2. IDENTIFYING HIGHER EDUCATION COSTS

We begin by looking at the problem of identifying the specific costs of *teaching* in higher education institutions.

Higher education institutions are very complex, having multiple objectives and functions. At least at the university level these have included teaching and research as well as some more general functions such as the transmission of a common culture and standards of citizenship. In the United States universities commonly have an acknowledged 'community service' role. This includes the provision of instructional services (eg extramural type teaching), occupational services (careers advice, remedial training, short job- and career-related training courses) and non-instructional services including community service projects, counselling, consultancy, research and development work for local industry, and the provision free or at a charge of university facilities (eg refectory, sports, library, transport, etc) to members of the local community. Crosson (1981) provides an exhaustive taxonomy of such services.

Teaching may take place at a number of levels - undergraduate, postgraduate, and non-degree levels. It may be related to the student's initial education, marking the culmination of several years of uninterrupted study since early childhood; alternatively, reflecting more recent trends, it may be related to the continuing education of individuals who have finished their period of initial education but, after several years in the labour market, need further education to facilitate adjustment to technological, economic and social change or to meet individual needs for personal development. To add to the complexity of the situation, students may study full- or part-time, and the means by which they study may also differ, depending on whether they are studying by conventional or distance means. For example, it is common to distinguish between full-time (day) programmes of study, part-time (evening) programmes of study, and study by distance means.

Higher education institutions can thus be characterised as multi-product enterprises. For our purposes we are concerned *solely* with the teaching function.

In order to proceed we first of all need to be able to separate out the costs of non-teaching activities. We are not concerned with the specific identification of the outputs of non-teaching subsystems in themselves, nor with their measurement. We are concerned that the clearly identifiable costs of these subsystems are taken into account in such a way that the cost of the teaching subsystem is identified. We then need to identify the costs of each of the teaching programmes. To do this we need to be able to identify and assign the total costs of the teaching between the conventional and distance modes, and we may then need to assign costs further between particular academic programmes and courses. We will be able to do this relatively easily when the costs we are analysing are readily identifiable as being a direct charge to one or other mode, programme or course. However, to obtain a clear idea of the costs of a particular mode, programme or course we will also need to assign a proportion of the overhead costs of the institution to that mode, programme or course. This is not always easy.