

Will Undergraduate Student Credit Hours (SCH) be weighted in AIB as was done in RCM?

Background:

When RCM was being developed, data from the [Delaware Cost Study¹](#) along with Classification of Instructional Programs (CIP) codes from the National Center for Education Statistics (NCES) were used to assign a possible industry average range of average instructional costs by program and then by college locally. The Delaware weighting range was determined to be between .6 and 1.9 for our colleges based on industry averages. These cost ranges were then assigned three broad buckets of cost classifications (high, average, low) and weighting was then assigned to student credit hours (SCH) of 1.2, 1.0, and .8, respectively.

The original intent of weighting in RCM was to partially account for industry average instructional cost differences outlined in the Delaware Cost Study. However, many members of our community interpreted and continue to interpret SCH weighting as a value judgement regarding the colleges themselves and as a potential barrier to innovation and interdisciplinary collaboration.

Answer:

The AIB model does not weight or index SCH.

The underlying cost structures of colleges are complex and vary due to a number of factors, including the instructional cost for delivering SCH, but also costs associated with non-sponsored research, academic support, and public service.

AIB will, therefore, rely on four practices to address college-specific cost differences:

- Continued availability of Program Fees and Differential Tuition to directly support instructional cost differences.
- The institution will continue to provide the necessary instructional space, such as teaching laboratories or studios, as required infrastructure to support these programs.
- A portion of the Strategic Budget Allocation will be used to support cost differences in instruction, but also in non-sponsored research, academic support, and public service.
- There will be an overall reduction in the value and proportional weight given to SCH in the Activity Allocations component of the model.

This decision to not weight SCH is in keeping with Guiding Principle 1 (Ensure adequate funds centrally to meet institutional strategic opportunities) and Guiding Principle 8 (Reduce complexity).

¹ Data is provided as part of a consortium. In order to receive data, a university must provide data. The University of Arizona has not participated since 2012 and therefore does not currently have any more recent peer benchmark data.