

## Utah System of Higher Education (USHE) institution average cost to turn out Associate's and Bachelor's degrees

2016-17

One of the most common questions posed to higher education institutions by policy makers is “what does it cost to provide an associate’s degree or a bachelor’s degree?” Although this appears to be a simple question to answer, for a number of reasons, it is not as simple as one might expect. In part, the answer is more complex because not every degree is structured in the same way and students can customize a degree to meet their individual interests and learning objectives, thus affecting the ultimate cost of the degree to both the institution and to the student.

This brief is designed to provide legislators and other policy makers information about what it costs each USHE institution to provide all of the services that result in a student receiving a student credit hour (SCH) and ultimately an Associate’s or Bachelor’s degree.

### Calculating the institution average cost per degree

**Average cost.** For the purposes of this report, the average cost includes both the direct and “indirect” costs associated with serving students.

- Direct cost refers primarily to the cost of the putting a faculty member or adjunct instructor in the classroom (salary, benefits, and other related support costs)
- Indirect cost refers to all of the other costs incurred by the institution in serving the student including:
  - Student service support costs (admissions, enrollment, financial aid, advising and wellness counseling, mental health services, etc.)
  - Institutional operation costs (human resources, financial operations, IT, facilities, security)
  - Building maintenance costs
  - Institution funded student aid.

Institutions cover these costs using a combination of two primary funding sources: state tax funds and student paid tuition and fees (the current proportion of these two sources is approximately 50/50 for all USHE institutions combined).

**Student enrollment assumptions impacting cost.** In calculating the institution’s average cost to turn out an Associate’s and Bachelor’s degree, it is assumed that all of a student’s credit requirements are completed at the institution and the student follows the most direct path to complete the degree including:

- The student has not earned any previous learning credit or concurrent enrollment credit;
- The student completes the minimum number of General Education credits required (30) as outlined in Regent Policy [R470, General Education, Common Course Numbering, Lower-Division, Pre-Major Requirements, Transfer of Credits, and Credit by Examination](#);
- The student completes an Associate’s degree in 60 credit hours (inclusive of the 30 credit hours for general education); and

- The student completes a Bachelor's degree in 120 credit hours (inclusive of the 30 credit hours for general education).

If a student takes more than the required hours outlined above or if the student comes with previous learning credit, the cost incurred by the institution to provide that degree will be different from the average cost outlined in this brief.

**Data Source – Annual USHE Cost Study.** The cost of higher education has long been reviewed and studied by the Board of Regents and the Commissioner's Office. Beginning in 1987, an annual cost study was created to help capture the cost of providing instruction in six cost clusters (program areas that generally have similar operating costs – listed below). The Cost Study is used regularly by institutions, the Board, and the Legislature in their budget planning and reporting activities. The Cost Study is published annually in the *USHE Data Book*. The study is specifically designed to denote both the direct costs of instruction and full cost of instruction on an annual basis per student credit hour (SCH) and student full-time equivalent (FTE). The cost is summarized both by institution total and specific level of instruction (vocational, lower division, upper division, basic grad, and advanced grad).

The general programs included in each cost cluster are shown below.

- Cluster 1: General Studies, Education, Business, Social and Behavioral Science, History, Political Science, and Physical Education
- Cluster 2: Fine Arts
- Cluster 3: Natural and Physical Sciences, Mathematics, Agriculture and Natural Resources
- Cluster 4: Health Professions
- Cluster 5: Engineering and Computer Sciences (Professional)
- Cluster 6: Trades and Technology

**Methodology.** In order to determine the institution's cost per degree and program focus area, information from the 2016-17 annual USHE Cost Study was used to identify a total cost per student credit hour (SCH) by level of instruction (vocational, lower division, upper division) and by USHE Cost Cluster (groupings of programs with similar costs, and delivery methods). To determine the total cost to turn out an Associate's and Bachelor's degree the average SCH cost for FY 2017 was multiplied by the total required number of credit hours for general education, lower division course work and upper division course work to calculate the average cost of an Associate's and Bachelor's Degree. Due to the fact that students may take multiple years to complete their program, the calculated average cost may be slightly higher than an institution's actual cost incurred as it uses current year expenditures rates for all required credits for each degree.

