AFFORDABILITY WORKGROUP

Closing the Gap 2020:

Master Plan for Higher Education in Arkansas

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Meeting Agendas

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AGENDA

Closing the Gap 2020 Master Plan
Affordability Workgroup
January 21, 2016

I. Follow Up on Assignments from Last Meeting

II. Brainstorm more Strategies/Best Practices

Previously Discussed Strategies:

A. Explore Cheaper Financing Options
B. Shared Services
C. Energy Performance Contracts

III. Choose which Strategies/Best Practices to Commit to

IV. Communication Strategies
- Training Series

Affordability Master Plan Subcommittee

December 14, 2015

Attendance: Julie Bates, Chair; Tara Smith, ADHE; Jake Eddington, ADHE; Callie Dunavan, ASUMS; David See, CotO; Bobby Jones, HSU; Russ Hannah, ASUJ; Richard Dawe, OZC; Suzanne McCray; Lisa Willenberg, UACCM; Brett Powell, ADHE

- Expense ratios – difficult to find comparison data from other states.
- Can we use SACUBO benchmarking to determine where we stand?
- Core Expense Ratio – the only expenses that matter for institutional effectiveness (Graduation) are instructional, academic support and student services. Other things are important, but do not make a difference towards graduation rates.
    - It is possible to OVERSPEND and waste money when it would not further benefit the institution or graduation rate.
    - If institutions UNDERSPEND on these areas, they will underperform.
    - Legislators would say the non-core is "administrative bloat"
- SACUBO Benchmarking
    - Powell: What makes it valuable?
        - Consistent data that is available earlier (same as IPEDS). Less than 9 months after fiscal year ends.
        - Also provides data on employees that does not appear to be available anywhere else. Gives a breakdown by functional area. Would help to determine if "Administrative Bloat" exists.
    - Dawe: How does one asses quality of leadership and effectiveness?
    - Julie: How far reaching is SACUBO? How many states?
    - Julie: How many are currently using this system? Not a lot, but you can add data from previous years. Powell: 350ish total. More would make the data more useful. Russ will gather this data?
    - Tara: Is there an overall report? Yes, but you have to be a part of the system. It is now free to participate.
    - Julie: Should we encourage fiscal officers to participate?
    - Tara: Do we know enough about the report?
    - Dawe: How will legislators react to this data? Could the data be misunderstood? Powell: You have to be sure to give them good context.
    - Institutions are hesitant because of employee categorization. We could collect this without SACUBO, but we would not have the comparison data.
    - A state comparison could be a problem because some institutions do not have a good comparative institution.
    - Julie: How difficult is it to break out employees by functional area? Bobby: Not that difficult. It can be done.
    - SACUBO membership is cheap. Let's try to get people to participate anyway? Draft and email to encourage them. Where should this come from? Who is the most effective group to email this out?
    - Sounds like ADHE needs to do it. Tara has committed to drafting an email. It can be in the context of the Affordability subcommittee

- Barriers to Reallocation
    - How can you reallocate without new funds?
    - Bobby: reallocation may just be getting rid of programs/people to put somewhere else. It's not only administrative expenses – "nothing is sacred." Even health insurance costs are being put more onto the employees.
    - Powell: Important to think about OPPORTUNITY COSTS.
    - Julie: Not sure how effective we can be to making these changes. Tara: It will help to make it a part of the core measures.
    - Julie: reasons for increased institutional support? Increased reporting. Are there things that are encouraging the growth of administrative positions?
    - David: Cost of buildings and Maintenance
    - What is administrative bloat? Institutional support – dean level and above. Maybe that is something that we should define? NACUBO/SACUBO defines this.
    - What is the regulatory cost of the burden put on institutions?
    - There is no capital improvement funding in the state for institutions, and that affects tuition and fees.
    - How does this compare to other states? Tara thinks there is a place this information is collected.
    - Cycle of paying administrators more instead of paying a new employee.
    - Is there a benefit to a system to complete administrative tasks?
    - Powell: It might make sense to consolidate some things at the state level. Is a title 9 coordinator really necessary at every institution?
    - Personnel classification system makes it difficult to "Grow" employees. Difficult to move employees into positions.
    - Suzanne – more flexibility would help to fulfill the educational mission.
    - Could we make the case easier if we show where the positions are doing?
    - The whole state personnel system pretty much just sucks when it comes to institutions.
    - Maybe they would just approve number?
    - Include information about how other states handle personnel at their institutions.
    - Classified employees do not have motivation since you cannot easily promote them.
    - Lack of state investment and general funding. We're not doing terrible compared to other SREB states, but there are states doing better than us.
    - Even though we are funded well compared to other states, student preparedness is TERRIBLE, so we still need to still be spending more per student. Remediation rate is super high.
    - Remediation requirements are different from state to state. Do we have higher requirements? Lower? Powell: They are not lower requirements than us.
    - Remediation – time to degree: look at alternative ways of keeping students moving through the process instead of getting stuck in ruts with remediation classes (such as college algebra)
    - Student loan issues – people don't like them. Value of education.
    - Issues with students knowing which degree to follow.
    - Students are not aware of the options.
    - K12 should help better with understanding how college works?

    - How has AP affected students getting their degrees?
    - Students are using AP to do exceptional things.
    - Chris Foley University of Indiana AP study. (Are these using data of people who passed the exams only?)
- Strategies
    - Strategies OR Best Practices
    - How have career coaches helped? Are there best practices that could help with that?
    - Bobby: started interacting and tracking students in the 8th grade to help them with college preparedness.
    - We should intervene sooner – how can we do this?
    - How do concurrent classes come into play here?
    - Julie: Develop a source of Capital Funding
    - Help increase awareness on the need. How can it help the student?
    - Leaking roofs is a problem.
    - Explore shared service for ESCO for institutions.
    - Personnel – Political: Can we have more control of our own destiny when it comes to employees?
    - SACUBO
    - Rather than "needing flexibility" with positions, instead let's focus on how it affects efficiency and student affordability.

TO-DO:

Russ: Which/How many Arkansas Institutions participate

Tara: Draft an email to CFOs encouraging them to participate.
Find the data on capital improvement funding in other states.
Find Vanderbilt report on regulatory cost
Range of Benchmarks – what should institutions be shooting for. HLC / SACS
Information on student loan debt?

Report Completed by End of March!

Affordability Subcommittee Report
As of December 14, 2015

Which goals of the plan will be addressed by identified strategies?

- Reduced time to degree
- Allocate 25% of state scholarship funds to need-based programs
- Re-allocate institutional spending to maximize efficiency and effectiveness
- Increase core expense ratio.
- Administrative Positions
- Raise Faculty Salaries to Regional Average

    - Short Term Goals should be ready by April 30.
    - Short term goals could include fiscal session recommendations
    - More substantive changes would have to be made during the general session (long-term goals).
    - Efficiency and Personnel policy changes could be short-term.
    - Affordability Policy Audit (Suggested by Dr. Powell)
        - Tuition & Fees
        - State Appropriations
        - Financial Aid

What changes are necessary to achieve progress toward the goals?

- Reduced time to degree
    - Degree Plans for first two years
    - Summer bridge program (including financial aid)
    - Effective Advising for both scheduling and financial aid
    - Has the enrollment/financial aid process become to complicated?

- Allocate 25% of state scholarship funds to need-based programs
    - Will need to look at current scholarship and grant programs
    - Harold will provide data on success of current programs.

- Re-allocate institutional spending to maximize efficiency and effectiveness
    - Discover which degrees the state needs, and how to draw students to those degree programs
    - Institutions should spend more wisely; spend money in ways that will save money in the future.
    - Important to have a consolidated and united message for all of the institutions can get behind.

- Develop Best Practice Strategies for Institutions.

- Increase core expense ratio/Administrative Positions
  - How can we understand the cost of administrative positions?
  - Can we add more personnel data to the series 17 report?
  - Can we use SACUBO as a common benchmark for Arkansas Institutions?
- Raise Faculty Salaries to Regional Average
  - Could we also consider salaries of student support/other staff?
  - What do other states do in regard to legislative oversight/personnel
  - Can this be achieved with current funding?

What barriers, if any, exist that make adoption of the identified strategies difficult?

- Financial Literacy
  - Students who do not understand student loans take on excess debt.
  - Can K-12 help with this issue?
  - Could a First Year Experience course help with this?

- Student Loan Debt
  - Students consider all student loan debt when thinking of the cost of college (not just tuition and fees)
  - We need to develop a unified understanding of student loan debt – how much of the states debt is coming from public/private/proprietary schools?
  - Consider debt by category. Is median a better measure of debt than average?

- Tuition Increases
  - We need to understand why tuition is increasing and be able to present it in a way that is clear and easy to follow.
  - Some reasons include utilities, mandatory wage increases.
  - Lack of capital funding causes tuition to increase.
  - Tuition Increase Justification Summary from ADHE:
    Institutions submitted a wide array of reasons for increasing tuition. The most common reason given by institutions was the increased cost of technology. As time passes, it is extremely important for colleges and universities to keep up with trends in new technology. It is paramount to keeping students educated and ready for the workforce. Along with upgrading technology, many institutions are working to become more involved with economic and workforce activities in their region and in the state, which contributes to rising costs.
    Many institutions also mentioned the rising costs of employee benefits, such as healthcare, as a source of need for increases in tuition. In addition, many institutions have faculty salaries below the SREB minimum, and need to increase tuition in order be able to pay a competitive salary to faculty.
    Institutions also noted that security costs have increased as they work to keep students more safe on their campuses. Other increases were attributed to rising costs of utilities, scholarship costs, and more emphasis on student services. Student services is an especially

important category – the quality of student services provided is directly related to student retention.
Many of these costs are unavoidable if colleges and universities want to remain competitive in the industry. The two main revenue sources for institutions are state funding and tuition & fees. In order to balance their budgets, institutions have to consider tuition & fee increases if their state funding remains flat.

- Regulatory Obligations
  - How can we help legislators understand the importance/benefits of higher education?
  - Could be helpful to show them benefits on a district level
    - Colleges and universities are usually one of the largest employers.
    - Higher Education produces good professional employees who give back to the communities they work in.
  - Could we compare allocations to higher education in Arkansas to other states?
  - "Administrative Bloat" Is a concern at the legislative level.
    - Need to understand what constitutes an "Administrator" with a good definition
    - What are the reasons for increased institutional support? Are there things encouraging the growth of administrative positions?
      - Cost of Buildings and Maintenance
      - Regulatory Cost – can we determine how compliance with regulatory obligations affects cost?
  - Personnel and Reallocation
    - The state personnel classification system makes it difficult to grow employees.
    - Also makes it difficult to motivate employees since it they cannot be easily promoted.
- Reallocation
  - How can institutions reallocate without new funds?
    - Reallocation may include getting rid of programs or people (or moving people around).
    - Administrative expenses are not the only things that should be considered. "Nothing should be sacred" when considering reallocation.
    - Even health insurance costs have been pushed more onto employees.
    - Opportunity costs are an important consideration.

What partners, external to higher education, will be important to the identified strategies?

- K-12 could help educate students about fiscal responsibility.
- Legislators will be very important to allocating targeted money that could make higher education more affordable.
- Legislators will also be vital to make it easier for institutions to borrow money.

What resources (technological, human, physical, financial) are necessary to implement identified strategies?

- Expense Ratios
  - Core Expense Ratio - the only expenses that matter for institutional effectiveness (Graduation) are instructional, academic support and student services. Other things are important, but do not make a difference towards graduation rates.
    - It is possible to OVERSPEND and waste money when it would not further benefit the institution or graduation rate.
    - If institutions UNDERSPEND on these areas, they will underperform.
    - Legislators would say the non-core is "administrative bloat"
- SACUBO Benchmarking
  - What makes it valuable?
    - Consistent data that is available earlier (same as IPEDS). Less than 9 months after fiscal year ends.
    - Also provides data on employees that does not appear to be available anywhere else. Gives a breakdown by functional area. Would help to determine if "Administrative Bloat" exists.
  - Questions about SACUBO:
    - How far reaching is SACUBO?
    - How many states are participating?
    - How many schools are currently participating? Around 350
    - Is there an overall report?
    - How much does it cost? It is free to participate
    - How will legislators react to the data? Dr. Powell said that it is important that we present the data with context.
    - How difficult is it to break out employees by functional area? Not that difficult. It can be done.
  - Concerns about SACUBO:
    - Institutions are hesitant because of employee categorization. We could collect this without SACUBO, but we would not have the comparison data
    - Data could be misunderstood at the legislative level
  - Participation
    - We should try to get institutions to participate now.
    - ADHE would be most effective at encouraging participation
    - Tara will draft an email in the context of having support from the affordability subcommittee.
- AP Courses
  - How do AP courses affect affordability?

- We should look at the Chris Foley University of Indiana AP study. (Are these using data of people who passed the exams only?)

Master Plan

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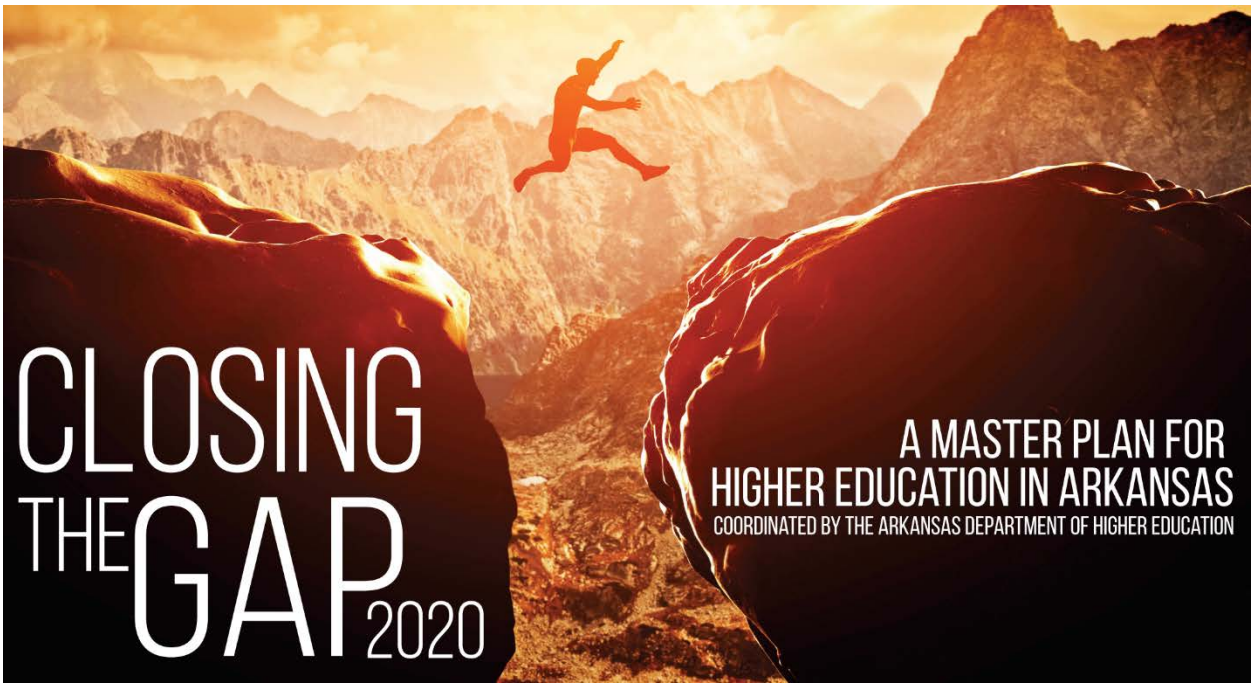


Presented to the Arkansas Higher Education Coordinating Board

October 30, 2015

Closing the Gap 2020: A Master Plan for Arkansas Higher Education
Executive Summary

Objective

This five year planning cycle is a critical component in the long-term objective to reach the 2025 goal of a 60% post-secondary attainment rate in Arkansas, increasing from the current estimate of 43.4%. By 2020, we will reduce the educational attainment gap in Arkansas by increasing the number of postsecondary credentials by 40% over 2013-2014 academic year levels.

	Credentials Awarded 2013-14 Academic Year	% Increase	Credentials Awarded 2019-20 Academic Year
Career & Technical Certificates	10,472	61%	16,880
Associates Degrees	8,685	36%	11,860
Bachelor's Degrees	15,277	28%	19,520
	34,434	40%	48,260

Supporting Goals

GOAL 1: Raise completion and graduation rates of colleges and universities by 10%.

- Reduce the percentage of students needing remediation to prepare them for college-level course work
- Reduce the time needed for students to complete remedial requirements
- Raise first year retention rates of students to SREB regional averages

GOAL 2: By fall 2018, increase the enrollment of adult students, age 25 to 54, by 50%.

- Reduce the remedial course enrollments for adults by 50% through alternative means of preparing adults for college-level work
- Improve communication of the value of higher education to non-traditional students

GOAL 3: Raise the attainment rates of underserved student groups in the state by 10%.

- Raise the overall college-going rate for all student groups by 5% from 50.1% to 55.1%
- Raise the underserved student college-going rate to equal that of other students
- Raise completion rates of underserved student groups equal to other students

GOAL 4: Improve College Affordability through Effective Resource Allocation

- Reduced time to degree for students
- Allocate 25% of state scholarship funds to need-based programs
- Re-allocate institutional spending to maximize efficiency and effectiveness

Implementation Plans

Best Practices Consortia

The objective of these consortia is for institutions to share ideas about successful programs that can be implemented on a broader scale and to generate innovative strategies which respond to the goals and objectives of the plan.

Institutional Funding Formulas

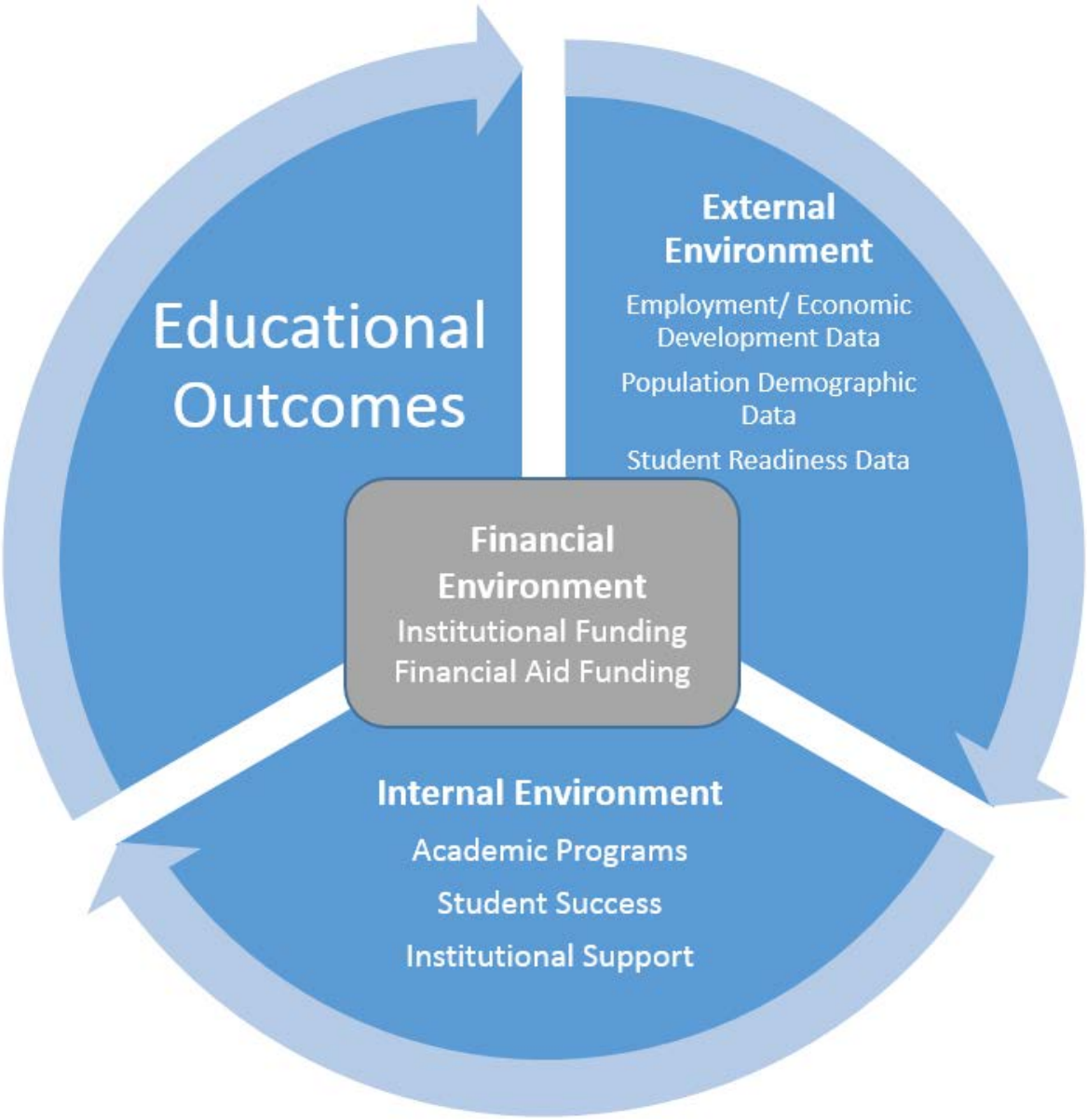
An outcomes-based funding model whereby institutions would receive funding based on achievement of specific outcomes which align with the plan and incentive funding when benchmarks are exceeded.

State Scholarship Programs

State scholarship programs, a critical component of affordability, should align with the goals of this plan. Along with merit-based programs, need-based grants should be considered to encourage enrollments by adults and underserved student groups. However, scholarship funding only addresses the financial needs of these students and should be part of a broader package of services geared toward removing barriers to success.

http://www.adhe.edu/institutions/higher-education-master-plan/

Closing the Gap 2020 Planning Framework



Closing the Gap 2020: A Master Plan for Arkansas Higher Education

Objective

The objective of this five year plan for Arkansas higher education is to increase educational attainment by 2020 in order to close the gap between workforce needs and attainment levels. Progress will be measured by comparing the percentage of Arkansans holding a certificate or degree, as determined by U.S. census estimates, to the workforce skills needs, as determined by job projections in the publication "Recovery: Job Growth and Education Requirements through 2020."

Through implementation strategies resulting from this plan related to adult enrollments, minority student enrollments, student preparedness and student completion, Arkansas institutions will close this attainment gap by increasing the total number of credentials awarded annually by 40% over those of the 2013-14 academic year. However, as the projected workforce needs summarized below indicate, these increases should not be evenly distributed across all credential levels. The greatest needs indicated by employment projections are technical certificates, followed by associate's degrees, then bachelor degrees. Goals for credential awards in the 2019-20 academic year are as follows:

	2019-2020 Awards
Technical Certificates	16,880
Associate's Degrees	11,860
Bachelor's Degrees	19,520
Total	48,260

This will increase the number of credential holders in Arkansas by approximately 41,000 thereby closing the attainment gap by 17%, and setting the stage for more dramatic increase during the 2020-2025 planning period. This five year planning cycle is an important component of the long-term objective to reach a 60% post-secondary attainment rate in Arkansas, an increase from the current estimate of 43.4%.

This five-year plan is designed to respond to three fundamental questions.

- What are the state's goals and expectations for its higher education system based on needs of students, employers, and economic indicators?
- How should higher education be financed to best promote these goals and expectations?
- How should the higher education system be held accountable for meeting these goals and expectations?

Baseline data

2013 U.S. Census Bureau data show that 28% of Arkansans hold an associate's degree or higher. Certificate holders are unaccounted for in census data but are estimated, based on adults with one year or more of college credits, to be 15.4% of the population. Below is a summary of 2013 Arkansas educational attainment statistics along with projected employer needs to fill job projections in 2020 and the estimated attainment gap.

Education Level	2013 Attainment Levels (1)	2020 Projected Needs (2)	Attainment Gap
High School Diploma or Less	56.6%	41.0%	
CTE Certificate or less than 2 years college	15.4%	22.0%	-6.6%
Associate's Degree	7.1%	12.0%	-4.9%
Bachelor's Degree	13.8%	18.0%	-4.2%
Master's Degree or Higher	7.1%	7.0%	0.1%

(1) U.S. Census Bureau 3-Year Public Use Microdata Samples 2011-2013
(2) *Recovery: Job Growth and Education Requirements Through 2020* . Georgetown University Center on Education and the Workforce

Based on 2013 Arkansas population estimates (U.S. Census), these data suggest a gap of approximately 236,000 Arkansas residents who have earned education credentials below the level required to meet the projected 2020 workforce needs. This education gap is further segregated as follows.

Education Level	Attainment Gap
CTE Certificate or less than 2 years College	99,433
Associate's Degree	73,535
Bachelor's Degree	63,582
Master's Degree or Higher	(786)
	235,764

Planning Environment

To meet employer needs and provide the workforce necessary to support future economic development, it is essential that we close this attainment gap. This can be accomplished through a coordinated emphasis on both increasing enrollments in strategic populations and improving completion rates of those who enroll.

In 2013, Arkansas colleges and universities awarded 38,127 credentials from certificates of proficiency through graduate degrees. This was an increase of 10,270, or 36.9%, over the number awarded in 2008. During this same period, the population of Arkansas adult residents (between ages 25 and 64) increased

by approximately 40,800. As a result of these changes – population and certificate and degree production – educational attainment in the state only increased from 42.1% to 43.4%.

Clearly, increased effort is necessary to match the level of educational attainment to employer needs. To do this, it is important that higher education institutions in the state concentrate on the areas of enrollment and attainment in which we are most significantly lagging. Data suggest three primary areas of focus:

- Adults who have earned no postsecondary credentials
- Minorities and students from low-income families who both enroll in, and complete, higher education at lower rates
- Student success rates that lag compared to other states in the southern region and US

In addition, affordability must be a central component to any efforts to improve Arkansas attainment rates.

According to the Lumina Foundation's 2015 annual report, *A Stronger Nation through Higher Education*, Arkansas is home to over 500,000 adults, or almost 35 percent of the population, who are high school graduates but have completed no college hours. Another 350,000 have some college credits but no degree. Based on these statistics, it is clear that a significant change in levels of higher education attainment can only be achieved through concentrated efforts to encourage adults to enroll for the first time or return to college.

Examining college enrollments and completions by race reveals a second area of focus essential to moving the needle on attainment. African-American and Hispanic residents of the state lag far behind other races in degree-attainment and in the rates at which they enroll in higher education. The Lumina Foundation reports the following degree attainment rates in Arkansas.

White	31.31%
African-American	21.26%
Hispanic	13.05%
Asian	48.86%
Native American	23.20%

The third concentration area essential to planning efforts is in the graduation rates of those who enroll in higher education. Arkansas universities ranks 15th out of the 16 southern region states in the graduation or progression of students toward a degree after six years (SREB, 2015). The Arkansas rate of 63.2% lags by 13.3% behind the SREB average. The results are more promising at community colleges in the state, where three year graduation rates and total progression rates are both at the SREB average, despite first-year persistence rates which are among the lowest in the region.

Influencing all of the above is affordability, an important consideration in the ability of students to enroll and complete higher education. Though recent data show that the percentage of family income needed to pay for college in Arkansas is among the lowest in the region in 2012 at 21% (SREB, 2015) these data do not account for the effects of recent tuition increases. With a lack of additional state appropriations in recent years, tuition and fees have risen by an average of 25% for four-year institutions and 32% for two-year institutions from fall 2009 to fall 2014 (ADHE, 2015), negatively impacting affordability.

2020 Goals

GOAL 1: Raise completion and graduation rates for colleges and universities by 10%. The 150% graduation rate, the percentage of students who complete a degree within 150% of the normal time to completion, is most often employed as a standard for determining institutional effectiveness. The most recent 150% graduation rate for four-year institutions, which is based on the fall 2008 student cohort, is 40.0% and for two-year institutions, measured by the fall 2011 cohort, is 19.9%. Though these metrics do not account for a significant portion of higher education enrollments, those who do not begin as full-time students, immediately after high school, they are the most frequently cited national statistics. Therefore, employing the 150% graduation rate metric, targets for 2020 are a 50% graduation rate for four-year institutions and 30% for two-year institutions. In addition, more broadly defined measures of completion rates should be utilized to accurately measure student success and institutional effectiveness.

To achieve these graduation and completion rate goals, there must be accompanying improvements in intermediate measures of student preparedness.

Reform Remedial Education to reduce remedial course enrollments and increase student success rates. A better understanding and implementation of college readiness will provide a basis for guiding students to appropriate certificate and degree programs and remedial courses necessary to prepare students for credit-bearing courses. Arkansas 2014 remediation rates of 67.2% for community colleges and 28.8% for universities indicate that there is a significant gap between high school and college expectations that must be addressed.

Arkansas has, for many years, used an ACT score of 19 on each subject area assessment as the benchmark for readiness for college-level work. Although ACT scores are an important predictor of student success, they should be used in conjunction with other student-related data, such as high school GPA, student demographics and measures of student motivation to succeed. Using data analytics, we should provide better indicators of the likelihood of student success in college-level courses and clearly identify the efforts needed to get more students college ready. It is important to realize that these interventions may vary by student demographics, such as age or socio-economic status, and by the post-secondary program in which the student enrolls.

Students requiring remediation pay more in tuition and are less likely to complete a credential. Of those students requiring math or English remediation, typically only 25-30% successfully enroll in and pass the college-level course required upon completion of remediation (ADHE Remediation, 2015). Improvement in remediation rates, and thus improving completion rates, requires an increased and coordinated efforts on the part of school districts and colleges and universities to better prepare students before high school graduation.

In fall 2014, 41.4% of Arkansas students enrolled in at least one remedial course. At four-year universities, that rate was 28.8% and at two-year colleges it was 67.2%. Each of these rates have fallen annually since fall 2010. While most students needed remediation in just one subject area, 26.5% of students in fall 2014 required remediation in all three subjects – math, English and reading.

Examining these rates by student demographics provides more detail about remediation. For students in all age groups from age 20 to age 55 and up, remediation rates exceed 75% at four-year institutions and 80% at two-year institutions. By race and ethnicity, remediation rates are highest for African-American

and Hispanic students. A better understanding of these variations in remedial needs should influence and refine institutions' approaches to remedial education.

Reducing the rate of enrollments in remedial courses will require efforts directed to students coming to higher education directly out of high school and to adults returning to or beginning higher education. Different approaches will be necessary to respond to each group. Improving the preparedness of high school students will require strategies for earlier identification and intervention when those students begin to fall behind and collaborative efforts between Arkansas high schools and colleges and universities to intervene when students do fall behind. For adults, it will be necessary to develop strategies to reduce the time and cost necessary to prepare them for college level work.

For too many Arkansas students, achieving their goal of completing a certificate or degree program is delayed, or thwarted, by required enrollment in remedial courses. Although these courses are essential to preparing students for success in college-level courses, they also add to the cost and time required to complete the certificate or degree.

By following best practices for remedial education, we can reduce the time to degree for many students and improve persistence and graduation rates.

- Use historic data to determine remedial or credit-bearing placement to achieve success.
- Eliminate, to the extent possible, semester long remedial courses through implementation of accelerated, supplemental instruction or co-requisite models.
- Examine high school-college bridge programs which have demonstrated success in improving college readiness before high school graduation to determine best practices for adoption.

Re-examine gateway courses for appropriateness to the students' education goals. There have been some efforts, nationally and across Arkansas, to provide alternatives to gateway courses, such as College Algebra, that are more appropriate to students' educational goals while maintaining academic rigor and quality. Though some of these changes have been adopted, they do not have widespread acceptance and integration into institutional practices. Where appropriate, additional efforts should be made to reduce or eliminate barriers to student success by ensuring that gateway courses are appropriate to student educational pathways.

Raise first year retention rates to SREB regional averages. Students leave college for many reasons. Studies of student persistence generally find these reasons center on poor academic performance, financial, personal, and social issues and discouragement over lack of academic progress. There are many examples of programs or initiatives at Arkansas institutions designed to combat these challenges to student retention. By closely examining these programs to determine those that have been proven to be most effective, these efforts can be adopted more broadly and can improve retention rates in the state.

In Arkansas universities, first-year persistence rates are among the lowest in the region, with 79% of the 2012 freshman cohort still enrolled the next fall, a rate that is 5.5% below the SREB average. A similar result is found at Arkansas community colleges where 53.5% of the 2012 cohort was still enrolled a year later. This rate trails the SREB average by 8.4%.

Create guided pathways to student success. As the jobs projections data above indicates, bachelor's degrees are important to meeting the workforce needs of the state. However, they are not the only path to employment and higher-wages. Students, those coming directly from high school and those returning

as adults should be provided clear information about the most appropriate pathways to meet their eventual employment goals. Pathways should incorporate all appropriate student outcomes from short-term industry-recognized credentials through the highest degree programs appropriate to the identified career goals. Pathways should also include career step-out points at the completion of each credential.

GOAL 2: Increase by 50% the enrollment of adults, age 25 to 54, by fall 2018. By 2020, almost 60% of jobs in Arkansas will require more than a high school diploma. However, only 25% will require a bachelor's degree or higher. Where appropriate, adults can prepare themselves for higher paying jobs by earning short-term certificates or two-year associate's degrees. These programs may be a better fit for the time demands of those who must balance work, families and school.

To produce the desired increase in credentials by 2020, enrollments must be increased ahead of this date. Therefore the enrollment goal has been set for fall 2018. In addition, enrollments should shift from 4-year to 2-year institutions to achieve the necessary mix of certificate, associate's and bachelor's degrees. The table below presents enrollments for this age group in fall 2014 along with enrollment targets by fall 2020.

	Fall 2014 Actual	Fall 2018 Target
Public, 4-year	26,068	31,000
Public, 2-year	17,777	36,200
Private	3,544	3,900
Total enrollment	47,389	71,100

These enrollment targets are heavily slanted toward two-year institutions to align with the need for a greater increase in technical certificates and associate's degrees.

Reduce the remedial course enrollments for adults by 50%. Current remediation rates for adults exceed 80% in most cases. Knowing this, it is imperative that we recognize the need to better prepare them for post-secondary education. At the same time, we must be cognizant that these students must begin to accumulate credits toward a credential to keep them engaged. Therefore, alternatives to semester-long remediation courses must be encouraged.

Communicate the value of higher education. We must better communicate the value of higher education, demonstrating the impact postsecondary attainment can have on the lives of Arkansans. Through this effort, it will be important to communicate the impact education can have on quality of life and standard of living for the student and student's family, along with the benefits afforded to the student's community.

GOAL 3: Raise the credential attainment rates of underserved student groups in the state relative to other students by 10%.

African-American and Hispanic students in Arkansas attend, persist and complete higher education at lower rates than other races. In addition, students from families in lower income profiles have the lowest educational attainment rates, according to national data (Crow, 2014).

Raise the college going rate of underserved minority groups, African-American and Hispanic, equal to that of non-minority students. The Arkansas college-going rate significantly lags the US average, with only 54.3% of high school graduates going on to college in 2013 compared to a 66.2% national average. Exacerbating this issue is an additional disparity in college-going rates by race and ethnicity. For

Hispanics in the state, the gap is small, with less than a 1% difference in the college-going rate compared to whites. However, for African-Americans the disparity is greater than 10% with only 45.1% of high school graduates going on to college in fall 2013.

Raise the completion rates of underserved minority groups, African-American and Hispanic, to equal that of non-minority students. In addition to the disparity in college-going rates for underserved minorities, completion rates for these students also trail those for their non-minority counter parts. In academic year 2013-14, African-American student completions as a percentage of white student completions were 80% at four- year institutions and 84% at two-year institutions. Hispanic student completions as a percentage of white student completions were 66% at four- year institutions and 75% at two-year institutions.

	Completions per 100 Students	
	Four-Year	*Two Year*
Asian	19.4	27.2
White	23.4	30.3
African-American	18.8	25.5
Hispanic	15.5	22.6

Communicate the value of higher education. One way this racial and economic divide can be eliminated is through a coordinated effort to better communicate the value of higher education, demonstrating the impact degree attainment can have on the lives of Arkansans. A culture change is necessary to engrain the importance and value of education for all Arkansans.

GOAL 4: Improve College Affordability through Effective Resource Allocation

State funding for higher education has seen minimal increases in the last decade and is not likely to change dramatically in the near term. As a result, it has been necessary for institutions to raise tuition annually to keep up with rising costs. Tuition and fees have risen by an average of 25% for four-year institutions and 32% for two-year institutions from fall 2009 to fall 2014 (ADHE, 2015).

Reduce time to degree. One way that the effects of rising tuition can be offset is through reducing the time it takes a student to complete a credential. Time to degree can be influenced by two factors: the number of course attempts a student accumulates and the total hours in which a student enrolls each semester. Whether through reducing remediation needs or reducing the amount of flexibility students have in course selection, course attempts can be reduced while maintaining academic quality. Through clearer degree plans, intrusive advising or mentoring, and other intervention efforts, institutions can better assist students in staying on track to completion.

Full-time enrollment, defined as completing 30 credit hours per academic year, should be encouraged, though not required, through state and institutional policies. Full-time enrollment reduces the number of semesters required to complete a credential, thereby reducing accompanying costs for living expenses, transportation and personal expenses. In addition, summer enrollments can be an important variable in reducing time to degree if state and institutional financial aid policies are adapted to improve affordability. Currently, students have few options for financial aid to reduce the cost of summer course enrollments though summer enrollments can be important to keeping students on track to graduation.

Allocate 25% of state scholarship funds to need-based programs. Since the implementation of the Arkansas Scholarship Lottery, most state financial aid funds have been directed toward merit-based aid.

Though these scholarships have been important, they miss the mark on affordability. Though these scholarships have played an important part in the affordability equation, they have inequitably been directed primarily to high-achieving, traditional students. On a national level, state financial aid programs are primarily directed to need based aid, with 75% of state aid being need-based in 2014 (Woodhouse, 2015). In Arkansas, only 6% of state aid was based on need in that same year.

If the goals of this plan are to be realized, a portion of financial aid resources must be directed to underserved minorities and adults on the basis of need, rather than merit. Though performance should not be a consideration in awarding these scholarships, it must be required for retention of the scholarships to encourage continued enrollment.

Re-allocate institutional spending to maximize efficiency and effectiveness. Affordability can also be improved through a review of institution resource allocation decisions to maximize efficiencies without sacrificing educational quality. Institutions often fail to recognize the connections between spending decisions and student outcomes and, as a result, can overspend in areas that do not lead to completions and underspend in areas that do. By closely examining resource allocations, institutions have the opportunity to improve both efficiency and effectiveness.

Increase core expense ratio. Resource allocation decisions must be made that maximize core functional expenses which have an impact on the effectiveness of institutions in helping students complete credentials (Powell, 2012). By identifying inefficiencies in non-core functional expenses, resources can be re-directed to core areas which are directly related to student success. Examining the ratio of instruction, academic support, student services expenses to institutional support expenses per FTE student provides an indicator of core expense allocation which can be compared to appropriate benchmarks to identify potential efficiencies. One potential benchmark for this measure is the annual SACUBO Benchmarking Study.

Administrative positions. A 2014 Delta Cost Project Study (Delta, 2014) shows a decline in the number of FTE faculty per FTE executive and professional staff at all types of public institutions from 1990 to 2012. This shift has occurred as institutions added administrative staff to accommodate needs in academic support, student services, compliance and other administrative areas. Though these are important functions of a college or university, they take valuable resources away from the hiring of teaching faculty. Closely examining this ratio for institutions and comparing to appropriate benchmarks may reveal additional opportunities for efficiencies. These benchmarks should recognize the importance of staff outside the classroom who contribute to student success through advising, tutoring, mentoring, and other critical services.

Raise faculty salaries to regional average. Though this initiative seems to run counter to the idea of increasing affordability, it is an important consideration in the improvements outlined above in student retention and completion as quality faculty are essential to these efforts. Arkansas ranks last in the SREB region in average faculty salaries at $65,173 for four-year institutions, which is $11,856 below the average. The gap is slightly smaller at two-year institutions at $8,386 below the SREB average of $52,158 and next to last in the region. Improvements to these salaries can be achieved by reallocation of institutional funds through the efficiency measures above.

Implementation Plans

Implementation of this master plan for Arkansas higher education can be achieved through two primary means.

- Following a best practices approach to address the changes in policy and practice necessary to achieve the goals of the plan.
- Aligning resources dedicated to higher education, including appropriations to the institutions of higher education and state financial aid programs, with the desired outcomes of the plan.

Best Practices Consortia

The objective of these consortia is to identify existing, effective programs that can be implemented more broadly across the state and to generate innovative solutions that can be introduced, then expanded. Innovative programs should be encouraged without risk of failure.

Adult Learners Consortium – resources and best practices to support adult enrollment and completion. For planning purposes, adults include anyone age 25 or older or who has not been enrolled in secondary or postsecondary education in five or more years. Research and experience have shown that responding to adult learner needs is often quite different from that for traditional students. For adults, the barriers to completion are often much greater due to family, work, and personal priorities that conflict with educational goals. Flexibility in scheduling course offerings and services and more structured pathways are two examples of ways to build more adult friendly programming.

Examples of existing programs
College Readiness – Fast Track Developmental Education
Student Mentorship/Coaching – Career Pathways Initiative

College Readiness Consortium – resources and best practices for students with traditionally lower college going rates and completion rates to better prepare them for postsecondary enrollment. Often, we consider students to be college ready when they have achieved sufficient test scores to exempt them from remedial courses. There are, however, other factors that must be considered in whether a student can be expected to successfully complete a certificate or degree program. Social skills, communication skills and motivation to achieve can be as important as academic preparedness. In addition, multiple studies have shown that high school GPA is a better predictor of student success than test scores and many institutions across the country are eliminating test scores as an entrance requirement.

Examples of existing programs
College Readiness – Southwest Prep Academy
Gear Up – Phillips Community College
Mentorship – Donaldson Academy

Remediation Consortium – resources and best practices of remedial programs that successfully prepare students for credit-bearing courses while reducing the time invested in remediation. Co-requisite remediation, blended courses, fast track remediation and self-paced modules are all examples of remediation reform efforts. The impact of summer enrollment should also be considered, both for bridge programs to prepare students for postsecondary enrollment and to reduce knowledge loss between spring and fall terms.

Student Success Innovations Consortium – encourage innovative methods to address efficient delivery of academic programs and services to achieve student success, with success defined as students reaching their educational goals. A number of innovative approaches can be considered, including:

- Measuring employability of students
- Student transcripts which also recognize the non-academic skills students gain through postsecondary enrollment
- Measuring progress toward credentials (e.g. Prior Learning Assessment and Competency Based Education)
- Assessment of student learning outcomes
- Eliminating external barriers to student success, such as financial and personal struggles

Affordability Consortium – discovering best practices to guide institutional resource allocation decisions that maximize effectiveness while recognizing the need to improve affordability to provide fair and equitable access to higher education. A combination of investments from students, institutions, state programs and federal programs must all be considered in the affordability conversation. Examples of efforts to improve affordability include:

- Encouraging manageable amounts of student loan debt through better counseling
- Availability of financial aid in summer terms
- Shared administrative services
- Collaborative delivery of academic content across institutions
- Structured pathways which lead students to degrees faster and with fewer hours completed

Institutional Funding Consortium – employing outcomes-based funding to properly align institutional funding with statewide priorities for higher education. Outcomes-based funding can be used to encourage programs and services focused on student success and to incentivize progress toward state-wide goals. However, designing appropriate outcomes metrics is critical to the success of these models. Any new funding model must be built around a set of shared principles embraced by institutions and aligned with goals and objectives of this plan.

Communication Strategies Consortium – Focusing on ways to change the culture in the state to one that places greater value on the personal and societal benefits that accrue from postsecondary education. Beyond encouraging education, communication efforts must also link education to the skills required by

employers and to available jobs through a publicly available database. For true culture change, these messages must extend from young (early grades) to old (adults).

Funding Recommendations

Arkansas supports higher education through two funding mechanisms: direct appropriations to public two-year institutions, public four-year institutions, and related entities; and through scholarship awards to students enrolled at public or private institutions in the state. Both forms of support are essential to sustaining and improving educational attainment.

Institution Funding Formulas

Arkansas has historically funded higher education loosely based on enrollment-based formulas. In 2011, a performance component was introduced which penalizes institutions that do not meet pre-determined performance measures. Most research around state funding formulas suggest that both approaches are problematic. Additionally, funding has fallen short of the amounts recommended by formula due to limitations on the state's budget. As a result, only a small number of institutions receive the full amount recommended by formula.

A fully outcomes-based model is proposed to address these concerns. Through this model, institutions would receive continued funding based on achievement of specific outcomes metrics. These metrics must align with the goals of the plan while also allowing for flexibility to respond to the unique nature of each two-year and four-year institution and recognizing the need for stability in annual funding for operations. In addition, colleges and universities should have opportunities to earn incentive funds based on achievement levels.

- Innovation Funds – Institutions that exceed outcomes targets should have access to innovation funds which can be used to create or enhance programs which are expected to further impact achievement through one of the emphasis areas of this plan. If these innovative programs are successful, innovation grant funds become part of the institution's base funding at the end of the grant period. Funding is discontinued if unsuccessful.
- Improvement Funds – Institutions that lag their outcomes targets would have access to improvement funds to address deficient areas. Institutions must submit a proposal which describes how the improvement grant will be used to improve outcomes. If successful, the institution's base funding will be restored if outcomes targets are reached. If targets are not reached after completion of an improvement project, base funding will be reduced.

State Scholarship Programs

State scholarship programs must also align with the goals of this plan. Scholarships are an essential component of affordability. However, scholarships awarded without strategic direction are often ineffective. In fact, studies have shown that universal scholarships, those awarded to all students regardless of need, can lead to equal rises in tuition (Gillen, 2012).

To support the goals of the program, state scholarship and grant programs must be reconsidered with an emphasis toward the students who have been identified in the plan as integral to changing the landscape of educational attainment in Arkansas. Among others, this would suggest that scholarship funding should be directed to adult students, minority students and students enrolled in certificate programs. Though programs currently exist in these areas, more effort is needed to move the needle in a significant way. Because additional state scholarship funding is unlikely during the planning period, a re-design of existing scholarship programs may be necessary to align scholarship funding with desired educational outcomes.

Awarding scholarships to students based on high school academic performance is important. Students who work hard to prepare themselves for college success should be rewarded for their efforts. However, state financial aid programs must have broader objectives if they are to meet the needs of the wide range of students who enroll in our colleges and universities.

Conclusion

There is a clear gap between the needs of Arkansas employers and potential employers and educational attainment levels of state residents. Beyond meeting employer needs, higher education has been clearly shown to provide benefits both to individuals who attain post-secondary credentials and to society as a whole. Closing this attainment gap will require alignment of goals with available resources to lead to the additional completions, both certificates and degrees, necessary to change the landscape in our state. This plan provides decision makers at state and institutional levels with an outline to meet the challenge and close the gap.

http://www.adhe.edu/institutions/higher-education-master-plan

Resources

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Master Plan Focus Areas

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Master Plan Focus Areas

Implementation Working Groups

Implementation of the Closing the Gap 2020 master plan will be organized around seven work groups or consortia which will be charged with identifying best practices in place at Arkansas institutions that can be adopted on a broader scale or that can be brought from other states:

- Adult Learners
- College Readiness
- Remediation
- Student Success Innovations
- Communication Strategies
- Affordability
- Institutional Funding

Each group will be asked to create both short-term and long-term strategies to address the objective and goals of the Closing the Gap 2020 master plan. The following information is offered to guide the work of the groups.

- A report on short-term strategies should be completed by April 30, 2016, following the template provided. Short-term includes strategies that can be implemented in the 2016-17 academic year. It is anticipated that funding will be available for the 16-17 academic year and an application period will be opened on completion of the short-term strategies report.
- A report on long-term strategies should be completed by December 31, 2016.
- The brief section of the master plan devoted to each of the seven focus areas should be used as a starting point for the short-term and long-term reports.
- An outline has been provided as a starting point for the short-term strategies report.
- Members have been asked to serve on specific groups for continuity but other contributors to the work, from inside and outside higher education, are welcome.
- Though each group has a specific focus, there is overlap across groups (e.g. college readiness and remediation) which will require some level of collaboration. It may be helpful, then, to hold joint meetings periodically.
- Limited availability of resources is acknowledged to be a significant factor in implementation but this should not be allowed to inhibit creativity in the process.

Master Plan Focus Areas

Short-Term Implementation Strategies

Report Outline

Which goal(s) of the plan will be addressed by the identified strategies?

What changes are necessary to achieve progress toward the goal(s)?

What strategies have been adopted by institutions in Arkansas or other states?

What barriers, if any, exist that make adoption of the identified strategies difficult?

What partners, external to higher education, will be important to implementation of the identified strategies?

What resources (technological, human, physical, financial) are necessary to implement identified strategies?

