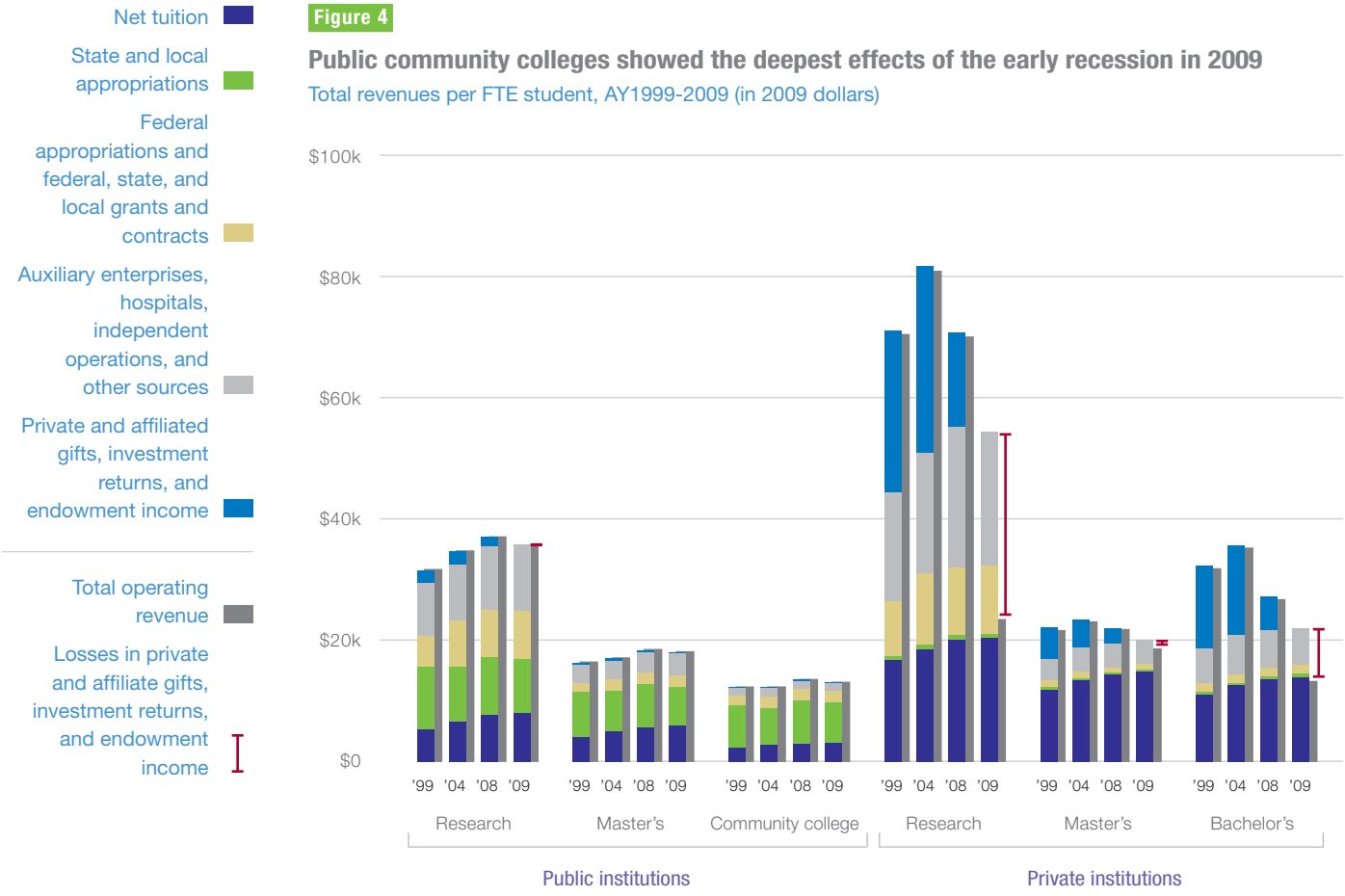
3.4 percent. Cuts in public master's institutions were slightly less, declining by 2 percent *(see Figure 4)*. But overall revenues per student in these sectors only reverted to roughly 2007 levels, and were well ahead of where they were five and ten years prior. Public research institutions also experienced declines in state and local revenues and in their investment portfolios. After factoring out declines in their investment portfolios (which may indeed reflect "unrealized" losses), revenues per student at public research institutions actually increased by almost 1 percent, on average, in 2009 as tuitions and other revenue sources made up for losses in state funding.

2. **Non-profit private institutions also suffered the effects of the recession in 2009 with declines in the value of their investment portfolios**. Non-profit institutions, which generally have larger investment portfolios than public institutions, were hit particularly hard by financial market declines in 2009. Investment returns across these institutions were negative *(see Figure 4)*. These investment returns, however, include both realized and *unrealized* gains, so the

Figure 4

Public community colleges showed the deepest effects of the early recession in 2009

Total revenues per FTE student, AY1999-2009 (in 2009 dollars)



Note: In 2009, some sectors had negative returns from "private and affiliated gifts, investment returns, and endowment income," which resulted in significant declines in average total revenues; because these returns include realized and unrealized losses, excluding this volatile revenue source provides a better representation of available operating revenues.

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

Figure 5

Tuition revenues at public four-year colleges almost equaled state and local appropriations in 2009

Net tuition revenues and state and local appropriations revenues per FTE student, AY1999-2009 (in 2009 dollars)

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

impact of these declines may turn out to be modest and temporary. We know from other sources that investment revenue returns became positive again in 2010, and financial markets were up again in 2011.[7] Excluding investments, total revenues per student at private non-profit master's and bachelor's institutions increased to a ten-year high in 2009, while in non-profit research institutions, they declined back to 2007 levels.

3. **Nationwide, tuition revenues are nearly equal to state/local appropriations in public four-year institutions.** Across the public sector, revenues were hit hard by recession-related state budget cuts. Declines in state revenues were widespread, with average state and local funding per student close to ten-year lows. State and local appropriations per FTE student declined by roughly 7 to 8 percent, on average, in 2009, bringing them down close to their 2005 levels *(see Figure 5)*. Increases in average net tuition revenue of 4 to 5 percent buffeted some of the cuts. The result is that in 2009, the share of revenues per student coming from state support and from tuition was closer than at any point over the 1999 to 2009 period, except at community colleges.

4. **ARRA cushioning some revenues in 2009.** We know that some institutions began to receive ARRA (American Recovery and Reinvestment Act) resources in the last part of fiscal 2009. But ARRA revenues are difficult to isolate within the IPEDS data, particularly in 2009 when relatively few states had yet dispersed any of the money to higher education *(see "Where's the ARRA Money?," next page, for more on ARRA)*.

[7] The NACUBO-Commonfund Study of Endowments reports that higher education endowments returned an average of 11.9 percent in FY2010 compared to an average -18.7 percent return in FY2009. Available at www.nacubo.org/Documents/research/2010NCSE_Full_Data_Press_Release_Final.pdf

Where's the ARRA money?

In February of 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) as a response to the economic crisis of 2008. Nearly 800 billion dollars were made available over three years to preserve and create jobs, spur economic activity, and invest in long-term growth—with nearly 100 billion of the money reserved for education (pre-k through college). It is difficult to separately identify these funds in IPEDS because few states distributed money in fiscal year 2009, and this money was reported along with other miscellaneous revenues.* As a result, we rely on data from the State Higher Education Finance (SHEF) FY2010 report by SHEEO to quantify the impact of ARRA.

Though ARRA infused significant money into U.S. higher education, the SHEF report shows it accounts for a fairly small share of overall operating revenues: ARRA represented only 2 percent of total educational revenues in 2009, before increasing to 4 percent in 2010. The majority of educational funding continues to come from state appropriations, local taxes, and net tuition.

In 2009, 15 states used ARRA money for higher education, totaling 2.3 billion. The ARRA funds averaged $513 per FTE student across participating states, ranging from less than $100 per student in Kansas and Georgia to more than $800 per student in Colorado and California as shown in the graph on the facing page. But by 2010 most states were using ARRA money for higher education, totaling 4.7 billion in overall resources and averaging $433 per FTE student among participating states.

Some states relied more heavily on ARRA than others. In Colorado ARRA funds accounted for almost 20 percent of their total educational appropriations in 2009, rising to nearly one-half in 2010. California benefited early, with most of its ARRA funds coming in 2009 rather than 2010. Nevada also relied heavily on ARRA funds in 2010 to offset sharp cuts in state appropriations, with the funds accounting for more than one-third of total educational appropriations that year. By 2010, ARRA funds represented more than 10 percent of the total educational appropriations in 14 states.

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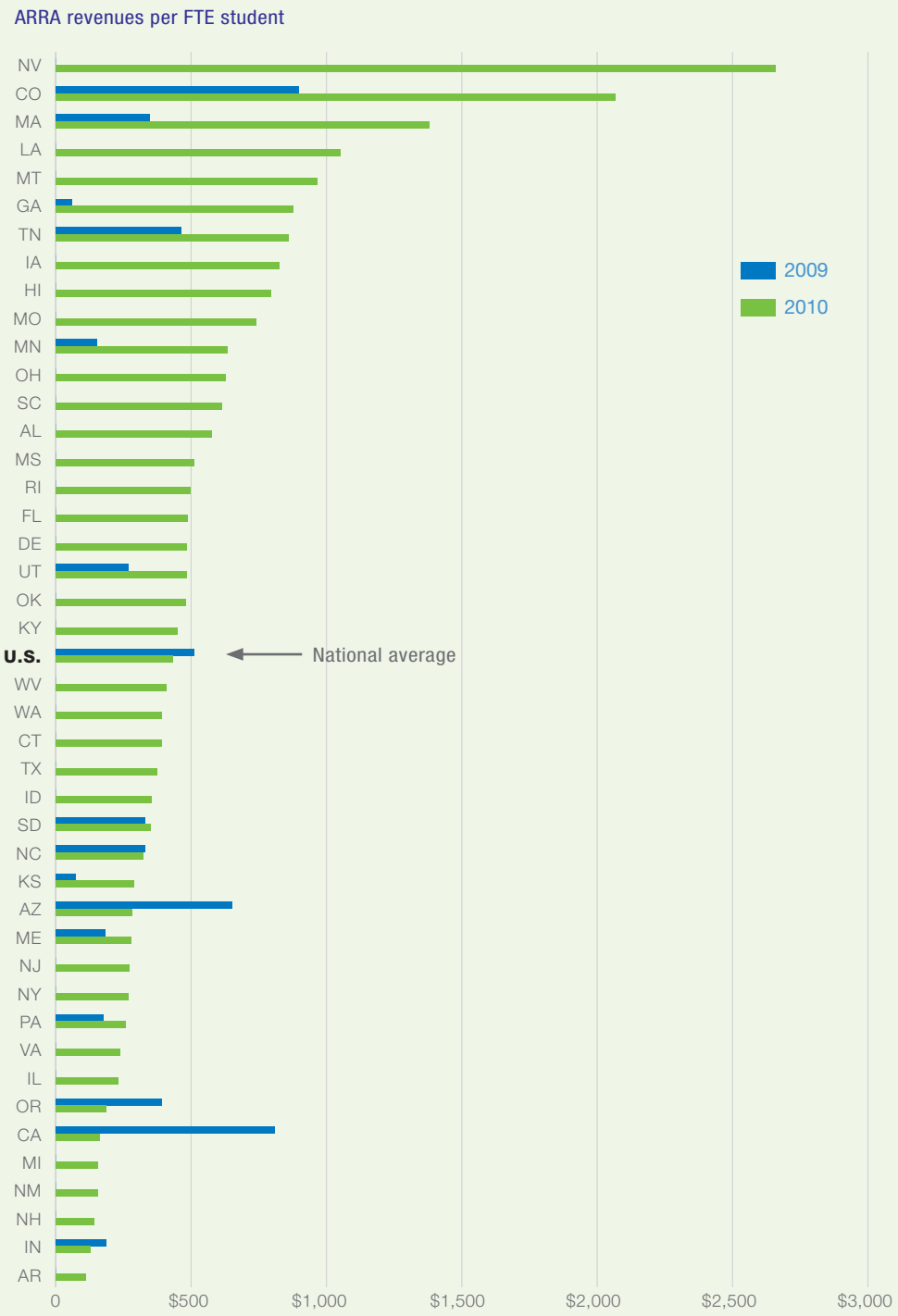
* Rather than collecting ARRA funding as a separate line item in IPEDS, institutions were instructed to report ARRA funding in total revenues. It was then calculated as part of "other miscellaneous revenues," which is a derived residual. By the nature of its calculation this category has historically been quite volatile, and as a result it is difficult to isolate the extent of the ARRA resources in IPEDS in 2009. However, any reported ARRA funding should be included as "other revenues" rather than with state and local appropriations or as part of federal appropriations grants and contracts.

Sources: SHEEO, 2011, *State Higher Education Finance, FY2010* (Boulder, CO: State Higher Education Executive Officers), www.sheeo.org/finance/shef/SHEF_FY10.pdf and author's analysis of SHEF data files; www.ed.gov/recovery; www2.ed.gov/policy/gen/leg/recovery/presentation/index.html



Note: AK, MD, NE, ND, VT, WI, and WY did not report ARRA higher education revenues. The national average only includes states that received ARRA revenues in that year. All data are shown in 2009 dollars, adjusted using a fiscal-year CPI-U index.

Source: SHEEO, 2011.

5. **Both public and non-profit four-year institutions sharply increased student tuition revenues in 2009. Public institutions used the revenues to offset state budget cuts, while the non-profit institutions used them for student aid.** Public and private four-year institutions all responded to the recession through increases in sticker prices averaging roughly 4.5 percent in 2009 *(see Figure 6)*. While public sector increases were smaller than price increases after the 2001 recession, the private sector increases were the highest over the ten-year period examined.

Within the private, non-profit sector at research and bachelor's institutions, relatively less of the tuition revenue made it to the bottom line, as the majority of gross tuition revenues were channeled into increased institutional grant aid for students. As the tuition discount rate increased, private non-profit institutions were yielding much less between gross and net tuition revenues. In contrast, in the public sector, tuition discount rates held steady, and the majority of new tuition revenues went to pay for general fund purposes.

As in previous years, we see among public institutions a continuing pattern of published sticker prices going up much more slowly than gross tuition revenue (or total tuition and fee revenue before discounts). This is in stark contrast to pricing patterns in the non-profit private institutions, where sticker prices are typically higher than both gross and net tuition revenues. The posted, in-state undergraduate sticker price clearly no longer reflects average prices being charged to students in public institutions, as institutions are turning to out-of-state students, higher prices for graduate and professional students, and a variety of types of student fees.

Policy implications

Growing reliance on tuition revenues as state funding declines. The major theme in revenues continues to be the growing reliance on student tuition revenues for almost all parts of public and non-profit higher education, as institutional subsidies are declining and the student tuition share of costs is increasing. Decline in the state share of revenues in the public sector is being used by some to argue for a changed relationship between public institutions and state government through fewer regulatory controls on resources and greater flexibility for increasing tuitions. It is important to note that despite fewer public appropriations, public institutions are still chartered to serve public purposes (as are private non-profit institutions), and public funds still provide a significant portion of educational funding at most institutions.

Access may be threatened at community colleges. Another big message in these data is about the eroding capacity of community colleges to meet demands for access given limitations in state funding and constraints on tuition. If policy makers want to keep tuitions low in the community colleges, they will need to do more to protect subsidies to these institutions, as well as to look at ways to improve their cost effectiveness. This sector serves the largest

Figure 6

Pricing and discounting practices within institutions

Pricing versus revenues, AY1999-2009 (in 2009 dollars)

					2008-2009 change	
Public research sector	1999	2004	2008	2009	$	%
Sticker price	$4,440	$5,733	$6,609	$6,926	$317	4.8%
Gross tuition revenue	$6,351	$8,055	$9,405	$9,881	$476	5.1%
Net tuition revenue	$5,353	$6,640	$7,661	$8,030	$369	4.8%
Tuition discount rate	16%	17%	18%	18%	0%	
Public master's sector						
Sticker price	$3,719	$4,705	$5,404	$5,666	$262	4.8%
Gross tuition revenue	$4,522	$5,661	$6,458	$6,748	$290	4.5%
Net tuition revenue	$4,075	$5,053	$5,698	$5,923	$225	4.0%
Tuition discount rate	10%	11%	12%	12%	0%	
Community colleges sector						
Sticker price	$1,842	$2,179	$2,362	$2,429	$67	2.8%
Gross tuition revenue	$2,474	$2,970	$3,266	$3,385	$118	3.6%
Net tuition revenue	$2,307	$2,757	$3,005	$3,118	$113	3.8%
Tuition discount rate	11%	10%	11%	11%	0%	
Private research sector						
Sticker price	$22,713	$25,960	$28,851	$30,093	$1,242	4.3%
Gross tuition revenue	$22,375	$25,406	$28,015	$29,007	$992	3.5%
Net tuition revenue	$16,825	$18,578	$20,071	$20,363	$293	1.5%
Tuition discount rate	24%	26%	27%	29%	2%	
Private master's sector						
Sticker price	$16,239	$19,042	$21,252	$22,207	$955	4.5%
Gross tuition revenue	$15,373	$17,779	$19,433	$20,309	$876	4.5%
Net tuition revenue	$11,895	$13,415	$14,328	$14,864	$536	3.7%
Tuition discount rate	23%	24%	26%	26%	0%	
Private bachelor's sector						
Sticker price	$16,860	$19,510	$21,464	$22,437	$973	4.5%
Gross tuition revenue	$16,285	$18,992	$20,965	$21,833	$868	4.1%
Net tuition revenue	$10,983	$12,575	$13,589	$13,969	$381	2.8%
Tuition discount rate	35%	33%	34%	35%	1%	

Note: For public four-year institutions, the "sticker price" is the average in-state tuition and fees for undergraduates; at public community colleges, it is the average in-district tuition and fees.

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

share of poor students, many of whom graduate from high school lacking basic skills in reading, critical thinking, and math. If institutions do not have the basic capacity to offer courses or provide necessary services, maintaining access without resources proves to be a false promise.

Spending: Where does the money go?

Shifts among spending priorities that accompany changes in revenues are revealed in overall national spending patterns. We use the following expenditure measures to highlight differences in spending on various institutional activities:

1. Spending by standard expense categories *(see "Where the money goes," facing page),* showing spending in broad functional area such as instruction, student support, and research;
2. Spending aggregated into three different snapshots: *total* expenditures from all revenue sources and activities; *education and general (E&G) spending*—a subset that excludes auxiliary activities and hospitals; and *education and related (E&R) expenses*—a subset that focuses solely on the educational mission of institutions;
3. Spending within E&R, which is the proportion of E&R allocated to instruction, student services, and support/maintenance; and
4. Changes in employee compensation.

Traditional fiscal reports show "bottom line" or total spending from all sources of revenue, which overstates the amount of money that pays for the core educational missions of institutions. This naturally leads policy makers and consumers to believe that institutions have more money to spend than they do. Estimating the proportion of spending that goes for E&R focuses attention on the activities where funding priorities are set by the institution and its board rather than by external donors.

The derived E&R spending category is our single most important cost metric among the grouped expense categories. E&R offers the most robust measure of spending on student learning because it isolates spending related to the education mission. E&R includes spending on instruction, student services, and a portion of general support and maintenance costs associated with these functions.[8] Some analysts refer to this as a "full cost" measure, distinct from measures of "direct instructional" costs, which account for faculty salaries but exclude everything else. Because it includes spending for faculty salaries (except those paid from research contracts), E&R also includes spending for departmental or non-sponsored research. While some would prefer to exclude all research costs from E&R spending, it is a mission-related instructional cost in research institutions, as is the cost of graduate education, and so we include it within the measure. Whether paid from student tuitions or from other revenues, it is a cost of business and needs to be recognized as such.

[8] See Appendix Table A5 for a detailed explanation of the methodology for assigning expenses to E&R.

Where the money goes: Standard expense categories

- **Instruction:** Activities directly related to instruction, including faculty salaries and benefits, office supplies, administration of academic departments, and the proportion of faculty salaries going to departmental research and public service.
- **Research:** Sponsored or organized research, including research centers and project research. These costs are typically budgeted separately from other institutional spending, through special revenues restricted to these purposes.
- **Public service:** Activities established to provide noninstructional services to external groups. These costs are also budgeted separately and include conferences, reference bureaus, cooperative extension services, and public broadcasting.
- **Student services:** Noninstructional, student related activities such as admissions, registrar services, career counseling, financial aid administration, student organizations, and intramural athletics. Costs of recruitment, for instance, are typically embedded within student services.
- **Academic support:** Activities that support instruction, research, and public service, including libraries, academic computing, museums, central academic administration (dean's offices), and central personnel for curriculum and course development.
- **Institutional support:** General administrative services, executive management, legal and fiscal operations, public relations, and central operations for physical operation.
- **Scholarships and fellowships net of allowances:** Institutional spending on scholarships and fellowships net of allowances. Does not include federal aid, tuition waivers, or tuition discounts (which since 1998 have been reported as waivers). It is a residual measure that captures any remaining aid after it is applied to tuition and auxiliaries.
- **Plant operation and maintenance:** Service and maintenance of the physical plant, grounds and buildings maintenance, utilities, property insurance, and similar items.
- **Auxiliary enterprises, hospitals and clinics, and independent and other operations:** User fee activities that do not receive general support. Auxiliary enterprises include dormitories, bookstores, and meal services.

Strained revenues created difficult spending choices for public institutions in 2009. While public four-year institutions managed to maintain spending on E&R functions, community colleges struggled with widespread spending cuts reminiscent of post 2001-recession years. Spending patterns at private non-profit institutions showed little effect from the economic downturn,

Figure 7

Institutions in the public four-year sectors nationwide weathered the recession fairly well

Spending per FTE student by standard expense categories, AY1999-2009 (in 2009 dollars)

					10-year change		1-year change	
Public research sector	1999	2004	2008	2009	$	%	$	%
Instruction	$9,086	$9,075	$9,860	$9,986	$900	9.9%	$127	1.3%
Research	$4,748	$5,478	$5,638	$5,799	$1,051	22.1%	$161	2.8%
Student services	$1,144	$1,223	$1,334	$1,365	$221	19.4%	$31	2.3%
Public service	$1,777	$1,897	$1,937	$1,975	$197	11.1%	$37	1.9%
Academic support	$2,555	$2,372	$2,811	$2,845	$291	11.4%	$34	1.2%
Institutional support	$2,167	$2,112	$2,486	$2,495	$328	15.2%	$9	0.4%
Operations and maintenance	$1,726	$1,934	$2,186	$2,073	$348	20.2%	-$112	-5.1%

					10-year change		1-year change	
Public master's sector	1999	2004	2008	2009	$	%	$	%
Instruction	$5,913	$5,891	$6,281	$6,291	$377	6.4%	$10	0.2%
Research	$350	$378	$413	$401	$51	14.4%	-$12	-2.9%
Student services	$1,199	$1,224	$1,379	$1,410	$211	17.6%	$31	2.2%
Public service	$551	$632	$629	$618	$67	12.1%	-$11	-1.8%
Academic support	$1,419	$1,382	$1,503	$1,542	$123	8.6%	$39	2.6%
Institutional support	$1,897	$1,977	$2,057	$2,033	$136	7.1%	-$24	-1.2%
Operations and maintenance	$1,326	$1,430	$1,675	$1,656	$330	24.9%	-$19	-1.1%

					10-year change		1-year change	
Public community college sector	1999	2004	2008	2009	$	%	$	%
Instruction	$5,242	$4,831	$5,251	$5,103	-$139	-2.6%	-$148	-2.8%
Research	$54	$39	$50	$64	$11	20.0%	$14	27.4%
Student services	$1,207	$1,156	$1,260	$1,258	$50	4.2%	-$2	-0.2%
Public service	$402	$368	$364	$351	-$51	-12.6%	-$13	-3.6%
Academic support	$1,027	$916	$1,013	$990	-$37	-3.6%	-$23	-2.2%
Institutional support	$1,794	$1,716	$1,890	$1,842	$48	2.7%	-$48	-2.5%
Operations and maintenance	$1,095	$1,092	$1,243	$1,224	$130	11.8%	-$19	-1.5%

albeit rates of increases in spending among private research institutions were somewhat lower than in prior years. Major findings reveal:

1. **In 2009, institutions in the public four-year sectors were, on average, weathering the recession fairly well.** Public research institutions managed their spending to protect increases across most areas, including instruction and student services, through deferring maintenance and holding administration costs steady *(see Figure 7)*. Public master's institutions displayed mixed spending patterns, but generally managed to preserve spending in instruction, student services, and academic support, with cuts in other areas. These 2009 spending patterns preserved a ten-year high in average E&R spending in contrast to spending after the 2001 recession, when cuts in E&R were immediately apparent and persisted for another two years before slowly rebounding.

Private research sector	1999	2004	2008	2009	10-year change $	10-year change %	1-year change $	1-year change %
Instruction	$16,251	$18,449	$19,790	$20,232	$3,981	24.5%	$443	2.2%
Research	$8,675	$11,270	$10,953	$11,262	$2,587	29.8%	$309	2.8%
Student services	$2,507	$2,832	$3,234	$3,390	$884	35.3%	$157	4.8%
Public service	$1,299	$1,404	$1,303	$1,305	$6	0.5%	$2	0.2%
Academic support	$4,385	$4,883	$5,582	$5,742	$1,357	31.0%	$160	2.9%
Institutional support	$5,349	$6,195	$6,924	$7,038	$1,689	31.6%	$114	1.6%
Operations and maintenance	$2,887	$3,356	$4,044	$4,270	$1,384	47.9%	$226	5.6%

Private master's sector	1999	2004	2008	2009	10-year change $	10-year change %	1-year change $	1-year change %
Instruction	$6,602	$6,924	$7,096	$7,280	$678	10.3%	$184	2.6%
Research	$869	$804	$642	$630	-$239	-27.5%	-$13	-2.0%
Student services	$2,193	$2,431	$2,707	$2,781	$588	26.8%	$75	2.8%
Public service	$547	$610	$442	$436	-$111	-20.2%	-$6	-1.4%
Academic support	$1,523	$1,664	$1,708	$1,753	$231	15.1%	$45	2.6%
Institutional support	$3,499	$3,685	$3,846	$3,947	$448	12.8%	$101	2.6%
Operations and maintenance	$1,365	$1,407	$1,489	$1,470	$105	7.7%	-$19	-1.3%

Private bachelor's sector	1999	2004	2008	2009	10-year change $	10-year change %	1-year change $	1-year change %
Instruction	$7,528	$8,086	$8,377	$8,524	$996	13.2%	$147	1.8%
Research	$636	$754	$718	$707	$72	11.3%	-$10	-1.4%
Student services	$2,982	$3,447	$3,832	$3,941	$958	32.1%	$109	2.8%
Public service	$628	$653	$607	$626	-$2	-0.3%	$18	3.0%
Academic support	$1,800	$1,992	$2,062	$2,112	$312	17.4%	$50	2.4%
Institutional support	$4,632	$4,934	$5,190	$5,205	$573	12.4%	$14	0.3%
Operations and maintenance	$1,938	$2,141	$2,236	$2,251	$313	16.1%	$15	0.7%

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

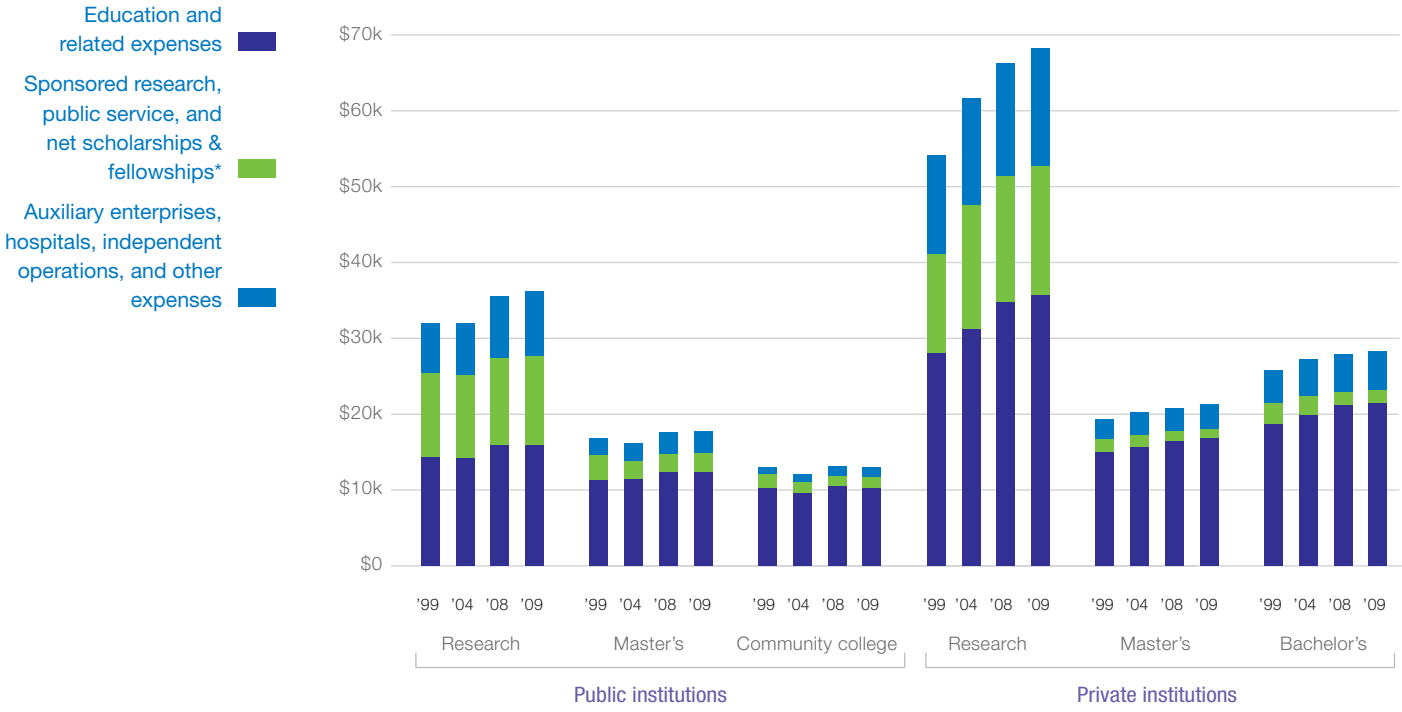
2. **Community colleges bore the brunt of the downturn in higher education spending in 2009.** Community colleges suffered across-the-board cuts in nearly all spending categories, particularly in instruction, though student services spending held steady. E&R spending dipped to recent 2007 levels, but was also the same as ten years earlier.

