

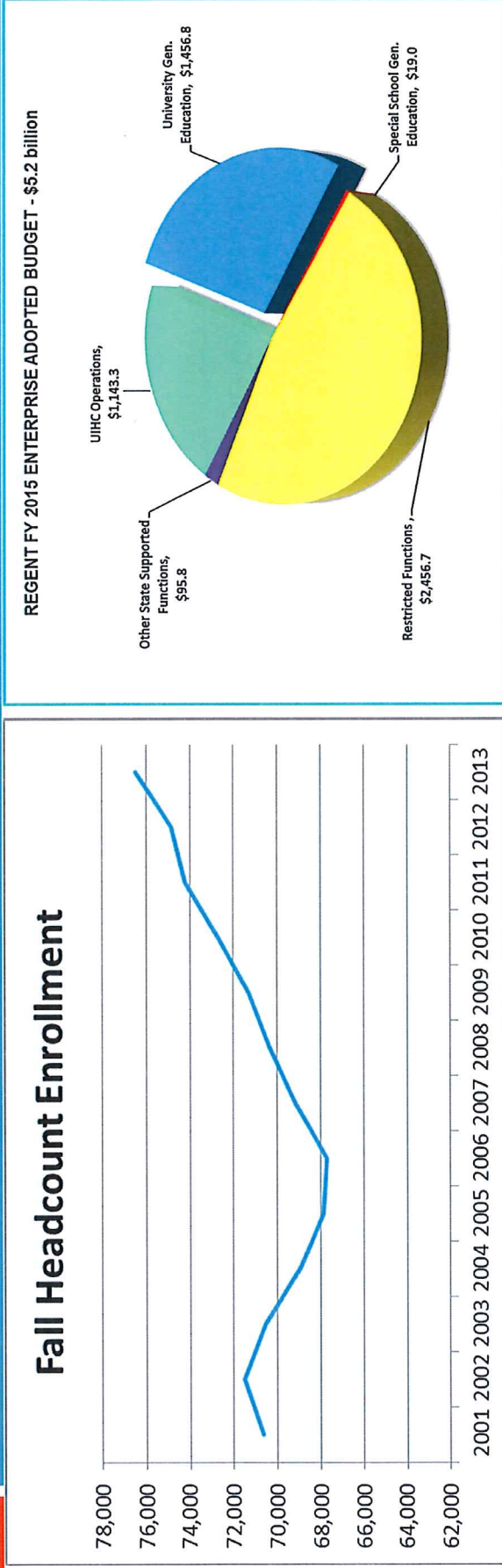


BOARD OF
REGENTS
STATE OF IOWA

FUNDING THE FUTURE: STATE APPROPRIATIONS & TUITION FOR IOWA'S REGENT INSTITUTIONS

Legislative Fiscal Committee
December 19, 2016

Iowa's Public Institutions at a Glance



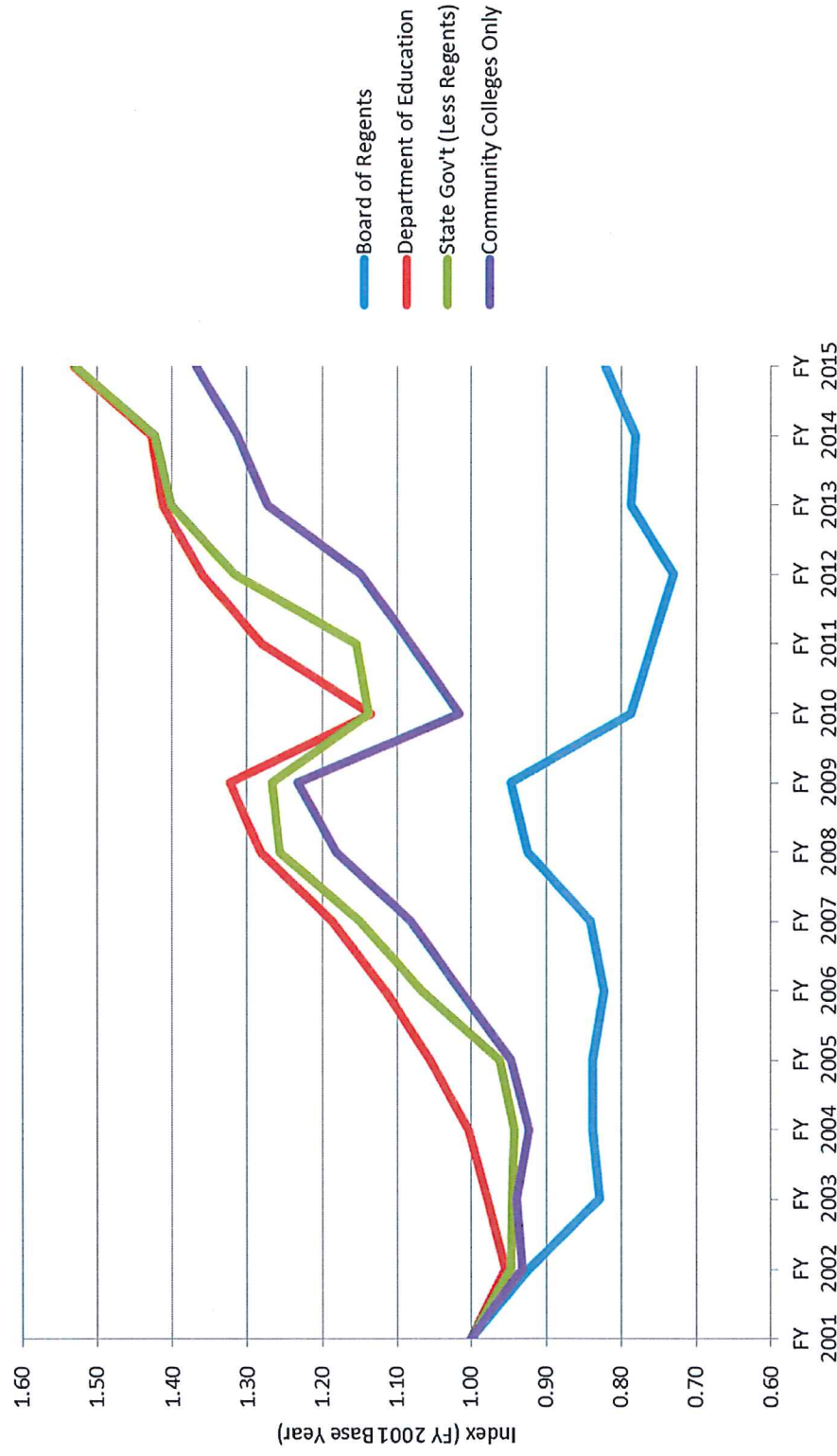
EDUCATIONAL VALUE	IN-STATE		OUT-of-STATE	
	Regent Universities	Public 4-Year Universities	Regent Universities	Public 4-Year Universities
	15%	27%	17%	19%
Average Annual Tuition & Fee Increases from FY 2009 to FY 2014				

Source: College Board's "Trends in College Pricing"