Master Plan Work Groups

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Closing the Gap 2020 Master Plan Implementing Organization

Steering Committee

Glen Jones, HSU
Paul Beran, UAFS
Barbara Jones, SACC
Jackie Elliott, NAC
Sandra Massey, ASUN
Michael Moore, UA Sys
Julie Bates, ASU Sys

Work Groups:

Institutional Funding

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Diane Newton, UCA
Robin Bowen, ATU
Margaret Ellibee, PTC
John Hogan, NPC
Jerry Carlisle, ASUB
Debbie Buckley, NWACC
Tara Smith, ADHE

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College Readiness

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Robert Gunnels, SAUT
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Non-Formula

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Julie Bates, ASU Sys
Callie Dunivan, ADTEC
Tara Smith, ADHE

Student Loans

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Average Student Loan Debt Levels

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Average Debt Level of Arkansas College and University Graduates
Including All In-State Public and Private Institutions
2014-15 Fiscal Year

Instructional Program/Degree Level	Average Debt
AGRICULTURE, AGRICULTURE OPERATIONS, AND RELATED SCIENCES	21,529
- Associate's Degree	12,817
- Bachelor's Degree	20,758
- Master's Degree	26,598
- Doctoral Degree	46,944
NATURAL RESOURCES AND CONSERVATION	23,189
- Technical Certificate	16,948
- Bachelor's Degree	23,992
- Master's Degree	18,573
ARCHITECTURE AND RELATED SERVICES	32,505
- Bachelor's Degree	32,505
AREA, ETHNIC, CULTURAL, GENDER, AND GROUP STUDIES	34,529
- Associate's Degree	28,915
- Bachelor's Degree	21,260
- Doctoral Degree	85,565
COMMUNICATION, JOURNALISM, AND RELATED PROGRAMS	23,555
- Technical Certificate	28,010
- Associate's Degree	29,046
- Bachelor's Degree	22,322
- Post-Bacc. Certificate	15,809
- Master's Degree	38,719
COMMUNICATIONS TECHNOLOGIES/TECHNICIANS AND SUPPORT SERVICES	12,378
- Bachelor's Degree	12,378
COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES	19,255
- Certificate of Proficiency	10,915
- Technical Certificate	15,331
- Associate's Degree	13,520
- Bachelor's Degree	23,709
- Post-Bacc. Certificate	37,417
- Master's Degree	27,797
- Doctoral Degree	23,235
PERSONAL AND CULINARY SERVICES	18,238
- Certificate of Proficiency	17,489
- Technical Certificate	18,088
- Associate's Degree	19,630
EDUCATION	23,260
- Certificate of Proficiency	21,160
- Technical Certificate	16,881
- Associate's Degree	14,963
- Bachelor's Degree	23,646
- Post-Bacc. Certificate	19,824
- Master's Degree	24,344
- Post-Master's	21,033

Average Debt Level of Arkansas College and University Graduates
Including All In-State Public and Private Institutions
2014-15 Fiscal Year

Instructional Program/Degree Level	Average Debt
- Doctoral Degree	38,349
ENGINEERING	21,565
- Certificate of Proficiency	7,175
- Technical Certificate	6,928
- Bachelor's Degree	21,281
- Master's Degree	26,046
- Doctoral Degree	22,615
ENGINEERING TECHNOLOGIES AND ENGINEERING-RELATED FIELDS	15,089
- Certificate of Proficiency	11,184
- Technical Certificate	10,463
- Associate's Degree	13,407
- Advanced Certificate	13,949
- Bachelor's Degree	22,853
- Master's Degree	25,415
FOREIGN LANGUAGES, LITERATURES, AND LINGUISTICS	18,603
- Associate's Degree	15,701
- Bachelor's Degree	19,291
- Master's Degree	16,062
FAMILY AND CONSUMER SCIENCES/HUMAN SCIENCES	23,973
- Certificate of Proficiency	15,218
- Technical Certificate	24,899
- Associate's Degree	23,236
- Bachelor's Degree	24,447
- Master's Degree	38,834
LEGAL PROFESSIONS AND STUDIES	49,860
- Technical Certificate	10,883
- Associate's Degree	21,610
- Post-Bacc. Certificate	60,864
- Master's Degree	19,427
- Doctoral Degree - Professional	55,664
ENGLISH LANGUAGE AND LITERATURE/LETTERS	23,473
- Bachelor's Degree	22,565
- Master's Degree	29,618
- Doctoral Degree	13,624
LIBERAL ARTS AND SCIENCES, GENERAL STUDIES AND HUMANITIES	18,528
- Technical Certificate	18,288
- Associate's Degree	17,553
- Bachelor's Degree	24,591
- Master's Degree	35,915
LIBRARY SCIENCE	25,018
- Master's Degree	25,018
BIOLOGICAL AND BIOMEDICAL SCIENCES	21,286
- Bachelor's Degree	20,064

Average Debt Level of Arkansas College and University Graduates
Including All In-State Public and Private Institutions
2014-15 Fiscal Year

Instructional Program/Degree Level	Average Debt
- Master's Degree	32,607
- Doctoral Degree	35,716
MATHEMATICS AND STATISTICS	24,604
- Bachelor's Degree	21,017
- Post-Bacc. Certificate	29,722
- Master's Degree	36,149
MILITARY TECHNOLOGIES AND APPLIED SCIENCES	22,652
- Associate's Degree	22,652
MULTI/INTERDISCIPLINARY STUDIES	20,574
- Associate's Degree	15,949
- Bachelor's Degree	22,769
- Post-Bacc. Certificate	46,317
- Master's Degree	22,188
- Doctoral Degree	68,057
PARKS, RECREATION, LEISURE, AND FITNESS STUDIES	25,022
- Bachelor's Degree	23,797
- Master's Degree	30,976
- Doctoral Degree	46,102
PHILOSOPHY AND RELIGIOUS STUDIES	25,881
- Bachelor's Degree	25,881
THEOLOGY AND RELIGIOUS VOCATIONS	16,994
- Bachelor's Degree	16,994
PHYSICAL SCIENCES	25,071
- Associate's Degree	12,544
- Bachelor's Degree	23,336
- Post-Bacc. Certificate	22,919
- Master's Degree	35,305
- Doctoral Degree	49,730
SCIENCE TECHNOLOGIES/TECHNICIANS	13,755
- Technical Certificate	14,183
- Associate's Degree	13,327
PSYCHOLOGY	24,812
- Bachelor's Degree	23,761
- Post-Bacc. Certificate	43,008
- Master's Degree	36,892
- Post-Master's	27,089
- Doctoral Degree	32,521
HOMELAND SECURITY, LAW ENFORCEMENT, FIREFIGHTING AND RELATED PROTECTIVE SERVICES	21,364
- Certificate of Proficiency	13,070
- Technical Certificate	13,542
- Associate's Degree	17,440
- Bachelor's Degree	24,679
- Master's Degree	42,133

Average Debt Level of Arkansas College and University Graduates
Including All In-State Public and Private Institutions
2014-15 Fiscal Year

Instructional Program/Degree Level	Average Debt
- Doctoral Degree	84,177
PUBLIC ADMINISTRATION AND SOCIAL SERVICE PROFESSIONS	32,616
- Technical Certificate	3,450
- Associate's Degree	23,223
- Bachelor's Degree	26,525
- Post-Bacc. Certificate	39,767
- Master's Degree	39,109
- Doctoral Degree	25,820
SOCIAL SCIENCES	25,670
- Bachelor's Degree	25,136
- Post-Bacc. Certificate	48,123
- Master's Degree	32,666
- Doctoral Degree	19,727
CONSTRUCTION TRADES	12,116
- Certificate of Proficiency	13,377
- Technical Certificate	7,870
- Associate's Degree	22,333
MECHANIC AND REPAIR TECHNOLOGIES/TECHNICIANS	12,458
- Certificate of Proficiency	10,916
- Technical Certificate	12,763
- Associate's Degree	13,293
PRECISION PRODUCTION	9,778
- Certificate of Proficiency	8,739
- Technical Certificate	11,219
- Associate's Degree	16,250
TRANSPORTATION AND MATERIALS MOVING	13,891
- Certificate of Proficiency	8,128
- Technical Certificate	8,016
- Bachelor's Degree	28,700
VISUAL AND PERFORMING ARTS	22,037
- Certificate of Proficiency	20,304
- Technical Certificate	14,844
- Associate's Degree	15,081
- Bachelor's Degree	21,388
- Post-Bacc. Certificate	15,923
- Master's Degree	35,333
HEALTH PROFESSIONS AND RELATED PROGRAMS	26,418
- Certificate of Proficiency	12,603
- Technical Certificate	16,661
- Diploma	24,280
- Associate's Degree	18,384
- Bachelor's Degree	23,710
- Post-Bacc. Certificate	46,073

Average Debt Level of Arkansas College and University Graduates
Including All In-State Public and Private Institutions
2014-15 Fiscal Year

Instructional Program/Degree Level	Average Debt
- Master's Degree	42,646
- Post-Master's	26,019
- Doctoral Degree	64,277
- Doctoral Degree - Professional	109,564
BUSINESS, MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES	21,219
- Certificate of Proficiency	19,698
- Technical Certificate	19,077
- Associate's Degree	17,205
- Advanced Certificate	6,250
- Bachelor's Degree	21,896
- Post-Bacc. Certificate	22,472
- Master's Degree	28,532
- Doctoral Degree	50,562
HISTORY	24,243
- Bachelor's Degree	23,207
- Master's Degree	36,126
- Doctoral Degree	12,936
All Certificate and Degree Programs	22,714

Source: Arkansas Department of Higher Education Student Information System

Student Loan Articles

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Forbes http://onforb.es/1mhWG1l

Jeffrey Dorfman Contributor

I use economic insight to analyze issues and critique policy.

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OPINION 9/18/2014 @ 9:05AM | 21,126 views

Time To Stop The Sob Stories About Student Loan Debt

The media and advocates for income redistribution are creating a continual stream of stories about the student loan crisis. We are inundated with sob stories about people suffering under a crushing debt burden. *The New York Times* alone has had stories on how student loan debt is now a problem for senior citizens, how young people's lives have been ruined, and how a whole generation will be unable to buy homes because of their student loan debt. Luckily, these stories are based simply on a few scattered cases. In reality, there is no student loan debt crisis and it is time for the media to report the facts, not the sob stories.

The New York Times informed its readers last week that there are now two million people over 60 years old that still have student loan debt, with an average loan balance of $21,000. To put this report in context, those two million seniors represent only three percent of all people in that age bracket and the average balance of $21,000 is only 78 percent of the size of the average car loan ($27,000). Assumedly many more than three percent of Americans over the age of 60 have car loans, yet nobody thinks that is a crisis.

Earlier this summer, *The New York Times* also implied that student loan debt is blocking younger Americans from buying homes. In reality, as the *Times* admits later in their article, the rate at which young people are buying homes is simply returning to its previous level because today's young can see that the twenty-five year real estate bubble is over and there is no need to rush into home ownership.

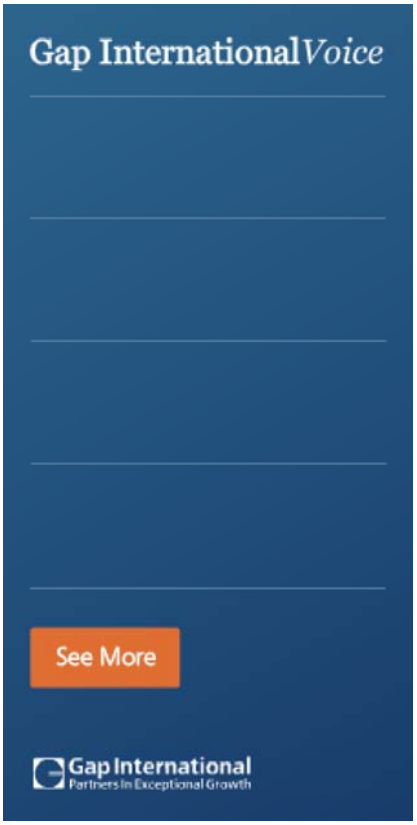
Similarly, back in the spring, *The New York Times* told us a series of sob stories about recent graduates buried under crushing burdens of student loan debt. While the media seem endlessly able to find stories of students with six-figure student loan debts and little in the way of job prospects with which to pay off those debts, such cases are far from common.

Research by Beth Akers and Matthew Chingos at The Brookings Institution revealed much about the student loan debt reality. While the average student loan balance is $29,000, that is only for the minority of people with any student loans (36 percent of those between 20 and 40). In other words, most young people have no student loan debt. Also, the average balance is greatly inflated by the presence of a few people with large balances. In fact, only four percent of households headed by people between 20 and 40 years old have student loan debt of over $36,000 per person and two-thirds of those have a graduate degree to show for that debt.

The Forbes eBook On Paying For College
Getting into college is hard enough. Paying for it shouldn't be. Find out how to save thousands on higher ed.

Further, the median student loan balance (meaning half the people owe more and half owe less) is only $8,500, again only for those who have any student loans at all. That implies that about 82 percent of households headed by those between 20 and 40 owe less than $8,500 in student loans (including those who owe nothing). If we assume that those with graduate degrees can generally handle their student loan debt, then Akers and Chingos' numbers imply there are likely only about 250,000 households with high loan balances who we should expect to have problems paying back their loans. Certainly such a number is not zero, but it is hardly a crisis.

According to TransUnion, the mortgage delinquency rate stands at 3.5 percent. This is higher than the rate of student loan borrowers who seem to have debt levels likely to cause problems. So why is the default rate on student loans so much higher (14.7 percent)? The answer seems to be not that student loan debt is so high as much as it is that borrowers simply choose not to prioritize payment of their student loans.



If one simply stops paying student loans, the federal government can seize your tax refund (if you are owed one) and might eventually take part of your paycheck (or government benefit check), but many borrowers apparently do not see such actions as likely. Thus, they would rather pay their mortgage, their car loan (delinquency rate of 0.95 percent), their credit cards (delinquency rate of 1.16 percent), or simply spend money on more enjoyable items than their student loans.

At first glance, this might seem a harsh assessment. Yet the numbers suggest that people are defaulting on student loans with balances considerably smaller than the average car loan in much higher numbers than borrowers default on those car loans. Logic suggests this is because cars can be repossessed much more easily than an education. Another reasonable explanation is that car loans are not made before a check of whether one is likely to repay the loan; student loans are made without any such consideration.

Hopefully, these numbers have convinced you there is no student loan crisis. While a few sob stories can be found, policy by anecdote is never a good idea. Instead of an overreaction to these carefully selected examples, a few simple adjustments can solve the few real problems.

First, the federal government should require education of students and their parents about student loan debt. Easy to understand, government-approved disclosure documents are required for other loans and should be for student loans as well. Second, borrowers should expect that nonpayment will be swiftly met with a combination of counseling about other payment plan options and collection actions so that people do not simply choose nonpayment when they actually have the ability to pay.

Finally, we should all realize that almost everybody is using student loans responsibly and not be fooled by these media campaigns. College degrees are usually well worth the investment and most students accrue only manageable debt along the way to their degree. A few people need education and encouragement to attend less expensive colleges and to work while doing so in order to minimize their student loan debt.

Small changes can solve the few actual problems with student loans. If we stay calm and borrow responsibly, everything will be fine.

The Washington Post

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Five myths about college debt

By John Etchemendy and Vivek Wadhwa September 24, 2013

The trillion-dollar student debt burden has spawned many debates about the value of college. Some argue that we educate too many young people. Indeed, average tuition costs have gone up faster than the rate of inflation. The cost of college today is, in inflation-adjusted terms, roughly double what it was in 1980. This creates legitimate concerns about the continued affordability of a college education.

But the debaters often have their facts wrong. Very few Americans graduate with $100,000 in debt; college makes more sense today than ever; and no, our universities aren't plundering their endowments to fund college dorms and football stadiums.

1. The financial return for going to college is less now than it used to be, because of the high cost of tuition and challenging employment prospects for recent graduates.

If anything, the value of an investment in college is higher now than it's ever been. The college premium (the difference between the earnings of college graduates and high school graduates) is at its highest level ever.

It is true that in the years since the Great Recession, wages for recent college graduates have declined about 5 percent, but wages for those without a college degree have declined more than twice that, between 10 and 12 percent, increasing the college premium. Furthermore, the proportion of recent graduates who have gotten jobs coming out of college has been virtually unchanged from before the recession. In contrast, the employment rate for high school graduates and associate-degree holders has dropped by 8 to 10 percent.

Similarly, throughout the recession, the overall unemployment rate for bachelor's degree holders has consistently been half that of non-college graduates.

2. Colleges are not preparing students with the skills needed in the current workplace.

All of the economic data suggests the exact opposite — that the productivity of U.S. college graduates in the workplace is increasing.

The broadest measure of the productivity differential between high school graduates and college graduates is how much employers are willing to pay for the latter over the former. This is known as the college premium, and it has increased steadily since the 1970s. This is not due to a diminished supply of college graduates (indeed, the supply has risen over that period).

The college premium is larger in the United States than in virtually any other economically developed country. Across the 34 countries that make up the Organization for Economic Cooperation and Development, employers on average are willing to pay 1.8 times as much for a college graduate as they are for an unskilled worker. But in the United States, employers pay 2.6 times as much for a college graduate. This, in spite of the fact that the *supply* of college graduates in the United States is among the highest in the OECD.

A recent Milken Institute study found that for each additional year of college attained by the residents of a region, the per capita gross domestic product of the region increases a remarkable 17.4 percent. The authors argue that the increased regional productivity is largely the result of the increased productivity of a college-educated workforce. (Interestingly, they do not see a similar jump in productivity for additional education at the high school level.)

3. On average, students are now borrowing $_____ to pay for their college education.

This is a myth, or at the very least misleading, for almost any figure reported in the national press. (Though the reported figures vary, the amount is generally more than $25,000.) There are several reasons for this, principally that the data being reported are generally based on one or another report of outstanding student loan balances or average debt levels for those with loans.

What most people are interested in, and what most people interpret these figures to represent, is how much a typical student must borrow to finance an undergraduate (bachelor's) degree.

Unfortunately, most figures reported lump together all student loan debt — for both undergraduate degrees and professional degrees. Furthermore, they report data on the average (mean) debt level *among those who borrowed*, not the median debt among all students, both those who borrowed and those who did not.

Data on debt levels at time of graduation is far harder to obtain. The Department of Education periodically gathers this information, but its most recent report covers those who received bachelor's degrees in 2008. This study showed the following debt levels among the graduating seniors nationwide.

- 34.4 percent graduated with no debt.
- 12.0 percent graduated with $1-$9,999 in debt.
- 18.2 percent graduated with $10,000-$19,999 in debt.
- 15.5 percent graduated with $20,000-$29,999 in debt.
- 8.9 percent graduated with $30,000-$39,999 in debt.
- 5.3 percent graduated with $40,000-$49,999 in debt.
- 5.3 percent graduated with $50,000-$99,999 in debt.
- 0.5 percent graduated with over $100,000 in debt.

As you can see, the *median* debt (i.e., 50th percentile) level for all graduating seniors is slightly above $10,000 for those receiving a bachelor's degree. This is probably less than an average new car loan.

The report also breaks this down by sectors: median debt at public institutions is less than $10,000; at private nonprofit institutions it is in the $10,000-19,999 range; and at private for-profits it is in the $30,000-39,999 range.

These levels have no doubt gone up since 2008, but they are nowhere near what is usually reported as the "average student indebtedness."

4. College indebtedness — now at more than a trillion dollars and second only to mortgage debt — is at a crisis level.

College debt now exceeds total credit-card debt and total auto loans, both of which have dropped since the beginning of the recession. It is in fact the only kind of household debt that continued to increase throughout the recession.

There are three reasons for the increase. First, more students are going to college. Second, a higher percentage of them are borrowing to finance their education. And third, the amount they are borrowing has increased.

Obviously, the first reason is to be applauded. It is in the interest of the students and the nation that more high school graduates go on to college.

The fact that more students are borrowing more to attend college is the result of several different factors, only partly the increased cost of tuition. Another major factor is a marked decline in college savings. According to Moody's, during the past three years, the proportion of families with any college savings dropped from 60 percent to 50 percent, and those who saved set aside an average of only $11,781, down from $21,615 three years ago (a 45 percent decline).

What this means is that more families are substituting debt for college savings. But these are just alternative ways of spreading the cost of college over multiple years. This is certainly no more worrisome than the switch from buying refrigerators with debt rather than layaway plans.

But even more important is the fact that college spending is an investment in human capital. The Hamilton Project estimates that a student's spending on college has a financial return of over 15 percent, more than twice the average return of a stock market investment over the past 60 years.

When corporate America increases its debt to invest in physical capital — new factories, etc. — we do not consider it a crisis. It is a positive investment in future productivity. Similarly, when individuals borrow to invest in their own human capital, this is an investment in future productivity.

We should arguably celebrate the fact that college debt, an investment in the future, exceeds credit-card debt, which represents current consumption.

5. College costs are increasing faster than inflation largely because of wasteful spending on, for example, lavish dorms, recreation centers and sports facilities.

In a university's overall budget, capital costs for "amenities" (such as recreation centers) constitute a very small fraction of the budget. Amortized over the life of the asset, they may account for a few dollars of the annual tuition bill, but not much more.

Ironically, one of the main factors pushing up costs at universities is the fact that the college premium — the wages paid to highly educated employees — is higher than ever. College costs are dominated by employee salaries, and most of these employees (whether faculty, staff or administrators) are themselves highly educated. So the same phenomenon that increases the financial return of going to college *for students* also increases the cost of attending college!

John Etchemendy is Stanford University's provost; he wrote this article with Vivek Wadhwa, who writes regularly for Innovations.

The Post Recommends

Oxford activist admits to non-consensual sex, but doesn't call it rape

Amid consent debate, the student has decried Oxford's "rape culture" in the past. But she didn't call her own actions "sexual assault."

Jason Alexander feels 'officially awful' for comments about 'Seinfeld' Susan's death

"I am so mad at myself for retelling this story," he said.

'It's now or never': Texts reveal teen's efforts to pressure boyfriend into suicide

"Try the bag or hanging," Michelle Carter counseled her boyfriend Conrad Roy III in a text message, shortly before his suicide.

Student Loan Data

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Student Loan Default Rate by Institution

		2012		2011	2010
OPEID	**Name**	**2012 Rate**	Change from 2011	**2011 Rate**	**2010 Rate**
001109	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES	1.1	(2.2)	3.3	4.7
030234	ARKANSAS COLLEGE OF BARBERING & HAIR DESIGN	2.6	(2.5)	5.1	3.8
001097	HARDING UNIVERSITY	3.1	(1.3)	4.4	6.9
001100	JOHN BROWN UNIVERSITY	3.1	(1.7)	4.8	3.7
001099	HENDRIX COLLEGE	4.8	(1.8)	6.6	7.7
032543	MARGARET'S HAIR ACADEMY	5.0	1.6	3.4	10.5
031052	BAPTIST HEALTH SCHOOLS LITTLE ROCK	6.1	2.1	4.0	10.6
001108	UNIVERSITY OF ARKANSAS	6.3	(0.4)	6.7	8.1
001088	LYON COLLEGE	6.4	(3.4)	9.8	8.4
001102	OUACHITA BAPTIST UNIVERSITY	6.8	0.2	6.6	10.3
001101	UNIVERSITY OF ARKANSAS AT LITTLE ROCK	8.6	(1.9)	10.5	15.6
025385	ARTHUR'S BEAUTY COLLEGE	8.9	(3.7)	12.6	22.1
001106	WILLIAMS BAPTIST COLLEGE	8.9	(3.9)	12.8	7.7
001092	UNIVERSITY OF CENTRAL ARKANSAS	9.1	(1.0)	10.1	14.3
012860	ARKANSAS NORTHEASTERN COLLEGE	9.5	(12.8)	22.3	23.4
022024	PROFESSIONAL COSMETOLOGY EDUCATION CENTER	9.5	(1.6)	11.1	6.2
039973	ARKANSAS BEAUTY COLLEGE	10.2	(0.9)	11.1	10.0
001090	ARKANSAS STATE UNIVERSITY	10.2	(4.4)	14.6	18.5
042034	ARKANSAS STATE UNIVERSITY - NEWPORT	10.2	(4.4)	14.6	18.5
025696	SEARCY BEAUTY COLLEGE	10.6	1.3	9.3	30.7
025258	LEES SCHOOL OF COSMETOLOGY	10.7	(1.4)	12.1	8.0
001093	CENTRAL BAPTIST COLLEGE	10.9	0.3	10.6	14.7
010741	ACADEMY OF SALON AND SPA	11.4	5.3	6.1	12.3
023308	JRMC SCHOOL OF NURSING	11.6	(1.9)	13.5	14.7
031249	IMAGINE - PAUL MITCHELL PARTNER SCHOOL	12.2	(5.6)	17.8	29.2
009976	COLLEGE OF THE OUACHITAS	13.9	(3.0)	16.9	26.3
023417	CAREER ACADEMY OF HAIR DESIGN	14.1	5.3	8.8	8.2
023635	ARTHUR'S BEAUTY COLLEGE	14.4	(8.4)	22.8	52.9
030051	ARKANSAS BEAUTY SCHOOL- LITTLE ROCK	14.6	9.6	5.0	7.5
001098	HENDERSON STATE UNIVERSITY	14.9	(0.5)	15.4	17.2
041831	WASHINGTON BARBER COLLEGE	15.3		N/A	N/A
030071	HOT SPRINGS BEAUTY COLLEGE	15.4	(7.6)	23.0	23.8
001103	PHILANDER SMITH COLLEGE	15.6	(0.8)	16.4	20.3
005245	UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT MORRILTON	16.9	1.1	15.8	19.9
001104	PHILLIPS COMMUNITY COLLEGE OF THE UNIVERSITY OF ARKANSAS	17.0	(0.6)	17.6	32.9
001089	ARKANSAS TECH UNIVERSITY	17.1	(0.3)	17.4	18.4
001094	UNIVERSITY OF THE OZARKS	17.5	2.0	15.5	8.9
007921	PAUL MITCHELL THE SCHOOL ARKANSAS	17.7	(4.3)	22.0	37.5
030633	NORTHWEST ARKANSAS COMMUNITY COLLEGE	17.9	3.4	14.5	21.3
001107	SOUTHERN ARKANSAS UNIVERSITY	18.0	(0.1)	18.1	20.0
022842	NEW TYLER BARBER COLLEGE	18.3	2.3	16.0	25.0
020753	PULASKI TECHNICAL COLLEGE	18.8	(3.9)	22.7	28.6
030651	ABC BEAUTY COLLEGE	19.2	1.5	17.7	14.7
020870	OZARKA COLLEGE	19.2	(3.9)	23.1	41.8
020746	SOUTH ARKANSAS COMMUNITY COLLEGE	19.4	(2.5)	21.9	22.9
001091	ARKANSAS STATE UNIVERSITY - BEEBE	20.0	1.6	18.4	20.5
001110	UNIVERSITY OF ARKANSAS AT FORT SMITH	20.3	(4.8)	25.1	22.1
041834	SALON PROFESSIONAL ACADEMY (THE)	20.8		N/A	N/A
022724	EASTERN COLLEGE OF HEALTH VOCATIONS	21.8	4.8	17.0	28.2
007738	SOUTHERN ARKANSAS UNIVERSITY TECH	21.9	(5.7)	27.6	31.5
012261	NORTH ARKANSAS COLLEGE	22.8	(1.7)	24.5	32.1
005732	UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT HOPE	23.3	(5.0)	28.3	25.8
038553	ECCLESIA COLLEGE	23.6	0.2	23.4	16.6
020522	BLACK RIVER TECHNICAL COLLEGE	24.3	(4.8)	29.1	27.9
020735	UNIVERSITY OF ARKANSAS COMMUNITY COLLEGE AT BATESVILLE	24.4	(2.5)	26.9	30.6
001095	CROWLEY'S RIDGE COLLEGE	24.6	2.0	22.6	26.8
001086	UNIVERSITY OF ARKANSAS AT PINE BLUFF	24.7	(5.2)	29.9	29.2
001085	UNIVERSITY OF ARKANSAS AT MONTICELLO	24.9	2.3	22.6	27.0
001087	ARKANSAS BAPTIST COLLEGE	25.4	(0.5)	25.9	28.5
012105	NATIONAL PARK COMMUNITY COLLEGE	26.0	2.2	23.8	30.7
005707	SOUTHEAST ARKANSAS COLLEGE	26.7	0.4	26.3	29.9
012260	EAST ARKANSAS COMMUNITY COLLEGE	28.1	3.7	24.4	37.3
039123	CROSSETT SCHOOL OF COSMETOLOGY	30.6	(2.7)	33.3	33.3

Average Loan Debt by State

State	Number of Borrowers	Total Debt Outstanding	Average Debt Per Borrower	Rank
Puerto Rico	330,000	$ 6,165,486,000	$ 18,683.29	1
North Dakota	114,000	$ 2,551,225,000	$ 22,379.17	2
Wyoming	61,000	$ 1,384,929,000	$ 22,703.75	3
Rhode Island	157,000	$ 3,611,751,000	$ 23,004.78	4
South Dakota	133,000	$ 3,075,968,000	$ 23,127.58	5
Montana	142,000	$ 3,327,214,000	$ 23,431.08	6
Utah	315,000	$ 7,395,075,000	$ 23,476.43	7
Iowa	499,000	$ 11,808,493,000	$ 23,664.31	8
Wisconsin	815,000	$ 19,304,275,000	$ 23,686.23	9
Maine	204,000	$ 4,841,625,000	$ 23,733.46	10
Kentucky	604,000	$ 14,444,984,000	$ 23,915.54	11
New Hampshire	212,000	$ 5,098,210,000	$ 24,048.16	12
West Virginia	238,000	$ 5,733,243,000	$ 24,089.26	13
Nebraska	283,000	$ 6,823,923,000	$ 24,112.80	14
Oklahoma	518,000	$ 12,498,108,000	$ 24,127.62	15
Arkansas	**372,000**	**$ 9,020,348,000**	**$ 24,248.25**	**16**
Minnesota	882,000	$ 21,532,722,000	$ 24,413.52	17
Texas	3,303,000	$ 81,850,800,000	$ 24,780.74	18
Kansas	441,000	$ 10,931,144,000	$ 24,787.17	19
Connecticut	511,000	$ 12,677,715,000	$ 24,809.62	20
Idaho	216,000	$ 5,366,110,000	$ 24,843.10	21
Indiana	993,000	$ 24,671,106,000	$ 24,845.02	22
Nevada	293,000	$ 7,291,659,000	$ 24,886.21	23
Alaska	75,000	$ 1,881,227,000	$ 25,083.03	24
Ohio	1,970,000	$ 49,645,391,000	$ 25,200.71	25
New Mexico	243,000	$ 6,141,828,000	$ 25,275.01	26
Pennsylvania	2,082,000	$ 53,303,909,000	$ 25,602.26	27
New Jersey	1,206,000	$ 30,880,072,000	$ 25,605.37	28
Washington	813,000	$ 20,820,074,000	$ 25,608.95	29
Arizona	885,000	$ 22,672,583,000	$ 25,618.74	30
Massachusetts	998,000	$ 25,569,386,000	$ 25,620.63	31
Hawaii	136,000	$ 3,504,007,000	$ 25,764.76	32
Louisiana	633,000	$ 16,616,470,000	$ 26,250.35	33
Mississippi	424,000	$ 11,201,544,000	$ 26,418.74	34
Missouri	910,000	$ 24,077,389,000	$ 26,458.67	35
Michigan	1,516,000	$ 40,142,155,000	$ 26,478.99	36
Tennessee	831,000	$ 22,193,264,000	$ 26,706.70	37
Delaware	121,000	$ 3,243,089,000	$ 26,802.39	38
North Carolina	1,155,000	$ 31,072,214,000	$ 26,902.35	39
California	4,156,000	$ 112,269,000,000	$ 27,013.62	40
Illinois	1,809,000	$ 49,391,513,000	$ 27,303.21	41
Oregon	571,000	$ 15,675,594,000	$ 27,452.88	42
New York	2,821,000	$ 77,516,686,000	$ 27,478.44	43
Colorado	793,000	$ 21,856,761,000	$ 27,562.12	44
Alabama	591,000	$ 16,306,263,000	$ 27,590.97	45
Vermont	96,000	$ 2,653,160,000	$ 27,637.08	46
Florida	2,457,000	$ 68,567,793,000	$ 27,907.12	47
South Carolina	649,000	$ 18,347,819,000	$ 28,270.91	48
Virginia	1,058,000	$ 30,118,363,000	$ 28,467.26	49
Maryland	829,000	$ 24,922,989,000	$ 30,063.92	50
Georgia	1,454,000	$ 44,263,989,000	$ 30,442.91	51
Other*	101,000	$ 3,216,224,000	$ 31,843.80	52
District of Columbia	140,000	$ 5,723,949,000	$ 40,885.35	53

Source: U.S. Department of Education, January 2015

Loan Volume, Graduates vs. Undergraduates

	2011				2012				2013				2014			
	Undergraduate		Graduate		Undergraduate		Graduate		Undergraduate		Graduate		Undergraduate		Graduate	
Institution	Students	Loans	Students	Loans	Students	Loans	Students	Loans	Students	Loans	Students	Loans	Students	Loans	Students	Loans
ASUJ	6,260	$ 124,546,442	2,475	$ 84,573,206	5,979	$ 119,430,890	323	$ 100,161,517	5,961	$ 110,866,257	2,988	$ 94,112,571	5,977	$ 115,988,192	2,934	$ 90,090,330
ATU	4,671	$ 72,166,922	376	$ 11,392,088	5,104	$ 80,004,430	473	$ 15,173,798	5,418	$ 77,382,145	551	$ 16,879,467	5,358	$ 78,578,256	495	$ 14,715,564
HSU	2,054	$ 34,203,386	321	$ 10,655,377	2,135	$ 33,514,179	32	$ 9,599,616	2,171	$ 31,160,019	311	$ 9,884,802	2,030	$ 30,745,300	299	$ 10,240,074
SAUM	1,656	$ 24,978,247	296	$ 8,990,319	1,658	$ 23,153,043	348	$ 9,225,318	1,581	$ 23,531,121	361	$ 10,481,876	1,573	$ 24,607,214	338	$ 10,520,175
UAF	7,218	$ 139,660,489	1,556	$ 64,286,949	8,397	$ 160,896,715	1,646	$ 64,327,238	8,857	$ 168,740,330	1,592	$ 63,891,724	8,970	$ 176,845,383	1,534	$ 59,075,126
UAFS	3,671	$ 54,082,774			3,505	$ 53,785,207			3,302	$ 38,461,503			2,970	$ 34,581,387		
UALR	5,790	$ 88,311,893	167	$ 56,622,794	5,914	$ 95,753,871	1,522	$ 54,880,629	5,709	$ 89,513,556	1,392	$ 52,238,706	5,452	$ 86,773,076	1,282	$ 48,696,786
UAM	2,177	$ 29,814,574	84	$ 1,849,439	2,468	$ 33,248,255	87	$ 1,550,392	2,274	$ 30,449,863	93	$ 1,914,710	2,056	$ 27,308,682	151	$ 3,081,105
UAMS	615	$ 12,293,803	1,247	$ 65,287,848	584	$ 11,323,225	1,261	$ 48,607,442	544	$ 10,316,889	129	$ 34,311,974	511	$ 9,513,009	1,313	$ 40,753,924
UAPB	2,630	$ 29,012,801	92	$ 1,266,679	2,529	$ 28,032,923	86	$ 1,253,449	2,134	$ 34,336,070	68	$ 1,145,951	1,975	$ 30,545,816	53	$ 836,791
UCA	5,064	$ 94,269,535	986	$ 41,514,353	5,114	$ 93,298,300	979	$ 38,213,437	5,142	$ 89,723,409	935	$ 31,885,660	5,390	$ 95,109,249	174	$ 36,177,258
Four-Year University Totals	**41,806**	**$ 703,340,866**	**7,600**	**$ 346,439,052**	**43,387**	**$ 732,441,038**	**6,757**	**$ 342,992,836**	**43,093**	**$ 704,481,162**	**8,420**	**$ 316,747,441**	**42,262**	**$ 710,595,564**	**8,573**	**$ 314,187,133**
% of total	*84.6%*	*67.0%*	*15.4%*	*33.0%*	*86.5%*	*68.1%*	*13.5%*	*31.9%*	*83.7%*	*69.0%*	*16.3%*	*31.0%*	*83.1%*	*69.3%*	*16.9%*	*30.7%*
Masters Degrees				*4,727*				*5,263*				*5,163*				*4,796*
Average loan		*$ 16,823.92*		*$ 45,584.09*		*$ 16,881.58*		*$ 50,761.11*		*$ 16,347.93*		*$ 37,618.46*		*$ 16,814.05*		*$ 36,648.45*
ASUB	1,088	$ 10,766,436			921	$ 10,201,104			729	$ 7,352,838			614	$ 5,801,102		
ASUMH	620	$ 6,239,803			778	$ 10,586,980			755	$ 11,959,620			749	$ 11,465,623		
ASUN	435	$ 4,655,906			388	$ 4,077,425			354	$ 2,962,971			373	$ 3,448,646		
BRTC	814	$ 10,285,444			778	$ 7,934,649			1,179	$ 11,842,759			952	$ 9,750,409		
CotO	324	$ 2,309,263			356	$ 2,427,974			360	$ 2,749,475			396	$ 3,637,131		
EACC	77	$ 345,473			122	$ 593,404			98	$ 462,792			74	$ 293,844		
NAC	788	$ 11,255,927			774	$ 11,078,313			706	$ 10,204,413			627	$ 8,434,779		
NPCC	1,699	$ 14,812,223			2,042	$ 15,902,438			1,482	$ 11,736,876			1,324	$ 10,529,946		
NWACC	2,963	$ 48,377,193			3,491	$ 53,216,655			3,400	$ 46,712,749			2,985	$ 40,431,382		
OZC	854	$ 11,715,878			579	$ 7,314,358			888	$ 10,626,639			701	$ 8,582,283		
PCCUA	121	$ 997,414			105	$ 619,511			73	$ 456,668			49	$ 347,666		
PTC	8,491	$ 129,246,264			9,331	$ 137,129,892			8,917	$ 126,547,526			7,698	$ 98,418,679		
SACC	715	$ 9,717,145			856	$ 12,021,830			855	$ 12,109,100			779	$ 8,439,071		
SAUT	378	$ 4,445,278			399	$ 4,468,367			315	$ 2,581,630			299	$ 2,456,458		
SEAC	591	$ 5,165,085			747	$ 7,225,053			614	$ 4,116,043			572	$ 4,027,451		
UACCB	485	$ 5,297,905			241	$ 1,759,610			85	$ 497,574			25	$ 108,884		
UACCH	92	$ 682,115			81	$ 603,627			62	$ 381,435						
UACCM	784	$ 8,318,421			864	$ 8,597,310			870	$ 8,339,527			845	$ 8,241,138		
Two-Year College Totals	**21,319**	**$ 284,649,997**			**22,853**	**$ 295,775,382**			**21,742**	**$ 271,656,983**			**19,062**	**$ 224,431,306**		
Average Loan		*$ 13,352*				*$ 12,943*				*$ 12,495*				*$ 11,774*		
BSN	790	$ 10,058,072			782	$ 8,616,843			819	$ 9,489,526			590	$ 6,642,316		
JSN					13	$ 278,388			71	$ 961,901			81	$ 1,662,973		
Nursing School Totals	**790**	**$ 10,058,072**			**795**	**$ 8,895,231**			**890**	**$ 10,451,427**			**671**	**$ 8,305,289**		
Average Loan		*$ 12,732*				*$ 11,189*				*$ 11,743*				*$ 12,377*		
ABC	1,094	$ 8,842,649			1,090	$ 16,553,193			1,029	$ 6,786,193			73	$ 1,151,413		
CBC	154	$ 187,804			190	$ 2,237,018			167	$ 2,122,984			190	$ 2,386,887		
CRC	115	$ 1,384,314			142	$ 1,677,344			117	$ 779,609			121	$ 789,510		
HC	221	$ 4,403,863			198	$ 3,856,350			184	$ 3,510,251			101	$ 1,846,875		
HU	316	$ 6,481,196	2	82,345	400	$ 709,419	5	15,944	397	$ 7,532,497	5	$ 146,277				
JBU	128	$ 1,736,556			182	$ 2,760,149	2	14,094	274	$ 4,498,313	1	$ 12,376	266	$ 4,825,166	2	$ 16,011
LC	163	$ 2,165,579			148	$ 2,167,676			153	$ 2,322,839			244	$ 3,272,808		
OBU	220	$ 3,273,965			628	$ 3,984,383			338	$ 5,076,682			405	$ 6,282,348		
PSC	102	$ 1,804,155			108	$ 1,766,047			92	$ 1,538,200			511	$ 9,041,375		
UO	319	$ 4,434,407			313	$ 6,354,558			317	$ 2,154,945			126	$ 1,515,077		
WBC	160	$ 1,559,871			177	$ 1,291,078			209	$ 2,155,249			193	$ 2,002,898		
Independent Totals	**2,992**	**$ 36,274,359**	**2**	**82,345**	**3,576**	**$ 43,357,215**	**7**	**30,038**	**3,277**	**$ 38,477,762**	**6**	**$ 158,653**	**2,230**	**$ 33,114,357**	**2**	**$ 16,011**
Average Loan		*$ 12,124*		*41,173*		*$ 12,125*		*4,291*		*$ 11,742*		*26,442*		*$ 14,849*		8,006

Student Loan Data for Arkansas Higher Education Graduates

4-Year Universities	AY2011	AY2012	AY2013	AY2014
Graduates	20,179	19,497	19,837	20,439
Graduates with Loans	8,172	10,609	11,370	12,078
Percent with Loans	40.5%	54.4%	57.3%	59.1%
Total Loans	77,109,381	172,946,025	250,188,937	302,488,558
Average Loans	9,436	16,302	22,004	25,045
2-Year Colleges	AY2011	AY2012	AY2013	AY2014
Graduates	12,553	11,829	11,831	12,125
Graduates with Loans	3,619	4,544	4,871	5,069
Percent with Loans	28.8%	38.4%	41.2%	41.8%
Total Loans	23,673,851	45,898,684	63,730,489	77,053,154
Average Loans	6,542	10,101	13,084	15,201
Private/Independents	AY2011	AY2012	AY2013	AY2014
Graduates	2,901	3,153	3,159	3,273
Graduates with Loans	325	544	650	828
Percent with Loans	11.2%	17.3%	20.6%	25.3%
Total Loans	2,291,037	5,875,037	9,580,063	13,619,207
Average Loans	7,049	10,800	14,739	16,448
Nursing Schools	AY2011	AY2012	AY2013	AY2014
Graduates	384	340	401	372
Graduates with Loans	288	268	338	321
Percent with Loans	75.0%	78.8%	84.3%	86.3%
Total Loans	2,284,013	3,819,218	5,623,893	6,159,879
Average Loans	7,931	14,251	16,639	19,190
Totals	AY2011	AY2012	AY2013	AY2014
Graduates	36,017	34,819	35,228	36,209
Graduates with Loans	12,404	15,965	17,229	18,296
Percent with Loans	34.4%	45.9%	48.9%	50.5%
Total Loans	105,358,282	228,538,964	329,123,382	399,320,798
Average Loans	8,494	14,315	19,103	21,826

incomplete data

State Aid

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Financial Aid Workshop

Financial Aid Division

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Financial Aid Process

Submit the Free Application for Federal Student Aid (FAFSA)

A Student Aid Report (SAR) will be sent to you from the U.S. Department of Education

The school(s) will use the SAR to determine your financial aid

A financial aid award letter will be sent to you

You must accept or decline the financial aid awarded by your school

If you are receiving loans you must complete loan documentation

Go to College!

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Cost of Attendance

- Tuition, fees, room & board
- Books, supplies, transportation, & misc. personal expenses, including documented cost for a personal computer
- Loan fees
- Study abroad or cooperative program costs
- Dependent care expenses
- Disability-related expenses

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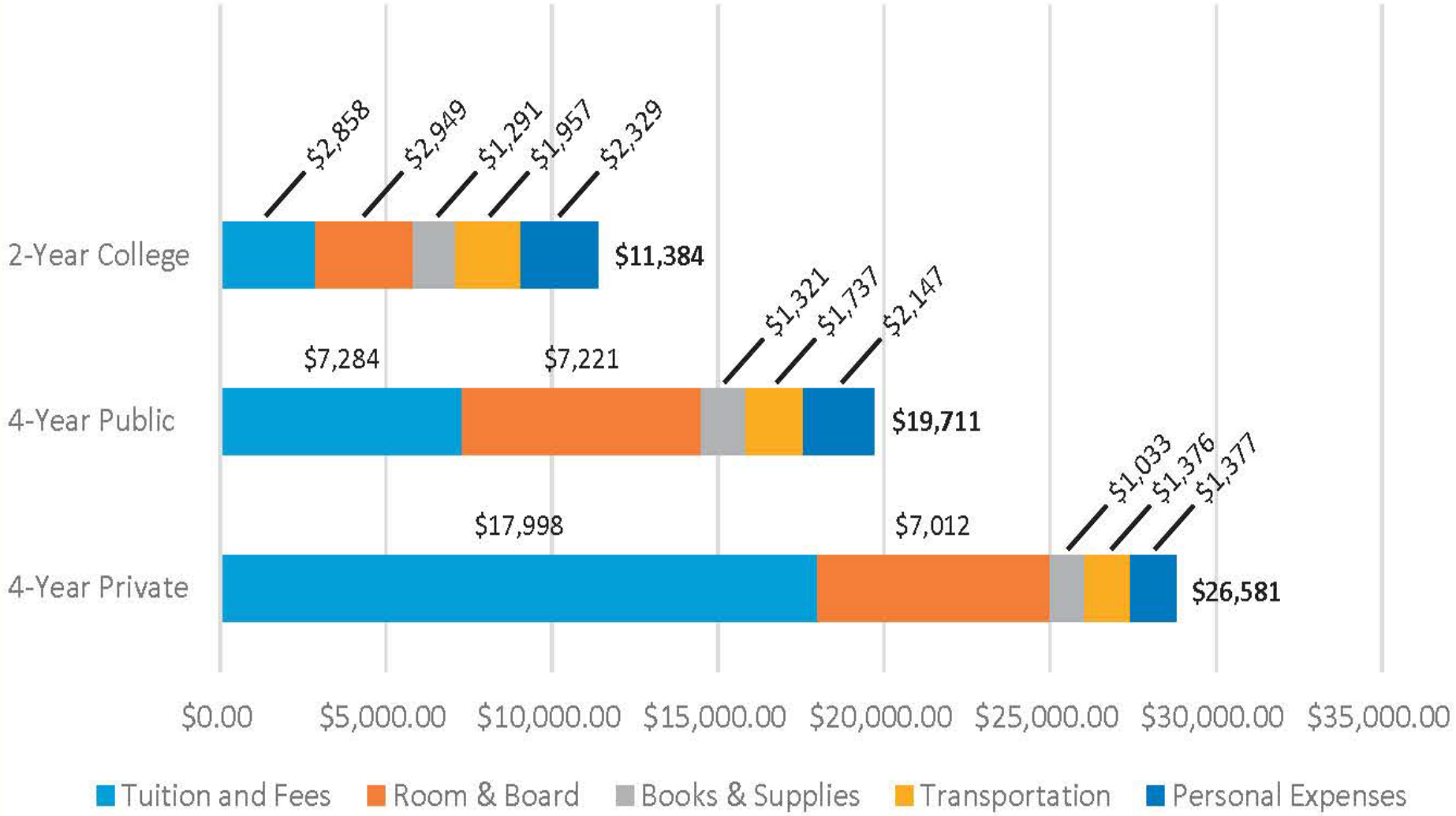
2014-15 Average "Cost of Attendance" in Arkansas



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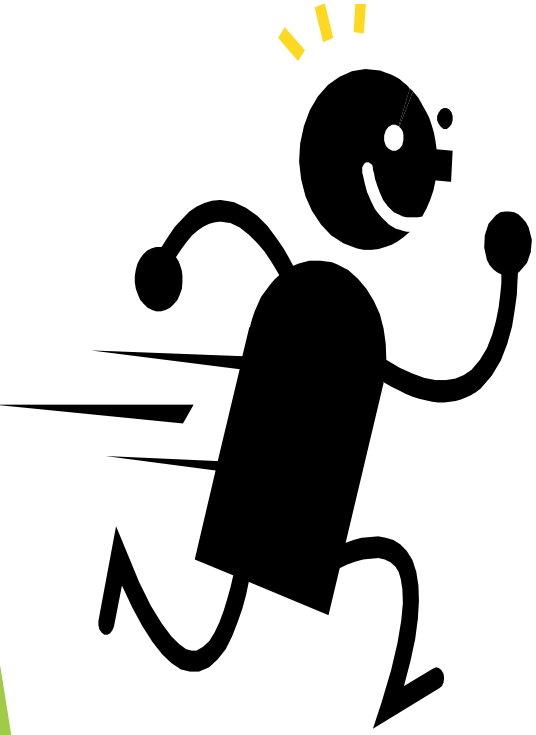
Cost of Attendance



State Scholarships & Grants

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Disclaimer

The information in this presentation is current as of today and is presented for informational purposes only. The eligibility requirements and rules governing the programs presented here are subject to legislative and regulatory amendments subsequent to this presentation. Applicants are responsible for determining program requirements at the time of application and should not rely on this presentation as a full disclosure of all qualifications required for award of any of our financial aid programs.

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General Eligibility Requirements

- U.S. Citizen or Lawful Permanent Resident
- Arkansas Resident
- Attend an eligible Arkansas Institution
- Satisfactory Academic Standing
- Continuing Eligibility Requirements

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Arkansas Scholarship Lottery

Academic Challenge Scholarship

It is our hope that the lottery funded scholarship known as the Arkansas Academic Challenge Scholarship will:

- Increase student success
- Reduce student loans
- Prepare more students for high wage high demand jobs benefit Arkansas's economy
- Increase the percentage of adults in Arkansas that hold a college degree

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Traditional Students

Basic Eligibility Criteria

- Accepted for admission at an approved institution of higher education as a **full-time student** in a program of study that leads to a baccalaureate degree, associate degree, **qualified certificate** or a nursing school diploma
- Applicant **must** complete the YOUniversal Scholarship Application and the FAFSA
- Must apply during the senior year of high school

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Academic Challenge Scholarship Traditional

Academic Eligibility Criteria

- Graduate from an Arkansas public high school, private school, or home school
- Earn a 19 on the ACT (Composite score on a single test)

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Academic Challenge Scholarship Traditional

- Students with a disability identified under the Individuals with Disabilities Act who graduate from an Arkansas public high school but do not complete the Smart Core because their individualized education program does not require it must
  - Earn a 19 on the ACT **OR**
  - Score proficient or higher on end of course exams

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ACT Scores

- Composite score from a single test date
- No combined, blended, or “super” scores
- May substitute a comparable score from SAT, COMPASS or ASSET tests
  - SAT – 730

    ASSET – 40

    Compass - 64

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Enrollment and Renewal

Enrollment

- Hours required to receive funds for a particular semester
- Measured as of the end of the 11th class day
- Hours added after that date do not count
- Only count hours enrolled at a single school

Renewal (also referred to as continuing eligibility)

- Hours required to renew scholarship for the next academic year
- May use summer terms to meet hours and GPA

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Academic Challenge Scholarship Traditional

Enrollment

- 12 semester hours fall semester immediately following high school graduation
- 15 semester hours every semester thereafter

Continuing Eligibility

- Maintain a 2.5 cumulative GPA
- Successfully complete 27 semester hours the first academic year
- Successfully complete semester 30 hours each academic year thereafter
- Complete all required remedial courses within the first 30 semester hours after receiving the scholarship

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Academic Challenge Scholarship Non-Traditional

Academic Eligibility Criteria

- Graduated from an Arkansas public high school and achieved a 2.5 high school gpa ; or
- Graduated from an Arkansas public high school, private high school, out-of-state high school, home school high school, or obtained a GED and either:
  - Earned a 19 on the ACT (Composite score on a single test)
  - 2.5 College GPA (if completed at least 12 credit hours)

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Academic Challenge Scholarship Non-Traditional

Enrollment

- Enroll full-time or part-time each semester (fall and spring)
  Full-time = 15 hours, Part-time = at least 6 hours

Continuing Eligibility

- Maintain a 2.5 cumulative GPA
- Complete 15 hours each consecutive semester for full-time and complete at least 6 semester hours for part-time

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Academic Challenge Scholarship Award Amounts

4 year Institutions

- $1,000 freshman
- $4,000 sophomore
- $4,000 junior
- $5,000 senior

2 year Institutions

- $1,000 first year
- $3,000 second year

- **Concurrent credits transcript and request must be submitted by June 1st**
- **Previous recipients of the scholarship will continue to receive the amounts stipulated in their original award**
- **Maximum award is eight (8) semesters/120 hours 4-year institution & five (5) semesters for 2-year institution**

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Academic Challenge Scholarship Application

Deadline

- June 1

Apply

- Application will be available on January 1

YOUniversal Application Administrative Processing

- Electronic (TRIAND) transcripts
  - Transcript retrieval
  - ACT scores
- Concurrent credits transcript and request must be submitted by June 1st

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Governor's Distinguished Scholarship

- 32 ACT or 1410 SAT; **and**
- 3.5 academic GPA; **or**
- National Merit or National Achievement Finalist
- Up to three hundred (300) awards
- Up to $10,000 per year

  - ***If there is a county in Arkansas that does not have a Distinguished Scholar, the highest ranking applicant from that county will be awarded a Governor's Distinguished Scholarship.***

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Governor's Scholars Program

- Full-time - 15 semester hours
  - 12 semester hours fall semester freshman year only
- Governor's Distinguished Scholars - maintain a 3.25 GPA
- Recipients must complete 27 hours the first year and 30 hours each year thereafter
- Program leads to a bachelor's degree
- Deadline - February 1st

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Higher Education Opportunities Grant (GO!)

- The Arkansas High Education Opportunities Grant (GO! Grant) is awarded based on financial need and is intended to help disadvantaged students complete their college degree
- Award Amounts:
  - Full Time = Up to $1,000 annually
  - Part-time = Up to $500 annually
  - Lifetime Maximum Award: $4,000

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Higher Education Opportunities Grant GO!