3. **Spending at private non-profit institutions was less affected by the recession and continued to increase almost unabated.** E&R spending rose between 1.5 and 2.5 percent, on average, at private non-profit institutions in 2009—a pace that was the same or faster than in 2008 at research and master's institutions *(see Figure 8, next page)*. At private non-profit research institutions, 2009 growth rates exceeded 2 percent in nearly all spending areas *(see Figure 7)*, posting a ten-year high in every category except research and public service.

Figure 8

Spending at private non-profit institutions was less affected by the recession and continued to increase almost unabated

Total expenditures per FTE student by grouped categories, AY1999-2009 (in 2009 dollars)



* Note: Public institutions reported gross scholarships and fellowships prior to 2002, with some institutions reporting gross amounts through 2004.

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

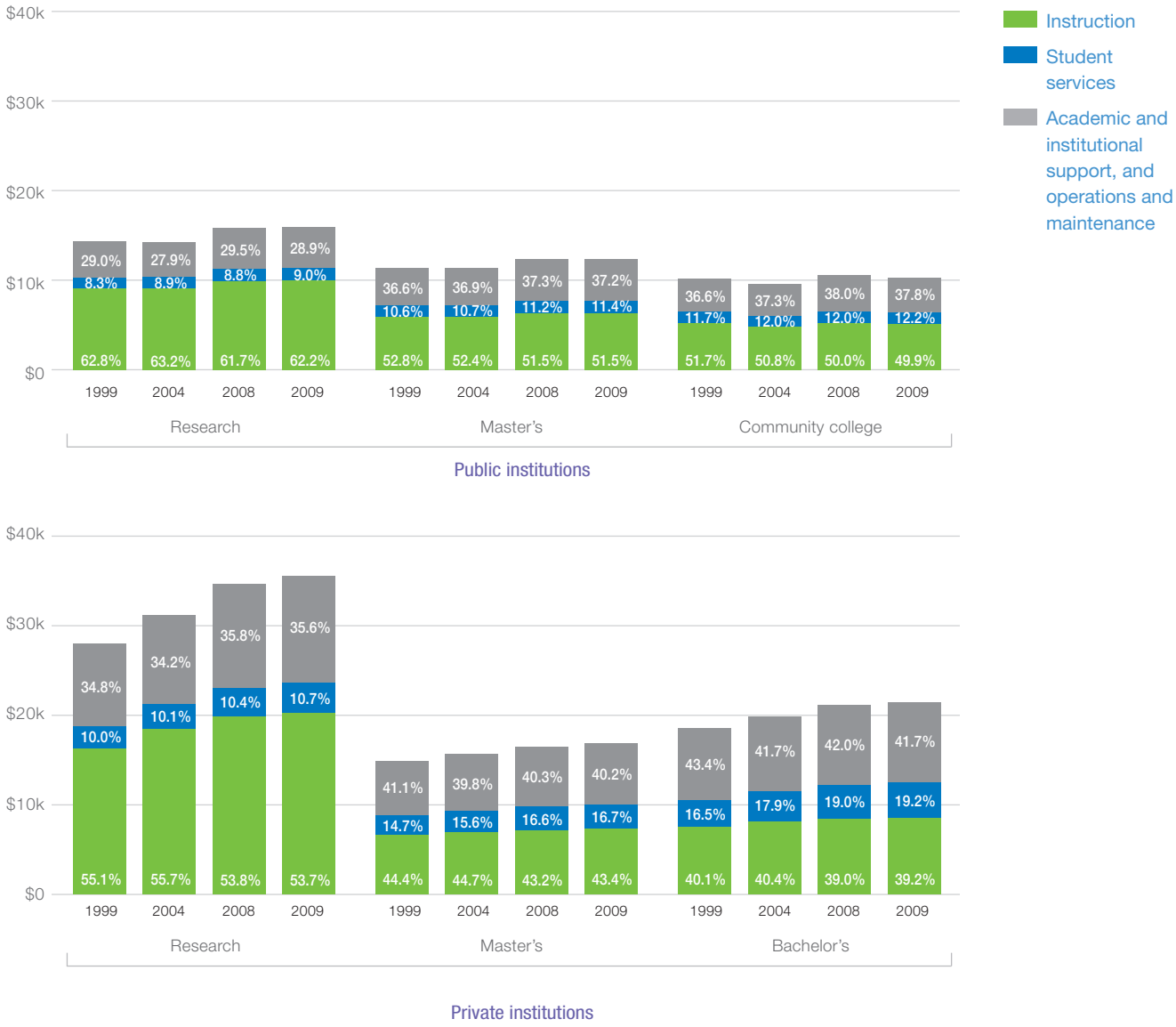
Like the public institutions, private master's and bachelor's institutions also held spending down on operations and maintenance.

4. **In all sectors, total spending grew faster than spending on E&R alone.** Total spending was boosted by spending on research (in research institutions) and auxiliary and other enterprises. Spending on research and its related administrative costs continued its steady increase at public institutions in 2009, but showed an uptick in private institutions after a several years of fairly steady spending. As evident from earlier economic downturns, research dollars—which are often awarded as multi-year contracts—tend to be more recession-proof than other types of resources. Spending on the public service mission continues recent patterns and was either steady or slightly declining across most sectors in 2009. Across all sectors, spending on auxiliaries, hospitals, and other independent operations grew faster than spending in most other areas in 2009, maintaining recent patterns across public institutions and in private research institutions.

Figure 9

Institutions halted a long-term decline in spending on instruction by cutting spending on administration/maintenance

Average education and related spending per FTE student by component, AY1999-2009 (in 2009 dollars)



Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

5. **Institutions dedicated a steady or increasing share of E&R spending toward instruction in 2009, halting a long-term decline by cutting spending on administration/maintenance.** Staving off a long-term trend, public master's and community colleges largely maintained the proportion of E&R dollars dedicated to instruction in 2009, while public research institutions increased it by one-half a percentage point *(see Figure 9)*. Nevertheless, instruction shares at non-research institutions remain at ten-year lows, while public research institutions

have returned to their 2006 levels. Public institutions continue to increase the share of spending on student services, evidently by reducing administrative/maintenance spending, reversing a ten-year trend of rising administrative/maintenance share of spending.

Similarly, at private non-profit institutions the share of spending on student services is increasing while steady or declining for administration/maintenance. Instruction shares increased slightly in public master's and bachelor's institutions. Even so, as in the public sector, instructional shares of total spending were at or near ten-year lows in 2009.

Trends in employee compensation, 2002-2009

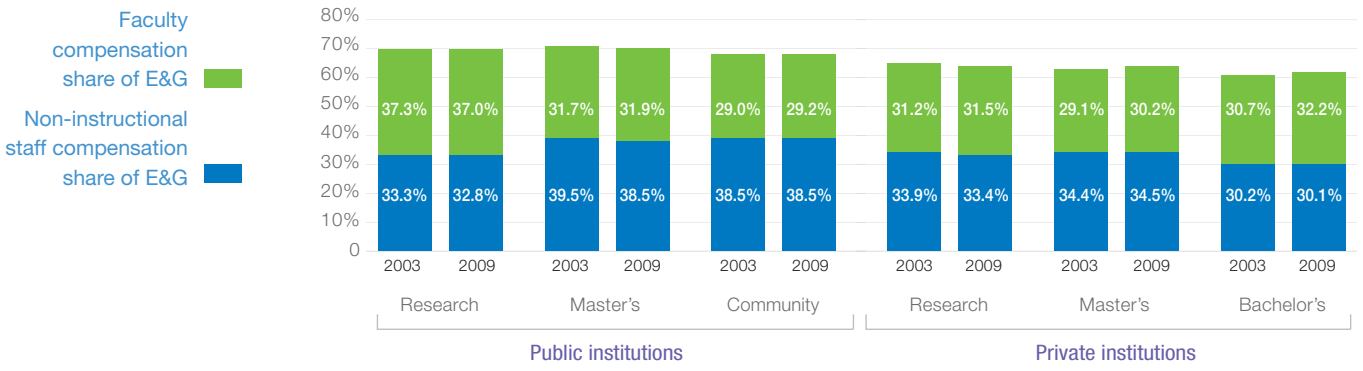
Colleges and universities are labor-intensive enterprises, and as such, spending on employee compensation—salaries and benefits—is a major driver of costs. Information on labor costs is most consistent beginning in the early 2000s, so we present these trends outside our normal Delta metrics, showing the most reliable years of available data. The patterns reveal how labor costs have changed over time:

- **Overall compensation comprises between 60 and 70 percent of education and general (E&G) spending in all sectors.** Among private non-profit institutions, the compensation share is slightly less than in public institutions *(see Figure 10)*. Only in private non-research institutions has the compensation share of costs noticeably increased.

Figure 10

Compensation costs comprise between 60 and 70 percent of E&G spending

Compensation share of E&G spending, AY 2003-2009



Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

- **Spending on faculty compensation does not exceed 40 percent of total spending in any sector.** The proportion of compensation spent on faculty has remained steady or decreased slightly over time. Looking only at full-time faculty, there has been little or no increase in the average salaries (in inflation-adjusted dollars) at public institutions between 2002 and 2009; salaries

at private institutions increased modestly. Full-time professors, however, only represent between 40 to 60 percent of faculty at four-year institutions. A growing reliance on part-time rather than full-time faculty has likely kept full-time faculty costs down and has also trimmed overall salary costs per employee in most sectors *(see Figure 11)*.

Figure 11

Changes in spending on faculty compensation

Average annual percent change

	2002-2009	2002-2008		
Public institutions	Full-time faculty salaries	Salary outlay per employee	Benefit cost per full-time employee	Compensation per employee
Research	0.2%	0.9%	5.2%	1.7%
Master's	-0.1%	-0.6%	4.6%	0.4%
Community colleges	0.1%	0.7%	5.2%	1.5%
Private institutions				
Research	0.6%	-0.3%	1.6%	0.0%
Master's	0.6%	-0.8%	2.4%	-0.5%
Bachelor's	0.4%	-0.5%	1.3%	-0.2%

Source: Delta Cost Project IPEDS Database, 1987-2008; 11-year matched set.

- **In recent years, a notable difference in compensation patterns has emerged between public and private non-profit institutions.** Wage and benefit gaps have widened, with public institutions spending more on benefits at the expense of wage increases, while private institutions have managed a better balance between the two. Benefit costs per full-time public employee increased by about 5 percent per year, a rate that is two to three times the growth at private institutions, and far exceeds growth in the average salary per employee at public institutions *(see Figure 11)*. By 2009, benefits costs were approaching 25 percent of compensation costs at public institutions, up from less than 20 percent in 2002 *(see Figure 12, next page)*. In private institutions benefits cost shares have increased by far less.

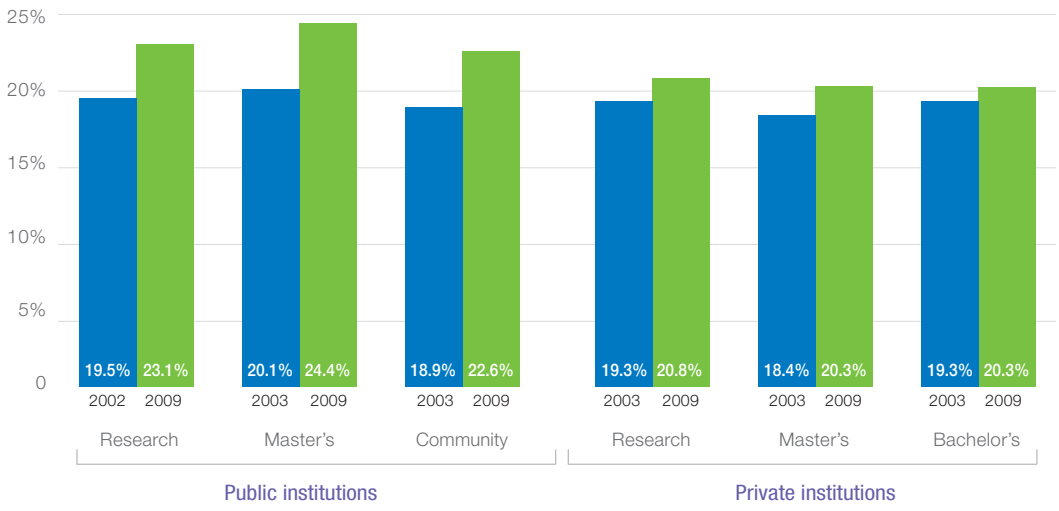
- **Total compensation costs per employee have continued to rise in public institutions, as increasing benefit costs offset any savings from holding salary costs down.** Private institutions, however, have been able to stabilize or cut total compensation per employee as smaller benefit cost increases were offset by staffing shifts that cut overall salary expenditures per employee.

- **Reliance on part-time faculty may lower overall costs per employee, but staffing increases can still contribute to rising costs per student.** Compensation costs *per student* have increased across all sectors, just as instruction and E&R costs per student increased through 2008. Though private institutions spent the same or less on compensation *per employee* in 2008 as in 2002, looking at compensation on a basis per FTE student shows that their costs actually

Figure 12

The benefit portion of compensation has increased sharply across the public sector

Benefit share of total compensation costs, AY2002-2009



Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

increased rapidly—by almost 11 percent in private research institutions and roughly 4 percent in non-research institutions. At public institutions, compensation increased on both a per employee and a per student basis. Despite controlling staff costs, if staffing hires outpace student enrollments, compensation costs per student can continue to rise.

Policy implications

Policy makers and others should focus on E&R spending as distinct from total spending including auxiliary enterprises and sponsored research. The traditional focus on total operating spending overstates the amount of resources that are under the control of most institutions, as well as those that can be reallocated to support general purposes. The measure of education and related spending is a more accurate reflection of general funds or unrestricted funds.

Improved budget strategies of four-year public institutions may fade as recession effects deepen. The protection of spending for instruction and student services in public research and master's institutions may be a sign that these institutions entered this recession more strategic and cautious about their management of budgets than in other recessions. As the 2009 recession was twice as deep and more than twice as long as the 2001 recession, it is unlikely that these institutions will be able to protect these spending areas in future years. Widespread reports of furloughs and layoffs in 2010 and 2011 will very likely show up in absolute declines in spending in future years, and spending reductions in maintenance will lead to greater spending demands down the road.

Rapidly rising benefit costs will continue to put public institutions at a competitive disadvantage unless these costs are brought under control. If benefit costs continue to escalate it will become even more difficult for public institutions to control costs and compete with private institutions for faculty—and the gaps between public and private institutions will continue to widen. Though private institutions have suppressed compensation costs per employee, these savings are lost as institutions have hired more staff. As a result, neither public nor private institutions have controlled compensation costs on a *per student* basis.

Changes in staffing patterns

All sectors of higher education have added new staff over the past decade as more employees were needed to accompany rising student enrollments. But hiring patterns didn't follow established employment patterns; the composition of staff changed as hiring favored part-time faculty and, to a lesser-extent, professional and technical staff. Because institutions are only required to report staffing data to IPEDS every other year, we focus on changes between 2000 and 2008, the most recent data collection year.

- **Hiring at public institutions has largely been in response to student enrollment increases.** The number of employees per student has remained quite steady at public institutions since 2000, averaging less than 20 employees per 100 FTE students at non-research institutions and about 30 at public research institutions. Private non-profit institutions average several more staff per student (reaching 45 employees per 100 FTE at private research institutions) and recent hiring has outpaced student growth—they added about 2 more employees per 100 FTE students between 2000 and 2008.
- **Faculty make up less than half of employees at four-year institutions, but hiring of part-time instructors is boosting the faculty presence on campus.** The faculty share of all employees increased by 2 to 6 percentage points across the sectors between 2000 and 2008. In non-research institutions this shift is fully attributable to the hiring of part-time faculty, though in the research sectors the proportion of full-time faculty has also increased. But across all institutions, part-time instructors are a growing share of faculty.
- **Full-time faculty hiring is keeping pace with enrollment growth, but part-time faculty hiring is much more rapid.** The number of full-time faculty per 100 FTE students has remained steady or declined slightly in most sectors through 2008, though private

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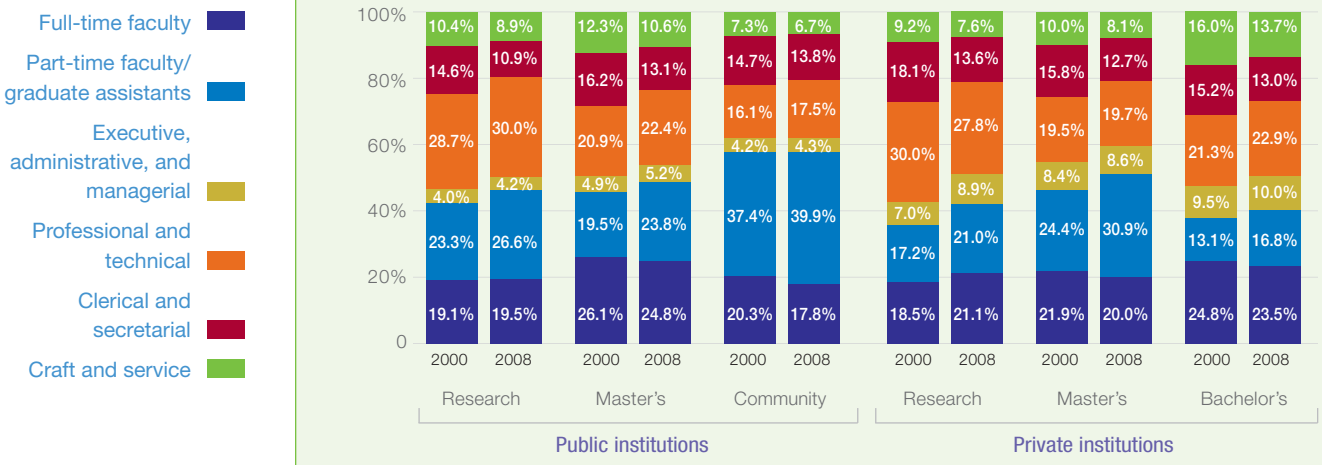
Faculty make up a minority but growing share of employees, largely because of increases in part-time faculty

Distribution of employees by type of job, AY 2000-2008



Source: Delta Cost Project IPEDS database, 1987-2009; 11-year matched set.

research institutions averaged another 1.4 full-time faculty per 100 FTE students since the beginning of the decade. In contrast, four-year institutions averaged nearly 1 to 2 additional part-time faculty per 100 FTE students since 2000. It's unclear whether this is because more courses are being offered, or there are more instructors teaching fewer courses, or if full-time faculty course loads are being off-loaded onto part-timers.

- **Professional jobs are somewhat more prevalent on public campuses.** Professional and technical staff (such as accountants, human resource staff, and network administrators) are the largest group of staff, second only to faculty, and have increased modestly at public institutions, by less than 2 percentage points between 2000 and 2008. Executive-level positions continue to comprise a small and steady share of jobs on campus, only showing relative growth at private research institutions.

- **Clerical and craft/maintenance workers are serving more staff and students as growth occurs elsewhere on campus.** The absolute number of clerical and craft/maintenance jobs has remained fairly steady (though job cuts are evident in the research sectors), but because of job growth elsewhere across campus they comprise a smaller share of staff. As both employment and student enrollments grow elsewhere on campus, these workers are serving greater numbers of other staff and students than in the past.

Spending, subsidies, and tuition: Why are prices going up? And what are tuitions going to pay for?

We can differentiate between tuition increases that support more spending and increases that primarily cover other revenue losses by looking at changes in E&R spending as they relate to changes in tuitions and institutional subsidies. We examined two E&R metrics:

1. Subsidy and tuition share of costs, the relative portion of E&R costs paid by students through tuition revenues versus those that are subsidized by the institution; and

2. Spending changes compared to changes in tuitions, to see whether increased spending or cost-shifting is behind tuition increases.

These measures shed light on the most common question about higher education finance—why do college tuition prices keep rising? Is it because other sources of revenue are declining, or is it because the institutions are spending more? The analysis shows that, in 2009, except for private research institutions, tuitions were increasing almost exclusively to replace losses from state revenues or other private revenue sources. In public institutions, education is subsidized by state taxpayers; in private non-profit institutions, by tax-exempt resources such as private gifts, grants and endowments. The subsidy share of cost is an average share of costs within institutions, and includes all instruction levels and disciplines. The subsidy share also can vary dramatically by state and across different types of institutions within states, depending on policies adopted by the states.

In the economic downturn of 2009, all institutions clearly were relying more heavily on student tuitions to maintain or increase spending levels. Major findings include:

1. **Institutional subsidies per student at public colleges and universities in 2009 averaged close to 2007 levels, and were well below those provided earlier in the decade.** Across public institutions, average per student subsidy levels dropped by 3 to 5 percent in 2009. The sharpest declines in 2009 occurred at community colleges, but over the 1999 to 2009 period public research institutions experienced the largest decrease in average subsidy levels *(see Figure 13, next page)*.

   Average per student institutional subsidies at private non-research institutions were also lower in 2009, while private research institutions continued with steady increases. At non-profit master's institutions, the subsidy level declined by more than 8 percent, reaching a ten-year low after holding steady for five years.

2. **Tuition revenues are paying for a larger share of costs in all higher education sectors, with substantial increases at public institutions**. The tuition share of costs jumped up sharply across the public sector in 2009, increasing by 1.5 to 2.0 percentage points in just one year *(see Figure 14, page 33)*. These one-year increases are quite substantial and equal or exceed the cumulative increases of the past five years. Tuitions now pay more than one-half of the E&R costs at public research institutions, close to half at comprehensive institutions, and

Figure 13

Public institutional subsidies in 2009 were well below those earlier in the decade

Average education and related spending per FTE student, by net tuition and subsidies, AY1999-2009 (in 2009 dollars)

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

one-third of E&R costs at community colleges. After the 2001 recession, large jumps in the student share of costs were also immediately apparent and continued for several more years—at public non-research institutions, the 2009 increases are already larger than those in the year after the 2001 recession. In just ten years, the tuition share of costs has increased by 12 to 14 percentage points at public four-year institutions and 9 percentage points at community colleges.

Figure 14

Tuition revenues are paying for a larger share of costs in all educational sectors

Net tuition and subsidy shares of education and related costs, AY1999-2009 (in 2009 dollars)

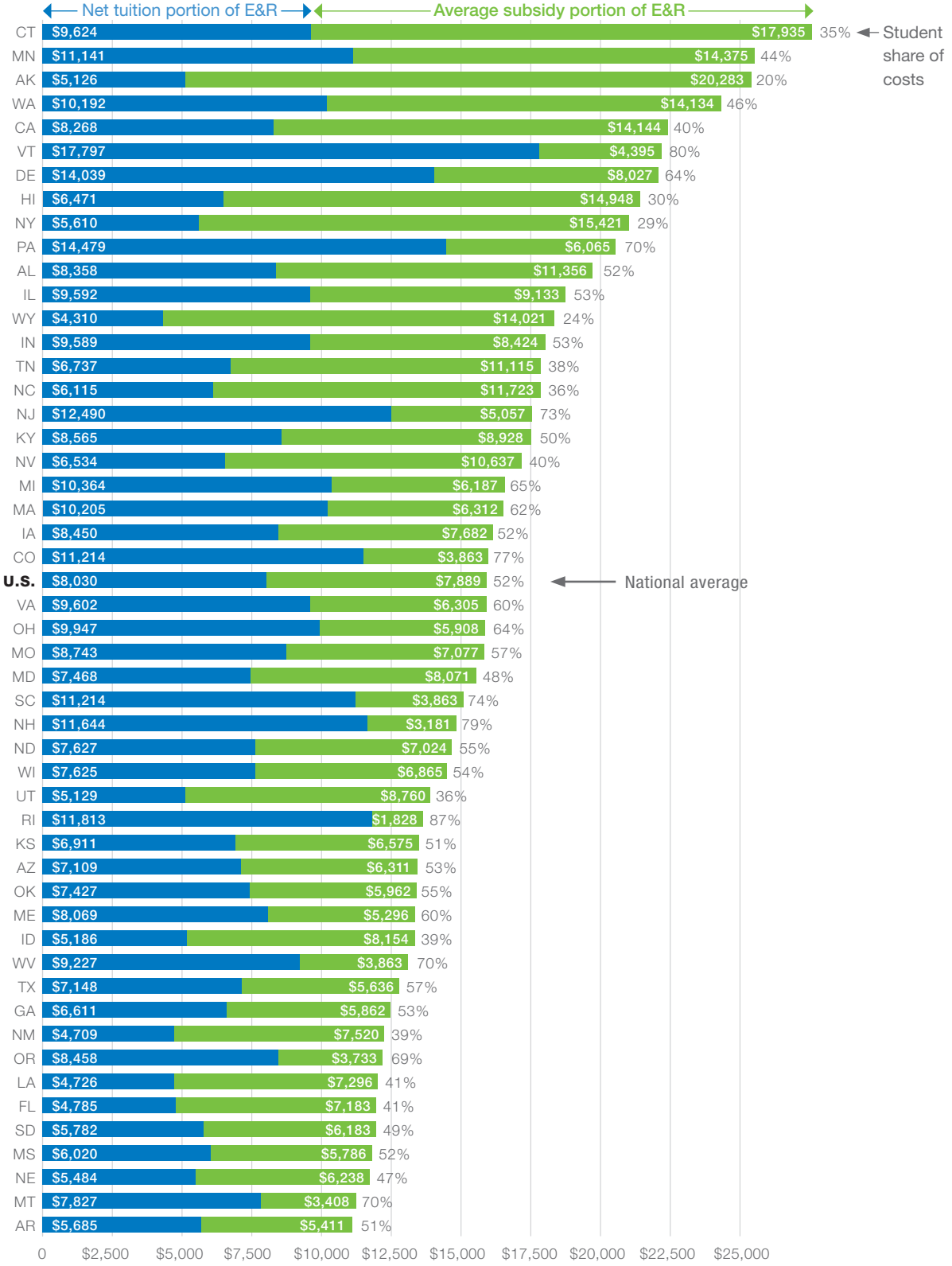
Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

The student share of costs also increased across private institutions. The greatest impact was at private bachelor's institutions where the student share rose by more than 1 percentage point in 2009, nearly double the cumulative increase for the five prior years. Increases at other private institutions averaged 1 percentage point or less, and equaled the cumulative increase over the previous five years. Tuitions now cover almost 90 percent of the costs, on average, at private master's institutions, and 70 to 75 percent of the costs at private research and bachelor's institutions.

Figure 15

A snapshot of state subsidy patterns for education and related expenses—public research sector

Average E&R spending, net tuition, and subsidy per FTE student at public research institutions by state, AY2009



Source: Delta Cost Project IPEDS state database, 2004–2009.

3. **Subsidy and tuition patterns can vary significantly by state.** State economies, finances, and policies all impact costs and subsidy levels within states and result in very different financing strategies. Some states follow a high-spending/high-subsidy model while others adopt more measured approaches, either keeping costs low or relying heavily on student tuitions. Looking only at public research institutions, most state subsidies range between 45 and 60 percent of E&R costs *(see Figure 15; see also Appendix Figures A3 and A4 for public master's and public community college graphs)*.

   - Most states with high E&R costs in their public research sector also provide high subsidies. In the high-spending states of Connecticut, Minnesota, Washington, and California, tuition revenues only pay between 35 and 45 percent of educational costs; Alaska provides the most generous subsidy of all states, with tuitions only paying 20 percent of the costs in the public research sector.

   - The student share of costs is lowest in Alaska, Wyoming, New York, and Hawaii, where tuitions pay for 30 percent or less of public research E&R costs.

   - Vermont and Pennsylvania are both high-cost states, but have subsidies that are quite low—the student share of costs is between 70 and 80 percent of E&R costs in the public research sector. Tuition revenue also exceeds 70 percent of E&R costs in New Hampshire, Colorado, South Carolina, and New Jersey, though spending by the public research institutions in these states is closer to the national average.

   - Rhode Island is a relatively low-cost state but has the highest student share of costs across all states, at 87 percent. Other low-cost/low-subsidy states include Montana, Oregon, and West Virginia, where tuition revenues cover about 70 percent of costs on average, but the average tuition revenues in these states are not particularly high because their public research sectors are spending less overall.

4. **Public sector tuition increases in 2009 were almost entirely the result of cost-shifting to replace institutional subsidies, rather than to finance new spending.** Across all education sectors (except private research institutions), tuitions went up faster than E&R spending in 2009 *(see Figure 16, next page)*. In the public four-year institutions, E&R spending held fairly steady between 2008 and 2009, so nearly all of the new tuition dollars were used to replace other lost revenues. In community colleges average E&R spending declined, meaning that even tuition revenue increases were not enough to offset revenues lost from other sources. Across the whole public sector, students were paying more on average in 2009, but those dollars did not translate into significant new spending on their education.

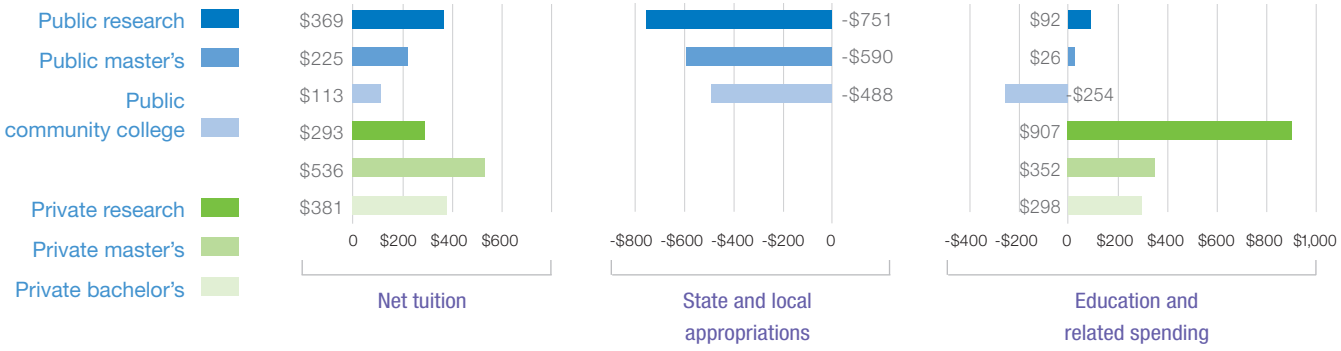
   Private non-research institutions also display some cost-shifting in 2009. In the private research institutions, however, students were benefiting from other sources of revenue, and average tuition increases were far below average increases in E&R spending.