Comparative State General Fund Appropriations

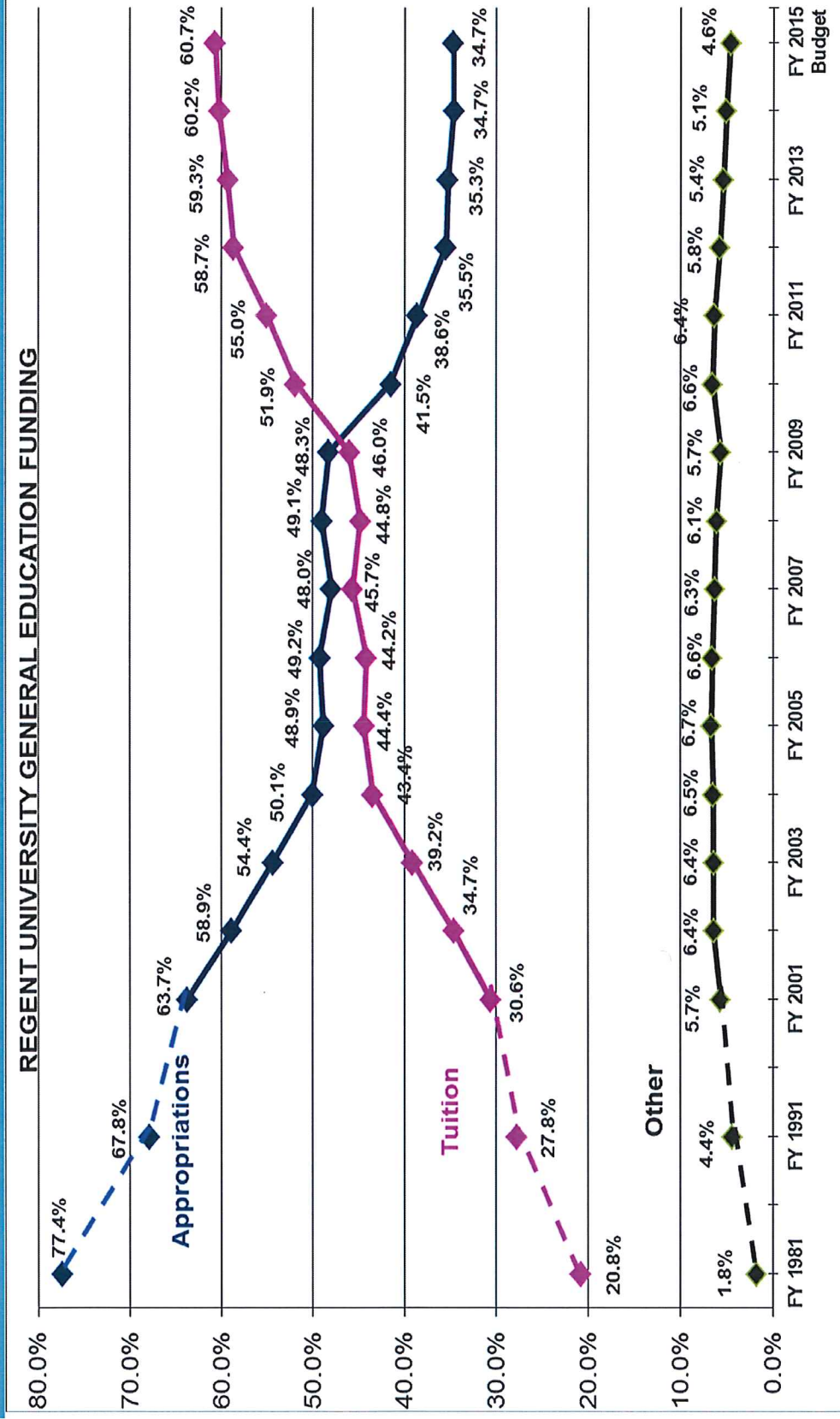
Comparative State General Fund Appropriations

Source: LSA's Gray Book



Source: LSA's Gray Book

Change in General University Funding Sources



Setting Tuition Rates

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 2012	2.8 – 4.1%	1.7%
FY 2013	1.7 - 3.1%	1.6%
FY 2014**	1.8 - 3.4%	3.0%
FY 2015**	1.8 - 3.2%	2.5%
FY 2016**	1.6 - 3.2%	2.4%
Range is the original projection; Median is actual unless noted		
** Projected		

The Board elected to use 1.75% to increase nonresident, graduate and professional tuition between 1.20% and 1.75%.

One exception is the ISU College of Veterinary Medicine, which will increase at the upper end of HEPI – 3.2%. As the only college that provides a professional veterinary medicine program in Iowa, this education is an intense mix of classroom-based instruction plus clinical learning in a modern, tertiary referral teaching hospital. Veterinary graduates typically have a 91% placement at the time of graduation; the class of 2012, the last year with reliable data, had a placement rate of 97% within a year of graduation, and an average starting pay increase of almost \$6,000 over the previous year. 81% of practicing veterinarians in Iowa are graduates from ISU.

To help offset tuition increases, the Veterinary Medicine scholarship pool has been enhanced. In FY 2014, over \$620,000 in endowed and annual named scholarships and awards were provided; over 50% of eligible veterinary students received an average award of \$2,300.

No new supplemental or differential tuition rates are being requested for the FY 2015-2016 academic year.

**Regent Tuition and Mandatory Fees
Proposed Academic Year 2015-16**

UNDERGRADUATE	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	\$ Incr	% Incr
UNIVERSITY OF IOWA												
Resident ¹	6,678.00	6,678.00	-	0.00%	1,401.00	1,426.00	25.00	1.78%	8,079.00	8,104.00	25.00	0.31%
Nonresident	26,008.00	26,464.00	456.00	1.75%	1,401.00	1,426.00	25.00	1.78%	27,409.00	27,890.00	481.00	1.75%
IOWA STATE UNIVERSITY												
Resident	6,648.00	6,648.00	-	0.01%	1,083.40	1,087.90	4.50	0.42%	7,731.40	7,735.90	4.50	0.06%
Nonresident	19,534.00	19,768.00	234.00	1.20%	1,083.40	1,087.90	4.50	0.42%	20,617.40	20,855.90	238.50	1.16%
UNIVERSITY OF NORTHERN IOWA												
Resident	6,648.00	6,648.00	-	0.01%	1,101.00	1,169.00	68.00	6.18%	7,749.00	7,817.00	68.00	0.88%
Nonresident	16,546.00	16,836.00	290.00	1.75%	1,101.00	1,169.00	68.00	6.18%	17,647.00	18,005.00	358.00	2.03%