- Accepted for admission in a baccalaureate degree program, an associate degree program, a qualified certificate program, or a nursing diploma at an approved institution
- Demonstrate financial need (complete FAFSA)
  - $25,000 max family AGI for family with one (1) in the household - increment by $5,000 for each additional number in the household
  - $75,000 maximum regardless of family size
- Recipients must maintain a 2.0 GPA

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Scholarship Hold

- Maximum hold is 24 months (4 semesters) for following
  - Medical condition of the student or immediate family
  - Personal or immediate family emergency
  - Military service/training
  - Service in a national or international humanitarian project
  - Internship & Co-op
  - Financial hardship

- Must submit request in writing and include documentation of the reason for hold

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Tuition and Fees

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Annual Full-time Undergraduate
Tuition and Mandatory Fees for Four-Year Institutions (2006-07 through 2015-16)

Resident

Institution	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
UAF	5,808	6,038	6,399	6,459	6,767	7,173	7,553	7,818	8,208	8,521
ASUJ	5,710	6,010	6,370	6,370	6,640	6,934	7,180	7,510	7,720	8,050
UALR	5,511	5,740	6,121	6,331	6,642	7,040	7,343	7,601	8,045	8,165
UCA	6,010	6,215	6,505	6,698	6,908	7,183	7,332	7,595	7,889	7,889
ATU	4,880	5,120	5,430	5,610	5,908	6,258	6,528	6,918	7,248	7,740
HSU	5,210	5,689	6,024	6,204	6,444	6,714	6,984	7,284	7,561	7,809
SAUM	4,890	5,224	5,646	6,066	6,426	6,786	7,146	7,386	7,656	7,896
UAFS	3,340	4,060	4,410	4,600	4,918	5,267	5,436	5,625	5,962	6,322
UAM	4,150	4,300	4,600	4,750	4,990	5,290	5,560	5,793	6,082	6,447
UAPB	4,454	4,499	4,676	4,796	5,033	5,330	5,517	5,754	5,956	6,271
Average	4,996	5,290	5,618	5,788	6,068	6,398	6,658	6,928	7,233	7,511
Average % Change	7.30%	5.87%	6.21%	3.03%	4.82%	5.44%	4.07%	4.06%	4.39%	3.85%

Average % Change from 2006-07 to 2015-16 50.33%

Non-Resident

Institution	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
UAF	13,942	14,492	15,276	15,336	16,000	17,606	18,435	19,075	20,299	21,825
ASUJ	12,760	13,390	14,290	14,290	14,860	12,238	12,610	13,120	13,480	14,050
UALR	12,726	13,232	14,303	14,798	15,590	16,550	17,213	18,076	19,029	19,235
UCA	10,705	11,045	11,605	11,903	12,143	12,569	12,830	13,340	13,806	13,806
ATU	9,350	9,710	10,260	10,620	11,008	11,658	12,138	12,888	13,518	14,190
HSU	9,620	10,309	10,944	11,304	11,784	12,324	12,864	13,404	13,921	14,409
SAUM	7,080	7,534	8,106	8,706	9,186	9,666	10,176	10,536	11,106	11,466
UAFS	8,170	8,950	9,600	10,000	10,888	11,717	12,186	12,555	13,192	14,122
UAM	8,080	8,230	8,770	9,010	9,640	10,510	11,050	11,590	12,052	12,297
UAPB	8,864	8,909	9,236	9,476	9,983	10,595	10,947	11,424	11,626	12,053
Average	10,130	10,580	11,239	11,544	12,108	12,543	13,045	13,601	14,203	14,745
Average % Change	6.70%	4.45%	6.23%	2.72%	4.88%	3.59%	4.00%	4.26%	4.43%	3.82%

Average % Change from 2006-07 to 2015-16 45.56%

SOURCE: ADHE FORM 18-1

Annual Full-time Undergraduate
Tuition and Mandatory Fees for Two-Year Institutions (2006-07 through 2015-16)

RESIDENT

Institution	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
ANC	1,960	1,990	2,020	2,080	2,140	2,180	2,300	2,390	2,390	2,600
ASUB	2,460	2,550	2,670	2,670	2,790	2,850	3,060	3,120	3,270	3,420
ASUMH	2,370	2,370	2,760	2,760	2,910	3,030	3,150	3,240	3,330	3,420
ASUN	2,280	2,340	2,400	2,400	2,550	2,700	2,850	3,000	3,150	3,270
BRTC	2,070	2,070	2,190	2,190	2,460	2,460	2,790	2,850	3,060	3,240
CCCUA	1,920	1,920	1,920	2,020	2,080	2,272	2,302	2,512	2,647	3,030
COTO	1,980	2,040	2,130	2,252	2,312	2,402	2,507	3,182	3,310	3,620
EACC	1,860	2,010	2,130	2,280	2,430	2,610	2,700	2,790	2,880	3,090
MSCC	1,950	2,100	2,280	2,570	2,720	3,080	3,270	3,670	3,790	3,790
NAC	2,280	2,340	2,460	2,460	2,580	2,700	2,910	3,090	3,090	3,270
NPC	2,030	2,130	2,350	2,500	2,670	2,840	3,050	3,320	3,490	3,460
NWACC	3,085	3,085	3,460	3,603	3,813	4,098	4,348	4,513	4,513	4,633
OZC	2,360	2,365	2,570	2,570	2,720	2,720	2,810	3,005	3,325	3,445
PCCUA	2,180	2,180	2,300	2,300	2,450	2,630	2,735	2,855	2,968	2,968
PTC	2,430	2,520	2,660	2,800	2,860	2,980	3,183	3,563	4,013	4,650
RMCC	2,160	1,800	2,160	2,220	2,430	2,580	2,670	3,180	3,360	3,480
SACC	2,140	2,230	2,410	2,470	2,620	2,890	3,010	3,140	3,290	3,380
SAUT	2,520	2,520	3,030	3,180	3,270	3,420	3,630	4,050	4,050	4,140
SEAC	1,720	1,780	2,320	2,320	2,770	2,830	2,980	3,010	3,070	3,070
UACCB	2,200	2,290	2,455	2,570	2,660	2,810	2,900	3,060	3,195	3,195
UACCH	1,948	2,016	2,016	2,016	2,121	2,286	2,346	2,421	2,560	2,650
UACCM	2,610	2,610	2,730	2,850	3,030	3,300	3,360	3,500	3,635	3,785
Average	2,205	2,239	2,428	2,504	2,654	2,803	2,948	3,157	3,290	3,437
Average % Change	5.96%	1.53%	8.46%	3.11%	6.00%	5.62%	5.18%	7.09%	4.21%	4.45%

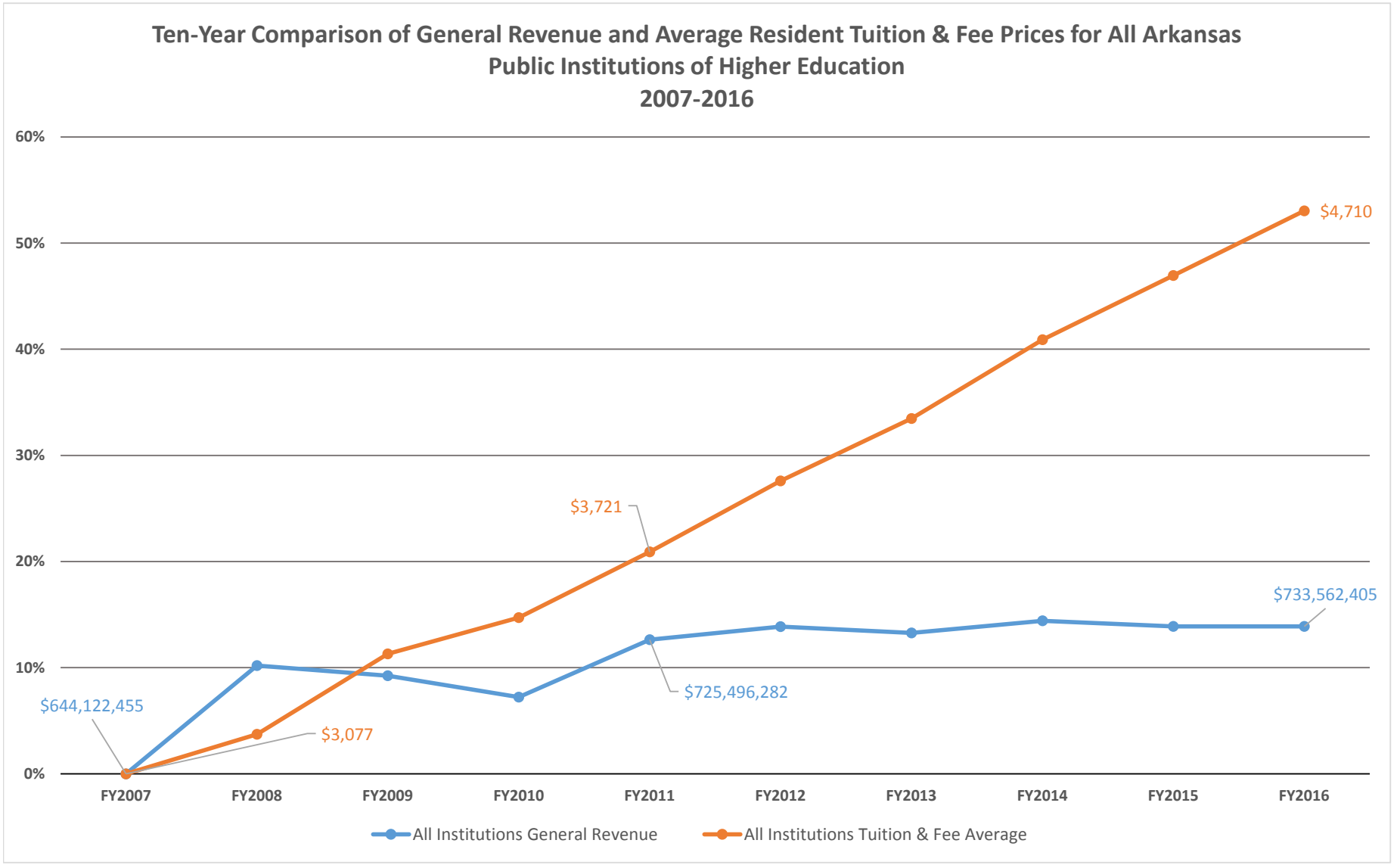
Average % Change from 2006-07 to 2015-16 55.85%

NON-RESIDENT

Institution	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
ANC	3,460	3,490	3,520	3,580	3,640	3,680	3,800	3,890	3,890	4,100
ASUB	3,990	4,140	4,350	4,350	4,530	4,650	4,920	5,040	5,310	5,520
ASUMH	3,900	3,900	4,410	4,410	4,560	4,770	4,950	5,100	5,250	5,400
ASUN	3,810	3,930	3,930	3,930	4,140	4,290	4,500	4,680	4,860	5,010
BRTC	5,430	5,430	5,550	5,550	5,820	5,820	6,150	6,180	6,240	6,330
CCCUA	5,220	5,220	5,220	4,780	4,780	4,852	4,852	5,062	5,212	5,820
COTO	3,540	3,630	3,810	4,022	4,112	4,262	4,457	5,732	5,950	6,110
EACC	2,220	2,370	2,550	2,700	2,850	3,060	3,150	3,270	3,390	3,600
MSCC	3,360	3,600	3,930	4,370	4,520	5,180	5,490	9,370	9,490	4,990
NAC	4,380	4,470	4,590	4,590	4,710	4,830	5,040	5,220	5,220	5,400
NPCC	3,950	4,050	4,270	4,270	4,350	4,370	4,370	4,490	4,540	4,540
NWACC	4,195	4,195	4,653	4,863	5,163	5,598	5,923	6,088	6,088	4,708
OZC	5,450	5,455	5,660	5,510	5,510	5,660	5,750	5,945	6,265	6,385
PCCUA	3,320	3,320	3,440	3,440	3,650	3,920	4,055	4,175	4,325	4,325
PTC	3,840	3,990	4,190	4,330	4,450	4,600	4,923	5,303	5,753	6,390
RMCC	5,190	5,190	5,190	5,280	5,430	5,640	5,790	6,330	6,600	6,750
SACC	3,790	3,880	4,240	4,360	4,600	4,930	5,170	5,360	5,540	5,660
SAUT	3,150	3,150	4,260	4,500	4,590	4,740	4,950	5,490	5,490	5,580
SEAC	3,220	3,280	4,360	4,360	5,110	5,230	5,440	5,470	5,590	5,590
UACCB	4,000	4,090	4,165	4,190	4,790	4,850	4,850	4,920	4,920	4,920
UACCH	3,628	3,696	3,696	3,696	3,891	4,146	4,206	4,386	4,600	4,780
UACCM	3,570	3,570	3,720	3,900	4,140	4,410	4,470	4,610	4,730	4,880
Average	3,937	4,002	4,259	4,317	4,515	4,704	4,873	5,278	5,421	5,309
Average % Change	3.05%	1.65%	6.43%	1.36%	4.59%	4.18%	3.59%	8.31%	2.71%	-2.07%

Average % Change from 2006-07 to 2015-16 34.84%

SOURCE: ADHE FORM 18-1


Ten-Year Comparison of General Revenue and Average Resident Tuition & Fee Prices for All Arkansas Public Institutions of Higher Education
2007-2016
60%
50%
40%
30%
20%
10%
0%
FY2007
FY2008
FY2009
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015
FY2016
$644,122,455
$3,077
$3,721
$4,710
$725,496,282
$733,562,405
All Institutions General Revenue
All Institutions Tuition & Fee Average

General Revenue Funding

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REVENUE FORECAST FY2016

7/20/2015

INSTITUTION	FY2015 Distribution	2016 FISCAL YEAR RSA "A"	"B"	"B1"	"C"	Total Allocation	FY16 Forecast 100% of "A"+"B"+"B1"+ 58% of "C" (5/6/2015)	EETF (7/20/2015)	WF2000 (7/20/2015)	FY16 Forecast Total	% Inc.
ASUJ	$62,389,076	$55,814,528	$0	$563,783	$0	$56,378,311	$56,378,311	$6,078,916	$0	$62,457,227	0.11%
ATU	$31,885,050	$29,523,721	$0	$298,219	$0	$29,821,940	$29,821,940	$2,086,501	$0	$31,908,441	0.07%
HSU	$20,799,616	$18,608,251	$0	$187,962	$0	$18,796,213	$18,796,213	$2,158,387	$0	$20,954,600	0.75%
SAUM	$16,846,756	$15,429,126	$0	$155,850	$0	$15,584,976	$15,584,976	$1,276,086	$0	$16,861,062	0.08%
UAF	$126,883,378	$116,361,125	$0	$1,175,365	$0	$117,536,490	$117,536,490	$9,452,865	$0	$126,989,355	0.08%
UAFS	$23,721,803	$20,388,669	$0	$205,946	$0	$20,594,615	$20,594,615	$3,162,644	$0	$23,757,259	0.15%
UALR	$62,087,049	$56,100,588	$0	$566,673	$0	$56,667,261	$56,667,261	$5,481,239	$0	$62,148,500	0.10%
UAM	$14,156,779	$12,937,145	$0	$130,678	$0	$13,067,823	$13,067,823	$1,101,302	$0	$14,169,125	0.09%
UAPB	$23,661,697	$21,553,581	$0	$217,713	$0	$21,771,294	$21,771,294	$1,911,837	$0	$23,683,131	0.09%
UCA	$57,811,672	$52,583,558	$0	$531,147	$0	$53,114,705	$53,114,705	$4,750,222	$0	$57,864,927	0.09%
4-YR SUBTOTAL	$440,242,876	$399,300,293	$0	$4,033,336	$0	$403,333,629	$403,333,629	$37,459,999	$0	$440,793,627	0.13%
ANC	$10,036,916	$8,491,281	$0	$85,771	$0	$8,577,052	$8,577,052	$744,458	$730,954	$10,052,464	0.15%
ASUB	$14,098,177	$11,717,370	$0	$118,357	$0	$11,835,727	$11,835,727	$1,485,055	$801,945	$14,122,727	0.17%
ASUMH	$4,463,921	$3,611,629	$0	$36,481	$0	$3,648,110	$3,648,110	$0	$823,929	$4,472,039	0.18%
ASUN	$7,395,954	$5,932,370	$0	$59,923	$0	$5,992,293	$5,992,293	$0	$1,417,628	$7,409,921	0.19%
BRTC	$8,336,604	$6,052,381	$0	$61,135	$0	$6,113,516	$6,113,516	$0	$2,245,209	$8,358,725	0.27%
CCCUA	$4,732,835	$3,361,844	$0	$33,958	$0	$3,395,802	$3,395,802	$0	$1,350,337	$4,746,139	0.28%
COTO	$4,672,254	$3,491,988	$0	$35,273	$0	$3,527,261	$3,527,261	$0	$1,156,386	$4,683,647	0.24%
EACC	$6,556,512	$5,730,177	$0	$57,881	$0	$5,788,058	$5,788,058	$777,166	$0	$6,565,224	0.13%
MSCC	$6,027,335	$3,819,427	$0	$38,580	$0	$3,858,007	$3,858,007	$0	$2,190,914	$6,048,921	0.36%
NAC	$8,990,314	$7,887,294	$0	$79,670	$0	$7,966,964	$7,966,964	$458,985	$575,177	$9,001,126	0.12%
NPC	$10,857,258	$8,956,024	$0	$90,465	$0	$9,046,489	$9,046,489	$1,162,362	$668,021	$10,876,872	0.18%
NWACC	$11,634,914	$10,513,010	$0	$106,192	$0	$10,619,202	$10,619,202	$1,027,228	$0	$11,646,430	0.10%
OZC	$4,385,785	$3,095,210	$0	$31,265	$0	$3,126,475	$3,126,475	$0	$1,271,841	$4,398,316	0.29%
PCCUA	$10,336,094	$8,972,457	$0	$90,631	$0	$9,063,088	$9,063,088	$756,855	$529,856	$10,349,799	0.13%
PTC	$17,388,807	$14,986,063	$0	$151,374	$0	$15,137,437	$15,137,437	$0	$2,273,772	$17,411,209	0.13%
RMCC	$3,409,713	$3,174,800	$0	$32,069	$0	$3,206,869	$3,206,869	$205,144	$0	$3,412,013	0.07%
SACC	$7,016,717	$5,973,964	$0	$60,343	$0	$6,034,307	$6,034,307	$531,526	$461,389	$7,027,222	0.15%
SAUT	$5,912,697	$5,648,456	$0	$57,055	$0	$5,705,511	$5,705,511	$209,536	$0	$5,915,047	0.04%
SEAC	$7,592,536	$5,580,430	$0	$56,368	$0	$5,636,798	$5,636,798	$0	$1,975,199	$7,611,997	0.26%
UACCB	$4,989,281	$4,089,750	$0	$41,311	$0	$4,131,061	$4,131,061	$0	$866,760	$4,997,821	0.17%
UACCH	$6,431,644	$4,447,077	$0	$44,920	$0	$4,491,997	$4,491,997	$0	$1,958,947	$6,450,944	0.30%
UACCM	$6,300,620	$4,971,933	$0	$50,222	$0	$5,022,155	$5,022,155	$0	$1,291,186	$6,313,341	0.20%
2-YR SUBTOTAL	$171,566,888	$140,504,937	$0	$1,419,242	$0	$141,924,179	$141,924,179	$7,358,315	$22,589,450	$171,871,944	0.18%
ADTEC	$1,500,000	$1,485,000	$0	$15,000	$0	$1,500,000	$1,500,000	$0	$0	$1,500,000	0.00%
ARE-ON	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
ASU-System	$2,506,652	$2,339,053	$0	$23,627	$0	$2,362,680	$2,362,680	$145,605	$0	$2,508,285	0.07%
ASU-Heritage	$350,000	$346,500	$0	$3,500	$0	$350,000	$350,000	$0	$0	$350,000	0.00%
HSU-CEC	$210,585	$79,000	$0	$798	$0	$79,798	$79,798	$0	$0	$79,798	-62.11%
SACC-Arboretum	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
SAUT-ETA	$403,026	$364,720	$0	$3,684	$0	$368,404	$368,404	$35,015	$0	$403,419	0.10%
SAUT-FTA	$1,738,850	$1,634,709	$0	$16,512	$0	$1,651,221	$1,651,221	$88,622	$0	$1,739,843	0.06%
UA-SYS	$3,686,747	$3,383,771	$0	$34,180	$0	$3,417,950	$3,417,950	$271,845	$0	$3,689,795	0.08%
UA-AS	$2,460,252	$2,304,106	$0	$23,274	$0	$2,327,380	$2,327,380	$134,378	$0	$2,461,758	0.06%
UA-DivAgri	$68,324,273	$62,172,137	$0	$628,001	$0	$62,800,138	$62,800,138	$5,586,768	$0	$68,386,906	0.09%
UA-ASMSA	$8,401,339	$1,101,885	$0	$11,130	$0	$1,113,015	$1,113,015	$7,370,960	$0	$8,483,975	0.98%
UA-CS	$2,295,575	$2,272,619	$0	$22,956	$0	$2,295,575	$2,295,575	$0	$0	$2,295,575	0.00%
UA-CJI	$1,825,769	$1,807,511	$0	$18,258	$0	$1,825,769	$1,825,769	$0	$0	$1,825,769	0.00%
UAF-ARTP	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
UAF-GWG	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
UAF-Pryor Center	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
UAF-WTC AR	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A
UALR-RAPS	$4,087,836	$4,046,958	$0	$40,878	$0	$4,087,836	$4,087,836	$0	$0	$4,087,836	0.00%
UAMS	$95,788,474	$85,592,094	$0	$864,567	$0	$86,456,661	$86,456,661	$9,437,619	$0	$95,894,280	0.11%
UAMS-ABUSE/RAPE/DV	$735,000	$727,650	$0	$7,350	$0	$735,000	$735,000	$0	$0	$735,000	0.00%
UAMS-Child Safety	$720,588	$713,382	$0	$7,206	$0	$720,588	$720,588	$0	$0	$720,588	0.00%
UAMS-Ped/Pysch/Res.	$1,950,000	$1,930,500	$0	$19,500	$0	$1,950,000	$1,950,000	$0	$0	$1,950,000	0.00%
UAMS-IC	$5,574,393	$5,288,759	$0	$53,422	$0	$5,342,181	$5,342,181	$234,844	$0	$5,577,025	0.05%
UAPB-Nonformula	$3,647,591	$3,611,115	$0	$36,476	$0	$3,647,591	$3,647,591	$0	$0	$3,647,591	0.00%
ENTITY SUBTOTAL	$206,206,950	$181,201,469	$0	$1,830,318	$0	$183,031,787	$183,031,787	$23,305,656	$0	$206,337,443	0.06%
ATU-Ozark	$3,181,253	$2,370,645	$0	$23,946	$0	$2,394,591	$2,394,591	$0	$ 794,490	$3,189,081	0.25%
UAM-Crossett	$1,804,851	$1,142,757	$0	$11,543	$0	$1,154,300	$1,154,300	$0	657,024	$1,811,324	0.36%
UAM-McGehee	$2,423,058	$1,706,680	$0	$17,239	$0	$1,723,919	$1,723,919	$0	706,096	$2,430,015	0.29%
TECH CENTER SUBTOTAL	$7,409,162	$5,220,082	$0	$52,728	$0	$5,272,810	$5,272,810	$0	$2,157,610	$7,430,420	0.29%
TOTAL	$825,425,876	$726,226,781	$0	$7,335,624	$0	$733,562,405	$733,562,405	$68,123,970	$24,747,060	$826,433,434	0.12%

Revenue Stablilization Acts - Acts 1144 & 1145 of 2015

STATE RSA FY2007-FY2016 Allocation to Institutions of Higher Education

Fund Account	FY2007 RSA	FY2007 % of RSA	FY2008 RSA	FY2008 % of RSA	FY2009 RSA	FY2009 % of RSA	FY2010 RSA	FY2010 % of RSA	FY2011 RSA	FY2011 % of RSA
Public School	$1,719,500,377	42.4%	$1,856,816,923	42.7%	$1,894,773,275	43.0%	$1,795,978,406	42.1%	$1,887,615,895	42.1%
General Education	$93,280,963	2.3%	$99,280,560	2.3%	$99,564,293	2.3%	$99,188,220	2.3%	$101,206,660	2.3%
Human Services	$974,175,399	24.0%	$1,043,091,140	24.0%	$1,077,281,608	24.4%	$965,963,146	22.7%	$1,014,693,386	22.7%
State General Gov't (Less Corrections)	$137,899,555	3.4%	$302,021,601	6.9%	$157,978,378	3.6%	$157,674,377	3.7%	$163,031,458	3.6%
Depts of Correction & Community Correction	$304,867,924	7.5%	$202,716,462	4.7%	$338,867,925	7.7%	$333,220,846	7.8%	$356,714,980	8.0%
Other	$184,769,258	4.6%	$138,875,676	3.2%	$138,833,399	3.1%	$219,088,893	5.1%	$230,141,337	5.1%
Institutions of Higher Education	$644,122,455	15.9%	$709,869,701	16.3%	$703,710,769	16.0%	$690,654,618	16.2%	$725,496,282	16.2%
TOTAL	**$4,058,615,931**	**100%**	**$4,352,672,063**	**100%**	**$4,411,009,647**	**100%**	**$4,261,768,506**	**100%**	**$4,478,899,998**	**100%**

Institutions of Higher Education (broken out by type)	FY2007 RSA	FY2007 % of RSA	FY2008 RSA	FY2008 % of RSA	FY2009 RSA	FY2009 % of RSA	FY2010 RSA	FY2010 % of RSA	FY2011 RSA	FY2011 % of RSA
4-YR	$354,259,294	8.7%	$388,407,244	8.9%	$385,348,593	8.7%	$377,924,048	8.9%	$396,989,298	8.9%
2-YR	$121,052,852	3.0%	$134,771,342	3.1%	$133,575,751	3.0%	$132,580,428	3.1%	$139,268,754	3.1%
Non-Formula	$168,810,309	4.2%	$186,691,116	4.3%	$184,786,423	4.2%	$180,150,141	4.2%	$189,238,230	4.2%
	$644,122,455	15.9%	$709,869,701	16.3%	$703,710,767	16.0%	$690,654,618	16.2%	$725,496,282	16.2%

Fund Account	FY2012 RSA	FY2012 % of RSA	FY2013 RSA	FY2013 % of RSA	FY2014 RSA	FY2014 % of RSA	FY2015 RSA	FY2015 % of RSA	TOTAL FY2016 FORECAST	FY2016 % of RSA	TOTAL Variance FY2007-FY2016	% Inc
Public School	$1,943,489,953	42.3%	$1,999,533,208	42.3%	$2,046,398,582	41.6%	$2,111,909,387	41.9%	$2,163,150,154	41.7%	$443,649,777	25.80%
General Education	$103,223,118	2.2%	$101,709,863	2.2%	$105,352,088	2.1%	$105,386,793	2.1%	$109,542,952	2.1%	$16,261,989	17.43%
Human Services	$1,029,501,812	22.4%	$1,131,626,691	23.9%	$1,226,206,316	24.9%	$1,253,022,610	24.9%	$1,333,248,875	25.7%	$359,073,476	36.86%
State General Gov't (Less Corrections)	$170,692,705	3.7%	$166,228,894	3.5%	$181,698,060	3.7%	$185,887,764	3.7%	$182,581,004	3.5%	$44,681,449	32.40%
Depts of Correction & Community Correction	$367,221,964	8.0%	$368,817,623	7.8%	$389,884,001	7.9%	$399,245,383	7.9%	$415,273,884	8.0%	$110,405,960	36.21%
Other	$248,294,202	5.4%	$230,012,014	4.9%	$238,377,324	4.8%	$245,985,658	4.9%	$244,535,180	4.7%	$59,765,922	32.35%
Institutions of Higher Education	$733,501,247	16.0%	$729,571,707	15.4%	$736,971,705	15.0%	$733,562,405	14.6%	$733,562,405	14.2%	$89,439,950	13.89%
TOTAL	**$4,595,925,001**	**100%**	**$4,727,500,000**	**100%**	**$4,924,888,076**	**100%**	**$5,035,000,000**	**100%**	**$5,181,894,454**	**100%**		

Institutions of Higher Education (broken out by type)	FY2012 RSA	FY2012 % of RSA	FY2013 RSA	FY2013 % of RSA	FY2014 RSA	FY2014 % of RSA	FY2015 RSA	FY2015 % of RSA	TOTAL FY2016 FORECAST	FY2016 % of RSA	TOTAL Variance FY2007-FY2016	% Inc
4-YR	$401,474,551	8.7%	$399,222,649	8.4%	$405,333,872	8.2%	$408,475,652	8.1%	$408,606,439	7.9%	$54,347,145	15.3%
2-YR	$140,990,913	3.1%	$140,035,402	3.0%	$141,924,179	2.9%	$141,924,179	2.8%	$141,924,179	2.7%	$20,871,327	17.2%
Non-Formula	$191,035,783	4.2%	$190,313,654	4.0%	$189,713,654	3.9%	$183,162,574	3.6%	$183,031,787	3.5%	$14,221,478	8.4%
	$733,501,247	16.0%	$729,571,705	15.4%	$736,971,705	15.0%	$733,562,405	14.6%	$733,562,405	14.2%	$89,439,950	

Administrative Efficiencies

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Delta Cost Project
at American Institutes for Research

Issue Brief
February 2014

Donna M. Desrochers

Rita Kirshstein, Ph.D.

Labor Intensive or Labor Expensive?

Changing Staffing and Compensation Patterns in Higher Education

Overview

Skyrocketing college tuitions and trillion-dollar student loan debt have put college and university spending in the spotlight. Policymakers, parents, and students are asking why tuitions at public four-year colleges and universities have soared nearly 160 percent since 1990[1] and whether excessive spending is at fault.

The rise in college spending has been blamed on factors ranging from broad economic trends outside higher education's control that drive up the price of highly educated workers to an all-out competition among colleges vying for prestige, excellence, and high rankings (Archibald & Feldman, 2011; Bowen, 1980; Baumol & Bowen, 1966). Many also point to declining faculty workloads, generous salaries and perks for top university employees, wasteful spending, and growing "administrative bloat" (Ginsburg, 2011a; Vedder, Matgouranis, & Robe, 2011; Greene, Kisida, & Mills, 2010; Belkin & Thurm, 2012; Hechinger, 2012).

Whatever role these factors play, higher education's workforce must be considered in any analysis of rising costs. The higher education workforce—from tenured professors to part-time adjuncts, and from executives and professionals to support staff—is changing rapidly.

This report looks at long-term employment changes on college and university campuses during the past two decades and examines fluctuations in faculty staffing patterns, growth in administrative positions, and the effects of the recent recession on long-standing employment trends. It goes beyond other studies (Zaback, 2011; Bennett, 2009) to explore the effects of these staffing changes on total compensation, institutional spending patterns, and ultimately tuitions.

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The overarching trends show that between 2000 and 2012, the public and private nonprofit higher education workforce grew by 28 percent, more than 50 percent faster than the previous decade. But the proportion of staff to students at public institutions grew slower in the 2000s than in the 1990s because the recent expansion in new positions largely mirrored rising enrollments as the Millennial Generation entered college. By 2012, public research universities and community colleges employed 16 *fewer* staff per 1,000 full-time equivalent (FTE) students compared with 2000, while the number of staff per student at public master's and bachelor's colleges remained unchanged.

Data

The data in this report come from the Delta Cost Project Database, 1987–2010. It includes data reported by institutions to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), and has been harmonized (when possible) to account for survey changes over time. Staffing and faculty salary data from the 2011 Fall Staff Survey (e.g., 2011–12 school year, or 2012 academic year) were appended onto the Delta Cost Project Database to show the most current staffing data available. All spending data are shown in 2010 dollars and were adjusted using the Consumer Price Index for All Urban Consumers (CPI-U), on a fiscal-year basis.

The report focuses primarily on the 12-year period from 2000 to 2012, although it also extends back to 1990 on many measures to provide additional context. Data on staffing and labor costs may be shown for different periods depending on data availability and reliability.

Findings are presented for public and private, nonprofit four-year institutions and public community colleges, organized by 2005 Carnegie Classification. Institutions may award many types of degrees and certificates, although the Carnegie Classification denotes the highest type of degree typically offered as follows:

- Research institutions: Award at least 20 research doctoral degrees a year.
- Master's institutions: Award at least 50 master's degrees and fewer than 20 doctoral degrees per year.
- Bachelor's institutions: Bachelor's degrees represent at least 10 percent of undergraduate degrees; fewer than 50 master's or 20 doctoral degrees are awarded per year.
- Public community colleges: Award associate's degrees or certificates requiring two or fewer years of study; bachelor's degrees account for less than 10 percent of degrees per year.

Source: Carnegie Foundation for the Advancement of Teaching, 2013.

At private colleges, in the wake of accelerated hiring, the proportion of staff to students rose. Private institutions employed, on average, 15 to 26 *additional* workers per 1,000 FTE students between 2000 and 2012. And even during the Great Recession, many public and private colleges kept hiring in response to the uptick in new students.

Other Key Findings

- **Growth in administrative jobs was widespread across higher education—but creating new professional positions, rather than executive and managerial positions, is what drove the increase.** Professional positions (for example, business analysts, human resources staff, and admissions staff) grew twice as fast as executive and managerial positions at public nonresearch institutions between 2000 and 2012, and outpaced enrollment growth.

- **Colleges and universities have invested in professional jobs that provide noninstructional *student* services, not just business support.** Across all educational sectors, wage and salary expenditures for student services (per FTE staff) were the fastest growing salary expense in many types of institutions between 2002 and 2012.

- **Part-time faculty/graduate assistants typically account for at least half of the instructional staff in most higher education sectors.** Institutions have continued to hire full-time faculty, but at a pace that either equaled or lagged behind student enrollments; these new hires also were likely to fill non-tenure-track positions.

- **Part-time faculty (and graduate assistants) provided additional capacity at well-funded research universities and private colleges, but replaced new, full-time positions at broadly accessible, public master's and bachelor's institutions.**

- **As the ranks of managerial and professional administrative workers grew, the number of faculty and staff per administrator continued to decline.** The average number of faculty and staff per administrator declined by roughly 40 percent in most types of four-year colleges and universities between 1990 and 2012, and now averages 2.5 or fewer faculty and staff per administrator.

Hiring at colleges and universities increased briskly during the past decade, but so did enrollments. As public institutions sought to balance hiring against rising enrollments, private institutions added new employees much faster than new students.

- **Faculty salaries were not the leading cause of rising college tuitions during the past decade. Increased benefits costs, nonfaculty positions added elsewhere on campus, declines in state and institutional subsidies, and other factors all played a role.** The average salary outlay per full-time faculty member has stayed essentially flat from 2002 to 2010. But additional savings from shifting to part-time instructors have not been enough to offset the costs associated with continued hiring and rising benefits expenditures. Compensation costs per FTE student have continued to rise modestly at most four-year institutions as a consequence of these staffing, salary, and benefits changes. Tuition prices increased even faster, however, as tuition dollars replaced revenue lost from other sources.

Where's the Job Growth in Higher Education?

As the rest of the economy plunged into the Great Recession of 2008, higher education continued to hire new workers amid a surge of new students enrolling in college. But the hiring surge began nearly a decade before, when schools ramped up for the Millennials enrolling in college.

Total Employment

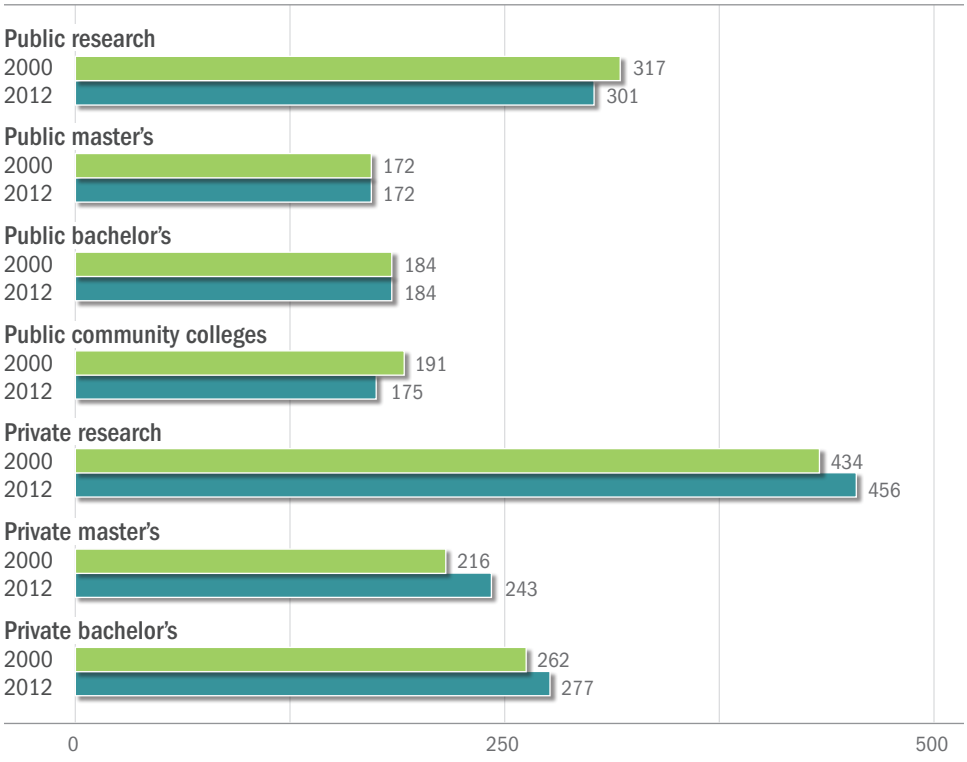
Total employment rose by more than 25 percent between 2000 and 2012, expanding faster than the previous decade (16 percent). But student enrollment also increased as the Millennials entered college. For most of this period, the combination of rising enrollments and two economic recessions blunted any significant increase in the ratio of employees to students at public institutions, but did not deter growth at private institutions. Public institutions already experienced an earlier surge in the 1990s, when the number of staff expanded relative to the number of students (see Appendix Table 1).

Unlike many other sectors of the economy hit hard by the 2008 recession, higher education continued to add new workers. As the recession took hold, rising student enrollments—rather than a slowdown in hiring—led to the first declines in the number of employees per FTE students at public institutions since 2008. By 2012, public research universities and community colleges had 16 fewer workers for every 1,000 FTE students (a decline of 5 to 9 percent), while the number of staff per FTE student at public master's and bachelor's colleges remained unchanged compared with 2000 (see Figure 1).

Figure 1

Private institutions have added employees faster than students, while public institutions have struggled to keep pace

Average headcount employees per 1,000 FTE students, FY 2000 and FY 2012



Note: Includes graduate assistants.
Source: Delta Cost Project IPEDS Database, 1987–2010, 24-year matched set; IPEDS Fall Staff Survey, 2011.

Private colleges avoided similar declines during the 2008 recession. By 2012, they had added 15 to 26 more workers per 1,000 FTE students compared with 2000 (growing 5 to 12 percent). Many of these new private-sector hires filled part-time positions. But even after adjusting for these differences, the number of private-college employees per student still increased 3 to 5 percent, while the number of public-college employees per student declined by 3 to 12 percent (see Appendix Table 1).

Public institutions have traditionally displayed the leanest staff-to-student ratios in higher education. Research institutions (both public and private) consistently show higher relative staffing levels, which reflects the additional staff needed to run and support their research missions. Private institutions average higher staffing ratios, in part, because they tend to have more resources. Economy of scale also is a factor; in smaller private institutions, fixed administrative and overhead costs must be spread across a smaller student population.

Definitions

The faculty and staffing categories used in this report follow the federal IPEDS reporting categories and definitions.

Instructional staff

- **Full-time faculty:** Staff whose primary responsibility is instruction, research, public service, or a combination of these roles. Faculty may hold the rank of professor, associate professor, assistant professor, instructor, lecturer, or equivalent; faculty may be on tenure track, not on tenure track, or "without faculty status."
- **Part-time faculty:** Staff whose primary responsibility is instruction, research, public service, or a combination of these roles; part-time designation is determined by the institution.
- **Graduate assistants/instructors:** Students employed part time to assist with classroom or laboratory instruction, or to conduct research.

Administrative staff

- **Executive, administrative, and managerial (EAM):** Positions where work is directly related to management policies or general business operations of the university. Examples include presidents, vice presidents, managers, provosts, and deans. Assistant and associate positions (e.g., assistant deans, associate department heads) also are included if their principal activity is administration, not instruction. (Deans and department heads whose principal activity is instruction, research, or public service are classified as faculty/instructors.)
- **Professional (support and service):** Positions that provide student services, academic, or professional support and generally require a bachelor's degree. Examples include business/financial analysts, human resources staff, computer administrators, counselors, lawyers, librarians, athletic staff, and health workers.

Nonprofessional support staff

- **Technical and paraprofessional:** Positions that require specialized knowledge but provide support to professional staff. Examples include math, science, and health technicians, and paralegals.
- **Clerical and secretarial:** Examples include secretaries, administrative assistants, and office clerks.
- **Skilled crafts:** Positions that require specialized manual skills, such as plant and system operators and system engineers.
- **Service and maintenance:** Examples include police officers, food service workers, building and grounds employees, and maintenance workers.

Source: National Center for Education Statistics, 2011.

"Administrative bloat" is a rising concern across higher education, as nonfaculty staffing has grown considerably—but this growth stems largely from an increase in professional support jobs rather than high-level executives and administrators.

Managerial and Professional Jobs

The explosion of new workers attending to the noninstructional side of higher education has not gone unnoticed on college and university campuses. Although the most visible positions—such as newly hired executives, managers, and administrators—tend to draw the greatest attention, most hiring has occurred within the administrative offices they often oversee. Professional employees—such as business analysts, human resources staff, admissions staff, computer administrators, counselors, athletic staff, and health workers—are the largest group of noninstructional staff on campus.[2] These positions typically either support the business functions of colleges and universities or provide noninstructional services to students.

Professional positions increased, on average, by 2.5 to 5 percent per year between 2000 and 2012. Executive and managerial positions grew by 2.5 percent or less in public institutions; growth was faster in the private sector but still lower than for professional positions. Across most types of four-year institutions, the number of new professional jobs was second only to the number of new part-time faculty positions added during the previous decade (see Appendix Table 2).

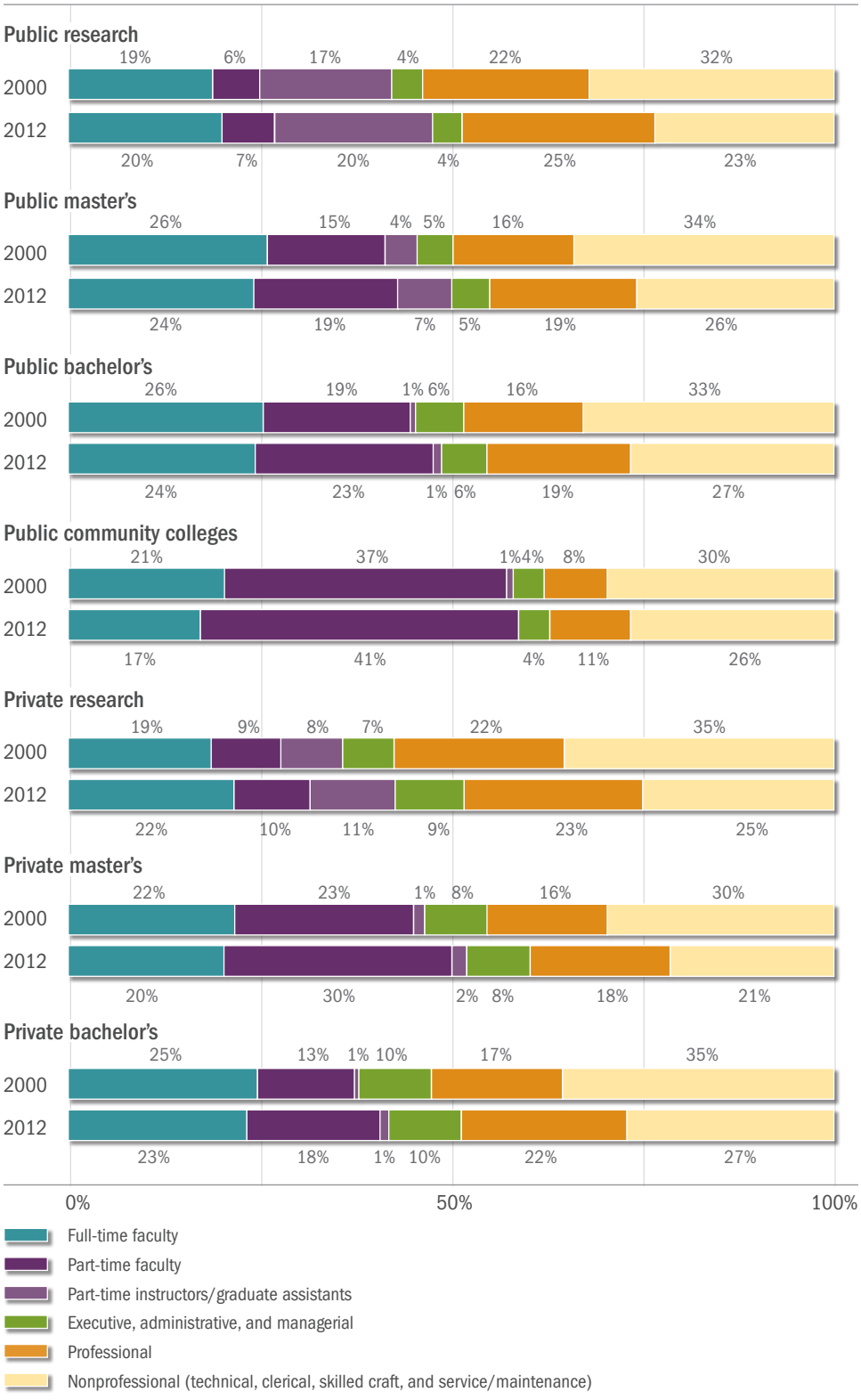
Professional workers now account for approximately 20 to 25 percent of on-campus jobs, increasing by 2 to 5 percentage points between 2000 and 2012 (except at private research institutions where increases were smaller; see Figure 2). At research institutions, professional staff even outnumbered full-time faculty. The number of professional positions has increased much faster than student enrollment—adding, on average, between 5 and 10 new positions per 1,000 FTE students at most types of four-year institutions since 2000 (outpaced only by the increase in part-time instructors; see Appendix Table 3). This represents a 10 to 18 percent increase, except at public master's and bachelor's colleges where the increase was at least double.

Executive-level positions represent a small share of jobs on campus, between 4 and 6 percent at public institutions in 2012, changing little in more than a decade (see Figure 2). Private institutions have a more substantial investment in these types of positions, but when accounting for changes in enrollments over time, only private research universities showed significant expansion. In all other sectors, executive hiring has largely kept pace with student enrollment growth since 2000 (see Figure 3 and Appendix Table 3).

Figure 2

All types of colleges and universities have added professional staff while increasing reliance on part-time faculty/instructors

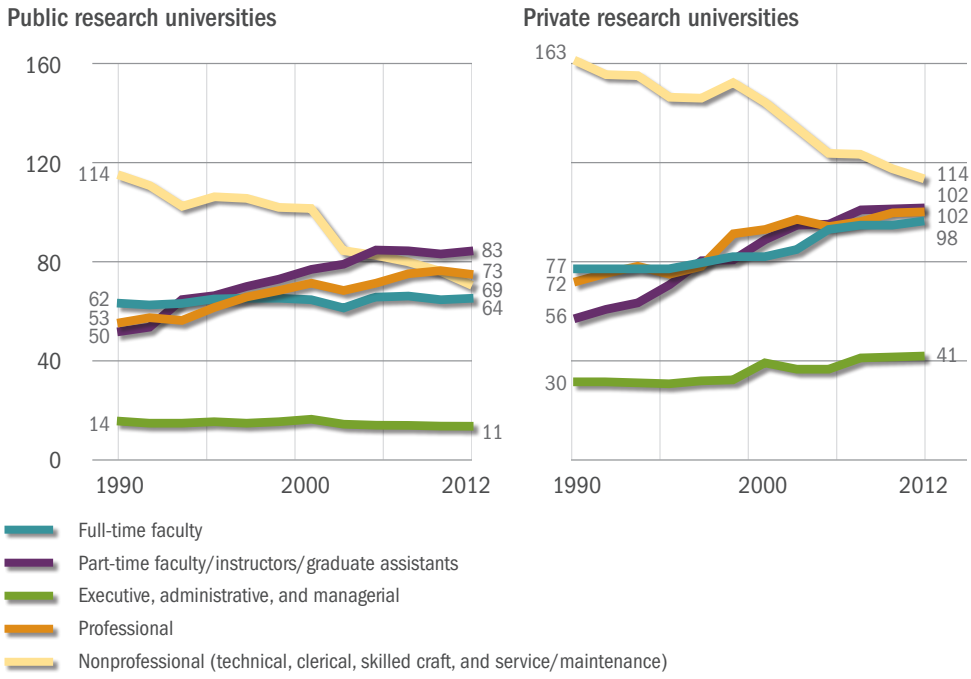
Distribution of headcount employees by type of job, FY 2000 and FY 2012



Source: Delta Cost Project IPEDS Database, 1987–2010, 11-year matched set; IPEDS Fall Staff Survey, 2011.

Figure 3 **New full-time faculty and executive positions primarily accommodated growing enrollments; only private research universities expanded these positions**

Headcount employees per 1,000 FTE students, FY 1990–FY 2012



Source: Delta Cost Project IPEDS Database, 1987–2010, 24-year matched set; IPEDS Fall Staff Survey, 2011.

Faculty Jobs

On most college campuses, the majority of workers are not teaching students. Less than half of employees at four-year, nonresearch institutions are faculty (full- or part-time), and at research institutions faculty account for only 25 to 30 percent of all jobs (see Figure 2). Although there are more faculty members on campus, most of the increase is from the growing use of part-time faculty. With the exception of research universities, the proportion of all employees who were full-time faculty declined 5 to 7 percent at four-year colleges and 16 percent at community colleges between 2000 and 2012.

Colleges and universities have continued to hire new full-time faculty members, but largely to accommodate the natural growth in student enrollment. The ratio of full-time faculty to students was steady or slightly declining in most sectors between 2000 and 2012 (see Figure 4). Only private research universities, on average, made significant investments in full-time faculty. They added 16 full-time faculty per 1,000 FTE students from 2000 to 2012 (a 19 percent increase), boosting the share of full-time faculty positions on campus.

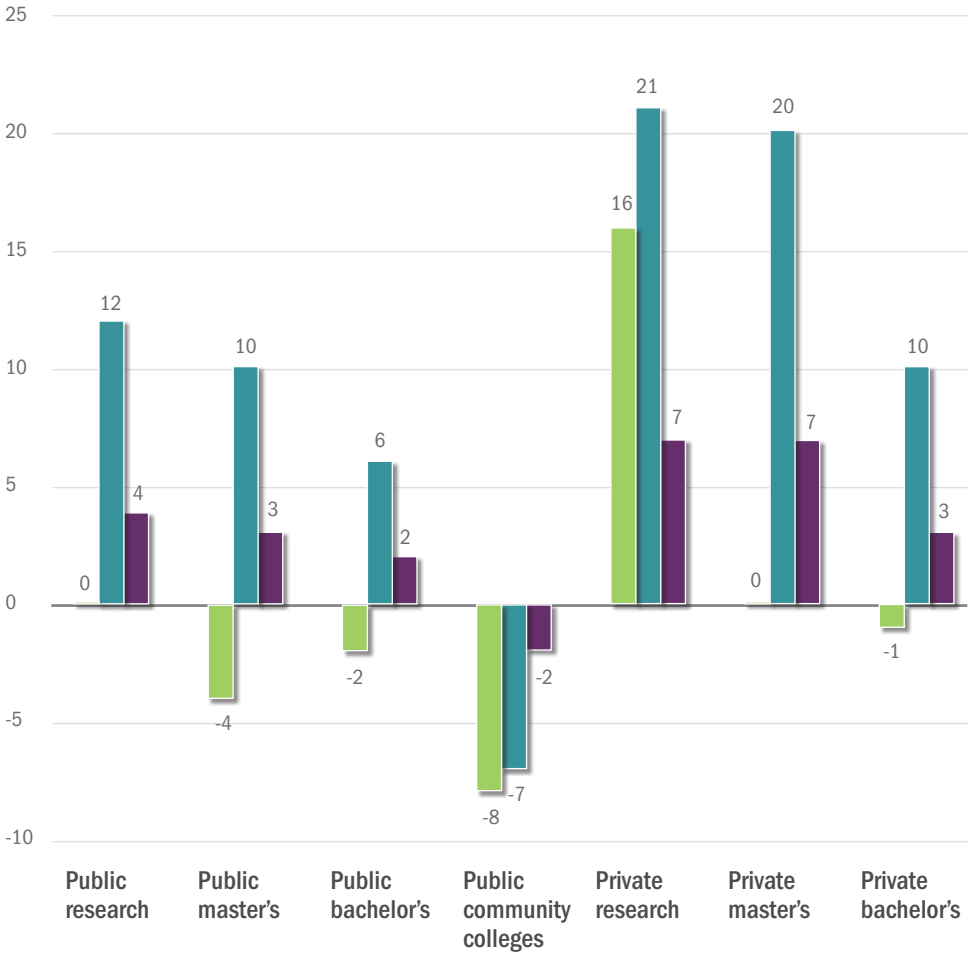
But the number of contingent faculty members is growing—even among professors with full-time appointments.[3] From 2004 to 2012, the number of full-time professors

on short-term contracts increased by 30 to 50 percent.[4] Nevertheless, the share of full-time contract faculty increased less than 1 percentage point in a decade, although shifts were larger at master's and bachelor's institutions (American Federation of Teachers, 2009; Curtis & Thornton, 2013).

Colleges and universities have continued to rely on part-time faculty to meet instructional demands while reining in costs; these part-time positions are among the fastest growing on campus. Unlike other institutions, research universities depend heavily on their graduate assistants to provide part-time instruction; public research institutions, in particular, now employ as many graduate assistants as full-time professors.[5]

Figure 4 **Part-time faculty have added instructional capacity in some sectors while substituting for full-time faculty in other sectors**

Change in average number of full- and part-time faculty per 1,000 FTE students, FY 2000–FY 2012



Source: Delta Cost Project IPEDS Database 1987–2010, 11-year matched set; IPEDS Fall Staff Survey, 2011.

Relying on part-time faculty as a cost-savings measure continues to be the largest change in the higher education employment landscape. Although the full-time, tenure-track professoriate endures, contingent workers have increasingly infiltrated its ranks.

Since 2000, four-year institutions averaged about 10 to 20 additional part-time faculty/instructors per 1,000 FTE students (see Figure 4). This represents a 15 to 25 percent increase at most types of four-year institutions, except master's colleges where growth was 35 percent. Private master's institutions have made some of their biggest investments in part-time faculty, who have become their largest group of employees, representing 30 percent of all campus workers in 2012.