   The dynamics of cost shifting are sensitive to analysis years and cyclical patterns. In the three years before 2009—when spending in public institutions was rebounding from cuts after the 2001 recession—increases in E&R spending exceeded the increases in tuition

Figure 16

Public sector tuition increases in 2009 were almost entirely the result of cost-shifting to replace institutional subsidies, rather than to finance new spending

Changes in net tuition, state and local appropriations, and education and related spending per FTE student, AY2008-2009 (in 2009 dollars)



Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

revenue, which suggests that there was little cost-shifting during these years. Instead, during this recovery period, increases in state and local appropriations were paying for a portion of the spending increases.

Policy implications

Transparency is key to public understanding of costs. Student tuition policies, and the share of costs that are being borne by students at different levels of instruction, need to become more transparent. The days when institutions could justify tuition levels by claiming that all students are being subsidized are numbered, if not over, for many students in all types of institutions. The reality is that many students are paying more than is being spent on them, making them "profit centers" and raising uncomfortable questions—especially given the increasing critical scrutiny of for-profit institutions. State and institutional policy makers need to maintain transparent metrics about the difference between average cost and price and the subsidy share of costs.

Spending and results: What does the money buy?

We evaluate higher education costs related to performance using four degree-related measures:

1. The number of total degrees awarded by level and type of institution;
2. Degree and completion ratios that compare the number of degrees or completions (total awards) to student enrollments, and how they have changed over time;
3. Cost per degree or completions, which looks at E&R costs through the lens of student outcomes rather than enrollments; and

4. The number of credit hours on average per completion.

Degree and completion ratios are a measure of education outcomes, expressed as the number of degrees or awards in a given year for every 100 FTE students enrolled. It is a comprehensive measure that shows the conversion of enrollments into degrees or certificates. Unlike cohort graduation rates, which only include first-time, full-time undergraduate students, this aggregate measure captures the outcomes of all students at all levels, including post-baccalaureate, part-time, and transfer students.

Cost per degree is a measure analogous to the "spending per FTE student" measure used throughout this report. Calculated as E&R spending per degree awarded, this measure allows us to view spending through the lens of student degree or certificate outcomes rather than inputs (such as FTE enrollments). The cost per completion measures is slightly more comprehensive because in addition to degrees, it also captures certificates and other awards. This is most relevant for community colleges because of their large credentialing function, but makes little difference for all other sectors.

These measures have a number of shortcomings: they are single-year snapshots of all spending against all degrees and completions, they do not show the real production costs of different types of degrees, and they say nothing about the quality of the education.[9] Community colleges do not get "credit" for costs of students who ultimately transfer to a four-year college, making their cost per degree outcomes higher than they would be if transfer students were properly accounted for; similarly, four-year colleges serving a high proportion of transfer students look more efficient because some portion of the costs were absorbed in a comunity college. Clearly these differences contribute to the overall cost differentials we see between different types of institutions. Nonetheless, trends within institutional groups should be less affected by these differences, and changes over time say something about whether production costs are going up or down.

Over the recent 1999 to 2009 period, both degree output and degree productivity have increased across higher education. Spending per degree has generally continued to rise across four-year institutions, but spending per completion is showing improvement in community colleges, largely because of increases in the production of certificates. All public sector institutions showed declines in the ratio of credit hours to degrees and completions. Taken together, these figures on performance translate to good news: American higher education is increasing degree performance, and it is doing so by getting a higher proportion of enrolled students

[9] We know from other cost studies that lower-division instruction costs less than upper-level and graduate instruction. The mix of programs offered is also a larger determinant of cost differences than the type of institution offering the course. For example, the difference in cost between a degree in engineering and humanities is larger than the cost difference in producing an engineering degree at a public research institution and a public master's institution. Michael F. Middaugh, Rosalinda Graham, and Abdus Shahid, 2003, *A Study of Higher Education Instructional Expenditures: The Delaware Study of Instructional Costs and Productivity* (Washington, DC: National Center for Education Statistics, Institute for Education Sciences, U.S. Department of Education (NCES 2003-161)); Sharmila Basu Conger, Alli Bell, and Jeff Stanley, 2009, "Four-state Cost Study" (Boulder, CO: State Higher Education Executive Officers (SHEEO) (revised, September 2010)); Paul Brinkman, 1985, "Instructional Costs per Credit Hour: Differences by Level of Instruction." (Boulder, CO: National Center for Higher Education Management Systems (NCHEMS)).

through to some type of a degree or certificate, and by increasing instructional productivity by reducing credit hours that do not attach to a degree.

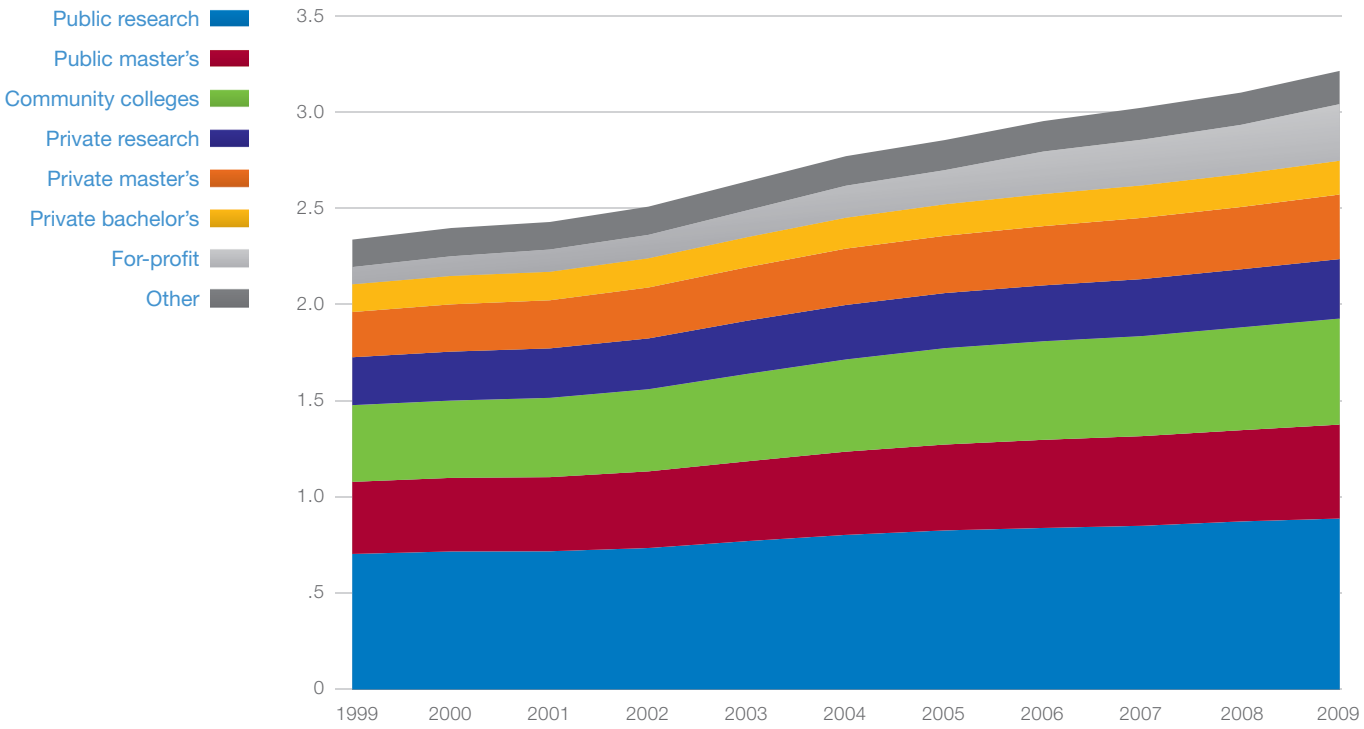
Primary findings on outcomes include:

1. **U.S. postsecondary institutions granted more than 3.2 million degrees in 2009, an increase of nearly 38 percent since 1999; for-profit institutions have had the most rapid increase in degree production.** Even though community colleges added the most new students, for-profit institutions increased their degree output more rapidly than non-profit institutions both in 2009 and over the prior decade *(see Figure 17)*. In just ten years, for-profit institutions more than tripled the number of degrees they awarded, though they still confer fewer degrees than most other types of institutions. Degrees from for-profit institutions now account for 9 percent of all degrees awarded. The proportion of degrees conferred by public and private non-profit institutions declined over the 1999 to 2009 period; the share of degrees awarded by public research institutions dropped the most, by 2.5 percentage points.

Figure 17

While community colleges added the most new students, for-profit institutions increased their degree output most rapidly

Total degrees awarded by institution type, AY1999-2009 (in millions)



Note: "Other" includes public baccalaureate, private associate's, and all specialty, tribal, and less than two-year institutions.

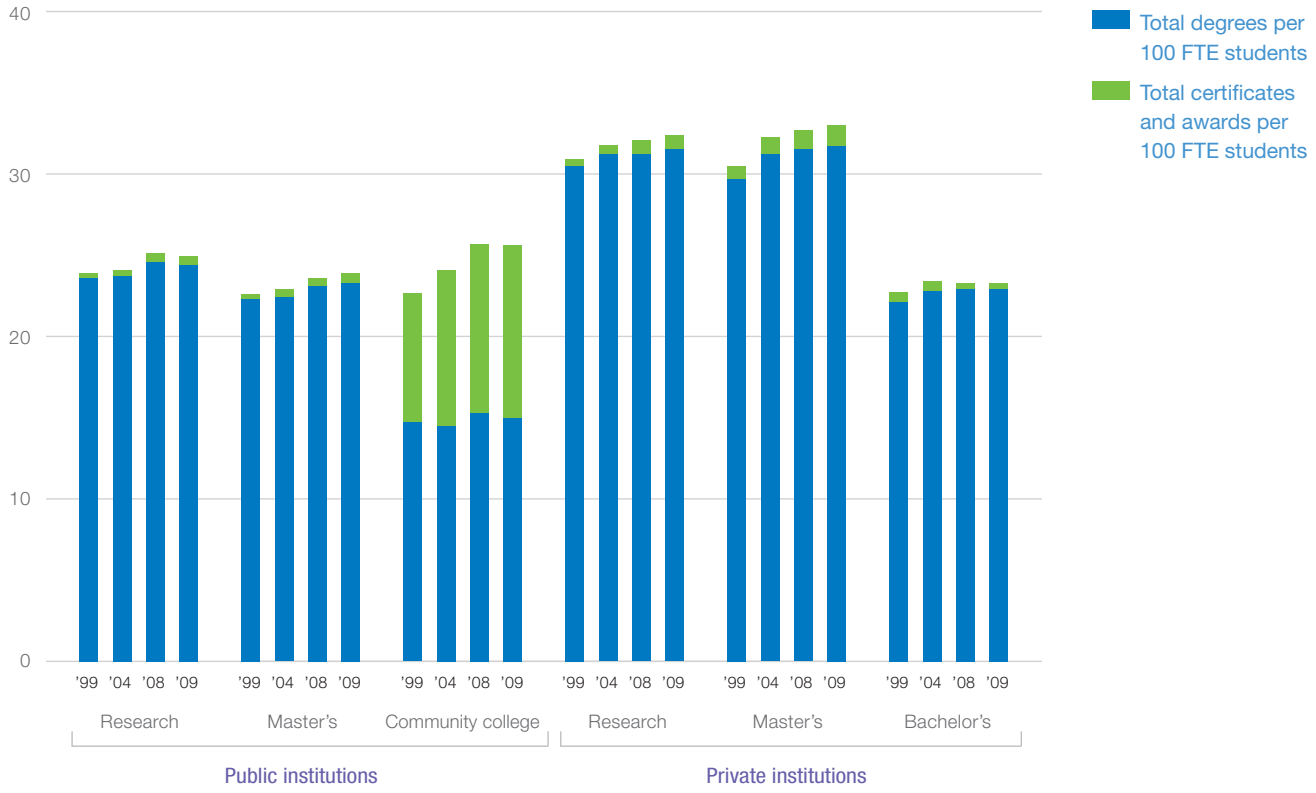
Source: Delta Cost Project IPEDS database, 1987-2009 (unmatched set).

2. **Private non-profit research and master's institutions have the highest degree productivity, measured as degrees or certificates compared to enrollments, but all sectors became more productive between 1999 and 2009.** We measure aggregate degree productivity by comparing overall production of degrees against enrollments. Private master's institutions had the greatest increase in degree productivity, on average, over the ten-year period ending in 2009 *(see Figure 18)*. They achieved this growth by boosting both degree and non-degreed credentials at a faster rate than they increased enrollments, even as their student body grew faster than other four-year institutions. While four-year institutions increased their average degree and certificate production between 1999 and 2009, production rates dipped slightly in 2009 at public research institutions but continued to increase at public master's institutions, even though they faced similar FTE enrollment rate increases. Community college production rates also dropped slightly in 2009, but this may reflect the substantial number of new students on their campuses rather than a decline in production. Throughout the 1999 to 2009 period, community colleges have relied on a tremendous uptick in the production of short-term certificates, rather than degrees, to boost overall performance outcomes.

Figure 18

Private master's institutions had the greatest increase in degree productivity

Total degrees and completions per 100 FTE students, AY1999-2009



Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

3. **Cost per degree continued to rise in 2009 except at comprehensive and community colleges; only community colleges are spending less per degree or completion compared to ten years prior.** Much in line with spending trends already shown, cost per degree at public research institutions increased more slowly in 2009, while declining at non-research institutions *(see Figure 19).* Costs per degree/completion remain higher at four-year institutions than after the 2001 recession and compared to ten years prior. But community college costs per degree/completion are much lower than ten years before and approaching the lows reached after the 2001 recession. By increasing non-degreed credentials, community colleges over time have managed to lower their total costs per outcome.

At private non-profit institutions, average cost per degree continued to increase in 2009, though it slowed among private research institutions compared to recent years. Over the whole period, however, spending per degree and completion continues to rise, particularly at private research institutions, which already spend significantly more than other institutions to produce a degree.

Figure 19

Cost per degree increased more slowly than before at public research institutions and declined at non-research institutions

Average education and related spending per degree and completion, AY1999-2009 (in 2009 dollars)

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

Credit hours per completion, 2002–2009

In this year's report, we present a new measure to provide additional insight into the instructional production process and the efficiency by which institutions translate credits into degrees. Credit hours per completion is a measure of the number of credits completed relative to total degrees, certificates, and other credentials awarded. While not by any means a complete measure of institutional productivity, it does show how student credit hour (SCH) inputs are translated into degree outputs.

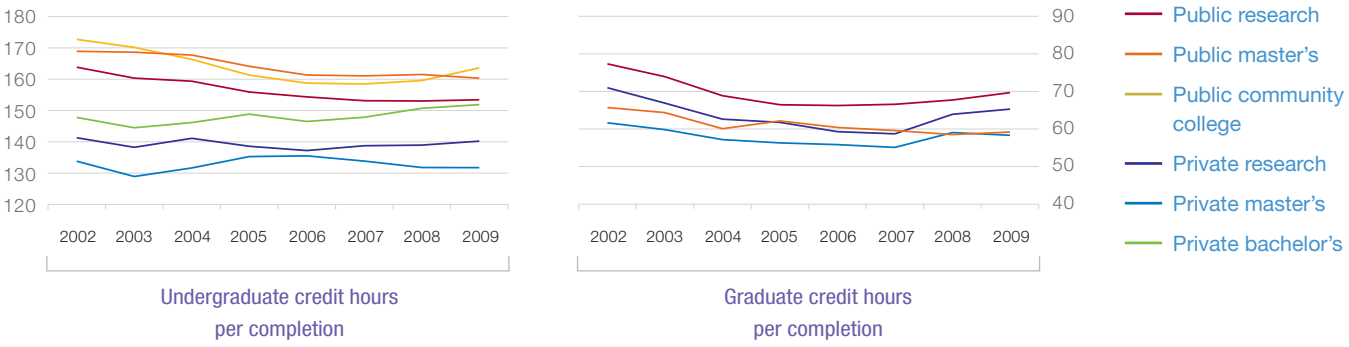
While aggregate SCH data were reported beginning in 1998, we believe the data after 2002 are most reliable, and so confine this measure to that seven-year time period. The measures allow us to look at SCH per completion comparisons separately for undergraduates and graduates, something we cannot do on the expenditure side. The data are not reported for first-professional students, so this is only a subset of graduate credits and students. It is a comprehensive measure, and includes all credit hours taken, including those earned by students who leave before receiving a degree or a credential (credits lost to student attrition), as well as credits taken by students who never intended to receive a credential. It is therefore not an accurate measure of the average number of credit units taken by students who complete the degrees. Improvements in this measure are shown through a reduction in credit hours against degrees, meaning fewer "lost" credits to either excess credits or to student attrition.

Public institutions appear to have improved their instructional productivity since 2002. Undergraduate credits per completion have declined across both two- and four-year public institutions by between 8 and 10 credit hours *(see Figure 20)*. This translates into "savings" of nearly a half a semester's worth of credits. Maintaining these improvements is critical as public higher education struggles to become more cost effective and efficient. At private non-profit institutions there

Figure 20

Public institutions have improved their instructional productivity at both graduate and undergraduate levels; private institutions have improved only at graduate level

Credit hours per completion, AY2002-2009



Note: Graduate data exclude first professional credits and completions; data were Winsorized to adjust for outliers.

Source: Delta Cost Project IPEDS Database, 1987-2009; 11-year matched set.

was little overall improvement in instructional productivity, albeit institutions in this sector remain well below public institutions in credits against all types of completions. An exception to this lack of improvement in the private non-profit sector occurred in private bachelor's institutions, where average credits to the degree actually increased by about four credit hours since 2002.

Instructional productivity among graduate programs has improved at both public and private institutions. At public institutions, the number of credit hours per completion was reduced by 7 to 8 credits since 2002; at private institutions, the improvements were slightly smaller, averaging between 3 and 6 credit hours *(see Figure 21)*. Since these programs typically have much higher costs per credit hour than undergraduate programs, even small changes in credit hours can have a large impact on overall expenditures.

Figure 21

Instructional productivity has improved most at public institutions

Credit hours per completion, AY2002-2009

	Undergraduate			Graduate		
Public institutions	2002	2009	2002-2009 change	2002	2009	2002-2009 change
Research	164	153	-10	77	70	-8
Master's	169	160	-9	66	59	-7
Community colleges	173	164	-9	—	—	—
Private institutions						
Research	141	140	-1	71	65	-6
Master's	134	132	-2	62	58	-3
Bachelor's	148	152	4	—	—	—

Note: Graduate data excludes first professional; data were winsorized to adjust for outliers.

Source: Delta Cost Project IPEDS Database, 1987-2009; 11-year matched set.

While the trends suggest credits are being used more efficiently, this metric does not necessarily mean that the average number of credits per graduate is also declining. From these aggregate data, we don't know if the gains are occurring because of declines in attrition, or reductions in "excess" credits beyond those required for the degree. As a result, the changes observed in the number of credits per completions are more telling than the levels themselves.

Policy implications

Increasing efficiency will require improvements at every stage of educational pipeline. Improvements in instructional efficiency and the translation of credit hours to degree and certificate completions are good news for higher education and for public policy makers. Many policy makers have set a goal to significantly increase the proportion of the population with some type of a high value certificate or degree. This will require improvements in educational

performance at every level of the educational pipeline, from high school graduation to college completion, averaging 4 percent per year. The gains in degree/credential completion reported here are closer to 1 percent per year, and by themselves are not enough to meet the attainment goals. But they are obviously a step in the right direction.

Spending and equity: Does the money go where students enroll?

In consideration of the changes in enrollments and funding in higher education over the 1999 to 2009 period, we looked at overall E&R spending compared to enrollments through the lens of two metrics:

1. A snapshot comparison of spending per student in 2009 against headcount enrollments by sector and type of institution in that year; and
2. A comparison of changes in enrollments versus spending just since 2009—showing the growth in stratification and the growing disparity between public and private institutions.

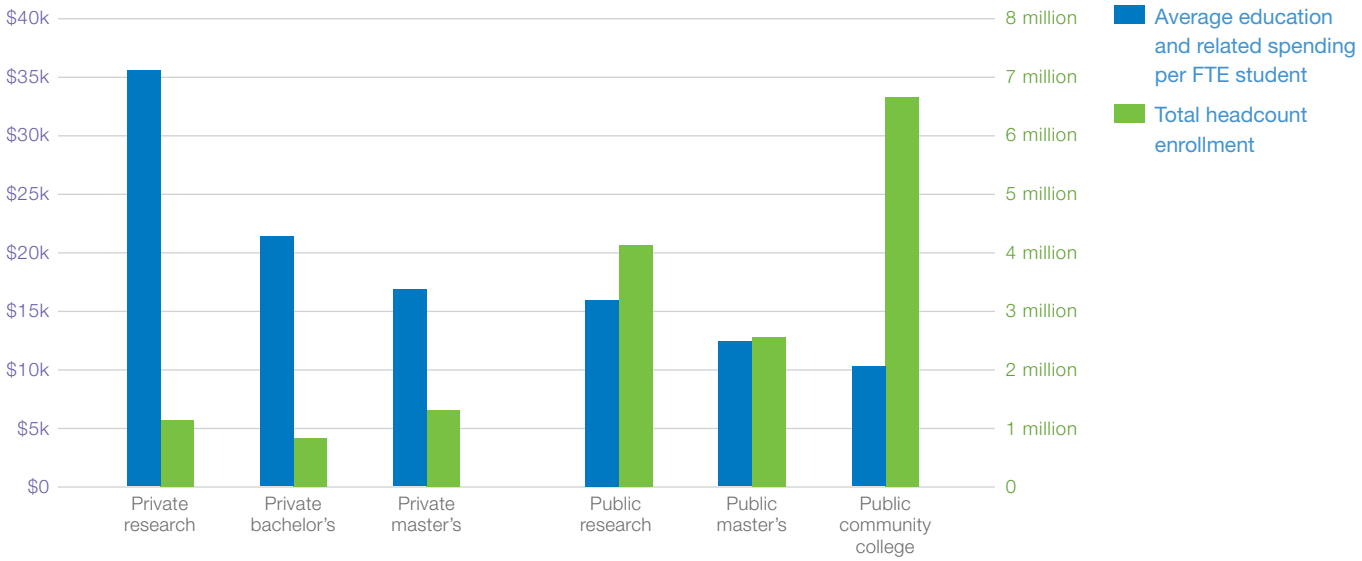
Major findings include:

1. **Institutions enrolling the most students spend the least on their education.** Stratification of higher education in the U. S. reaches far beyond access or prestige; institutions are significantly stratified by spending *(see Figure 22)*. Community colleges are educating the vast

Figure 22

Institutions enrolling the most students spend the least on their education

Enrollment vs. spending per student, AY2009 (in 2009 dollars)



Source: Delta Cost Project IPEDS Database, 1987-2009; spending data from the 11-year matched set; enrollment data from the unmatched set.

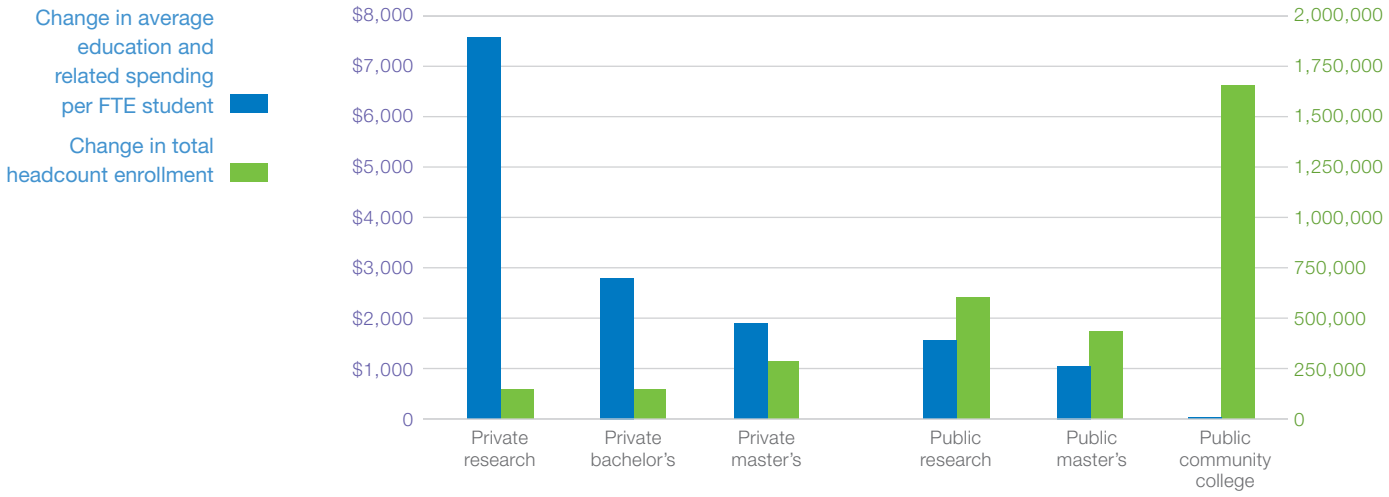
majority of our students, yet we spend the least amount on their education. Other public institutions educate most of the rest, and while they spend more than community colleges, they remain at a competitive disadvantage relative to non-profit private institutions. Private non-profit institutions have set the spending bar so high it will be almost impossible to public institutions to compete with them on the basis of resources and reputation. This problem is likely to get worse in the future if the state budget difficulties that began in 2009 follow the same pattern we saw after the much less severe recession of 2001.

2. **Growing disparity between public and private institutions.** If we look at shifts in spending and enrollments over the 1999 to 2009 period, we see an even starker picture of the disparities between public and private non-profit institutions *(see Figure 23)*. As private institutions have significantly increased their spending per student, they have added relatively few new students over the decade. Public institutions have been serving by far the greatest proportion of new students in higher education without anywhere near comparable levels of resources. Community colleges in particular have shouldered most of the increase in higher education enrollments over the period, and while acknowledging some cyclical changes in the intervening years, they now have no more money to spend to educate each student than they did ten years ago.

Figure 23

New money versus new students—enrollment growth is concentrated in public institutions, which have had less access to new resources

Ten-year change in enrollment vs. spending per student, AY1999–2009 (in 2009 dollars)



Source: Delta Cost Project IPEDS Database, 1987-2009; spending data from the 11-year matched set; enrollment data from the unmatched set.

Conclusions: Higher education and the Great Recession

The story behind the data in this report only touches the surface of changes in higher education finance that are occurring in this country. Between the relatively recent shock waves from the "great recession"—whose effects are only starting to show up in the data in this report—and the longer-term financial trends affecting all of higher education, no one can doubt that the future of higher education will look very different than the past. More than ever, the shape of that future will be dictated by money: who has it, where it goes, who benefits from it, and whether those resources advance national and state objectives or go increasingly to further institutional advantage or shareholder value.

The funding patterns that have been forming for the better part of the last twenty years are characterized by the twin themes of privatization and polarization. The "new money" coming into higher education is coming from either student tuitions or from user fees. Rich institutions are getting richer, and poor institutions are getting poorer. The distinctions between non-profit and public and for-profit institutions are increasingly blurred. Yet at the same time, public needs—and demand—for higher education have never been higher.

Our country has declining educational attainment levels, and needs to increase postsecondary access and degree production by somewhere around 4 percent per year.[10] In a time of constrained public investments, a key question both for policy makers and institutional leaders is whether we can expect to accomplish that primarily through expansions of private markets, whether for profit or not-for-profit, and through increases in productivity in the public sector. Most would say not: to make the huge increases in access and degree production that are needed in the future, we need to rekindle public willingness to invest in higher education, even as we increase cost effectiveness and reduce the trend toward higher tuitions. The productivity gains that are noted in this report are a positive beginning, but they are far from where we need to be, both in terms of increasing educational performance and reducing costs.

The economic, civic, and cultural future of our country depends in no small part on the capacity of our system of higher education to continue to serve public purposes, even as it is increasingly funded with non-public resources. We need an explicit investment strategy to do that, one that requires new approaches to public policy and institutional practice.

[10] Patrick J Kelly, 2010, "Closing the College Attainment Gap between the U.S. and Most Educated Countries, and the Contributions to be made by the States" (Boulder: CO: National Center for Higher Education Management Systems (NCHEMS)).

Appendix

Additional data details

Figure A1

Average revenues by FTE student, AY1999-2009 (in 2009 dollars)

Public research institutions	1999	2000	2001	2002	2003	2004
Net tuition	$5,353	$5,415	$5,456	$5,734	$6,078	$6,640
State and local appropriations	$10,370	$10,530	$10,690	$10,331	$9,523	$9,021
Federal appropriations and federal, state, and local grants and contracts	$4,940	$5,182	$5,510	$7,005	$7,383	$7,617
Auxiliary enterprises, hospitals, independent operations, and other sources	$8,747	$8,987	$9,138	$8,953	$8,722	$9,297
Operating revenues (excluding PIE)	$29,410	$30,113	$30,794	$32,023	$31,706	$32,575
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$2,204	$2,339	$2,521	$1,324	$1,991	$2,109
Total operating revenue	$31,614	$32,452	$33,316	$33,347	$33,697	$34,685

Public master's institutions						
Net tuition	$4,075	$4,082	$4,138	$4,230	$4,554	$5,053
State and local appropriations	$7,411	$7,608	$7,687	$7,535	$6,948	$6,571
Federal appropriations and federal, state, and local grants and contracts	$1,493	$1,568	$1,738	$1,898	$1,918	$1,931
Auxiliary enterprises, hospitals, independent operations, and other sources	$3,009	$3,247	$3,126	$3,173	$3,112	$3,149
Operating revenues (excluding PIE)	$15,956	$16,504	$16,689	$16,836	$16,531	$16,705
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$407	$459	$500	$365	$334	$323
Total operating revenue	$16,351	$16,953	$17,178	$17,199	$16,863	$17,027

Public community colleges						
Net tuition	$2,307	$2,316	$2,356	$2,397	$2,578	$2,757
State and local appropriations	$6,991	$6,971	$7,058	$6,720	$6,271	$6,185
Federal appropriations and federal, state, and local grants and contracts	$1,573	$1,595	$1,745	$1,711	$1,797	$1,833
Auxiliary enterprises, hospitals, independent operations, and other sources	$1,270	$1,250	$1,305	$1,397	$1,301	$1,344
Operating revenues (excluding PIE)	$12,071	$12,093	$12,422	$12,180	$11,898	$12,078
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$210	$226	$218	$212	$193	$164
Total operating revenue	$12,233	$12,272	$12,593	$12,365	$12,083	$12,238

Note: The federal grants category excludes Pell grants; they are included in net tuition revenue. Investment returns include unrealized gains/losses.
Data may not sum to totals because revenues were summed at the institution level before calculating aggregate category averages.