UNDERGRADUATE Division Differentials	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	\$ Incr	% Incr
UNIVERSITY OF IOWA												
Business lower division												
Resident	7,678.00	7,678.00	-	0.00%	1,559.00	1,587.00	28.00	1.80%	9,237.00	9,265.00	28.00	0.30%
Nonresident	27,052.00	27,526.00	474.00	1.75%	1,559.00	1,587.00	28.00	1.80%	28,611.00	29,113.00	502.00	1.75%
Business upper division												
Resident	8,980.00	8,980.00	-	0.00%	1,559.00	1,587.00	28.00	1.80%	10,539.00	10,567.00	28.00	0.27%
Nonresident	28,516.00	29,016.00	500.00	1.75%	1,559.00	1,587.00	28.00	1.80%	30,075.00	30,603.00	528.00	1.76%
Engineering - 1st year												
Resident	6,678.00	6,678.00	-	0.00%	1,615.00	1,644.00	29.00	1.80%	8,293.00	8,322.00	29.00	0.35%
Nonresident	26,008.00	26,464.00	456.00	1.75%	1,615.00	1,644.00	29.00	1.80%	27,623.00	28,108.00	485.00	1.76%
Engineering - 2nd year												
Resident	7,716.00	7,716.00	-	0.00%	1,615.00	1,644.00	29.00	1.80%	9,331.00	9,360.00	29.00	0.31%
Nonresident	27,102.00	27,576.00	474.00	1.75%	1,615.00	1,644.00	29.00	1.80%	28,717.00	29,220.00	503.00	1.75%
Engineering upper division												
Resident	8,824.00	8,824.00	-	0.00%	1,615.00	1,644.00	29.00	1.80%	10,439.00	10,468.00	29.00	0.28%
Nonresident	28,412.00	28,910.00	498.00	1.75%	1,615.00	1,644.00	29.00	1.80%	30,027.00	30,554.00	527.00	1.76%
Medicine												
Resident	6,678.00	6,678.00	-	0.00%	1,221.00	1,243.00	22.00	1.80%	7,899.00	7,921.00	22.00	0.28%
Nonresident	26,008.00	26,464.00	456.00	1.75%	1,221.00	1,243.00	22.00	1.80%	27,229.00	27,707.00	478.00	1.76%
Nursing												
Resident	8,988.00	8,988.00	-	0.00%	1,401.00	1,426.00	25.00	1.78%	10,389.00	10,414.00	25.00	0.24%
Nonresident	28,466.00	28,964.00	498.00	1.75%	1,401.00	1,426.00	25.00	1.78%	29,867.00	30,390.00	523.00	1.75%
IOWA STATE UNIVERSITY												
Business upper division												
Resident	8,290.00	8,290.00	-	0.00%	1,123.40	1,127.90	4.50	0.40%	9,413.40	9,417.90	4.50	0.05%
Nonresident	21,204.00	21,458.00	254.00	1.20%	1,123.40	1,127.90	4.50	0.40%	22,327.40	22,585.90	258.50	1.16%
Engineering upper division												
Resident	8,814.00	8,814.00	-	0.00%	1,299.40	1,303.90	4.50	0.35%	10,113.40	10,117.90	4.50	0.04%
Nonresident	21,654.00	21,914.00	260.00	1.20%	1,299.40	1,303.90	4.50	0.35%	22,953.40	23,217.90	264.50	1.15%
AST/ITec upper division ²												
Resident	8,814.00	8,814.00	-	0.00%	1,299.40	1,303.90	4.50	0.35%	10,113.40	10,117.90	4.50	0.04%
Nonresident	21,654.00	21,914.00	260.00	1.20%	1,299.40	1,303.90	4.50	0.35%	22,953.40	23,217.90	264.50	1.15%
Architecture												
Resident	7,848.00	7,848.00	-	0.00%	1,083.40	1,087.90	4.50	0.42%	8,931.40	8,935.90	4.50	0.05%
Nonresident	20,758.00	21,008.00	250.00	1.20%	1,083.40	1,087.90	4.50	0.42%	21,841.40	22,095.90	254.50	1.17%
UNIVERSITY OF NORTHERN IOWA												
Business upper division												
Resident	8,204.00	8,204.00	-	0.00%	1,101.00	1,169.00	68.00	6.18%	9,305.00	9,373.00	68.00	0.73%
Nonresident	18,102.00	18,420.00	318.00	1.76%	1,101.00	1,169.00	68.00	6.18%	19,203.00	19,589.00	386.00	2.01%