Only community colleges had declines in the number of both full- and part-time faculty per FTE student between 2000 and 2012. But the number of professional positions per student continued to rise during this time, and declines in the proportion of nonprofessional jobs were smaller than at four-year institutions; community colleges appear to be protecting these jobs at the expense of faculty positions.

Although part-time professors are less expensive, concerns remain about whether they offer the same quality instruction as full-time professors or whether they adversely affect student outcomes. There is some evidence that increased reliance on part-time faculty can reduce graduation rates and persistence to the second year, particularly at comprehensive institutions (Ehrenberg & Zhang, 2005). But other research has shown that adjuncts have a positive or indifferent impact on their students' subsequent interest in those fields (Bettinger & Long, 2010; Figlio, Schapiro, & Soter, 2013).

As the number of part-time instructors grows, job security continues to erode among full-time faculty. Academics today are less likely than a decade ago to have tenure, hold a tenure-track position, or be full professors. Although tenure systems are a mainstay at research universities and public master's institutions, they have become less prevalent at other public and private institutions. The proportion of tenured faculty has declined across the board, even in sectors with nearly universal access to tenure systems. In 2012, less than half of full-time instructional staff at public and private four-year institutions held tenure, a decline of 4 to 5 percentage points since 2000 (National Center for Education Statistics, 2013a). And among full-time faculty, the share of "professors" declined by more than 4 percentage points since 2003, as adjuncts and other contingent faculty were increasingly at the lectern[6] (National Center for Education Statistics, 2007, 2013b).

Nonprofessional Jobs

As in the broader economy, the middle-skilled jobs—those providing clerical, technical, skilled craft, and service/maintenance services—represented a smaller share (about one quarter) of jobs on campus in 2012 compared with 30 to 35 percent of campus jobs more than a decade earlier.

Middle-skilled jobs continue to represent the largest group of workers on most types of campuses—exceeding the number of workers in professional or full-time faculty positions. The *number* of workers in these jobs remained fairly

The number of middle-skilled jobs is largely unchanged, but they now represent a smaller share of campus employment and serve larger numbers of staff and students—these workers continue to outnumber staff in professional positions.

steady during the decade, but they comprised a smaller *share* of jobs because of job creation elsewhere on campus.[7] As both total employment and student enrollment grow, these workers are serving greater numbers of staff and students. As in other sectors of the economy, technology has led productivity improvements in many of these types of jobs.

Balancing Hiring Between Faculty and Administrators

Amid the significant shifts in campus employment, there is tension in balancing new administrative and academic positions. And although the use of adjunct faculty is often unpopular, growing reliance on part-time faculty is more prevalent in certain types of institutions.

Full- Versus Part-Time Faculty Jobs

Public master's and bachelor's colleges, as well as community colleges that collectively serve large numbers of students at low cost, are most vulnerable to making part-time faculty substitutions. Public master's and bachelor's colleges lost between two and four full-time faculty per 1,000 FTE students from 2000 to 2012, mirroring the increase in "full-time equivalent" part-time faculty (relative to student enrollment; see Figure 4). This suggests that part-time instead of full-time faculty were hired to accommodate growing enrollments.

New part-time faculty have effectively replaced additional full-time faculty positions in education sectors with the fewest resources and neediest students; in wealthier educational sectors, however, part-time faculty have provided additional capacity.

But among their private-sector counterparts, part-time faculty have provided additional capacity rather than serving as full-time faculty replacements; these institutions added three to seven "full-time equivalent" part-time faculty per 1,000 FTE students. Public and private research institutions also have relied heavily on part-time faculty and graduate assistants to expand their teaching capacity, although the private research institutions also have invested heavily in new full-time faculty.

In those sectors adding capacity, it is unclear how these changes have affected faculty course loads. Expansion may have allowed colleges and universities to add new courses or course sections, decrease the course load of existing part-time instructors, or offload full-time faculty course loads onto part-timers.

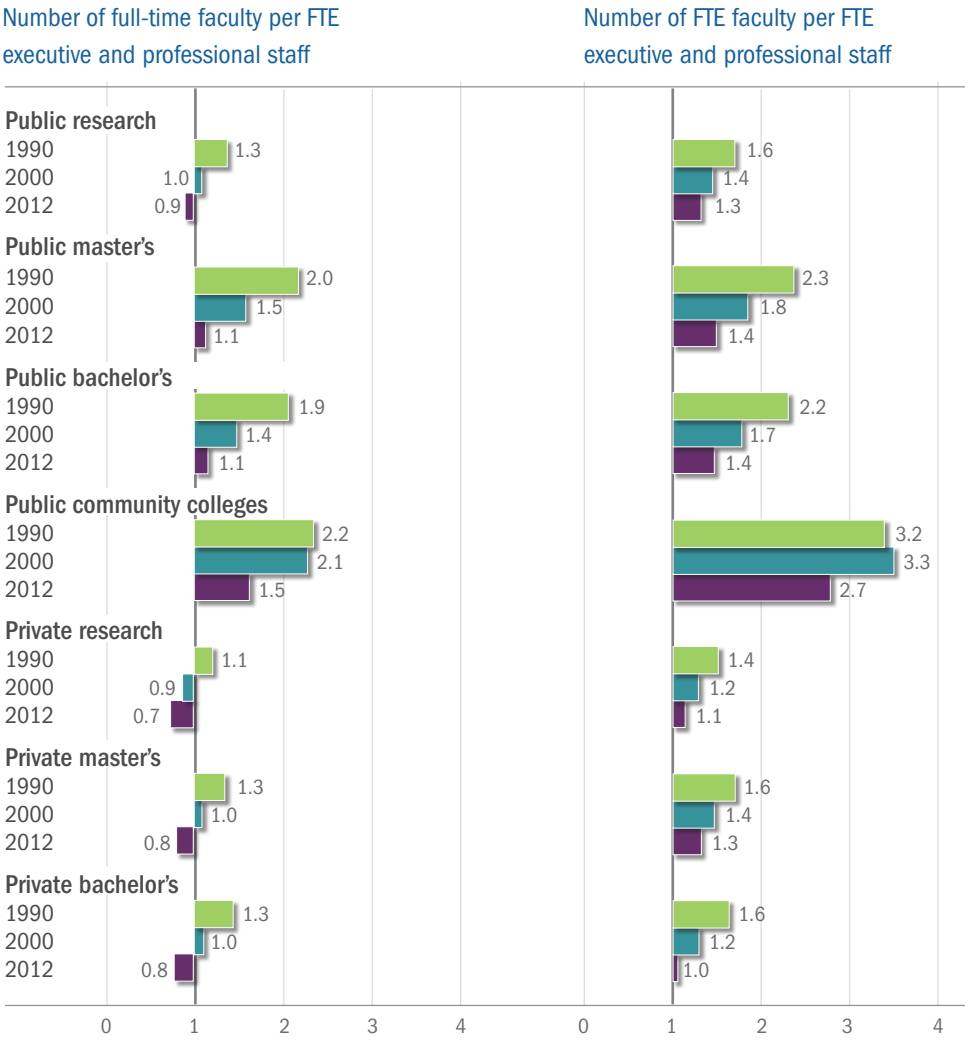
What is clear, however, is that community colleges have fared worse than four-year institutions in faculty hiring. In 2012, as their enrollments surged because of the recession, community colleges employed fewer full- *and* part-time faculty per FTE student compared with more than a decade earlier. At the same time, the proportion of full-time community college faculty dropped sharply as the schools increasingly employed more—but not necessarily enough—part-time instructors.

Faculty Versus Administrator Jobs

Growing numbers of administrative positions (executive and professional) and changes in faculty composition represent long-standing trends. The shifting balance among these positions has played out steadily over time in favor of administrators, and it is unclear when a tipping point may be near. Whether this administrative growth constitutes unnecessary "bloat" or is justified as part of the complexities involved in running a modern-day university remains up for debate.

Back in 1990, all types of public and private colleges and universities averaged more full-time faculty positions than administrative positions (see Figure 5a). Public nonresearch institutions in 1990 averaged roughly twice as many full-time faculty as administrators—more than 20 years later, the two were almost equal.

Figure 5a | **The number of faculty per administrator has declined across higher education**



Note: "FTE" is full-time equivalent; FTE faculty includes research assistants.
Source: Delta Cost Project IPEDS Database, 1987–2010, 24-year matched set; IPEDS Fall Staff Survey, 2011.

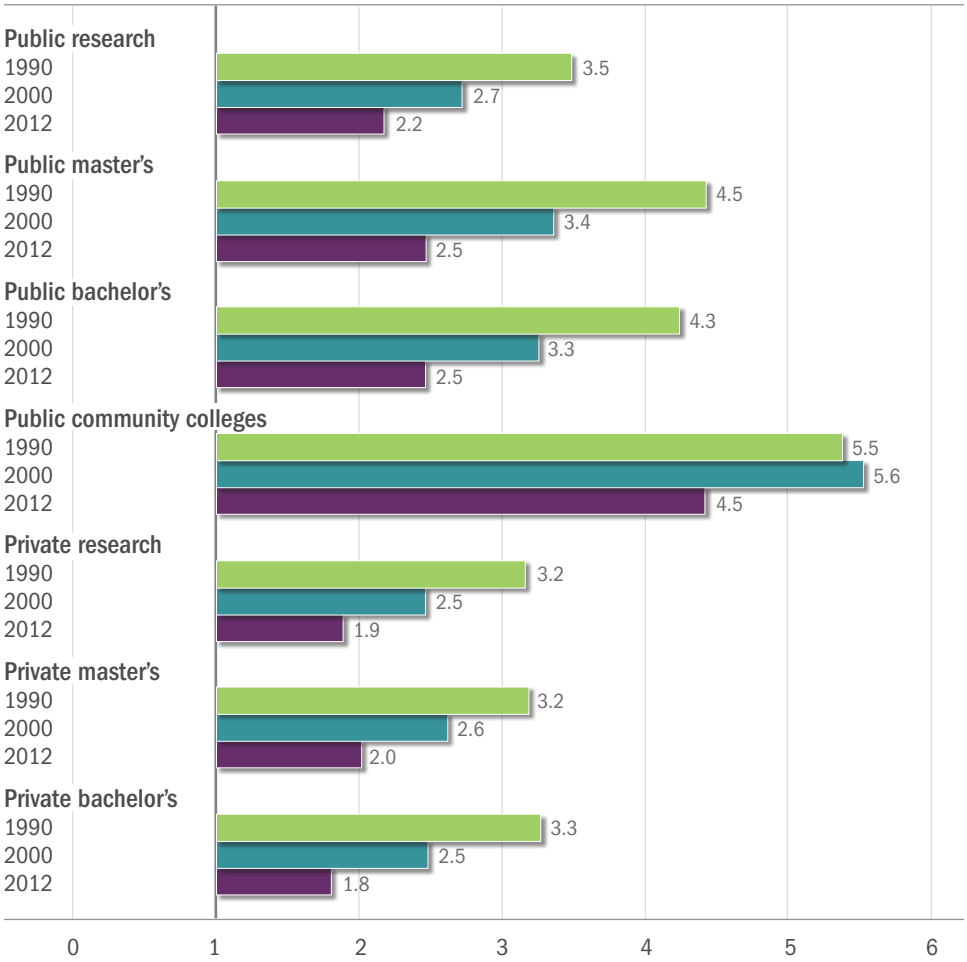
By 2012, the pendulum had swung at private nonprofit colleges and public research universities, which averaged less than one full-time faculty member (.75 to .90) for every administrator.

However, the rapid growth in part-time faculty during the past two decades has expanded the total number of "full-time equivalent" faculty. The pendulum has swung back, showing there were between 1 and 1.5 full-time equivalent faculty members per administrator at public four-year institutions.

A comprehensive look at all campus employment also shows the familiar shift toward administrative positions (see Figure 5b). There were at least three times as many FTE faculty and staff for every administrative position in 1990. By 2012, this figure had declined by roughly 40 percent, to an average of 2.2 to 2.5 faculty and staff per administrator at public institutions, and two or fewer faculty and staff positions per administrator at private institutions.

Figure 5b | The number of faculty and staff per administrator has declined across higher education

Number of FTE faculty and staff per FTE executive and professional staff



Note: "FTE" is full-time equivalent; FTE faculty includes research assistants.
Source: Delta Cost Project IPEDS Database, 1987–2010, 24-year matched set; IPEDS Fall Staff Survey, 2011.

The growth in nonfaculty positions—whether justifiable or excess "bloat"—is not a recent occurrence, but represents a continuing trend toward jobs that provide business services or noninstructional student services.

A number of explanations have been advanced for the growth in campus administrators. Chief among them is the rise in government mandates, followed by oversight of more complex administrative requirements (e.g., information technology, enhanced student services), redefined faculty and administrator responsibilities, reliance on fundraising revenues and the staff to generate them, and simply expanding bureaucratic fiefdoms (Leslie & Rhoades, 1995; Greene et al., 2010; Archibald & Feldman, 2008; Ginsburg, 2011b; Martin & Carter Hill, 2013). Regardless of the reason—whether justified or not—college administrators have assumed a much larger presence on college campuses than ever before.

Staff Compensation and Spending

Spending on employee compensation—salaries and benefits—is a major component of higher education costs. Although higher education's primary mission is teaching, faculty compensation represents only about one half of total compensation costs. Full-time faculty salaries have grown little in recent years, making them an unlikely culprit behind rising higher education costs. Other personnel costs, including employee benefits and compensation for staff providing noninstructional services, have grown faster. Although reliance on adjunct faculty has held down instructional costs, it has not been enough to offset these other costs.

Despite increased spending by colleges and universities, compensation costs generally have not consumed a larger share of institutional budgets.

Total Compensation

Colleges and universities devote an average of 60 to 70 percent of their total spending (excluding auxiliaries, hospitals, and other independent operations)[8] to employee compensation; instructional faculty and staff account for about half of those compensation costs. Despite rising expenditures since 2002,[9] the proportion of spending dedicated to compensation remained steady across most types of institutions, with noticeable increases only in the private master's and bachelor's colleges. Although changes in data collection prevent direct comparisons with earlier years, trends in the 1990s show that the compensation share and instructional share of compensation both declined as a share of total spending during this time. Although this appears at odds with the overall staffing trends (which showed growth across both decades, accelerating during the 2000s), a shift in the composition of jobs appears to have saved money during the 1990s, but the uptick in hiring during the 2000s eventually offset any cost savings.[10]

Faculty salaries are an unlikely cause of rising spending and tuitions in higher education; rather, cost-shifting and spending on noninstructional services have led to the increases.

Faculty Salaries

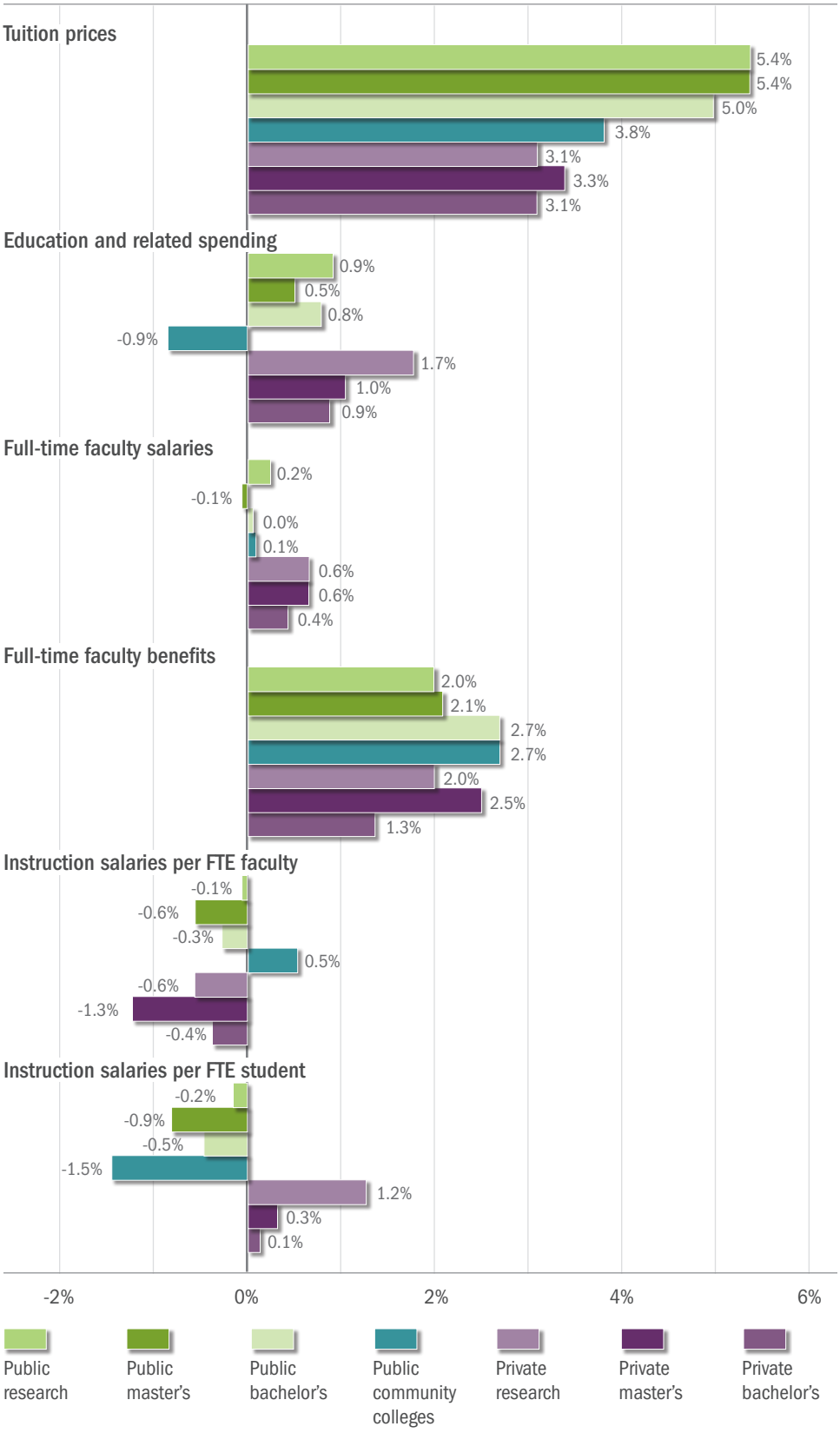
Despite public perceptions, there is little evidence that faculty salaries are the leading cause of rising spending or tuition costs in higher education. Education and related (E&R) spending[11]—the core measure of spending on academics (which includes instruction, student services, and a portion of overhead expenses)—increased at an inflation-adjusted, annual rate of roughly 1 percent or less per year at public four-year institutions during much of the past decade (see Figure 6). But various measures of spending on instruction show much slower growth: Average salary expenditures for full-time faculty increased a mere 0.2 percent per year since 2002 at public research institutions and were essentially flat elsewhere in the public sector. Instructional salary outlays per FTE faculty member (and per FTE student) generally declined. Although average full-time salary outlays grew slightly faster at private nonprofit institutions, they grew slower than overall E&R spending.[12]

Other salary surveys also have shown that the salaries of full-time faculty were essentially flat during the last decade after adjusting for inflation (Clery, 2013; Curtis & Thornton, 2013). But there are critical distinctions within the full-time faculty ranks, and not all have fared equally well. Established professors earned higher salaries—averaging $60,000 to $100,000 in 2012 depending on rank—and enjoyed larger salary increases than other faculty members during the past decade (Clery, 2013; College and University Professional Association for Human Resources, 2013a). The growing number of full-time—but non-tenure-track—faculty earned significantly less ($47,500, on average) than established professors and have not enjoyed the same salary increases over time (Curtis & Thornton, 2013; Clery, 2013). Most salary savings come from adjunct faculty who earn, on average, $2,700 per course, which for a full eight-course load over a year would pay just more than $21,000, without benefits.[13]

Looking beyond faculty salaries, prior analyses by the Delta Cost Project have shown that tuition prices grew much faster than E&R spending (and faculty salaries) because of declining revenues, particularly state appropriations in the public sector.[14] Institutions have increasingly relied on tuition dollars to offset declining institutional subsidies[15] and pay for modest spending increases; students now cover a much larger share of their educational costs than ever before.

Figure 6 Expenditures for academic functions and faculty salaries have not increased as fast as tuition prices

Average annual percent change across various spending measures, FY 2002–FY 2010



Note: Data show change in inflation-adjusted dollars.
Source: Delta Cost Project IPEDS Database, 1987–2010, 11-year matched set; IPEDS Fall Staff and Salary Survey, 2001 and 2009.

Growing personnel expenditures within student services suggest that some of the "administrative bloat" reflects widespread investments in midlevel professionals providing noninstructional student assistance; some sectors, including research universities, also have increased spending on institutional support staff.

Wage and Salary Expenses Within Spending Categories

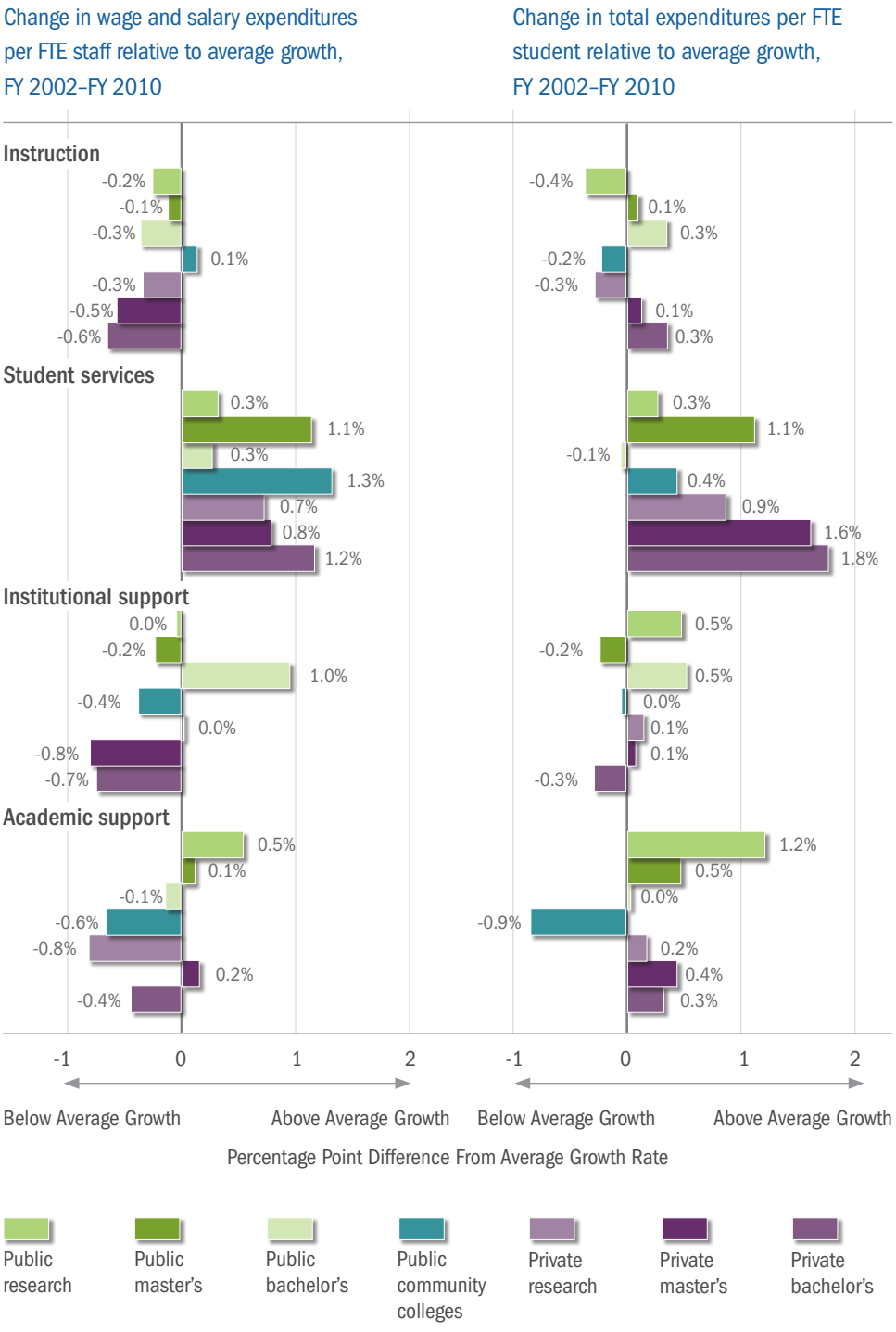
The many new professional positions that colleges and universities have added in recent decades provide support across a variety of university functions, including noninstructional academic support, general institutional support, and student services unrelated to instruction.[16] The limits of federal data collection prevent direct mapping between staff and spending categories, but trends in wage and salary expenditures during this time suggest that many new hires may be providing student-related services rather than just broad institutional support—particularly in private, nonresearch institutions.

Because student services is a broad category that includes a variety of activities—from recruitment, admissions, financial aid, and registrars, to student counseling, student organizations, and athletics—it is difficult to precisely determine the types of services that student support workers provide. But many student-related activities (ranging from course and career guidance to disciplinary actions) that were previously under the purview of faculty have been centralized, to free up faculty time and standardize the types and quality of services provided. Investments that directly support student success are wise if they lead to improved learning and degree outcomes.

Surveys that collect more detailed data on professional staff salaries show that these jobs typically pay less than full-time faculty positions (which reflect nine-month contracts). Median salaries for professional workers generally ranged between $55,000 and $60,000 in fiscal year 2013 and were quite similar across expenditure categories. New student services positions typically pay around $55,000—less than full-time professor positions, but significantly more than adjunct faculty appointments (College and University Professional Association for Human Resources, 2013b).

Wage and salary expenditures for student services (standardized by *total* FTE employment) increased faster than average wages and salaries across all types of institutions (see Figure 7 and Appendix Table 4). Although student service expenditures are not large compared with other expenditure categories, the increase is notable for its consistency and because salary expenditures per FTE staff in most other spending categories (including institutional and academic support where many other managerial and professional positions are located) grew slower than average at public master's and bachelor's colleges. Public research institutions, however, showed widespread increases across categories,

Figure 7 | Wage and salary expenditures for student services have grown faster than other spending categories



Note: Wage and salary expenditure categories were normalized using total FTE staff (excluding research assistants) because staffing data for each individual category are unavailable. Growth rates reflect the average annual percent change.
Source: Delta Cost Project IPEDS Database, 1987–2010; 11-year matched set.

Rising benefits costs remain a concern across all types of colleges and universities, and have emerged as the primary driver of increased compensation costs.

suggesting that their new professional staffs may have been broadly deployed. Only public and private research institutions and private bachelor's institutions showed larger new dollar investments in institutional support than in student services.

The relative growth in student services is not to downplay the role of other campus support functions in institutional cost increases. In previous Delta Cost Project reports, analyses that capture *all* spending showed above-average spending across campus support functions (student services, institutional and academic support; see Figure 8). This broader analyses captured not only wages and salaries, but also rising benefits costs and other noncompensation spending (e.g., computer and office equipment/supplies, library acquisitions, travel expenses), which together contributed to spending increases in each category.

Salaries, Benefits, and Compensation

As in other industries, benefits costs—including medical and dental plans, retirement contributions, Social Security and unemployment insurance taxes, life and disability insurance plans, and tuition and housing benefits—are rising rapidly across all sectors of higher education. Benefits paid to full-time faculty accounted for 21 to 23 percent of total compensation in 2010, rising more than 2 percentage points since 2002[17]; average benefits expenditures grew by more than 2 percent per year in most sectors, contributing to this increase[18] (see Figure 8).

However, there is conflicting evidence on whether benefits costs are rising at similarly rapid rates at public and private institutions. Measures of overall benefits expenditures for colleges and universities show that the benefits share of costs is higher at public institutions (23 to 24 percent versus 20 percent at private institutions) and also is growing much faster. But, by any measure, benefits costs are growing across all institutions and account for a rising share of compensation costs.

Although public-sector college and university benefits packages are typically more generous than those in the private sector, public institutions are less free to manage these costs, which are treated as "fixed" costs within the state budget and often are set by the state, not the institutions. Universities have managed to control some of their benefits costs by relying on part-time faculty positions, which usually do not come with benefits. Although this improves the financial picture for universities, it is at the expense of workers.

Figure 8 | **Benefits costs are driving increases in overall compensation costs, FY 2002–FY 2010**

Annual percent change in compensation measures, FY 2002–FY 2010

	Full-time Faculty Salaries	Full-time Faculty Benefits	Salary Outlay per FTE Employee	Benefit Outlay per Full-time Employee	Compensation per FTE Employee	Compensation per FTE Student
Public research	0.2%	2.0%	1.2%	4.2%	1.8%	1.1%
Public master's	-0.1%	2.1%	-0.1%	3.7%	0.7%	0.1%
Public bachelor's	0.0%	2.7%	0.3%	4.5%	1.2%	0.7%
Public community college	0.1%	2.7%	0.8%	4.3%	1.5%	-0.9%
Private research	0.6%	2.0%	0.6%	2.3%	1.0%	1.9%
Private master's	0.6%	2.5%	0.3%	2.5%	0.6%	0.9%
Private bachelor's	0.4%	1.3%	0.2%	1.3%	0.4%	0.7%

Note: All data were converted to 2010 dollars before the percent change was calculated. Salary and compensation outlays are reported per full-time equivalent (FTE) employee, but most part-time faculty/staff are not eligible for benefits, so benefit outlays are shown per full-time employee. Per FTE employee calculations exclude part-time graduate assistants/instructors.
Source: Delta Cost Project IPEDS database, 1987–2010, 11-year matched set; IPEDS Fall Staff and Salary Surveys, 2001 and 2009.

Total Compensation Costs per Employee and per Student

Reliance on part-time faculty has helped constrain institutional spending, but rising benefits costs and new hiring elsewhere on campus have offset these cost savings and contributed to rising costs per student across higher education institutions.

Total compensation costs per employee have continued to rise in public institutions, as increasing benefits expenses have offset savings gained by holding salary costs down (see Figure 8). Private institutions, however, have further limited growth in total compensation per employee with smaller benefit-cost increases and staffing shifts to keep increases in overall salary expenditures per employee low.

Employee compensation costs *per student* have increased across most four-year sectors, with declines at community colleges. Although private institutions had modest increases in compensation *per employee*, compensation costs grew somewhat faster per FTE student as hiring outpaced student enrollment increases. At public four-year institutions, compensation increased both on a per-employee and per-student basis, although staffing shifts and increases in student enrollments softened the per-student cost increases. Despite efforts to control staff costs, if the volume and/or cost of new hires outpace(s) student enrollments, employee compensation costs per student will continue to rise.

Conclusion

For more than a decade, colleges and universities have tried to manage costs by increasingly relying on part-time instructors. Wealthier institutions—such as research universities and private colleges—have been able to add instructional capacity at lower cost by hiring part-time faculty, while public nonresearch colleges have relied on these less-expensive instructors at the expense of full-time faculty. But at the same time, institutions have added new, nonfaculty professionals whose salary and benefits packages tend to be higher than those of part-time instructors (but less than full professors). Many of these new positions appear to be providing student services, but whether they represent justifiable expenses or unnecessary "bloat" is up for debate.

With benefits costs—rather than salaries—driving much of the increase in overall compensation costs, hiring part-time instructors has been the most common approach to trimming faculty compensation costs. However, as colleges have hired additional professional staff, they have eliminated much of the cost savings from using part-time instructors, although, for the most part, these shifts still limited increases in overall salary costs per employee (except at public research universities). Higher benefits costs, rather than rising salaries, led to moderate increases in overall compensation costs.

Although private institutions were more successful than public institutions in controlling compensation costs per employee (in part, because benefits represent a smaller portion of their overall compensation packages), their compensation costs increased slightly faster when measured against student enrollment because new employee hiring outpaced growth in student enrollment. But in public institutions, rising student enrollments meant that compensation costs per student grew more slowly than compensation costs per employee, although institutions will still need to tackle rising benefits expenditures to control future costs.

There is no single, smoking gun responsible for rising higher education prices. Even though compensation costs have risen modestly across the higher education sector, these increases emanated from the combined effects of controlling full-time faculty costs, rising benefits costs, and hiring patterns that favor noninstructional professional positions, while offsetting the cost savings from using more part-time faculty. Although compensation is a major component of higher education costs, other noncompensation expenses and the decline of institutional subsidies, which shifted more costs onto students, also have contributed to rising costs and tuitions.

Appendix Table 1

Average headcount and full-time equivalent (FTE) employees per 1,000 FTE students, 1990–2012

					Absolute Change			Percent Change		
	1990	2000	2010	2012	1990–2000	2000–2012	1990–2012	1990–2000	2000–2012	1990–2012
Headcount employees per 1,000 FTE students										
Public research	291	317	307	301	26	-16	10	8.9%	-5.1%	3.4%
Public master's	159	172	172	172	14	0	14	8.7%	-0.1%	8.6%
Public bachelor's	166	184	183	184	18	1	18	10.8%	0.3%	11.1%
Public community colleges	174	191	170	175	17	-16	1	9.8%	-8.5%	0.5%
Private research	394	434	456	456	41	22	63	10.3%	5.1%	15.9%
Private master's	218	216	237	243	-2	26	24	-0.9%	12.2%	11.2%
Private bachelor's	255	262	274	277	6	15	21	2.4%	5.7%	8.3%
Full-time equivalent (FTE) employees per 1,000 FTE students										
Public research	244	251	240	234	6	-17	-10	2.6%	-6.7%	-4.2%
Public master's	138	145	142	140	7	-6	2	5.1%	-3.9%	1.1%
Public bachelor's	142	154	150	150	13	-4	8	8.9%	-2.7%	5.9%
Public community colleges	123	130	112	115	8	-16	-8	6.1%	-11.9%	-6.5%
Private research	333	352	369	370	19	18	37	5.9%	5.1%	11.3%
Private master's	173	170	175	179	-2	9	6	-1.4%	5.2%	3.7%
Private bachelor's	217	219	223	224	2	6	7	0.7%	2.6%	3.4%

Note: Includes graduate assistants.
Source: Delta Cost Project IPEDS Database, 1987–2010; 24-year matched set; IPEDS Fall Staff Survey, 2011.

Appendix Table 2 | Number of employees by job classification, 1990–2012

					Absolute Change			Percent Change		
	1990	2000	2010	2012	1990–2000	2000–2012	1990–2012	1990–2000	2000–2012	1990–2012
Public research										
Total headcount employees	910,234	1,026,059	1,211,852	1,225,456	115,825	199,397	315,222	12.7%	19.4%	34.6%
Full-time faculty	178,645	196,437	236,088	248,394	17,792	51,957	69,749	10.0%	26.4%	39.0%
Part-time faculty	155,100	236,701	320,487	334,022	81,601	97,321	178,922	52.6%	41.1%	115.4%
Part-time faculty	42,100	60,783	79,274	85,941	18,683	25,158	43,841	44.4%	41.4%	104.1%
Part-time instructors/ Graduate assistants	113,000	175,918	241,213	248,081	62,918	72,163	135,081	55.7%	41.0%	119.5%
Executive, administrative, and managerial	41,847	41,539	50,659	50,868	(308)	9,329	9,021	-0.7%	22.5%	21.6%
Professional	179,168	224,544	306,009	307,060	45,376	82,516	127,892	25.3%	36.7%	71.4%
Nonprofessional	355,474	326,838	298,609	285,112	(28,636)	(41,726)	(70,362)	-8.1%	-12.8%	-19.8%
Public master's										
Total headcount employees	250,681	294,197	364,316	371,212	43,516	77,015	120,531	17.4%	26.2%	48.1%
Full-time faculty	76,037	76,823	89,586	89,903	786	13,080	13,866	1.0%	17.0%	18.2%
Part-time faculty	38,380	57,386	87,962	96,352	19,006	38,966	57,972	49.5%	67.9%	151.0%
Executive, administrative, and managerial	14,412	14,562	18,107	18,049	150	3,487	3,637	1.0%	23.9%	25.2%
Professional	28,103	45,410	69,742	71,555	17,307	26,145	43,452	61.6%	57.6%	154.6%
Nonprofessional	93,749	100,016	98,919	95,353	6,267	(4,663)	1,604	6.7%	-4.7%	1.7%
Public bachelor's										
Total headcount employees	30,951	38,307	49,259	50,860	7,356	12,553	19,909	23.8%	32.8%	64.3%
Full-time faculty	9,047	9,741	12,038	12,489	694	2,748	3,442	7.7%	28.2%	38.0%
Part-time faculty	4,888	7,638	11,624	12,483	2,750	4,845	7,595	56.3%	63.4%	155.4%
Executive, administrative, and managerial	2,116	2,414	3,103	3,123	298	709	1,007	14.1%	29.4%	47.6%
Professional	3,627	6,040	8,908	9,509	2,413	3,469	5,882	66.5%	57.4%	162.2%
Nonprofessional	11,273	12,474	13,586	13,256	1,201	782	1,983	10.7%	6.3%	17.6%
Public community colleges										
Total headcount employees	347,491	425,612	576,196	588,370	78,121	162,758	240,879	22.5%	38.2%	69.3%
Full-time faculty	76,512	86,336	99,208	100,563	9,824	14,227	24,051	12.8%	16.5%	31.4%
Part-time faculty	123,809	158,617	237,293	244,428	34,808	85,811	120,619	28.1%	54.1%	97.4%
Executive, administrative, and managerial	16,135	17,831	24,152	24,012	1,696	6,181	7,877	10.5%	34.7%	48.8%
Professional	25,681	36,056	60,016	63,804	10,375	27,748	38,123	40.4%	77.0%	148.4%
Nonprofessional	105,354	126,772	155,527	155,563	21,418	28,791	50,209	20.3%	22.7%	47.7%

					Absolute Change			Percent Change		
	1990	2000	2010	2012	1990–2000	2000–2012	1990–2012	1990–2000	2000–2012	1990–2012
Private research										
Total headcount employees	343,203	401,370	505,728	524,957	58,167	123,587	181,754	16.9%	30.8%	53.0%
Full-time faculty	62,261	74,030	107,401	113,610	11,769	39,580	51,349	18.9%	53.5%	82.5%
Part-time faculty	49,009	69,195	105,175	110,664	20,186	41,469	61,655	41.2%	59.9%	125.8%
Part-time faculty	33,266	37,289	49,386	52,158	4,023	14,869	18,892	12.1%	39.9%	56.8%
Part-time instructors/ Graduate assistants	15,743	31,906	55,789	58,506	16,163	26,600	42,763	102.7%	83.4%	271.6%
Executive, administrative, and managerial	24,711	27,874	45,306	47,855	3,163	19,981	23,144	12.8%	71.7%	93.7%
Professional	64,287	89,367	116,720	122,630	25,080	33,263	58,343	39.0%	37.2%	90.8%
Nonprofessional	142,935	140,904	131,126	130,198	(2,031)	(10,706)	(12,737)	-1.4%	-7.6%	-8.9%
Private master's										
Total headcount employees	131,293	159,339	232,669	241,134	28,046	81,795	109,841	21.4%	51.3%	83.7%
Full-time faculty	31,010	35,046	45,431	49,033	4,036	13,987	18,023	13.0%	39.9%	58.1%
Part-time faculty	25,587	38,335	75,567	76,494	12,748	38,159	50,907	49.8%	99.5%	199.0%
Executive, administrative, and managerial	11,184	13,412	19,695	20,427	2,228	7,015	9,243	19.9%	52.3%	82.6%
Professional	17,709	25,077	40,696	44,362	7,368	19,285	26,653	41.6%	76.9%	150.5%
Nonprofessional	45,803	47,469	51,280	50,818	1,666	3,349	5,015	3.6%	7.1%	10.9%
Private bachelor's										
Total headcount employees	125,545	143,683	181,641	187,551	18,138	43,868	62,006	14.4%	30.5%	49.4%
Full-time faculty	32,537	35,634	42,703	43,849	3,097	8,215	11,312	9.5%	23.1%	34.8%
Part-time faculty	13,368	18,912	31,383	33,996	5,544	15,084	20,628	41.5%	79.8%	154.3%
Executive, administrative, and managerial	11,823	13,574	17,881	18,293	1,751	4,719	6,470	14.8%	34.8%	54.7%
Professional	15,594	24,738	38,761	41,140	9,144	16,402	25,546	58.6%	66.3%	163.8%
Nonprofessional	52,223	50,825	50,913	50,273	(1,398)	(552)	(1,950)	-2.7%	-1.1%	-3.7%

Source: Delta Cost Project IPEDS Database, 1987–2010; 24-year matched set; IPEDS Fall Staff Survey, 2011.

Appendix Table 3

Average number of employees per 1,000 full-time equivalent (FTE) students, by job classification, 1990–2012

					Absolute Change			Percent Change		
	1990	2000	2010	2012	1990–2000	2000–2012	1990–2012	1990–2000	2000–2012	1990–2012
Public research										
Full-time faculty	62	64	63	64	2	0	2	3.5%	0.0%	3.5%
Part-time faculty	50	72	82	83	22	12	33	43.2%	16.1%	66.2%
Part-time faculty	15	19	21	23	5	3	8	30.6%	16.2%	51.7%
Part-time instructors/ Graduate assistants	43	60	62	62	18	1	19	41.4%	2.5%	44.9%
Executive, administrative, and managerial	14	13	12	11	-1	-2	-2	-4.7%	-12.9%	-17.1%
Professional	53	67	75	73	14	6	20	27.0%	8.6%	37.9%
Nonprofessional	114	101	75	69	-13	-32	-45	-11.1%	-31.8%	-39.4%
Public master's										
Full-time faculty	48	47	44	43	-1	-4	-5	-1.8%	-8.8%	-10.4%
Part-time faculty	21	29	37	40	8	10	19	39.7%	34.8%	88.3%
Executive, administrative, and managerial	11	10	9	9	-1	-1	-1	-5.3%	-8.7%	-13.5%
Professional	18	28	35	36	9	8	17	51.1%	28.7%	94.5%
Nonprofessional	62	60	48	45	-2	-15	-17	-3.4%	-24.7%	-27.3%
Public bachelor's										
Full-time faculty	48	48	46	46	1	-2	-1	1.2%	-4.2%	-3.0%
Part-time faculty	23	31	36	37	8	6	14	35.9%	19.8%	62.7%
Executive, administrative, and managerial	12	13	14	14	1	0	1	6.6%	3.5%	10.3%
Professional	20	30	35	35	10	5	15	49.1%	15.3%	71.8%
Nonprofessional	65	64	53	52	-1	-13	-13	-0.9%	-19.6%	-20.3%
Public community colleges										
Full-time faculty	40	39	31	31	-1	-8	-9	-3.1%	-19.8%	-22.3%
Part-time faculty	65	76	67	69	11	-7	4	16.4%	-9.3%	5.6%
Executive, administrative, and managerial	10	10	8	8	0	-1	-1	0.6%	-15.6%	-15.1%
Professional	14	19	21	22	4	3	8	30.6%	18.1%	54.2%
Nonprofessional	51	55	45	45	5	-10	-6	9.4%	-18.8%	-11.2%

					Absolute Change			Percent Change		
	1990	2000	2010	2012	1990–2000	2000–2012	1990–2012	1990–2000	2000–2012	1990–2012
Private research										
Full-time faculty	77	82	96	98	5	16	21	6.7%	19.4%	27.5%
Part-time faculty	56	81	102	102	25	21	46	43.9%	26.1%	81.4%
Part-time faculty	42	49	52	53	8	4	12	18.1%	8.2%	27.8%
Part-time instructors/ Graduate assistants	29	50	60	56	20	7	27	68.3%	13.7%	91.3%
Executive, administrative, and managerial	30	32	40	41	2	9	11	6.9%	28.8%	37.7%
Professional	72	92	100	102	20	10	30	28.3%	10.8%	42.2%
Nonprofessional	163	154	118	114	-9	-40	-49	-5.7%	-26.0%	-30.2%
Private master's										
Full-time faculty	52	49	47	49	-3	0	-3	-5.8%	-0.9%	-6.6%
Part-time faculty	50	58	76	78	8	20	28	15.8%	35.5%	56.9%
Executive, administrative, and managerial	20	20	21	21	1	1	2	3.8%	4.7%	8.7%
Professional	30	35	44	46	5	11	16	17.0%	30.4%	52.6%
Nonprofessional	74	63	50	48	-11	-15	-26	-14.6%	-23.5%	-34.7%
Private bachelor's										
Full-time faculty	65	65	64	64	0	-1	-1	-0.7%	-1.1%	-1.7%
Part-time faculty	33	41	47	51	8	10	18	25.7%	23.2%	54.9%
Executive, administrative, and managerial	26	26	28	28	1	2	2	2.3%	5.7%	8.1%
Professional	34	47	61	64	12	17	29	35.8%	36.0%	84.8%
Nonprofessional	103	88	74	71	-15	-17	-31	-14.2%	-19.0%	-30.5%

Source: Delta Cost Project IPEDS Database, 1987–2010; 24-year matched set; IPEDS Fall Staff Survey, 2011.

Appendix Table 4 | Change in wage and salary expenditures per total FTE staff, FY 2002–FY 2010

	Public research	Public master's	Public bachelor's	Public community colleges	Private research	Private master's	Private bachelor's
Average annual percent change (above average changes shown in bold)							
Total	0.8%	-0.2%	0.2%	0.6%	0.9%	0.4%	0.5%
Instruction	0.5%	-0.3%	-0.1%	**0.8%**	0.6%	-0.1%	-0.2%
Research	**1.9%**	-0.9%	**4.4%**	---	-0.4%	**0.7%**	0.3%
Public service	-0.1%	-0.4%	-2.9%	0.3%	-4.0%	-3.0%	-2.2%
Academic support	**1.3%**	**-0.1%**	0.1%	0.0%	0.1%	**0.6%**	0.0%
Institutional support	0.7%	-0.4%	**1.2%**	0.3%	0.9%	-0.3%	-0.3%
Student services	**1.1%**	**0.9%**	**0.5%**	**2.0%**	**1.6%**	**1.2%**	**1.6%**
Operations and maintenance	0.2%	**0.5%**	**1.7%**	0.6%	**3.1%**	-0.1%	-0.7%

Note: All of the expenditure categories were standardized using total FTE staff (excluding research assistants); staffing data for each expenditure category are unavailable. Data were adjusted for inflation before percent change was calculated.
Source: Delta Cost Project IPEDS Database, 1987–2010; 11-year matched set.

Endnotes

1 Increase reflects the change in inflation-adjusted tuition and fees between 1990–91 and 2012–13 (The College Board, 2012).

2 Although athletic staff are included within the professional staff category and the rise in athletic spending is well documented, it is unlikely that this is driving the increase in these types of staff positions. Growth in professional jobs is widespread across all sectors, including those with little or no presence in highly competitive college sports (see Desrochers, 2013).

3 Most contingent faculty members are part time, but about 15 percent of all faculty/instructors hold full-time, non-tenure-track appointments (American Federation of Teachers, 2009).

4 Among full-time faculty only, the share of non-tenure-track professors increased about 3 percentage points between 2004 and 2012. By 2012, these non-tenure-track positions represented more than one third of assistant professors, 18 percent of associate professors, and 12 percent of full professors (American Federation of Teachers, 2013).

5 It is difficult to determine how many graduate assistants are instructors and how many are serving as teaching or research assistants. But given the small share of part-time faculty (relative to total faculty) at research institutions compared with nonresearch institutions, a significant number of graduate assistants are likely providing instruction.

6 "Professors" include full professors, associate professors, and assistant professors. Lecturers and other faculty are full-time instructors who do not hold appointments as professors.

7 Clerical job cuts are evident in the research sectors.

8 Total "education and general" (E&G) spending captures the majority of expenditures in higher education, including spending on instruction, research, public service, student services, institutional support, academic support, operations and maintenance, and net scholarships and fellowships. Spending on auxiliary services, such as dining halls and bookstores, hospitals, and other independent operations, is excluded.

9 Across public institutions, average E&G spending per FTE student declined after the 2001 recession and then began to rebound in the middle of the decade.

10 During the 1990s, slower overall employment growth was comprised of rapid growth in cost-saving part-time positions and less rapid growth in more expensive professional positions, which may have resulted in a net cost savings. During the 2000s, when overall employment growth increased, the expanded growth in part-time positions may no longer have been enough to offset the more moderate (but still expanded) growth in more expensive professional positions, thereby eliminating any cost savings during this period.

11 "Education and related" (E&R) spending captures expenditures related to the academic mission of higher education and excludes spending on sponsored research and public service. E&R spending includes instruction, student services, and a pro rata share of spending on academic support, institutional support, and operations and maintenance.

12 Instructional spending per FTE faculty declined in most sectors, notably among private institutions. This may appear at odds with the full-time faculty salary data that show modest growth in the private sector, but increases in part-time faculty (equated to an FTE) help lower overall instructional spending per FTE faculty member.

13 Average pay per course varies considerably by sector and type of institution, ranging from $2,250 at public associate colleges to $3,800 at private research universities (Curtis & Thornton, 2013, Table B).

14 For a full explanation of cost shifting in higher education, see Desrochers & Wellman, 2011.

15 In the public sector, state appropriations account for most institutional subsidies; in the private, not-for-profit sector, subsidies generally come from endowment or investment returns.

16 Academic support includes activities that support instruction, research, and public service—such as libraries, academic computing, museums, and deans' offices. Institutional support includes general administrative services, executive management, legal and fiscal operations, and similar activities. Student services include noninstructional student-related activities, such as admissions, registrar, career counseling, financial aid, student organizations, and intramural athletics.

17 Between 2002 and 2010, the benefits share of full-time faculty costs rose slightly faster in community colleges, by 3.5 percentage points, while increasing less at private bachelor's institutions, by 1.6 percentage points.

18 Industrywide data show that the benefits share of compensation is nearly 20 percent in private industries and 25 percent in state and local government (excluding vacation, sick leave, and supplemental pay, which are not captured in IPEDS benefits data). In the early 2000s, benefits costs were rising by 2 to 4 percent per year industrywide, after adjusting for inflation. Since 2005, private-industry benefits costs rose by less than 2 percent per year (declining in some years), while benefit cost increases slowed in state and local government, but still increased by 1 percent and 3 percent, respectively, in most years (Employee Benefit Research Institute 2009; U.S. Department of Labor, 2012).

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About the Delta Cost Project

The Delta Cost Project at American Institutes for Research provides data and tools to help higher education administrators and policymakers improve college affordability by controlling institutional costs and increasing productivity. The work is animated by the belief that college costs can be contained without sacrificing access or educational quality through better use of data to inform strategic decision making.