2005	2006	2007	2008	2009	Public research institutions
$7,047	$7,314	$7,500	$7,661	$8,030	Net tuition
$8,879	$9,135	$9,453	$9,620	$8,868	State and local appropriations
$7,967	$7,939	$7,908	$7,839	$8,098	Federal appropriations and federal, state, and local grants and contracts
$9,588	$9,821	$10,139	$10,488	$10,915	Auxiliary enterprises, hospitals, independent operations, and other sources
$33,480	$33,968	$34,752	$35,418	$35,736	Operating revenues (excluding PIE)
$2,212	$2,390	$3,351	$1,582	-$387	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$35,692	$36,358	$38,103	$36,999	$35,350	**Total operating revenue**
					Public master's institutions
$5,323	$5,457	$5,580	$5,698	$5,923	Net tuition
$6,395	$6,587	$6,772	$7,006	$6,416	State and local appropriations
$1,895	$1,958	$1,990	$2,037	$1,968	Federal appropriations and federal, state, and local grants and contracts
$3,326	$3,193	$3,308	$3,293	$3,527	Auxiliary enterprises, hospitals, independent operations, and other sources
$16,940	$17,138	$17,591	$17,972	$17,778	Operating revenues (excluding PIE)
$359	$456	$614	$443	$273	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$17,299	$17,594	$18,205	$18,413	$18,050	**Total operating revenue**
					Public community colleges
$2,830	$2,898	$2,990	$3,005	$3,118	Net tuition
$6,195	$6,615	$6,900	$7,132	$6,645	State and local appropriations
$1,719	$1,767	$1,829	$1,879	$1,949	Federal appropriations and federal, state, and local grants and contracts
$1,247	$1,233	$1,244	$1,296	$1,253	Auxiliary enterprises, hospitals, independent operations, and other sources
$11,956	$12,373	$12,827	$13,186	$12,846	Operating revenues (excluding PIE)
$224	$292	$372	$293	$169	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$12,176	$12,661	$13,193	$13,474	$13,012	**Total operating revenue**

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

(continued on next page)

Figure A1 (continued)

Average revenues by FTE student, AY1999-2009 (in 2009 dollars)

Private research institutions	1999	2000	2001	2002	2003	2004
Net tuition	$16,825	$17,341	$17,354	$17,994	$18,276	$18,578
State and local appropriations	$499	$508	$503	$512	$1,017	$767
Federal appropriations and federal, state, and local grants and contracts	$9,105	$9,273	$9,541	$10,398	$10,947	$11,767
Auxiliary enterprises, hospitals, independent operations, and other sources	$18,079	$18,316	$18,262	$18,649	$19,032	$19,875
Operating revenues (excluding PIE)	$43,777	$44,693	$44,914	$46,762	$48,201	$50,064
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$26,612	$45,949	$7,567	$4,714	$15,465	$30,765
Total operating revenue	$70,389	$90,642	$52,481	$51,475	$63,666	$80,829

Private master's institutions						
Net tuition	$11,895	$12,223	$12,361	$12,736	$12,976	$13,415
State and local appropriations	$442	$532	$540	$453	$425	$422
Federal appropriations and federal, state, and local grants and contracts	$1,046	$1,003	$1,095	$1,193	$1,101	$1,075
Auxiliary enterprises, hospitals, independent operations, and other sources	$3,612	$3,861	$3,755	$3,890	$3,810	$3,873
Operating revenues (excluding PIE)	$16,458	$17,038	$17,163	$17,749	$17,871	$18,341
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$5,096	$5,515	$3,079	$2,144	$2,925	$4,630
Total operating revenue	$21,537	$22,536	$20,231	$19,887	$20,796	$22,972

Private bachelor's institutions						
Net tuition	$10,983	$11,435	$11,673	$11,943	$12,196	$12,575
State and local appropriations	$485	$413	$479	$526	$427	$376
Federal appropriations and federal, state, and local grants and contracts	$1,523	$1,559	$1,709	$1,617	$1,630	$1,512
Auxiliary enterprises, hospitals, independent operations, and other sources	$5,632	$6,066	$6,002	$5,931	$5,932	$6,513
Operating revenues (excluding PIE)	$18,003	$18,952	$19,293	$19,405	$19,672	$20,500
Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)	$13,771	$16,725	$6,273	$4,002	$7,379	$14,649
Total operating revenue	$31,744	$35,676	$25,566	$23,407	$27,051	$35,149

Note: The federal grants category excludes Pell grants; they are included in net tuition revenue. Investment returns include unrealized gains/losses.
Data may not sum to totals because revenues were summed at the institution level before calculating aggregate category averages.

2005	2006	2007	2008	2009	Private research institutions
$19,092	$19,121	$19,780	$20,071	$20,363	Net tuition
$683	$747	$783	$825	$714	State and local appropriations
$12,126	$11,717	$11,431	$11,243	$11,273	Federal appropriations and federal, state, and local grants and contracts
$20,815	$21,255	$22,475	$23,092	$22,142	Auxiliary enterprises, hospitals, independent operations, and other sources
$51,974	$52,052	$53,661	$54,282	$53,617	Operating revenues (excluding PIE)
$31,047	$33,926	$46,342	$15,700	-$30,256	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$83,021	$85,979	$100,004	$69,982	$23,361	**Total operating revenue**

					Private master's institutions
$13,725	$13,813	$14,242	$14,328	$14,864	Net tuition
$409	$374	$345	$363	$362	State and local appropriations
$991	$963	$906	$858	$892	Federal appropriations and federal, state, and local grants and contracts
$3,869	$4,105	$4,128	$3,965	$4,018	Auxiliary enterprises, hospitals, independent operations, and other sources
$18,569	$18,855	$19,255	$19,148	$19,762	Operating revenues (excluding PIE)
$4,129	$4,511	$5,778	$2,570	-$1,258	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$22,698	$23,366	$25,033	$21,718	$18,504	**Total operating revenue**

					Private bachelor's institutions
$12,833	$12,960	$13,370	$13,589	$13,969	Net tuition
$348	$463	$493	$589	$576	State and local appropriations
$1,481	$1,437	$1,419	$1,350	$1,418	Federal appropriations and federal, state, and local grants and contracts
$6,056	$6,197	$6,333	$6,201	$6,163	Auxiliary enterprises, hospitals, independent operations, and other sources
$20,268	$20,527	$21,069	$21,099	$21,468	Operating revenues (excluding PIE)
$12,106	$13,900	$20,035	$5,539	-$8,321	Private and affiliated gifts, grants, contracts, investment returns, and endowment income (PIE)
$32,373	$34,427	$41,104	$26,638	$13,147	**Total operating revenue**

Source: Delta Cost Project IPEDS database, 1987-2009, 11-year matched set.

Figure A2

Average expenditures per FTE student, AY1999-2009 (in 2009 dollars)

	Public research institutions	1999	2000	2001	2002	2003	2004
Standard expense categories	Instruction	$9,086	$9,225	$9,444	$9,351	$9,177	$9,075
	Research	$4,748	$5,024	$5,171	$5,195	$5,347	$5,478
	Student services	$1,144	$1,181	$1,204	$1,230	$1,211	$1,223
	Public service	$1,777	$1,843	$1,927	$1,874	$1,845	$1,897
	Academic support	$2,555	$2,596	$2,667	$2,407	$2,359	$2,372
	Institutional support	$2,167	$2,202	$2,170	$2,163	$2,136	$2,112
	Operations and maintenance	$1,726	$1,789	$1,872	$1,980	$1,871	$1,934
	Net scholarships and fellowships	$2,176	$2,173	$2,277	$1,166	$1,078	$1,021
	Education and general	$25,378	$26,035	$26,719	$25,353	$24,999	$25,087
	Auxiliary enterprises, hospitals, independent and other operations	$6,660	$6,661	$6,969	$6,839	$6,742	$6,968
	Total operating expenditures	$32,038	$32,696	$33,688	$32,191	$31,740	$32,055
Grouped expense categories	Education and related	$14,353	$14,561	$14,860	$14,683	$14,321	$14,222
	Research and related	$6,450	$6,816	$7,007	$7,009	$7,167	$7,339
	Public service and related	$2,399	$2,484	$2,591	$2,512	$2,463	$2,534
	Net scholarships and fellowships	$2,176	$2,173	$2,277	$1,166	$1,078	$1,021
	Education and general	$25,378	$26,035	$26,719	$25,353	$24,999	$25,087
	Auxiliary enterprises, hospitals, independent and other operations	$6,660	$6,661	$6,969	$6,839	$6,742	$6,968
	Total operating expenditures	$32,038	$32,696	$33,688	$32,191	$31,740	$32,055

	Public master's institutions	1999	2000	2001	2002	2003	2004
Standard expense categories	Instruction	$5,913	$5,992	$6,044	$6,027	$5,945	$5,891
	Research	$350	$378	$401	$404	$378	$378
	Student services	$1,199	$1,246	$1,265	$1,260	$1,226	$1,224
	Public service	$551	$603	$634	$639	$631	$632
	Academic support	$1,419	$1,481	$1,515	$1,413	$1,389	$1,382
	Institutional support	$1,897	$1,975	$2,013	$1,993	$1,986	$1,977
	Operations and maintenance	$1,326	$1,388	$1,425	$1,519	$1,443	$1,430
	Net scholarships and fellowships	$1,922	$1,934	$2,101	$1,167	$1,021	$961
	Education and general	$14,513	$14,948	$15,348	$14,352	$13,952	$13,798
	Auxiliary enterprises, hospitals, independent and other operations	$2,339	$2,551	$2,488	$2,434	$2,469	$2,399
	Total operating expenditures	$16,842	$17,500	$17,836	$16,786	$16,421	$16,198
Grouped expense categories	Education and related	$11,305	$11,574	$11,716	$11,654	$11,460	$11,374
	Research and related	$541	$587	$625	$641	$590	$587
	Public service and related	$844	$930	$983	$989	$974	$978
	Net scholarships and fellowships	$1,922	$1,934	$2,101	$1,167	$1,021	$961
	Education and general	$14,513	$14,948	$15,348	$14,352	$13,952	$13,798
	Auxiliary enterprises, hospitals, independent and other operations	$2,339	$2,551	$2,488	$2,434	$2,469	$2,399
	Total operating expenditures	$16,842	$17,500	$17,836	$16,786	$16,421	$16,198

Note: Public institutions reported gross scholarships and fellowships prior to 2002, with some institutions reporting gross amounts through 2004. Data may not sum to totals because expenditures were summed at the institution level before calculating aggregate category averages.

2005	2006	2007	2008	2009	Public research institutions	
$9,270	$9,389	$9,629	$9,860	$9,986	Instruction	Standard expense categories
$5,642	$5,559	$5,567	$5,638	$5,799	Research	
$1,238	$1,264	$1,298	$1,334	$1,365	Student services	
$1,912	$1,866	$1,894	$1,937	$1,975	Public service	
$2,420	$2,494	$2,563	$2,811	$2,845	Academic support	
$2,169	$2,267	$2,365	$2,486	$2,495	Institutional support	
$2,034	$2,166	$2,211	$2,186	$2,073	Operations and maintenance	
$1,070	$1,069	$1,099	$1,113	$1,177	Net scholarships and fellowships	
$25,728	$26,047	$26,593	$27,332	$27,680	**Education and general**	
$7,190	$7,402	$7,609	$8,253	$8,510	Auxiliary enterprises, hospitals, independent and other operations	
$32,918	$33,449	$34,202	$35,585	$36,190	**Total operating expenditures**	
$14,542	$14,922	$15,353	$15,827	$15,919	Education and related	Grouped expense categories
$7,579	$7,551	$7,596	$7,767	$7,942	Research and related	
$2,567	$2,536	$2,584	$2,663	$2,683	Public service and related	
$1,070	$1,069	$1,099	$1,113	$1,177	Net scholarships and fellowships	
$25,728	$26,047	$26,593	$27,332	$27,680	**Education and general**	
$7,190	$7,402	$7,609	$8,253	$8,510	Auxiliary enterprises, hospitals, independent and other operations	
$32,918	$33,449	$34,202	$35,585	$36,190	**Total operating expenditures**	

2005	2006	2007	2008	2009	Public master's institutions	
$5,887	$5,945	$6,094	$6,281	$6,291	Instruction	Standard expense categories
$400	$400	$407	$413	$401	Research	
$1,258	$1,267	$1,318	$1,379	$1,410	Student services	
$622	$627	$640	$629	$618	Public service	
$1,403	$1,420	$1,448	$1,503	$1,542	Academic support	
$1,898	$1,927	$1,990	$2,057	$2,033	Institutional support	
$1,534	$1,623	$1,630	$1,675	$1,656	Operations and maintenance	
$909	$879	$892	$946	$1,030	Net scholarships and fellowships	
$13,842	$14,021	$14,349	$14,794	$14,874	**Education and general**	
$2,420	$2,451	$2,510	$2,772	$2,890	Auxiliary enterprises, hospitals, independent and other operations	
$16,261	$16,472	$16,859	$17,566	$17,764	**Total operating expenditures**	
$11,451	$11,646	$11,935	$12,337	$12,363	Education and related	Grouped expense categories
$627	$629	$643	$647	$627	Research and related	
$957	$965	$979	$969	$951	Public service and related	
$909	$879	$892	$946	$1,030	Net scholarships and fellowships	
$13,842	$14,021	$14,349	$14,794	$14,874	**Education and general**	
$2,420	$2,451	$2,510	$2,772	$2,890	Auxiliary enterprises, hospitals, independent and other operations	
$16,261	$16,472	$16,859	$17,566	$17,764	**Total operating expenditures**	

Source: Delta Cost Project IPEDS Database, 1987-2009, 11-year matched set.

Figure A2 (continued)

Average expenditures per FTE student, AY1999-2009 (in 2009 dollars)

	Public community colleges	1999	2000	2001	2002	2003	2004
Standard expense categories	Instruction	$5,242	$5,288	$5,350	$5,103	$4,866	$4,831
	Research	$54	$59	$41	$64	$55	$39
	Student services	$1,207	$1,234	$1,219	$1,194	$1,175	$1,156
	Public service	$402	$416	$439	$408	$393	$368
	Academic support	$1,027	$1,041	$1,075	$1,020	$935	$916
	Institutional support	$1,794	$1,815	$1,849	$1,770	$1,680	$1,716
	Operations and maintenance	$1,095	$1,119	$1,158	$1,156	$1,112	$1,092
	Net scholarships and fellowships	$1,533	$1,522	$1,662	$1,369	$1,204	$1,111
	Education and general	$12,163	$12,298	$12,606	$11,879	$11,175	$10,997
	Auxiliary enterprises, hospitals, independent and other operations	$886	$893	$908	$1,173	$1,010	$1,079
	Total operating expenditures	$12,956	$13,109	$13,433	$12,977	$12,126	$12,026
Grouped expense categories	Education and related	$10,204	$10,326	$10,472	$10,069	$9,613	$9,558
	Research and related	$87	$93	$64	$100	$85	$62
	Public service and related	$622	$647	$689	$648	$616	$583
	Net scholarships and fellowships	$1,533	$1,522	$1,662	$1,369	$1,204	$1,111
	Education and general	$12,163	$12,298	$12,606	$11,879	$11,175	$10,997
	Auxiliary enterprises, hospitals, independent and other operations	$886	$893	$908	$1,173	$1,010	$1,079
	Total operating expenditures	$12,956	$13,109	$13,433	$12,977	$12,126	$12,026

	Private research institutions	1999	2000	2001	2002	2003	2004
Standard expense categories	Instruction	$16,251	$16,546	$16,700	$17,652	$18,256	$18,449
	Research	$8,675	$8,929	$9,227	$10,125	$10,829	$11,270
	Student services	$2,507	$2,534	$2,625	$2,768	$2,786	$2,832
	Public service	$1,299	$1,166	$1,094	$1,407	$1,477	$1,404
	Academic support	$4,385	$4,343	$4,674	$4,827	$4,854	$4,883
	Institutional support	$5,349	$5,589	$5,648	$5,857	$6,049	$6,195
	Operations and maintenance	$2,887	$2,933	$2,950	$3,122	$3,056	$3,356
	Net scholarships and fellowships	$1,145	$1,223	$1,381	$1,286	$1,402	$1,512
	Education and general	$39,775	$40,433	$41,396	$43,929	$45,378	$46,245
	Auxiliary enterprises, hospitals, independent and other operations	$13,057	$13,471	$13,591	$13,829	$13,976	$14,042
	Total operating expenditures	$52,832	$53,904	$54,850	$57,619	$59,212	$60,004
Grouped expense categories	Education and related	$28,021	$28,402	$28,852	$30,247	$30,873	$31,150
	Research and related	$12,304	$12,765	$13,293	$14,394	$15,242	$15,785
	Public service and related	$1,889	$1,708	$1,614	$2,016	$2,123	$2,019
	Net scholarships and fellowships	$1,145	$1,223	$1,381	$1,286	$1,402	$1,512
	Education and general	$39,775	$40,433	$41,396	$43,929	$45,378	$46,245
	Auxiliary enterprises, hospitals, independent and other operations	$13,057	$13,471	$13,591	$13,829	$13,976	$14,042
	Total operating expenditures	$52,832	$53,904	$54,850	$57,619	$59,212	$60,004

Note: Public institutions reported gross scholarships and fellowships prior to 2002, with some institutions reporting gross amounts through 2004. Data may not sum to totals because expenditures were summed at the institution level before calculating aggregate category averages.

2005	2006	2007	2008	2009	Public community colleges	
$4,843	$4,969	$5,147	$5,251	$5,103	Instruction	Standard expense categories
$46	$63	$53	$50	$64	Research	
$1,175	$1,204	$1,256	$1,260	$1,258	Student services	
$365	$370	$353	$364	$351	Public service	
$925	$954	$981	$1,013	$990	Academic support	
$1,691	$1,754	$1,823	$1,890	$1,842	Institutional support	
$1,110	$1,195	$1,232	$1,243	$1,224	Operations and maintenance	
$1,019	$949	$923	$1,008	$1,163	Net scholarships and fellowships	
$10,939	$11,221	$11,552	$11,837	$11,713	**Education and general**	
$1,069	$1,054	$1,135	$1,237	$1,308	Auxiliary enterprises, hospitals, independent and other operations	
$11,960	$12,222	$12,624	$13,018	$12,957	**Total operating expenditures**	
$9,595	$9,922	$10,298	$10,496	$10,242	Education and related	Grouped expense categories
$76	$102	$83	$79	$98	Research and related	
$574	$587	$560	$579	$560	Public service and related	
$1,019	$949	$923	$1,008	$1,163	Net scholarships and fellowships	
$10,939	$11,221	$11,552	$11,837	$11,713	**Education and general**	
$1,069	$1,054	$1,135	$1,237	$1,308	Auxiliary enterprises, hospitals, independent and other operations	
$11,960	$12,222	$12,624	$13,018	$12,957	**Total operating expenditures**	

2005	2006	2007	2008	2009	Private research institutions	
$18,954	$18,909	$19,714	$19,790	$20,232	Instruction	Standard expense categories
$11,602	$11,348	$11,135	$10,953	$11,262	Research	
$2,979	$3,133	$3,224	$3,234	$3,390	Student services	
$1,429	$1,288	$1,277	$1,303	$1,305	Public service	
$4,939	$5,144	$5,316	$5,582	$5,742	Academic support	
$6,273	$6,371	$6,595	$6,924	$7,038	Institutional support	
$3,502	$3,822	$3,751	$4,044	$4,270	Operations and maintenance	
$1,569	$1,205	$1,246	$1,269	$1,383	Net scholarships and fellowships	
$47,566	$47,783	$49,021	$49,981	$51,253	**Education and general**	
$14,273	$14,479	$14,681	$14,957	$15,649	Auxiliary enterprises, hospitals, independent and other operations	
$61,551	$61,970	$63,554	$64,636	$66,744	**Total operating expenditures**	
$32,075	$32,618	$33,975	$34,689	$35,596	Education and related	Grouped expense categories
$16,205	$16,181	$15,822	$15,901	$16,473	Research and related	
$2,062	$1,880	$1,893	$1,943	$1,943	Public service and related	
$1,569	$1,205	$1,246	$1,269	$1,383	Net scholarships and fellowships	
$47,566	$47,783	$49,021	$49,981	$51,253	**Education and general**	
$14,273	$14,479	$14,681	$14,957	$15,649	Auxiliary enterprises, hospitals, independent and other operations	
$61,551	$61,970	$63,554	$64,636	$66,744	**Total operating expenditures**	

Source: Delta Cost Project IPEDS Database, 1987-2009, 11-year matched set.

Figure A2 (continued)

Average expenditures per FTE student, AY1999-2009 (in 2009 dollars)

Private master's institutions	1999	2000	2001	2002	2003	2004
Instruction	$6,602	$6,561	$6,603	$6,801	$6,851	$6,924
Research	$869	$836	$922	$1,024	$882	$804
Student services	$2,193	$2,240	$2,283	$2,349	$2,392	$2,431
Public service	$547	$538	$531	$692	$684	$610
Academic support	$1,523	$1,532	$1,561	$1,597	$1,624	$1,664
Institutional support	$3,499	$3,453	$3,503	$3,663	$3,685	$3,685
Operations and maintenance	$1,365	$1,334	$1,329	$1,354	$1,353	$1,407
Net scholarships and fellowships	$1,659	$1,631	$1,532	$1,597	$1,350	$1,242
Education and general	$16,104	$16,022	$16,138	$16,671	$16,710	$16,680
Auxiliary enterprises, hospitals, independent and other operations	$2,726	$3,298	$3,173	$3,276	$3,060	$3,026
Total operating expenditures	$18,770	$19,278	$19,260	$19,884	$19,721	$19,657

Standard expense categories

Education and related	$14,908	$14,858	$14,999	$15,433	$15,584	$15,612
Research and related	$1,275	$1,213	$1,351	$1,490	$1,326	$1,212
Public service and related	$887	$885	$885	$1,110	$1,071	$959
Net scholarships and fellowships	$1,659	$1,631	$1,532	$1,597	$1,350	$1,242
Education and general	$16,104	$16,022	$16,138	$16,671	$16,710	$16,680
Auxiliary enterprises, hospitals, independent and other operations	$2,726	$3,298	$3,173	$3,276	$3,060	$3,026
Total operating expenditures	$18,770	$19,278	$19,260	$19,884	$19,721	$19,657

Grouped expense categories

Private bachelor's institutions	1999	2000	2001	2002	2003	2004
Instruction	$7,528	$7,517	$7,733	$7,795	$8,012	$8,086
Research	$636	$669	$722	$714	$711	$754
Student services	$2,982	$3,050	$3,182	$3,242	$3,376	$3,447
Public service	$628	$645	$667	$692	$736	$653
Academic support	$1,800	$1,818	$1,911	$1,941	$1,961	$1,992
Institutional support	$4,632	$4,770	$4,998	$4,879	$4,896	$4,934
Operations and maintenance	$1,938	$1,889	$1,933	$1,893	$1,959	$2,141
Net scholarships and fellowships	$3,129	$2,903	$3,115	$2,916	$2,731	$2,757
Education and general	$20,418	$20,363	$21,094	$20,971	$21,337	$21,391
Auxiliary enterprises, hospitals, independent and other operations	$4,406	$5,086	$5,315	$5,224	$4,990	$4,941
Total operating expenditures	$24,720	$25,384	$26,353	$26,150	$26,275	$26,279

Standard expense categories

Education and related	$18,588	$18,743	$19,433	$19,421	$19,864	$19,875
Research and related	$1,093	$1,156	$1,236	$1,215	$1,216	$1,294
Public service and related	$1,077	$1,128	$1,182	$1,235	$1,291	$1,119
Net scholarships and fellowships	$3,129	$2,903	$3,115	$2,916	$2,731	$2,757
Education and general	$20,418	$20,363	$21,094	$20,971	$21,337	$21,391
Auxiliary enterprises, hospitals, independent and other operations	$4,406	$5,086	$5,315	$5,224	$4,990	$4,941
Total operating expenditures	$24,720	$25,384	$26,353	$26,150	$26,275	$26,279

Grouped expense categories

Note: Public institutions reported gross scholarships and fellowships prior to 2002, with some institutions reporting gross amounts through 2004. Data may not sum to totals because expenditures were summed at the institution level before calculating aggregate category averages.

2005	2006	2007	2008	2009	Private master's institutions	
$6,925	$6,937	$7,119	$7,096	$7,280	Instruction	Standard expense categories
$772	$658	$648	$642	$630	Research	
$2,473	$2,528	$2,653	$2,707	$2,781	Student services	
$489	$456	$445	$442	$436	Public service	
$1,666	$1,649	$1,705	$1,708	$1,753	Academic support	
$3,718	$3,690	$3,840	$3,846	$3,947	Institutional support	
$1,444	$1,449	$1,443	$1,489	$1,470	Operations and maintenance	
$1,242	$982	$1,084	$942	$868	Net scholarships and fellowships	
$16,714	$16,624	$17,134	$17,202	$17,523	**Education and general**	
$2,997	$3,157	$3,100	$3,113	$3,315	Auxiliary enterprises, hospitals, independent and other operations	
$19,654	$19,731	$20,185	$20,256	$20,743	**Total operating expenditures**	
$15,753	$15,822	$16,350	$16,458	$16,810	Education and related	Grouped expense categories
$1,176	$1,021	$1,004	$1,004	$1,000	Research and related	
$802	$761	$743	$727	$719	Public service and related	
$1,242	$982	$1,084	$942	$868	Net scholarships and fellowships	
$16,714	$16,624	$17,134	$17,202	$17,523	**Education and general**	
$2,997	$3,157	$3,100	$3,113	$3,315	Auxiliary enterprises, hospitals, independent and other operations	
$19,654	$19,731	$20,185	$20,256	$20,743	**Total operating expenditures**	

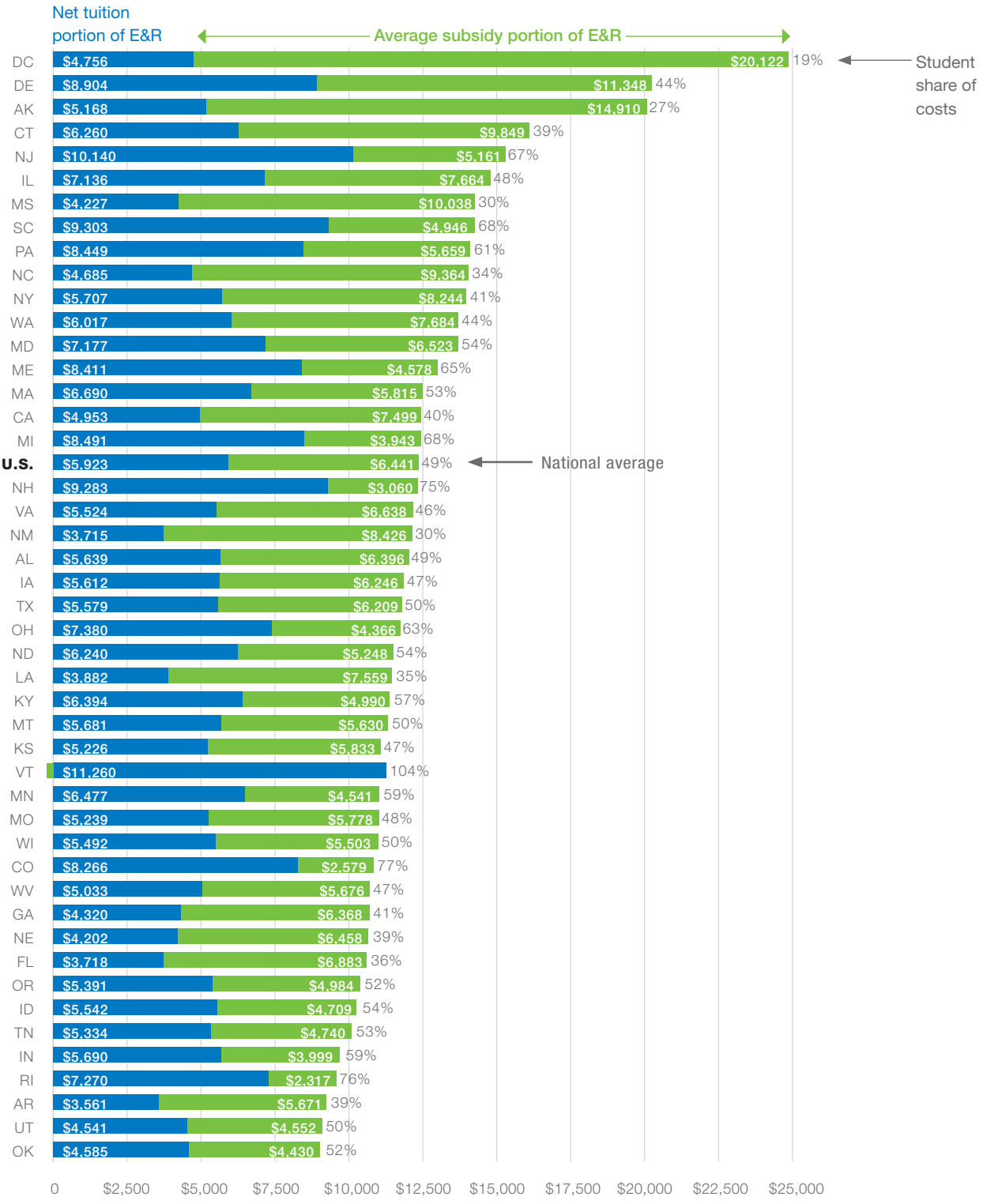
2005	2006	2007	2008	2009	Private bachelor's institutions	
$8,136	$8,086	$8,258	$8,377	$8,524	Instruction	Standard expense categories
$750	$745	$742	$718	$707	Research	
$3,526	$3,622	$3,758	$3,832	$3,941	Student services	
$640	$631	$662	$607	$626	Public service	
$1,986	$2,002	$2,052	$2,062	$2,112	Academic support	
$4,871	$5,014	$5,030	$5,190	$5,205	Institutional support	
$2,149	$2,167	$2,221	$2,236	$2,251	Operations and maintenance	
$2,751	$1,721	$1,552	$1,654	$1,853	Net scholarships and fellowships	
$21,388	$21,330	$21,702	$22,071	$22,404	**Education and general**	
$4,861	$4,963	$5,022	$5,011	$5,111	Auxiliary enterprises, hospitals, independent and other operations	
$26,177	$26,219	$26,638	$27,008	$27,439	**Total operating expenditures**	
$19,992	$20,243	$20,673	$21,094	$21,392	Education and related	Grouped expense categories
$1,276	$1,263	$1,271	$1,218	$1,207	Research and related	
$1,081	$1,055	$1,101	$1,002	$1,042	Public service and related	
$2,751	$1,721	$1,552	$1,654	$1,853	Net scholarships and fellowships	
$21,388	$21,330	$21,702	$22,071	$22,404	**Education and general**	
$4,861	$4,963	$5,022	$5,011	$5,111	Auxiliary enterprises, hospitals, independent and other operations	
$26,177	$26,219	$26,638	$27,008	$27,439	**Total operating expenditures**	

Source: Delta Cost Project IPEDS Database, 1987-2009, 11-year matched set.