GRADUATE	Base Tuition				Mandatory Fees				Total Base Tuition and All Mandatory Fees			
	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	Incr	% Incr	2014-15	2015-16	\$ Incr	% Incr
UNIVERSITY OF IOWA												
Resident	8,252.00	8,396.00	144.00	1.75%	1,435.00	1,480.00	45.00	3.14%	9,687.00	9,876.00	189.00	1.95%
Nonresident	25,134.00	25,574.00	440.00	1.75%	1,435.00	1,480.00	45.00	3.14%	26,569.00	27,054.00	485.00	1.83%
IOWA STATE UNIVERSITY												
Resident	7,990.00	8,130.00	140.00	1.75%	1,037.40	1,041.90	4.50	0.43%	9,027.40	9,171.90	144.50	1.60%
Nonresident	20,804.00	21,054.00	250.00	1.20%	1,037.40	1,041.90	4.50	0.43%	21,841.40	22,095.90	254.50	1.17%
UNIVERSITY OF NORTHERN IOWA												
Resident	7,912.00	8,050.00	138.00	1.74%	1,101.00	1,169.00	68.00	6.18%	9,013.00	9,219.00	206.00	2.29%
Nonresident	17,906.00	18,220.00	314.00	1.75%	1,101.00	1,169.00	68.00	6.18%	19,007.00	19,389.00	382.00	2.01%

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

² Agricultural Systems Technology/Industrial Technology

Projected Tuition Revenue Increases

The Board of Regents adopted a tuition freeze for FY 2016 at their December 3 meeting. This reduces projected tuition revenues by \$4.5 million.

Based on Fall 2014 enrollments, the combined additional revenues from the proposed undergraduate nonresident and graduate/professional tuition rate increases are expected to provide additional revenues and financial aid for the 2015-2016 academic year.

Incremental tuition revenues for the Regent universities are estimated to be \$9.96 million consisting of:

- Increase in base tuition for nonresident undergraduate - \$6.82 million
- Increase in base tuition for graduate and professional resident/nonresident students - \$3.14 million

For the current year, undergraduate tuition revenues make up:

- 75% of total tuition revenues at SUI;
- 84% at ISU; and
- 92% at UNI.

Resident tuition accounts for 40% of total tuition revenues; broken down by individual university as:

- 36.0% at SUI
- 37.3% at ISU
- 79.9% at UNI

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.

2015-16 Academic Year Resident Undergraduate Estimated Cost of Attendance						
	Tuition & Mandatory Fees*	Room & Board**	Other Costs**	Estimated Totals**	\$ Increase	% Increase
SUI	8,104.00	8,947.00	3,168.00	20,219.00	25.00	0.1%
ISU	7,735.90	8,065.00	3,540.00	19,340.90	310.50	1.6%
UNI	7,817.00	8,265.00	3,000.00	19,082.00	203.00	1.1%
Average	7,885.63	8,425.67	3,236.00	19,547.30	179.50	0.9%
* Proposed						
** Estimated						

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 2013 expenditures, was presented to the Board in April 2014. Proposed tuition for nonresident undergraduates exceeds the current projected unit costs of instruction at all three universities.

