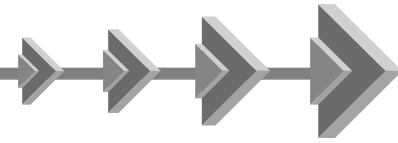


INSTRUCTIONAL COSTS



INSTRUCTIONAL COSTS



- ▶ Illinois public universities annually participate in a Statewide "Cost Study" designed by the IBHE. The study apportions total appropriated fund expenditures to instruction, research and public service functions. Instructional costs for the University of Illinois Urbana-Champaign, the University of Illinois Chicago, and the University of Illinois Springfield combined, on a full-time equivalent (FTE) student basis, have increased by 19.6% at the undergraduate level and -1.3% at the graduate level between FY 2011 and FY 2020. During the same period, the Higher Education Price Index, a measure of the cost of goods and services used in higher education, has increased by 19.6%.
- ▶ The Cost Study is a useful tool for comparing narrowly defined instructional costs among institutions. However, it is less well suited as a measure of total educational costs. Several significant measures of overall costs are omitted from the Cost Study. It does not include: faculty and staff retirement costs, health and other insurance benefits, institutional tuition waivers and scholarship assistance through the Illinois Student Assistance Commission (ISAC) and debt service on facilities.
- ▶ To provide a comprehensive measure for evaluating full instructional costs for education, these additional factors should be used in the calculation. IBHE Cost Study methodology calculates undergraduate instructional costs at the University to be \$13,877 in FY 2020. When full cost factors are incorporated into the calculation, instructional costs increase to \$27,005.
- ▶ When full instructional costs are utilized the University's undergraduate tuition moves from well outside the "1/3 of cost" benchmark frequently cited by the IBHE for tuition as a percent of instructional cost to nearer that historic benchmark (41.1%).

TABLE 33
INSTRUCTIONAL COSTS PER FULL-TIME EQUIVALENT STUDENT¹
THE UNIVERSITY OF ILLINOIS

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Lower Division	\$7,517	\$7,834	\$7,972	\$8,817	\$9,158	\$8,429	\$8,151	\$8,716
Upper Division	\$11,159	\$11,453	\$11,695	\$12,578	\$12,567	\$11,650	\$11,599	\$12,529
Undergraduate	\$9,625	\$9,951	\$10,143	\$11,028	\$11,187	\$10,352	\$10,188	\$10,993
Percent Change	8.5%	3.4%	1.9%	8.7%	1.4%	-7.5%	-1.6%	7.9%
Cumulative Percent Change	6.0%	9.6%	11.7%	21.4%	23.2%	14.0%	12.2%	21.0%

Beginning Graduate	\$14,775	\$15,752	\$16,218	\$15,850	\$15,553	\$13,995	\$13,687	\$14,893
Advanced Graduate	\$21,639	\$22,361	\$23,144	\$24,527	\$23,397	\$21,347	\$21,311	\$23,007
Graduate	\$17,435	\$18,152	\$18,720	\$18,911	\$18,261	\$16,453	\$16,220	\$17,478
Percent Change	11.8%	4.1%	3.1%	1.0%	-3.4%	-9.9%	-1.4%	7.8%
Cumulative Percent Change	5.6%	10.0%	13.4%	14.6%	10.6%	-0.3%	-1.7%	5.9%

Overall²	\$12,047	\$12,508	\$12,919	\$13,615	\$13,536	\$12,381	\$12,193	\$13,190
Percent Change	9.7%	3.8%	3.3%	5.4%	-0.6%	-8.5%	-1.5%	8.2%
Cumulative Percent Change	6.0%	10.1%	13.7%	19.8%	19.1%	8.9%	7.3%	16.1%

HEPI Percent Changes³	0.0%	1.7%	3.3%	6.3%	8.5%	10.2%	13.5%	16.5%
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¹Based on 30 credit hours per FTE undergraduate student and 24 credit hours per FTE graduate student. Data includes the Health Sciences Center at Chicago, excluding the Colleges of Medicine

²Overall includes Veterinary Medicine and Law.

³HEPI and Cumulative Percent Change are calculated on the basis of FY 1983.