Figure A3

A snapshot of state subsidy patterns for education and related expenses—public master's sector

Average E&R spending, net tuition, and subsidy per FTE student at public master's institutions by state, AY2009

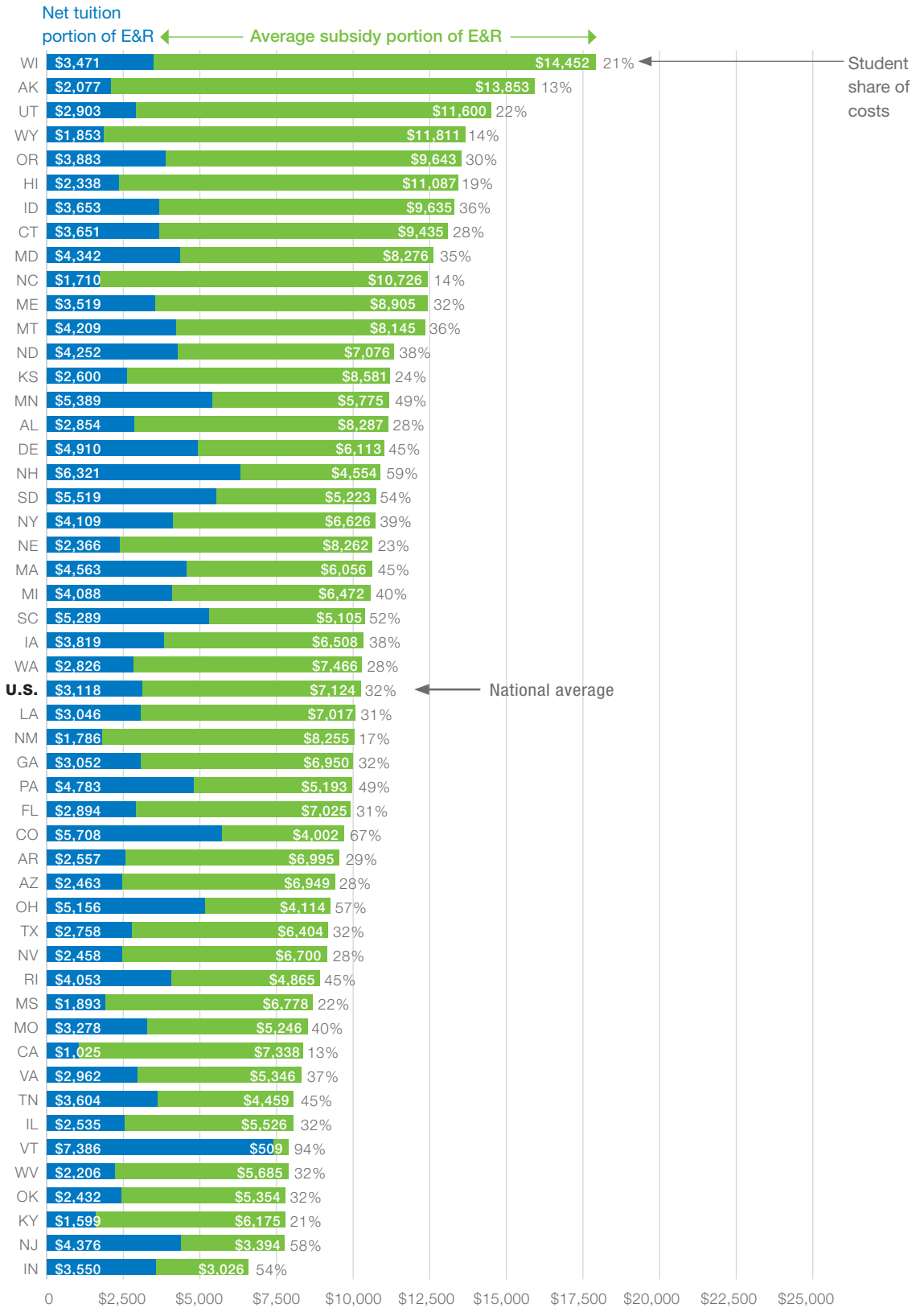


Source: Delta Cost Project IPEDS state database, 2004–2009.

Figure A4

A snapshot of state subsidy patterns for education and related expenses—community colleges

Average E&R spending, net tuition, and subsidy per FTE student at public community colleges by state, AY2009



Source: Delta Cost Project IPEDS state database, 2004–2009.

Figure A5

Assignment of expenditures to the education and related (E&R) spending measure

An example of the E&R calculation per student for University X with 2000 FTE students

Expenditure category	Expenditure amount	Portion assigned to E&R	Expenditures assigned to E&R
Instruction	$10,000,000	100%	$10,000,000
Organized research	$2,500,000	0	0
Public service	$750,000	0	0
Student services	$3,500,000	100%	$3,500,000
Subtotal	$16,750,000		$13,500,000
Pro-rata share (Instruction and student services share)*	80%		
Academic support	$3,000,000	Pro-rata share**	$2,400,000 **
Institutional support	$3,000,000	Pro-rata share**	$2,400,000 **
Operation and maintenance	$4,000,000	Pro-rata share**	$3,200,000 **
Net scholarships and fellowships	$2,400,000	0	0
Auxiliary enterprises	$4,000,000	0	0
Hospitals and clinics	0	0	0
Total expenditures	$30,750,000		
Less auxiliaries (equals E&G)	$26,750,000		
E&R Total			$21,500,000
E&R per FTE student			$10,750

*Pro-rata share formula to assign "overhead" expenditures to E&R:

$$\frac{\text{Instruction and student services}}{\text{Instruction + research + public service + student services}}$$

**80% of total spending in this category, using the instruction and student services share of total spending.


DELTA PROJECT
on Postsecondary Education Costs,
Productivity, and Accountability

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College Spending Impacted by the Recession: Cost Cutting, Tuition Increases and Growing Gaps
Institutional productivity shows promising improvements

WASHINGTON – Analysis of revenue and spending patterns in higher education for the 1999 – 2009 period shows growing gaps between public and private institutions, with the public community college sector falling behind in efforts to meet enrollment demand in the face of deep budget cuts. The twenty-year trend toward students and families paying ever larger share of costs continued in all types of institutions. In most cases these tuition increases were the result of cost-shifting as other revenue sources declined, rather than new spending. (See "Highlight on Haves/Have-Nots")

The report – *Trends in College Spending 1999-2009: Where Does the Money Come From? Where Does It Go? What Does It Buy?* – examines national college spending and revenue trends in the years leading up to and including the beginning of the current recession. Focusing on the period from 1999 to 2009, the report uses the most recent data available to identify several ongoing and new patterns in how institutions get and spend their money.

Tuitions up, other revenues down. The recession's effects are visible in all types of institutions, from declines in funding per student in public institutions, and large losses in private gifts and endowment returns. Public research and comprehensive colleges were able to offset state funding cuts through increases in tuition, resulting in spending levels per student that are virtually unchanged between 2008-2009. Analyses of the relation between tuition and state funding shows that tuition increases were entirely fueled by revenue shifts, rather than increases in spending. Community colleges however saw absolute declines in spending, down by nearly 2.5% per student in 2009. The reductions are likely to continue for several years, as public revenues continue to lag and federal stimulus funds will be spent. (See "Highlight on Tuition/Spending")

Instructional spending protected – in public four-year institutions. Despite these signs of the recession, the report did find some positive trends in 2009. Unlike the across-the-board cuts seen in past recessions, public four-year institutions maintained spending on instruction and student services by shifting spending away from administration and deferring maintenance. This approach indicates a more strategic approach to budget cuts than in previous recessions.

Also, colleges and universities in all sectors became more productive in producing degrees from 1999 to 2009 -- even with the rapid growth in enrollments. Private non-profit research and master's institutions still have the highest number of degrees relative to enrollment. However, public institutions have become more efficient in getting students to completion or a certification. The number of undergraduate credits compared to completion declined across both two- and four-year public institutions by eight to 10 credits. (See attached "Highlight on Instructional Productivity")

Finally, the report includes new data on employee compensation, showing large increases in part-time and graduate teaching assistants and virtually flat spending for employee salaries, but large increases in spending for benefits. Unlike other spending areas, where private institutions outspent public institutions, employee benefits have increased significantly more in public institutions than in private institutions. (See attached "Highlight on Employee Compensation")

"While the data on efficiency and instructional spending are encouraging, we still face serious questions about whether these trends can and will be sustained, particularly as the ripples of the recession continue into the next few years," said Jane Wellman, Executive Director of the Delta Project. "If we hope to increase college attainment, we need to find an investment strategy that will get us there. This isn't it."

"In Congress and in statehouses across the nation, worry about our dysfunctional system of higher education finance is second only to jobs as a major topic of public and political concern," said Robert Atwell, Chair of the Board of Directors of the Delta Project, and President Emeritus of the American Council on Education. "It's a topic where debate is generating more heat than light. We badly need a new national dialogue about future financing for higher education. I am confident that the types of metrics presented in this report will be major contributors to any such discussion."

Trends in College Spending is the fourth in a series of annual reports on higher education finances and results and is available at http://www.deltacostproject.org/resources/pdf/Trends-in-College-Spending-99-09.pdf. Additional information about the report and the Delta Project are available at www.deltacostproject.org.

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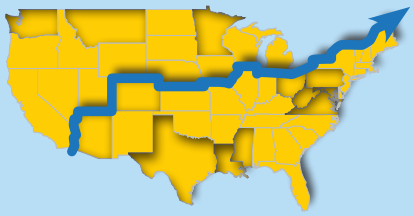
The Delta Project on Postsecondary Education Costs, Productivity and Accountability was formed as an independent, nonprofit research organization to help improve college affordability by focusing on institutional spending and productivity. The project intends to develop metrics and public accountability tools focused on the intersection among resource use, college access and learning outcomes.

College Productivity



Tracking Momentum:

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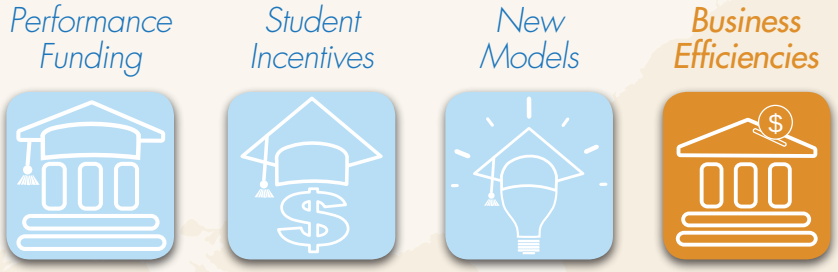


FOUR STEPS TO FINISHING FIRST

An Agenda for Increasing College Productivity to Create a Better Educated Society.

Tracking Momentum is a quarterly newsletter produced by HCM Strategists with support from Lumina Foundation. HCM is a public policy consulting and advocacy firm focused on finding effective solutions in health and education. Tracking Momentum provides updates on how states and colleges are advancing Lumina's Four Steps to Finishing First productivity agenda. For more information, see www.collegeproductivity.org. The views expressed in this publication are those of the authors and do not necessarily represent those of Lumina Foundation, its officers and directors or employees.

College Productivity

Four Steps to Finishing First

Lumina's state policy agenda for increasing the number of graduates with existing resources and without sacrificing quality:

Step 1: Performance Funding
Reward institutions that focus on students completing quality programs, not just attempting them.

Step 2: Student Incentives
Reward students for completing courses and degree or certificate programs.

Step 3: New Models
Expand and strengthen **lower-cost academic programs.**

Step 4: Business Efficiencies
Invest in institutions that demonstrate the results of adopting **good business practices.**

Step 4: Why Business Efficiencies?

Higher education funding will continue to suffer as states contend with serious budget challenges.

As these ongoing fiscal tensions intensify, public awareness of increasing student debt will limit the ability of institutions to offset state cuts with tuition increases.

The fiscal climate creates an opportunity for institutions to review priorities, refocus on core missions and maximize efficiencies within and across campuses while reallocating resources to reduce negative impacts on student success. State policymakers and higher education leaders must work together to articulate statewide priorities and set measurable efficiency expectations tied to economic goals.

To maximize resources while maintaining quality, states should:

With strong leadership and determined action, Strategy Lab network states are putting these reforms to work and are producing impressive results.

College Productivity

Establishing cost-savings goals

Committing to a systemic cost-savings initiative requires leaders to understand spending realities, to set targets and to implement a monitoring process. States can start this process by articulating statewide priorities aligned with goals for economic development and the workforce. They should then identify targets tied to these expectations. Priorities should be clearly articulated and widely shared. Leaders at all levels should use them to allocate resources in ways that achieve greater efficiencies and boost student learning and success.

Through its Working Smarter initiative, the University of **California** created systemwide targets aimed at saving $500 million over five years by redirecting funds from administrative to academic functions, streamlining operations and implementing operational efficiencies. The initiative has a formal charge, a governance structure and a review process. It also publicly reports progress and results.

In 2004, the University System of **Maryland** set a savings benchmark of $26.6 million and created an Effectiveness and Efficiency Work Group to review and identify potential savings initiatives. Maryland exceeded its goal, and the work group continues to seek new opportunities to realize additional annual savings. Between 2004 and 2011, the initiative publicly reported $255 million in cumulative savings.

Oklahoma Senate Bill 1096 directs state agencies and higher education institutions to improve energy efficiency and conservation by 20 percent by 2020. Oklahoma State University's energy savings plan served as a model for the state initiative. It has saved OSU $19 million since 2007, representing a 19 percent improvement.

The University of Tennessee System's Board of Trustees has identified more than **$55 million** in potential savings.

Creating a process for continuous improvement and innovation

In addition to setting cost-savings goals, states recognize the need to establish a formal process to monitor and publicly report on progress. This process provides a forum for sharing promising practices and successes across campuses and serves as a platform for innovation. To ensure sustainability across leadership changes, states and systems create efficiency councils to broaden stakeholder involvement and to restrain political influence.

In its strategic plan, the **Montana** University System's Board of Regents created a work group on reform and reinvention. This group produced the Success Agenda for improving efficiency and effectiveness while providing a high-quality, affordable education for all Montanans. The system goal is to reach a target of 70 percent (68 percent budgeted for 2011) of expenditures spent on instruction, academic support and student services.

In 2008, the University of **Tennessee** System's Board of Trustees established the Committee for Effectiveness and Efficiency for the Future. The committee initially solicited over 800 savings suggestions from faculty members, staff and the public. The initiative has identified more than $55 million in potential savings.

Identifying and maximizing state and systemwide cost saving opportunities

In **Indiana**, Ivy Tech Community College's strategic plan includes quality and efficiency strategies for reducing costs. The college has saved more than $50 million and anticipates saving $15.5 million more. Leading initiatives include saving $10 million through an energy-saving contract, $22.5 million through a contract with Follett bookstores and $7 million through a one-time salary freeze in 2010. Ivy Tech is reinvesting savings to support hiring more full-time faculty and student services staff and to prepare for unprecedented enrollment increases.

The **Kentucky** Council on Postsecondary Education uses a variety of strategies to enhance efficiency and innovation, including building on the success of the Kentucky Virtual Campus and the Kentucky Virtual Library. The Kentucky Virtual Campus manages a statewide contract for the software used by all of its institutions for online courses, saving over $5 million annually. Additionally, the Kentucky Virtual Library serves all of the state's public and private institutions of higher education and many school districts and public libraries. Through the Virtual Library, these organizations save millions of dollars each year by leveraging their purchasing power to obtain electronic materials at one-tenth the cost of individual purchases.

In 2011, the University of **Texas** system produced a research brief that explored the system's ongoing efficiency and productivity initiatives as well as its commitment to sustaining the efforts as it continues to improve quality, access, success and research. The UT system's initiatives on energy reduction, cooperative contracting and purchasing, shared services, insurance, debt management and investments show strong results over the last five years — saving the system millions of dollars.

In October 2011, the **Washington** State Board for Community and Technical Colleges launched an Open Course Library with digital textbooks, syllabi, activities, readings and assessments for 42 of the most frequently taken courses. Materials were created by faculty, instructional designers, librarians and other experts for use in Washington State institutions. The cost to students cannot exceed $30 per course, significantly less than typical print textbook and material costs. It is estimated that a student in one of these courses saves an average of $102 per course. There are plans to expand the program to 39 additional courses in 2013.

> *"**Structural changes to universities are needed to function efficiently and encourage continuing public investments**, according to James J. Duderstadt, former president of the University of Michigan at Ann Arbor. "That requires paradigm shifts. It requires sharing equipment in laboratories rather than giving every PI [principal investigator] their own electron microscope. Maybe building one nanotechnology laboratory in the UC system and having everybody use it rather than build one on every campus. Maybe changing the ways that you teach, reducing the number of majors that you have, reducing the number of postdocs that can't find jobs anyway. **There are a whole series of things that have to be put on the table and seriously considered**."*
>
> James J. Duderstadt
>
> *former president of the University of Michigan at Ann Arbor, in "Nation's Research Universities Are Offered Hope of Fatter Budgets—at a Price," The Chronicle of Higher Education*

Engaging in multi-state cost-savings initiatives

In 2012, **Pennsylvania** Governor Tom Corbett signed the Higher Education Remodernization Act. The new law included a provision that allows institutions in the Pennsylvania State System of Higher Education to join universities outside Pennsylvania in bulk-purchasing agreements.

The Midwestern Higher Education Compact (MHEC) helps states provide high-quality higher education while conserving resources. MHEC's cost savings initiatives in technology, property insurance and health care benefits have saved institutions in 12 member states more than $350 million since 1991. School districts and public schools, state and local government and nonprofit entities also can participate in MHEC cost-savings programs.

Through the Western Interstate Commission for Higher Education's (WICHE) Student Exchange Program, more than 30,600 residents of 15 Western states are enrolled in undergraduate, graduate and professional programs at reduced tuition rates. In 2011, the Western Undergraduate Exchange component of the program helped more than 29,000 students and their families save $223.8 million by allowing them to pay 150 percent of resident tuition instead of the full nonresident rate.

Making tough choices

Due to difficult fiscal, political and academic pressures in the short term, colleges and universities need to identify new ways to contain or avoid costs in their business functions to maintain high-quality instruction, serve students well and sustain financial viability. A formal efficiency process at the state and institutional levels will help leaders share ideas, leverage common and joint opportunities and build support for change. In the long term, results from strong fiscal management will build the case for future investments in higher education as state economies improve.

By setting priorities, higher education leaders can enhance student success and increase educational attainment at the state and national levels

In this way, they can improve the economy and quality of life for all.

In 2011 the Western Undergraduate Exchange component of the WICHE program helped more than

29,000

students and their families save

$223.8 million

by allowing them to pay **150%** *of resident tuition of the nonresident rate*

CollegeProductivity

FOUR STEPS TO FINISHING FIRST

An Agenda for Increasing College Productivity to Create a Better-Educated Society

POLICY FOCUSED ON THE PUBLIC GOOD

The United States faces a period of opportunity for reinvention unlike any other, and the need for dramatic reform extends to higher education. Today, the United States is at a crossroads, facing unprecedented challenges in meeting expectations and upholding values that have long distinguished the nation. For the benefit of every American, decades-old approaches to structuring and paying for education beyond high school must be altered to ensure the nation produces enough graduates capable of contributing fully to society and to the communities in which they live. Political leaders responsible for meeting this rising demand for a skilled workforce and educated citizenry are seeking fundamental changes in higher education, which has long served as an engine of opportunity and economic mobility in the United States.

Longstanding approaches for providing college and other postsecondary education cannot be scaled affordably to meet a growing need for better-educated adults. To ensure the nation has enough people with meaningful workforce credentials and high-quality associate or bachelor's degrees, the United States must develop lower-cost, high-quality alternatives capable of delivering education to millions of students whom colleges and universities are not serving as well as they could. If we fail to respond adequately, the United States will not be prepared for the future global environment, and all of us will share in the consequences.

The good news is that smart, creative thinking about how to reinvent the academic enterprise is catching on among government and higher education leaders, prompted in part by the deep recession and slow recovery. These leaders recognize that the efficiency, effectiveness and overall productivity of U.S. higher education must significantly increase to ensure the nation is prepared to meet future challenges. This productivity agenda is championed by officials across the political spectrum, from President Obama and Maryland Gov. Martin O'Malley to Indiana Gov. Mitch Daniels and Arizona Gov. Jan Brewer. Within the academy, those leading the way include education pioneers such as William "Brit" Kirwan of the University System of Maryland, John Cavanaugh of the Pennsylvania State System of Higher Education, Rufus Glasper of the Maricopa Community Colleges in Arizona and William "Bill" Powers of the University of Texas at Austin. These leaders share a commitment to broadening participation in the economic and civic life of the nation by raising educational attainment among adults, first-generation college-going students and other students whose access to resources is limited.

The leaders of this productivity movement are coalescing around an array of policies that address facets of higher education, from state funding of colleges and universities and better uses of student financial aid to developing lower-cost, high-quality academic delivery models and instituting more efficient business practices to identify cost savings that can be allocated to serve more students. This emerging productivity agenda embraces the primary mission of higher education as benefitting American society by helping as many students as possible receive quality educations with available resources. Quality degrees and credentials, in turn, benefit individuals by creating clear and transparent paths into the workforce or to further education.

NEEDED: MORE GRADUATES

The need to better deploy scarce resources arises from increasing demand for workers with knowledge and skills typically developed in college or postsecondary certificate programs. Not long ago, the United States led the world in the share of working-age adults with college degrees. In recent decades, however, other nations have embraced the economic imperative of a better-educated workforce and have initiated efforts to ensure a larger share of their populations earns college degrees. Nearly 40 percent of working-age adults in the United States have earned an associate degree or higher; that's roughly the same degree-attainment rate the nation has reported for the past 40 years. Today, however, other nations are at 50 percent degree attainment and higher, while substantial numbers of people in China and India also hold postsecondary credentials. To meet the challenges of the 21st century, the United States will need to do a much better job of educating its people, and this will have to be done without a lot of new money.

If the United States is unable to affordably increase the share of the nation's population with college degrees and postsecondary credentials, Americans who want to earn good livings and support their families and communities will face serious consequences. Since 1975, average earnings for college graduates have increased by 19 percent, adjusted for inflation, while high school graduates have experienced an average decline in earnings of 1 percentage point. According to the Georgetown University Center on Education and the Workforce, adults with a high school diploma or less will be shut out of nearly two-thirds of all U.S. jobs by 2018, and these are the jobs that will pay the most. This represents a fundamental economic shift: During the mid-1970s, less than a third of all jobs required education beyond high school. The recession and slow recovery have made abundantly clear the importance of a college degree or meaningful workforce credential. While the nation's unemployment rate has remained stubbornly high, less than 5 percent of college graduates were without jobs at the height of unemployment during the recession.

HOW TO BOOST PRODUCTIVITY

During the latter half of the 20th century, policymakers' attention to higher education chiefly focused on increasing access to college through financial aid and the creation of community colleges. The nation as a whole benefited from the ensuing economic activity and social change as the GI Bill for returning World War II veterans created widespread opportunities for millions of new students to attend college.

Access to college remains a critical concern, particularly for students with the least access to educational resources. But even as record numbers of students enter colleges and universities, too many of them are leaving without the degrees and credentials they had sought. Many find a series of obstacles on the path to graduation—institutions with financial incentives to enroll them but not to see that they complete courses of study; weak advising and academic supports; institutional spending on costly items with little discernable connection to education that help drive up the price of college; and academic models that fail to conveniently serve them, fail to account for what they already know or fail to deliver lower-cost and accelerated programming.

Several years ago, Lumina Foundation directed its mission toward a single, overarching "Big Goal:" to work together with its partners across the country to increase the percentage of working-age Americans with high-quality degrees and credentials to 60 percent by 2025. Lumina and its partners identified key policies and practices that research or recent experiences indicate can increase higher education productivity so that available resources can be used to graduate many more students. These strategies, embodied in The Four Steps to Finishing First: An Agenda to Increasing College Productivity to Create a Better-Educated Society, highlight examples of productivity enhancements that assume an environment in which demand for education increases even as significant new investments in higher education are unrealistic. The Four Steps agenda also is compatible with increasing higher education quality and includes:

1. **PERFORMANCE FUNDING: Targeted Incentives for Colleges and Universities to Graduate More Students with Quality Degrees and Credentials.** Traditionally, states build higher education budgets based on assorted inputs—often prior years' funding levels, plus current-year enrollment growth.[1] Instead, policymakers should provide financial incentives to schools that help students clear certain milestones on their academic journeys or finish work toward their degrees or credentials. Limited evidence from Florida and Pennsylvania, where this type of funding has been in place for a decade or more, shows degree completion increasing.[2]

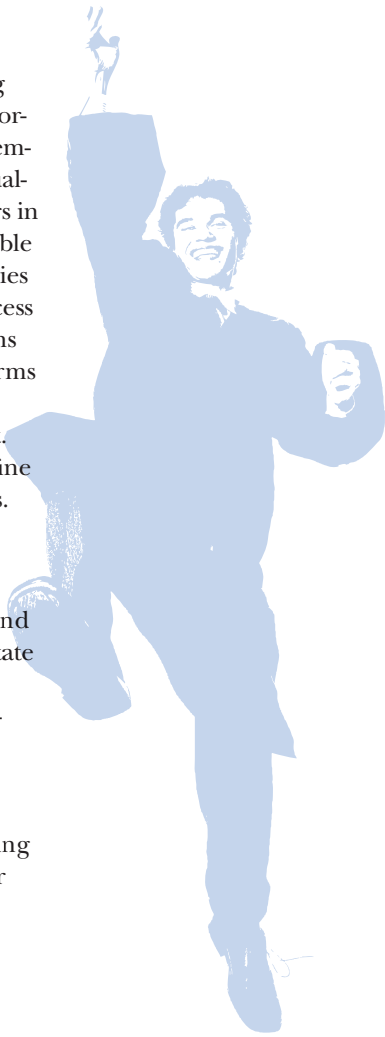
2. **STUDENT INCENTIVES: Strategic Use of Tuition and Financial Aid to Incentivize Course and Program Completion.** States should use tuition discounts and need- and merit-based financial aid policies to give students more reasons to complete efficiently and should allocate limited public aid dollars to achieve the greatest effectiveness. For example, Texas students receive $1,000 if they complete bachelor's degrees within three credits of minimum degree requirements. Other states limit aid to 120 credits for bachelor's degrees, providing a completion incentive while making dollars available to serve more students.

3. **NEW MODELS: Lower-Cost, High-Quality Approaches Substituted for Traditional Academic Delivery Whenever Possible to Increase Capacity for Serving Students.** To increase their capacity to graduate students, many colleges and universities are instituting high-quality online, blended and other non-traditional forms of instruction, as well as new approaches for recognizing students' prior acquisition of knowledge and skills . The current costly system of higher education cannot be scaled to meet the increasing demands of individuals, society or the U.S. economy.

4. **BUSINESS EFFICIENCIES: Business Practices that Produce Savings to Graduate More Students.** Surveys show faculty members are willing to tackle productivity in the classroom when they've seen strong evidence that colleges and universities have squeezed efficiencies out of non-academic operations. Improved efficiency through joint purchasing and back-office consolidation are two such approaches. By meeting annual cost-savings targets, the University System of Maryland improved its relationship with state policymakers and received funding for its public institutions that allowed it to freeze in-state undergraduate tuition for several years. Ohio and other states have shielded their university systems from deep state funding cuts by finding business-side efficiencies and otherwise demonstrating good stewardship of public funds.[3]

A COMMITMENT TO **QUALITY**

From our perspective, productivity gains are achieved when quality has been maintained or improved as money spent on each graduate decreases, all without sacrificing important principles such as access and equity. Increasingly, Lumina is working with higher education partners to redefine quality in terms of measurable learning outcomes. From the student's perspective, quality should not be measured primarily in terms of subjective rankings or higher spending per degree. Rather, the degrees and credentials students earn should provide clear paths into further study or to middle-class employment. Degrees and credentials should signify the attainment of knowledge and skills that equip graduates to navigate the complexities of a rapidly changing world. Lumina and its national partners are exploring two approaches to assure that an increasing emphasis on productivity gains does not diminish quality. Tuning, for example, engages faculty members in determining what students should learn and be able to apply generally and specifically from their studies of specific academic disciplines. The Tuning process can be coupled with use of a Degree Qualifications Profile (Degree Profile) to measures quality in terms of acquired skills and competences that associate, bachelor's and master's degrees should represent. Insights gained will enable states to select and refine the best productivity strategies to meet their goals.



NETWORKING AND SHARED LEARNING

More than 30 states are pursuing elements of the Four Steps productivity agenda to build a 21st century higher education system that serves 21st century students, including adults, students who are the first in their families to attend college and others with less access to educational resources. Lumina has awarded productivity grants to seven states—Arizona, Indiana, Ohio, Maryland, Montana, Tennessee and Texas—intended to produce sustainable examples of productivity enhancements that can be scaled or transferred to other state settings. These seven states and others also are receiving assistance from Lumina's Productivity Strategy Labs, which offer technical assistance, nonpartisan research and analyses, and peer networking opportunities to state policymakers and higher education leaders. The Strategy Labs are staffed by former higher education or government officials. Among sponsored activities are meetings and workshops in which legislators, policymakers and higher education leaders share knowledge and advice about adopting and implementing elements of the Four Steps for improving higher education productivity.