For more information about the Delta Cost Project, visit **www.deltacostproject.org.**

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Miscellaneous

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SACUBO Study

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EXECUTIVE SUMMARY

CREATED ON: THURSDAY, DECEMBER 10, 2015
CREATED BY: BRETT POWELL
FISCAL YEAR: 2014

ANY FILTERS SELECTED ARE LISTED HERE

INSTITUTION CATEGORY: SMALL
PUBLIC/PRIVATE: PRIVATE

Revenue and Asset Benchmarks

Revenue per FTE Student				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Appropriations	$0 (50th)	-	-	-
Net Tuition and Fees	$10,735 (17th)	$11,179	$12,885	$16,070
Appropriations + Net Tuition & Fees	$10,735 (17th)	$11,179	$12,885	$16,070
Adjusted Operating Revenue	$32,968 (74th)	$16,683	$22,259	$33,330
Operating Revenue	$32,968 (74th)	$16,683	$22,259	$33,330

Total Assets				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Total Assets per FTE Student	$137,108 (72nd)	$44,882	$66,507	$166,238
Total Assets per FTE Student to Adjusted Operating Revenue per FTE Student	$4.16 (64th)	$2.41	$3.31	$5.18

Expense Benchmarks

Total Costs per FTE Employee				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$103,772 (34th)	$92,446	$124,300	$146,442
Research	$57,535 (0th)	$204,102	$234,295	$288,473
Public Service	$97,790 (42nd)	$85,318	$151,933	$285,288
Academic Support	$46,761 (0th)	$93,347	$131,750	$173,496
Student Services	$123,228 (54th)	$91,878	$117,295	$162,011
Institutional Support	$118,544 (20th)	$135,584	$151,509	$169,069
Operations & Maintenance of Plant	$81,227 (24th)	$82,266	$104,558	$211,101
Auxiliary Enterprises	$828,133 (53rd)	$297,390	$533,383	$1,142,635
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Compensation & Benefits per FTE Employee				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$66,891 (25th)	$66,891	$84,246	$102,755
Research	$34,471 (0th)	$94,285	$105,534	$120,500
Public Service	$45,554 (9th)	$56,149	$73,805	$132,953
Academic Support	$20,259 (3rd)	$40,074	$60,618	$77,903
Student Services	$49,319 (26th)	$48,197	$61,071	$73,819
Institutional Support	$53,840 (12th)	$66,805	$83,239	$99,732
Operations & Maintenance of Plant	$27,848 (10th)	$34,311	$39,652	$45,971
Auxiliary Enterprises	$16,826 (3rd)	$34,039	$41,821	$58,724
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Other Costs per FTE Employee				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$18,466 (67th)	$7,348	$11,671	$21,540
Research	$20,104 (0th)	$50,385	$96,771	$132,942
Public Service	$50,224 (50th)	$30,696	$50,224	$98,963
Academic Support	$14,859 (9th)	$24,722	$43,134	$67,847
Student Services	$51,354 (71st)	$33,189	$43,787	$52,613
Institutional Support	$49,025 (41st)	$40,651	$49,628	$73,624
Operations & Maintenance of Plant	$53,380 (38th)	$46,927	$60,901	$126,442
Auxiliary Enterprises	$494,130 (67th)	$133,079	$309,807	$701,543
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Total Costs per FTE Student				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$8,881 (46th)	$6,123	$9,092	$12,541
Research	$152 (22nd)	$158	$227	$675
Public Service	$1,030 (79th)	$110	$316	$937
Academic Support	$1,047 (26th)	$1,030	$2,185	$3,271
Student Services	$4,867 (50th)	$3,231	$4,867	$6,113
Institutional Support	$3,902 (39th)	$3,545	$4,311	$6,243
Operations & Maintenance of Plant	$2,941 (61st)	$1,803	$2,423	$3,360
Auxiliary Enterprises	$6,542 (84th)	$2,079	$3,673	$6,010
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-
Compensation & Benefits per FTE Student				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$5,725 (45th)	$4,544	$6,331	$8,713
Research	$91 (33rd)	$77	$106	$263

Public Service	$480 (77th)	$56	$217	$467
Academic Support	$453 (17th)	$534	$1,020	$1,686
Student Services	$1,948 (42nd)	$1,591	$2,413	$3,352
Institutional Support	$1,772 (25th)	$1,772	$2,428	$3,159
Operations & Maintenance of Plant	$1,008 (50th)	$551	$1,008	$1,482
Auxiliary Enterprises	$133 (29th)	$109	$209	$513
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Other Costs per FTE Student				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Instruction	$1,580 (68th)	$532	$953	$1,810
Research	$53 (22nd)	$65	$127	$363
Public Service	$529 (92nd)	$39	$171	$392
Academic Support	$333 (31st)	$293	$612	$1,237
Student Services	$2,028 (72nd)	$1,403	$1,607	$2,125
Institutional Support	$1,614 (42nd)	$1,316	$1,726	$2,235
Operations & Maintenance of Plant	$1,933 (61st)	$1,168	$1,695	$2,346
Auxiliary Enterprises	$3,904 (83rd)	$1,053	$1,767	$3,082
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Employee Benchmarks

Number of FTE Students per FTE Employee

Function	My Institution (Percentile)	25th Percentile	Median	75th Percentile
Instruction	11.68 (47th)	10.17	12.14	15.90
Research	379.75 (38th)	339.00	763.00	1,018.00
Public Service	94.94 (20th)	144.93	403.75	678.50
Academic Support	44.68 (30th)	37.24	58.95	92.83
Student Services	25.32 (48th)	19.66	25.53	32.96
Institutional Support	30.38 (39th)	20.68	33.08	42.79
Operations & Maintenance of Plant	27.62 (27th)	25.62	37.13	92.06
Auxiliary Enterprises	126.58 (36th)	78.62	175.05	432.00
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Number of FTE Instruction Employees per FTE Employee in Other Functions				
Function	**My Institution (Percentile)**	**25th Percentile**	**Median**	**75th Percentile**
Research	32.50 (22nd)	38.75	66.75	102.00
Public Service	8.13 (17th)	14.22	33.25	72.00
Academic Support	3.82 (37th)	2.89	4.55	9.12
Student Services	2.17 (51st)	1.55	2.14	2.76
Institutional Support	2.60 (54th)	1.90	2.47	3.41
Operations & Maintenance of Plant	2.36 (26th)	2.35	2.96	5.63
Auxiliary Enterprises	10.83 (43rd)	5.09	14.00	33.67
Hospitals		-	-	-
Scholarships & Fellowships		-	-	-
Independent Operations		-	-	-

Effectiveness Benchmarks

Effectiveness - Undergraduate Graduation Rate

My Institution (Percentile)	Low Effectiveness	Effective	High Effectiveness
57.90% (60th)	< 39.25%	39.25% to 65.75%	> 65.75%

Effectiveness - Freshman Retention Rate			
My Institution (Percentile)	Low Effectiveness	Effective	High Effectiveness
75.80% (55th)	< 64.00%	64.00% to 81.03%	> 81.03%

Total Expenses per FTE Student				
Function	My Institution (Percentile)	25th Percentile	Median	75th Percentile
Instruction	$8,881 (46th)	$6,123	$9,092	$12,541
Academic Support	$1,047 (26th)	$1,030	$2,185	$3,271
Student Services	$4,867 (50th)	$3,231	$4,867	$6,113

The graduation and retention effectiveness metrics should be considered in conjunction with the expenses per FTE student measures. The combination of these charts provides indicators of institutional efficiency and effectiveness by examining whether percentile rankings for effectiveness measures exceed or lag percentile rankings for expenses. Effectiveness rankings that exceed expense rankings may indicate opportunities to improve effectiveness through increased spending. Effectiveness rankings that lag expense rankings may indicate inefficient spending.

Legislative Oversight of Higher Education Personnel in SREB States

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Legislative Oversight of Higher Education Personnel in SREB States

Alabama
No Legislative Oversight; Completely Independent

Delaware
Inconclusive

Florida
No Legislative Oversight; Completely Independent

Georgia
No Legislative Oversight; Completely Independent

Kentucky
Inconclusive

Louisiana
Position numbers must be approved through the State Legislature if the position is paid with any state funding. Salaries are not limited by the legislature.

Maryland
No Legislative Oversight; Completely Independent

Mississippi
No Legislative Oversight; Completely Independent

North Carolina
Some oversight – certain new positions must be approved by the State office of Human Resources (but not by the legislature).

South Carolina
Inconclusive

Oklahoma
No Legislative Oversight; Completely Independent

Tennessee
No Legislative Oversight; Completely Independent

Texas
Inconclusive

Virginia
No Legislative Oversight; Completely Independent

West Virginia
Inconclusive

Vanderbilt Regulatory Compliance Study

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VANDERBILT UNIVERSITY

The Cost of Federal Regulatory Compliance in Higher Education: A Multi-Institutional Study

An assessment of federal regulatory compliance costs at 13 institutions in FY 2013-2014

October 2015

It is no secret that the federal government plays an active role in regulating higher education, and justifiably so given the major financial investment that it makes through student grants and loans, research grants, and other subsidies. This regulatory oversight is critical to ensuring that taxpayer dollars supporting higher education and research in myriad ways are responsibly managed; that the health and safety of all students, faculty, staff, and visitors is protected; that research is conducted safely and responsibly; that federal laws are followed; and that many other important checks and safeguards are in place. At a time when students, families, policymakers, and higher education leaders are carefully examining the cost of higher education in the United States, a close analysis of the costs associated with federal regulation is warranted.

Important progress has been made in understanding the current state of federal regulation of higher education. In 2012, the Federal Demonstration Partnership conducted a Faculty Workload Survey sponsored by the National Academies of Science, with the aim of determining the impact of federal regulations and requirements on the research process[1]. In 2013, a bipartisan group of U.S. senators created the Task Force on Government Regulation of Higher Education, a collection of university presidents co-chaired by Vanderbilt University Chancellor Nicholas S. Zeppos and William E. Kirwan, who was then the chancellor of the University System of Maryland, charged with understanding Department of Education regulations and suggesting improvements. One of the task force's specific charges was to, "review and quantify the extent of all federal requirements with which institutions must comply, including estimates of the time and costs associated with specific regulations." In March 2014, the National Science Board presented findings regarding investigators' administrative workload for federally funded research along with specific policy action recommendations[2]. In February 2015, the Task Force on Government Regulation of Higher Education presented its report[3] on the work begun in 2013, including specific policy recommendations, to the U.S. Senate Health, Education, Labor, and Pensions (HELP) Committee. In addition, the Association of American Universities, the Council

[1] http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_087667.pdf

[2] http://nsf.gov/pubs/2014/nsb1418/nsb1418.pdf

[3] Task Force on Federal Regulation of Higher Education Report:
http://www.help.senate.gov/imo/media/Regulations_Task_Force_Report_2015_FINAL.pdf

on Governmental Relations, and the Association of Public and Land-grant Universities, together with Yale University, are currently engaged in a joint effort to assess the research regulatory burden among member institutions. Finally, the National Academies of Sciences released in September 2015 a congressionally mandated report that examines research regulations and reporting requirements facing universities and identifies actions that Congress, the White House, federal agencies, and research institutions should take to reduce the regulatory burden.[4]

Until now, however, relatively few attempts have been made to systematically quantify the cost of federal regulatory compliance in higher education. Stanford University[5] conservatively estimated in 1997 that it incurred about $20 million per year in ongoing costs related to compliance with regulations, but recognized this estimate was likely quite low as it did not include time spent by Stanford faculty and staff in compliance-related meetings, on panels, doing paperwork, meeting with compliance officials and performing other related tasks. A more recent self-audit by Hartwick College[6] in 2012 cited an annual cost of compliance of about $300,000, though it estimated that the actual cost of compliance could be as much as 7 percent of its non-compensation operating budget when decentralized costs including faculty time were considered.

Given the need for better data on the cost of federal regulatory compliance in higher education, we were recently commissioned to conduct a comprehensive estimation of the true cost of federal regulatory compliance across postsecondary institutions as well as to estimate the cost of federal regulation to the entire U.S. higher education sector based on extrapolation of the sample institutions. Thirteen institutions across the U.S. were assessed using consistent methodology. Study findings indicate that the cost of federal compliance varied from 3 percent to 11 percent of total nonhospital operating expenditures at each institution, largely driven by extent of research and scale of expenditures. Research-related compliance as a percentage of research expenditures was found to range from 11 percent to 25 percent, while compliance related to higher-ed specific regulations and all-sector

4 http://sites.nationalacademies.org/PGA/stl/researchregs/index.htm

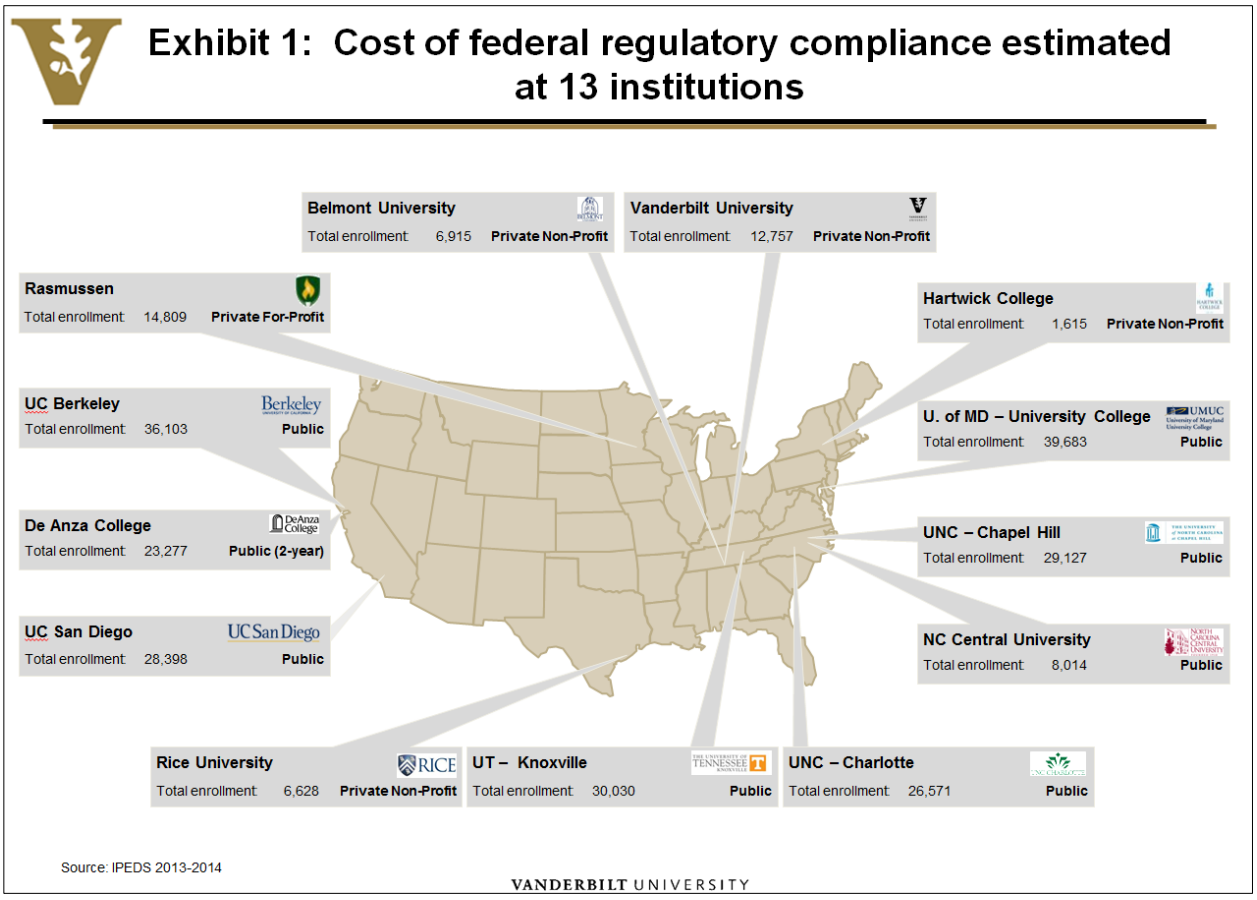
5 1997 Stanford study: http://web.stanford.edu/dept/pres-provost/president/speeches/971016collegecost.html

6 2011-2012 Hartwick College report: http://www.naicu.edu/docLib/20130315_Compliance-HartwickColl-12-12.pdf

regulations (e.g., regulations not specific to higher education but applicable to wide variety of sectors) as a percentage of nonresearch expenditures was found to range from 2 percent to 8 percent. Findings from sample institutions were extrapolated to the entire U.S. higher education sector and a total cost of federal regulatory compliance of $27 billion was estimated.

Methods

Thirteen higher education institutions of different sizes and types participated in the study to sample the cost of federal regulatory compliance across the higher education sector (Exhibit 1).



In total, approximately 600 interviews were conducted and 3,500 respondents were surveyed. Data collection at Vanderbilt University (Nashville, Tennessee) occurred from August to October 2014. Data collection across the remaining 12 institutions occurred from February to April 2015. Institutions included Belmont University (Nashville, Tennessee);

De Anza College (Cupertino, California); Hartwick College (Oneonta, New York); North Carolina Central University (Durham, North Carolina); Rasmussen College (Bloomington, Minnesota); Rice University (Houston, Texas); University of California, Berkeley (Berkeley, California); University of California, San Diego (La Jolla, California); University of Maryland University College (Adelphi, Maryland); University of North Carolina at Chapel Hill (Chapel Hill, North Carolina); University of North Carolina at Charlotte (Charlotte, North Carolina); and University of Tennessee, Knoxville (Knoxville, Tennessee).

Definition of regulatory areas

Regulatory areas for which compliance costs were estimated were divided into three categories:

- **Research**: regulatory areas specific to research, including federal grants and contracts management, human subject research compliance, environmental health and safety compliance related to research, animal research compliance, export controls compliance, conflict of interest, technology transfer requirements, and research misconduct requirements;
- **Higher-ed**: regulatory areas specific to the higher-education sector but not pertaining to research, including accreditation, financial aid, FERPA, sexual misconduct (Title IX), Clery Act, drug and alcohol prevention, IPEDS reporting requirements, Title IX athletics administration, gainful employment, state authorization, and equity in athletics data analysis (EADA); and
- **All-sector**: regulatory areas not specific to the higher-education sector including finance, immigration, disability, anti-discrimination, other human-resources related requirements, environmental health and safety regulations outside of those related to research, and FISMA.

The Appendix includes a detailed description of each regulatory area, including a list of the typical offices and/or departments in which compliance costs were captured; example activities and nonlabor costs; and methodology specifics employed in the study.

Types of costs

Three types of costs were considered in the study:

- **Labor costs:** including activities such as reporting (including data gathering); giving and receiving training; institutional policy development and review, oversight and management (including answering questions from employees, students, parents, etc.); time spent interpreting regulations; preparing and implementing operational changes; responding to potential issues of noncompliance; interacting with regulators and auditors; and any day-to-day activities resulting from the practical impact of regulations.

- **Nonlabor operating costs:** including any outsourcing of the above activities to external vendors; external trainings and conferences (including travel costs); materials, supplies, and services to support the above activities (e.g., equipment, facilities); software licensing fees; and fees associated with permits, licenses, applications, and registrations. Note that taxes, penalties, and benefits paid were not included in cost estimates (e.g., FICA, ACA, ERISA). Note that capital expenditures (e.g., construction costs) were not included in cost estimates.

- **Indirect costs** of labor were estimated based on labor costs: the ratio of specific categories of indirect costs to total institutional labor was determined and applied to the estimate of compliance-related labor costs. Specific categories of indirect costs included utilities, operating leases, minor equipment (e.g., computers), insurance, professional development, recruitment, travel, telephone, office supplies, computer software, printing, postage, freight and shipping, courier service, direct mail, memberships, and subscriptions.

When costs were incurred partially due to federal regulation, a portion of the total cost was allocated to compliance based on the respondent's best estimate. Likewise, costs were required to be mutually exclusive and could not fulfill multiple regulatory requirements. If an activity was believed to fulfill multiple requirements, respondents either allocated costs

between multiple regulatory areas or assigned the cost to the regulation with which the impetus of the activity most closely aligned.

Scope

Only those nonhospital-related costs associated with federal regulatory compliance were captured in the study (i.e., not those associated exclusively with state regulation). The following principles were used as guidelines to determine if an activity is required to comply with federal regulation:

- The institution would have been ineligible for a U.S. federal program if it had not performed the activity;
- The institution would have stopped receiving a U.S. federal benefit if it had not performed the activity;
- The institution would have risked violation or penalties under U.S. federal law if it had not performed the activity; or
- The institution performed the activity to determine whether any of the above items applied.

Costs associated with maintaining both regional and specialized/programmatic accreditations have also been included in this study. Regional accreditation, and some specialized/programmatic accreditations, are required for access to certain federal dollars (such as Southern Association of Colleges and Schools accreditation for Title IV federal student aid eligibility or Accreditation Council for Graduate Medical Education accreditation for schools of medicine for access to Direct Graduate Medical Education funding), while other programmatic accreditation is required for professional licensure.

Compliance costs were estimated for fiscal year 2014, the months of which varied slightly among institutions. If compliance costs were incurred with periodic frequency, costs were amortized across the entire cycle and estimated to reflect the annual average. When institutions anticipated increased or decreased compliance costs in future years, these anticipated changes were not included in the estimate.

Costs were considered in the compliance estimate even if an institution would have voluntarily chosen to perform the activity in the absence of regulation; no distinction was made in costs that were incremental to what an institution would do in the absence of regulation. On several occasions, institutions differed in their interpretation of regulatory requirements. In these cases, compliance estimates relied on each institution's differential interpretation.

Tools of estimation

Costs were categorized into two broad segments, which informed the tools employed for data collection:

- **Cost incurred from central/administrative offices:** Central costs were largely captured via interviews with key contacts in administrative offices and supported by worksheets that allowed interviewees time to think through and/or look up office staff activities and nonlabor operating costs supporting compliance. Administrative offices estimated staff time spent on compliance-supporting activities for fiscal year 2014 in either units of time (e.g., hours, days) or in terms of percent annual work time. Time estimates were paired with each employee's salary and benefits data, which was either provided by the school or obtained from public sources.
- **Costs incurred from academic departments and research centers:** These included compliance activities of faculty, staff, and trainees as well as other nonlabor costs incurred at the department level. Where possible, compliance costs were estimated by key contacts in central offices (e.g., trainings required for all staff). At most research institutions and those with highly fragmented accreditation support, a broad survey was also used to capture compliance costs from academic departments. Survey questions were detailed with example compliance activities to promote consistent and accurate collection across institutions; survey language was refined through multiple focus groups to ensure accurate interpretation of questions. Respondents were asked to estimate hours spent on specific activities and were given the option to choose the time frame as per week, per month, or per

year. In most cases of survey distribution, all faculty and staff in academic departments, including both administrative and research staff, were asked to self-report their own compliance estimates. Postdoctoral students were either surveyed directly for self-reported estimates or faculty were asked to estimate on behalf of postdocs in their research group. Likewise, compliance activities of other trainees (e.g., graduate students, undergraduates) were estimated by faculty respondents leading research teams. In most cases, average compliance estimates from survey respondents were calculated from each of following segments: research faculty (defined as faculty reporting research compliance), nonresearch faculty (defined as faculty reporting no research compliance), administrative staff (self-defined in survey), research staff (self-defined in survey), postdoctoral students, and other trainees (e.g., graduate students, undergraduate students). Average compliance estimates in each of these segments was applied to the known population size and cost basis of salary and benefits for each of the segments, as supplied by the institution or obtained from public record, to scale up survey responses and reach an estimated cost of compliance across academic departments. Because the fragmentation of accreditation support varied across institutions, a mix of methodologies was employed across institutions. In cases with largely central support, compliance efforts were fully estimated by a central administrative contact. In other cases with key departmental contacts leading accreditation support, a targeted survey was employed to ask the key departmental contacts to estimate efforts for their entire program. Lastly, in cases with highly fragmented support, accreditation questions were included in the broad survey distributed to all faculty and staff in academic departments for self-reporting.

Operating expenditure information was also captured from each institution to estimate the compliance burden as a share of total operating expenditures. Nonhospital operating expenditures were obtained from each institution's fiscal year 2014 financial statement. Expenditures were subdivided into two components:

- Research expenditures: total fiscal year 2014 research and development expenditures, including those sourced from government (federal, state, or local),

business, nonprofit organizations, institutional funds (including cost sharing and unrecovered indirect costs), as well as other sources (e.g., charitable gifts)

- Nonresearch expenditures: calculated as the difference between the operating expenditures and the research expenditures

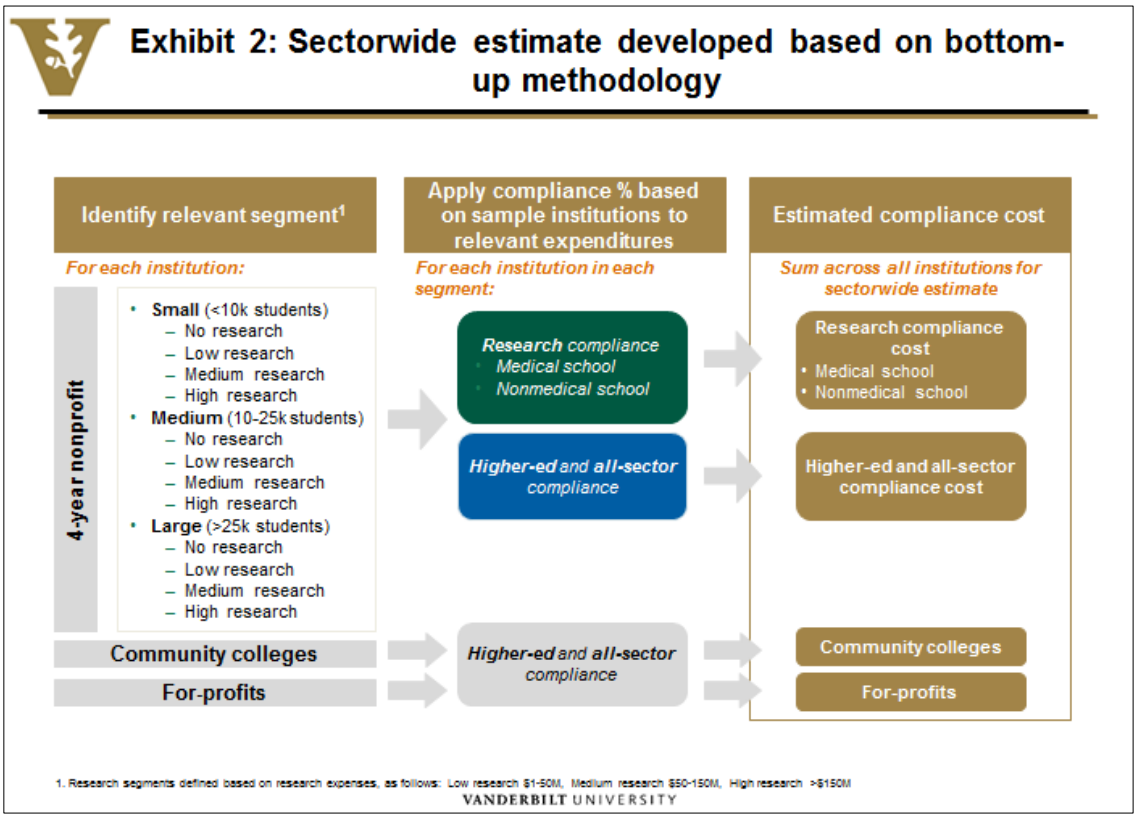
Sectorwide extrapolation

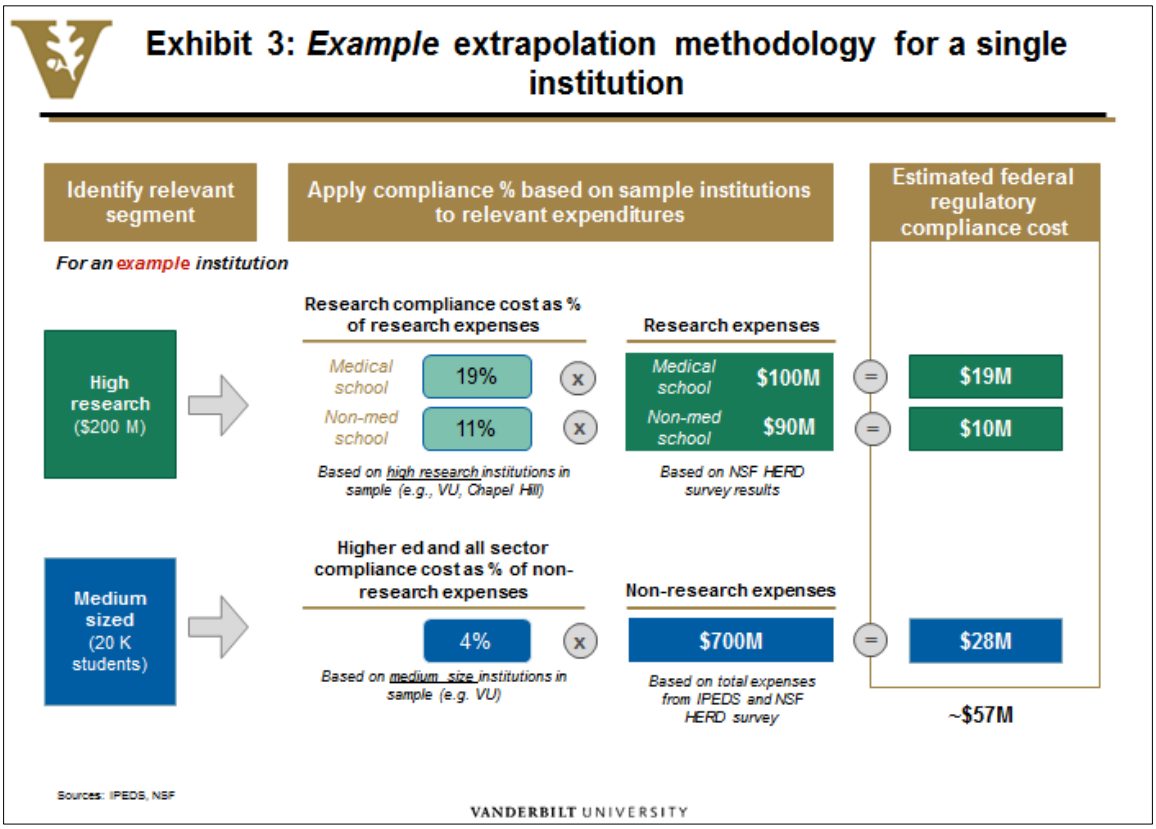
Findings from the 13 sample institutions were extrapolated to estimate a sectorwide cost of compliance. To perform the extrapolation, a full list of U.S. institutions of higher education was obtained. Total operating expenditures were obtained for each institution based on IPEDS Data Center (FY2013); hospital expenditures from the American Hospital Database (2013); and publically available financial statements were removed from the total operating expenditures. Enrollment information was obtained from IPEDS Data Center (Fall 2013 head count). Total research expenditures as well as medical school-specific research expenditures were obtained for each institution from the NSF HERD survey data (FY2013). Nonmedical school research expenditures were calculated as the difference between total research expenditures and medical school-specific research expenditures. Nonresearch expenditures were calculated as the difference between total operating expenditures and total research expenditures. The full list of U.S. institutions was divided into three broad segments: four-year nonprofit institutions, community colleges, and for-profit institutions. Four-year nonprofit institutions were further subdivided along two independent dimensions:

- **Research segment:** Each institution was categorized as having either no research expenditures, low research expenditures (<$50M), medium research expenditures ($50M-$150M), or high research expenditures (>$150M), based on the NSF HERD survey data (FY2013)
- **Enrollment segment:** Each institution was categorized as being either small (<10K students), medium (10K-25K students), or large (>25K students), based on data from IPEDS Data Center (Fall 2013 head count)

Following this segmentation, compliance percentages based on the 13 sample institutions from the study were applied to relevant expenditures (Exhibit 2). Higher-ed and all-sector

compliance percentages captured in the study were applied to nonresearch expenditures of four-year nonprofit institutions based on enrollment segmentation. Medical school and nonmedical school research compliance percentages captured in the study were applied to the medical school and nonmedical school research expenditures, respectively, of four-year nonprofit institutions based on research segmentation. Compliance estimates from the four-year nonprofit institutions' numerous expenditure segments were summed to reach a total compliance estimate at that institution. Higher-ed and all-sector compliance percentages captured from community colleges and for-profit institutions in the study were applied to total operating expenditures of the nationwide community colleges and for-profit institutions, respectively. A sectorwide estimate was obtained by summing the total estimated cost of compliance for all institutions across the U.S. To further clarify these calculations, an example is included in Exhibit 3.

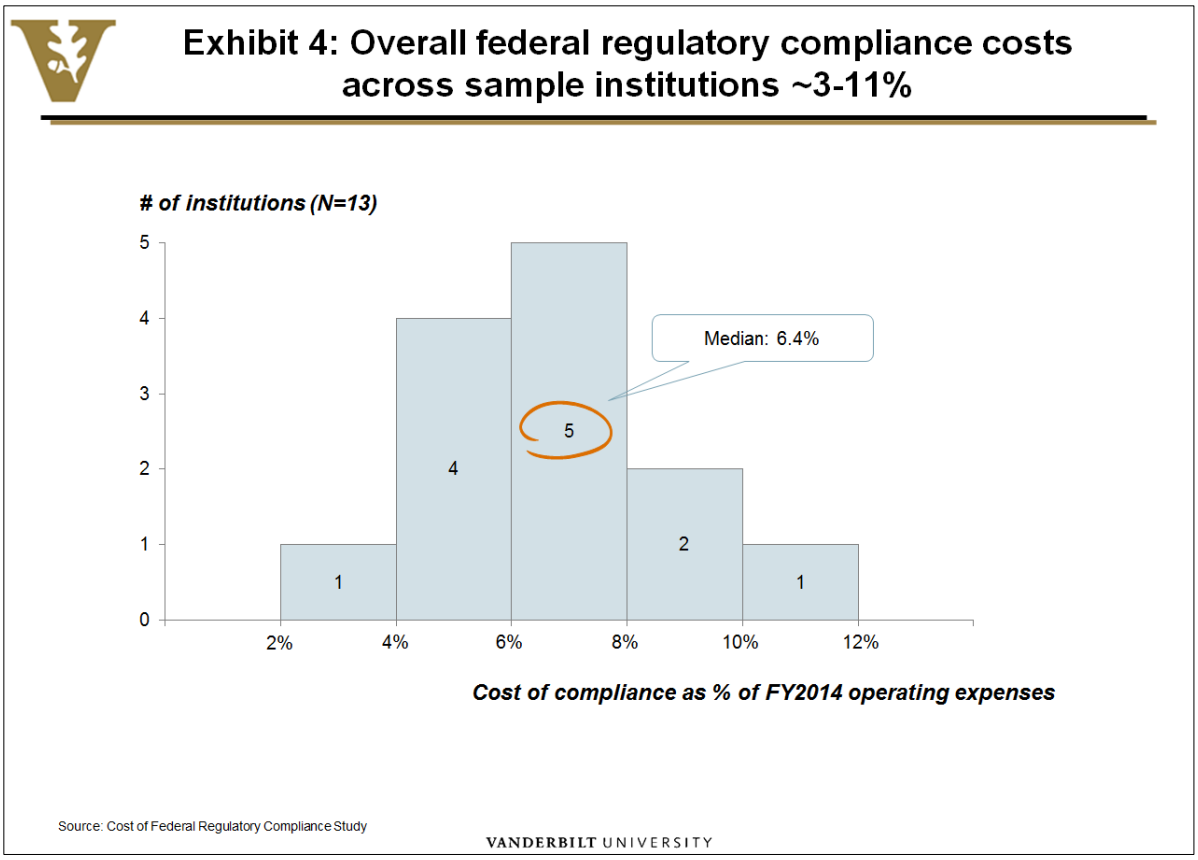




Results

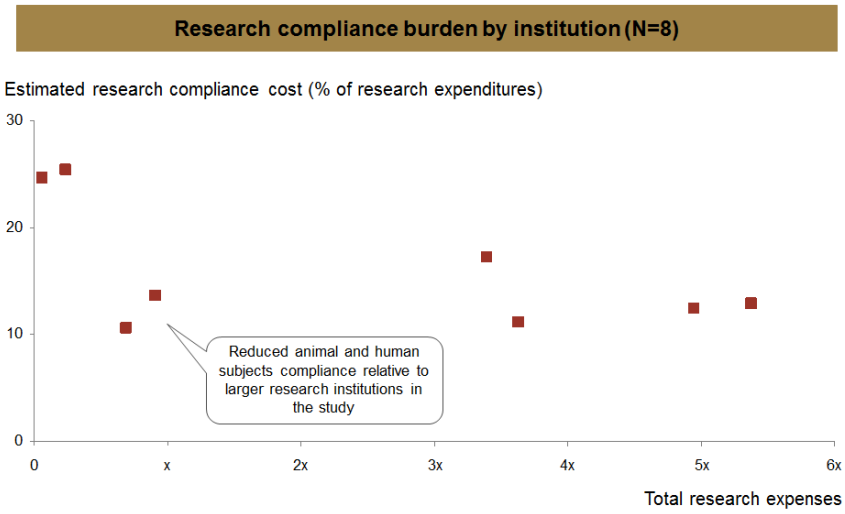
Cost Estimation

Total cost of compliance across all institutions in the study was found to vary between 3 percent and 11 percent of each institution's FY2014 operating expenditures, with a median value of 6.4 percent (Exhibit 4). This variation in overall compliance was found to be driven by two key factors: 1) presence and extent of research at the institution; and 2) scale of expenditures at the institution. Each is discussed in detail below.



***Presence and extent of research**:* Research-related compliance was found to cost from 11 percent to 25 percent of each institution's research expenditures (Exhibit 5) while compliance with both higher-ed and all-sector regulations was found to vary from 2 percent to 8 percent of each institution's nonresearch expenditures (Exhibit 6). Therefore, the overall cost of compliance was driven, in part, by the presence and extent of research at each institution, with large research entities generally experiencing higher compliance burdens (though not always, given impact of scale; see below). For example, a university with 60 percent of its operating expenditures devoted to research would have an overall compliance that skews toward its research-specific compliance burden figure, while an institution with 10 percent of its operating expenditures devoted to research would have an overall compliance that skews more toward its all-sector and higher-ed compliance burden figure.

Exhibit 5: Mix and scale driving the magnitude of research compliance burden



Source: Cost of Federal Regulatory Compliance Study

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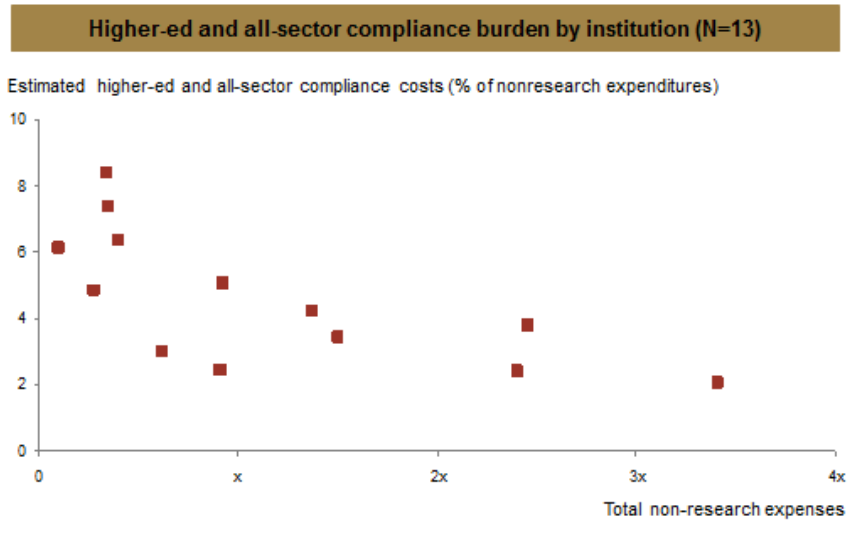
Exhibit 6: Scaling driving higher-ed and all-sector estimates



Source: Cost of Federal Regulatory Compliance Study

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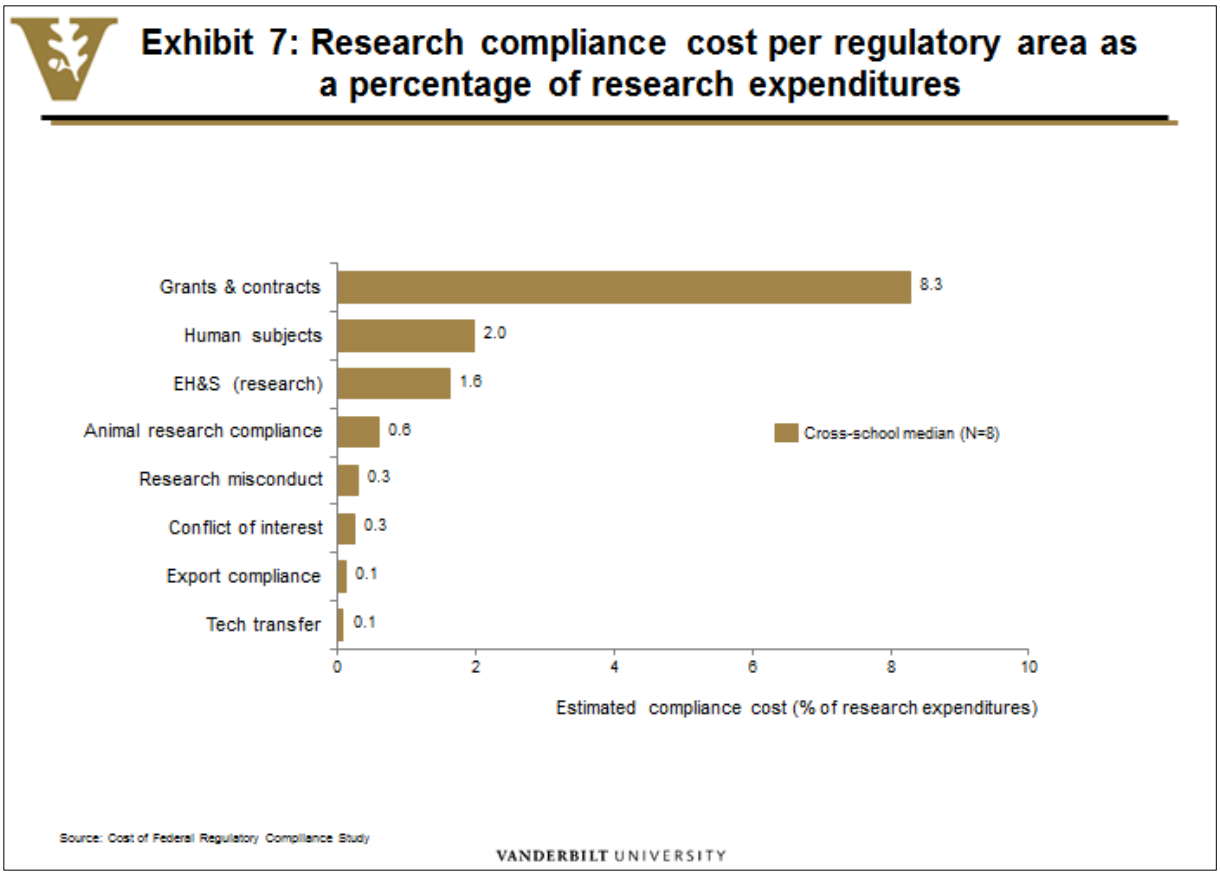
Scale of expenditures: The scale of both research and nonresearch expenditures was also found to impact compliance burden. Exhibit 5 demonstrates the emergence of a scale curve in research compliance, in that institutions with relatively low research expenditures experience higher levels of compliance (up to 25 percent of research expenditures), while institutions with relatively high research expenditures exhibit a lower percentage of compliance (11 percent to 17 percent). Fluctuations from the overall research compliance trend line can be largely attributed to variations in the mix of research conducted across the institutions in the study. Research institutions with more biomedical research experienced higher compliance cost per research dollar than institutions with more engineering- and physics-based research. Similarly, Exhibit 6 demonstrates an emerging scale curve in higher-ed and all-sector compliance burden; schools with relatively low nonresearch expenditures tend to experience higher compliance burdens (up to 8 percent) while larger institutions with relatively high non-research expenditures tend to experience lower regulatory burdens (converging near 2 percent). Fluctuations from the overall higher-ed and all-sector trend line were driven, in part, by variations in accreditation burden; the schools in the study with more programmatic accreditors tended to have higher accreditation compliance burden per nonresearch dollar as compared to those with fewer programmatic accreditors. Other school characteristics—such as number of residential students and number of students with financial aid—impacted regulatory area compliance estimates, such as sexual misconduct and financial aid, respectively, creating fluctuations from the overall trend line.

Burden by Regulatory Area

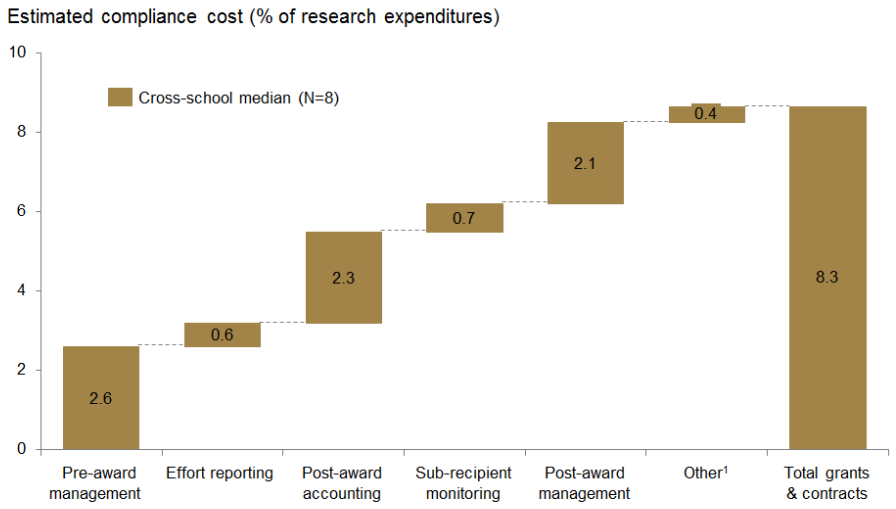
Compliance burden per regulatory area was calculated at each institution throughout the study. Median research-related compliance burden as a percent of each institution's research expenditures are shown in Exhibit 7.



Grants and contracts management was found to yield the highest burden (median of 8.3 percent), while research-related environmental health and safety compliance and human subjects compliance were also found to underlie a substantial cost of compliance (1.6 percent and 1.5 percent, respectively). Variations in burdens above or below the median were largely driven by a mix of research and by scale of expenditures (see above); however, small variations were also observed across institutions in each regulatory area given differences in organizational structure, execution, oversight, and regulation interpretation.

The cost of federal grants and contracts management was collected throughout the study with a greater degree of granularity to better understand the underlying drivers of the high burdens. The breakdown of subcategory compliance burden is displayed in Exhibit 8, with pre-award management (2.5 percent), post-award accounting (2.3 percent), and post-award management (2.0 percent) driving a majority of the compliance burden.

Exhibit 8: Grants and contracts compliance largely driven by pre-award management, post-award activities



1. Includes unclassified activities such as training and oversight
Note: Total does not tie; 8.3 represents the total grants and contracts median of the 8 research institutions, rather than the sum of the medians of the components
Source: Cost of Federal Regulatory Compliance Study

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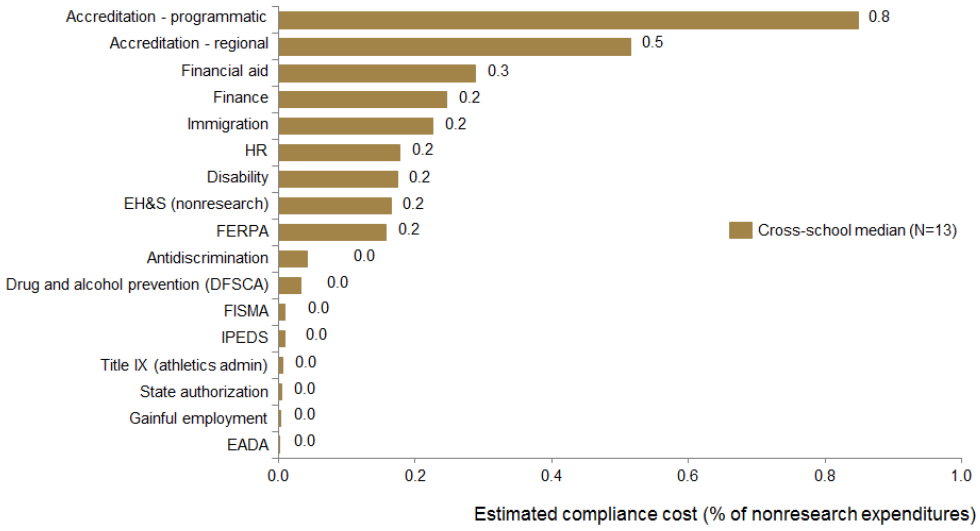
Exhibit 9 demonstrates the median higher-ed and all-sector compliance burden as a percent of each institution's nonresearch expenditures. Accreditation was found to underlie the highest burden, with programmatic accreditation exhibiting a median burden of 0.6 percent and regional accreditation exhibiting a median burden of 0.5 percent.

Exhibit 10 contains greater detail on the total accreditation burden (regional and programmatic combined). The various other regulatory areas that appear to have relatively low burden (e.g., less than 0.3 percent) are not insignificant in cost when considered at an aggregate level.

Exhibit 9: Higher-ed and all-sector compliance cost per regulatory area as a percentage of nonresearch expenditures



Source: Cost of Federal Regulatory Compliance Study

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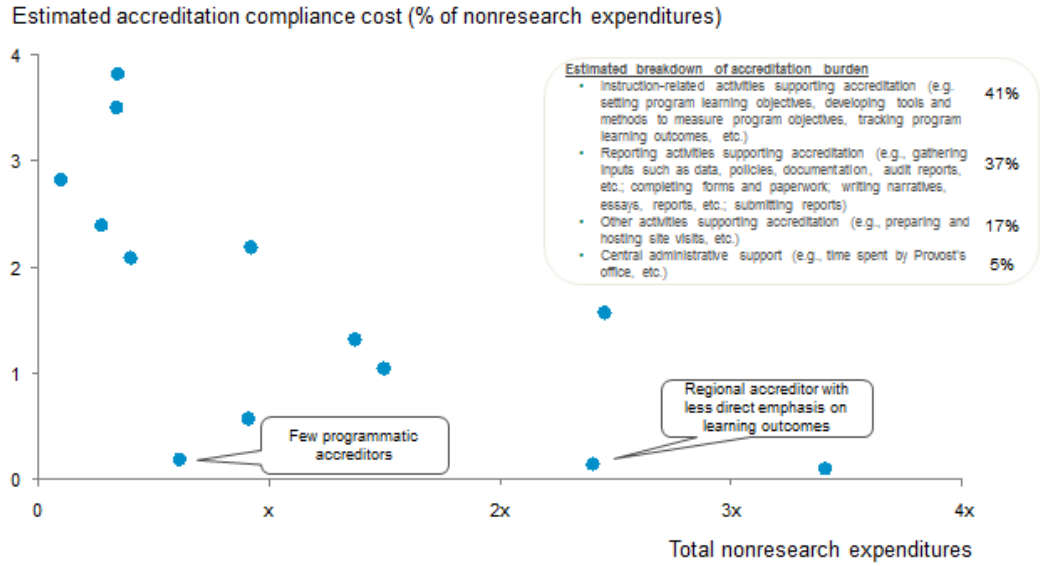
Exhibit 10: A few key factors drive accreditation burden e.g., scale, extent of programmatic accreditors and regional accreditor



1. Southern Association of Colleges and Schools Commission on Colleges
Note: Includes both regional and programmatic accreditation compliance costs
Source: Cost of Federal Regulatory Compliance Study

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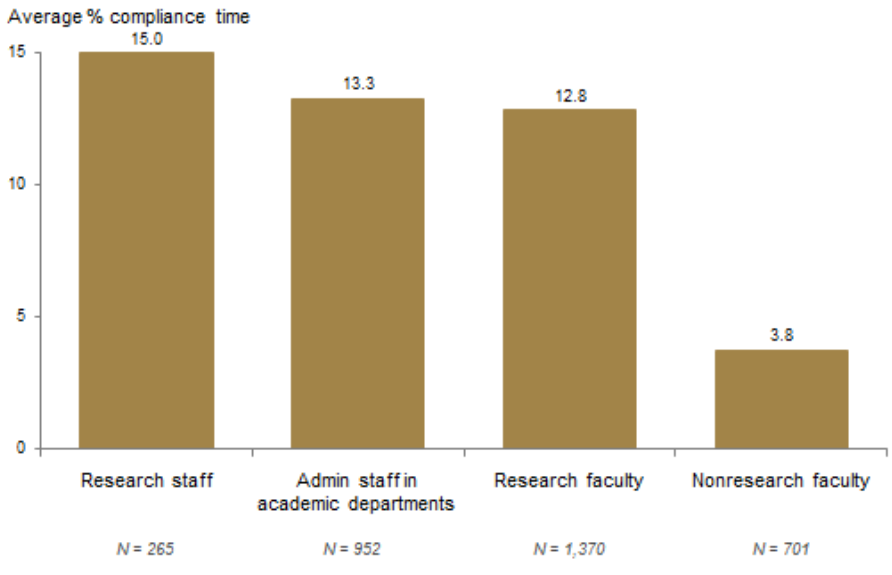
Compliance burden across institutions was driven, in part, by academic departments; faculty and staff in academic departments were found to play a large role in compliance, particularly related to research. Exhibit 11 demonstrates the average compliance burden, as a percent of the individual's total annual work time, reported across the surveyed research institutions in the study (N=8). Research staff were found to have the highest level of compliance (15 percent) out of the segments surveyed, while administrative staff in academic departments and research faculty reported approximately 13 percent total compliance time. Nonresearch faculty (defined as faculty reporting no research compliance in the survey), reported approximately 4 percent total compliance time, largely driven by accreditation-supporting activities.

