

**Financial Comparisons
Update
FY00 - FY04**

*Academic Health Center
vs.
Other Academic Units
Prepared May 2005*

A 4-Year Financial Comparison of the Academic Health Center with Other University of Minnesota Twin Cities Academic Units [Spring 2005]

For at least 25 years, the financial affairs of the Academic Health Center (AHC) and its components have been the topic of conversation among the University of Minnesota (U -MN) faculty and administration, particularly on the Twin Cities Campus. In the past as well as currently, concerns have been raised about: a) AHC financial status compared to other U -MN Twin Cities academic units ; b) the number of tenured faculty in the AHC and how they are financed ; c) the cost of educating health professionals ; d) how AHC assigned space compares to other U -MN Twin Cities academic units ; and e) what the AHC contributes to the “common good” of the institution.

In the Fall of 2000, the AHC Finance & Planning Committee (AHC -F & P) provided a financial comparison between AHC academic units and other Twin Cities' academic units. The AHC -F & P has now updated the FY2000 data and revisited the questions addressed in the earlier Financial Comparisons Report . The comparison s continue to provide perspective on the relative size and financing of the AHC in contrast to other Twin Cities academic operations .

Academic operations for the financial comparisons are organized in the following manner:

Academic Health Center (AHC)

- AHC Shared Units *
- Dentistry
- Medical School – Duluth
- Medical School – Twin Cities
- Nursing
- Pharmacy
- Public Health
- Veterinary Medicine

** AHC Shared Units include: Cancer Center, Bioethics, Bioinformatics, Genomics, MMCT, and other AHC centers that support the AHC colleges.*

Other Twin Cities Academic Units (OAU)

- Agriculture, Food & Environmental Science
- Architecture & Landscape Architecture
- Biological Sciences
- Carlson School
- Continuing Education
- Education & Human Development
- General College
- Human Ecology
- Humphrey Institute of Public Policy
- Institute of Technology
- Law School
- Liberal Arts
- Natural Resources

The following units are excluded from the analyses: 1) Auxiliaries (i.e. parking, housing, etc.); 2) Administrative support functions, including those within the Sr. VP for Health Sciences office (i.e. finance, human resources, facilities management, SPA, etc.); 3) Academic support functions (i.e. libraries, Provost's office, Sr. VP Health Sciences office, etc.); 4) Fairview affiliation funding.

FY2000 – FY2004 Summary

Growth of AHC – AHC research and education commitments have grown at a rate greater than the University average.

Diverse Funding Base - Mix of funds that support the enterprise continues to be diverse with comparatively lower reliance on tuition and O&M. Tobacco / cigarette revenues have helped the AHC reduce disparity between share of academic enterprise and share of academic O&M allocation.

Need for Adequate Reserves - Carry forward balances have grown but not proportionate to annual budget growth; many colleges in AHC have less than optimal working capital reserves.

Financial Uncertainty versus Academic Excellence - The effects of financial uncertainty are illustrated through mix of T/TT faculty hires to non-TT faculty hires. Faculty salaries supported at 48% by state and tuition funds, compared to 82% for other academic units. If strategic vision is to enhance the research enterprise and hire the best and brightest, current financial circumstances may preclude goal of becoming one of top three.

Cost of Educating Health Professional Students - Education of a health professional student requires specialized space and more faculty intensive instruction than for undergraduate students.

Tuition Elasticity - Tuition generating opportunities / tuition elasticity is limited in health sciences. The Medical School, for example, has the highest tuition & fees rate of all public medical schools in the country.

Leveraging Facilities – AHC is highly productive in research, even though limited by space; space has not expanded sufficiently to support growing research enterprise.

Tax Burden - Effective tax burdens (IRS and Enterprise) have grown substantially and disproportionately at the same time state budget reductions have resulted in O&M cuts to units.

COMPARISON: AHC and OAU FINANCES (Chart A Series)

Revenue:

The AHC's share of Twin Cities academic revenue has grown from 46.2% to 49.1%.

FY2000

AHC = \$513,100,000
OAU = \$597,100,000

FY2004

AHC = \$687,100,000
OAU = \$713,300,000

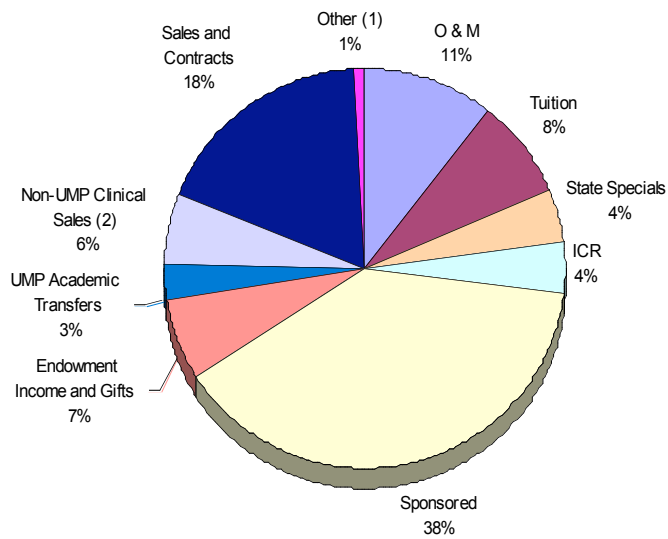
Note the variation between the relative importance of funding sources:

	<u>AHC(00)</u>	<u>AHC(04)</u>	<u>OAU(00)</u>	<u>OAU(04)</u>
O & M	13%	11%	21%	17%
Tuition	6%	8%	28%	39%
Sponsored	36%	38%	28%	25%

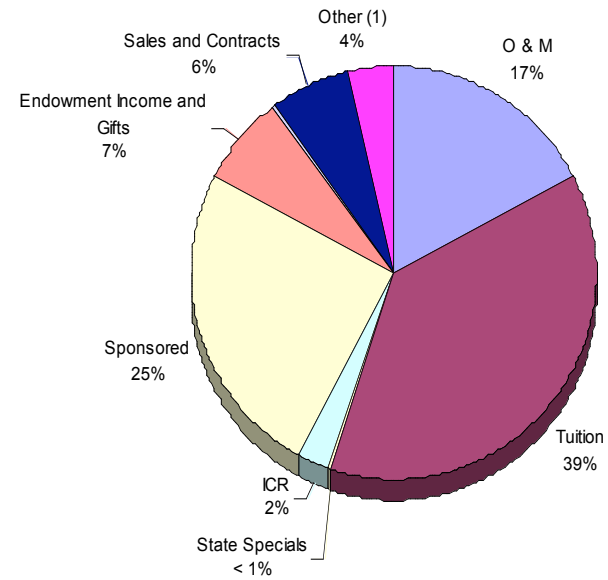
Sources of Revenue FY2004

Chart A-1

Academic Health Center Schools
\$687.1 million
(excluding Senior Vice President's Office)



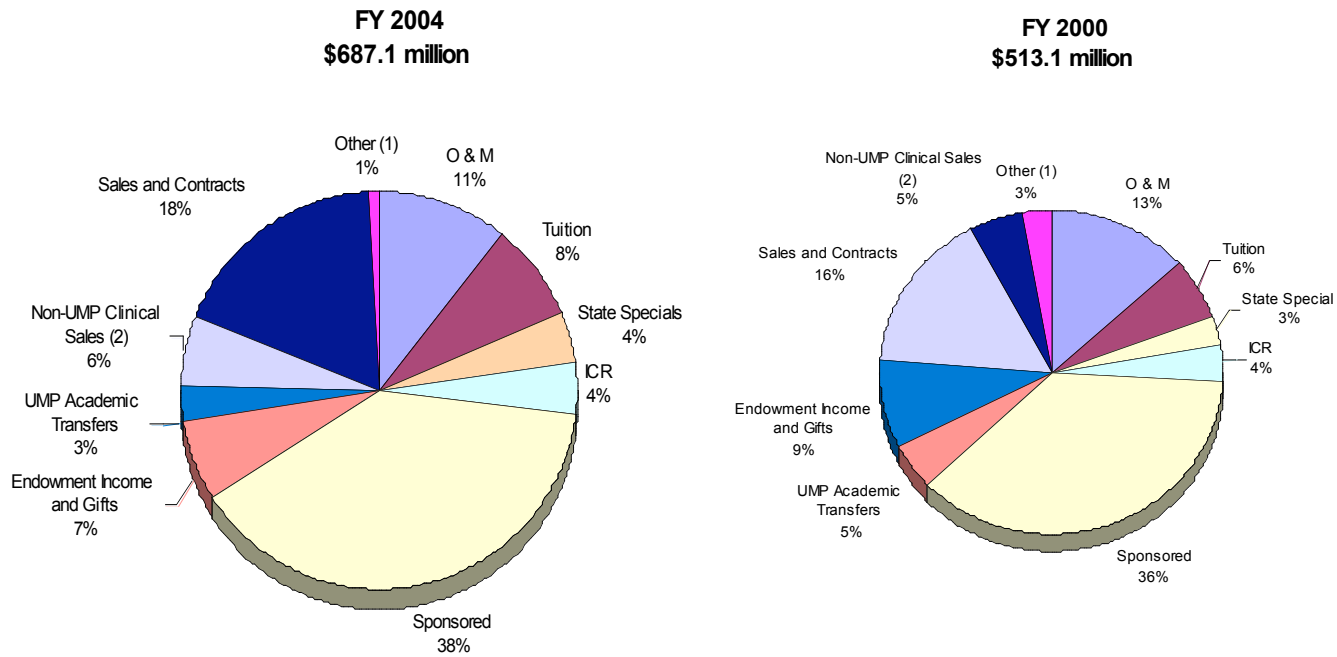
Other Academic Units (Twin Cities)
\$713.3 million
(excluding Provost's Office and Libraries)



- (1) Includes Net Transfers, Student Feed and Misc. Income.
- (2) Includes Dental and Vet Medicine clinical revenue, but does not include UMP clinical income. UMP is an external entity.

Chart A-2

**FY2004 vs. FY2000
Sources of Revenue
Academic Health Center
(excludes Sr. VP's Office)**



(1) Includes Net Transfers, Student Feed and Misc. Income.
 (2) Includes Dental and Vet Medicine clinical revenue, but does not include UMP clinical income. UMP is an external entity.

COMPARISON: AHC and OAU FINANCES (Chart A Series)

Expenses:

The AHC's share of Twin Cities' academic expenditures increased from 46.4% to 48.8% with approximately the same relative distribution of salaries, fringe, and operating expenses.

FY2000

AHC = (\$484,300,000)
OAU = (\$559,000,000)

FY2004

AHC = (\$672,600,000)
OAU = (\$706,800,000)

Tuition and O & M Allocations :

Combined tuition and O&M allocated to AHC dropped from 25.5% to 24.6% of total U-MN allocation of such funds to academic units .