For more information on Strategy Labs, go to: http://collegeproductivity.org/strategy-labs.

STEP 1: PERFORMANCE FUNDING

Targeted Incentives for Colleges and Universities to Graduate More Students with Quality Degrees and Credentials.

Most states draft higher education budgets without a clear statement of the public return they want for their investment. As a result, states typically fund colleges and universities based mostly on student enrollments. Not surprisingly, colleges and universities respond by enrolling ever higher numbers of students without regard for whether they can graduate. As a result, fewer than 60 percent of first-time, full-time students earn bachelor's degrees within six years; a much lower percentage of community students earn associate degrees within three years.

From the most traditional funding mechanisms to least, states finance their higher education systems through 1) incremental changes to base appropriations, 2) credit hours attempted related to enrollment relative to cost factors, 3) benchmarking of peer institutions, 4) performance funding tied to metrics and 5) vouchers.[4] However, policymakers increasingly are looking at institutional funding that ties state money to course and degree completion because public higher education is a major economic contributor that should be aligned with public priorities. Growing public concern about the price of college, a lack of accountability and educational quality also are behind the renewed focus on performance funding. With a "New Normal" in public higher education finance, in which demand for high-quality education with the same or fewer resources is increasing, policymakers need to think differently about public higher education spending. Policymakers and the public increasingly believe colleges and universities can—and should—be more efficient, effective and productive. Institutions that commit to measurably improving performance tend to do better in public funding discussions.

Of the nearly 30 states that have adopted performance funding, more than a dozen have dropped it. Factors contributing to failures included a lack of buy in from college and university leaders, departure of key legislative supporters, overly complex formulas, state budget challenges or funding that was seen as an optional "add-on" to state support. To build support, states should provide technical assistance to help struggling institutions do better, incentives for institutions to serve students who require extra help academically, and rewards for improvements in closing specific academic gaps highlighted by disaggregated achievement data.

Stable, successful performance funding models begin with broad state goals. These models keep it simple and fair. They involve, engage and consult higher education leaders. They are designed to protect colleges and universities from volatile, unpredictable funding shifts. They take differences in the students that institutions serve into account. They rely on timely, relevant data, and they put a significant share of funding at stake in the base.[5]

More recent experience has shown that performance metrics can be used to allocate state budget cuts across institutions more fairly; that extra weight can be assigned to at-risk students to encourage graduation; and that open-access institutions can be incentivized to help students reach "momentum points" that propel them toward graduation.

For instance, institutions could be asked to choose from an array of seven to ten metrics disaggregated by race/ethnicity, income, gender, age and language. These metrics could cover inputs such as total enrollment, the proportion of adults enrolled, etc. (note that a disproportionate focus on graduation rates could promote the unintended consequence of increased selectivity in student admissions); process or intermediate measures such as transfers among sending/receiving institutions; productivity metrics such as those recently released by the National Governors Association; and outcome metrics such as year-to-year increases in numbers of graduates, increases in students graduating on time and additional formula weighting for students who are harder to serve. In some cases, for example, performance funding recognizes the achievements of needy students eligible for Pell Grants and the award of degrees and credentials in high-demand science, technology, education and mathematics (STEM) fields.[6]

There is much colleges and universities can do to increase the likelihood students will finish their studies, including providing more structure and direction and less choice for students; focusing on what students need to know and be able to do to earn degrees and credentials ; offering a thorough student orientation, coupled with learning plans; increasing opportunities for student engagement with faculty members and other students; promoting more proactive academic advising and use of analytics that provide early warnings that permit customized intervention; and adding student support.[7] Performance funding can serve as a catalyst for scaling efforts to promote greater student success. Concerns such as a heightened risk of grade inflation and incentives to admit only better students can be addressed through state-level monitoring.

STATE SUCCESS **IN ACTION**

Below are examples of state efforts that illustrate how performance funding can leverage change. Where performance funding has remained in place over time, policymakers have worked in partnership with colleges and universities to customize a funding model and have jointly monitored the formula's effectiveness.

Florida initiated performance funding for community colleges in the 1990s. Under its Performance Based Budgeting program, the state awards a sliver of its higher education budget to colleges based on three performance measures: number of students who complete certificate programs and associate degrees; number of graduates for whom English is a second language, disabled or economically disadvantaged or who are placed in jobs in targeted fields after graduation; and the number of associate degree students who graduate with fewer than 72 total attempted credit hours.

Another Florida initiative, the Workforce Development Education Fund (WDEF), created incentives for completion and job placement. Established in 1997 by the state legislature, WDEF allocated community colleges and district-operated technical centers 85 percent of their prior-year appropriation up front. The remaining 15 percent was distributed based on completion and student placements in high-wage, high-demand fields. The formula also rewarded institutions when economically disadvantaged students completed courses or programs. Although discontinued in 2002 when institutional and political support waned, the program had a significant effect from 1996 to 2007; community college completion rates increased by 43 percent during this period. This program demonstrated that linking significant funds to performance can influence college actions that improve student outcomes.

In 2009, **Ohio** introduced major new funding formulas for its colleges and universities. For main university campuses (excluding certain doctoral and medical programs), Ohio based funding on course and degree completion, with 95 percent of FY 2010 funding allocated for course completion and 5 percent allocated for degree completion, both weighted by total cost of the course or degree program. Over time, additional funding will depend on institutions' ability to graduate higher numbers of students. At regional four-year campuses, where funding historically had been tied to enrollment, the state created a new funding formula based on course completion, weighted by cost of the course; Ohio plans to phase in additional funding incentives for degree completion at these campuses. Adjustments are also made to provide increased funding for at-risk students, defined as those eligible for Ohio's need-based aid program.

At Ohio's community colleges, student enrollment will remain the foundation for state funding. However, the state is introducing incentives based on what policymakers describe as "momentum points"—that is, student success measures that take into account the community colleges' open-access missions and the backgrounds of students who enroll. Community colleges earn points when their students reach milestones, such as completing remedial coursework and becoming eligible for credit-bearing courses. These momentum points will determine 5 percent of community colleges' allocations, with the percentage increasing over time.

The three new formulas will be phased in. A "stop-loss" provision maintains the majority of an institution's funding as the higher education system adjusts to performance-based models. Stop-loss levels were 99 percent in FY 2010, and 98 percent in 2011.

In 2002, the **Pennsylvania** System of Higher Education (PASSHE) began allocating a portion of the state appropriation for institutions based on performance. In January 2011, PASSHE revised the formula to align it with new strategic objectives. The formula was developed to ensure 1) the funding criteria were transparent; 2) the focus was on outcomes; and 3) the data would be accessible. PASSHE uses performance criteria to allocate about 8 percent of the total state appropriation for institutions.

Pennsylvania officials say their institutions have realized significant gains because of performance funding from 2002 through 2008, the most recent period for which figures are available, while increasing enrollment by nearly 20 percent. The state's accomplishments include a nearly 10-percentage-point increase in four-year graduation rates (including increases of 6 and 9 percentage points for black and Latino students, respectively) and a jump in second-year persistence rates (especially for Latino students, who were 15 percentage points more likely to continue with their studies.).

Since 2007, **Indiana** has adopted and refined legislation that links financial incentives for all public higher education institutions to a set of performance indicators. The 2007 legislation left the base funding for colleges and universities tied to credit hours enrolled. Performance incentives were provided that encouraged colleges and universities to help increase the number of students who finish their degrees, graduate on time and pursue transfer from community colleges to bachelor's programs.

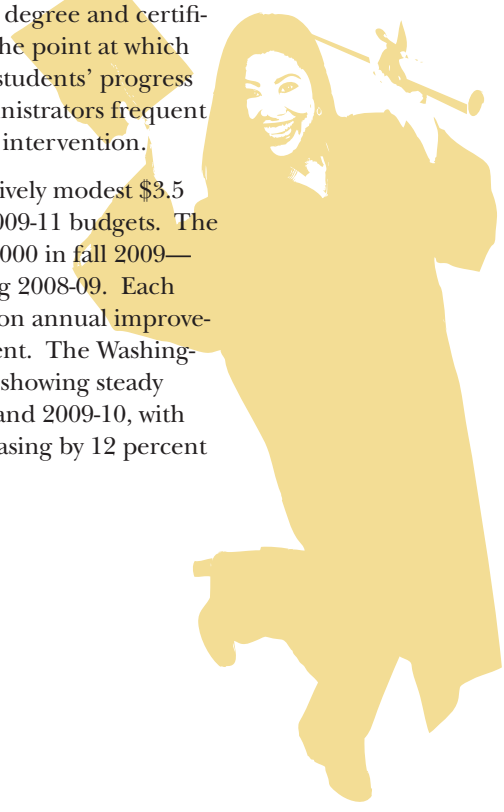
In 2009, working with the Indiana Commission for Higher Education, the legislature began to tie base funding to performance. Over time, an increasing portion of the enrollment component of the state's funding formula will be based on credit hours completed—and not just credits attempted. By 2010, 90 percent of enrollment funding was based on credit hours attempted; the remaining 10 percent was based on hours completed. This ratio is expected to continue to shift over time; by 2014, enrollment funds are expected to be based entirely on completed credit hours. In addition, Indiana's institutions are funded based on five other performance priorities: 1) increases in the number of degrees awarded; 2) increases in students graduating on time; 3) levels of degree completion by students from low-income families; 4) increases in students transferring from community colleges to bachelor's degree programs; and 5) the amount of non-credit workforce training provided by Ivy Tech Community College and Vincennes University.

The **Washington** State Board for Community and Technical Colleges sponsors the Student Achievement Initiative. Under this program, the state defines four levels of student success, rewarding colleges for:

1. Students building toward college-level skills as evidenced by basic skills gains and pass scores in pre-collegiate writing or math;
2. First-year retention (15 college-level credits per quarter, then 30);
3. Students completing college-level math; and
4. Students who complete degrees, certificates or apprenticeship training.

These measures focus institutions on helping students achieve intermediate outcomes that provide meaningful momentum toward degree and certificate completion, regardless of the point at which students begin. Colleges track students' progress each quarter, which offers administrators frequent feedback and opportunities for intervention.

The legislature approved a relatively modest $3.5 million for the program in its 2009-11 budgets. The initial payments—totaling $500,000 in fall 2009—were tied to performance during 2008-09. Each college received funding based on annual improvement in total student achievement. The Washington board has published results showing steady improvement between 2006-07 and 2009-10, with total student achievement increasing by 12 percent from 2008-09 to 2009-10 alone.



STEP 1: LESSONS LEARNED

- **Keep it simple.**
  During the past 20 years, 26 states experimented with performance funding. Researchers contend that many programs failed because there were too many performance measures and too much money was at stake. This made funding outcomes unpredictable and complicated; it also diluted the emphasis on generating more graduates. States exploring this policy option should focus squarely on student momentum points and course and program completion while limiting performance indicators to those that best measure progress toward these objectives.

- **Establish clear state- and campus-level goals for completion of degrees and credentials that contribute toward state attainment goals.**
  State goals for college attainment help establish clear expectations for policymakers, higher education leaders, faculty members and the public. These goals often are linked to the state's economic needs. With clear goals, states can align higher education policies with expectations. An example: In Ohio, the governor and legislature called for enrolling 230,000 more students and increasing graduation rates by 20 percent by 2017—all of which would result in 100,000 more degrees per year. This ambitious goal reflected that prior targets were either too low or too vague to influence the actions of colleges and universities.

- **Focus on year-to-year increases in the overall numbers of completers, not just on graduation rates that can conceal movements toward increased selectivity in admissions.**
  To avoid a focus on graduation rates that could lead to increased selectivity or sudden funding shifts each year, funding should be tied to year-to-year increases in completion at each institution, in addition to typical comparisons of performance across peer institutions. Rolling averages also may be used.

- **Engage college and university leaders in the development of a performance funding system.**
  The success and longevity of performance funding ultimately will depend on building institutional support. Policymakers should begin working with college and university leaders and key faculty members early in the development of a funding model. Their input is especially useful for establishing appropriate performance indicators and measures that recognize the differing missions of institutions and rely on timely, relevant and accurate data. Institutional leaders, including provosts and faculty members, can become guardians of quality rooted in student learning.

- **Provide colleges and universities with room to maneuver and recognize institutions that get good results.**
  Research shows that support for performance funding will increase if colleges and universities can decide for themselves how to reach performance goals. They also should be lauded for successful outcomes and offered technical assistance if they fail to meet completion goals.

- **Take institutional differences into account.**
  The structure of performance funding should vary according to the missions and student characteristics of the institutions. Washington state's funding formula, for example, rewards progress before students earn their degrees or credentials. States also could allow institutions to choose differing weights for various metrics that reflect their unique roles and the students they serve.

- **Provide incentives for colleges and universities to enroll and graduate more 21st century students.**
  Such incentives are critical because Black, Latino and Asian students, along with those from low-income families, make up a growing share of state workforces. Demographers project that by 2050 the United States will be a "majority-minority" nation in which whites are no longer the dominant racial group. In addition, states should ensure financial incentives are in place for institutions to enroll and graduate working-age adults, many of whom will require some form of education beyond high school.

- **Continue to innovate public financing of higher education even in the face of unexpected results or reduced revenues.**
  Some previous attempts at performance funding ended when institutions argued that the additional or new money wasn't sufficient to support the effort being required. More successful systems have considered financial incentives for completion a part of the base budget. Governors and legislators should establish at the outset that performance funding is not primarily a means of allocating new funding as it becomes available; rather, performance funding must be defined as a mechanism for aligning public spending with clear state priorities. In Indiana, performance metrics have been used to allocate spending reductions in tight budget times. Taxpayers have a right to expect that all monetary investments in higher education—and not just newly available resources— are spent to educate the workforce each state needs.

ENABLING LEGISLATION, REGULATIONS OR RESOLUTIONS

Florida

The Government Performance and Accountability Act of 1994 (Ch. 94-249, Laws of Florida) established performance-based program budgeting in Florida (legislation archived)

Indiana

FY2009-11 budget legislation: www.in.gov/legislative/bills/1092/HE/HE1001.1.html. See also: www.in.gov/che/files/Disc_A_-_Report_on_09-11_budget_-_FINAL_VER.pdf.

Ohio

FY 2012-13 budget legislation: Am. Sub. H.B. 153 of the 129th General Assembly http://www.legislature.state.oh.us/BillText129/129_HB_153_EN_N.html

Washington

Student Achievement Initiative resolution: www.sbctc.ctc.edu/college/education/proposal_to_board_sept07.pdf.


THE UNITED STATES OF AMERICA
ONE DOLLAR

STEP 2: STUDENT INCENTIVES

Strategic Use of Tuition and Financial Aid to Incentivize Course and Program Completion.

Students respond to financial incentives. Tuition discounts, reduced fees and generous aid policies can persuade them to choose certain institutions over others. Dynamic pricing policies also can encourage students to complete their degrees on time. Students receiving need-based financial aid could be better motivated to complete courses and degrees if completion incentives were built into their awards packages. States and the federal government should make better use of financial resources flowing to students to promote completion of quality degrees and credentials to meet attainment goals. This can occur by rewarding desired student achievement or creating financial disincentives for pursuing actions that unnecessarily increase the costs to the public of subsidizing colleges and universities.

State financial aid policies should be simple and predictable. These policies should give high school students well-publicized incentives to complete rigorous college-level courses while in high school. In college, students receiving aid dollars should receive financial incentives for completing full course loads, for completing courses and for completing degree programs or training for credentials. When financial aid money is limited, public funds should initially be spent on lower-income students who are less likely to finish coursework without the assistance. The lion's share of state aid should not flow to talented students whose parents can afford to pay. Research shows that financial incentives make the greatest difference for average students who are capable of graduating but also are at risk of dropping out for financial reasons.

As demand for education beyond high school grows, physical constraints increasingly are limiting the capacity of colleges and universities to serve students. One approach some institutions are experimenting with is off-peak pricing, which can be used to reduce average costs by making better use of available building space. Such pricing can promote course-taking on nights or weekends. In addition, some states require students to pay higher tuition after they have accumulated more than 140 credit hours towards bachelor's degrees that require only 120 to 132 credits; this limits tax funds used to subsidize what some policymakers view as "excess-credit" accumulation. Policies also limit the number of courses students can enroll in but fail to complete and encourage students to complete their degrees on time.

STATE SUCCESS **IN ACTION**

Louisiana's Opening Doors was introduced by MDRC, an advocacy and research nonprofit, to incentivize course completion among more-challenging-to-serve students. The program operated at two New Orleans-area community colleges—Delgado Community College and Louisiana Technical College, West Jefferson—from 2004 until 2005, when Hurricane Katrina struck and the experiment was cut short and remaining funds were disbursed to students. The program offered $2,000 scholarships to students, especially those from low-income families, if they enrolled at least half-time and maintained a "C" average or better. Students received payments three times a semester, which represented milestones for counselors to review their performances. The state paid for these scholarships using surplus funds available through federal Temporary Assistance for Needy Families (TANF).

An evaluation of the Louisiana scholarship initiative found it held promise. Scholarship students were more likely to register than similarly situated students without the incentive aid—and they were more likely to register full time. In addition, they were more likely to stay in school at least four semesters. The scholarship also resulted in greater credit accumulation and higher grades for these students, who reported higher levels of involvement and interest in their education and higher levels of perceived support for their academic pursuits from their colleges and universities.

The Bill & Melinda Gates Foundation and other funders are supporting an MDRC evaluation of similar scholarship programs in California, New Mexico, New York City and Ohio.

Oklahoma supports a unique state financial aid program aimed at promoting awareness among high school students of the need to enroll in higher education and complete work on degrees or credentials. Oklahoma's Promise offers eighth-, ninth- and 10th-grade students with family incomes of $50,000 or less scholarship aid to attend in-state community colleges and bachelor-degree granting institutions. Eligible students must have minimum grade-point averages of 2.5 in certain college preparatory courses—a criterion consistent with research that indicates rigorous high school coursework and full-time college enrollment improve the likelihood of degree completion. These scholarships expire for each student after five years, giving them incentive to enroll and attend college full time.

Oklahoma's Promise recipients earn higher college GPAs and demonstrate higher-than-average college enrollment and persistence rates. In 2006, 82 percent of Oklahoma Promise-eligible high school students enrolled in college, compared to 57 percent of all Oklahoma high school graduates. Eighty-nine percent of scholarship students had GPAs of 2.0 or higher as freshmen (compared to 70 percent of all freshmen), while 86 percent stayed in college through their sophomore years (compared to 76 percent of all freshmen). In 2007, the Oklahoma legislature provided more permanent funding from the state's General Revenue Fund.

Texas has enacted and tested a number of promising financial incentives for students to complete courses and programs in a cost-effective manner. The College for All Texans $1,000 Tuition Rebate encourages students to graduate with very few "excess" credits. The rebate is available to students at public four-year colleges in Texas who take no more than three credit hours beyond the minimum number required to earn their degrees. The rebate also provides an incentive to students to complete college-level courses in high school or elsewhere before they enroll in a college or university.

Additionally, Texas requires state colleges and universities to charge out-of-state tuition to in-state undergraduates who have accumulated excessive credit hours by the start of a new semester (30 or more credit hours beyond degree requirements is considered excessive). Once a student reaches this limit, the institution also loses state subsidies for additional credit-bearing courses these students enroll in.

Florida saved $15 million and reduced dropped courses by half after requiring recipients of its Bright Futures merit scholarship to refund money if they withdrew from courses after the drop/add deadline. In an effort to trim the budget of the financially strained scholarship program, the state legislature zeroed in on data revealing students were failing to complete 7 percent of courses they had enrolled in. Cutting taxpayer support of such withdrawals was a strategic choice that prevented deeper cuts in the program. Within the first year after this change, students withdrew from courses after the deadline at half of the former rate and those who withdrew repaid the state $14.7 million.

STEP 2: LESSONS LEARNED

- **Create student-centered aid policies that target dollars efficiently.**
  Awards that are too small or linked to a particular type of institution limit students' options. State aid policies should allow students to transfer between institutions without affecting their eligibility for aid. States are better positioned than colleges and universities to use financial aid to ensure completion for the largest number of low-income students. When financial aid is distributed by institutions, it's often spent to bid for the "best" students academically rather than to attract students whose financial need is greatest; however, research has shown incentives for students with fewer available resources benefits them more than other students by increasing college access and degree completion.

- **Retain state authority to establish tuition levels or provide tight parameters for institutions that set tuition.**
  States that deregulate tuition pricing forfeit strategic opportunities to influence student behavior.

- **Fund student success, not just enrollment, with aid programs, including aid to needy students.**
  Financial aid should explicitly promote student completion. Need-based aid programs that encourage students' academic preparation and push them to reach early milestones—such as earning the first 15 or 30 credits toward a degree—help remove known barriers to completing degrees.

- **Eliminate tuition or financial aid policies that discourage students from receiving academic credit through innovative, cost-effective academic delivery models.**
  Pricing policies should promote participation in online, blended and other non-traditional academic delivery models that can accelerate learning or facilitate cost-effective education. In many states, online courses and programs offered at public institutions are priced higher than traditional instruction even though the marginal cost of providing such instruction can be significantly lower. Financial aid policies should treat similar learning opportunities similarly. In addition, student fees for awarding credit for prior learning demonstrated through testing, portfolios and other means should be discounted to the extent possible.

- **Target the largest financial incentives to those students least able to pay.**
  Louisiana's Opening Doors program targeted scholarships to lower-income single parents who typically must give up significant income to enroll in and complete college courses. Spread more widely among all students, the scholarships would likely have less impact and be more expensive to administer.

- **Ask for evidence.**
  Colleges should widely share evidence of cost savings as well as patterns in enrollment and completion. Financial aid administrators and institutional researchers should cooperate closely and share data to enable honest evaluations of tuition and aid programs. Policymakers should use this information when writing budgets.

ENABLING LEGISLATION, REGULATION OR RESOLUTION:

- **Oklahoma**
  Oklahoma Higher Learning Access Program (OHLAP) legislation—original: http://sde.state.ok.us/Law/LawBook/law/Chapter7/C_7-A_III.htm

  Funding (SB 820): http://webserver1.lsb.state.ok.us/2007-08bills/SB/sb820_enr.rtf

- **Texas**
  SB 532 (2005): http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB00532F.htm

  College for All Texas Tuition Rebate (Education Code, Chapter 54.0065): http://www.statutes.legis.state.tx.us/SOTWDocs/ED/htm/ED.54.htm

- **Florida**
  Bright Futures Program Legislative History: http://www.floridastudentfinancialaid.org/SSFAD/bf/newsrenew.htm

  Senate Bill 1696 Legislative Staff Analysis http://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?FileName=2009s1696.hi.docx&DocumentType=Analysis&BillNumber=1696&Session=2009

STEP 3: NEW MODELS

Lower-Cost, High-Quality Approaches Substituted for Traditional Academic Delivery Whenever Possible to Increase Capacity for Serving Students.

The Big Goal of ensuring that 60 percent of working-age Americans have earned high-quality degrees or credentials by 2025 has been widely embraced. To reach this goal, the nation must graduate 23 million more citizens than its current pace.[8] The existing higher education system cannot be scaled to meet this level of demand. At current rates of spending in higher education, the United States would need an additional $33 billion beyond what the nation is projected to spend.[9] Neither taxpayers nor students or their families can bear such expense.

Responding to this challenge by adding more bricks and mortar is unrealistic. Nor does it serve the millions of 21st century students who juggle work, families and education in traditional models. To increase higher education's capacity to meet national needs, policymakers and higher education leaders must embrace lower-cost, high-quality academic delivery models. Colleges and universities must implement cost-effective practices that support accelerated completion by creating clearly defined pathways toward degrees and credentials that limit course options; by allowing students to complete segments of failed courses; and by simplifying credit transfers.[10] Institutions also should offer students multiple opportunities to earn credits for demonstrating their prior acquisition of knowledge and skills. Such steps could conserve public money and even win faculty approval by limiting student debt.[11]

STATE SUCCESS IN ACTION: COMPLETION EFFICIENCY

Governors from more than 25 states share a commitment to increasing completion efficiency as members of Complete College America's Alliance of States.[12] They are working to improve graduation rates, reduce excess credits and redesign instruction—steps that will generate significant savings that can be used to enroll more students.

For example, initiatives to improve graduation rates by building structured pathways to a credential that limit course options can bring down the average cost of a degree by 11 percent; providing the right kinds of student supports can cut the cost of a degree by a third.[13] A 10 percent reduction in excess credit accumulation would provide savings equivalent to nearly 25 percent of the additional $33 billion investment needed to meet the Big Goal by 2025.[14] Redesigning academic delivery models could improve average degree productivity by between 17 and 26 percent.[15]

Florida's longstanding guaranteed statewide transfer agreement promises that students who complete 60 credits as part of an associate degree will be admitted to Florida's public four-year universities as juniors. The agreement has increased the number of transfer students admitted to Florida's universities, and participating students end up graduating with the same number of credits as they would have if they had started at these bachelor-degree granting institutions as freshmen.[16] After drawing lessons from Florida's experience, Louisiana created a similar guaranteed-transfer degree, implementing the program and communications plan within a single year.[17]

California has reduced growth of excess academic credits by requiring that no bachelor's degree program can exceed 120 semester hours without making an evidence-based case for doing so. Thanks in part to campus monitoring systems, three-fourths of California State University programs now require no more than 120 credits; to achieve this result, nearly 85 percent decreased their total credit requirements.[18]

Arizona has more than a thousand lower-cost bachelor's degree pathways that involve students beginning their studies at community colleges and completing them at universities. Students in these programs can pay up to 50 percent less in tuition than if they spent the entire four years at main university campuses. In addition, Arizona's universities offer lower-tuition options at extended campus sites and through accelerated and online degree programs. These lower-cost options enroll more than 11,000 students across Arizona.[19]

Maryland has launched a statewide redesign of freshman- and sophomore-level courses in which students have high failure rates. Under a plan the state university system adopted based on the National Center for Academic Transformation course-redesign model, every public college and university is redesigning at least one course. The results have been promising. After redesigning an introductory psychology course, Frostburg State University reduced its cost-per-student by 71 percent even as pass rates increased.[20] Towson University redesigned a non-credit-bearing math course for students in need of remedial work and increased the pass rate by 17 percentage points, from 33 percent to 50 percent.[21] Student transcript reviews can be used in such efforts to target courses likely to generate the greatest savings and gains in student learning. Like Maryland, states should focus on redesigning "bottleneck courses" that trip up many students. States also should require colleges and universities to show how they are using savings from course redesigns to serve more students.

Carnegie Mellon University's Open Learning Initiative (OLI) creates low-cost, web-based courses taught by leading faculty members and accessible to any student or institution in the world. OLI's library of online courses includes some of the common courses freshmen must take. In addition to reducing the cost of providing instruction, open-learning courses can enhance learning and significantly reduce the time required to master content by providing the right level of instruction at the right time. Studies show students accessing open courses can learn the same material as in a traditional semester-long course in half the time.[22] Creative course redesign efforts make more effective use of available space, technology and faculty time and create mechanisms for sharing promising practices across institutions. Faculty members are drawn 1) to the idea that transforming how the curriculum is delivered could free them up to focus on upper-division courses; 2) to the prospect that these technology-enabled courses could be delivered in more exciting and effective ways; and 3) to the opportunity to learn about new techniques for engaging students' learning that also could improve outcomes in the lower-division courses that help interest students in their disciplines. Redesigned courses can provide individualized support targeted to students' specific needs, including the use of open-source educational resources. They also provide professional development and specialized online course resources for instructors, and make use of the best available research into how students learn complex material.[23]

STATE SUCCESS IN ACTION:
LOWER-COST, HIGH-QUALITY MODELS

Below are public, nonprofit and for-profit programs that represent lower-cost, high-quality models for delivering education. States should aggressively explore these alternative approaches for increasing their capacity to graduate more students at a much reduced cost to students and taxpayers alike.

National nonprofit **Western Governors University** is a competency-based online university serving more than 20,000 students. WGU's relatively low costs—about $6,000 per year for most degrees—have increased slowly compared with traditional institutions. The institution's cost per degree has dropped since 2002. The average time to a bachelor's degree is only 30 months. Indiana and Washington State have added state-branded WGU programs through an executive order and enabling legislation, respectively. WGU Indiana is on track to serve 3,000 additional students within three years in its business, education, IT and nursing programs.

To help adult students earn their degrees more rapidly, the **University of Maryland University College (UMUC)** systematically assesses competencies and knowledge obtained through life and work and awards academic credit for this "prior learning." The university is the largest postsecondary provider for the U.S. armed services, including returning veterans. Policymakers should strongly encourage institutions to widely advertise the availability of such assessments and to award low-cost academic credit for demonstrated proficiency in critical areas of learning. At UMUC, faculty advisors assess prior learning, with credit often awarded for even upper-division courses. The college also uses prior-learning assessment as a recruiting tool, advertising it on the web and through broadcast and cable commercials aimed at working-age adults.

Rio Salado College, originally developed as a campus of Maricopa Community College in Arizona is now one of the nation's fastest growing public colleges, offers more than 500 online courses, with most starting every two weeks. Its shorter course schedules mean students can accelerate their learning. Rio Salado uses analytics to determine with 70 percent certainty within the first eight days of instruction whether students are at risk of failing without interventions.

The **Southern Regional Education Board's Electronic Campus** is a central marketplace for some 28,000 courses and more than 800 degree programs offered online by colleges and universities in the South. Under a reciprocity agreement among participating states, the Electronic Campus offers courses and programs that have won approval from regulators within their home states. This approval is based on a set of commonly developed "principles of good practice" consistent across the states and functioning as a regional certification of course or program quality.

In 1987 the Western Interstate Commission for Higher Education created the **Western Undergraduate Exchange (WUE)**, a program which offers enrollment in many community colleges and colleges and universities in 15 states at tuition levels roughly midway between the institutions' in-state and out-of-state tuition rates. The WUE network is the largest program of its kind in the country, with more than 143 two- and four-year public institutions serving 28,000 students.