Exhibit 11: Research staff in academic departments have highest federal regulatory compliance burden



Note: Staff segmentation defined by self-selection in survey choices. Research faculty defined as those reporting any research compliance in survey; Non-research faculty defined as those reporting no research compliance in survey.
Source: Cost of Federal Regulatory Compliance Study

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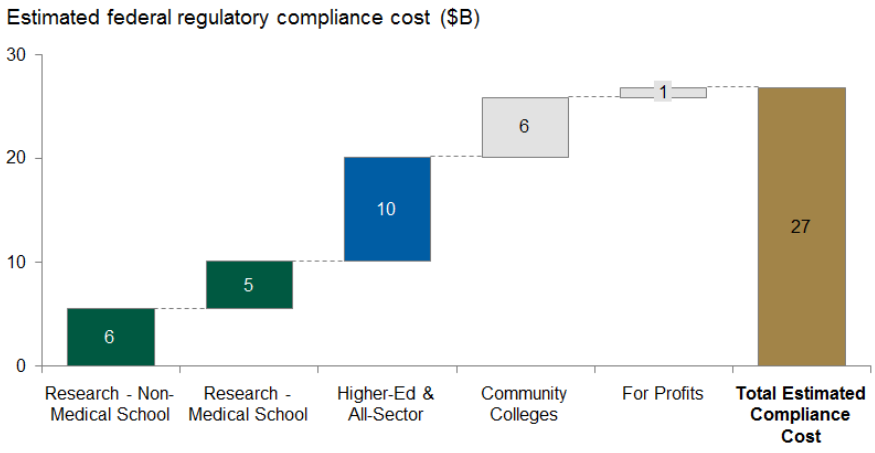
Sectorwide extrapolation

As demonstrated in Exhibit 12, sectorwide cost of federal compliance was estimated to be $27 billion, which was found by extrapolating findings from the sample institutions to all institutions of higher education in the U.S. It is estimated that $17 billion was incurred due to higher-ed and all-sector compliance, while $10 billion was estimated to be a result of research-related compliance. Community colleges and for-profit institutions were estimated to incur $6 billion and $1 billion in compliance costs, respectively, with the rest spent by four-year nonprofit institutions. Exhibit 13 demonstrates the estimated sectorwide cost of compliance for each regulatory area, with federal grants and contracts management requiring the most investment ($6 billion), and regional and programmatic accreditation close behind ($3.4 billion and $3.1 billion, respectively).

Exhibit 12: Sectorwide federal regulatory compliance cost estimated to be ~$27B



	Research - Non-Medical School	Research - Medical School	Higher-Ed & All-Sector	Community Colleges	For Profits
Relevant expenditures	$41B[1]	$22B[1]	$294B[2]	$64B[2]	$15B[2]
Compliance % based on sample institutions[3]	*14%*	*20%*	*3%*	*9%*	*6%*

1. Based on NSF 2012 HERD survey results
2. Based on 2013-2014 IPEDS and publicly available financial statements
3. Based on federal regulatory compliance costs from Phase I and Phase II institutions, adjusted as % of relevant expenditures reported by NSF and IPEDS in (1) and (2) above

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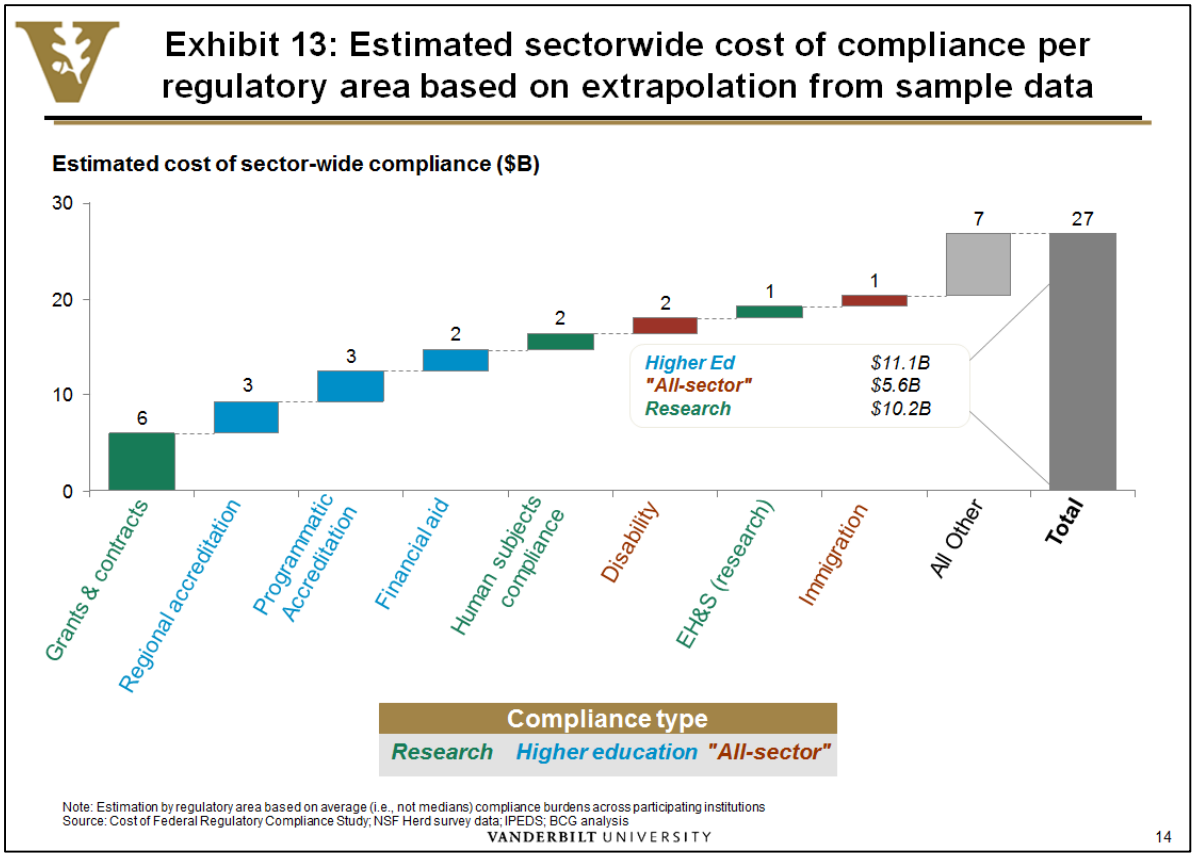


* * *

In summary, findings from the thirteen institutions in the study indicate that postsecondary education institutions spent from 3 percent to 11 percent of their nonhospital operating budget in fiscal year 2014 to comply with federal regulations. The range was driven by several factors, including the presence and extent of research at that institution (for which compliance cost per research dollar is relatively high, up to 25 percent) as well as the scale of expenditures given the economies of scale observed across institutions for higher-ed and all-sector compliance as well as research-related compliance. A sectorwide cost of federal compliance was estimated to be $27 billion based on extrapolation of findings from the sample institutions to all institutions of higher education across the U.S, while a belief audit survey highlighted potential policy priorities

Appendix

Regulatory area	Description of regulatory requirements[1]	Typical offices (not institution-specific, nonexhaustive)	Example activities/costs (not institution-specific, nonexhaustive)	Methodology for measurement
Accreditation: Regional	Title IV financial aid programs require institutions receiving federal financial aid to maintain accreditation from an accreditation body recognized by the U.S. Department of Education (e.g., HLC, MSCHE, NEASC, SACS, WASC – ACCJC, WASC – SCUC) Various requirements including documenting learning objectives and outcomes, retention plan	Provost/ academic affairs Office of assessment or institutional research Academic departments (faculty and staff)	Instruction-related activities supporting accreditation: setting program learning objectives (not course level), developing tools and methods to measure program objectives, tracking program learning outcomes, making program improvements based on outcomes Reporting and documentation activities supporting accreditation: gathering other inputs such as data, policies, documentation, audit reports, etc.; completing forms; writing narratives, reports, etc.; substantive change reporting; submitting reports Other activities supporting accreditation: preparing for or hosting site visits Direct costs: Cost of site visits, conference fees, third party consultants and writers	Costs estimated via interviews/worksheets and faculty/staff survey Schools reported on effort required in three different time frames: • **Ongoing** (any year without a formal review) • **Year leading up to 10-year review** (e.g., Reaffirmation for SACSCOC) -> Averaged this across the 10-year cycle • **Year leading up to 5-year review** (e.g., 5th Year Report for SACSCOC) - > Averaged this across 10-year cycle

Accreditation: Programmatic	In addition to institutional accreditation, particular academic programs may also be accredited by outside entities (e.g., ABA)	Academic affairs/office of assessment Academic departments affiliated with accredited programs	Same as above, related to specific programmatic accreditations	Costs estimated via interviews/worksheets and faculty/staff survey Schools reported on effort required in two different time frames: • **Ongoing** (any year without a formal review) • **Year leading up to the reaffirmation or formal review** -> Averaged this across the accreditor's cycle period
Admissions/ recruiting	Institutions participating in Title IV financial aid programs are prohibited from offering incentive compensation to admissions officers Institutions may have Title IV eligibility revoked if they substantially misrepresent their financial charges, the nature of their educational programs, or the employability of its graduates	Marketing/ communications Admissions office General counsel	Compensation plan design, confirming and monitoring accuracy of marketing materials, oversight and policy review Direct costs: Cost of auditing	Interviews and worksheets with central offices
Athletics **Equity in Athletics Disclosure Act (EADA), Sports Agent Responsibility and Trust Act (SPARTA)**	EADA requires that co-educational institutions of postsecondary education that participate in a Title IV federal student financial assistance program and have an intercollegiate athletic program prepare an annual report to the U.S. Department of Education on athletic participation, staffing, and	Provost Athletics departments	Administrative and reporting activities; data collection; training, oversight, and policy review	Interviews and worksheets with central offices

	revenues and expenses by men's and women's teams SPARTA protects student athletes from predatory practices by sports agents			
Campus safety and security ("Clery Act")	Requires institutions receiving federal financial aid to track and disclose certain crimes on or near campus (including implications for study-abroad programs) Reporting requirements include Annual Security Report (ASR), crime log, policies, "timely warnings," and an Annual Fire Report	Campus security or police department Emergency management Fire department Residential education Health education/student wellness Dean of students/student affairs (e.g., Student conduct) Title IX compliance officer Study-abroad office State systemwide offices	Classification and collection of crime statistics, crime and fire logs, emergency notifications, timely warnings, drills/testing, report preparation and publication, periodic policy/procedure reviews; Training of campus security authorities and other members of campus Direct costs: Software license, mass emergency notification system costs, external training costs, association dues	Interviews/worksheets with central offices Survey of academic faculty/staff to capture training time (some institutions)
Drug and alcohol abuse prevention Drug Free Schools and Communities Act (DFSCA)	Requires institutions receiving federal financial aid to establish drug and alcohol abuse prevention programs for students and employees	Dean of students/student affairs Residential education Student health and wellness Police department/ campus security	Notifications, program reviews, certifications, data collection and reporting, providing training to students and employees Direct costs: External training (for students and employees), media campaigns/ads, cost of student programming	Interviews/worksheets with central offices

FERPA Family Educational Rights and Privacy Act	Protects privacy of student educational records, including grades, test scores, and behavior	Registrar Financial Aid Student Accounts Admissions office IT (security, app development) Faculty/staff (training)	Recordkeeping; waivers and disclosures; providing and receiving training; policy review; answering questions from faculty, staff, students, and parents; IT security programs Direct costs: External training, IT configuration and security costs (e.g. waiver forms, records access configuration)	Interviews/worksheets with central offices Academic faculty/staff survey to capture training costs
Financial aid	Various requirements for participation in federal financial aid, including: verifying eligibility, award notifications, disbursing grants and loans, providing work/study, exit-counseling, "R2T4" (return to Title IV), etc. Includes Title IV, Veterans Affairs, Workforce Investment Act (WIA), and funding from other federal agencies (e.g., Department of Defense)	Financial aid office Registrar's office Student accounts IT /database support for enrollment systems State systemwide offices	Eligibility determinations: need assessment and determination, enrollment verification, "C" flag resolution, satisfactory academic progress, award notification Origination and disbursement: loan notification letters, credit checks, FISAP preparation, corrections to transactions, withdrawal management, R2T4 Entrance/exit counseling: entrance and exit counseling, training Other areas: work-study oversight, management of student accounts, veterans benefits, training, software tools,	Interviews/worksheets for central offices

			IT systems, general oversight (e.g., answering questions) Direct costs: Software licenses, external trainings, conference fees, third party verification of applicant information (e.g., background checks)	
Gainful employment	Requires occupational training programs and all programs at for-profit institutions to meet requirements related to loan repayment to maintain access to federal student aid	Provost/academic affairs Occupational or certificate training programs (e.g., allied health, teacher training) Student accounts/financial aid Career services	Data collection, report preparation, regulatory interpretation	Interviews/worksheets for central offices
IPEDS reporting	Dataset collected for Department of Education, consists of nine survey components including: institutional characteristics, prices, enrollment, financial aid, degree completions, retention, graduation, institutional resources (HR, finance)	Institutional research Registrar's office Financial aid Finance HR IT/database support State systemwide offices	Data collection, report preparation, data validation, implementation of reporting changes (e.g. IT configuration)	Interviews/worksheets for central offices
State authorization	Requires an institution to meet state requirements in any state where it is offering postsecondary education through distance or correspondence education	Office of the Provost/ Academic Affairs Office of distance education State system-wide offices	Interpretation of individual state requirements, preparation of applications and renewals, Direct costs: State fees	Interviews/worksheets with central offices
Sexual misconduct Title IX, Violence Against Women Act (VAWA), Campus SaVE Act (future)	Title IX prohibits discrimination on the basis of sex, requires institutions to take immediate actions to prevent sexual violence and misconduct	Title IX coordinator General counsel Dean of students/ student affairs (e.g. office of student conduct) Women's center	Receiving and giving training (including extensive prevention programs), issue investigation and resolution, providing	Interviews/worksheets with central offices Academic faculty/staff survey to capture training costs

	Title IX and related regulations (Violence Against Women Act (VAWA) specify how sexual misconduct crimes are investigated, responded to, and reported	Campus security or police department Residential education Student health/ wellness Psychological services/counseling Athletics Faculty/staff across campus (training) State systemwide offices	counseling to students, policy development and review Direct costs: External legal fees, external training costs, conference fees, prevention programming fees, third party consultants	
Title IX - athletics Athletics programs and administration	Oversight of athletics dept. teams, expenses, support, and other areas to ensure institution is providing equal athletics opportunity for both genders as outlined by Title IX legislation	Athletics department Title IX coordinator	Evaluation and monitoring of programs, administrative and reporting costs, policy review and oversight	Interviews/worksheets with central offices
Animal research	Compliance with Animal Welfare Act and PHS policy guidelines on treatment of animals in research including IACUC processes, training systems, and compliance working with animals in labs AAALAC accreditation	Institutional Animal Care and Use Committee (IACUC) Office of animal welfare Academic faculty and staff	IACUC time, protocol review, monitoring and reporting, training, maintaining AAALAC accreditation Preparing, submitting, and amending IACUC applications (e.g., informally consulting with IACUC, preparing nonprotocol application components, submitting to IACUC, working with IACUC to achieve approval of first-time submission, reporting changes/updates or discussing compliance with IACUC to make a change to a previously approved protocol)	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs

			Other general animal research compliance tasks (e.g., time spent reviewing compliance with those in your lab, semiannual inspection of lab/research facilities, steps taken to provide access for visiting researchers to enter animal facilities, dealing with issues of noncompliance with IACUC) Training Note: Cost of basic care for animals not included (e.g., housing, cleaning cages, water/feeding)	
Conflicts of interest	Compliance with PHS conflict of interest guidelines including annual disclosures and scientific reviews of conflicts for key personnel on PHS grants	Conflict of interest and commitment Management Faculty affairs Academic faculty and staff	Time spent on any conflict of interest disclosures or related activity (include annual/study specific disclosures, reporting on travel, being monitored for a conflict) Time spent in conflict of interest committee meetings, reviews of PHS grants, or participating in the monitoring or management of conflicts Time spent in conflict of interest trainings or presentations	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs

Environment, Health and Safety: research-related	Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) regulations for laboratory safety Including chemical, biological, and radiation waste and safety processes, training, and reporting	Environmental health and safety Facilities management Academic faculty and staff	General lab waste (chemical, biological, radioactive): time spent collecting, treating, or disposing of waste; recordkeeping; reporting; general lab safety compliance tasks: lab-specific safety trainings, inventory management, security of hazardous materials, safety data sheet management, internal auditing, surveys, recordkeeping, lab specific safety procedure development Special laboratory facilities with additional regulatory oversight (e.g. High-Containment/BSL-3 Labs, BSL-2+ Labs, irradiator facilities, radiation production Facilities, toxic gas labs and clean rooms): specific safety trainings, documentation, inventory management, security measures, waste handling, lab-specific standard operating procedures Training: time spent in required environment, health, and safety compliance training	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs

			Direct costs: Hazardous and biowaste removal; third party consultants; external training	
Export control	Regulations that prohibit the transfer of items such as information, software, equipment, technical data, and other technology to anyone outside the US without a license from the federal government e.g., International Traffic in Arms Regulations (ITAR), US Munitions List (USML), Export Administration Regulations (EAR), Office of Foreign Assets Control (OFAC) requirements	Export compliance office Research administration office(s) Academic faculty and staff	Export control compliance training; Consulting with export control compliance office and/or pursuing a license or license exemption to stay within export control regulations; policy development and review; answering employee questions Direct costs: License fees	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs
Grants and contracts (research)	To apply for and receive federal research funds, applicants must meet pre-award requirements, post-award requirements, and follow accounting rules as specified by uniform guidance/award agencies.	Office of sponsored programs Contracts and grants management Contracts and grants accounting Academic faculty and staff State systemwide offices	Pre-award management: Includes preparing nonscientific sections of the application including biosketches, mentoring plans, and broader impact sections, as well as the time required to prepare for such sections (e.g., developing a mentoring plan). Also includes time spent conforming grant applications to format requirements. Includes activities for both successful and unsuccessful grants Effort reporting: (e.g., certifying that the effort	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs Note: Faculty and staff were asked about time spent writing grants, but this time was explicitly excluded from total cost of compliance

			required has been completed) Post-award accounting: (aside from effort reporting; e.g., expenditure monitoring and budget management, reconciliation, financial reporting, grant closeout, and final reports) Subrecipient monitoring: (includes invoicing, scientific review, budget tracking, resolving issues with appropriateness and inconsistent time periods) Postaward management: Separate from from subrecipient monitoring; e.g., prior approval requests, writing and submitting progress reports, following institutional policies for procurement (such as travel, animals, equipment), CPARS, PubMed publication registration, following policies for data safety Training time spent in trainings related to grant and contract management	

			Note: Time spent writing grants was not included in compliance costs Direct costs: A-133 audit, conference fees	
Human subjects	Compliance requirements for research involving human subjects including institutional IRB requirements and processes and research guidelines for PIs	Institutional review boards (IRBs) Human research protection program Office of research compliance Academic faculty and staff	IRB office time, IRB committee time, protocol review, monitoring and reporting, training Preparing, submitting, and amending IRB applications (e.g., activities such as informally consulting with the IRB, preparing nonprotocol application components, iterating with the IRB, IDE/IND compliance management, and preparing clinical charge intentions with the department of finance) Clinical trial compliance: Includes activities such as QA/QC, performing the informed consent process, patient registration and billing compliance, preparing for FDA inspections, reporting adverse events Other compliance activities such as updating the IRB annually, data and safety monitoring, IRB audits,	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs

			special population compliance, and commercial sponsor monitoring Training: time spent in required human subjects research training Direct costs: IT system maintenance, training	
Research misconduct	Required training and coursework for NIH- or NSF-funded trainees related to responsible practices in research	Office of research compliance/responsible conduct in research Dean of Graduate School Vice chancellor for research /research administration Academic faculty and staff	Training, development of course material, conducting courses, issue investigation and resolution, program management Direct costs: Training	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs
Technology transfer and commercialization	Requirements related to Bayh-Dole Act involving disclosures of intellectual property emerging from federal funding and compliance related to medical device development	Technology transfer office Intellectual property licensing office Office of sponsored programs Academic faculty and staff	Invention reporting, ownership elections, training; management of intellectual ownership and disposition issues for research with multiple funding sources	Interviews/worksheets for central offices Note: Central offices were asked to estimate on behalf of faculty/staff in academic departments
Anti-discrimination	Management of programs and policies related to Equal Opportunity, Affirmative Action, Recruitment, Workplace conduct regulations (e.g., Title VII, Equal Pay Act, Age Discrimination and Employment Act, Genetic Information Nondiscrimination Act) Regulation by agencies including Office of Civil Rights (OCR), Office of	Human resources Equal opportunity office Affirmative action office Equity and diversity office General counsel	Training, grievance investigation and resolution, policy development and review, general oversight Direct costs: External counsel, external training fees	Interviews/worksheets for central offices

	Federal Contract Compliance Programs (OFCCP) Note: Title IX anti-discrimination included in "Title IX (athletics)" and "sexual misconduct" categories, Americans with Disabilities Act included under "Disability" category			
Disability Americans with Disabilities Act (ADA)	Requires institutions to provide reasonable accommodations to employees and students with disabilities and imposes accessibility requirements on public accommodations	Disability services office(s) Human resources Residential education and housing Campus planning and construction Student health and wellness Parking and transportation General counsel	Providing reasonable accommodations (e.g., tutorial services, captioning, assistive learning technologies, printing services, physical accessibility, transportation services, handicapped parking), dispute investigation and resolution, policy development and review Direct costs: Facility accessibility costs (operating costs only), cost of reasonable accommodations, third party services Note: Capital expenditures (e.g., construction) were not included in estimates	Interviews/worksheets for central offices

Environment, Health & Safety: non-research-related	Occupational Safety and Health Administration (OSHA) and Environmental Protection Agency (EPA) regulations outside of laboratory safety requirements Includes regulations such as Clean Air Act, Clean Water Act, Asbestos regulations, Hazardous and Solid Waste Amendments of 1984, Mandatory Reporting of Greenhouse Gases, Occupational Safety and Health Act, Toxic Substances Control Act, etc.	Environment, health and safety Occupational health Facilities management Student health services	Giving and receiving training, nonhazardous waste disposal, asbestos removal, pesticide removal, underground storage, hazardous waste disposal, spill prevention plans, obtaining emissions permits; performing safety inspections; complying with FERC, requirements policy review and oversight (including answering student/employee questions) Direct costs: permits and licenses; fees for waste, asbestos, pesticide, etc. removal; external training fees, supplies and expenses (e.g., baghouses, licenses, cooling tower cleaning), services (e.g., gas testing, water discharge chemistry testing, method 9 certification), etc.	Interviews/worksheets for central offices
FEMA grant compliance	Requirements for receiving grants from the Federal Emergency Management Agency (FEMA) to mitigate potential hazards related to natural disasters	Facilities management	Applications for and management of grants, monitoring and reporting	Interviews/worksheets for central offices
Finance	Various regulations including: 990 and 990T reporting Tax-exempt bond compliance Financial solvency metrics	Finance, including comptroller, treasury, accounting, procurement, disbursement development office Student accounts/registrar HR	Preparation of audited financials; tax preparation related to charitable contributions; payroll management; tax-	Interviews/worksheets for central offices

	Accounting standards Charitable contributions International tax Student tax (e.g., 1098 and 1098T)	State systemwide offices	exempt bond offerings and compliance; U.S. income tax preparation; management of employer obligations vis-à-vis U.S. employee taxation; student taxation/1098T/1098E; policy development and regulatory interpretation Direct costs: third party fees (e.g., auditors), tax software	
FISMA **Federal Information Security Management Act**	Requires government contractors and organizations that collect or maintain information or operate information systems on behalf of a federal agency to develop, document, and implement information security programs	IT Information security office	Certification of compliance; maintenance of compliant systems; training; incident prevention and response Direct costs: IT infrastructure; security systems (e.g., firewalls)	Interviews/worksheets for central offices
HIPAA **Health Insurance Portability and Accountability Act**	Health information privacy regulations (relevant for student health services and employees)	Student affairs Student health/wellness Psychological counseling Human resources	Maintenance of compliant systems and processes; policy development and interpretation; training	Interviews/worksheets for central offices
Human resources	Regulations impacting employers, including: Affordable Care Act FLSA (e.g., minimum wage, overtime) FMLA (unpaid protected leave) ERISA (retirement benefits) Employee tax issues Executive compensation Unemployment Labor relations (e.g., unions)	Human resources (benefits, compensation, recruiting, admin, etc.) Payroll State systemwide offices	Advising employees and supervisors; preparation of notices; processing of forms (e.g., W-4); management of wage garnishments; ERISA issues; performance of activities required by individual HR regulatory areas Direct costs: Software license; external training;	Interviews/worksheets for central offices

			third party consultants; external counsel Note: Activities and costs include oversight and administrative, but not taxes, penalties, or benefits	
Immigration	Support of immigration processes including visa sponsorship time and costs; supporting students, scholars, and employees with compliance processes; and time on I-9 forms	International office Human resources Faculty and staff time throughout institution	Collection and review of I-9 forms; visa processing and sponsorship; advising regarding hiring and admissions Direct costs: External counsel; visa filing fees; advisor's manual license; memberships; visa program redesignation, software licenses; external training fees	Interviews/worksheets for central offices Academic faculty/staff survey to capture individual compliance costs

VANDERBILT UNIVERSITY

Federal Regulatory Cost Burden: A Multi-institutional Study Overview and Findings

Completed by and with the Boston Consulting Group

October 2015

Two-Phase Approach for Multi-institutional Study

	Phase I	Phase II
Key Activities	Categorize the federal regulations that significantly impact Vanderbilt Estimate the annual cost burden borne by Vanderbilt to comply with these regulations	Identify participating institutions Collect data across all relevant regulatory areas at each institution Estimate federal compliance burden for each institution
Key Deliverables	Summary of findings with costs by regulatory area Detailed results guide with back-up data and model for all areas	Summary of findings Preliminary sector extrapolation

Methodology Anchored on Defining Scope, Employing Tools and Methods and Following Principles

1 Scope

Categories of regulatory areas

- Research
- Higher education
- All-Sector

Types of costs

- Labor
- Nonlabor
- Indirect costs of labor

2 Tools and Methods

Decentralized Costs: *incurred from academic depts. and research centers*

- Survey instrument with detailed compliance activities and examples
- Select interviews/worksheets

Centralized Costs: *incurred from central / admin offices*

- Interviews with key contacts and worksheets

Salary and benefits data and relevant budgets

3 Principles

Principles to determine if an activity is required to comply with federal regulation

Scope of Regulatory Areas Assessed

Research

- Conflict of interest
- Environmental health and safety compliance (related to research)
- Export compliance
- Federal grants and contracts management
- Human/animal research compliance
- Research misconduct requirements
- Technology transfer requirements

Higher education

- Accreditation
- Clery Act
- Drug and alcohol prevention
- Equity in athletics data report (EADA)
- Financial aid
- FERPA
- IPEDS reporting requirements
- Gainful employment
- Sexual misconduct (Title IX)
- State authorization
- Title IX athletics administration

All-Sector

- Anti-discrimination
- Disability
- Environmental health and safety regulations (outside of those related to research)
- Finance
- FISMA
- Immigration
- Other human-resources related requirements

Types of Costs Considered

- **Labor costs**: including activities such as reporting (including data gathering), giving and receiving training, institutional policy development and review, oversight and management (including answering questions from employees, students, parents, etc.), time spent interpreting regulations, preparing and implementing operational changes, responding to potential issues of noncompliance, interacting with regulators and auditors, and any day-to-day activities resulting from the practical impact of regulations.

- **Nonlabor operating costs**: including any outsourcing of the above activities to external vendors; external trainings and conferences (including travel costs); materials, supplies, and services to support the above activities (e.g., equipment, facilities); software licensing fees; and fees associated with permits, licenses, applications, and registrations. Note that taxes, penalties, and benefits paid were not included in cost estimates (e.g., FICA, ACA, ERISA).

- **Indirect costs of labor** were estimated based on labor costs: the ratio of specific categories of indirect costs to total institutional labor was determined and applied to the estimate of compliance-related labor costs. Specific categories of indirect costs included utilities, operating leases, minor equipment (e.g., computers), insurance, professional development, recruitment, travel, telephone, office supplies, computer software, printing, postage, freight and shipping, courier service, direct mail, memberships, and subscriptions.

Tools and Methods

Cost type	Tool / Method	Description
Decentralized Costs: ***incurred from academic depts. and research centers***	**Surveys**	• Estimated time spent by faculty and admin staff in academic departments and research centers on compliance through survey – Survey contained detailed description of specific activities and examples as relevant
	Worksheets / Interviews	• Gathered decentralized time costs in several areas where information collected centrally
	Data	• Leveraged budget and payroll data to inform estimates
Centralized Costs: ***incurred from central / admin offices***	**Worksheets / Interviews**	• Provided detailed worksheets to leadership of various administrative offices with example activities and instructions to complete • Employed iterative process to resolve questions and to ensure methodology consistency
	Data	• Leveraged budget and payroll data to inform estimates

Principles to Determine if an Activity is Required to Comply with Federal Regulation

The following principles were used as guidelines to determine if an activity is required to comply with federal regulation:

- The institution would have been ineligible for a U.S. federal program if it had not performed the activity;
- The institution would have stopped receiving a U.S. federal benefit if it had not performed the activity;
- The institution would have risked violation or penalties under U.S. federal law if it had not performed the activity; or
- The institution performed the activity to determine whether any of the above items applied.

Summary of Findings

Across all 13 institutions, federal regulatory compliance burden ranges between 3% and 11% of annual operating expenditures, with a median value of 6.4%

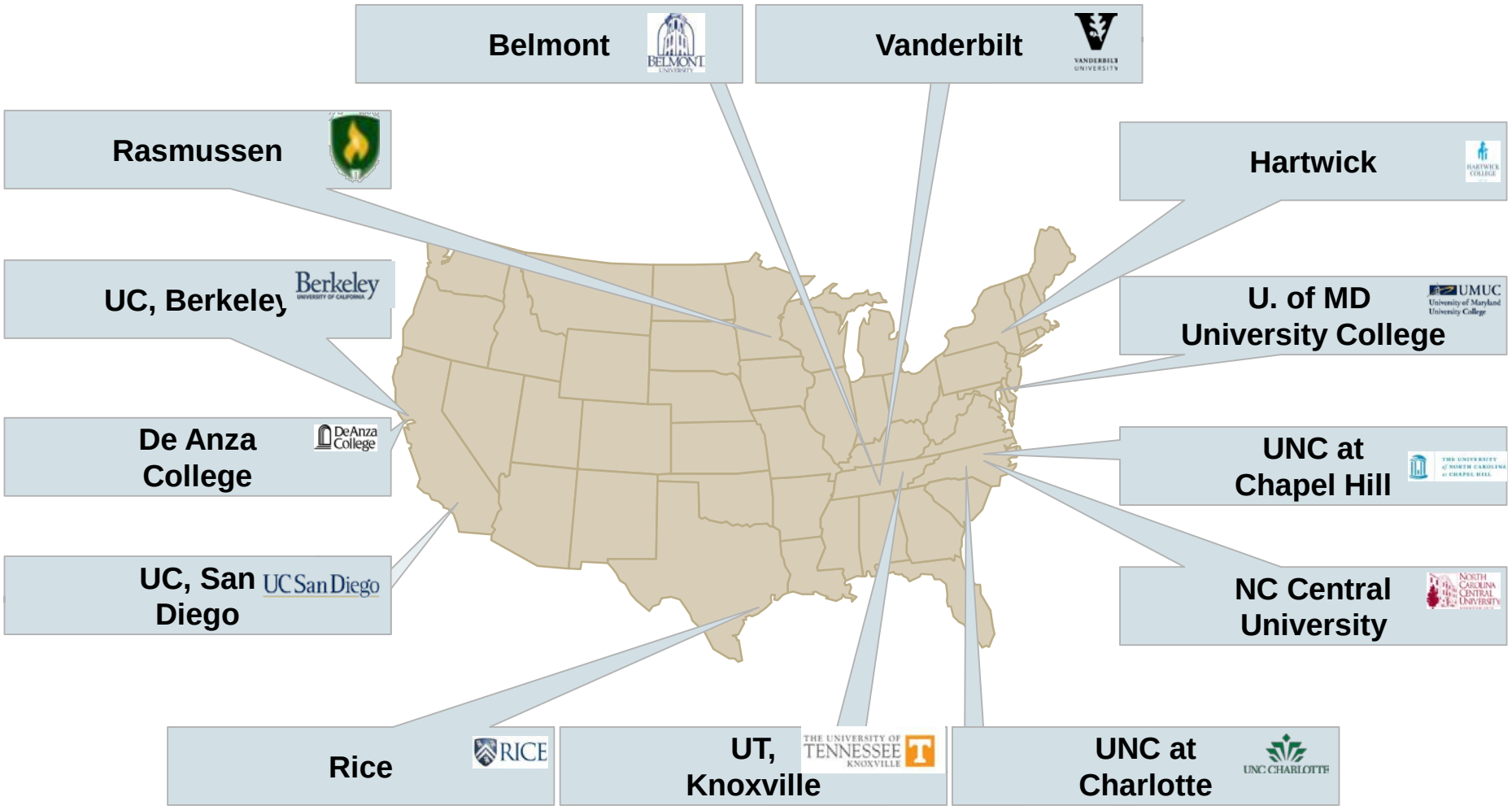
- In research related areas, significant drivers on the cost of compliance include mix of research being conducted (e.g., medical school-based research vs. humanities) and overall scale in the research enterprise
  - Grants and contracts is the largest area, followed by human subjects and environmental health and safety
- In nonresearch related areas, smaller institutions generally having a higher unit cost, with accreditation being the largest cost area

Time spent on federal compliance ranged on average from 4% to 15% with research staff, research faculty and admin staff in academic departments having higher values

Sector extrapolation results in a sector-wide estimate on the cost of federal regulatory compliance of ~$27B

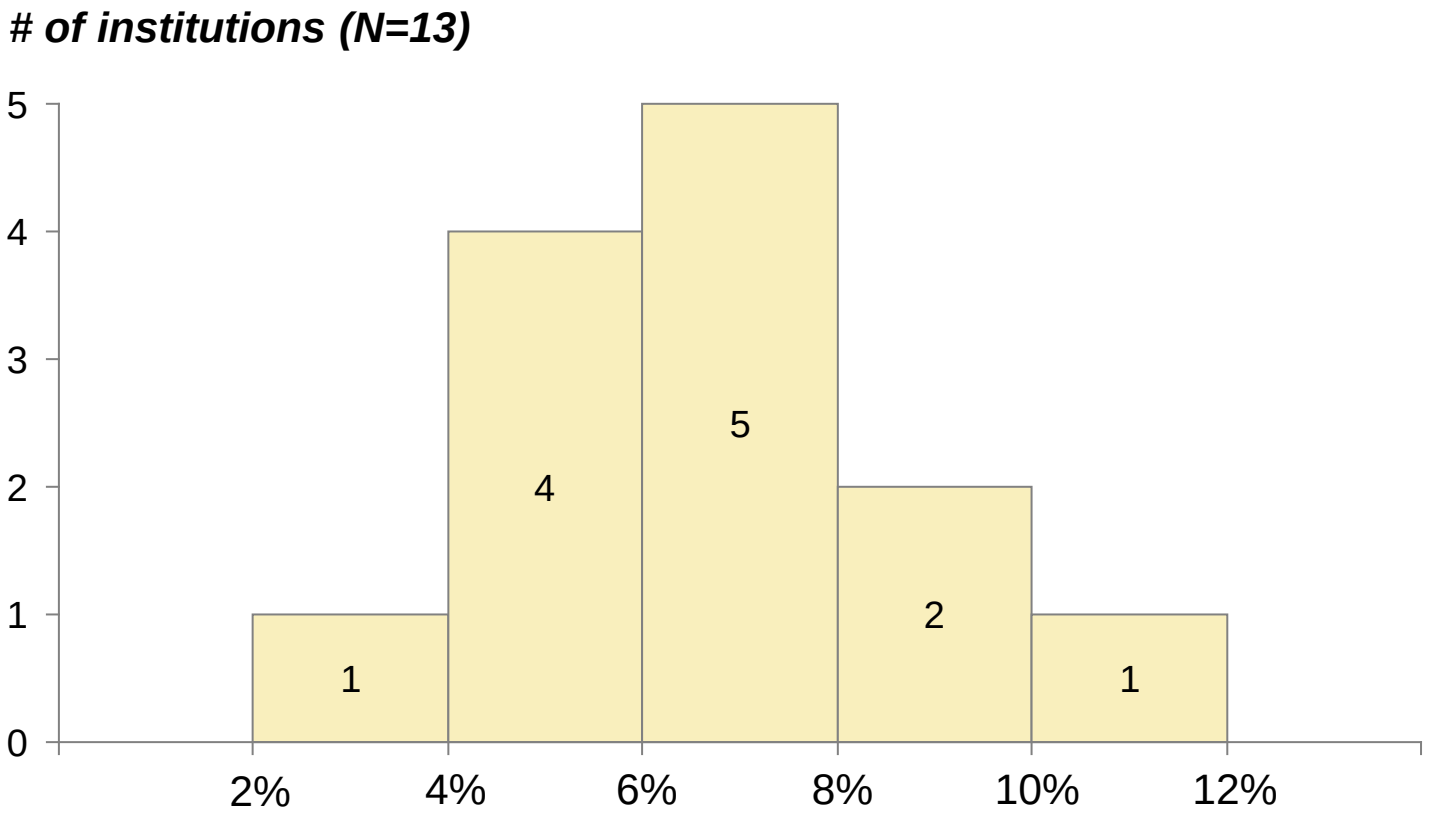
- Methodology based on an institutional segmentation and on various scale tiers on research and nonresearch
- Higher education and all sector compliance ~60% of total burden, research compliance ~40%

Estimate the Cost of Federal Regulatory Compliance at 13 Diverse Institutions



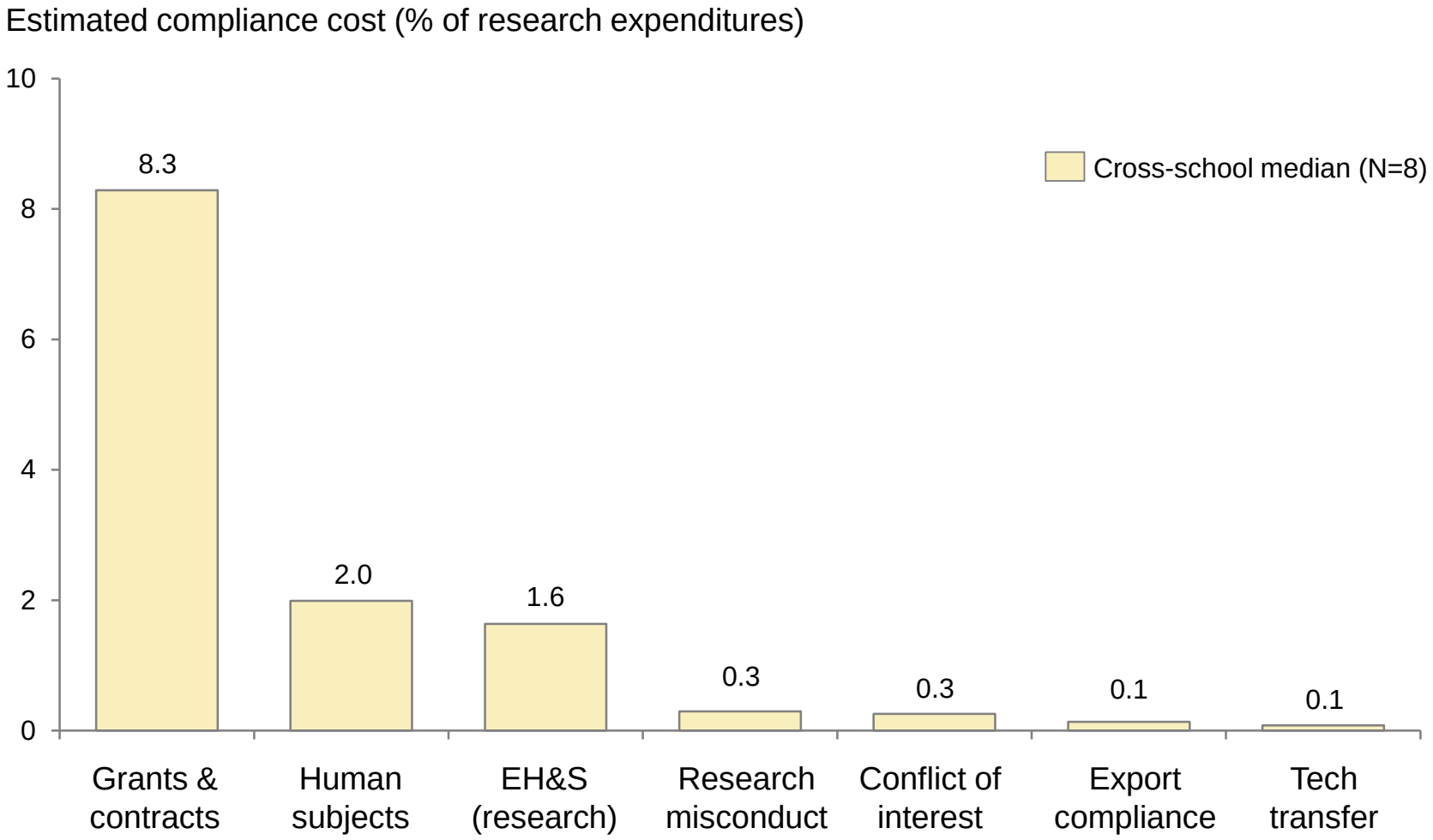
Source: IPEDS 2013-2014

Overall Federal Regulatory Compliance Costs Across Institutions ~3%-11%



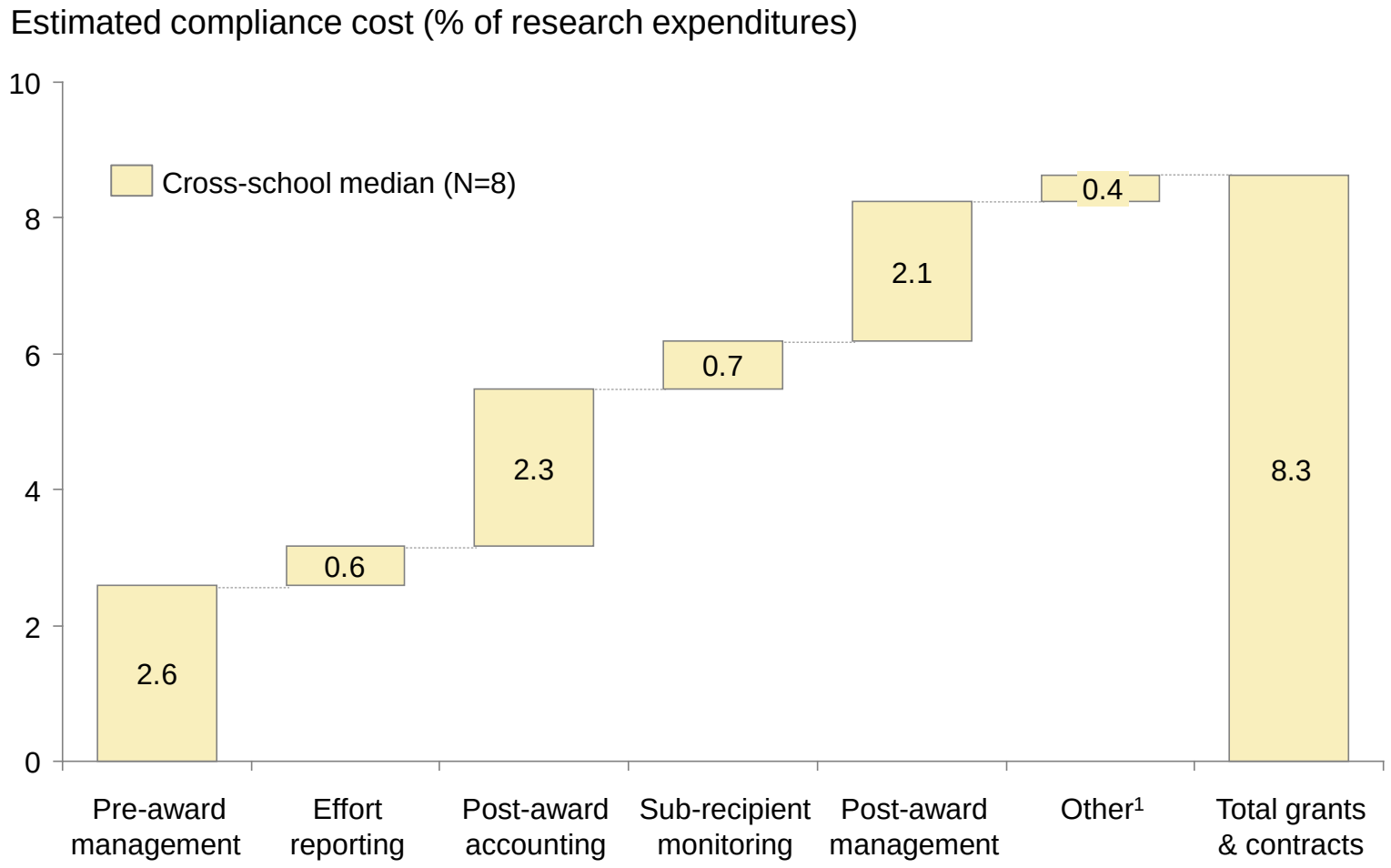
Source: Cost of Federal Regulatory Compliance Study

Research Compliance: Grants and Contracts Largest Area



Source: Cost of Federal Regulatory Compliance Study

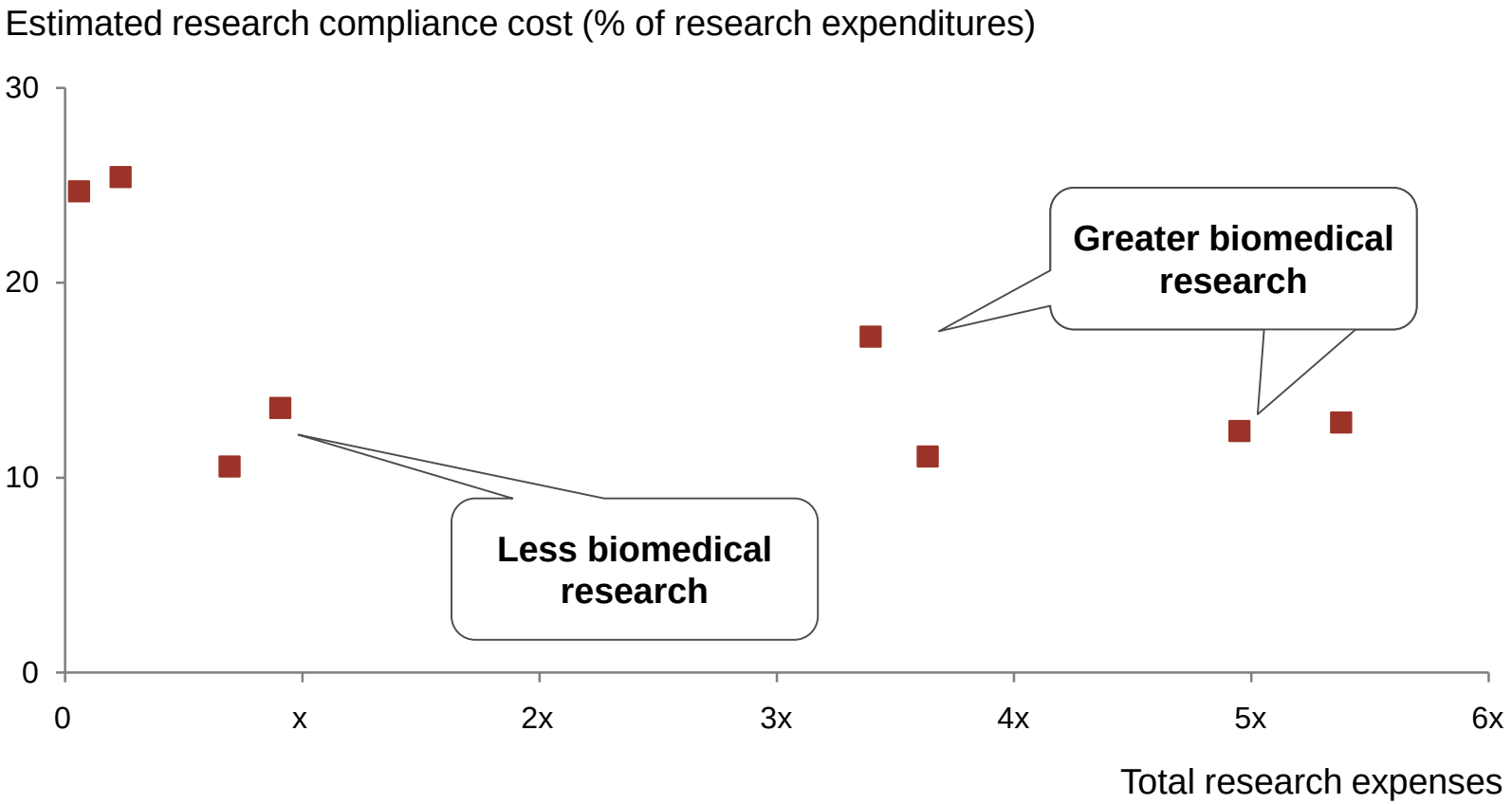
Grants and Contracts Compliance Driven by Pre-Award Management, Post-Award Activities



1. Includes unclassified activities such as training and oversight
Note: Total of 8.3 represents the total grants and contracts median of the 8 research institutions, not the sum of individual medians of sub-categories (e.g., pre-award management, effort reporting, post-awarding accounting, sub-recipient monitoring and post-award management)
Source: Cost of Federal Regulatory Compliance Study

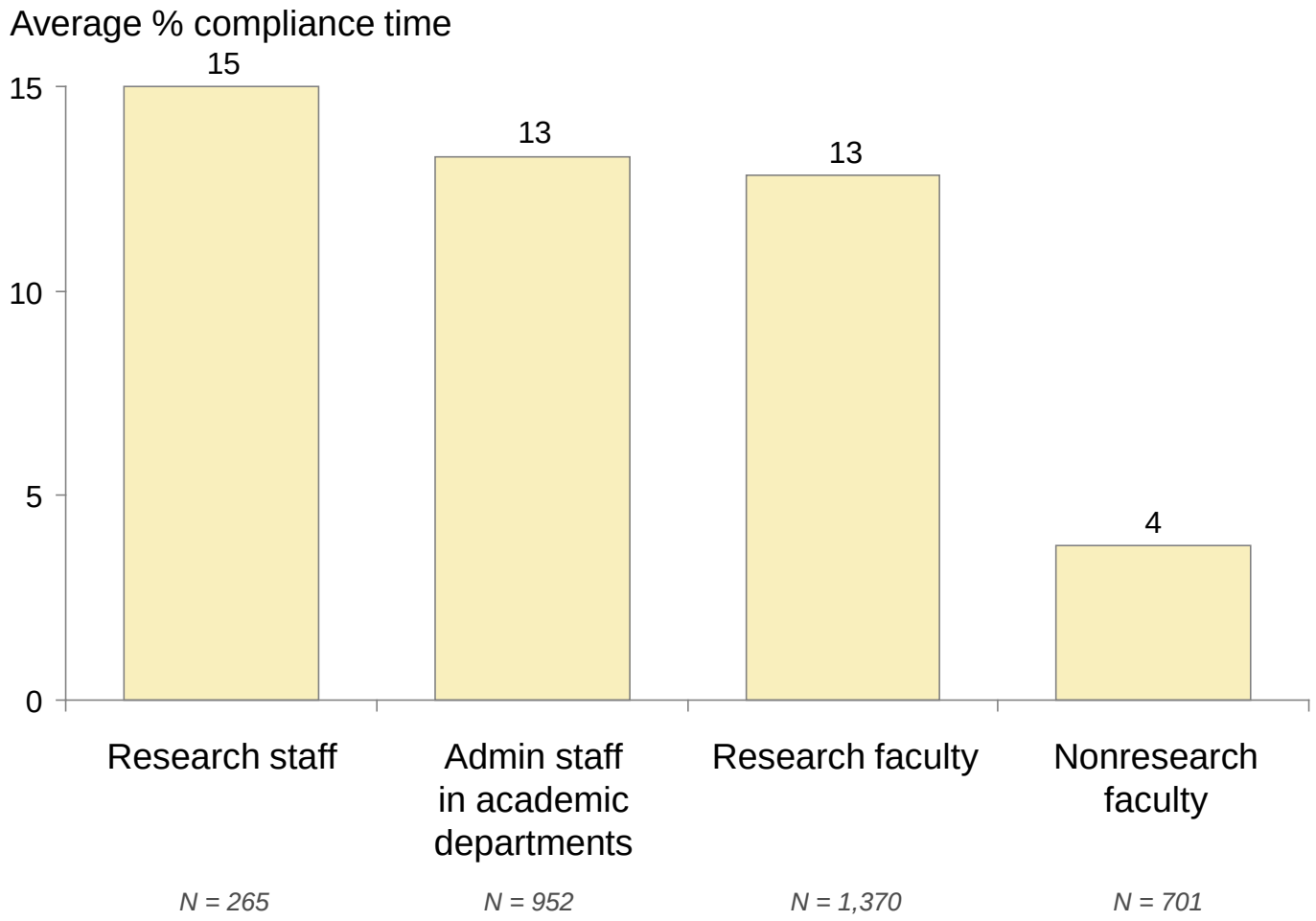
Mix and Scale Driving the Magnitude of Research Compliance Burden

