

Program Viability Audit
April, 2003

Campus:
School/College:

Department Profile Sample
August, 2006

Campus: *Campus Name*
School/College: COLLEGE OF ARTS & SCIENCES
Department: *Department Name*

Departmental Cost Data based on UM School/College Cost Study (FY2004)

| | |
|---|-------------|
| Tier 1 - Direct and Allocated Primary Program Costs less Total Income (T1 Subsidy) | \$610,441 |
| Tier 2 - Tier 1 plus Allocated Student Aid & Support Costs less Total Income (T2 Subsidy) | \$1,055,060 |
| Tier 3 - Tier 2 plus Campus Support Costs less Total Income (T3 Subsidy) | \$1,677,186 |
| Tier 4 - Tier 3 plus System Overhead & Depreciation less Total Income (T4 Subsidy) | \$1,823,093 |
| School/College Full Cost of Instruction per SCH | \$402 |

Departmental Data Based on Delaware Costs & Productivity (FY2004):

| | | | |
|--|-------|--------|-------------|
| Direct Instructional Costs per SCH: | \$395 | Total: | \$2,098,579 |
| Costs Less Gross Student Fees per SCH: | \$125 | Total: | \$664,186 |
| Percent of Direct Instructional Costs Covered by Gross Fees: | 68% | | |

Compared to National Data By Discipline (FY2004)

| | Unit | National (Median) | Percent of National |
|--|----------|-------------------|---------------------|
| Departmental Average Cost per SCH: | \$395 | \$239 | 165% |
| School/College Average Cost per SCH: | \$185 | | |
| Fall SCH per Total Faculty FTE: | 112 | 237 | 47% |
| Research/Service per Ranked Regular Faculty FTE: | \$65,330 | \$201,594 | 32% |

Departmental Information:

FY2006 Full-Time Ranked Regular Faculty: 15
Percent Tenured: 73%

| | SCH | | | | | | Degrees | | | | | | Majors | | | | | |
|------------------|-------|-------|-------|-------|-------|------|---------|------|------|------|------|------|--------|------|------|------|------|-------|
| | FY01 | FY02 | FY03 | FY04 | FY05 | 5-YR | FY01 | FY02 | FY03 | FY04 | FY05 | 5-YR | FS00 | FS01 | FS02 | FS03 | FS04 | 5-YR |
| Department Total | 5,107 | 5,109 | 5,495 | 5,607 | 5,792 | 13% | 30 | 36 | 39 | 20 | 31 | 3% | 160 | 138 | 141 | 128 | 159 | (1%) |
| Percent Service | 70% | 71% | 72% | 75% | 73% | | | | | | | | | | | | | |

Program

Degree

| Program Name | BACHELOR OF ARTS | BACHELOR OF SCIENCE | MASTER OF SCIENCE | DOCTOR OF PHILOSOPHY | MINOR |
|--------------|------------------|---------------------|-------------------|----------------------|-------|
| | 4 | 9 | 13 | 4 | 7 |
| | 75% | (45%) | 27% | 0% | . |
| | 27 | 26 | 31 | 24 | 25 |
| | 69 | 60 | 60 | 53 | 85 |
| | 26 | 18 | 18 | 23 | 18 |
| | 38 | 29 | 32 | 28 | 31 |
| | . | 5 | . | . | . |

Cost Study
Full Cost of Academic Divisions, Colleges, and Schools

- Purpose: To determine for each academic division, college, and school on each of the four campuses:
 1. The historical full cost of the unit
 2. The full cost of instruction and research/public service in the unit
 3. The unit's average cost per credit hour by student level
 4. The amount of income attributable to the unit
 5. The amount of student aid by unit
- Scope: Operations and Continuing Education Funds (PS funds 0000,0405,0445,0450)
- Goal: To appropriately and accurately match costs (inputs), revenues (outputs), and student credit hours (outputs) by academic college/school/division (cost center).
- General Methodology
 1. Designate specific cost centers. Cost centers were identified as the academic colleges, schools, and divisions plus a community service cost center not associated with an academic division. All costs, direct and indirect, were attributed to these cost centers.
 2. Identify consistent categories of cost. Costs were categorized primarily by program classification. Scholarship expense includes all expenditures classified as student aid (regardless of PCS) and/or scholarship PCS codes.
 3. Use tier costing methods to further categorize and allocated costs. Support units were full-costed to the extent possible before they were allocated to the academic cost centers. Specific cost allocation procedures were employed to allocated costs and are described below.
 4. Development of Unit Costs. Once all costs had been identified and assigned to appropriate cost centers, unit costs were developed. The primary measure was instructional costs per credit hour. Using weighted credit hours by student level, costs were spread to student levels and unit costs by level were determined for each academic cost center. Costs per student were developed for selected professional programs.
- Allocation of Costs to Cost Centers
 1. Direct expenditures budgeted in and controlled by a cost center were allocated directly to each cost center. This included both primary program and support costs.
 2. Primary program expenditures not budgeted in a cost center, but identified with or assignable to a cost center were allocated by type of expense in the following ways:
 - Primary program expenditures identified with a specific cost center(s) were allocated directly to the cost center(s).
 - Remaining on-campus instruction expenditures were allocated based on relative credit hours generated by a cost center.