The Midwestern Higher Education Compact's Student Exchange Program offers reduced interstate tuition at public and private institutions. The Southern Regional Education Board's Academic Common Market offers discounted tuition regionally at public and private nonprofit institutions. The fourth regional compact, the New England Board of Higher Education, also features a New England Regional Student Tuition Break Program for students within its states attending public institutions in other participating states.

STEP 3: LESSONS LEARNED

- **Conduct policy audits to determine which regulations and other policy barriers impede the growth of lower-cost, high-quality models.** State policies sometimes create barriers that hinder the growth of innovative models. Policymakers should make expanding low-cost, high-quality technology-enabled models while protecting consumers a top priority. Common policy barriers include: laws or regulations that prohibit online institutions; costly, confusing regulatory oversight and unclear consumer protection provisions; prohibitions against using state student financial aid at high-quality online institutions, including nonprofit providers; and professional licensing boards' lack of familiarity with online degree programs.

- **Create a guaranteed-transfer lower-division core or degree.** Developing a statewide lower-division core or associate transfer degree guarantees students completing up to 60 credits at lower-cost institutions will not have their time or money wasted. A guarantee core assures students they will be admitted to a four-year institution as an upper-division student with all credits counting toward earning a bachelor's degree. Making this commitment a reality for students can lead to unprecedented cooperation among faculties and institutions to eliminate barriers that prevent students from successfully transferring between postsecondary institutions.

- **Identify and eliminate degree-program credit creep.** Establishing a system or statewide standard for the maximum number of credit hours needed to obtain a particular degree can lead to lowered costs to both students and institutions. In addition, periodic academic program reviews can lead to the identification and elimination of programs that are not strategically connected to state needs and priorities, produce low numbers of graduates, or are duplicative.

- **When redesigning the high-volume, lower-division courses, set deadlines and target a limited number of courses** By restricting course redesign efforts to a limited number of large-enrollment, introductory courses a college or university can still impact nearly every student who attends. Improved retention, enhanced quality and expanded access are typical results of such efforts. As some course redesign efforts have taken years to complete, it is advisable to set deadlines and provide adequate resources to faculty to assure timely implementation.

- **Award academic credit for prior learning that can be documented through testing, portfolios, demonstration or other methods.** Maximizing the number of ways a student can earn academic credit utilizing Prior Learning Assessment (PLA) increases the likelihood a student will be able to progress more rapidly toward a postsecondary degree or credential. In addition to saving the student both time and expense, promoting widespread PLA credit opens pathways for lower-cost models, including postsecondary education delivered in the workplace.

- **Form innovative partnerships across state lines to create flexible, student-centered programs.** It is increasingly common for students to attend multiple institutions prior to earning a degree or credential. This pattern of student "swirl" or "double-dipping" (concurrent enrollment at multiple institutions), coupled with increased mobility and the rise of online accessible courses, provides added incentive for developing collaborative initiatives that bypass traditional geographic barriers and deliver quality education at a lower cost.

ENABLING LEGISLATION, REGULATION OR RESOLUTION:

- **Florida**
  Policy on Transfer Associates Degree: http://www.calstate.edu/acadaff/codedmemos/AA-2007-37.pdf
- **Louisiana**
  http://collegeproductivity.org/sites/default/files/LA_Transfer_Associate_Degree_-_one-pager[1]toKC[1].doc.pdf
- **The California State University**
  120-credit degrees: http://www.calstate.edu/acadaff/codedmemos/AA-2007-37.pdf
- **University System of Maryland**
  Course Redesign: http://www.usmd.edu/usm/academicaffairs/courseredesign/
- **Carnegie Mellon University**
  Open Learning Initiative: http://oli.web.cmu.edu/openlearning/
- **WGU Indiana (Western Governors University)**
  Executive Order: http://www.in.gov/legislative/iac/20101229-IR-GOV100781EOA.xml.pdf
- **University of Maryland University College**
  http://www.umuc.edu/
- **Rio Salado College**
  http://www.riosalado.edu/
- **Southern Regional Education Board**
  Electronic Campus: http://www.electroniccampus.org/

  Principles of Good Practice: http://www.ecinitiatives.org/publications/Principals_2004.pdf
- **Midwestern Higher Education Compact**
  Midwest Student Exchange: http://www.mhec.org/MidwestStudentExchangeProgram
- **New England Board of Higher Education**
  New England Regional Student Program: http://www.nebhe.org/programs-overview/rsp-tuition-break/overview/
- **Western Interstate Commission for Higher Education**
  Western Undergraduate Exchange: http://wue.wiche.edu/.

STEP 4: BUSINESS EFFICIENCIES

Business Practices That Produce Savings to Graduate More Students.

Taxpayers and policymakers are more willing to invest in higher education when colleges and universities demonstrate they are good stewards of public money and manage spending decisions well. Colleges and universities should systematically review and prioritize programs from campus operations, academics and athletics to 1) reduce or eliminate lower-priority programs and services, and 2) consolidate or outsource non-core programs and services. Over the years, institutions have added courses and programs without systematically analyzing their relative contribution to the overall welfare of individuals, society and the economy. In a quest for smarter students, better reputation and financial support, many institutions unrealistically strive to be all things to all people instead of focusing on what they do best. As a result, the vast majority of U.S. institutions are over-programmed for their available resources. One frequently overlooked source of money for making new investments is the reallocation of an institution's existing resources.

Without faculty support, achieving the kind of change in higher education the country needs to prepare for the future simply won't be possible. The nonpartisan research firm Public Agenda has found that addressing business-side efficiencies is a classic "first-things-first" issue for faculty members.[24] In part, this is because only about a third of faculty members today are in tenure-track positions; the remainder are part time or contingent. Meanwhile, the numbers of people in highly compensated administrative positions has grown dramatically, according to the American Association of University Professors. This imbalance must be addressed if faculty members are to be persuaded to participate in productivity efforts. In the case of the University System of Maryland, cited earlier, the Effectiveness & Efficiency Initiative began with a major focus on systems operations rather than on academics; this approach cleared a path for effective faculty engagement around course redesign.

At the state level, policymakers should limit the number of research institutions; focus regional, four-year campuses on teaching; and rely on community colleges to provide lower-cost education for students enrolled in general education coursework and those receiving workforce training. So-called "mission creep" can be a problem at institutions that aspire to attract research funding, because fulfilling these aspirations can increase costs and reduce productivity in terms of serving undergraduate students. Competitive athletic programs almost always require substantial subsidies from colleges and universities that pull money away from academics.[25]

To spur efforts to reform business practices, governors and legislators should eliminate any policy that prevents joint or bulk purchasing in areas such as health care, information technology, equipment, supplies and energy. Instituting administrative efficiencies in payroll, purchasing and other non-core functions also can make more money available to serve students. Employee contributions to health care and retirement plans also deserve scrutiny and should be measured against other private sector, competitively established contribution and benefit levels. Campuses should be required to consider consolidating back-office operations through use of common technology, with institutions reaching beyond higher education or even state borders to partner with K-12 school districts, government agencies and quasi-public entities to achieve economies of scale and scope.

Institutions should be required to show how they reallocate savings toward increasing the number of students who complete high-quality undergraduate degree and credential programs.

STATE SUCCESS **IN ACTION**

Maryland formed the University System of Maryland Board of Regents Work Group for Effectiveness & Efficiency (E&E) in 2003. The group reviewed all aspects of the academic enterprise to "improve academic quality, maintain access, replenish the USM fund balance, implement measures for dealing with budget difficulties, and publicly demonstrate efficient and effective operations."[26] Driven by Regents chair Clifford Kendall and Chancellor William "Brit" Kirwan, this effort aimed to streamline the system's cost structure and develop a national model of effectiveness and efficiency. Initial projects targeted administrative functions with immediate savings, including auditing, construction management and procurement services. By 2006, E&E had evolved to address academic productivity, establishing new policies and system-wide practices regarding faculty workload, course redesign, credit-hour caps on programs, requirements for off-campus study to increase capacity to serve students and a trimester pilot.

The E&E initiative generated $208.4 million in savings from FY 2004 through FY 2010. Buying electricity collectively saved $5 million within three years, while a joint purchasing agreement with Microsoft saved an additional $1 million a year. More savings were realized from maintenance contracts and a system that allowed students to enroll in courses on more than one campus through a "one-stop" registration process. This process also can smooth students' efforts to transfer credits.

The **Midwestern Higher Education Compact** (MHEC) received an $800,000 grant from Lumina Foundation in 2008 to implement regional initiatives aimed at improving productivity for colleges and universities that face increasing costs for energy, utilities and health care for employees and students. To date, the three-year effort has led to the release of an RFP for group contracts that can save money on energy-conservation retrofitting components purchased by a broad range of institutions in an effort to reduce their energy costs. MHEC is also considering bundling energy services and products to enhance the value of cutting-edge energy-reduction products and make them available to a broader range of institutions at a reduced cost. In health care, MHEC is exploring a regional student health-benefit program in which large and small institutions pool together to purchase quality student health insurance at reduced expense. Additionally, to find practical solutions that don't significantly disrupt current employee health plans, MHEC is working to identify niches, such as pharmacy benefits, where collective purchasing can achieve cost savings. These new initiatives will add to MHEC's past successes in saving institutions and students more than $441 million on joint computer hardware and software purchases, property and casualty insurance and telecommunications services.[27] MHEC's services are available to higher education institutions, K-12 schools and nonprofit organizations across the country.

Ohio has instituted several cost-cutting initiatives designed to improve efficiency throughout the state's higher education system. These initiatives include: a statewide shared purchasing consortium, statewide cost-savings collaborations across multiple institutions and efficiency-oriented formulas for distributing public funds. State colleges and universities identified key priorities, developed strategic plans, adopted cost-containment practices and implemented best practices. As a result, campuses reported a combined savings of $322 million in FY 2005 and FY 2006. The state mandated an additional 1 percent efficiency savings in FY 2008 and 3 percent increases in FY 2009, FY 2010, and FY 2011. Campuses reported more than $186 million in efficiencies in FY 2008, $200 million in FY 2009 and $285 million in FY 2010.

In FY 2010, the chancellor created a Statewide Efficiency Council comprising a variety of stakeholders, including faculty and students. The council meets regularly to monitor and promote achievement of business efficiencies and cost-saving collaborations within the University System of Ohio. The work is focused on five areas: energy efficiency; IT and educational technology; human resources and administrative efficiency; academic efficiency; and procurement.

In addition, the Ohio Inter-University Council, an association of public colleges and medical schools, manages several cooperative purchasing programs to promote and manage high-volume purchases such as through pooling risk to obtain lower-cost property and casualty insurance. Ohio already has a statewide electronic library system, and campuses are looking to create collaborative arrangements involving information technology and administrative computing. Further, the Rx Ohio Collaborative drug-benefit program will be available to all Ohio public-sector employees, including government workers, public school employees and higher education employees. Within the first year, Ohio State University saved 9 percent on prescription drugs spending through a bulk purchasing agreement. The program was expected to save $300 million by 2011.

STEP 4: LESSONS LEARNED

- **Articulate statewide priorities that create clear and measurable efficiency expectations tied to state workforce and economic development goals.**
- **Focus institutions on what they do well and push them to eliminate duplicative or low-demand academic programs.**
- **Demand evidence that savings are promoting increased degree completion.**
- **Outsource the delivery of non-academic functions whenever possible.**
- **Set expectations for governing board appointees to prioritize and reallocate in an academically responsible way.**
- **Support a common technology platform.**
- **Institutionalize efficiency efforts and expectations through the creation of a standing state efficiency council.**

SELECTED NATIONAL ASSOCIATIONS AND INITIATIVES

- **The National Association of College and University Business Officers (NACUBO)**
  http://www.nacubo.org/Business_and_Policy_Areas/Organizational_Effectiveness.html
- **The National Consortium for Continuous Improvement in Higher Education**
  http://www.ncci-cu.org/
- **The Kuali Project**
  http://kuali.org/
- **The National Association of Education Procurement**
  http://www.naepnet.org/iMIS15_prod/public/default.aspx
- **The Shared Services Benchmarking Association**
  http://ssbenchmarking.org/
- **The National Association of State Procurement Officers** http://www.naspo.org/
- **The National Association of Energy Service Companies**
  http://www.naesco.org/

ENABLING LEGISLATION, REGULATION OR RESOLUTION:

- **Maryland**

  USM Board of Regents Effectiveness & Efficiency (E&E) Charge: http://www.usmd.edu/usm/workgroups/EEWorkGroup/initiative.html

  E&E Policies: http://www.usmd.edu/usm/workgroups/EEWorkGroup/eeproject/eepolicy.html

  E&E Reports: http://www.usmd.edu/usm/workgroups/EEWorkGroup/eeproject/eereports.html
- **Ohio**

  USO Advisory Committee on Efficiency Directive: http://regents.ohio.gov/actions/documents/Dir2008-027.pdf

  General information: http://regents.ohio.gov/policymakersguide/efficiency.php

  The Rx Ohio Collaborative: http://www.rxoc.org/

Disclaimer

This report provides a nonpartisan analysis of lessons learned from implementation of college productivity strategies aimed at increasing the percentage of Americans with high-quality degrees and credentials to 60 percent by 2025. For more information, see CollegeProductivity.org. Lumina Foundation does not lobby or make grants to support lobbying activities. The views expressed in this report are those of the authors and do not necessarily represent those of Lumina, its officers and directors or employees.

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POLICY report

Goldwater Institute

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Administrative Bloat at American Universities: The Real Reason for High Costs in Higher Education

By Jay P. Greene, Senior Fellow, Goldwater Institute and head of the Department of Education Reform at the University of Arkansas; Brian Kisida, research associate, Department of Education Reform at the University of Arkansas; Jonathan Mills, research associate, Department of Education Reform at the University of Arkansas

EXECUTIVE SUMMARY

Enrollment at America's leading universities has been increasing dramatically, rising nearly 15 percent between 1993 and 2007. But unlike almost every other growing industry, higher education has not become more efficient. Instead, universities now have more administrative employees and spend more on administration to educate each student. In short, universities are suffering from "administrative bloat," expanding the resources devoted to administration significantly faster than spending on instruction, research and service.

Between 1993 and 2007, the number of full-time administrators per 100 students at America's leading universities grew by 39 percent, while the number of employees engaged in teaching, research or service only grew by 18 percent. Inflation-adjusted spending on administration per student increased by 61 percent during the same period, while instructional spending per student rose 39 percent. Arizona State University, for example, increased the number of administrators per 100 students by 94 percent during this period while actually reducing the number of employees engaged in instruction, research and service by 2 percent. Nearly half of all full-time employees at Arizona State University are administrators.

A significant reason for the administrative bloat is that students pay only a small portion of administrative costs. The lion's share of university resources comes from the federal and state governments, as well as private gifts and fees for non-educational services. The large and increasing rate of government subsidy for higher education facilitates administrative bloat by insulating students from the costs. Reducing government subsidies would do much to make universities more efficient.

We base our conclusions on data from the Integrated Postsecondary Education Data System (IPEDS), which is sponsored by the U.S. Department of Education. Higher education institutions report basic information about enrollment, employment and spending in various categories to IPEDS, which then makes this systematically collected information publicly available. In this report, we focus on the 198 leading universities in the United States. They are the ones in IPEDS identified as four year colleges that also grant doctorates and engage in a high or very high level of research. This set includes all state flagship public universities as well as elite private institutions.

GOLDWATER INSTITUTE

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Introduction

In U.S. higher education, there have actually been diseconomies of scale. Universities employ more people and spend more money to educate each student even as those universities increase their enrollment. Instead of being marked by productivity increases, academia suffers from bloat, particularly administrative bloat.

Most organizations achieve economies of scale over time. As the enterprise serves more customers or produces more goods, it becomes more efficient, requiring fewer people and less money for each customer served or good produced. Achieving larger scale, often with the assistance of technology, has been central to productivity increases and improvements in human welfare for centuries.

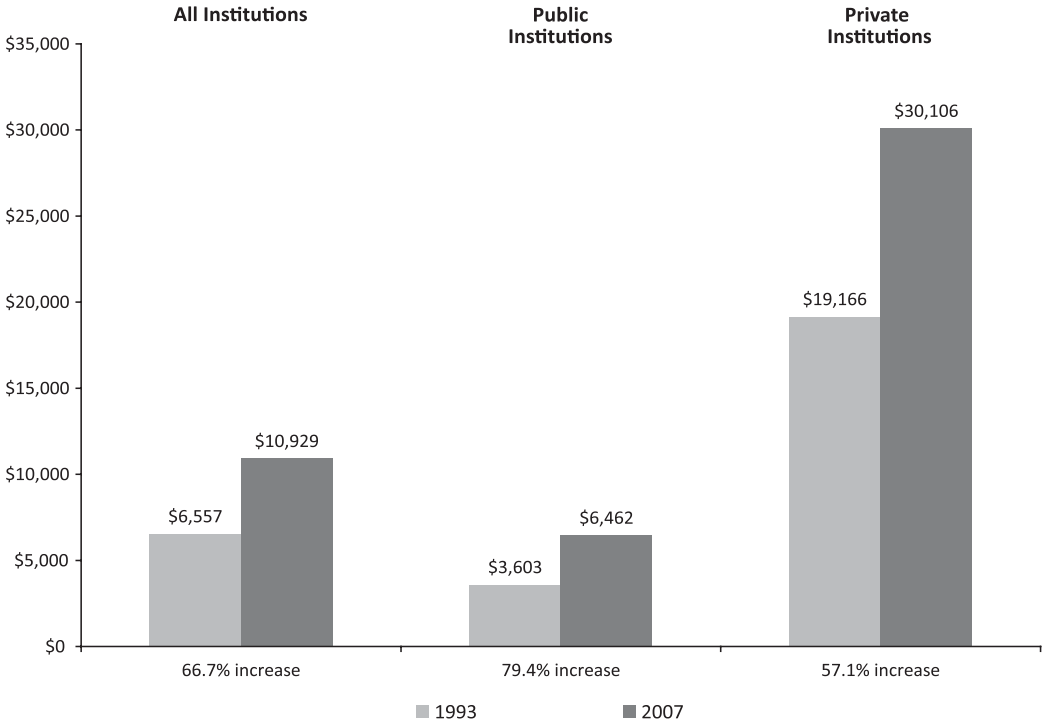
However, the exact opposite is happening in American universities. In U.S. higher education, there have actually been *diseconomies* of scale. Universities employ more people and spend more money to educate each student even as those universities increase their enrollment. Instead of being marked by productivity increases, academia suffers from bloat, particularly administrative bloat. It now takes more employees - especially more administrators - in higher education despite innovations in technology and increases in scale.

Competitive markets are a central cause of greater efficiency through technological innovations and economies of scale. But because universities derive most of their money from gifts, government subsidies and fees for non-educational services - as opposed to student-paid tuition - the amount of competition among universities is muted and distorted. The fact that higher education has high barriers to entry and competes on decades (or centuries) of accumulated status rather than price gives universities little incentive to economize.

The cost of higher education has been rising at a remarkable pace over the last several decades. Between 1993 and 2007, inflation-adjusted tuition has increased by 66.7 percent at the nation's 198 leading public and private universities (see Figure 1). During the same period, the number of students enrolled in these leading institutions has increased by 14.5 percent, from 3.64 million to 4.17 million (see Figure 2).

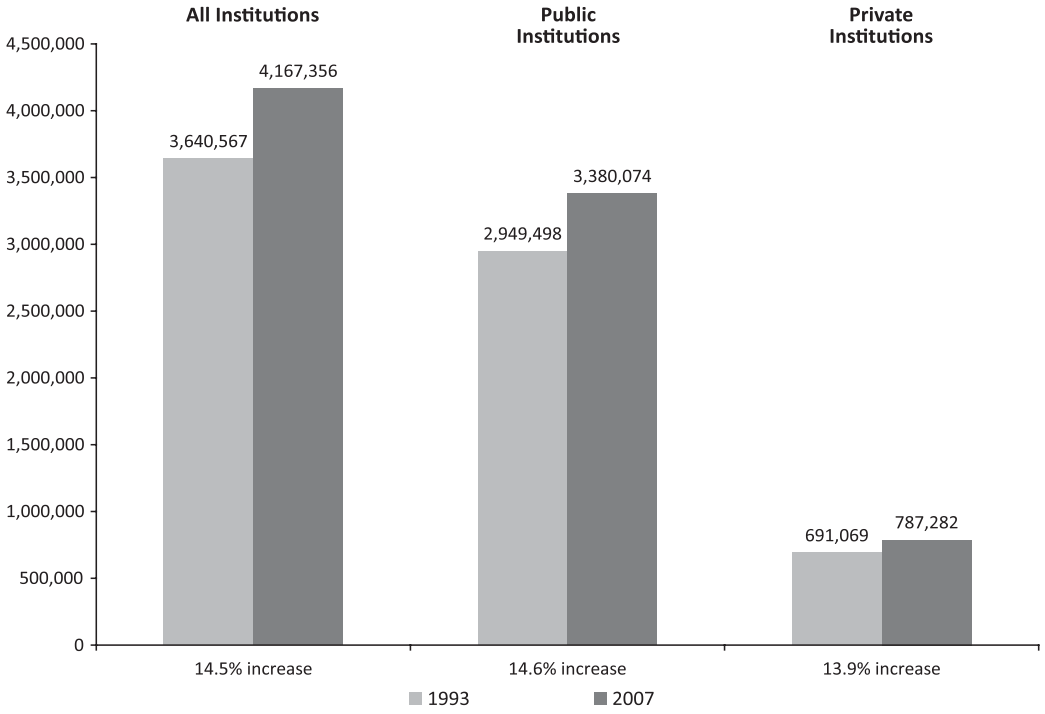
Despite this significant increase in scale, with more students and more resources, higher education has become significantly less efficient. It takes more employees and more dollars to educate each student even as these leading universities grow larger.[1]

Figure 1: In-State Undergraduate Tuition and Fees, 1993 and 2007



Note: 1993 values have been converted to 2007 dollars.

Figure 2: Student Enrollment, 1993 and 2007



It appears that increased governmental subsidies are not causing a reduction in cost to students, since inflation-adjusted tuition has increased by 66.7 percent. Nor are government subsidies primarily leading to an improvement in instructional quality, since instructional employment and spending increases have trailed administrative increases. The net effect of growing government subsidies has been to facilitate administrative bloat in higher education.

The increase in university employment and spending per student is especially severe in administrative categories. That is, universities are not using their greater size and resources primarily to increase instructional employment or expenditures, which could be interpreted as an improvement in quality rather than a decline in efficiency. Instead, most leading universities are increasing their administrative employment and expenditures much faster than instructional employment or expenditures.

Unfortunately, it appears that increased governmental subsidies are not causing a reduction in cost to students, since inflation-adjusted tuition has increased by 66.7 percent. Nor are government subsidies primarily leading to an improvement in instructional quality, since instructional employment and spending increases have trailed administrative increases. The net effect of growing government subsidies has been to facilitate administrative bloat in higher education.

We base our conclusions on data drawn from the Integrated Postsecondary Education Data System (IPEDS), which is sponsored by the U.S. Department of Education. Higher education institutions report basic information about enrollment, employment and spending in various categories to IPEDS, which then makes this systematically collected information publicly available. Our focus is on the 198 leading universities in the United States. These universities are identified in IPEDS as four-year colleges that also grant doctorates and engage in a high or very high level of research. This set includes all state flagship public universities as well as elite private institutions.

The "Administration" column in the following employment figures consists of the IPEDS categories of "Administration/ Executive" and "Other Professionals," defined by IPEDS as "persons employed for the primary purpose of performing academic support, student service, and institutional support…. Included in this category are all employees holding titles such as business operations specialists; buyers and purchasing agents; human resources, training, and labor relations specialists; management analysts; meeting and convention planners; miscellaneous business operations specialists; financial specialists; accountants and auditors; budget analysts; financial analysts and advisors; financial examiners; loan counselors and officers; [etc.]." Under any reasonable definition, these employees are engaged in administrative functions but clearly they are not directly engaged in teaching, research or service.

In this report, we have done little more than download, organize and highlight information that is readily available from a Department of Education data set. But our minimal processing of the data has its virtues. The credibility and accuracy of our findings do not rely upon us or any opaque statistical analysis. Readers only

need trust information reported to the Department of Education by universities themselves to believe our results. For additional information on our data and analyses, as well as recommended research, please see Appendix A.

All tables referenced throughout this report can be found online at www.goldwaterinstitute.org.

Results

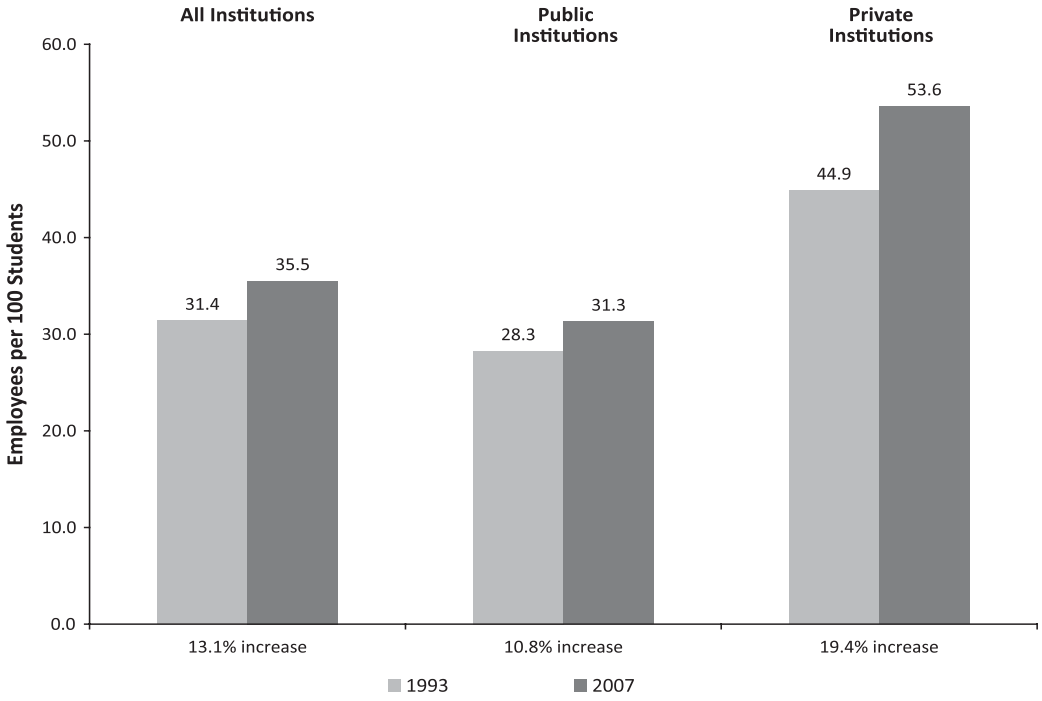
Employment

Universities have significantly increased their employment, adjusted for the increase in student enrollment, between 1993 and 2007 (see Figure 3 and Table A1). In 1993, these leading universities had a total of 31.4 employees per 100 students (22.4 full-time employees and 9.0 part-time employees). By 2007, there were a total of 35.5 employees for every 100 students (24.3 full-time and 11.2 part-time). In 2007, it took 13.1 percent more employees to educate the same number of students than it did in 1993 (8.2 percent more full-time and 25.1 percent more part-time).

The rate of increase in the number of total university employees per student has been much higher among private universities. In 2007, private universities had 53.6 total employees for every 100

Universities have significantly increased their employment, adjusted for the increase in student enrollment, between 1993 and 2007. In 1993, these leading universities had a total of 31.4 employees per 100 students. By 2007, there were a total of 35.5 employees for every 100 students. In 2007, it took 13.1 percent more employees to educate the same number of students than it did in 1993.

Figure 3: University Employees per 100 Students, 1993 and 2007



students, fewer than two students per employee. That was an increase of 19.4 percent from the 44.9 total employees per 100 students reported by private universities in 1993. The number of full-time employees per 100 students at private universities grew from 35.1 to 40.4, an increase of 14.9 percent.

While the increase of total employees relative to students at public institutions has not been as great, they still experienced a 10.8 percent increase between 1993 and 2007. At public universities, there was a much smaller increase in full-time employees of 5.5 percent, from 19.4 to 20.5 full-time employees per 100 students between 1993 and 2007.

It is more illuminating to look at full-time employment broken out by category (see Figure 4 and Table A1). Notably, universities actually have more full-time employees devoted to administration than to instruction, research and service combined. Even in 1993, these leading universities were flush with administrators, employing 6.8 full-time administrators for every 100 students compared with 6.0 full-time employees engaged in instruction, research or service. By 2007, the preponderance of administrators relative to educators grew even larger at these leading universities, as there were 9.4 full-time administrators per 100 students compared with 7.0 full-time instructors, researchers and service

Universities actually have more full-time employees devoted to administration than to instruction, research and service combined. In 1993, these leading universities were flush with administrators, employing 6.8 full-time administrators for every 100 students compared with 6 full-time employees engaged in instruction, research or service. By 2007, there were 9.4 full-time administrators per 100 students compared with 7 full-time instructors, researchers and service providers.