Research compliance burden by institution (N=8)



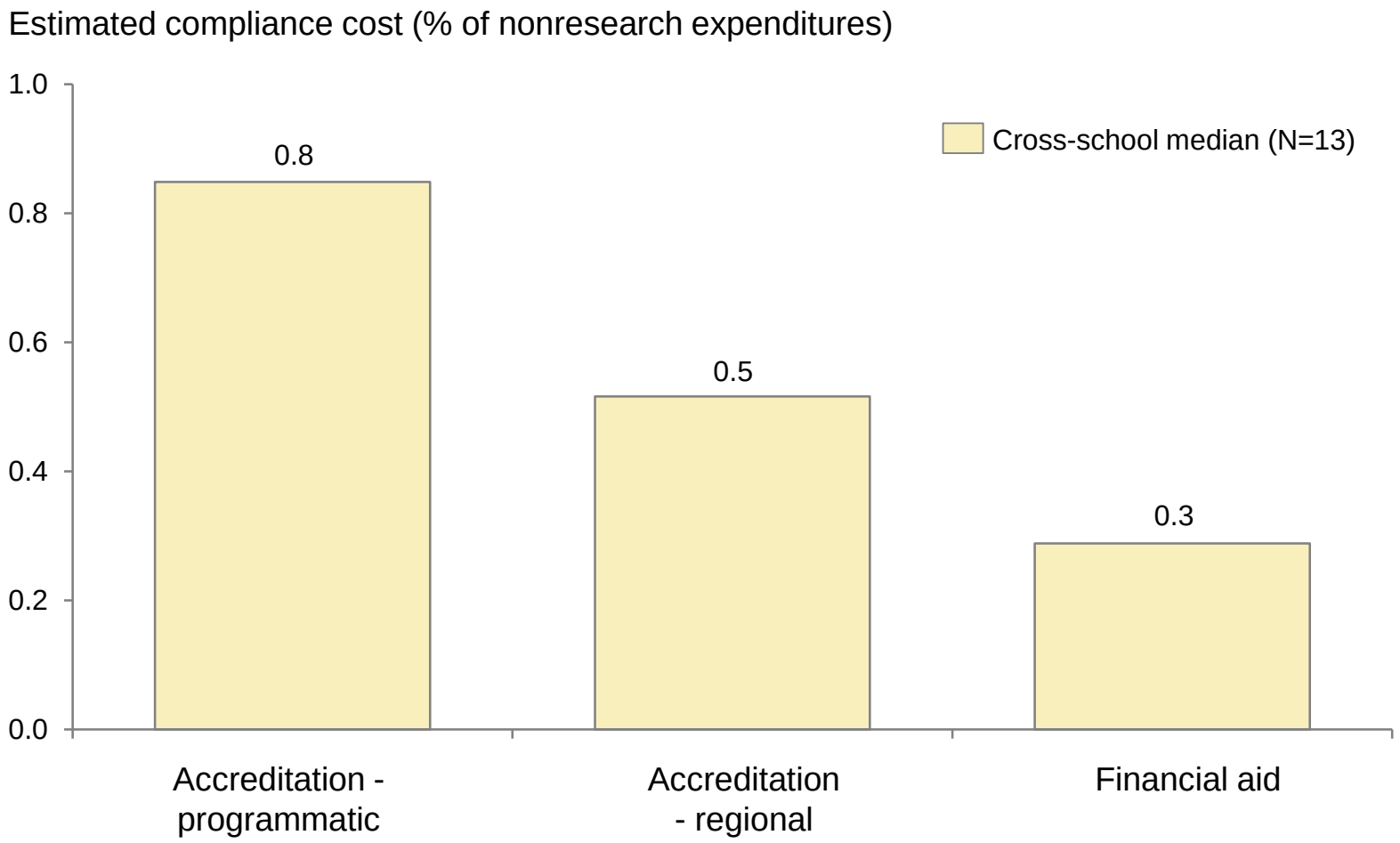
Source: Cost of Federal Regulatory Compliance Study

Research Staff in Academic Departments Have Highest Federal Regulatory Compliance Burden



Note: Staff segmentation defined by self-selection in survey choices. Research faculty defined as those reporting any research compliance in survey; Non-research faculty defined as those reporting no research compliance in survey.
Source: Cost of Federal Regulatory Compliance Study

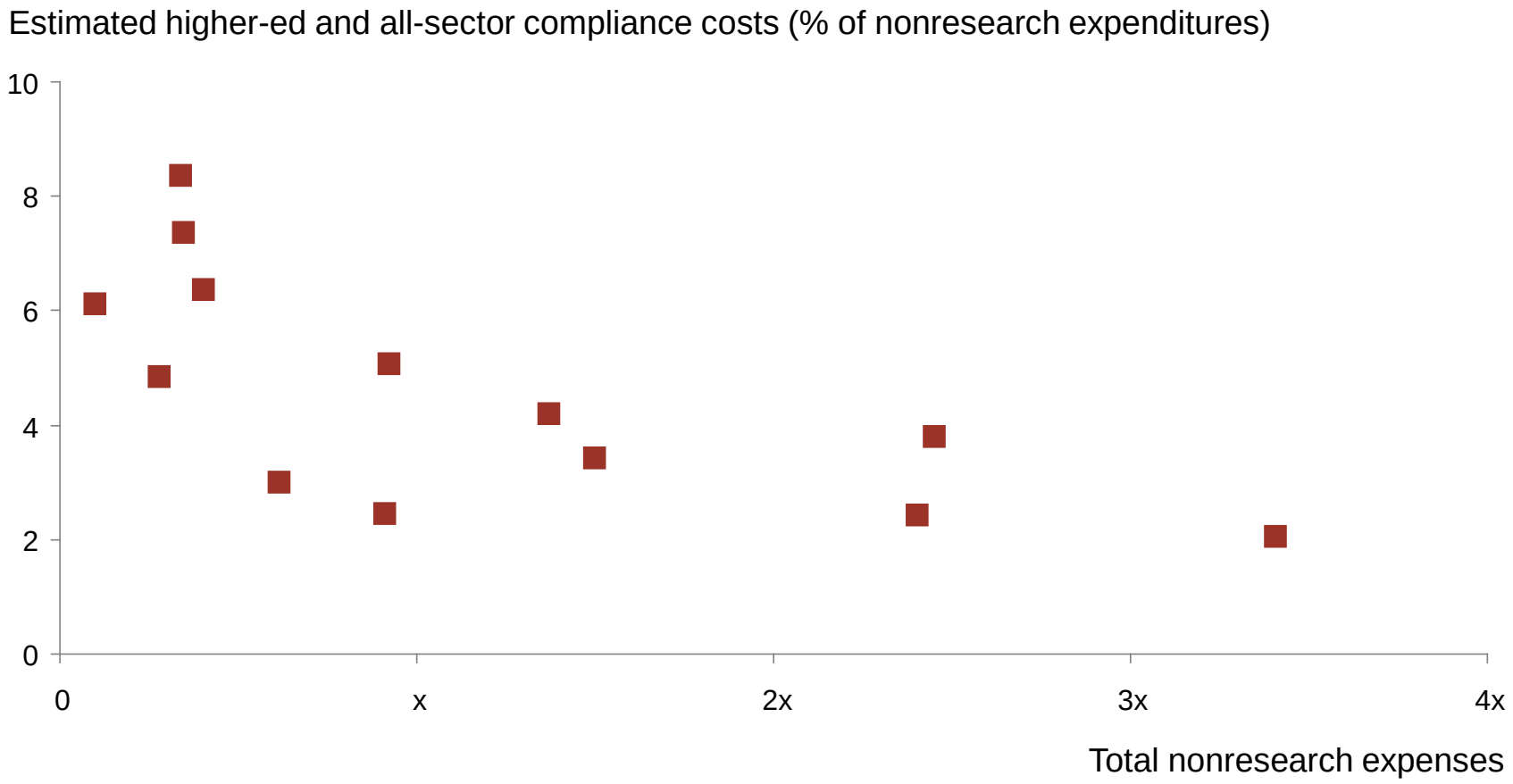
Higher-ed Compliance: Accreditation Largest Burden



Source: Cost of Federal Regulatory Compliance Study

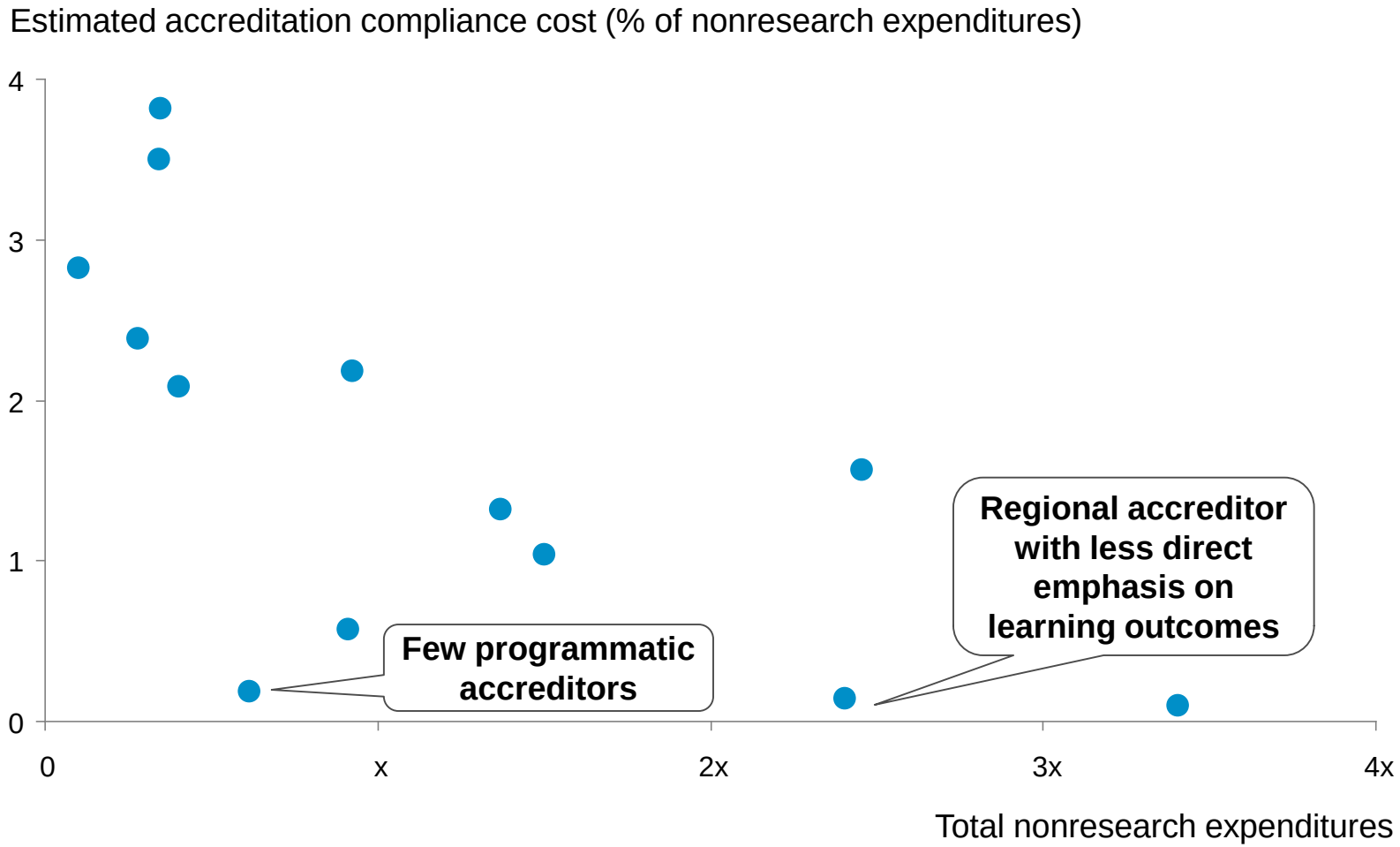
Scale Driving the Magnitude of Higher-ed and All-sector Compliance Burden

Higher-ed and all-sector compliance burden by institution (N=13)



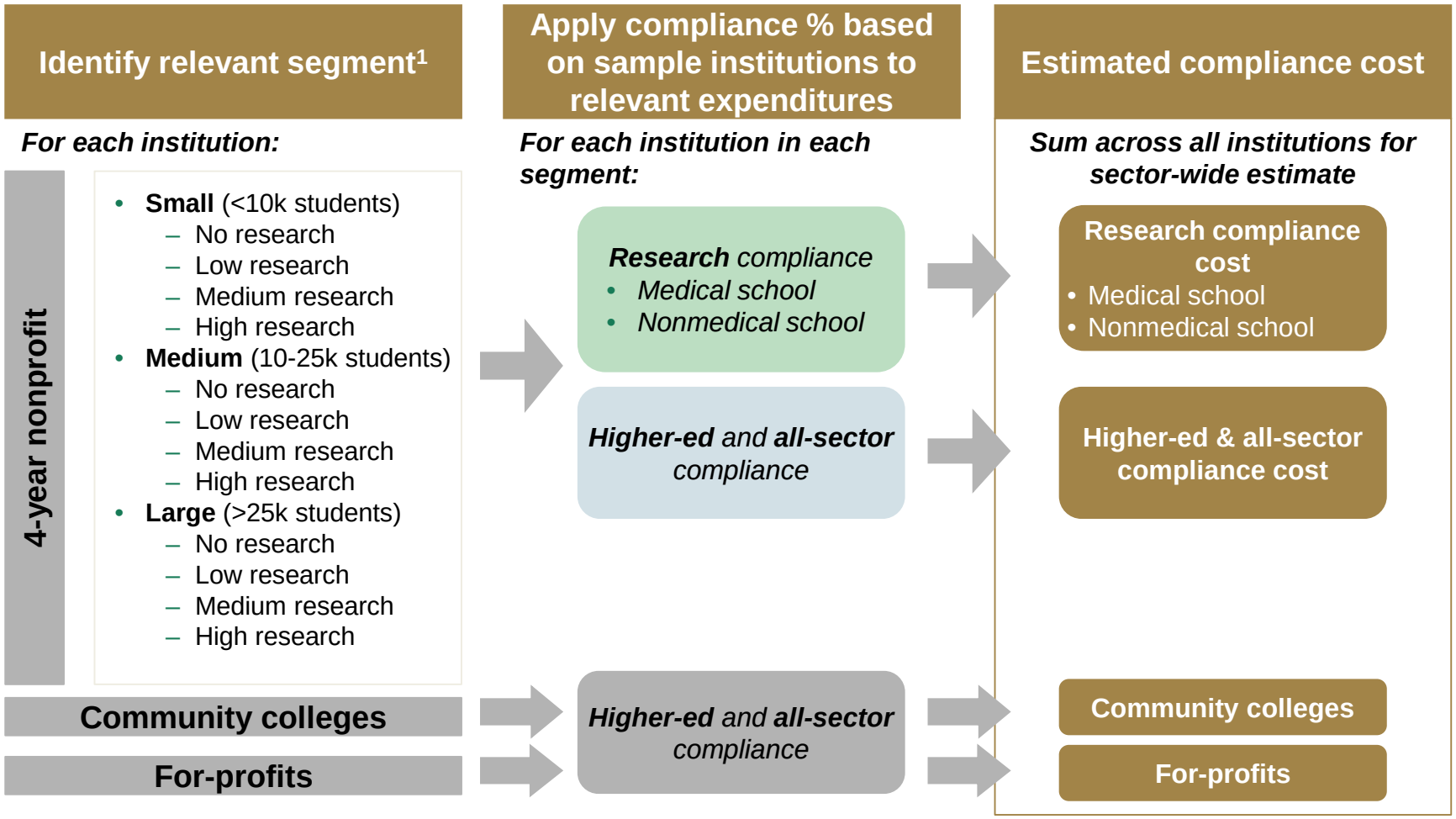
Source: Cost of Federal Regulatory Compliance Study

Accreditation Burden Varies with Number of Programmatic Accreditors, Scale, and Regional Accrediting Body



Note: Includes both regional and programmatic accreditation compliance costs
Source: Cost of Federal Regulatory Compliance Study

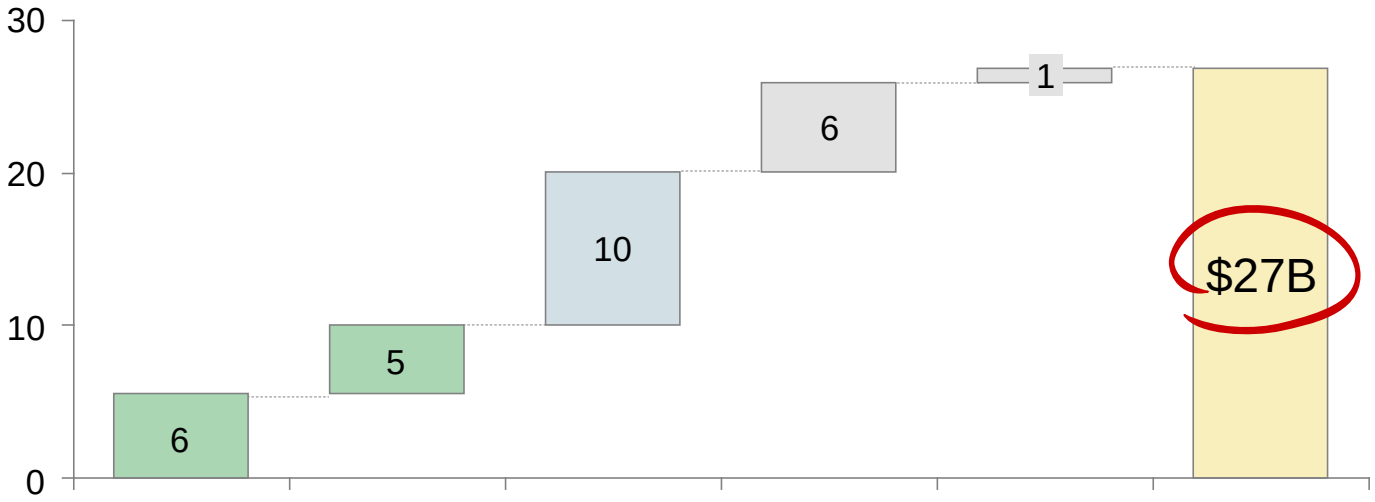
Sectorwide Estimate Developed Based on Bottom-up Methodology



1. Research segments defined based on research expenses, as follows: Low research $1-50M, Medium research $50-150M, High research >$150M

Sectorwide Federal Regulatory Compliance Cost Estimated at ~$27B

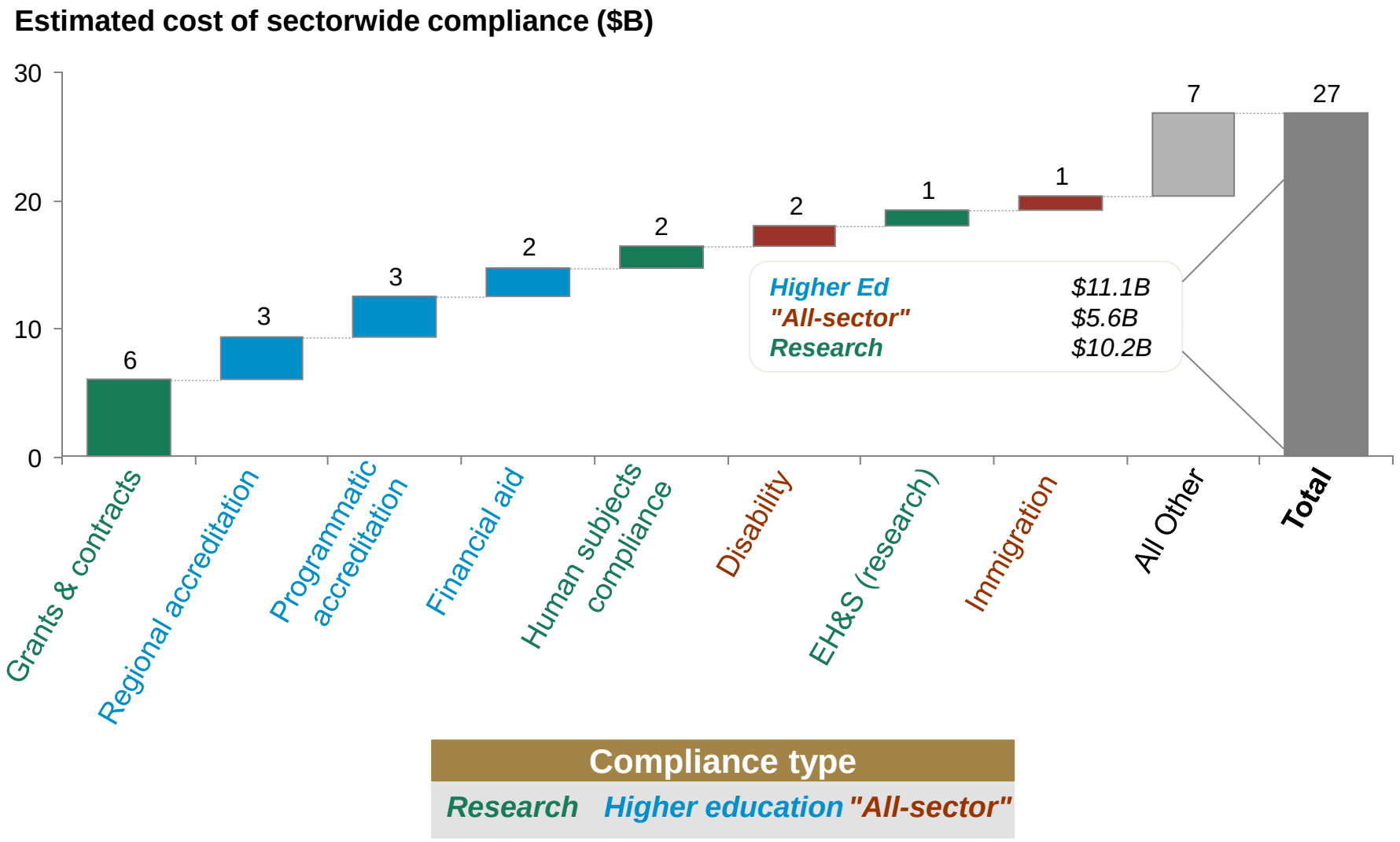
Estimated federal regulatory compliance cost ($B)



	Research – Nonmedical School	Research - Medical School	Higher-ed and all-sector	Community Colleges	For-profits	**Total Estimated Compliance Cost**
Relevant expenditures	$41B[1]	$22B[1]	$294B[2]	$64B[2]	$15B[2]	$435B
Compliance % based on sample institutions[3]	*14%*	*20%*	*3%*	*9%*	*6%*	*6%*

1. Based on NSF 2012 HERD survey results
2. Based on 2013 - 2014 IPEDS and publicly available financial statements
3. Based on federal regulatory compliance costs from Phase I and Phase II institutions, adjusted as % of relevant expenditures reported by NSF and IPEDS in (1) and (2) above

Estimated Sectorwide Cost of Compliance per Regulatory Area Based on Extrapolation from Sample Data



Note: Estimation by regulatory area based on average (i.e., not medians) compliance burdens across participating institutions
Source: Cost of Federal Regulatory Compliance Study; NSF Herd survey data; IPEDS; BCG analysis

Deterrent Pricing Article

Back to Table of Contents

Phone:231-590-9390

Beware Deterrent Pricing: the Hot New College Amenity – Affordability

Speaking at the American Council of Education recently, Mitch Daniels (the governor-turned-university-president) offered this assessment of educators' mindset on college tuition affordability: "there still is a degree of denial that anything is materially different."

Using pricing policy as a barometer, my own research supports that.

Even in an era of public outcry about price and cost (synonyms in the dictionary but I will explain the difference in the highered market), concerns about the value of the collegiate experience, and seeming to contradict its own imperative to increase access, colleges continue to raise price.

Contact Info

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Announcements

Columbus State Selects Wayne W. Van Ellis

October 16, 2015

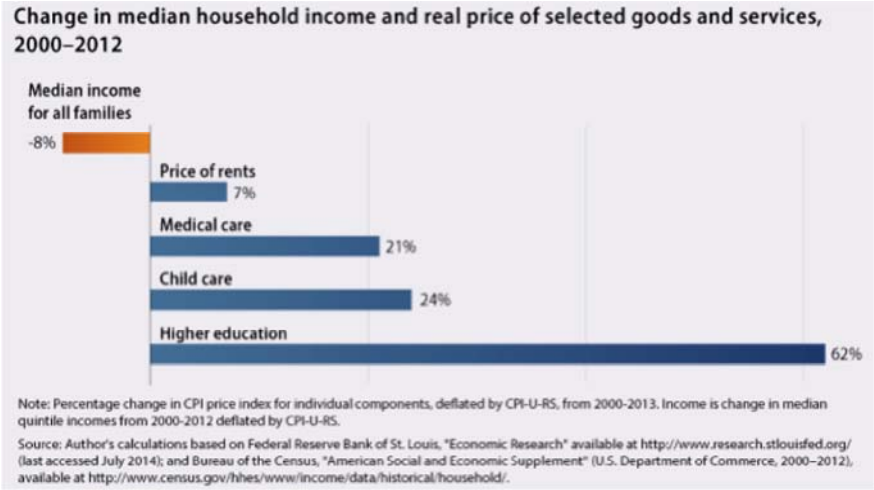
Bruce Cunningham Joins focusEDU

October 1, 2015

Delsie Phillips Joins focusEDU Consulting Firm

September 28, 2015

Price tag "lift-off" = Deterrent Pricing



College Tuition Affordability

Do colleges see more revenue? better retention? improved quality? a more diverse student population? Does this increase student satisfaction and alumni loyalty?

Are families happier more satisfied? IS highered receiving accolades for… anything? or brickbats?

In individual conversations with college presidents I detect a "this is going to hurt me more than you" tone when we discuss price or the inevitability of price increases. Presidents correctly cite the increased cost of doing business, in general, and the special value of the educational experience on their campus, in particular.

Presidents have to be positive cheerleaders and advocates. But they also have to be stewards, informed leaders who can advocate for a realistic approach to sustainability.

Now – more than ever before – colleges are in a market-driven environment. Mitch Daniels warns us that not accepting that is perilous, and common sense suggests that acknowledging reality is always a good, smart, efficient approach.

Pat Brown Santilli Joins focusEDU
July 25, 2015
Whittier College Selects focusEDU
May 10, 2015
Columbus State University Selects focusEDU
March 30, 2015
Judith Flink Joins the focusEDU Consulting Firm
March 14, 2015
Glenn Munson Joins focusEDU Consulting Firm
February 23, 2015
Denny DeSantis Joins FocusEDU Consulting Firm
February 22, 2015
focusEDU Higher Education Consulting Formed
February 20, 2015

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No institution needs to conform to "the market" or pander to "customer" whims. Mark Burstein, the president of Lawrence University, wrote a very good piece recently where he said:

> *A primary goal of the service industry is to delight the customer…. But should academic offerings always provide delight? In my experience in college and graduate school, learning happened through challenging academic interactions; those experiences were not always delightful. When I graduated, however, I felt extraordinarily grateful for the learning that took place through the rigorous academic journey I had completed.*

Attributes that will effect affluent families to consider a college that's not the first choice

In a Fall, 2012 survey, 1270 Parents and 1200 Students from affluent families (AGI $100K-$250K+) indicate top two reasons to "downgrade" are cost-related

Which attributes would make me consider / recommend a school that was not my first choice?	Affluent Students Rank	Affluent Parents Rank
Offers good scholarships and financial aid packages	1	1
The college's tuition and fees are affordable	2	2
Major I'm interested in has a strong academic reputation	3	4
Has a strong academic reputation	4	3
The campus is safe	5	7
Helps graduates get good jobs	6	5
Offers a wide variety of majors and academic programs	7	12
Faculty are committed to excellence in teaching undergraduate students	8	6
Graduates are well prepared to enroll in graduate school	9	10
Offers significant experiential learning opportunities / internships	10	8
Faculty are known for advising / mentoring students	11	9
Offers global experiences such as study abroad	12	13
Offers many social activities, intramural athletics, and student organizations	13	11
Has a high ranking in U.S. News & World Report or other pubs.	14	16
Class schedules are flexible to fit my schedule / life	15	21

Source: Cappex July 2012 Survey: N= 1,270 Parents and 1,200 Students; Affluent income: $100k to more than $250k

In this regard – curricular- and co-curricular content and pedagogy – it is true that "teacher *does* know best." But when highered leaders dismiss or downplay the pressure and power of external forces like government regulation and consumer preferences they really do so at their peril. Funding is being reduced and families are "voting with their feet." More and more families these days willing to pass on a first-choice college on the basis of cost.

Enrollment is, like TV's Nielson Ratings, a lens through which an institution's viability can be measured. Loyola, St Mary's, and Sweet Briar are a few of the highest-profile examples of this.

A friend, who is a vice president at a wealthy and highly-ranked private university, made an observation that has only grown in significance for me. Referring to passion and pride, he said "the same quality that makes our grads great alumni makes them bad trustees." Boosterism and advocacy are good, to a point, but if they morph into a tunnel-vision hubris, the important 360° conversations won't occur.

The belief that price is a proxy for quality is rooted in an era that ended around 2008. Pricing to a peer group because "you are known by your associations" won't impress a family as they make the decision where to send their child to college.

Look to the market, not in the mirror when making strategic decisions. It won't do to say "it won't happen here" or to think solutions will come by "stealing market share."

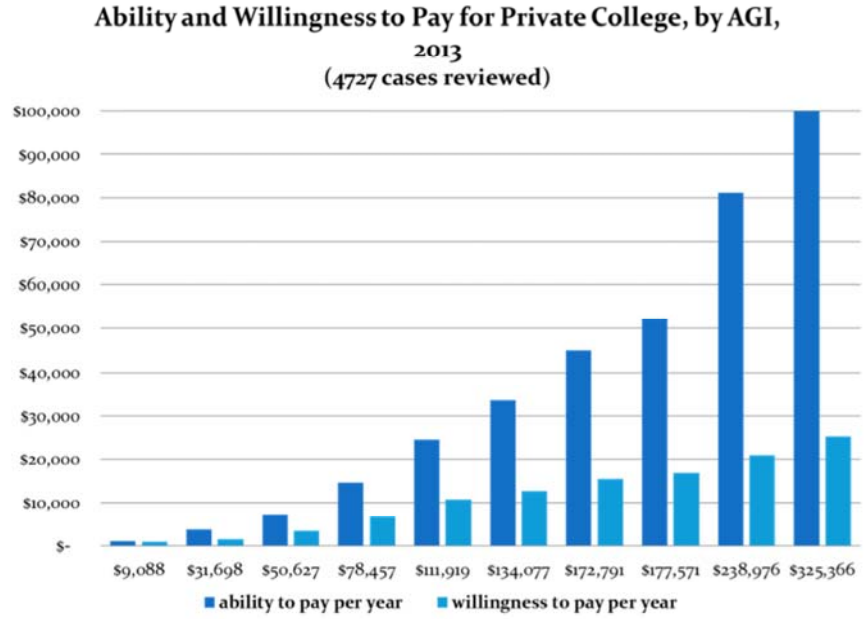
Students are the *raison d'être* for highered (okay, but right up there). Besides being the largest constituency on campus and a significant portion of mission-fulfillment, students also pay the bills: the vast majority of colleges and universities are highly dependent upon student fee revenue.

Annoyingly clear but worth stating: Without students you have no reason to exist and without their money you don't exist.

Back to my conversations with college presidents and their leadership teams. Good, committed people who come to work each day – and stay awake many nights – to do the very best they can for their students and their institutions.

Balancing competing – sometimes mutually-exclusive – imperatives is not only not easy it is often, by definition, impossible. But what the head knows the heart may not accept.

Perception and reality of affordability, a driver like never before:



The situation: the “cost of doing business” keeps going up, driven, paradoxically I am told, in part by expense of adding amenities that students want. The pipeline of college-ready kids from college-educated households who are able and willing to pay is decreasing. Competition is becoming more intense. Your college needs more money. Do you balance raising price with reducing financial aid “expenses?” or take another revenue-side approach?

Two Case Studies:

College #1: Price tag, up; discount, restrained; revenue and enrollment down.

After years of steady growth, enrollment began a decline that has continued

- In 2010, they had 2267 students paying an average of $19,414
- By 2012, there were 2224 students (a 1.9% drop) paying $19,638 on average (+1%)

- During this period tuition charges rose $1790 (5%) to $37,280
  - Alarmingly, ***entering new students*** cost (what they were paying) actually decreased by $687 (a 4% drop) to $17,745, discounted at 52.4% (a 14% increase in three years)
- ***The increase in per-student revenue was not near enough to offset the drop in enrollment***, yet they continued to increase price 1) "because we need the money," 2) because "we don't want to appear in trouble," and 3) because "we want to be in line with our peer group."

College #2: Price tag, flat; discount, up; revenue, way up as enrollment increased.

For years, as enrollment declined, they increased price *and restrained financial aid* because they "needed the money"

- As price rose and discount stayed flat, enrollment plummeted
- In 2008 they (1) froze tuition, (2) promised not to increase it, and (3) adopted a more family-friendly discount policy (to enable enrollment and retention)

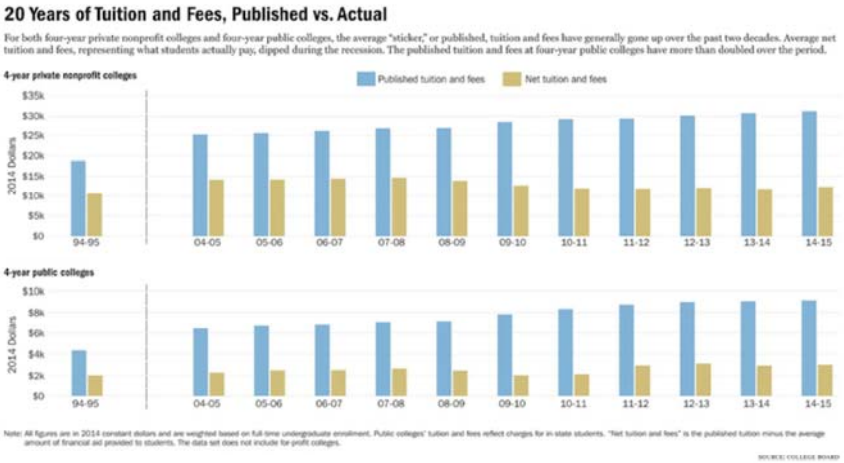
Results

- Undergraduate applications up 37%
- Increased enrollment by 25%
- Increased revenue from student fees by $11,560,870

More students applied, enrolled, and stayed. This college learned that, for families that valued its educational experience, finding the right price – and finding the right per-family discounting – attracted record numbers of applications which translated to enrollment growth.

Rational Price/discount policy Enables Enrollment and Optimizes Revenue

- If sticker price goes up but revenue doesn't, why increase the price tag?
- If sticker price is a deterrent to prospective families, why increase it? WHY SCARE THEM AWAY?



Smart business? Price UP, revenue…FLAT.

Colleges must focus on revenue and right price: the economics and psychology of pricing. Discount Rate is an *unspendable derivative* that has played a far too important – and detrimental – role in pricing. It is an internal metric, detached from market realities, what families are able and willing to pay.

Put aside what peers may think. Keep discount rate in context. Consider that price does, to some, represent prestige but this should not be a determining factor in a successful pricing policy. Think instead of relative balance, prosperity, sustainability. Look carefully and strategically at the cost-driver side as well as revenue side. Poll stakeholders and create a prioritized list of things you do that cost money. Identify all realistic sources of revenue. Start at the top of the list of priorities and work your way down until you run out of money. Share the results with those stakeholders and take it from there, as befits your campus culture, market position, and resources.

We are not hostages of collegiality, though we do share governance and ownership (sometimes if only emotionally) with many constituents. Sharing goals, values, processes, and constraints is as valuable and education tactic as it is a good business approach. Higher education is not a business but…. what business

would adopt consistent price increases as revenue holds flat or shrinks?

Every place is different. Middlebury College may be able to absorb the PR misfire of backing off the “CPI + 1” policy it announced in 2011 and they may be able to realize increased revenue with a price increase. But they are forgetting the savvy insight that led them to promise to reign-in price… fear of push-back from the non-aided. Deterrent pricing affects the wealthy too.

Very few places have the Brand Equity – and endowment – that Middlebury has. In addition to scrupulously close looks at cost-drivers that beg revenue increases, the market reality of family ability and willingness to pay has to be taken into account so colleges can be seen as worth it, sympathetic, and affordable. For the vast majority of college-bound families affordability has become the hottest new college amenity. Colleges deny that reality at serious risk.

About the Author:

You can meet and contact the author, Dan Lundquist, **here**.

Dan Lundquist

Vice President at **focusEDU**

Dan Lundquist is a nationally respected and acclaimed leader who has over 40+ years in higher education administration with the past 25 years being at the vice presidential level. Dan has held positions of leadership in admissions; fundraising; outreach and higher education financing for student success at a number of highly diverse institutions. Dan is active in the national conversations around higher education economics, demographics, and college

access. Dan has been quoted and published in the Chronicle of Higher Education. He is a sought-after speaker; author and consultant.

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Partnering with the leadership of the higher education community to provide sustainable optimized solutions to address institutional challenges and needs.

Higher Ed Realignment Task Force Presentation

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EXHIBIT C

STATE AND NATIONAL CONTEXT ON HIGHER EDUCATION GOVERNANCE:

PRESENTATION TO LEGISLATIVE TASK FORCE TO STUDY THE REALIGNMENT OF HIGHER EDUCATION

Arkansas Department of Higher Education

TASK FORCE PURPOSE

(d) The purpose of the task force is to:

(1) Study the advantages and disadvantages of realigning state-supported institutions of higher education;

(2) Identify current redundancies that exist with the current structure of higher education in Arkansas;

(3) Determine what mechanisms are currently available or could be available to provide cost savings to state-supported institutions of higher education and to students;

(4) Improve accountability to and communications with the General Assembly; and

(5) Review the structure of higher education systems in other states, identifying those states with efficient and successful systems.

PRESENTATION OUTLINE

Expense Data: Arkansas and US

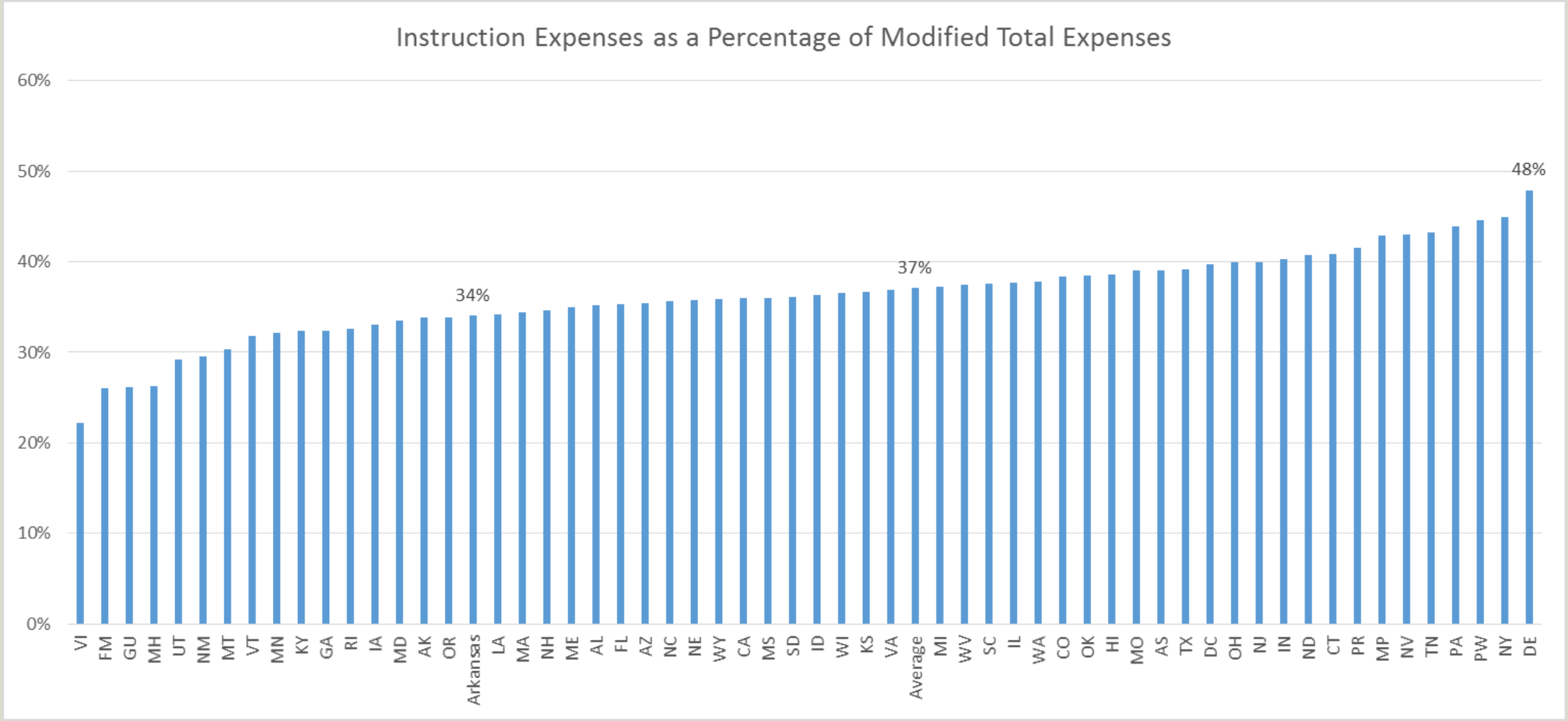
Revenue and Affordability: Arkansas and US

Governance Structures Across States

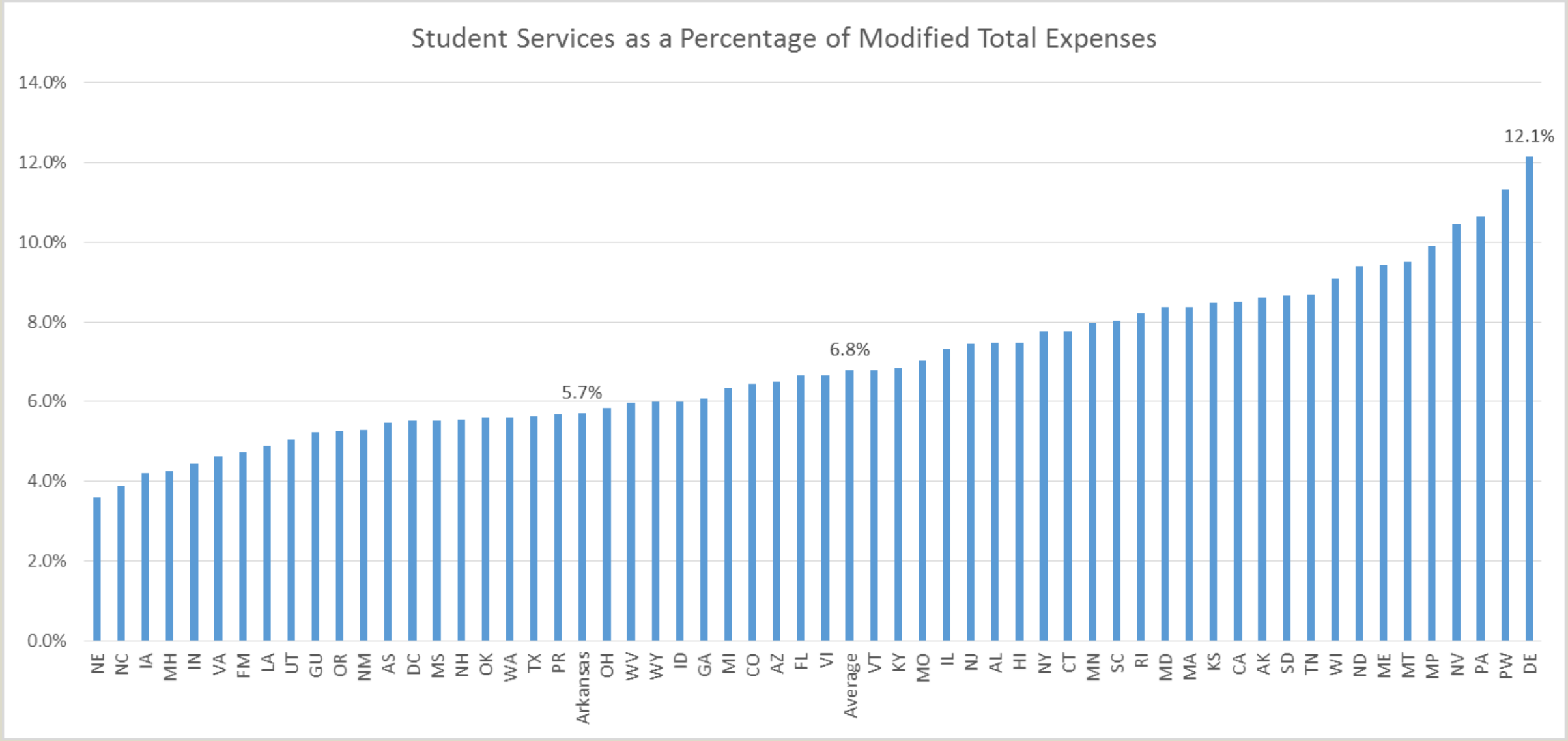
Activity in Other States

Consortia and Governance

EXPENSE DATA: ARKANSAS AND US



Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset



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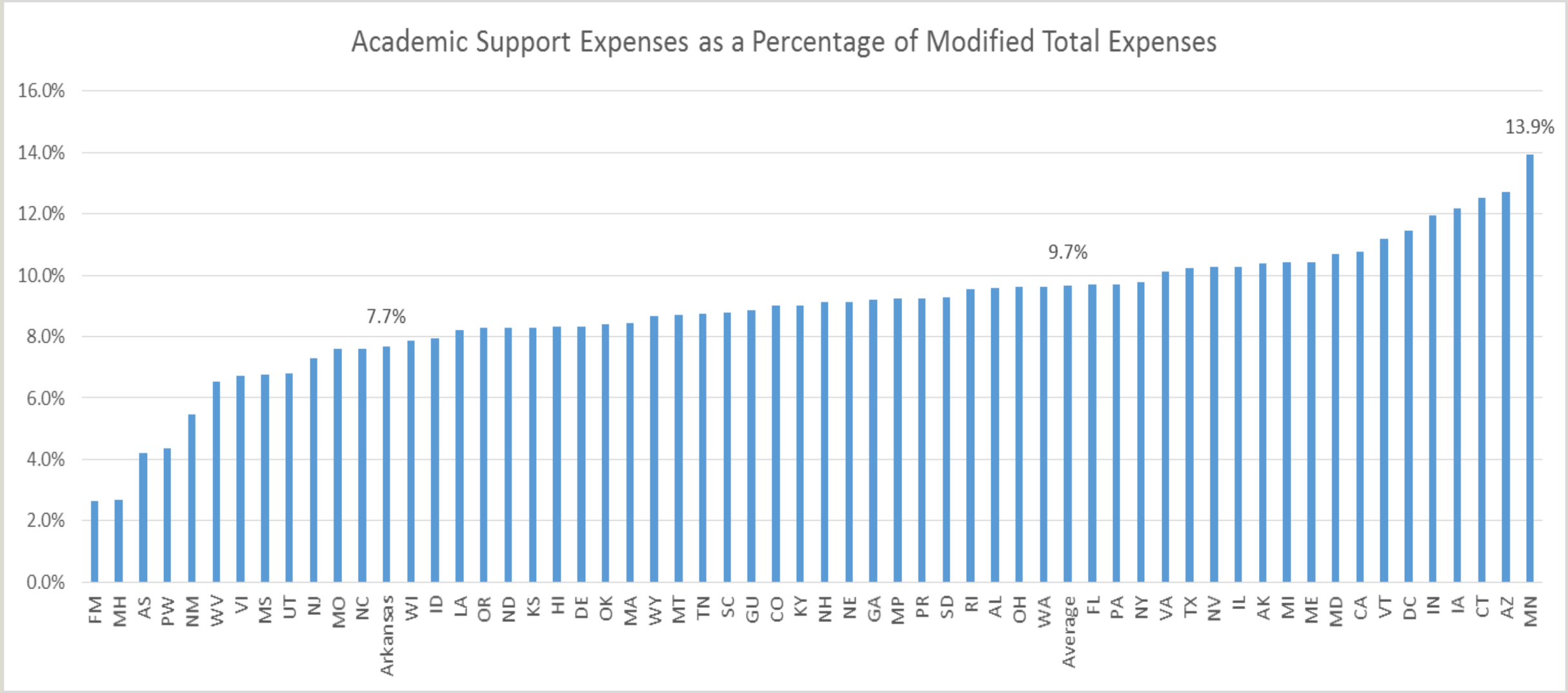

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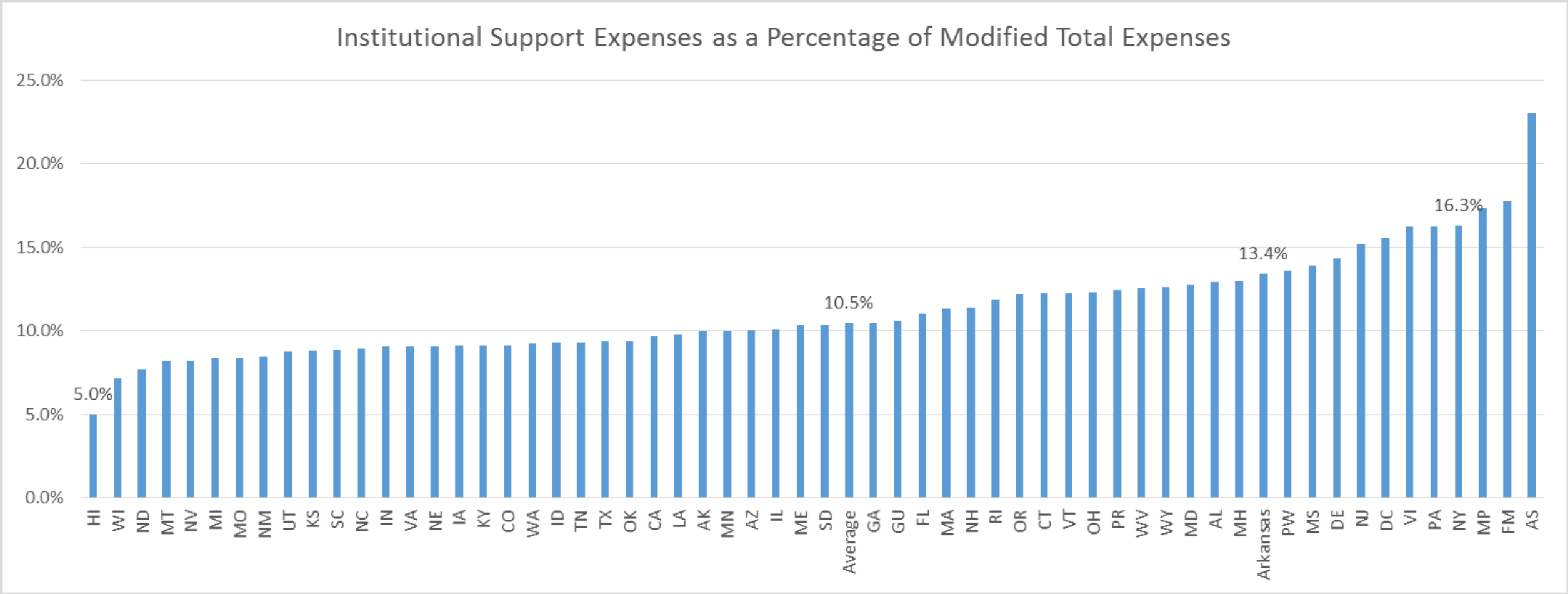

