

# **Instructional Cost Study**

## **Development Notes**

Data Source: The instructional cost study examines all of the colleges and universities general fund operating expenditures including chargebacks (such as Attorney General charges, debt service, etc.) to the colleges and universities from the Office of the Chancellor. The instructional cost study does not include federal, state and private grant funds or auxiliary enterprises. Cost per student figures are derived by analyzing the expenditure data obtained from the Minnesota State Colleges and Universities accounting system against the student full year equivalent (FYE) data obtained from the system student information system

Cost centers are pooled together by the federal Integrated Postsecondary Data System (IPEDS) categories as well as one additional category “other” as the state of Minnesota isolates intercollegiate athletics and grants from other state agencies. Expenditures that roll up into IPEDS categories of research, public service (which includes Minnesota State Colleges and Universities’ non-credit instruction), and the “other” category (which includes intercollegiate athletics and grants from other state agencies) are not included in this analysis.

Definition of Academic Programs: Academic programs are defined by an institutional assignment of a 2-, 4- or 6-digit CIP (Classification of Instructional Programs) designation. CIP is a national numerical coding system that classifies instructional programs. The 2000 CIP manual defines an instructional program as *“A combination of courses and experiences that is designed to accomplish a predetermined objective or set of allied objectives such as preparation for advanced study, qualification for an occupation or range of occupations, or simply the increase of knowledge and understanding.”*

Instructional Cost Detail: Direct instruction includes only cost centers generating for-credit-instruction that aggregate into the IPEDS instructional category. Average direct instruction and fully allocated cost per student is summarized by lower, upper and graduate levels of instruction for each college and university, as well as system averages. The methodology for the allocation of cost to lower division, upper division and graduate level of instruction is outlined in the instruction booklet *Allocation Formula: Faculty Load Calculation Definitions* available through the Budget Unit of the Office of the Chancellor. Instructional expenditures are reduced by the resale revenue (i.e. sale of houses in the carpentry program, sale of food in the culinary arts programs, etc.).

Indirect Cost Allocations: Include a portion of the expenditures for academic support, student services, institutional support and operations and maintenance of plant. Indirect costs are allocated using a step-down methodology. A proportionate share of indirect expenditures is allocated to instruction in the order of operations and maintenance of physical plant, institution support, student services and academic support. Copies of the institutional step-down tables are available through the Budget Unit of the Office of the Chancellor. This methodology assumes that the indirect activities also support the direct activities of research, public service (including non-credit instruction), and the “other” category (which includes intercollegiate athletics and grants from other state agencies).