FY2000

AHC = (\$99,085,328)
OAU = (\$289,884,150)

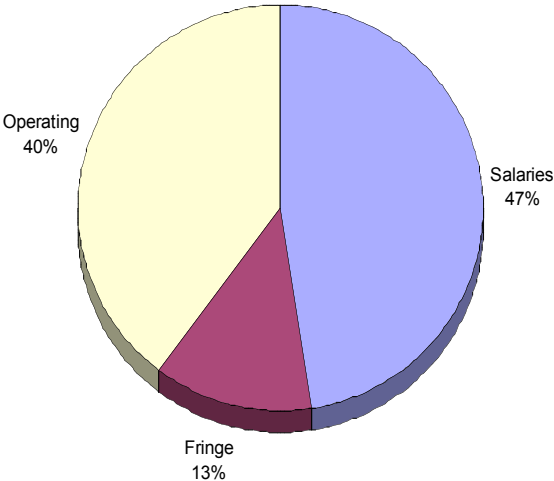
FY2004

AHC = (\$127,978,853)
OAU = (\$392,219,561)

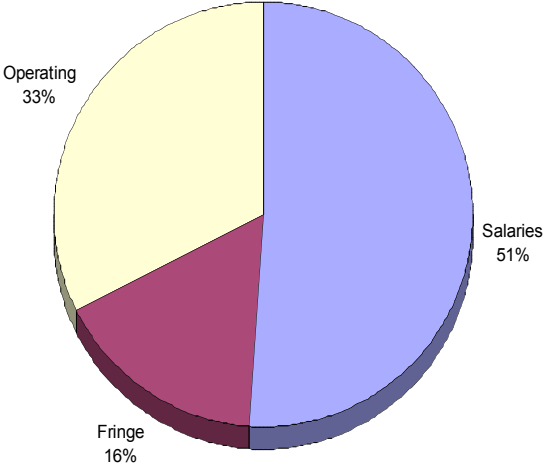
Expense Summary FY2004

Chart A-3

**Academic Health Center
FY 2004
\$672.6 million**
(excludes Senior Vice President's Office)



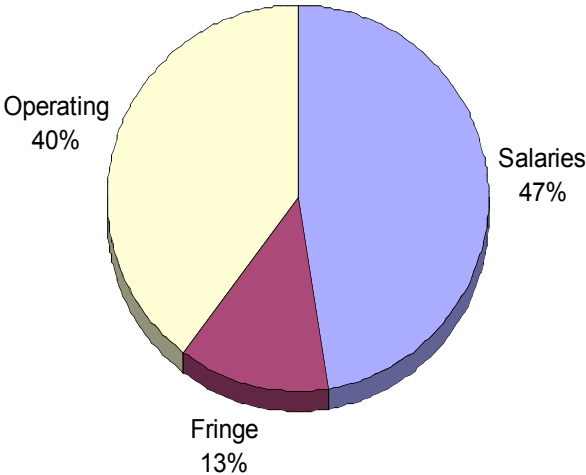
**Other Academic Units (Twin Cities)
FY 2004
\$706.8 million**
(excludes Provost's Office and Libraries)



**FY2004 vs. FY2000
Expense Summary
Academic Health Center
(excludes Sr. VP's Office)**

Chart A-4

**Academic Health Center
FY 2004
\$672.6 million
(excludes Senior Vice President's Office)**



**Academic Health Center
FY 2000
\$484.3 million
(excludes Senior Vice President's Office)**

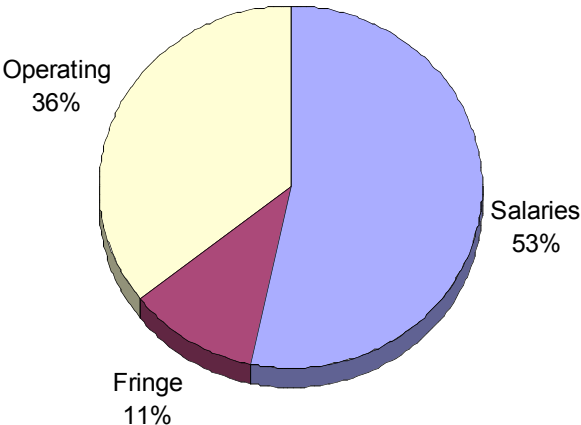
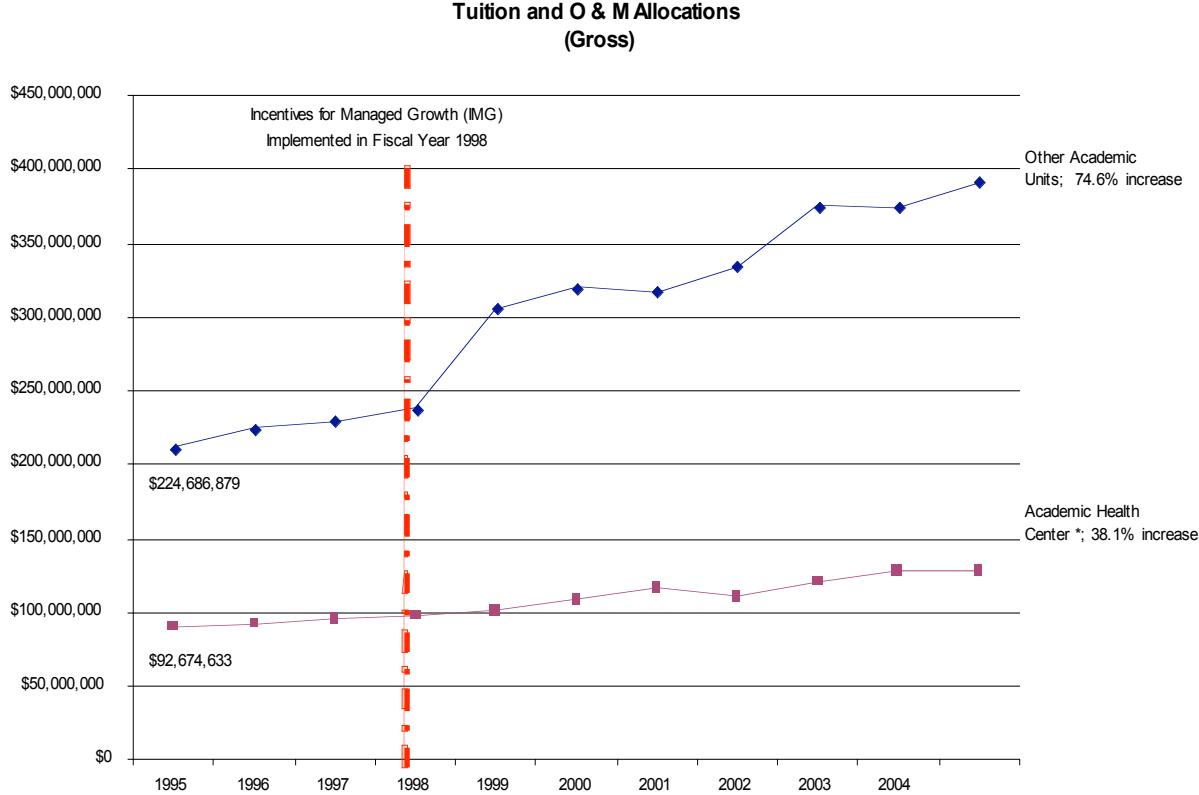


Chart A-5(1)



* Academic Health Center data from 1998 through 2004 excludes certain non-academic O&M allocations.

Chart A-5(2)

Tuition, O & M and Tobacco Revenue Allocations (Gross)

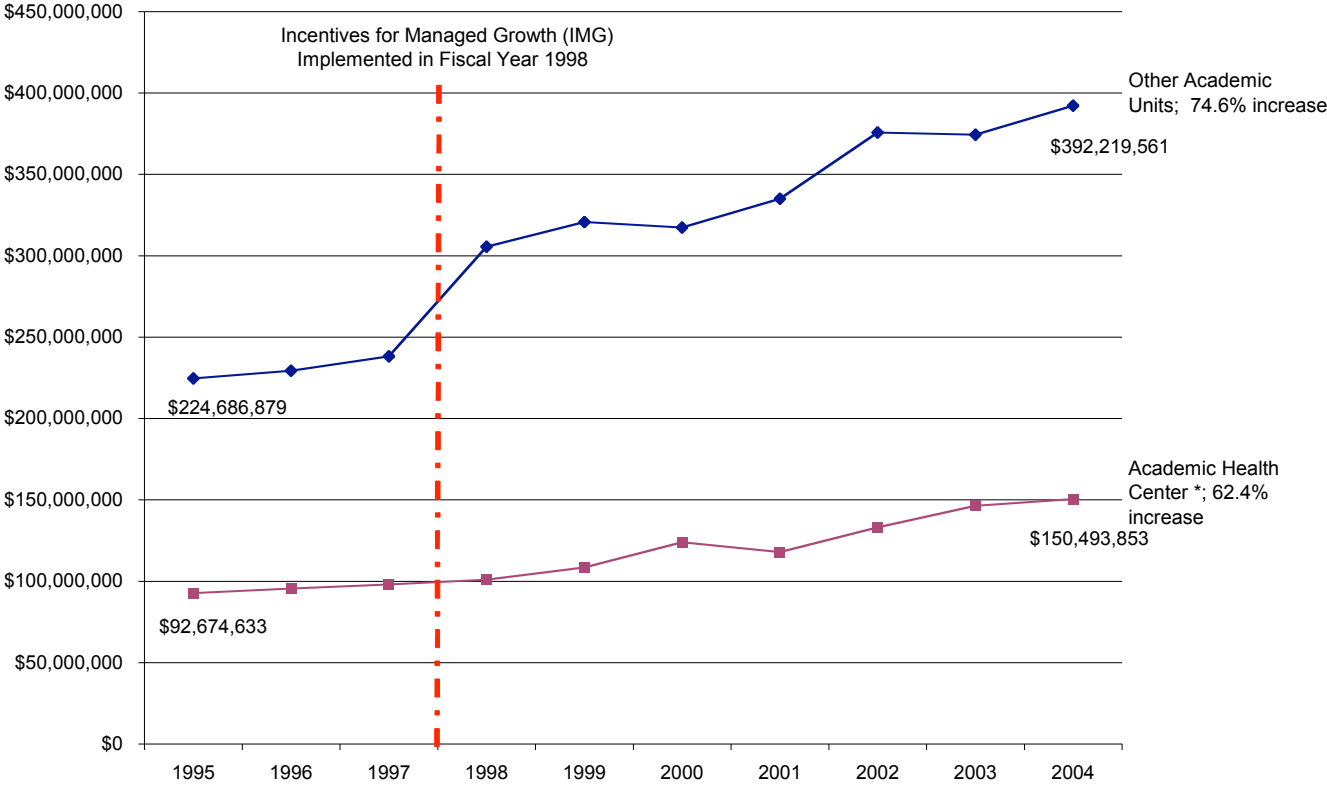


Chart A-5(3)

Tuition, O & M and State Special Allocations
(Gross)