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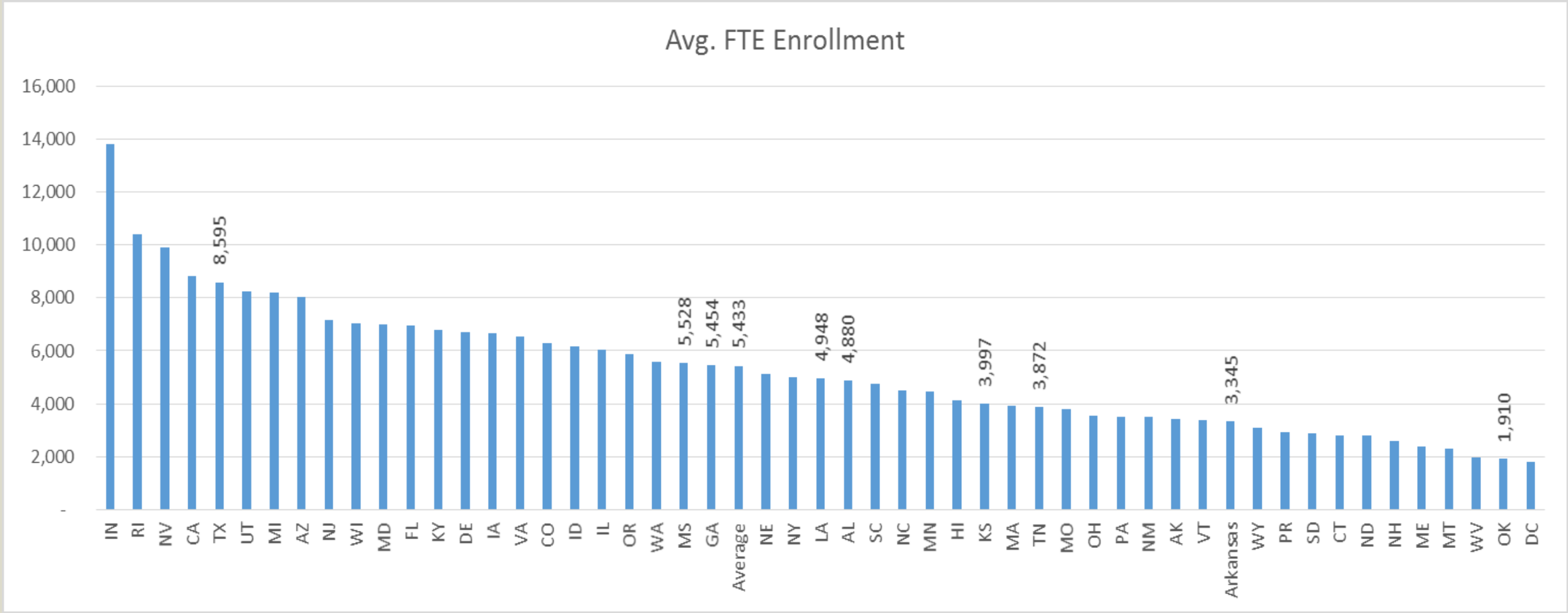


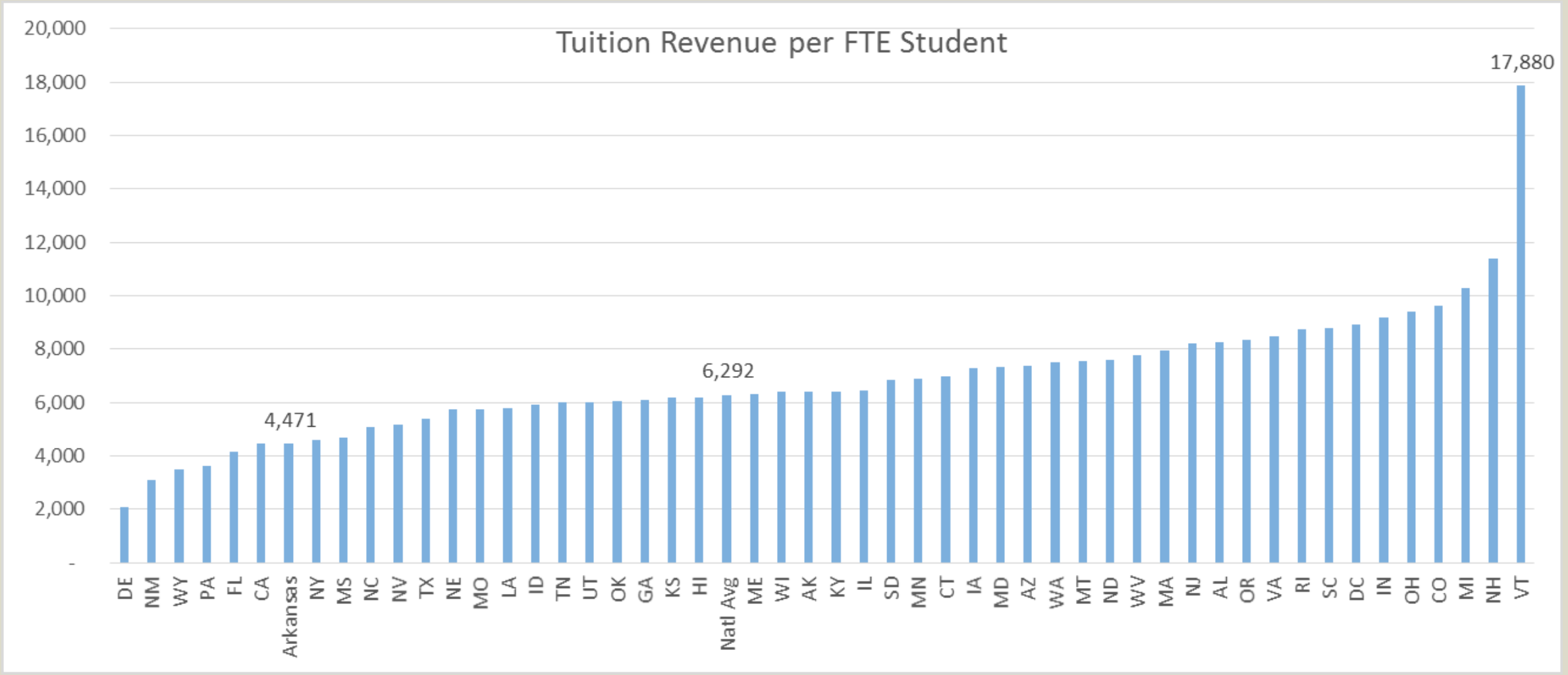
Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset

EXPENSE COMPARISON: ARKANSAS AND NATIONAL AVERAGE

Expense Category	Expenses FY14	AR % of Total	National Average	Expenses @ Natl Avg	Difference
Instruction	942,974,665	34.1%	37.0%	1,023,337,040	80,362,375
Research	296,723,940	10.7%	12.1%	335,547,633	38,823,693
Public Service	206,641,033	7.5%	5.0%	137,760,689	(68,880,344)
Academic Support	212,135,117	7.7%	9.7%	268,280,251	56,145,134
Student Services	157,499,157	5.7%	6.8%	187,893,731	30,394,574
Institutional Support	370,940,524	13.4%	10.5%	290,406,457	(80,534,067)
Auxiliary	317,430,743	11.5%	10.9%	300,869,139	(16,561,604)

Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset

REVENUE AND AFFORDABILITY: ARKANSAS AND US



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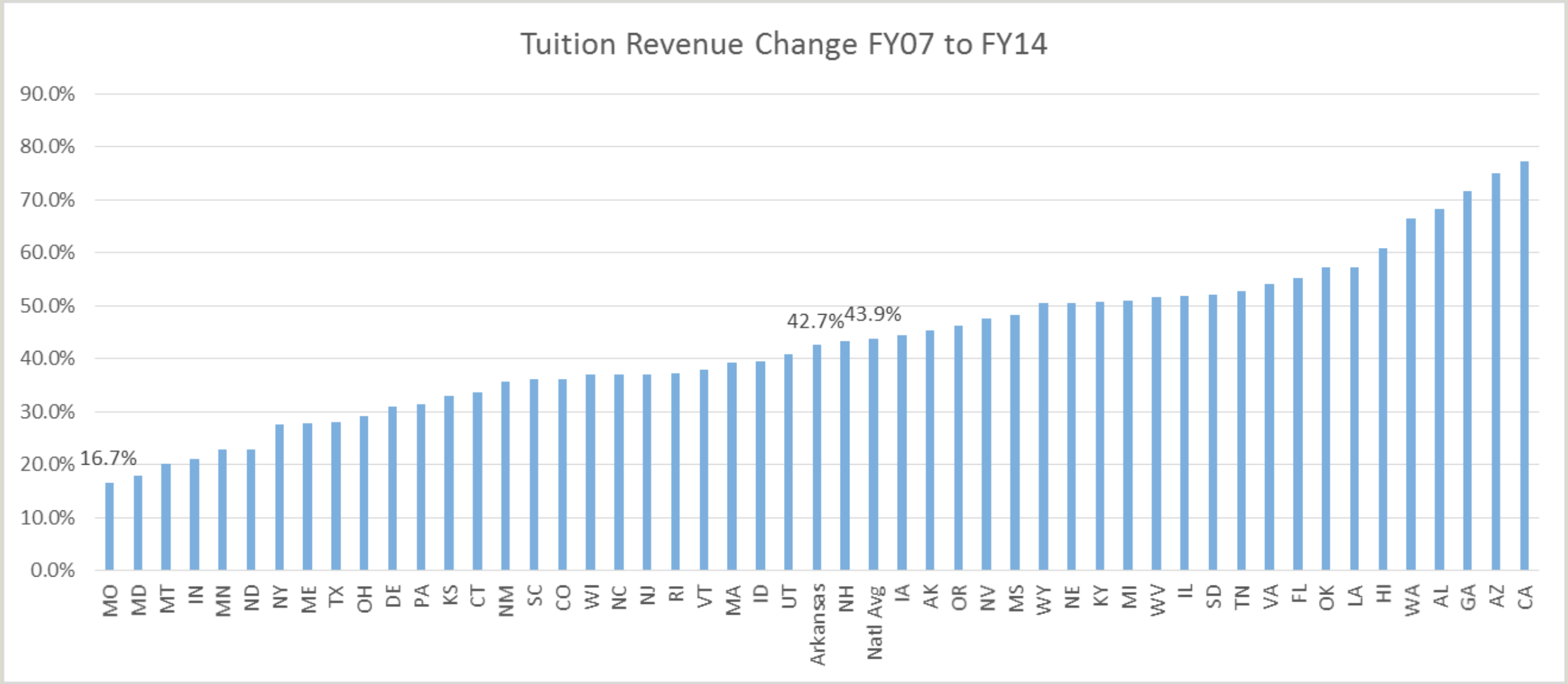

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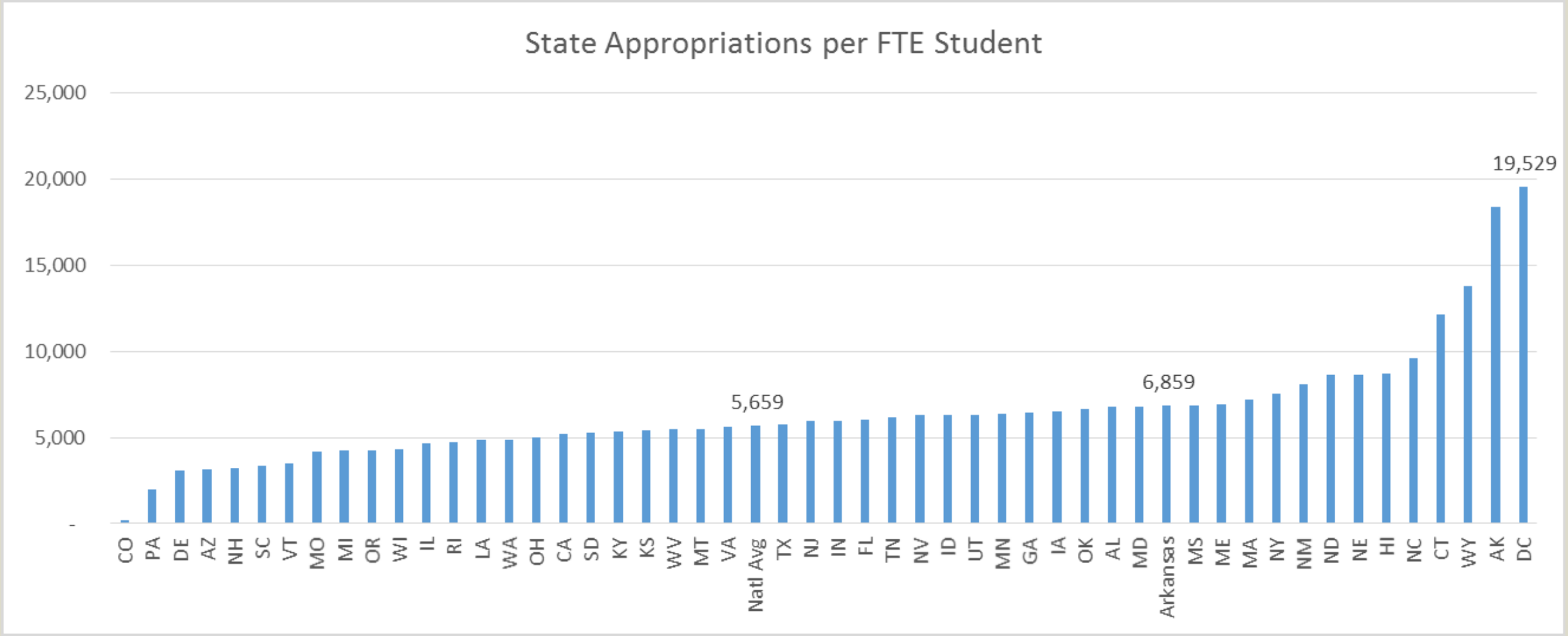

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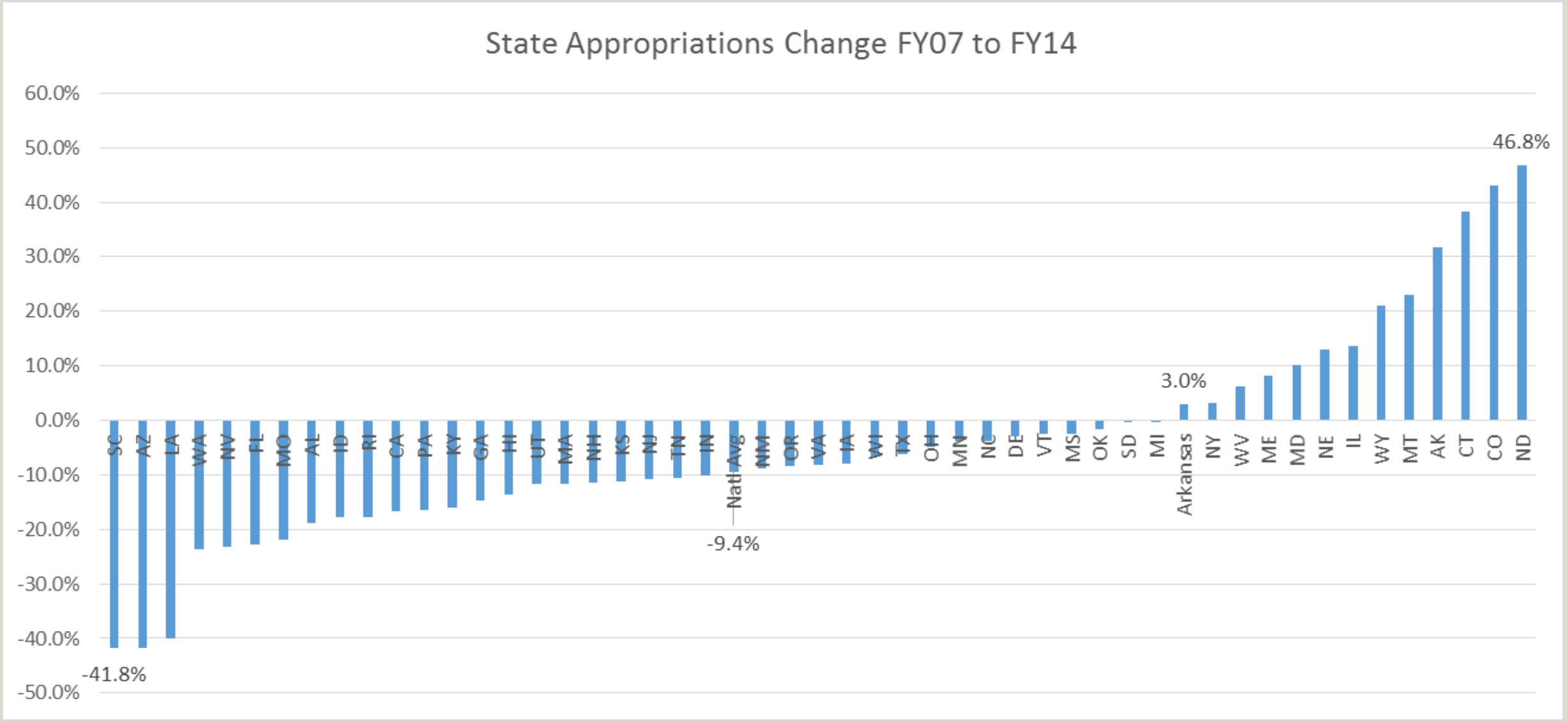
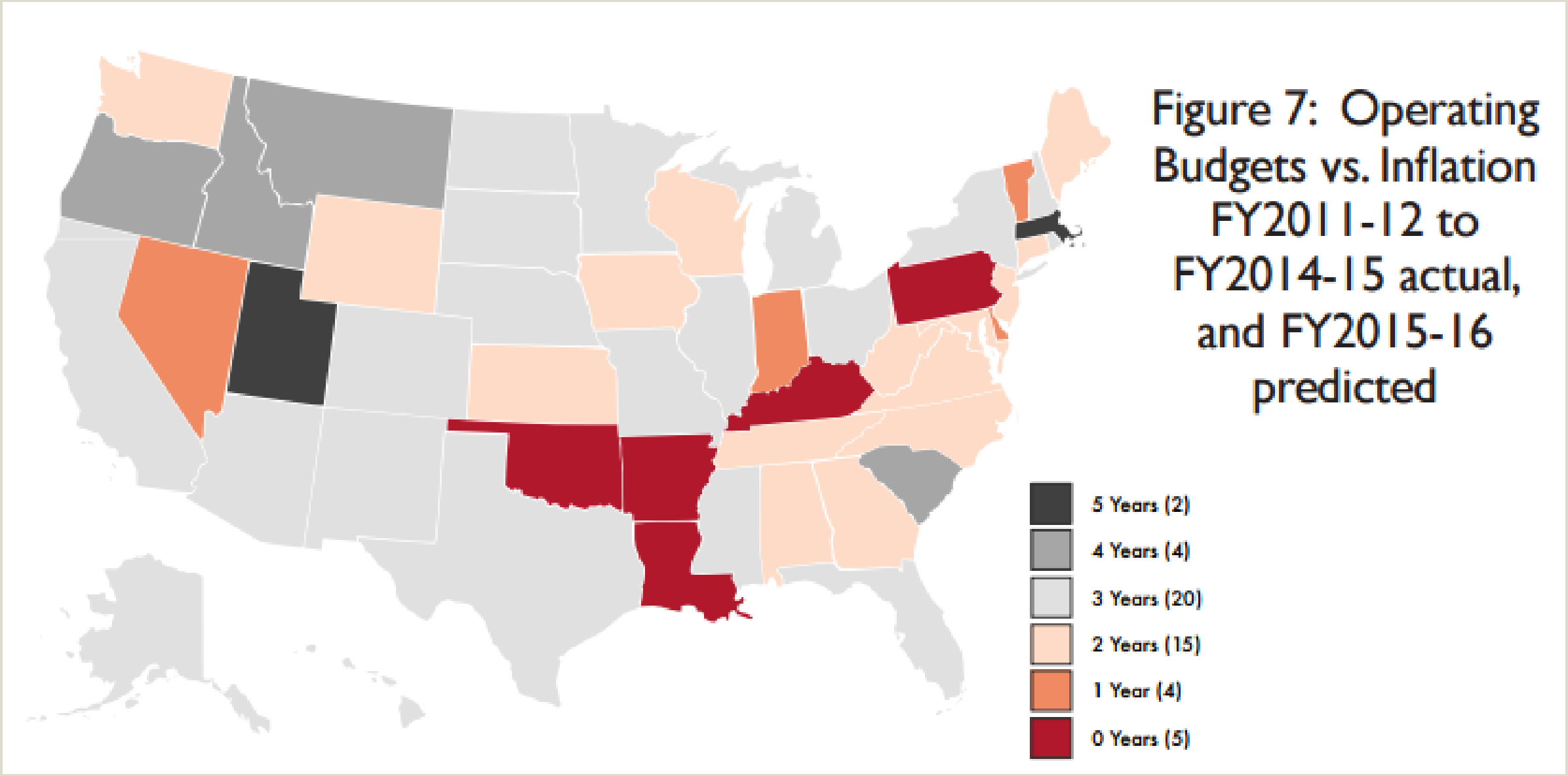
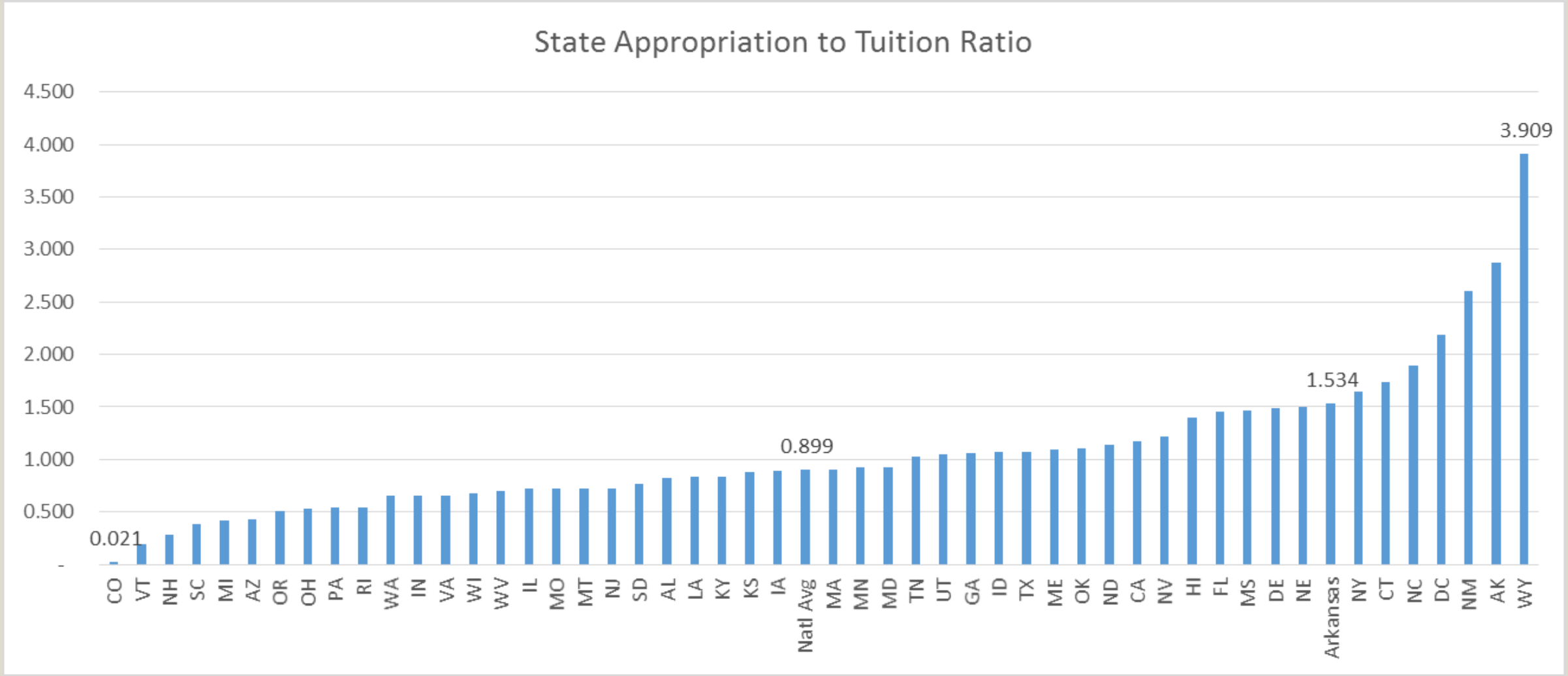


Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset



Source: AFTER THE GREAT RECESSION: HIGHER EDUCATION'S NEW NORMAL



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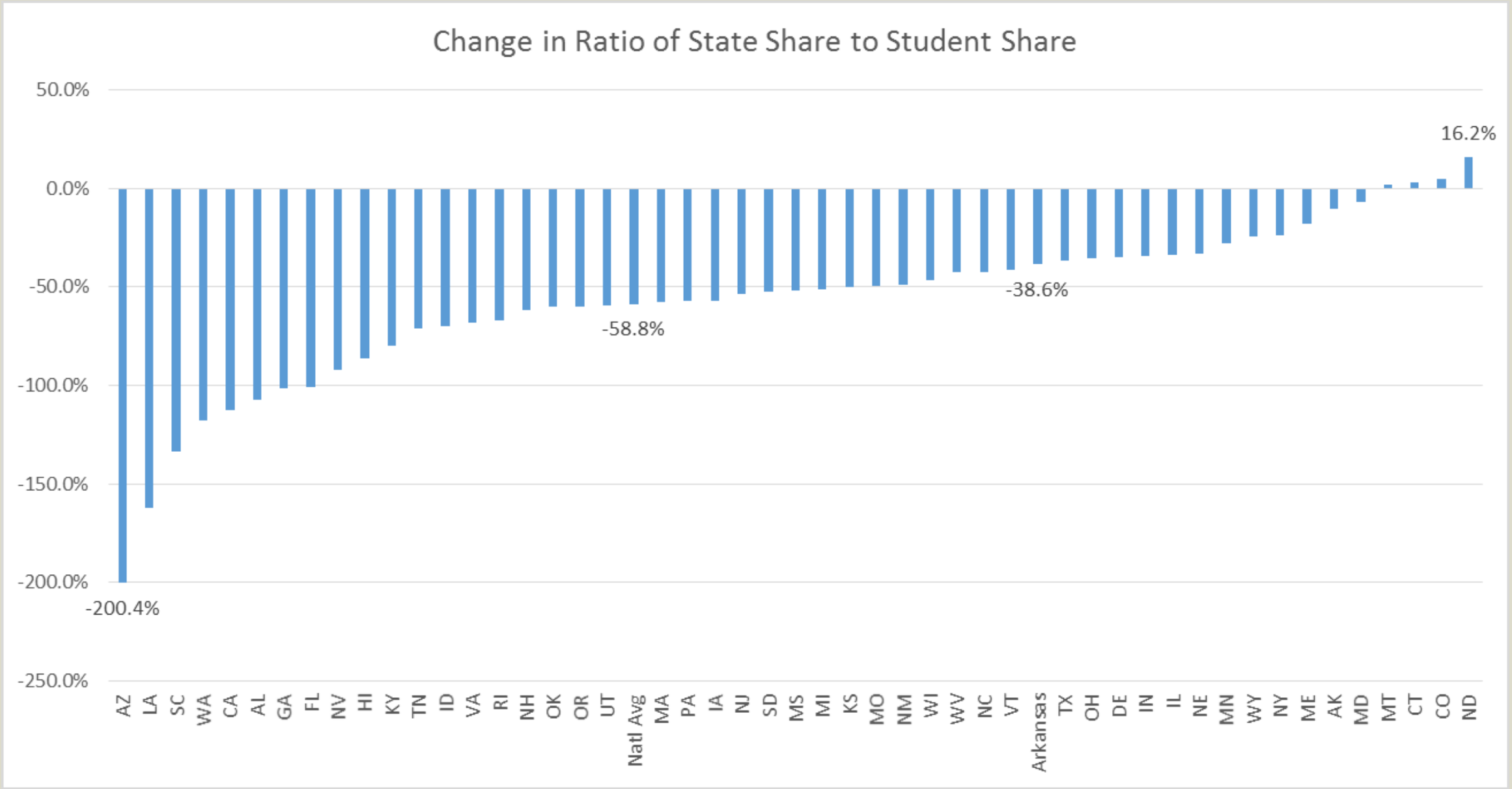

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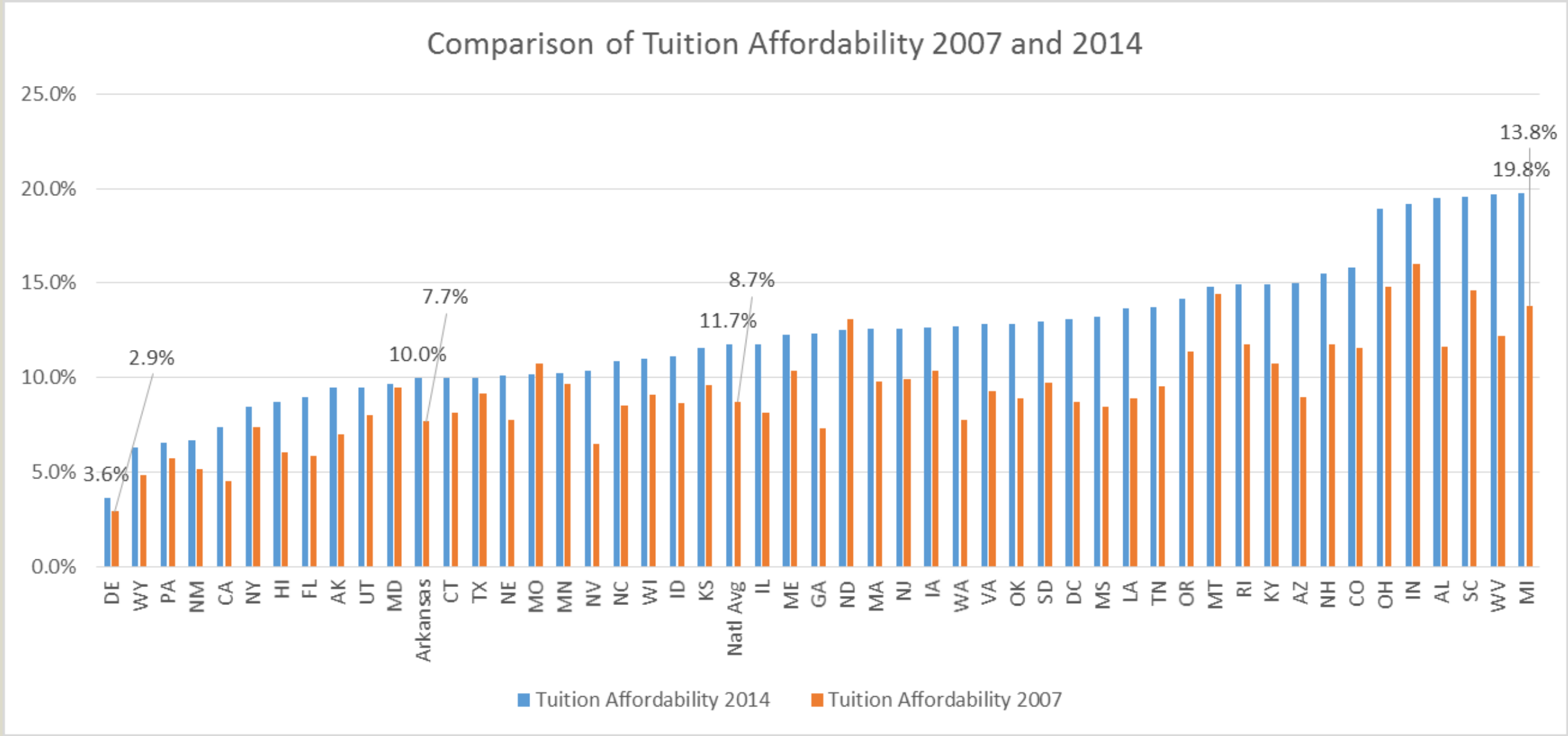
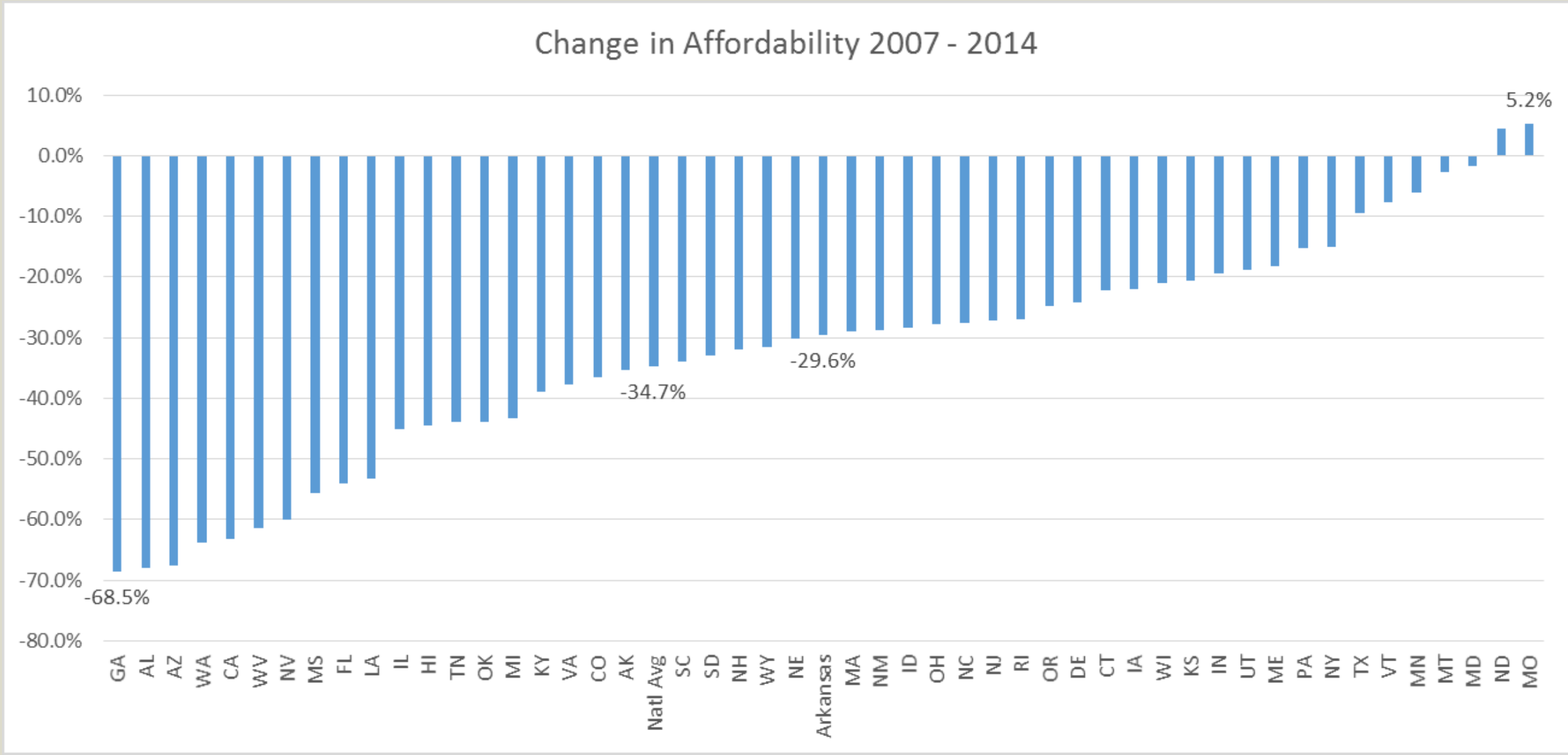


Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset and US Census Bureau Median Household Income by State – Single-Year Estimates



Source: Integrated Postsecondary Education Data System, Fiscal Year 2013-14 Dataset

GOVERNANCE STRUCTURES ACROSS STATES

EDUCATION COMMISSION OF THE STATES

Your education policy team.

50-State Comparison

State-Level Coordinating and/or Governing Agency

	State-Level Coordinating and/or Governing Agency
Alabama	The Alabama Commission on Higher Education, the statutory coordinating agency for public postsecondary education, was established in 1969. The Commission is composed of 12 members, 10 appointed by the governor and 1 each by the lieutenant governor and speaker of the house. All are subject to confirmation by the Senate. No more than 2 members can be from any one congressional district and each is charged with representing the state as a whole. Commissioners serve 9-year terms. The statutory authority of the Commission includes planning, coordination, budget review for individual institutions, recommendations of a consolidated budget and program review for the state's public senior and junior institutions. Program review involves new program approval authority for all public postsecondary institutions. The Commission has advisory authority relative to the review of existing programs. The commission also has approval authority for off-campus instruction and programs offered in the state by out-of-state institutions. The State Board of Education is a constitutional entity with responsibility not only for K-12 but also for governing 1 upper-division college, 3 junior colleges, 18 community colleges and 7 technical colleges. rev. 10/2007

http://www.ecs.org/postsecondary-governance-structures/

SELECTED STATES GOVERNANCE STRUCTURE

Alabama – Coordinating agency; responsibilities equivalent to ADHE; multiple university governing boards; Community College System Board of Trustees created in 2015 moved governance from the Board of Education (K-12)

Georgia – Board of Regents; single governance authority for all colleges and universities

Kentucky – Coordinating agency; authority to set institutional mission and plans, establish accountability, set admission standards, set tuition rates; multiple universities, one community and technical system

SELECTED STATES GOVERNANCE STRUCTURE

Louisiana – Board of Regents; planning and coordination authority; 3 university systems, one community and technical college system

Mississippi – Board of Trustees is governing body of public universities; State Board for Community and Junior Colleges is a coordinating agency for the 15 community colleges

Missouri – Coordinating Board for Higher Education; responsibilities equivalent to ADHE; multiple institutions with separate governing boards

ACTIVITY IN OTHER STATES

GEORGIA

GSU and Georgia Perimeter College to merge

12:00 a.m. Saturday, Jan. 17, 2015 | Filed in: **Education**

Georgia State University and Georgia Perimeter College will consolidate to form a new institution to be named Georgia State University.

On January 6, the Board of Regents approved a proposal from Chancellor Hank Huckaby recommending the consolidation of these two institutions to improve student success.

"Georgia State is a recognized national leader in improving student retention and graduation rates and will be able to apply its best practices," said Chancellor Hank Huckaby. "Combining these attributes with Georgia Perimeter College's leadership in providing access to students across the metro area presents a major opportunity to improve student success."

Merger Creates Higher Education Success Story

July 20, 2015 | :

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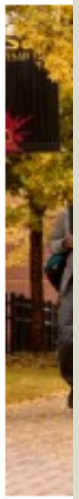
by Jamal Eric Watson



Merging two universities into one is hardly an easy feat.

But administrators at Kennesaw State University (KSU) have successfully done just that, creating a national blueprint that will likely be replicated as more colleges and universities look to consolidation as an answer to help cut costs and streamline academic programs.

Earlier this year, the Board of Regents of the University System of Georgia approved the consolidation plans between KSU and Southern Polytechnic State University, transforming this new institution of higher education into one of the largest universities in the nation.

Consolidating these two relatively young institutions located within 10 miles of each other made sense to Dr. Daniel S. Papp, who has been president of KSU since 2006.

ALABAMA

Alabama board votes to consolidate seven colleges

(Mike Cason/mcason@al.com)

PrintEmail

By Mike Cason | mcason@al.com

Email the author | Follow on Twitter

on December 10, 2015 at 10:31 AM, updated December 10, 2015 at 1:25 PM

The Alabama Community College System Board of Trustees voted today to begin the process of merging a total of seven colleges, four in south Alabama and three in the east-central part of the state.

Four will be consolidated under Faulkner State Community College, based in Bay Minette. The other three are Jefferson Davis Community College in Brewton, Alabama Southern Community College in Monroeville and Reid State Technical College in Evergreen.

Three will be consolidated under Central Alabama Community College, based in Alexander City. The other two are Southern Union State Community College in Wadley and Chattahoochee Valley Community College in Phenix City.

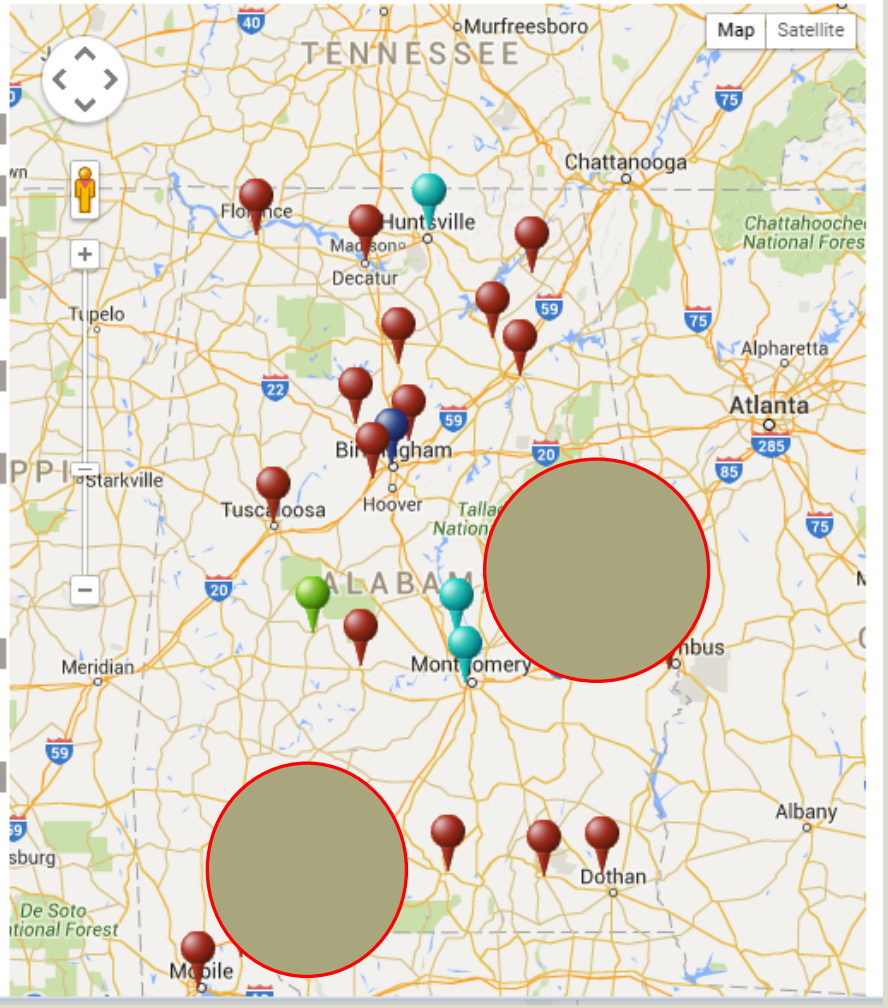
Colleges and Organizations

Community and Technical Colleges

- Alabama Southern
- Bevill State
- Bishop State
- Calhoun
- Central Alabama
- Chattahoochee Valley
- Drake State
- Enterprise State
- Faulkner State
- Gadsden State
- Ingram
- Jeff Davis
- Jefferson State
- Lawson State
- Lurleen B. Wallace
- Northeast Alabama
- Northwest Shoals
- Reid State
- Shelton State
- Snead State
- Southern Union
- Trenholm State
- Wallace Dothan
- Wallace Hanceville
- Wallace Selma

Two-Year Military College

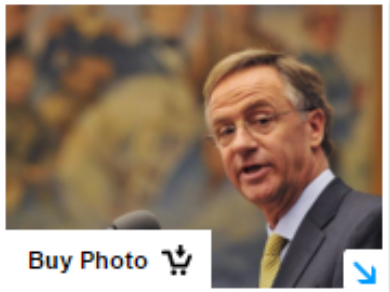
- Marion Military



TENNESSEE

Major overhaul planned for Tennessee colleges

Adam Tamburin, atamburin@tennessean.com 9:20 p.m. CST December 1, 2015



(Photo: Samuel M. Simpkins / The Tennessean)

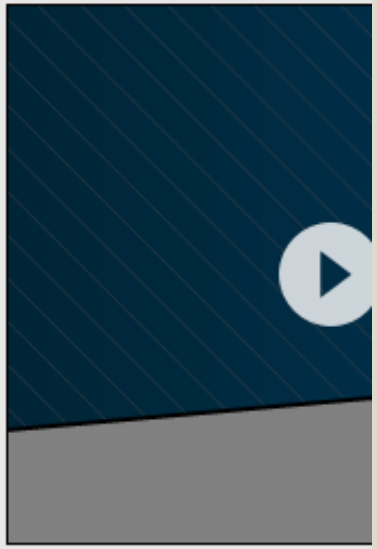
STORY HIGHLIGHTS

- **The Tennessee Board of Regents currently oversees six four-year universities.**
- **In addition, the board oversees 13 community and 27 technical colleges.**
- **Gov. Bill Haslam announced a plan Tuesday to split off the six universities, which include MTSU.**

Gov. Bill Haslam on Tuesday announced plans to overhaul the state's public higher education system by creating independent governing boards for the six universities currently managed by the Tennessee Board of Regents.

That would mean local boards at state universities such as Middle Tennessee State University, Tennessee State University and Austin Peay State University would be able to set tuition rates, approve budgets and set priorities independently. The Board of Regents would continue to manage the state's network of 13 community colleges and 27 technical colleges.

Haslam said splitting state universities off would allow the Board of Regents to put "concentrated focus" on the challenges at community and technical colleges while allowing the six universities to respond individually to "unique needs and regional economies."



TOP VIDE

FLAGSHIPS

They feel caught in regional orientations and structures while trying to compete in national and global venues.

Are Systems Bad for Flagships?

State systems have served higher education well over time, but in today's environment they may be inimical to the health of flagship universities and the regions they serve, write Robert Berdahl, Steven Sample and Raquel M. Rall.

March 7, 2014
By Robert Berdahl, Steven Sample and Raquel M. Rall

For much of the past century, public higher education in the United States has been governed by various forms of state university control. These "systems" and their governing boards define and harmonize the educational interests and needs of their respective states with campus strategic plans, allocate state resources, oversee capital development, and try to buffer institutions from excessive intrusion by politicians and state agencies -- important roles all.

And, because state higher education systems often comprise institutions located in all regions of the state, they are believed to be able to generate more general legislative support for higher education than might be possible for any single institution.

Yet despite the prevalence and best intentions of systems, it's not clear that good state systems any longer lead to good university governance. Indeed, it may be that university systems are inimical to the health of public flagship universities and to the states and regions they serve. As institutions have grown larger and more complex, it is more difficult for a single system board to oversee and govern

GOVERNANCE AND CONSORTIA

FLORIDA

Regional Campuses

Why Regional Campuses • Admissions • Acaden

Why Regional Campuses

With 9 locations across Central Florida, UCF provides you access to flexible degree programs—without the commute to the main campus in Orlando.

Your local campus offers you the same services and programs as the main campus, as well as smaller class sizes, personalized advising and expert faculty.

Regional Campuses also has unique programs, including our Bachelor of Applied Science (B.A.S.), and Bachelor of Design in Architecture (B. Des.) degree programs.

Design Your Education

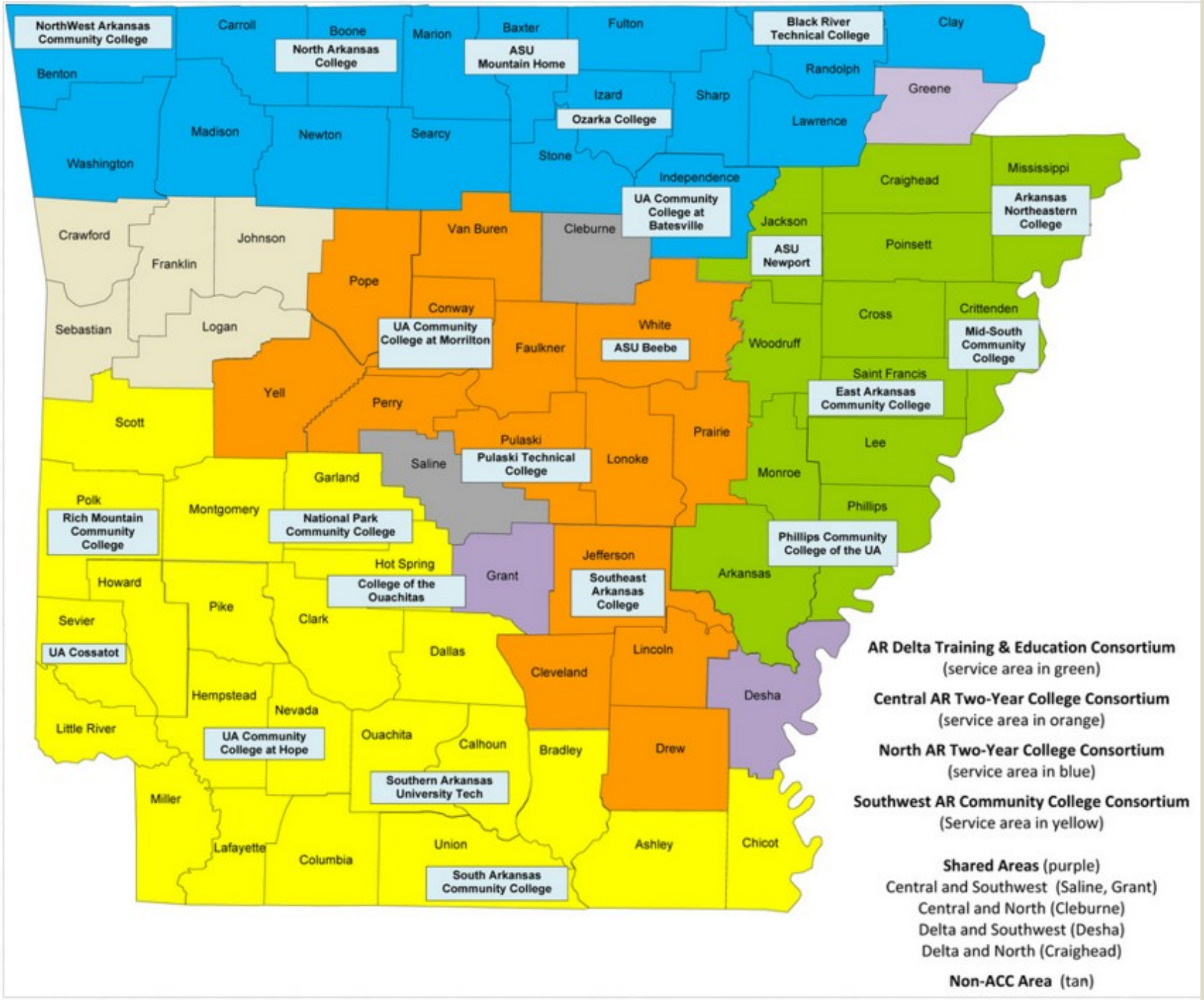
At a regional campus, you can build a schedule that fits your lifestyle. Meet with your local advisor to design an educational plan that's right for you, including the option to attend class in a classroom, online or a mix of both. And through Continuing Education, you can get professional training in your neighborhood—or work on a professional master's degree through Corporate Education.

Save Your Money

Did you know UCF is ranked one of the best educational values in the country? Not only does UCF offer you one of the lowest tuition rates in the nation, but attending class in your community also saves you

Our Partners

UCF and your community/state college have a unique partnership—that's how we make your transition to a bachelor's degree program efficient and worry-free. Through programs such as DirectConnect to UCF and 2+2, we help you start preparing early for the transition to UCF. Due to these partnerships, students at College of Central Florida, Daytona State College, Eastern Florida State College, Lake-Sumter State College, Seminole State College, and Valencia College have guaranteed access to UCF through DirectConnect to UCF.


NorthWest Arkansas Community College
Carroll
Boone
North Arkansas College
Marion
Baxter
ASU Mountain Home
Fulton
Black River Technical College
Clay
Benton
Randolph
Greene
Izard
Ozarka College
Sharp
Lawrence
Madison
Newton
Searcy
Stone
Washington
Independence
UA Community College at Batesville
Craighead
Mississippi
Arkansas Northeastern College
Jackson
ASU Newport
Poinsett
Crawford
Franklin
Johnson
Van Buren
Cleburne
Pope
Conway
UA Community College at Morrilton
Faulkner
White
ASU Beebe
Woodruff
Cross
Crittenden
Mid-South Community College
Sebastian
Logan
Yell
Perry
Saint Francis
East Arkansas Community College
Scott
Pulaski
Pulaski Technical College
Saline
Lonoke
Prairie
Lee
Monroe
Garland
Polk
Rich Mountain Community College
Montgomery
National Park Community College
Phillips
Phillips Community College of the UA
Hot Spring
Jefferson
Grant
Arkansas
Howard
College of the Ouachitas
Southeast Arkansas College
Pike
Clark
Sevier
UA Cossatot
Dallas
Lincoln
Cleveland
Desha
Hempstead
Nevada
Little River
UA Community College at Hope
Ouachita
Calhoun
Bradley
Drew
Southern Arkansas University Tech
Miller
Lafayette
Columbia
Union
Ashley
Chicot
South Arkansas Community College
AR Delta Training & Education Consortium
(service area in green)
Central AR Two-Year College Consortium
(service area in orange)
North AR Two-Year College Consortium
(service area in blue)
Southwest AR Community College Consortium
(Service area in yellow)
Shared Areas (purple)
Central and Southwest (Saline, Grant)
Central and North (Cleburne)
Delta and Southwest (Desha)
Delta and North (Craighead)
Non-ACC Area (tan)

QUESTIONS?