Figure 4: University Employees per 100 Students by Type, 1993 and 2007

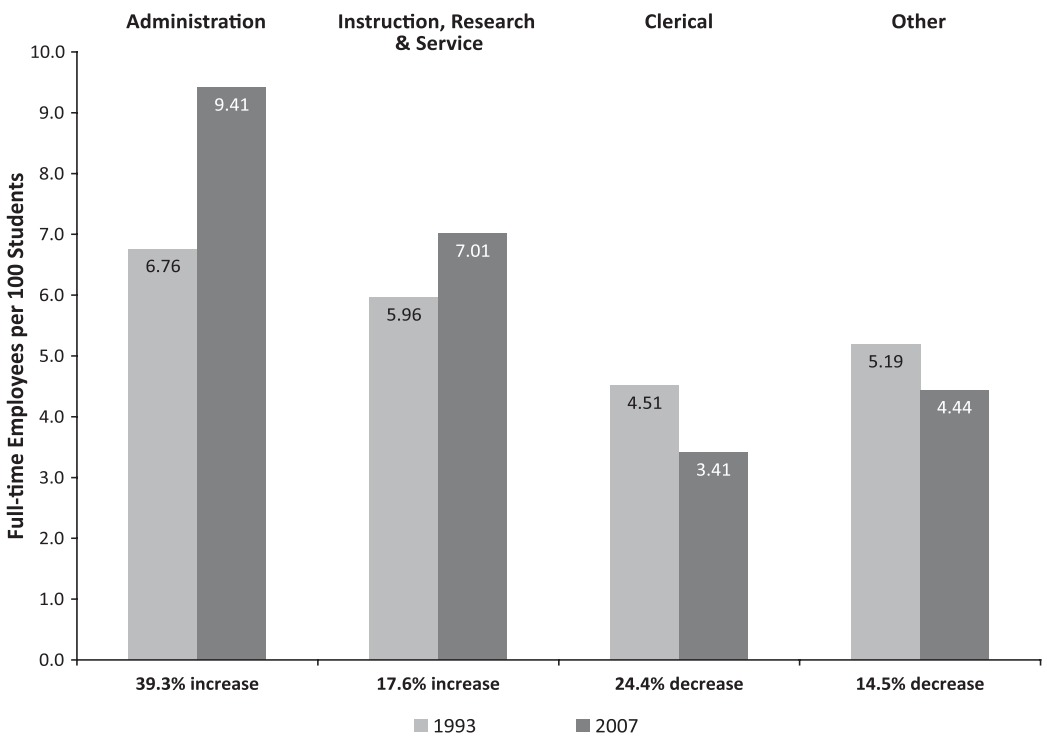
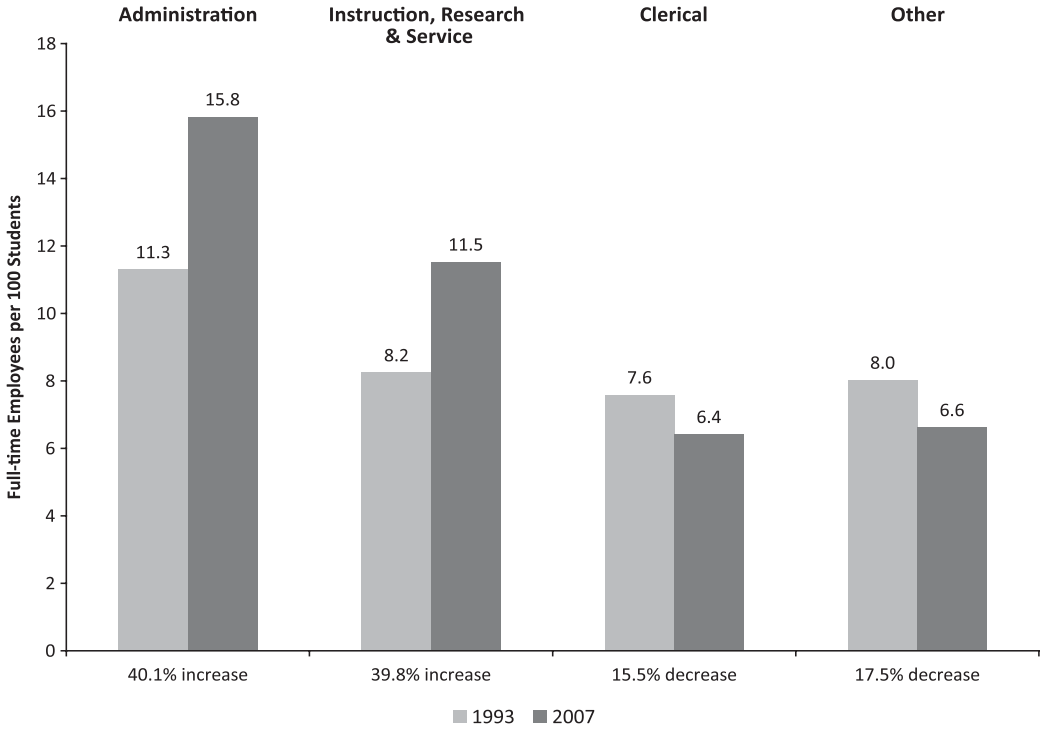


Figure 5: Private University Employees per 100 Students by Type, 1993 and 2007



providers. In terms of growth, the number of full-time administrators per 100 students at America's leading universities increased by 39.3 percent between 1993 and 2007, while the number of employees engaged in teaching, research or service only increased by 17.6 percent.

At private institutions in 1993, there were 11.3 full-time administrators for every 100 students compared with 8.2 full-time employees engaged in teaching, research or service. At these same institutions in 2007, there were 15.8 full-time administrators for every 100 students compared with 11.5 full-time instructors, researchers and service providers (see Figure 5 and Table A1). Put another way, today there are about six students at private universities for every full-time administrator.

In terms of growth, private universities increased their full-time staff involved in instruction, research and service by almost the same rate as they increased administration, a 39.8 percent increase compared with a 40.1 percent increase.

Leading public universities were also already administrative-heavy in 1993, but the rate of growth in administrative employment was even higher than the growth in educators, leaving these institutions even more administrator-heavy in 2007 (see Figure 6 and Table A1). Full-time employment in the instructional, research and service

Leading public universities were also already administrative-heavy in 1993, but the rate of growth in administrative employment was even higher than the growth in educators, leaving these institutions even more administrator-heavy in 2007. It now takes 39 percent more full-time administrators to manage the same number of students than it did in 1993.

category grew by 9.8 percent between 1993 and 2007, but the number of full-time administrators grew at nearly four times that rate - 39.0 percent. It now takes 39.0 percent more full-time administrators to manage the same number of students than it did in 1993. Put another way, there are now fewer than 13 students for every full-time administrator at public institutions. Apparently, public universities are trying to keep up with private institutions in administrative bloat even if they cannot compete in the areas of teaching, research and service.

Universities are showing some signs of economizing, given the reductions in the number of clerical and other basic support employees between 1993 and 2007. But the declines in these basic support categories are nowhere near as large as the increase in administrative employment. Universities are reducing the number of low-paid secretaries and maintenance workers while adding an even larger number of higher-paid administrators.

Universities are also showing some signs of economizing by greatly increasing their employment of part-time instructors, which include graduate assistants and adjuncts. The significant shift toward part-time instructors undermines claims that increased employment in this category is a sign of these institutions striving to increase quality with their increases in employment.

Universities are also showing some signs of economizing by greatly increasing their employment of part-time instructors, which include graduate assistants and adjuncts. At private universities, we see an 82.7 percent increase in part-time instructors

Figure 6: Public University Employees per 100 Students by Type, 1993 and 2007

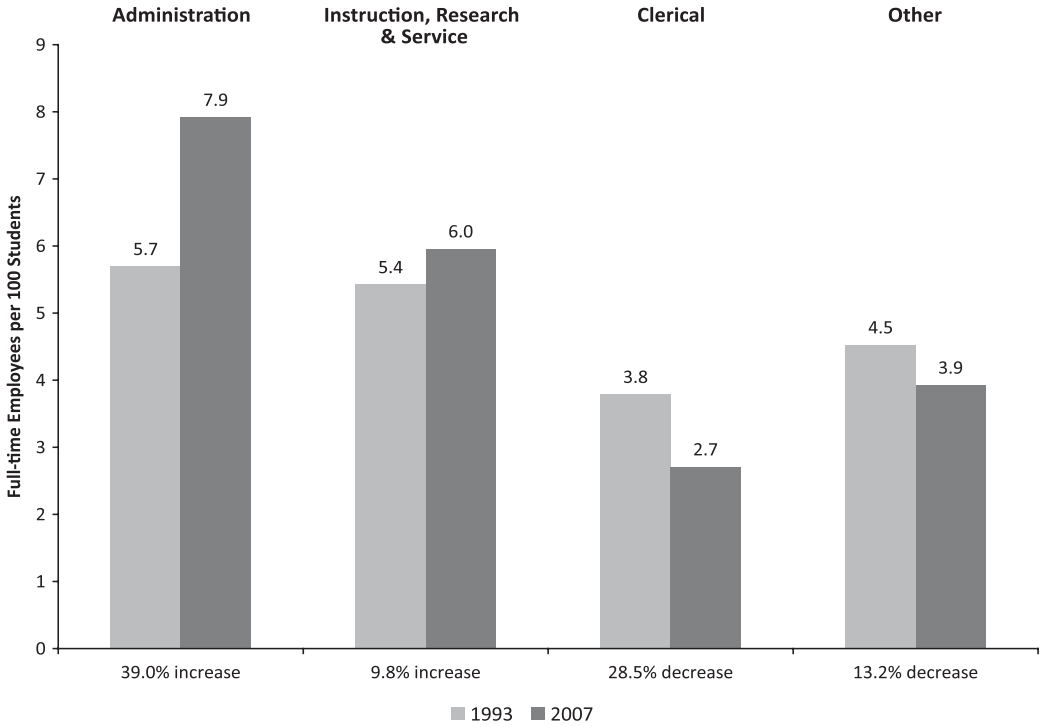
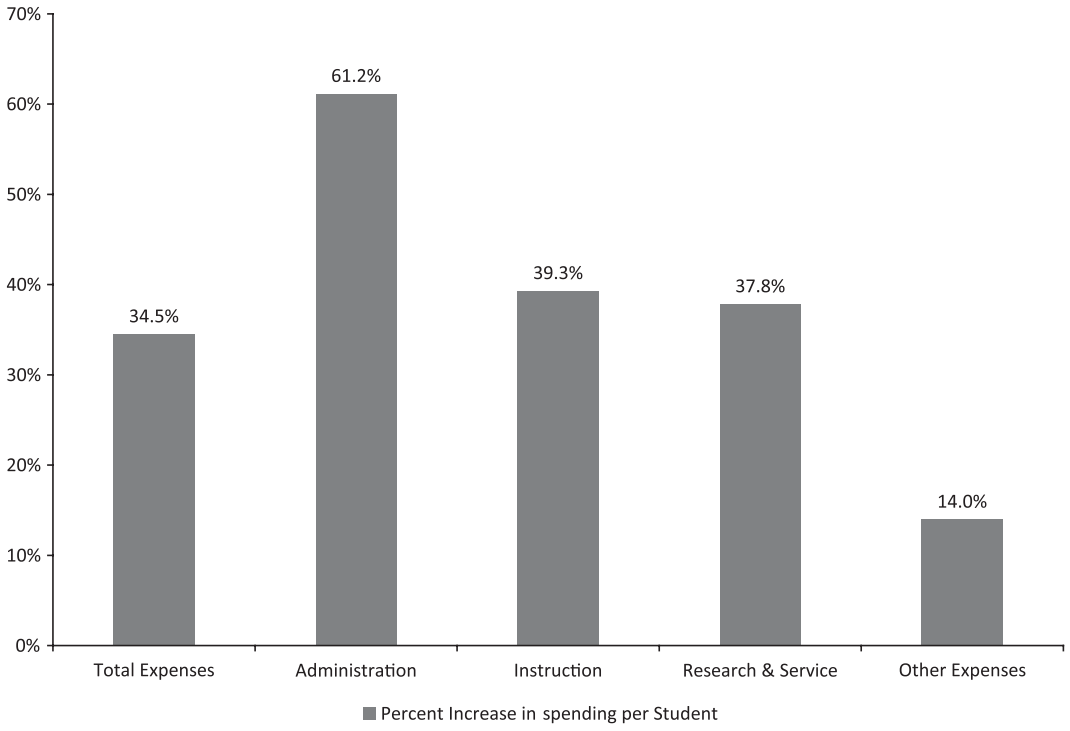


Figure 7: Percentage Increase in spending per Student by Category, from 1993 to 2007



Broken out by category, there has been a 39.3 percent increase in expenditures per student for instruction, a 37.8 percent increase for expenditures in research and service, and a 14 percent increase in other spending. While these increases are large, they pale in comparison to the whopping 61.2 percent increase in expenditures per student for administration that has occurred between 1993 and 2007.

between 1993 and 2007, while at public institutions the increase was 31.5 percent. But even in light of this increasing reliance on part-time instructors, there was still a 17.6 percent increase in full-time employees per student engaged in instruction, research and service. In addition, the significant shift toward part-time instructors undermines claims that increased employment in this category is a sign of these institutions striving to increase quality with their increases in employment.

Spending

While economizing is occurring with the employment of secretaries, maintenance workers, and graduate students, the spending data still show a large increase in total expenditures per student, especially in the administrative category. Total spending per student (adjusted for inflation) rose 34.5 percent between 1993 and 2007 (see Figure 7 and Table A2). Broken out by category, there has been a 39.3 percent increase in expenditures per student for instruction, a 37.8 percent increase for expenditures in research and service, and a 14 percent increase in other spending. While these increases are large, they pale in comparison to the whopping 61.2 percent increase in expenditures per student for administration that has occurred between 1993 and 2007.

The most striking point here is that university spending per student is increasing in real terms, most rapidly in the area of administration. It is not clear why it has cost nearly two-thirds more to administer each student over this 15-year period. We know that universities are hiring many more administrators per student and that they must also be paying those administrators higher salaries and providing them with larger operating budgets.

Employment Leaders and Laggards

It is striking that among universities with very high rates of growth in full-time administrators, some have had relatively little growth (or even declines) in their full-time instructors, researchers and service providers.

While administrative bloat is a widespread problem in higher education, some institutions seem to be less afflicted by it. Twenty of the universities we examined actually experienced a decline in the number of administrators per 100 students between 1993 and 2007 (see Table A4). Many of these institutions with declining administration, however, remain very administration-heavy.

For example, the Massachusetts Institute of Technology (MIT) had a 44.7 percent decline in the number of full-time administrators per student between 1993 and 2007. But even after that decline, MIT still has 23.5 full-time administrators for every 100 students, significantly higher than the average 9.4 for all institutions, and even higher than the average of 15.8 for private universities (see Table A5). The decline was only possible because it began in 1993 with the already astronomically high rate of 42.4 administrators for every 100 students.

On the other hand, some universities with declines in administrative employees per student ended with relatively low levels of administrative bloat. For example, Virginia Commonwealth University (VCU) experienced a 75 percent decline in administrative employees per student (see Tables A3 and A4). In 1993, the university had an above-average rate of 12.0 full-time administrators per 100 students, but by 2007 that number had dropped to 3.0 (see Table A5). This decline was achieved in part because VCU increased its enrollment by 45.1 percent between 1993 and 2007, much faster than the average enrollment increase of 14.5 percent. But unlike other institutions, VCU spread its fixed cost of administration over a larger base as it gained more students.

It is striking that among universities with very high rates of growth in full-time administrators, some have had relatively little growth (or even declines) in their full-time instructors, researchers and service providers. For example, the University of California-Davis increased the number of full-time administrators it employed by 318.8 percent between 1993 and 2007. But during that same period, the university actually reduced its full-time instructional, research, and service staff by 4.5 percent (see Tables A3 and A4). Similarly, Jackson State University, Kansas State University, and University of Albany-SUNY (State University of New York) more than doubled their administrative employment per student ratios while reducing their instructional

staff per student ratios. All of these institutions increased their enrollment and, as a result, increased the direct and indirect government subsidies that higher enrollment provides. They also all significantly increased the tuition they charge their students. And what taxpayers and students received in return was more administrators and fewer teachers - probably not what they had in mind.

Some universities increased the number of employees engaged in instruction, research and service even faster than the number of administrators per 100 students between 1993 and 2007, but these cases were not the norm. For example, the University of Colorado-Denver increased its full-time number of administrators by more than 200 percent, but it increased the number of employees in instruction, research and service by more than 400 percent.

Among the three dozen other schools that increased administrative employment at a slower rate than employment in instruction, research and service were many of the elite private universities, such as Harvard, California Institute of Technology, Rice, Emory, Cornell, Chicago, and Princeton. Some highly respected public universities were also more likely to give priority to increasing instruction over administration, such as the University of Michigan and University of Virginia.

Readers wishing to find information on the increase in employment per 100 students for any particular institution can look in Table A3, which organizes the universities alphabetically. To find the universities with the highest and lowest rate of increase in administrative employment, see Table A4. To see the number of employees in each category for each university in 1993 and 2007, see Table A5.

Spending Leaders and Laggards

The cost of administration for each student, like the number of administrators per student, has been increasing dramatically. Two dozen of the leading universities we examined more than *doubled* their spending on administration for each student enrolled, adjusted for inflation. For example, at Wake Forest University, administrative spending per student has increased by more than 600 percent in real terms. At Harvard, administrative spending per student has increased more than 300 percent between 1993 and 2007, adjusted for inflation (see Tables A6 and A7).

The cost of administration for each student, like the number of administrators per student, has been increasing dramatically. Two dozen of the leading universities we examined more than doubled their spending on administration for each student enrolled, adjusted for inflation. At Harvard, administrative spending per student has increased more than 300 percent between 1993 and 2007.

At all but one of these 24 universities that have more than doubled their administrative spending per student, the increase in instructional spending has lagged far behind. And, with the exception of the University of Alabama at Birmingham, all of these universities are private institutions.

There are only 13 universities that have actually reduced administrative spending per student in real dollars

between 1993 and 2007. The rate of decrease, however, is small compared with the rate of increase at the two dozen institutions that more than doubled administrative spending. In addition, 6 of the 13 universities with a decline in real administrative spending per student also reduced real instructional spending per student.

If there are any universities realizing economies of scale to reduce their costs per student as their enrollments grow, there is no sign of it among these leading universities. In 2007, these universities were spending an average of $41,337 per student while charging an average tuition for in-state undergraduate students of $10,929. The difference between spending and tuition per student is obtained from some combination of gifts, direct government subsidies, and fees for services provided.

It is possible that these universities were simply suffering financial difficulties that limited spending across the board. But financial distress is clearly not the norm. As mentioned earlier, total spending per student at the universities we examined has increased by 34.5 percent. Spending increased by 61.2 percent on administration per student, adjusted for inflation, compared with 39.3 percent for instruction, and 37.8 percent for research and service. At the vast majority of leading universities, spending per student in almost every reported category increased in real terms between 1993 and 2007.

If there are any universities realizing economies of scale to reduce their costs per student as their enrollments grow, there is no sign of it among these leading universities. As of 2007, these universities were spending an average of $41,337 per student (see Table A8) while charging an average tuition for in-state undergraduate students of $10,929. The difference between spending and tuition per student is obtained from some combination of gifts, direct government subsidies, and fees for services provided.

At only one institution in 2007, the University of North Texas, did the university spend less than $10,000 per student. At the extreme other end of the spectrum, Wake Forest, Yale, MIT, Harvard, and Dartmouth spend more solely on administration per student than the average university spends on everything per student. The nearly $75,000 at Wake Forest and the nearly $60,000 at Yale per student spent on administration must buy some truly excellent administration. By comparison, the average expenditure for a K–12 public school student in 2006–2007 was $11,257. Relative to our leading universities, our public school system may seem to be a model of efficiency.

Readers wishing to find information on the increase in spending per student for any particular institution can look in Table A6, which organizes the universities we examined alphabetically. To find the universities with the highest and lowest rate of increase in administrative spending, see Table A7. To see the spending per student in each category for each university in 1993 and 2007, see Table A8.

Spotlight on Arizona

Three of the institutions profiled in this report are public universities in Arizona: Arizona State University (ASU), Northern Arizona University (NAU), and University of Arizona (UA). All three show the symptoms of administrative

bloat. At Arizona State University, the number of full-time administrators per 100 students increased 94.0 percent between 1993 and 2007. This increase at ASU is greater than 167 other universities we examined. At NAU, the employment of full-time administrators per student increased by 36.5 percent during the same period. And at UA, the rate of increase was 45.8 percent (see Table A3).

At all three Arizona public universities, the number of administrators grew much more rapidly than the number of instructors, researchers and service providers. At ASU, the employment of teachers and researchers actually declined by 2.4 percent between 1993 and 2007 while administrative jobs increased by 94.0 percent. At NAU, the rate of increase was 15.8 percent, less than the 36.5 percent increase for administrators. And at UA, the number of instructors, researchers, and service providers only increased by 3.1 percent, compared with a 45.8 percent increase among administrators.

At the University of Arizona, a majority of full-time employees were administrators. In 2007, UA had 13.3 administrators per 100 students out of a total of 25.7 full-time employees. At ASU, there were 6.3 full-time administrators per 100 students out of 12.9 full-time employees. And NAU had 4.6 full-time administrators per 100 students in 2007 out of a total 11.2 employees (see Table A5).

Per pupil spending increased at ASU, NAU, and UA along with the growth in employees. The spending increases at all three Arizona public universities were greater in administration than instruction. At ASU, administrative spending per student increased by 46.3 percent between 1993 and 2007 after adjusting for inflation. At NAU, the increase was 36.5 percent, and at UA, the increase was 28.8 percent (see Table 6).

Total spending per student at these Arizona public universities far exceeded the average tuition charged to in-state undergraduates. In 2007, tuition fell within a tight range with UA at $4,766, ASU at $4,688, and NAU at $4,596. But total spending per student was $30,965 at UA, $18,323 at ASU, and $14,041 at NAU. As with all universities, the lion's share of resources comes from sources other than student tuition. The state and federal governments along with private donors and some fees for non-education services makes up the difference between what students pay and what universities spend. Administrative bloat in Arizona, as in the rest of the country, is possible because the bill is largely paid for by someone other than the consumer.

At Arizona State University, the number of full-time administrators per 100 students increased 94.0 percent between 1993 and 2007. This increase at ASU is greater than 167 other universities we examined.

Spotlight on the University of Michigan

If Arizona's public universities are models of administrative bloat, the University of Michigan (UM) provides a model for how to stem bloat. According

to Vicki Murray's 2005 report for the Goldwater Institute, state funding constitutes a much larger portion of general revenues at ASU and UA than at UM.[2] State funding was 38 percent of general revenue at UA and 41 percent at ASU, while at UM, state funding dropped to less than 10 percent by 2003. UM has a relatively low and declining level of government subsidy at the same time that it has shown a significant reduction in administrative bloat.

The University of Michigan provides a model for how to stem bloat. Between 1993 and 2007, the University of Michigan was one of the few leading universities that actually reduced the number of administrators. There were 5.5 percent fewer full-time administrators at UM in 2007 than in 1993. During that same period, the number of full-time instructional, research, and service employees increased by 68 percent.

Between 1993 and 2007, the University of Michigan was one of the few leading universities that actually reduced the number of administrators. There were 5.5 percent fewer full-time administrators at UM in 2007 than in 1993. During that same period, the number of full-time instructional, research and service employees increased by 68.0 percent. Spending shows a similar pattern. Administrative spending per student (adjusted for inflation) increased by only 7.5 percent between 1993 and 2007. Of the universities we examined, this was the 23rd lowest increase in administrative spending. And yet during those same years, instructional spending went up by a much larger 29.2 percent.

Relatively low government subsidies have encouraged the University of Michigan to focus fewer employees and resources on administration and devote more to instruction. To be sure, UM still employs quite a lot of administrators and devotes a considerable sum of money to that task, but financial independence from the state seems to be moving the university in the right direction. Reducing government subsidies may be just the remedy for rapidly growing university administration.

Conclusion

Universities are suffering from administrative bloat. Higher education has been adding more administrative employees and spending more on administration per student, and increases in administrative employment and spending far exceed those in instruction, research and service. This trend is especially egregious because as universities increase their enrollments, one would expect that administrative costs per student would go down. The relatively fixed cost of administering a university should be spread over a larger base of students.

This report simply documents this administrative bloat, using data reported by universities to the U.S. Department of Education. The facts regarding growth in administrative employment and spending are clear and indisputable.

Why this administrative bloat is occurring and what should be done to address it are questions on which this report does not provide systematic analysis to answer. We do examine the illustrative cases of administrative bloat at the heavily state-subsidized Arizona

public universities compared with the reduction in bloat at the more financially independent University of Michigan. These cases suggest that government subsidies for higher education play a central role in facilitating excessive growth in administration. But our primary purpose here is to document and highlight the nature of the problem, not to explain its causes or solutions.

That being said, we can offer some ideas for future research to explore why universities suffer from disproportionate growth in administration and what can be done about it. First, it should be clear that much of what universities advocate for is unlikely to fix the problem of administrative bloat. Universities frequently claim they need greater direct or indirect government subsidies as well as more students in higher education. Yet during the period we examined, both government subsidies for higher education and enrollments increased significantly. Neither development prevented disproportionate increases in administrative employment or spending.

It is more likely that higher enrollments and higher levels of subsidy actually contributed to administrative bloat. Universities have an ever-larger army of administrators because they can afford it. If funds were tighter, it might be the case that universities would focus more of their resources on the core responsibilities of teaching and conducting research while striving for greater efficiency in providing the necessary administration for those core responsibilities.

Growth in enrollments and higher rates of government subsidy have made universities flush with extra funds. Being nonprofits, they do not return excess profits to shareholders; instead, they return excess profits to their *de facto* shareholders, the administrators who manage the institutions. These administrators are paid dividends in the form of higher compensation and more fellow administrators who can reduce their own workload or expand their empires.

The growth in government subsidy for higher education means that there is more government regulation and more government bureaucracy that universities must handle. Compliance with and management of government bureaucracy also contributes to administrative growth in universities because of the additional people it takes to navigate red tape.

The increasing government role in universities also means that universities have to consider more political issues in their operations. To please political constituencies, universities need more diversity administrators, sustainability administrators, or anyone who might improve the prospects for subsidies from politicians.

In addition, because universities derive most of their money from gifts, government subsidies, and fees for

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The primary solution to administrative bloat and generally rising costs is to reduce the rate of government subsidies. We need to stop feeding the beast. Politicians and the public genuinely want to improve the affordability of higher education and expand access, but they are just facilitating a vicious cycle. Subsidies produce more bloat, which raises costs, which creates demand for higher subsidies.

services rather than student-paid tuition, the amount of competition among universities is muted and distorted. Since higher education has high barriers to entry and competes on decades (or centuries) of accumulated status rather than price, there are more excess profits available for administrative bloat.

If these hypotheses are correct, the primary solution to administrative bloat and generally rising costs is to reduce the rate of government subsidies. We need to stop feeding the beast. Politicians and the public genuinely want to improve the affordability of higher education and expand access, but they are just facilitating a vicious cycle. Subsidies produce more bloat, which raises costs, which creates demand for higher subsidies.

If public demand for subsidies and greater access is unavoidable, it is possible to structure those subsidies in a way that encourages greater cost control, which in turn will facilitate less need for subsidies and improve access. Of course, designing these subsidies properly would be difficult, practically and politically.

Until we can further explore the causes and solutions to administrative bloat in higher education, we should at least be clear about the existence of the problem and the necessity to address it.

Appendix A: Data, Analysis, and Recommended Research

We base our conclusions on data drawn from the Integrated Postsecondary Education Data System (IPEDS), which is sponsored by the U.S. Department of Education. Higher education institutions report basic information about enrollment, employment, and spending in various categories to IPEDS, which then makes this systematically collected information publicly available. In this report, we have done little more than download, organize and highlight information that is readily available from a Department of Education data set. But our minimal processing of the data has its virtues. The credibility and accuracy of our findings do not rely upon us or any opaque statistical analysis. Readers only need trust information reported to the Department of Education by universities themselves to believe our results.

For ease of interpretation, we have combined some of the categories. In the employment tables in this report, the "Administration" column consists of the IPEDS categories of "Administration/ Executive" and "Other Professionals." Other Professionals clearly fall within an administrative category because they are defined by IPEDS as "persons employed for the primary purpose of performing academic support, student service, and institutional support…. Included in this category are all employees holding titles such as business operations specialists; buyers and purchasing agents; human resources, training, and labor relations specialists; management analysts; meeting and convention planners; miscellaneous business operations specialists; financial specialists; accountants and auditors; budget analysts; financial analysts and advisors; financial examiners; loan counselors and officers; [etc.]." Under any reasonable definition, these employees are engaged in administrative functions but clearly not directly engaged in teaching, research or service.

The "Instruction, Research, and Service" column is identical to the category reported in IPEDS. The only change we make is to include the "Graduate Assistants" category for part-time workers in "Instruction, Research, and Service." The "Clerical" category is also identical to the one reported in IPEDS. We did not combine this into "Administration" only because it clearly contains a lower-skilled-and-compensated set of employees associated with work of "a secretarial nature" rather than the administrative management of the institution.

"Other Employees" consists of the "Technical/Paraprofessional," "Skilled Crafts" and "Maintenance" categories in IPEDS. Like those in the Clerical category, these employees are primarily engaged in providing basic support for the operations of universities rather than engaging in administrative management, and so we report them as a separate category.

Unfortunately, the spending categories in IPEDS are not identical to the employment categories, but we have done our best to map them into similar groupings. For the expenditure tables in this report, the "Administration" spending consists of the "Academic Support," "Institutional Support," and "Student Services" categories in IPEDS.

The "Instruction" spending category is identical to the one found in IPEDS. The "Research and Service" column consists of the "Research," "Public Service" and "Independent Operations" categories in IPEDS. The "Other Expenses" column consists of the "Auxiliary Expenses," "Operation and Maintenance of Plant" and "Hospitals" categories.

We believe that this consolidation of categories paints a more accessible and accurate picture, but readers are free to access the original data and combine categories in other ways if they prefer.

In this report, we focus on the 198 leading universities in the United States. These are identified in IPEDS as four-year colleges that also grant doctorates and engage in a high or very high level of research. This would include all state flagship public universities as well as elite private institutions.

We have reported results broken out by institution as well as the student-weighted average across all 198 universities. (Because of missing data for two different sets of institutions, there are actually only 196 universities in the employment and expenditure tables.) We also ranked the universities so that readers can see where any particular institution stands in its administrative bloat relative to other institutions.

The information in this report is taken from two snapshots, one from 1993 and the other from 2007. These are the earliest and most recent years for which we can provide nearly complete information on our variables of interest. The change over this 15-year period should give us a clear picture of the trends in higher education.

Readers interested in previous and related research on this topic are encouraged to consult *Going Broke by Degree: Why College Costs Too Much*, by Richard Vedder (AEI Press, 2004). For additional analysis of the trends in college spending, readers should consult *Trends in College Spending*, by Jane Wellman (Delta Cost Project, 2009).

All tables referenced throughout this report may be found online at www.goldwaterinstitute.org.

NOTES

1. A potential explanation for the increase in the number of college employees and the rise in costs could be that the quality of a college education has increased over time. Average composite scores on the Graduate Record Examination (GRE), however, have actually declined since 1990. National Center for Education Statistics, *Digest of Education Statistics*, 2009, http://nces.ed.gov/pubs2010/2010013.pdf.

2. Vicki Murray, *The Privately Financed Public University: A Case Study of the University of Michigan* (Goldwater Institute Policy Report #206, 2005).

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