- Remaining research expenditures were allocated based on relative expenditures for research by each cost center.
 - All community education and community service expenditures (PCS 1.3 and 3.2) were allocated to the community service pseudo-cost center.
3. Scholarship and fellowship expenditures were allocated to the academic cost centers.
 - Student aid expenses directly identified with a cost center were allocated to the cost center.
 - All other student aid expenses were allocated to cost centers based on the credit hours generated by the cost center, by student level and residency.
 4. System administration overhead and depreciation were allocated to cost centers, campus overhead units, and UM Extension.
 - System administration and university-wide overhead expenditures were prorated based on relative expenditures for tiers (cost categories or levels) one through three.
 - Depreciation expense for capital assets, per the financial statements, was allocated based on relative expenditures for tiers (levels) one through three.
 5. Campus depreciation, per the financial statements, was allocated to the cost centers and campus support units based on assignable square footage of physical plant space.
 6. Operation and maintenance of physical plant expenses were allocated to the cost centers and campus support units based on assignable square footage of physical plant space.
 7. Full costs for institutional support, student services, and academic support activities were allocated to the cost centers in three different ways by type of support function.
 - Institutional support costs were allocated to the cost centers based on the relative expenses for direct costs and allocated primary program costs less any direct expenditures for institutional support of plant O&M in the cost centers.
 - Student service support costs were allocated based on the proportion of headcount majors of the academic cost centers.
 - Academic support expenditures were divided into three categories: academic administration, library expenditures, and other academic support activities.
 - Academic administration costs were allocated to the cost centers based on their relative expenditures for primary programs; direct and allocated.
 - Library expenditures were allocated on the basis of headcount majors and teaching and research faculty.
 - All other academic support costs were allocated on the basis of headcount majors.
- Allocation of Full Costs Between Primary Programs. Full costs for the academic cost centers were allocated into two categories: full cost of instruction and full cost of research/public service activities.
 - Full Cost of Instruction

- Direct and allocated instruction expenditures plus their proportionate share of system overhead and depreciation
 - Direct and allocated expenditures for student aid, student services, and other academic support activities, plus their proportionate share of system overhead and depreciation
 - Costs for libraries, academic administration, institutional support, plant operations and maintenance, and campus depreciation were assumed to benefit all primary programs and were allocated in the same proportion as primary program costs.
- Full Cost of Research/Public Service activities
 - Direct and allocated research and public service expenditures plus their proportionate share of system overhead and depreciation
 - Costs for libraries, academic administration, institutional support, plant operations and maintenance, and campus depreciation were allocated in the same proportion as primary program costs.
- Unit Cost Calculations
 - Instructional cost per credit hour produced
 - Weighted costs were developed to determine the relative cost by student level.
 - Weights of 1.0, 3.0, 4.5, and 7.0 were assigned to undergraduate, masters, first professional, and doctoral credit hours respectively.
- Income Calculations
 - Tuition was calculated based on the student credit hours generated by level, by residency for most academic units.
 - Instructional computing fees as reported in the financial statements were allocated in proportion to the student credit hours generated by the unit.
 - All other fees and other income that could be identified with an academic unit were allocated to that academic unit.
 - The income described above is the gross income generated by the unit.
 - Student aid is subtracted from the gross income to determine net income generated by the academic unit. This net income can then be compared to the costs of the unit (at different cost allocation tiers) to determine the campus subsidy to the unit.
- Student Aid Calculations. Student aid is made up of three component pa01 TcGurotherm0.005 TD0078j