	FY 2016 Undergraduate Tuition Only		Estimated FY 2015 Undergraduate Unit Cost
	Resident	Nonresident	
SUI	\$6,678	\$26,464	\$11,428
ISU	\$6,648	\$19,768	\$10,611
UNI	\$6,648	\$16,836	\$13,324

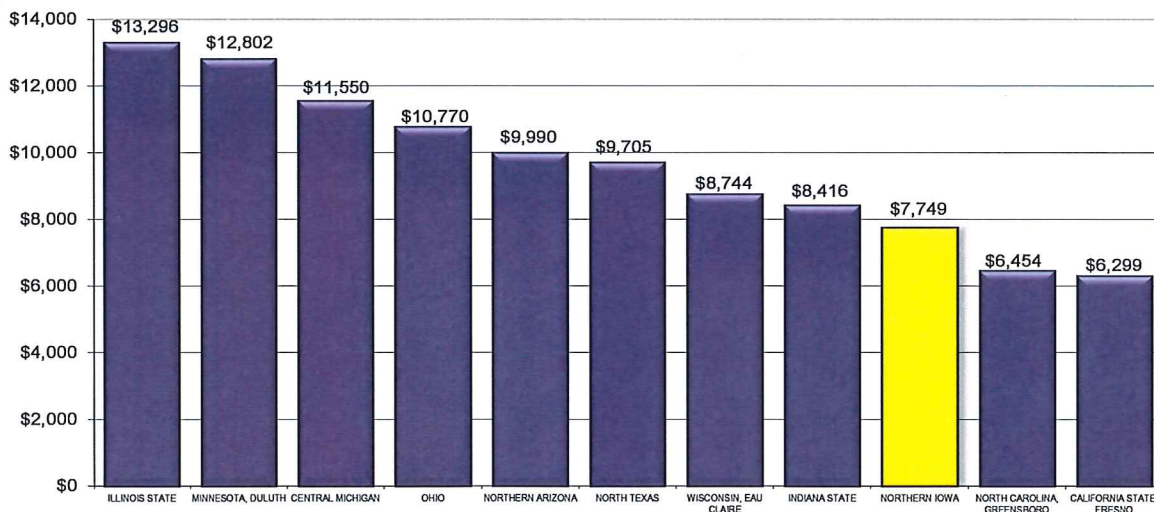
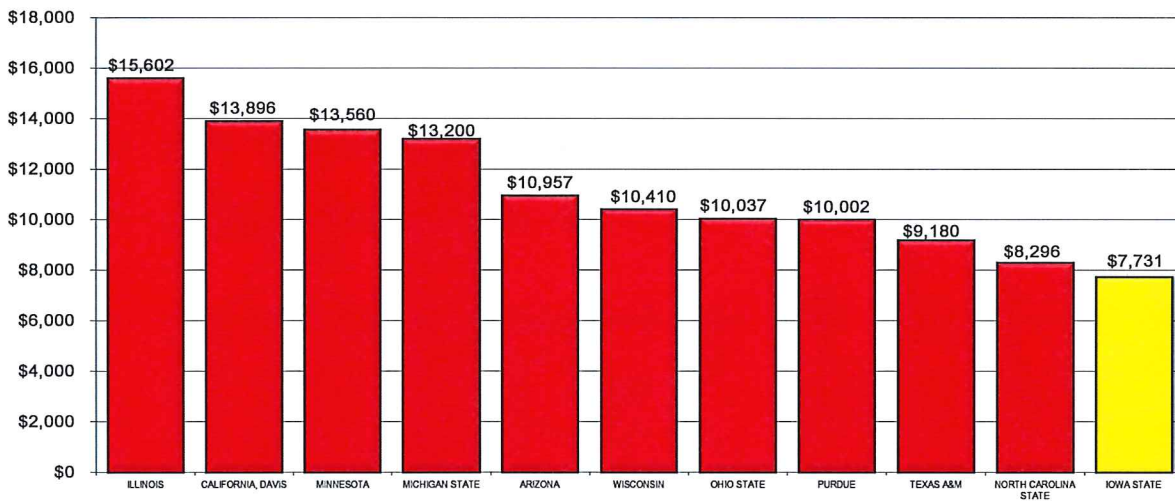
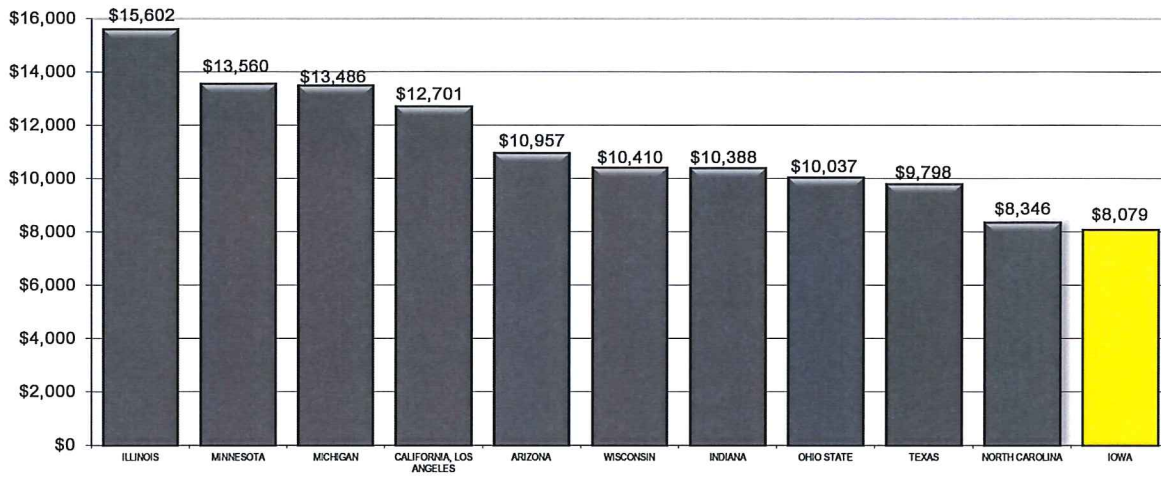
Peer Groups