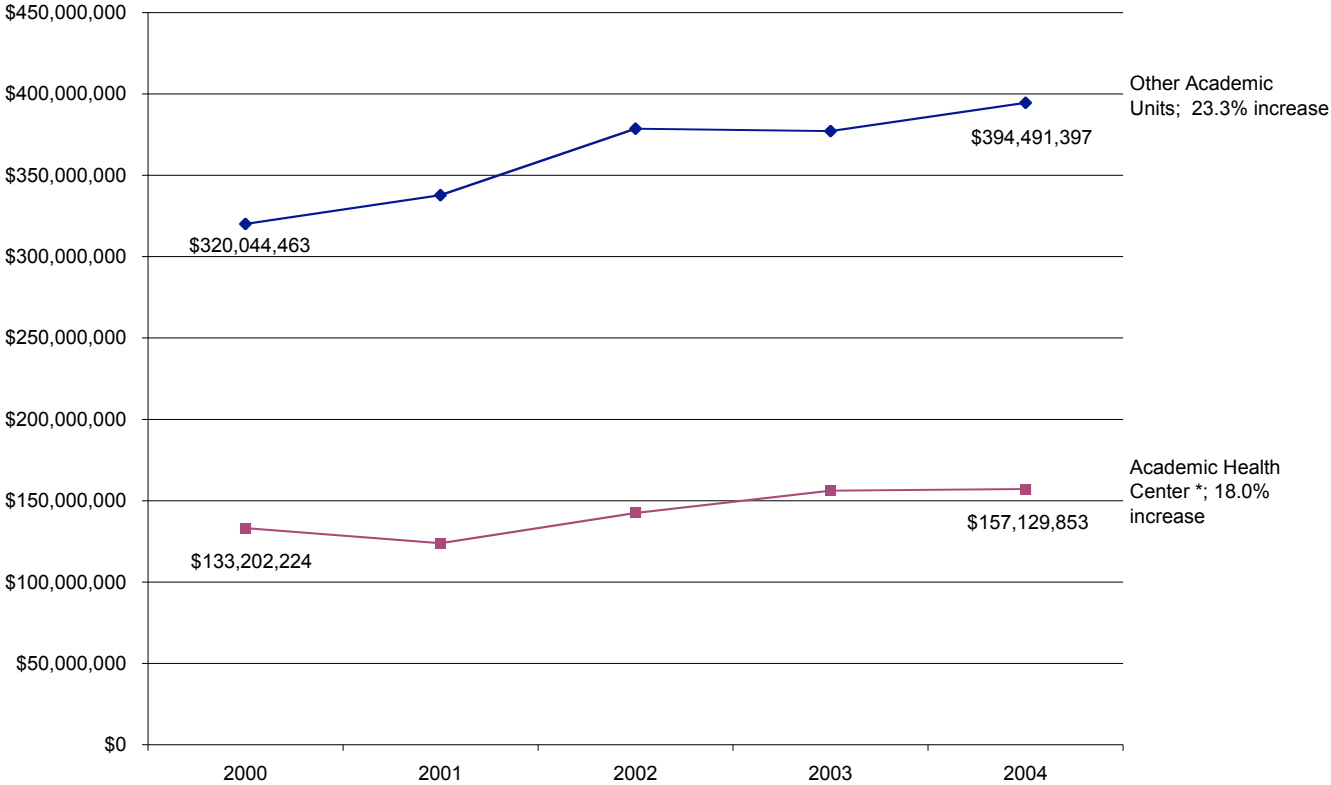
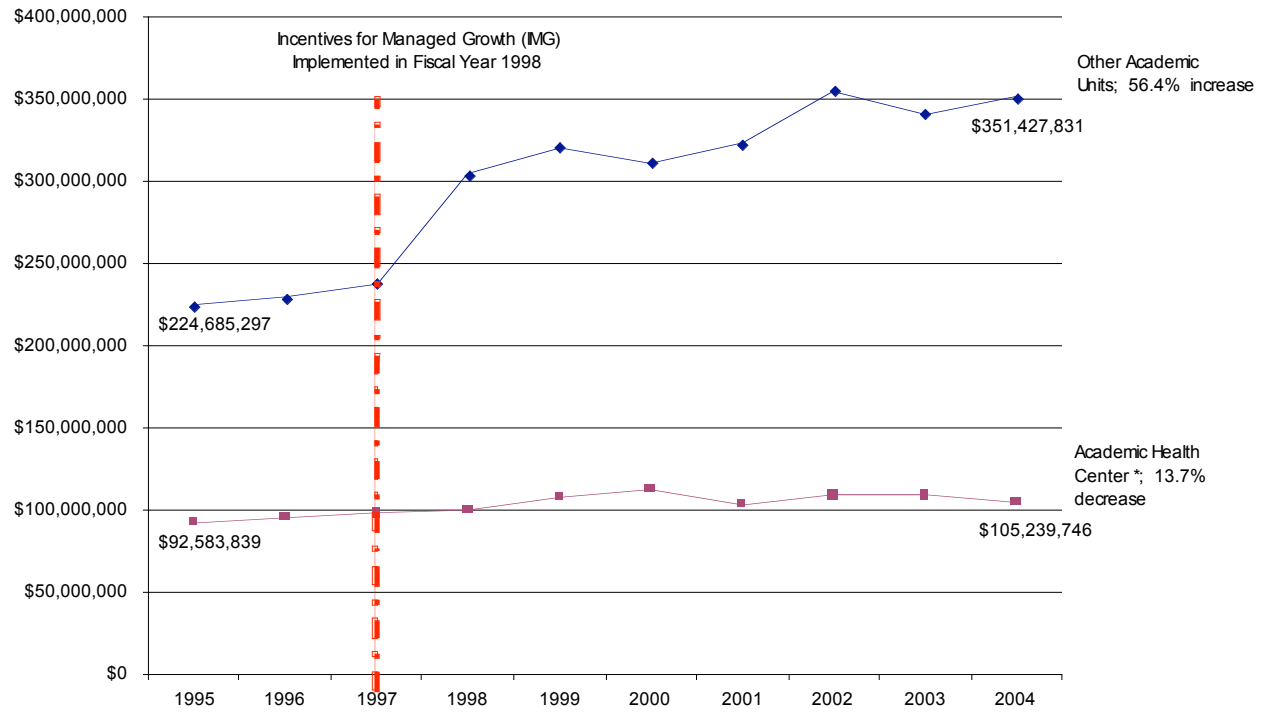


Chart A-6(1)

**Tuition and O & M Allocations
(Net of Administrative Fees and Institutional Revenue Sharing Payments)**



* Academic Health Center data from 1998 through 2004 excludes certain non-academic O&M allocations.

Chart A-6(2)

**Tuition, O & M, and Tobacco Revenue Allocations
(Net of Administrative Fees and Institutional Revenue Sharing Payments)**

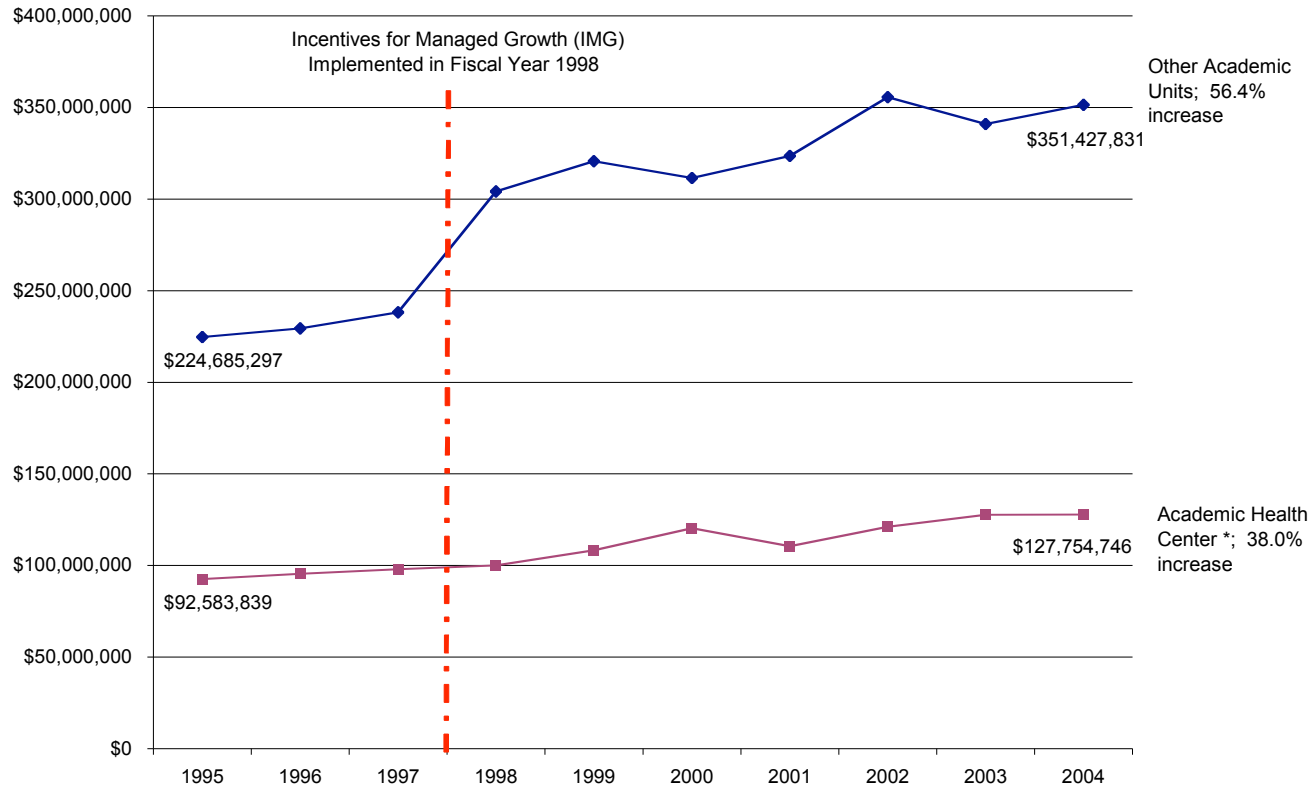


Chart A-6(3)

**Tuition, O & M, and State Special Allocations
(Net of Administrative Fees and Institutional Revenue Sharing Payments)**

