Board of Regents Tuition Task Force

Iowa State University 5-year Tuition Plan

Benjamin Allen, Interim President
August 9, 2017
Objectives

1. Iowa State’s Unique Value
   • Return on Investment

2. Funding/Investment Needs
   • 5-Year Tuition Proposal
Office of the President

**Enrollment** 37%

**General Operating State Appropriation per Resident Student** 30%

**State Appropriation Dollars**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment</td>
<td>26,856</td>
<td>27,945</td>
<td>28,682</td>
<td>29,887</td>
<td>31,040</td>
<td>33,241</td>
<td>34,732</td>
<td>36,001</td>
<td>36,660</td>
</tr>
<tr>
<td>State Approp.</td>
<td>$12,705</td>
<td>$10,481</td>
<td>$9,693</td>
<td>$9,313</td>
<td>$9,368</td>
<td>$9,155</td>
<td>$9,432</td>
<td>$9,120</td>
<td>$8,962</td>
</tr>
</tbody>
</table>

IOWA STATE UNIVERSITY

Office of the President
Defining Characteristics

- Land-grant institution
  - Only one in Iowa
  - Only 76 nationwide

- Student-centered university
  - Exceptional educational experience

- Member: Association of American Universities (AAU)
  - Only 62 nationwide
  - Only 18 Land-grant & AAU institutions
  - Research-intensive: emphasis on faculty excellence and quality graduate and professional programs
Iowa State’s Land-Grant Mission
Three Principles:

- **Education:**
  - Access to high quality, broad-based education for a diverse student body
  - Core competencies: agriculture, engineering, biosciences, cyber security, architecture, veterinary medicine, other STEM-related fields
  - Balance with humanities and social sciences to develop both practical and critical thinking skills

- **Innovation:**
  - Conduct basic and applied research that addresses grand challenges & improves lives
  - Dynamic education, opportunities for students

- **Extension and Application:**
  - Extend knowledge to benefit state, nation, and world; contribute to the economy/job creation
  - 99 county campus: 1M Iowans served annually by ISU Extension and Outreach
  - ISU Research Park: Link to workforce, expertise, innovation pipelines; and entrepreneurial ecosystem
Iowa Cyber Hub: Nexus of our Land-Grant Mission

300,000 cyber security jobs went unfilled last year

Des Moines Area Community College President Rob Denson and Iowa State University Interim President Benjamin Allen invite you to a special event to launch the Iowa Cyber Hub™

Tuesday, July 25, 2 p.m.
DMACC Ankeny Campus
Borgen Administration Center / Building 22

The Iowa Cyber Hub is designed to be a focal point for cyber security education, outreach, training, and interaction between Iowa companies and partner schools.
Land-Grant Mission Generates Demand for ISU Degree

Enrollment Growth (Fall 2006 – Fall 2016):

- Engineering: 83% increase
- Agriculture and Life Sciences: 73% increase
- Biosciences: 55% increase
- Business: 55% increase

More students in 71/99 counties choose Iowa State over any other school in Iowa.
Enrollment Growth: 37%

Avg. ACT Score: 25.17

20,490 total 2 out of 3 grad students

1 in 4 students

28% of undergraduates

First Generation Retention Rate: 88.1% (30-year high)

74.4% 6-Year Graduation Rate (30-year high)

52% stay in Iowa

63% of resident graduates

24% of non-residents

28% of international graduates

Iowa Workforce

Office of the President
Return on Investment

95% of Iowa State graduates land a job in their field or continue their education within six months.

