



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

Board of Trustees  
Audit and Finance Committee  
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- **Metric for Instruction Expenses per Student FTE**

# Metric for Instructional Expenses per Student FTE

## Comparison With Selected Peers FYE 2006 Financial Data, Fall 2005 FTE

<u>INITIAL CALCULATIONS</u>	University of North Carolina at Chapel Hill	University of Virginia Main Campus	University of Michigan Ann Arbor
Instruction expenses	595,318,917	243,284,103	616,540,000
Student FTE	24,251	21,002	38,169
<b>Instruction expenses per student FTE</b>	<b>24,548</b>	<b>11,584</b>	<b>16,153</b>



## Metric for Instructional Expenses per Student FTE

### Issues with IPEDS Data

- Natural classifications replaced functional classifications under GASB standards
- Broad NACUBO definitions and programmatic differences among schools
- Academic administrative expenses are often properly recorded as instruction expenses
- Instruction classification includes credit and non-credit courses, some departmental research, training grants.
- Centers or Institutes with an instructional mission may also be coded as instruction.
- Change from Expenditures to Expenses impacted instructional equipment recognition

## Metric for Instructional Expenses per Student FTE

### Adjustments to Restate Metric Comparison

- Sponsored awards for training grants excluded
  - *Training grants are instruction and not research since scientific discovery is not involved.*
- State funded support costs budgeted as Instruction excluded
  - *Reclassifications to appropriate functional categories are underway.*
- Unrecorded adjustment for peer school included

# Metric for Instructional Expenses per Student FTE

## Comparison With Selected Peers FYE 2006 Financial Data, Fall 2005 FTE

<u>ADJUSTED CALCULATIONS</u>	University of North Carolina at Chapel Hill	University of Virginia Main Campus	University of Michigan Ann Arbor
Instruction expenses	595,318,917	243,284,103	616,540,000
Sponsored awards for instruction	(175,953,677)		(13,704,000)
Non-instructional support costs	(10,116,635)		
Unrecorded adjustment		9,360,000	
Instruction expenses-adjusted	409,248,605	252,644,103	602,836,000
Student FTE	24,251	21,002	38,169
<b>Instruction expenses per student FTE-adjusted</b>	<b>16,876</b>	<b>12,030</b>	<b>15,794</b>



## Metric for Instructional Expenses per Student FTE

### **NACUBO Cost of College Methodology**

- Most accurate metric for Instruction Expenses per Student FTE
- Excludes graduate costs and only includes appropriate costs for undergraduate education
- Includes allocations of administrative overhead and physical plant
- Schools are not required to calculate using the NACUBO methodology
- Not widely used due to complex calculations and lack of peer data