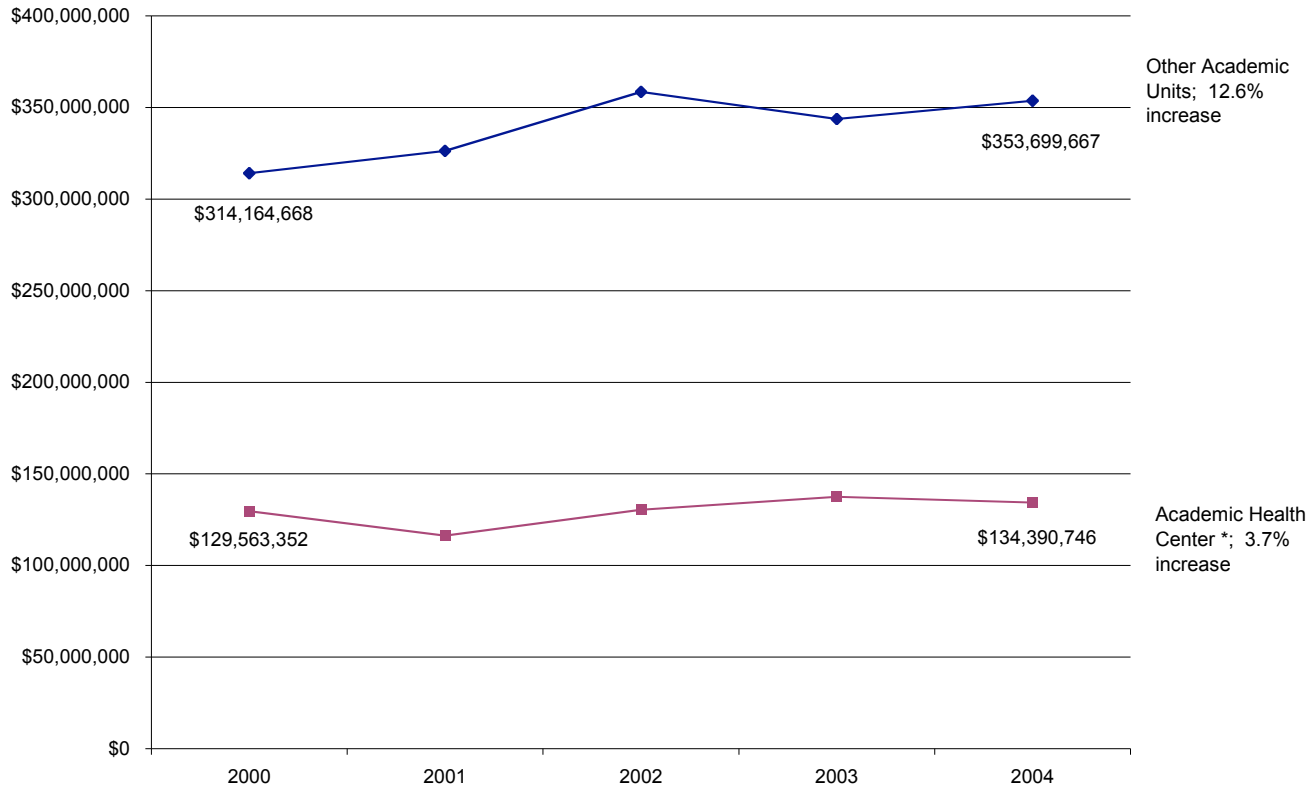
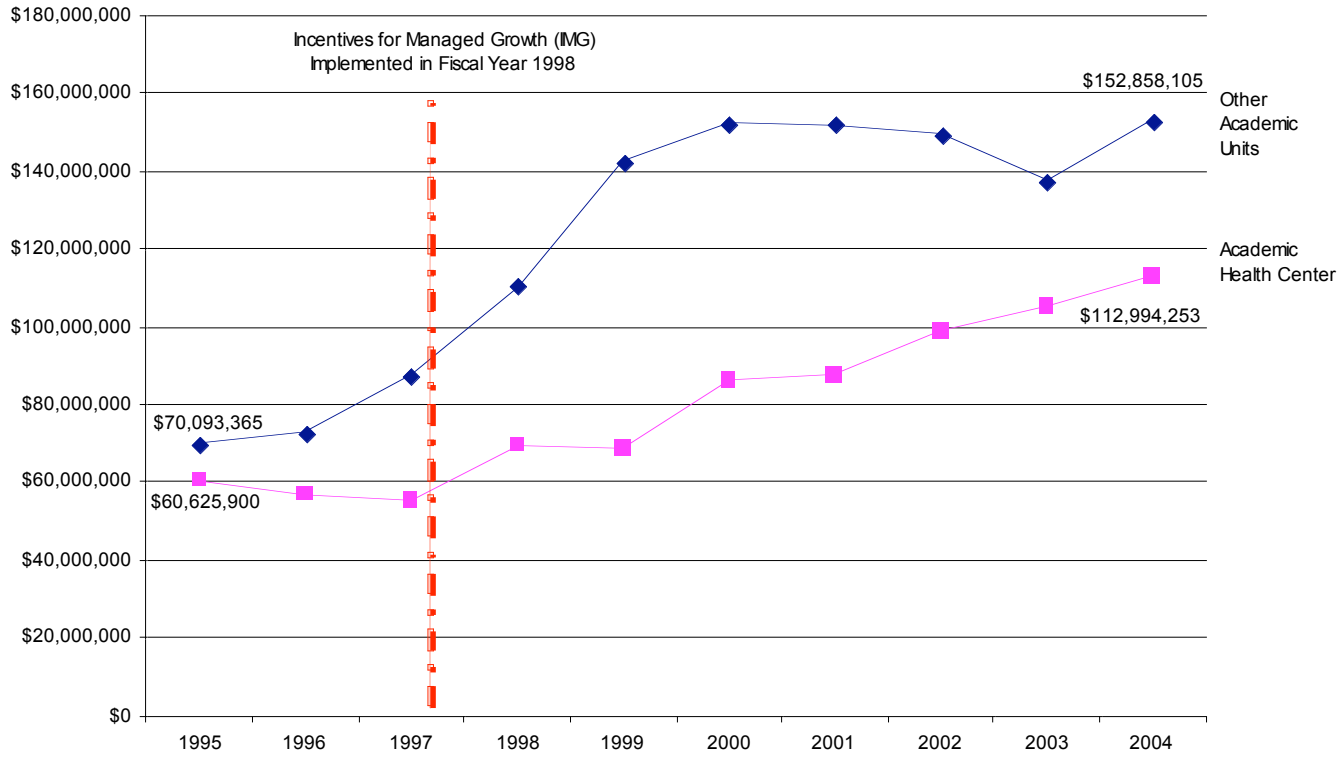


Chart A-7

Growth in Nonsponsored Carry Forward Balances



Source: Office of Institutional Research and Reporting

COMPARISON: AHC AND OAU FACULTY (Chart B Series)

Number of Tenured/Tenure -track Faculty :

The AHC share of tenured/tenure -track faculty dropped slightly from 32.9% to 31.4% of the total Twin Cities' tenured/tenure -track faculty. Since 2000, the AHC numbers have increased 1.1 % , whereas the OAU numbers have increased 10.2%.

FY2000

AHC = 725
OAU = 1,455

FY2004

AHC = 733
OAU = 1,604

Number of Tenured/Tenure -track and Nontenure -track Faculty :

AHC tenured/tenure -track *and* non-tenure-track faculty have grown from 41.8% to 42.3% of total U-MN. Since 2000, the AHC numbers have increased 9.8%, whereas the OAU numbers have increased 7.6%.

FY2000

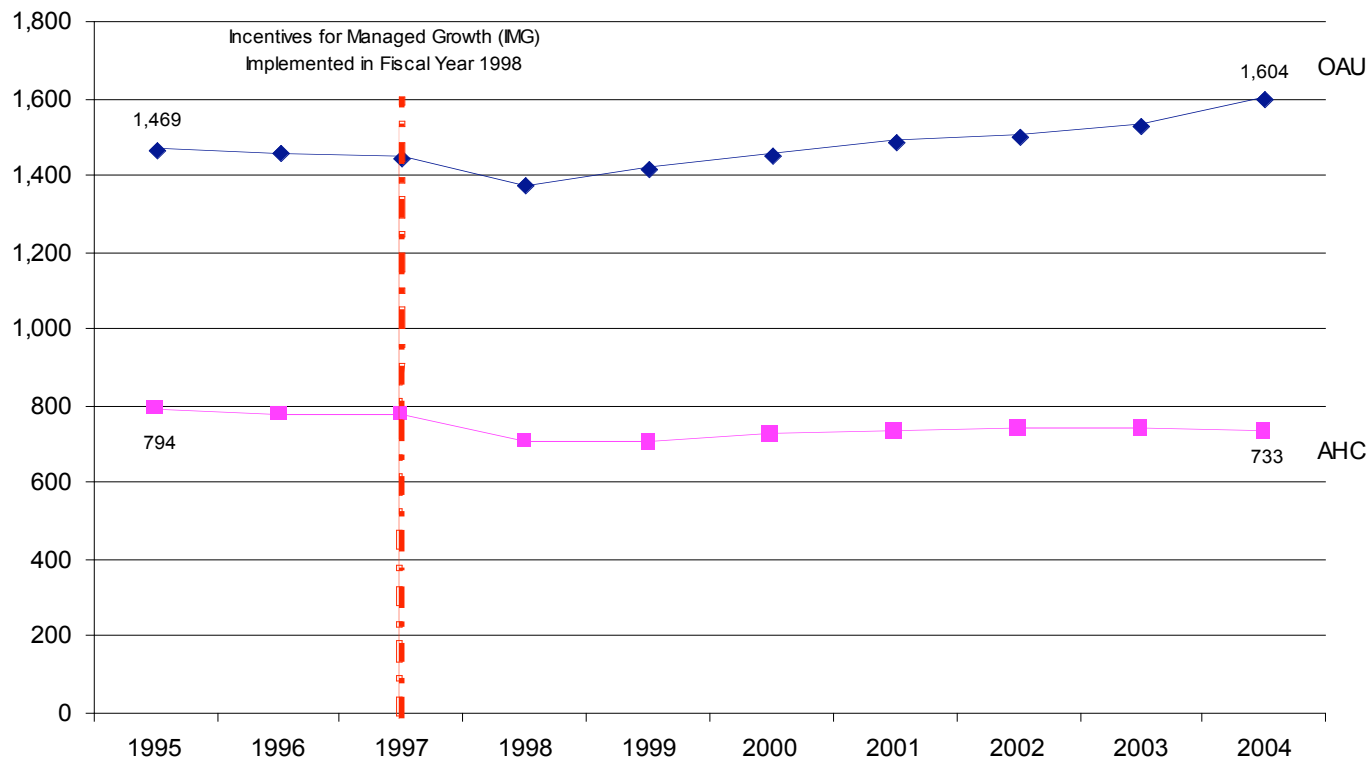
AHC = 1,180
OAU = 1,641

FY2004

AHC = 1,296
OAU = 1,766

Chart B-1

Faculty Trends
Tenured and Tenure Track Faculty Headcount
(Based on an annual snapshot of the end-of-October payroll)



Source: Office of Institutional Research and Reporting

COMPARISON: AHC AND OAU FACULTY (Chart B Series)

Faculty Salaries Funded by O & M, State Specials and Tuition :

Tenured/tenure -track faculty salaries are funded by O&M, State Special and Tuition revenues at the following proportions:

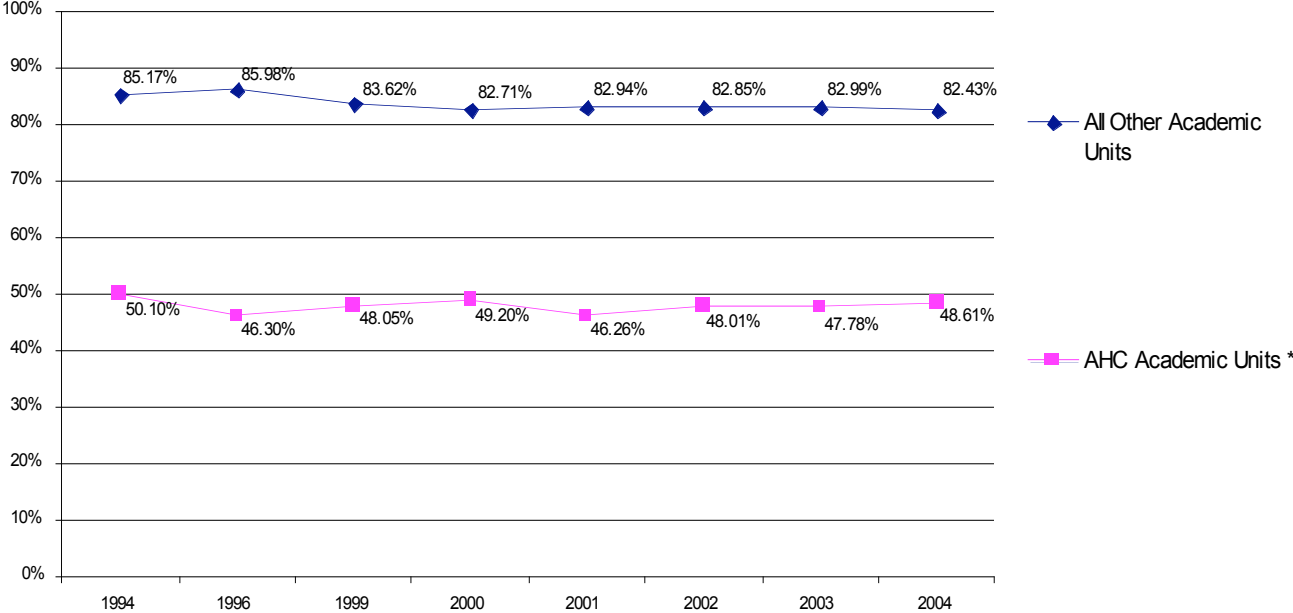
FY2000

FY2004

AHC = 49.2 % (1.7 % decrease since 1994) AHC = 48.6 % (1.2% decrease 2000 -2004)
OAU = 82.7 % (2.9% decrease since 1994) OAU = 82.4 % (0. 4% decrease 2000-2004)

Chart B-2

**Percent of Faculty Salaries Paid From O & M, State Special and Tuition Dollars
(Defined as Salary Expenditures for all Ranked Faculty - includes only personnel classes 94XX)**



Note: The 2001 version of this report included salaries in the SVP for Health Sciences, the EVP/Provost, the Ag Experiment Station and MN Extension. Since those units are excluded from the analysis contained in this report they have also been excluded from this updated chart.

* Includes Veterinary clinical salaries, but excludes Dental and Medical clinical compensation.

Chart B-3

**State Funding per Tenured/Tenure Track Faculty
FY 2004**

Unit and Revenue Category	A	B	C	D	E	F
	<u>T/TT Faculty</u>	<u>Term Faculty</u>	<u>Professional</u>	<u>O & M Support</u>	<u>O & M Per T/TT Faculty</u>	<u>O & M Per All Faculty & Professional Staff</u>
Other Academic Units						
Agricultural, Food & Environmental Science	199	5	126	\$ 5,694,360	\$ 28,615	\$ 17,256
Architecture & Landscape Architecture	24	35	34	2,469,713	102,905	26,556
Biological Sciences	89	5	64	9,859,029	110,776	62,399
Carlson Management	99	4	76	7,457,489	75,328	41,662
Continuing Education (University College)	2	2	88	4,228,099	na	45,958
Education & Human Development	116	3	170	8,244,955	71,077	28,529
General College	33	1	41	1,735,310	52,585	23,137
Human Ecology	66	5	67	2,543,311	38,535	18,430
Humphrey Institute of Public Affairs	19	4	28	1,769,673	93,141	34,699
Institute of Technology	367	44	246	48,288,137	131,575	73,498
Law School	39	20	28	3,299,159	84,594	37,921
Liberal Arts	512	30	334	26,505,435	51,768	30,257
Natural Resources	39	4	58	1,208,741	30,993	11,968
Total	1,604	162	1,360	\$ 123,303,411	\$ 76,872	\$ 39,444
Academic Health Center						
Dentistry	54	145	45	\$ 9,704,115	\$ 179,706	\$ 39,771
Duluth Medicine	29	8	12	5,009,776	172,751	102,240
Medical School	439	327	304	30,236,851	68,877	28,259
Nursing	35	5	51	2,893,817	82,680	31,800
Pharmacy	43	14	16	3,348,893	77,881	45,875
Public Health	70	36	89	4,811,859	68,741	24,676
Veterinary Medicine	63	28	53	10,535,294	167,227	73,162
Total	733	563	570	\$ 66,540,605	\$ 90,778	\$ 35,659

(Sources: Office of Institutional Research and Reporting; Office of Budget and Finance; Data Warehouse.)

COMPARISON : EDUCATIONAL STATISTICS (Chart C Series)

Undergraduate Student Enrollment :

AHC undergraduate student enrollment has increased from 1.6% to 2.2% of the total undergraduate student enrollment. Between 2000 and 2004, AHC undergraduate enrollment numbers (i.e. predominantly nursing) increased 46.6%, whereas OAU numbers increased by 5.9%.

FY2000

AHC = 433
OAU = 26,535

FY2004

AHC = 635
OAU = 28,105

Graduate and Professional Student Enrollment :

AHC graduate and professional student enrollment has dropped from 25.8% to 23.6% of the total graduate and professional student enrollment. Between 2000 and 2004, AHC numbers increased 29.1%, whereas OAU numbers increased by 45.8%.