**Effects of Institutional Type.** Each of the USHE institutions plays a unique role in their respective regions and service areas and may or may not offer the same services as another institution, therefore an Associate's and Bachelor's degree in one area of the state may, in fact, cost more at one institution compared to another. It is important for Legislators and policy makers to understand that cost structures are very different for each institution and are heavily influenced by an institution's mission; employee credential requirements and availability of qualified individuals; average teaching loads; the variety of instructional programs offered by the institution and delivery methods used (even within the USHE cost cluster); and the types of services and technology support that are provided to students. Additionally, cost structures are impacted by economies of scale issues that arise due to the size and nature of institutions and their individual programs. For example, there may be initial investments required simply to establish a new program regardless of the number of student initially enrolled. This program may seem very expensive initially, but over time -- as the number of student credit hours increase in these programs-- the cost of the programs will decline.

## Findings

### *Associate's Degrees*

With the exception of the University of Utah, all USHE institutions offer students an Associate's degree that can be earned in various fields of study. In 2016-17, the average cost for an Associate's degree in the USHE system is \$20,237. The least expensive Associate's degrees are typically the general studies degrees – most typically used to transfer into more specific 4-year programs. Degrees in fine arts, health, engineering and trades and technology tend to cost slightly more due to the need to have specialized instruction, smaller class sizes (both online and in person), and more costly equipment required to teach the courses. The following tables show in aggregate and by individual cost cluster the average cost of an Associate's degree by institution and the system.

**Average Cost per Associate's Degree By Institution**

2016-17								
	<u>USU</u>	<u>WSU</u>	<u>SUU</u>	<u>SNOW</u>	<u>DSU</u>	<u>UVU</u>	<u>SLCC</u>	<u>USHE</u>
<i>Avg. Gen Ed</i>	10,017	9,651	10,050	8,637	8,888	9,789	9,349	9,916
<i>Avg. Year 2</i>	10,160	9,813	10,167	9,194	9,047	10,213	10,074	10,321
<i>Total</i>	20,177	19,465	20,218	17,831	17,935	20,002	19,423	20,237

**Average Cost per Associate's Degree By Institution and Cost Cluster**

2016-17								
	<u>USU</u>	<u>WSU</u>	<u>SUU</u>	<u>SNOW</u>	<u>DSU</u>	<u>UVU</u>	<u>SLCC</u>	<u>USHE</u>
<b>Cluster 1</b> <i>Business, Education, Social Science, Humanities, Physical Education</i>	20,162	19,154	19,700	17,201	17,680	19,344	18,625	19,805
<b>Cluster 2</b> <i>Fine Arts</i>	21,291	20,631	22,386	18,299	19,139	21,237	19,882	21,082
<b>Cluster 3</b> <i>Natural Science, Math, Agriculture &amp; Natural Resources</i>	19,358	19,159	20,141	17,078	17,514	19,493	18,451	19,468
<b>Cluster 4</b> <i>Health Professions</i>	27,332	20,073	N/A	28,566	20,284	20,272	23,828	22,562
<b>Cluster 5</b> <i>Engineering and Related Technologies</i>	22,241	22,156	N/A	20,608	19,153	26,649	25,103	22,047
<b>Cluster 6</b> <i>Trades and Technology</i>	19,704	18,774	20,862	20,899	17,096	20,002	22,064	22,309

### Bachelor's Degrees

With the exception of Salt Lake Community College and Snow College, students can earn a Bachelor of Arts degree in a number of fields at all USHE institutions. (Snow College is authorized to provide one Bachelor of Arts degree in music. The following tables show in aggregate and by individual cost cluster the average cost of a Bachelor's degree by institution and the system. The cost of a Bachelor's degree includes both lower division courses (which generally are less expensive) and upper division courses (more specialized in nature) in year 3 and 4. These upper division courses tend to be more expensive to provide as shown in the charts below.