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.

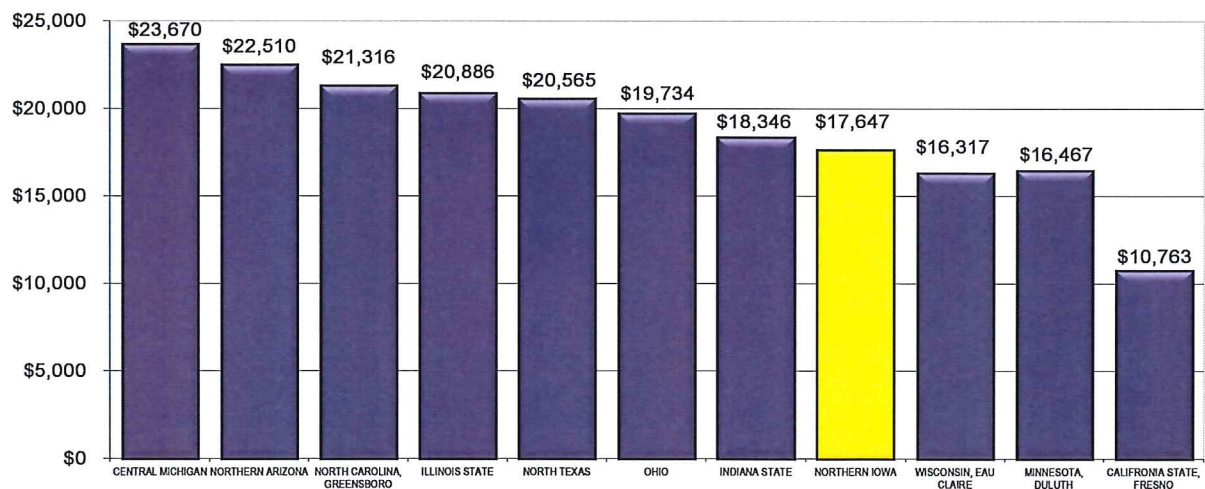
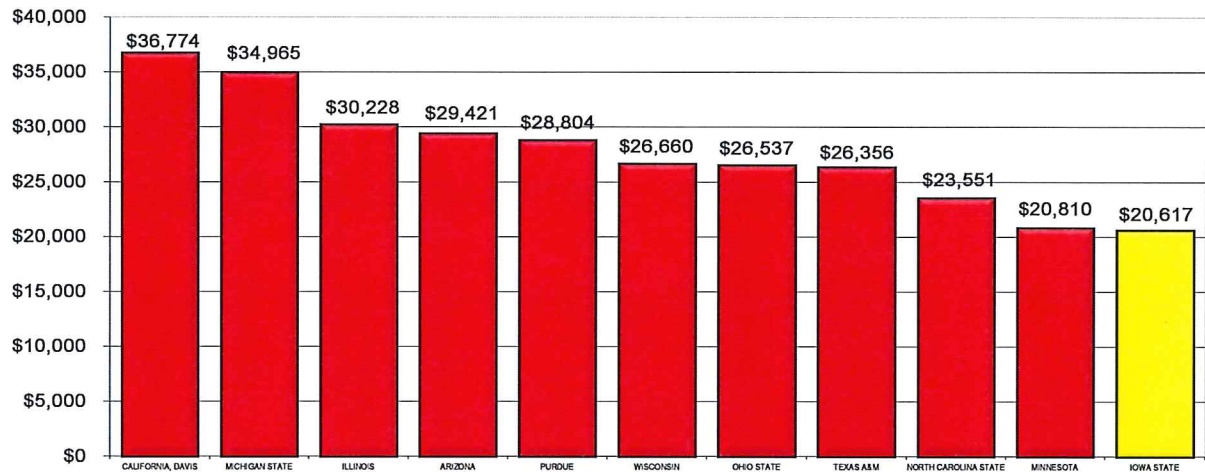
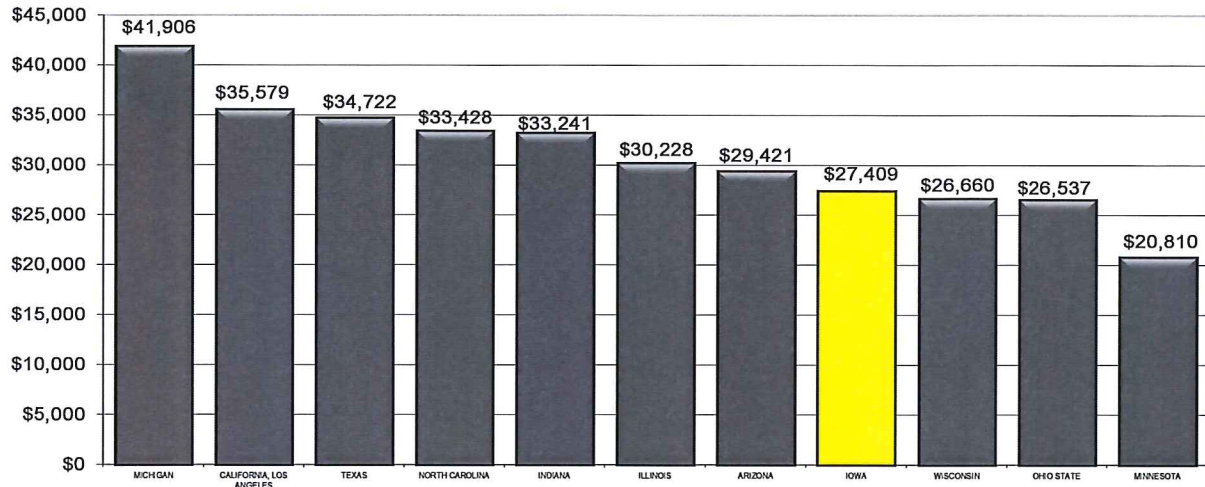
Regent Undergraduate Tuition and Fees 2014-15 Academic Year		
	Resident	Nonresident
University of Iowa	\$8,079	\$27,409
SUI Peer Group Average *	\$11,529	\$31,253
\$ from Peer Group Average	\$3,450	\$3,844
% of Peer Group Average	70.1%	87.7%
Iowa State University	\$7,731	\$20,617
ISU Peer Group Average *	\$11,514	\$28,411
\$ from Peer Group Average	\$3,783	\$7,794
% of Peer Group Average	67.1%	72.6%
University of Northern Iowa	\$7,749	\$17,647
UNI Peer Group Average *	\$9,803	\$19,057
\$ from Peer Group Average	\$2,054	\$1,410
% of Peer Group Average	79.0%	92.6%

*Averages exclude Regent institutions.

Peer Group Comparisons of 2014-15 Undergraduate Resident Tuition and Fees



Peer Group Comparisons of 2014-15 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
	2012-13	2013-14	2013-14
IOWA	19%	17%	22
Arizona	27%	27%	41
California	21%	19%	12
Illinois	27%	27%	15
Indiana	24%	23%	38
Michigan	30%	30%	35
Minnesota	22%	22%	11
Missouri	20%	20%	33
Nebraska	17%	16%	17
North Carolina	17%	17%	39
Ohio	23%	24%	30
South Dakota	16%	17%	21
Texas	20%	20%	25
Wisconsin	21%	20%	26
Average of above excluding Iowa	22.0%	21.7%	
NATIONAL AVERAGE	20.3%	20.0%	

Sources: College Board,
US Department of Commerce, BEA, March 2014

National Comparisons