FY2000

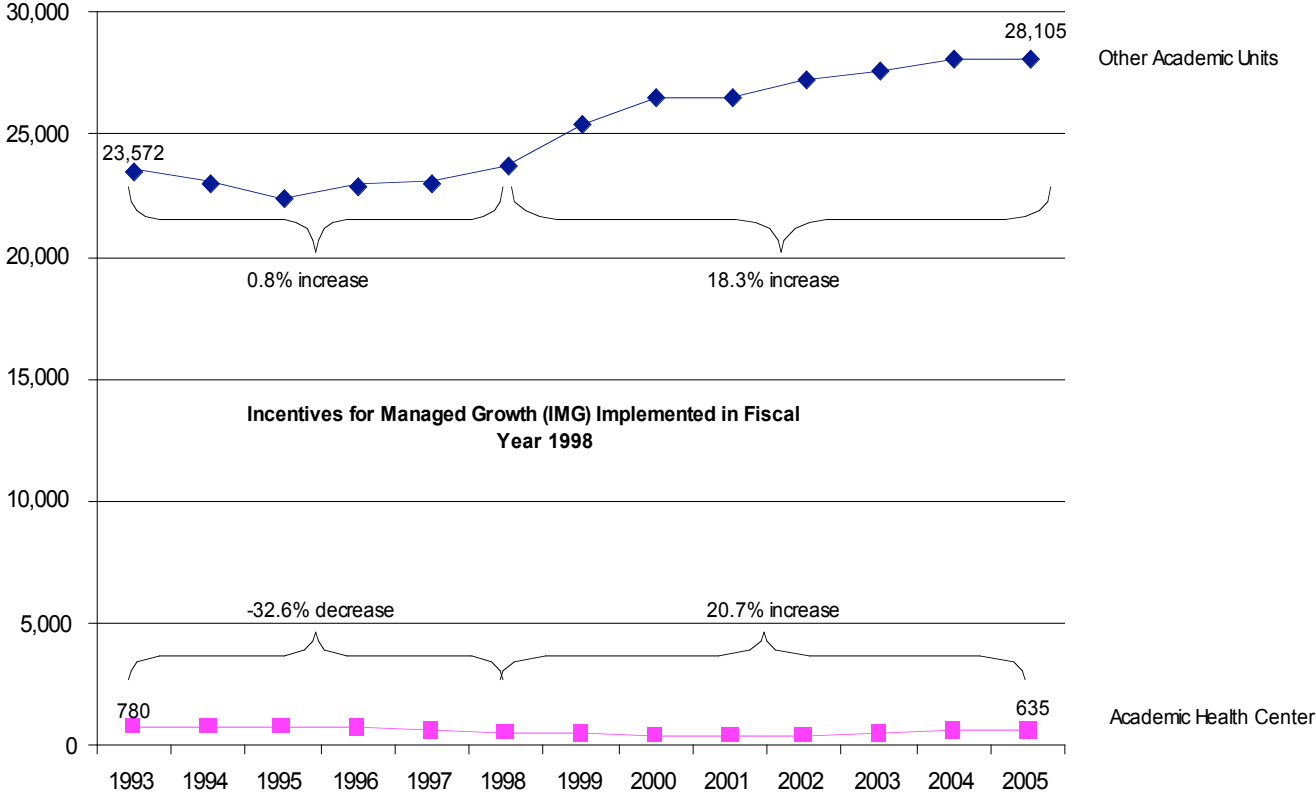
AHC = 3,080
OAU = 8,850

FY2004

AHC = 3,977
OAU = 12,907

Chart C-1

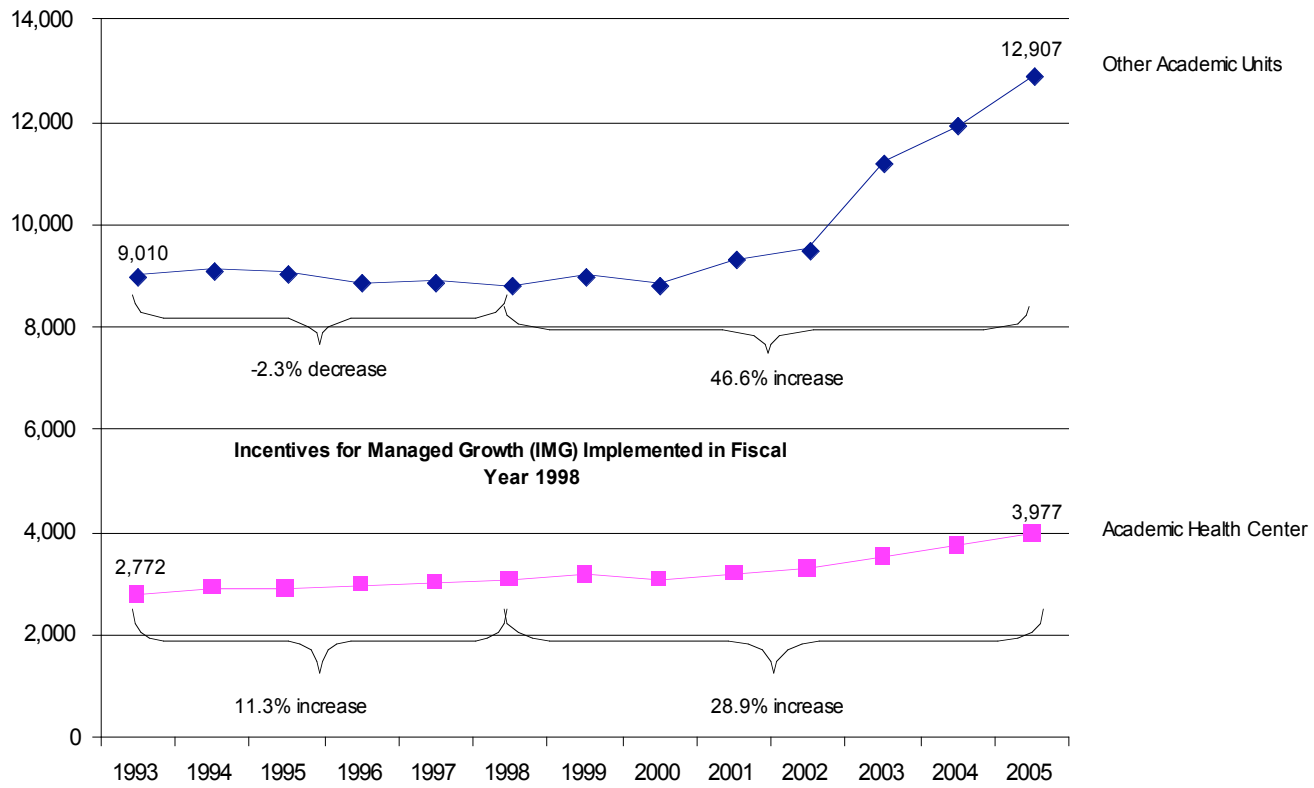
Undergraduate Student Trends
Fall Enrollments (excluding non-degree students)
 (Headcount)



•Headcount excludes Medical Residents.
 Source: Office of Institutional Research and Reporting

Chart C-2

Graduate & Professional Student Trends
Fall Enrollments (excluding non-degree students)
(Headcount)



*Headcount excludes Medical Residents.

Source: Office of Institutional Research and Reporting

COMPARISON : EDUCATIONAL STATISTICS (Chart C Series)

Tuition Revenue/Student :

FY2000

AHC = \$8,661
OAU = \$4,084

FY2004

AHC = \$ 10,774
OAU = \$6,083

O&M Revenue/Student :

FY2000

AHC = \$
OAU = \$

FY2004

AHC = \$1,856
OAU = \$ 12,918

Chart C-3

**Tuition Revenue per Student
Fall 2004 enrollment headcount - all levels
(including non-degree students)**

Unit and Revenue Category	A	B	C
	Student Headcount	Tuition	Tuition Dollars/Student
Other Academic Units			
Agricultural, Food & Environmental Science	1,554	\$ 8,032,061	\$ 5,169
Architecture & Landscape Architecture	578	4,623,180	7,999
Biological Sciences	1,914	10,405,863	5,437
Carlson Management	3,950	35,014,854	8,865
Continuing Education (University College)	4,125	10,467,281	2,538
Education & Human Development	3,494	23,790,266	6,809
General College	1,919	8,335,738	4,344
Human Ecology	1,575	8,167,743	5,186
Humphrey Institute of Public Affairs	452	2,889,270	6,392
Institute of Technology	6,809	47,673,468	7,002
Law School	820	13,291,033	16,209
Liberal Arts	16,686	93,667,609	5,614
Natural Resources	585	2,557,784	4,372
Total	44,461	\$ 268,916,150	\$ 6,048
Academic Health Center			
Dentistry	556	\$ 7,122,524	\$ 12,810
Duluth Medicine	137	2,390,123	17,446
Medical School (includes Residents/Fellows)	1,969	21,900,481	11,123
Nursing	821	4,458,483	5,431
Pharmacy	633	7,570,156	11,959
Public Health	610	5,350,282	8,771
Veterinary Medicine	425	6,703,537	15,773
Total (excluding AHC Shared units, which do not have students)	5,151	\$ 55,495,586	\$ 10,774

Source: Office of Institutional Research and Reporting

Chart C-4

**O & M Funding per Student
Fall 2004 enrollment headcount - all levels
(including non-degree students)**

Unit and Revenue Category	A	B	Enterprise and IRS Taxes	B	C
	Student Headcount	O & M Allocation		O & M Allocation Net of Taxes	Net O & M Dollars/Student
Other Academic Units					
Agricultural, Food & Environmental Science	1,554	\$ 5,694,360	(2,087,692)	\$ 3,606,668	\$ 2,321
Architecture & Landscape Architecture	578	2,469,713	(770,158)	1,699,555	2,940
Biological Sciences	1,914	9,859,029	(1,959,078)	7,899,951	4,127
Carlson Management	3,950	7,457,489	(5,009,078)	2,448,411	620
Continuing Education (University College)	4,125	4,228,099	(1,658,109)	2,569,990	623
Education & Human Development	3,494	8,244,955	(3,494,195)	4,750,760	1,360
General College	1,919	1,735,310	(919,048)	816,262	425
Human Ecology	1,575	2,543,311	(1,065,494)	1,477,817	938
Humphrey Institute of Public Affairs	452	1,769,673	(730,638)	1,039,035	2,299
Institute of Technology	6,809	48,288,137	(9,985,384)	38,302,753	5,625
Law School	820	3,299,159	(1,747,741)	1,551,418	1,892
Liberal Arts	16,686	26,505,435	(10,871,673)	15,633,762	937
Natural Resources	585	1,208,741	(493,442)	715,299	1,223
Total	44,461	\$ 123,303,411	(40,791,730)	\$ 82,511,681	\$ 1,856
Academic Health Center					
Dentistry	556	9,704,115	(2,921,964)	6,782,151	17,453
Duluth Medicine	137	5,009,776	(690,629)	4,319,147	36,568
Medical School (includes Residents/Fellows)	1,969	30,236,851	(10,847,083)	19,389,768	15,356
Nursing	821	2,893,817	(726,206)	2,167,611	3,525
Pharmacy	633	3,348,893	(1,467,758)	1,881,135	5,291
Public Health	610	4,811,859	(1,529,811)	3,282,048	7,888
Veterinary Medicine	425	10,535,294	(3,877,687)	6,657,607	24,789
Total (excluding AHC Shared units, which do not have students)	5,151	\$ 66,540,605	(22,061,138)	\$ 44,479,467	\$ 12,918

Source: Office of Institutional Research and Reporting

COMPARISON: AHC SPACE TO OAU SPACE (Chart D Series)

Instructional Net Assignable Square Footage : (on Campus only)

The share of net instructional square footage assignable to the AHC has increased in the last five years as follows:

<u>FY2000</u>	<u>FY2004</u>
15.4%	20.7%

Research Net Assignable Square Footage : (on Campus only)

The share of net research square footage assignable to the AHC has increased to the following percentage of total Twin Cities' in the last five years.

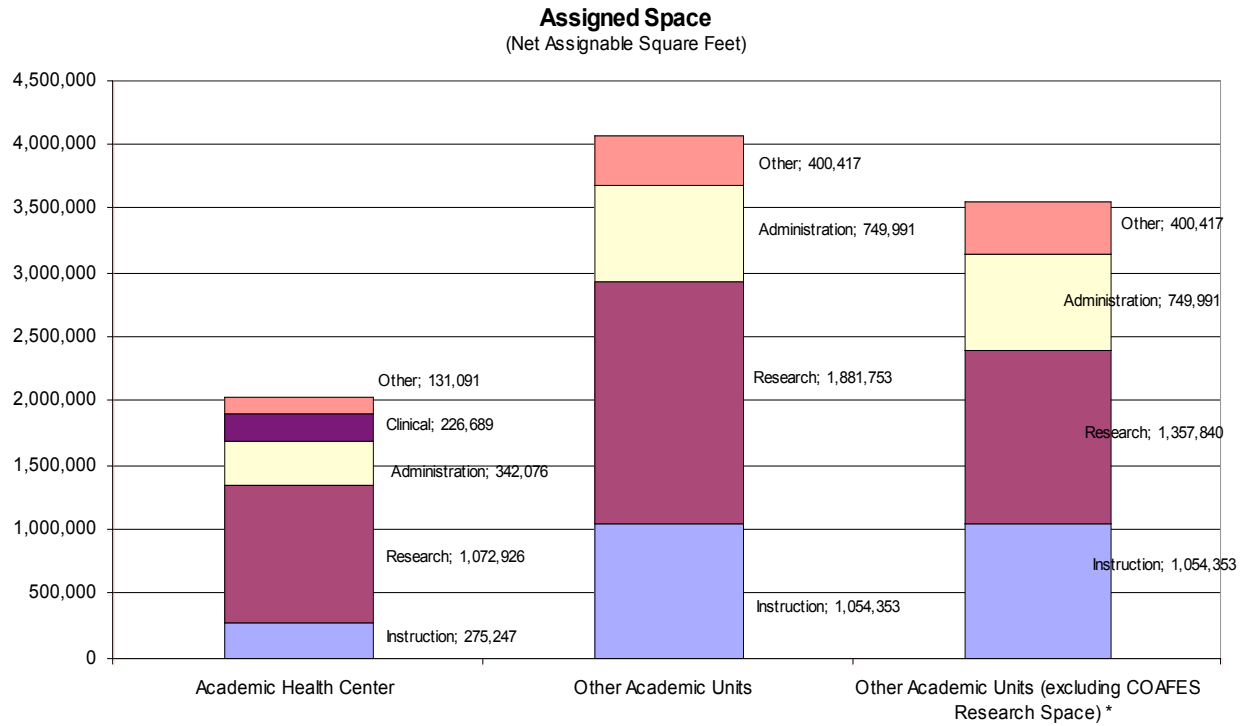
<u>FY2000</u>	<u>FY2004</u>
26.8%	36.3%

Administrative Net Assignable Square Footage : (on Campus only)

The share of net administrative square footage assignable to the AHC has increased in the last five years.

<u>FY2000</u>	<u>FY2004</u>
29.4%	31.3%

Chart D-1



Note: The 2001 version of this report included space that was assigned to the SVP for Health Sciences, the EVP/Provost, the Ag Experiment Station and MN Extension. Since those units are excluded from the analysis contained in this report they have also been excluded from this updated chart.

Source: Facilities Management Space Data File as of 01/05; includes leased space; excludes Nicholson, Jones and TRF (under construction or renovation); some classrooms reassigned to AHC may not have been re-designated in Space Data File as of 01/05.

* The COAFES research space is thought to be primarily barn space.