**Average Cost per Bachelor's Degree By Institution**

2016-17								
	UU	USU	WSU	SUU	SNOW	DSU	UVU	USHE
<i>Avg. Gen Ed</i>	14,590	10,017	9,651	10,050	8,637	8,888	9,789	9,916
<i>Avg. Year 2</i>	14,853	10,160	9,813	10,167	9,194	9,047	10,213	10,321
<i>Avg. Year 3 &amp; 4</i>	33,711	30,602	25,486	24,701	29,537	23,001	21,446	27,878
<i>Total</i>	63,153	50,779	44,950	44,918	47,368	40,937	41,448	48,115

**Average Cost per Bachelor's Degree By Institution and Cost Cluster**

2016-17								
	<u>UU</u>	<u>USU</u>	<u>WSU</u>	<u>SUU</u>	<u>SNOW</u>	<u>DSU</u>	<u>UVU</u>	<u>USHE</u>
<b>Cluster 1</b> <i>Business, Education, Social Science, Humanities, Physical Education</i>	62,020	49,762	43,855	43,167	N/A	40,137	40,445	46,925
<b>Cluster 2</b> <i>Fine Arts</i>	61,683	54,560	59,082	53,365	47,368	46,535	43,291	50,254
<b>Cluster 3</b> <i>Natural Science, Math, Agriculture &amp; Natural Resources</i>	64,902	52,946	52,847	43,718	N/A	38,280	39,935	50,638
<b>Cluster 4</b> <i>Health Professions</i>	63,701	45,006	41,405	50,341	N/A	42,830	43,848	46,437
<b>Cluster 5</b> <i>Engineering and Related Technologies</i>	68,685	55,766	40,634	N/A	N/A	42,843	46,984	54,986
<b>Cluster 6</b> <i>Trades and Technology</i>	N/A	42,019	50,132	52,886	N/A	40,375	43,349	45,495

The cost of certificates are not included in this brief as certificates vary widely by type, credits required, and associations to other degrees. However, one can broadly assume a 1-year certificates (pre associate's degree) would be similar in cost to the average cost of the first year of an associate's degree.

### What is the cost if a student does not complete his or her program?

Higher education leaders recognize the important investment college students make. However, for a variety of reasons not all students complete a certificate, degree, or educational goal. For every student who does not complete his or her program, there is an associated cost to the student for the tuition and fees paid; to the state with respect to the investment of state tax funds; and to the institution which incurred the cost of providing educational services to that student.

The cost for a student who does not complete varies for each individual student based primarily on institution and credits accumulated before a student determines not to continue his or her post-secondary credential. To the student, the cost is the individual tuition dollars paid without obtaining a credential. To the institution, the most reliable measure for the cost of non-completion is by student credit hour (SCH). In 2016-17, the estimated cost to a USHE institution if a student did not complete their program was \$364 per credit hour for lower division courses and \$465 per credit hour for upper division courses taken by the student. The following table shows the 2016-17 average cost per student credit hour for each institution.

***Average Cost per SCH for Lower and Upper Division Courses by Institution***

<i>Institution</i>	<i>FY 2016-17</i>	
	<i>Lower Division Courses</i>	<i>Upper Division Courses</i>
<i>University of Utah</i>	\$495	\$562
<i>Utah State University</i>	\$339	\$510
<i>Weber State University</i>	\$327	\$425
<i>Southern Utah University</i>	\$339	\$412
<i>Snow College</i>	\$307	\$492
<i>Dixie State University</i>	\$302	\$383
<i>Utah Valley University</i>	\$340	\$357
<i>Salt Lake Community College</i>	\$336	
<i>USHE Average</i>	\$364	\$465