Average entry-level salaries: (reported by ISU graduates)

- Computer Science: $70,913
- Mechanical Engineering: $62,463
- Construction Engineering: $60,555
- Agricultural Business: $49,655
- Architecture: $43,384
- Animal Science: $40,304

<table>
<thead>
<tr>
<th>Rank</th>
<th>School Name</th>
<th>20 Year Net ROI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Iowa State University (In-State)</td>
<td>$418,000</td>
</tr>
</tbody>
</table>
Iowa Workforce Demands

Future Workforce:
• By 2025, 68% of all jobs in Iowa will require education beyond high school

Current Workforce:
• Only 58% of Iowans (ages 25-64) have a post-secondary degree

Future Workforce Needs:
• 128,000 Iowans will need to earn a degree/other credential by 2025
• 23,600 STEM jobs

Courtesy: Georgetown University Center on Education
Administrative Efficiency

2012: Iowa State ranked 7th most efficient university in the country

ISU administrative spending per student = 66% LESS than all other land-grant institutions

Higher education costs – spending on administrative staff compared to instructional staff

Median spending (schools similar to Iowa State): 17¢ for every $1
ISU (FY16): 12¢ for every $1
ISU (FY17): 10¢ for every $1
Operational and Academic Efficiency

- Department mergers
- Classroom utilization efforts highlighted by Ad Astra (TIER review)
- Predictive analytics advising interventions
- Real-time course availability monitoring
- College of Design shared services saving $177,000/annually
- TIER-recommended shared procurement initiatives
Top Programs

- **#1 in the Nation**: Agricultural & Biosystems Engineering
- **#18 in the Nation**: Supply Chain Management
- **#19 in the Nation**: Statistics
- **#20 in the Nation**: Architecture
- **#26 in the Nation**: Kinesiology
- **Top 25 in the Nation**: Aerospace, Chemical & Materials Engineering
- **Longest-running**: Biological and Premedical Illustration (*nationally renowned for combination of science and art*)
- **#10 in the World**: Agriculture and Forestry
- **only One in Iowa**: Veterinary Diagnostic Laboratory (*supports Iowa’s $14 billion animal agriculture industry*)

---

¹U.S. News and World Report  
²Design Intelligence  
³National Academy of Kinesiology  
^QS World Ranking
Office of the President

High Quality at Risk

- Competing with better paying institutions/private sector
- Student-to-Faculty ratio
- STEM facilities/large lecture halls operating at or beyond capacity
Strategic Priorities to Protect Quality of Educational Experience

**Faculty and Staff Retention**
- Students learn from and are supported by the best
- Provide competitive salaries
- Provide reasonable annual salary increases

**Faculty and Staff Recruitment**
- Students receive individualized attention and instruction
- Net increase of 330 T/TE faculty
  - Two-thirds in STEM disciplines
- Lower student-to-faculty ratio to 16:1
- Additional staff needed to support scaling the university

**Building Maintenance and Capacity**
- 900,000 square feet of new building capacity
- Deferred maintenance

**Need-Based Financial Aid**
- Maintain accessibility to a diverse student body
- Remain true to land-grant mission
5-Year Budget Assumptions

1. General operating state appropriation: flat
2. Enrollment: flat
3. HEPI: 2.14%
4. Annual reallocation: 2.25%

Strategic Priorities

- New Strategic Investments
  - Faculty/Staff Recruitment
  - Building Maintenance and Capacity
  - Faculty/Staff Retention
  - Need-Based Financial Aid
5-Year Plan: Tuition Proposal

- 7% increase: resident undergraduates
- 4% increase: non-resident undergraduates
- Differential adjustments to Engineering, Business, and additional STEM programs

<table>
<thead>
<tr>
<th></th>
<th>Fall 17</th>
<th>Fall 18</th>
<th>Fall 19</th>
<th>Fall 2020</th>
<th>Fall 2021</th>
<th>Fall 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident</td>
<td>$7,456</td>
<td>$7,978</td>
<td>$8,536</td>
<td>$9,134</td>
<td>$9,773</td>
<td>$10,457</td>
</tr>
<tr>
<td>$ Change</td>
<td>$522</td>
<td>$558</td>
<td>$598</td>
<td>$639</td>
<td>$684</td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Non-resident</td>
<td>$21,292</td>
<td>$22,144</td>
<td>$23,029</td>
<td>$23,951</td>
<td>$24,909</td>
<td>$25,905</td>
</tr>
<tr>
<td>$ Change</td>
<td>$852</td>
<td>$886</td>
<td>$921</td>
<td>$958</td>
<td>$996</td>
<td></td>
</tr>
<tr>
<td>% Change</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>
THANK YOU