COMPARISON: AHC SPACE TO OAU SPACE (Chart D Series)

Instructional Square Footage/Student :

Average instructional square footage per student, as a result of program expansion and enrollment increases, has changed as follows:

FY2000

AHC = 76 SF / Student
OAU = 30 SF / Student

FY2004

AHC = 53 SF / Student
OAU = 24 SF / Student

Tuition & O&M Revenue / Instructional SF :

Tuition revenue generated in proportion to instructional space has increased as follows:

FY2000

AHC = \$111 / SF
OAU = \$135 / SF

FY2004

AHC = \$203 / SF
OAU = \$255 / SF

Combined tuition revenue *and* O&M in proportion to instructional space has increased as follows:

FY2000

AHC = \$303 / SF
OAU = \$234 / SF

FY2004

AHC = \$465 / SF
OAU = \$372 / SF

Chart D-2

Instructional Square Feet per Student
(net assignable square feet; includes non-degree students)

	<u>Instructional Sq Ft</u>	<u>Fall 2004 Headcount</u>	<u>Instructional Sq Ft per Student</u>
Other Academic Units			
Agricultural, Food & Environmental Science	147,587	1,554	95
Architecture & Landscape Architecture	43,126	578	75
Biological Sciences	44,810	1,914	23
Carlson Management	44,775	3,950	11
Continuing Education (University College)	30,201	4,125	7
Education & Human Development	116,655	3,494	33
General College	28,815	1,919	15
Human Ecology	32,945	1,575	21
Humphrey Institute of Public Affairs	11,372	452	25
Institute of Technology	219,741	6,809	32
Law School	33,186	820	40
Liberal Arts	283,589	16,686	17
Natural Resources	17,552	585	30
Total	<u>1,054,353</u>	<u>44,461</u>	<u>24</u>
Academic Health Center			
Academic Health Center Shared Units	1,739	0	n/a
Dentistry	66,786	556	120
Duluth Medicine	11,939	137	87
Medical School (excludes Residents/Fellows)	99,335	1,969	50
Nursing	15,940	821	19
Pharmacy	18,030	633	28
Public Health	18,030	610	30
Veterinary Medicine	43,448	425	102
Total	<u>275,247</u>	<u>5,151</u>	<u>53</u>

Source: Office of Institutional Research and Reporting and Facilities Management Space Data File

Chart D-3(1)

**Tuition per Assignable Instructional Square Foot
FY 2004**

	Gross Tution	Instructional Space (sq. ft.)	Tuition Per Instructional Sq Ft
Other Academic Units			
Agricultural, Food & Environmental Science	\$ 8,032,061	147,587	\$ 54
Architecture & Landscape Architecture	4,623,180	43,126	107
Biological Sciences	10,405,863	44,810	232
Carlson Management	35,014,854	44,775	782
Continuing Education (University College)	10,467,281	30,201	347
Education & Human Development	23,790,266	116,655	204
General College	8,335,738	28,815	289
Human Ecology	8,167,743	32,945	248
Humphrey Institute of Public Affairs	2,889,270	11,372	254
Institute of Technology	47,673,468	219,741	217
Law School	13,291,033	33,186	400
Liberal Arts	93,667,609	283,589	330
Natural Resources	2,557,784	17,552	146
Total	\$ 268,916,150	1,054,353	\$ 255
Academic Health Center			
Academic Health Center - Shared Units *	290,386	1,739	\$ 167
Dentistry	7,122,524	66,786	\$ 107
Duluth Medicine	2,390,123	11,939	\$ 200
Medical School	21,900,481	99,335	\$ 220
Nursing	4,458,483	15,940	\$ 280
Pharmacy	7,570,156	18,030	\$ 420
Public Health	5,350,282	18,030	\$ 297
Veterinary Medicine	\$ 6,703,537	43,448	\$ 154
Total	55,785,972	275,247	\$ 203

Chart D-3(2)

**Tuition and O&M per Assignable Instructional Square Foot
FY 2004**

	Gross Tuition and O&M	Instructional Space (sq. ft.)	Gross Tuition and O&M Per Instructional Sq Ft
Other Academic Units			
Agricultural, Food & Environmental Science	\$ 13,726,421	147,587	\$ 93
Architecture & Landscape Architecture	7,092,893	43,126	164
Biological Sciences	20,264,892	44,810	452
Carlson Management	42,472,343	44,775	949
Continuing Education (University College)	14,695,380	30,201	487
Education & Human Development	32,035,221	116,655	275
General College	10,071,048	28,815	350
Human Ecology	10,711,054	32,945	325
Humphrey Institute of Public Affairs	4,658,943	11,372	410
Institute of Technology	95,961,605	219,741	437
Law School	16,590,192	33,186	500
Liberal Arts	120,173,044	283,589	424
Natural Resources	3,766,525	17,552	215
Total	\$ 392,219,561	1,054,353	\$ 372
Academic Health Center			
Academic Health Center - Shared Units *	\$ 5,942,662	1,739	\$ 3,417
Dentistry	16,826,639	66,786	252
Duluth Medicine	7,399,899	11,939	620
Medical School	52,137,332	99,335	525
Nursing	7,352,300	15,940	461
Pharmacy	10,919,049	18,030	606
Public Health	10,162,141	18,030	564
Veterinary Medicine	17,238,831	43,448	397
Total	\$ 127,978,853	275,247	\$ 465

Source: Office of Institutional Research and Reporting and Facilities Management Space Data File

COMPARISON: AHC SPACE TO OAU SPACE (Chart D Series)

Sponsored Research Revenue & F&A / Research SF :

Sponsored research revenue generated in proportion to assignable research space has increased as follows:

FY2000

AHC = \$193 / SF
OAU = \$84 / SF

FY2004

AHC = \$249 / SF
OAU = \$95 / SF

Combined sponsored research revenue *and* gross F&A generated in proportion to assignable research space has increased as follows:

FY2000

AHC = \$232 / SF
OAU = \$96 / SF

FY2004

AHC = \$301
OAU = \$111

Chart D-4

**Sponsored Research Revenue per Assignable Research Square Foot
FY 2004**

	Sponsored Revenues	Research Space (sq. ft.)	Sponsored Research Per Research Sq Ft
Other Academic Units			
Agricultural, Food & Environmental Science	\$ 19,189,704	523,913	\$ 37
Architecture & Landscape Architecture	1,657,518	12,673	131
Biological Sciences	14,080,727	255,939	55
Carlson Management	1,865,921	21,205	88
Continuing Education (University College)	680,007	-	n/a
Education & Human Development	21,655,570	64,497	336
General College	1,216,283	2,658	458
Human Ecology	5,611,328	31,249	180
Humphrey Institute of Public Affairs	6,605,163	12,353	535
Institute of Technology	82,909,433	653,953	127
Law School	983,204	17,563	56
Liberal Arts	14,531,969	186,547	78
Natural Resources	6,921,910	99,202	70
Total	\$ 177,908,738	1,881,753	\$ 95
Academic Health Center			
Academic Health Center - Shared Units	\$ 19,870,715	153,384	\$ 130
Dentistry	2,849,680	42,471	67
Duluth Medicine	8,347,137	31,152	268
Medical School	149,500,673	601,044	249
Nursing	2,806,735	4,896	573
Pharmacy	5,037,745	44,302	114
Public Health	71,647,896	127,265	563
Veterinary Medicine	7,456,490	68,413	109
Total	\$ 267,517,072	1,072,926	\$ 249

Source: Office of Institutional Research and Reporting and Facilities Management Space Data File

Chart D-5

**Sponsored Research and F&A Revenue per Assignable Research Square Foot
FY 2004**

	Sponsored Revenues	Gross F & A Revenue	Research Space (sq. ft.)	Sponsored Research and F & A Per Research Sq Ft
Other Academic Units				
Agricultural, Food & Environmental Science	\$ 19,189,704	\$ 2,151,308	523,913	\$ 41
Architecture & Landscape Architecture	1,657,518	123,205	12,673	141
Biological Sciences	14,080,727	3,590,508	255,939	69
Carlson Management	1,865,921	272,670	21,205	101
Continuing Education (University College)	680,007	71,040	-	n/a
Education & Human Development	21,655,570	3,429,771	64,497	389
General College	1,216,283	71,040	2,658	484
Human Ecology	5,611,328	205,966	31,249	186
Humphrey Institute of Public Affairs	6,605,163	756,555	12,353	596
Institute of Technology	82,909,433	16,458,315	653,953	152
Law School	983,204	170,206	17,563	66
Liberal Arts	14,531,969	3,416,934	186,547	96
Natural Resources	6,921,910	866,496	99,202	79
Total	\$ 177,908,738	\$ 31,584,014	1,881,753	\$ 111
Academic Health Center				
Academic Health Center - Shared Units	\$ 19,870,715	\$ 4,043,521	153,384	\$ 156
Dentistry	2,849,680	1,705,574	42,471	107
Duluth Medicine	8,347,137	639,064	31,152	288
Medical School	149,500,673	34,413,447	601,044	306
Nursing	2,806,735	482,965	4,896	672
Pharmacy	5,037,745	1,301,673	44,302	143
Public Health	71,647,896	11,225,290	127,265	651
Veterinary Medicine	7,456,490	1,275,267	68,413	128
Total	\$ 267,517,072	\$ 55,086,801	1,072,926	\$ 301

Source: Office of Institutional Research and Reporting and Facilities Management Space Data File

COMPARISON: CONTRIBUTIONS TO "COMMON GOOD" (Chart E Series)

Effective Tax Rate Paid on O & M, Tuition, and Gross ICR :

Internal reallocation of AHC dollars through IRS and ICR contributions to central budget have increased and can be measured by an "effective tax rate" as follows:

<u>FY2000</u>	<u>FY2004</u>
AHC = 16.1%	AHC = 27.6%
OAU = 5.5%	OAU = 13.4%

Enterprise Tax/Student :

Enterprise assessment funded by AHC, expressed on a per student basis, trends as follows:

<u>FY2000</u>	<u>FY2004</u>
AHC = \$309	AHC = \$355
OAU = \$54	OAU = \$74

Enterprise Tax / Capita:

Since FY00, the Enterprise System has expanded from a student system to include payroll and HR . A recalibration of the Enterprise tax per student *and* employee is provided:

<u>FY2004</u>
AHC = \$172
OAU = \$64

Chart E-1

Growth in Administrative Fees & Institutional Revenue Sharing Payments Paid by Academic Units