TABLE 34
UNIVERSITY OF ILLINOIS TOTAL
CALCULATION OF UNDERGRADUATE TUITION
AS A PERCENT OF FULL INSTRUCTIONAL COSTS
FY 2020

FY 2020 Undergraduate Tuition Revenue	\$ 851,647,040	
Less: ISAC Awards + Pell	203,149,936	
Net Tuition Revenue Contributed by Students	<u>\$ 648,497,104</u>	
Annual FTE Students	58,962	
Effective Tuition Rate		\$ 10,999
(Average amount of tuition revenue remitted per FTE student)		
Academic Unit Cost Study Costs	\$ 818,192,434	
Academic Unit Cost Study Cost per FTE Student		\$ 13,877
Plus: Retirement/Fringe Benefits	\$ 533,560,317	
Debt Service	55,712,247	
Workers' Compensation	5,169,085	
Undergraduate/Graduate Tuition Waivers for Undergraduate Instruction	179,636,339	
TOTAL Undergraduate Instructional Costs	<u>\$ 1,592,270,422</u>	
Annual FTE Students	58,962	
Full Instructional Costs per Undergraduate FTE Student		<u>\$ 27,005</u>
Effective Tuition as a Percent of Full Instructional Costs		<u>40.73%</u>

TABLE 35
 UNDERGRADUATE INSTRUCTIONAL COSTS COMPARISON
 FY 2020

	IBHE Cost Study Methodology	Full Cost of Instruction Methodology
Instructional Costs per FTE Student	\$10,860	\$27,005
Tuition Paid Per FTE Student	<u>\$11,415</u>	<u>\$12,728</u>
Ratio	<u><u>105.1%</u></u>	<u><u>47.1%</u></u>

TABLE 36
ILLINOIS PUBLIC UNIVERSITIES
FULL UNDERGRADUATE INSTRUCTIONAL COSTS PER FTE STUDENT,
WEIGHTED AVERAGE TUITION AND STATE UNDERGRADUATE TUITION SUBSIDY

	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>
Direct support per student from state appropriations and university income funds as determined by the Board of Higher Education Cost Study.	\$ 8,665	\$ 9,057	\$ 9,356	\$ 10,065	\$ 10,065	\$ 10,579	\$ 10,704	\$ 10,094	\$ 10,063	\$ 10,906	\$ 10,851	\$ 11,462
Allocation of expenditures from state appropriations and university income funds excluded from the Board of Higher Education Cost Study.	775	859	1,042	1,116	1,116	1,488	1,572	1,422	1,583	1,585	1,809	1,861
Estimated state support for retirement contributions.	598	613	781	779	779	838	856	869	860	893	895	983
Estimated state support for group health, life and dental insurance.	885	882	977	990	990	814	1,201	801	725	697	684	752
Estimated debt service on higher education facilities. (The allocation for undergraduate instruction is based on estimated undergraduate costs as a percent of total costs.)	562	801	404	477	477	532	496	199	559	263	256	282
Undergraduate Full Instructional Cost Per FTE Student	<u>\$ 11,485</u>	<u>\$ 12,212</u>	<u>\$ 12,560</u>	<u>\$ 13,427</u>	<u>\$ 13,427</u>	<u>\$ 14,251</u>	<u>\$ 14,829</u>	<u>\$ 13,385</u>	<u>\$ 13,790</u>	<u>\$ 14,344</u>	<u>\$ 14,495</u>	<u>\$ 15,340</u>
Weighted Average Public Universities Undergraduate Tuition	<u>\$ 7,486</u>	<u>\$ 8,111</u>	<u>\$ 8,740</u>	<u>\$ 9,749</u>	<u>\$ 9,749</u>	<u>\$ 10,112</u>	<u>\$ 10,422</u>	<u>\$ 10,675</u>	<u>\$ 10,933</u>	<u>\$ 11,081</u>	<u>\$ 11,343</u>	<u>\$ 11,343</u>
	65.2%	66.4%	69.6%	72.6%	72.6%	71.0%	70.3%	79.8%	79.3%	77.3%	78.3%	73.9%
Net State of Illinois Undergraduate Average Tuition Subsidy	<u>\$ 3,999</u>	<u>\$ 4,101</u>	<u>\$ 3,820</u>	<u>\$ 3,678</u>	<u>\$ 3,678</u>	<u>\$ 4,139</u>	<u>\$ 4,407</u>	<u>\$ 2,710</u>	<u>\$ 2,857</u>	<u>\$ 3,263</u>	<u>\$ 3,152</u>	<u>\$ 3,997</u>
	34.8%	33.6%	30.4%	27.4%	27.4%	29.0%	29.7%	20.2%	20.7%	22.7%	21.7%	26.1%