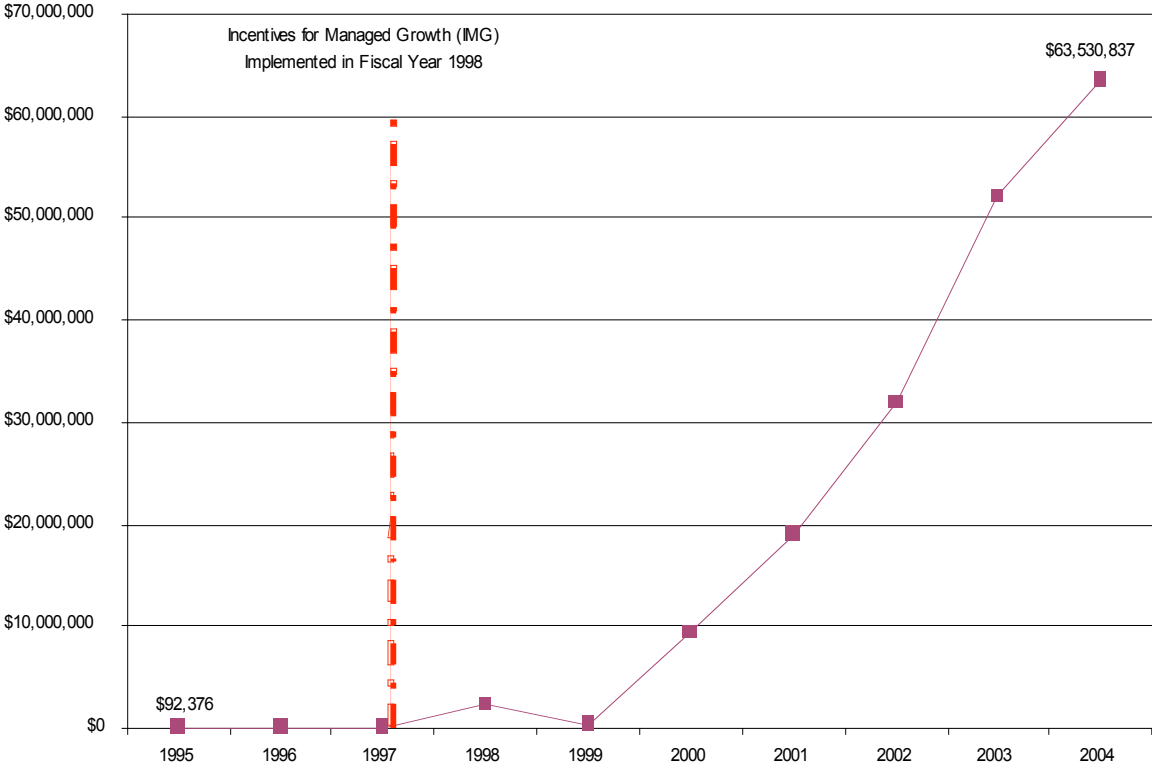


Chart E-2

Effective Tax Rate on O & M, Tuition and Gross ICR
FY 2004

Unit and Revenue Category	A	B	C	D	E	F	G	H
	Revenue			Central Taxes			2004	2000
	O & M	Tuition	Gross ICR	Enterprise	IRS	ICR to Central	Tax Rate	Tax Rate
Other Academic Units								
Agricultural, Food & Environmental Science	\$ 5,694,360	\$ 8,032,061	\$ 2,151,308	\$ 145,524	\$ 1,942,168	\$ 1,086,411	20.0%	6.9%
Architecture & Landscape Architecture	2,469,713	4,623,180	123,205	61,293	708,865	62,219	11.5%	2.0%
Biological Sciences	9,859,029	10,405,863	3,590,508	166,955	1,792,123	1,813,207	15.8%	9.4%
Carlson Management	7,457,489	35,014,854	272,670	348,632	4,660,446	137,698	12.0%	2.9%
Continuing Education (University College)	4,228,099	10,467,281	71,040	144,659	1,513,450	35,875	11.5%	2.3%
Education & Human Development	8,244,955	23,790,266	3,429,771	293,934	3,200,261	1,732,034	14.7%	6.4%
General College	1,735,310	8,335,738	71,040	84,919	834,129	35,875	9.4%	2.4%
Human Ecology	2,543,311	8,167,743	205,966	90,868	974,627	104,013	10.7%	4.3%
Humphrey Institute of Public Affairs	1,769,673	2,889,270	756,555	45,699	684,940	382,060	20.5%	7.4%
Institute of Technology	48,288,137	47,673,468	16,458,315	808,574	9,176,810	8,311,449	16.3%	9.4%
Law School	3,299,159	13,291,033	170,206	118,771	1,628,970	85,954	10.9%	2.2%
Liberal Arts	26,505,435	93,667,609	3,416,934	951,642	9,920,031	1,725,552	10.2%	2.8%
Natural Resources	1,208,741	2,557,784	866,496	34,243	459,198	437,580	20.1%	7.0%
Total	\$ 123,303,411	\$ 268,916,150	\$ 31,584,014	\$ 3,295,711	\$ 37,496,018	\$ 15,949,927	13.4%	5.5%
Academic Health Center (1)								
Academic Health Center - Shared Units	\$ 5,652,276	\$ 290,386	\$ 4,043,521	\$ 98,954	\$ 579,173	\$ 2,041,978	27.2%	24.7%
Dentistry	9,704,115	7,122,524	1,705,574	236,183	2,685,781	861,315	20.4%	6.5%
Duluth Medicine	5,009,776	2,390,123	639,064	66,534	624,096	322,727	12.6%	2.7%
Medical School	30,236,851	21,900,481	34,413,447	846,115	10,001,005	17,384,628	32.6%	19.9%
Nursing	2,893,817	4,458,483	482,965	64,876	661,330	243,897	12.4%	3.6%
Pharmacy	3,348,893	7,570,156	1,301,673	103,599	1,364,158	657,345	17.4%	7.6%
Public Health	4,811,859	5,350,282	11,225,290	134,728	1,397,803	5,668,771	33.7%	28.5%
Veterinary Medicine	10,535,294	6,703,537	1,275,267	279,253	3,598,434	644,010	24.4%	7.7%
Total	\$ 72,192,881	\$ 55,785,972	\$ 55,086,801	\$ 1,830,242	\$ 20,911,778	\$ 27,824,671	27.6%	16.1%

(1) Does not include enterprise tax paid by non-academic units such as the Libraries, Executive VP Office and the Office of the Senior Vice President for Health Sciences.
Sources: Office of Institutional Research and Reporting; Office of Budget and Finance; Data Warehouse.

Chart E-3(1)

**Enterprise Taxes in Comparison to Student Headcount
FY 2004 Actual Tax; Fall 2004 enrollments (including non-degree students)**

Unit and Revenue Category	A	B	C
	Student Headcount	Enterprise Tax	Enterprise Tax Dollars/Student
Other Academic Units *			
Agricultural, Food & Environmental Science	1,554	\$ 145,524	\$ 94
Architecture & Landscape Architecture	578	61,293	106
Biological Sciences	1,914	166,955	87
Carlson Management	3,950	348,632	88
Continuing Education (University College)	4,125	144,659	35
Education & Human Development	3,494	293,934	84
General College	1,919	84,919	44
Human Ecology	1,575	90,868	58
Humphrey Institute of Public Affairs	452	45,699	101
Institute of Technology	6,809	808,574	119
Law School	820	118,771	145
Liberal Arts	16,686	951,642	57
Natural Resources	585	34,243	59
Total	44,461	\$ 3,295,711	\$ 74
Academic Health Center *			
Academic Health Center - Shared Units	-	98,954	n/a
Dentistry	556	236,183	178
Duluth Medicine	137	66,534	486
Medical School (includes Residents/Fellows)	1,969	846,115	430
Nursing	821	64,876	79
Pharmacy	633	103,599	164
Public Health	610	134,728	221
Veterinary Medicine	425	279,253	657
Total	5,151	\$ 1,830,242	\$ 355

* Does not include enterprise tax paid by non-academic units such as the Libraries and the Office of the Senior Vice President for Health Sciences.

Sources: Office of Institutional Research and Reporting; Office of Budget and Finance; Data Warehouse.

Some colleges have identified problems with some of the student data.

Chart E-3(2)

Enterprise Taxes in Comparison to Student & FTE Count
FY 2004 Actual Tax; Fall 2004 enrollments (including non-degree students) and FY05 non-student FTEs

Unit and Revenue Category	A		B	C
	Student Headcount	FTE Count (FY05)	Enterprise Tax	Enterprise Tax Dollars/Capita
Other Academic Units *				
Agricultural, Food & Environmental Science	1,554	556	\$ 145,524	69
Architecture & Landscape Architecture	578	134	61,293	86
Biological Sciences	1,914	443	166,955	71
Carlson Management	3,950	479	348,632	79
Continuing Education (University College)	4,125	258	144,659	33
Education & Human Development	3,494	736	293,934	69
General College	1,919	181	84,919	40
Human Ecology	1,575	233	90,868	50
Humphrey Institute of Public Affairs	452	149	45,699	76
Institute of Technology	6,809	1,971	808,574	92
Law School	820	171	118,771	120
Liberal Arts	16,686	2,082	951,642	51
Natural Resources	585	186	34,243	44
Total	44,461	7,579	\$ 3,295,711	\$ 63
Academic Health Center *				
Academic Health Center - Shared Units	-		98,954	n/a
Dentistry	556	448	236,183	235
Duluth Medicine	137	138	66,534	242
Medical School (includes Residents/Fellows)	1,969	3,677	846,115	150
Nursing	821	146	64,876	67
Pharmacy	633	272	103,599	114
Public Health	610	699	134,728	103
Veterinary Medicine	425	581	279,253	278
Total	5,151	5,961	\$ 1,830,242	\$ 165

* Does not include enterprise tax paid by non-academic units such as the Libraries and the Office of the Senior Vice President for Health Sciences.
 Sources: Office of Institutional Research and Reporting; Office of Budget and Finance; Data Warehouse; UM Reports (FTE Cube FY05 PP08).
 Some colleges have identified problems with some of the student data and FTE data.

FY2000 – FY2004 Summary

Growth of AHC – AHC research and education commitments have grown at a rate greater than the University average.

Diverse Funding Base - Mix of funds that support the enterprise continues to be diverse with comparatively lower reliance on tuition and O&M. Tobacco / cigarette revenues have helped the AHC reduce disparity between share of academic enterprise and share of academic O&M allocation.

Need for Adequate Reserves - Carry forward balances have grown but not proportionate to annual budget growth; many colleges in AHC have less than optimal working capital reserves.

Financial Uncertainty versus Academic Excellence - The effects of financial uncertainty are illustrated through mix of T/TT faculty hires to non-TT faculty hires. Faculty salaries supported at 48% by state and tuition funds, compared to 82% for other academic units. If strategic vision is to enhance the research enterprise and hire the best and brightest, current financial circumstances may preclude goal of becoming one of top three.

Cost of Educating Health Professional Students - Education of a health professional student requires specialized space and more faculty intensive instruction than for undergraduate students.

Tuition Elasticity - Tuition generating opportunities / tuition elasticity is limited in health sciences. The Medical School, for example, has the highest tuition & fees rate of all public medical schools in the country.

Leveraging Facilities – AHC is highly productive in research, even though limited by space; space has not expanded sufficiently to support growing research enterprise.

Tax Burden - Effective tax burdens (IRS and Enterprise) have grown substantially and disproportionately at the same time state budget reductions have resulted in O&M cuts to units.