

Delta Cost Project Briefing

Jane Wellman

Eastern States Legislative Finance Officers

Chapel Hill, North Carolina
September 24, 2010



Messages for legislators re: what the research says about college spending

- 1) Trying to fund for 'adequacy' will inevitably force attention to increasing revenues
- 2) *How* the money is spent matters more than how much money there is to spend
- 3) Legislative oversight of spending needs to look at how core resources are *used* – in relation to goals
- 4) Focus on E&R measure-changes over time, subsidy share of costs, and spending/completion

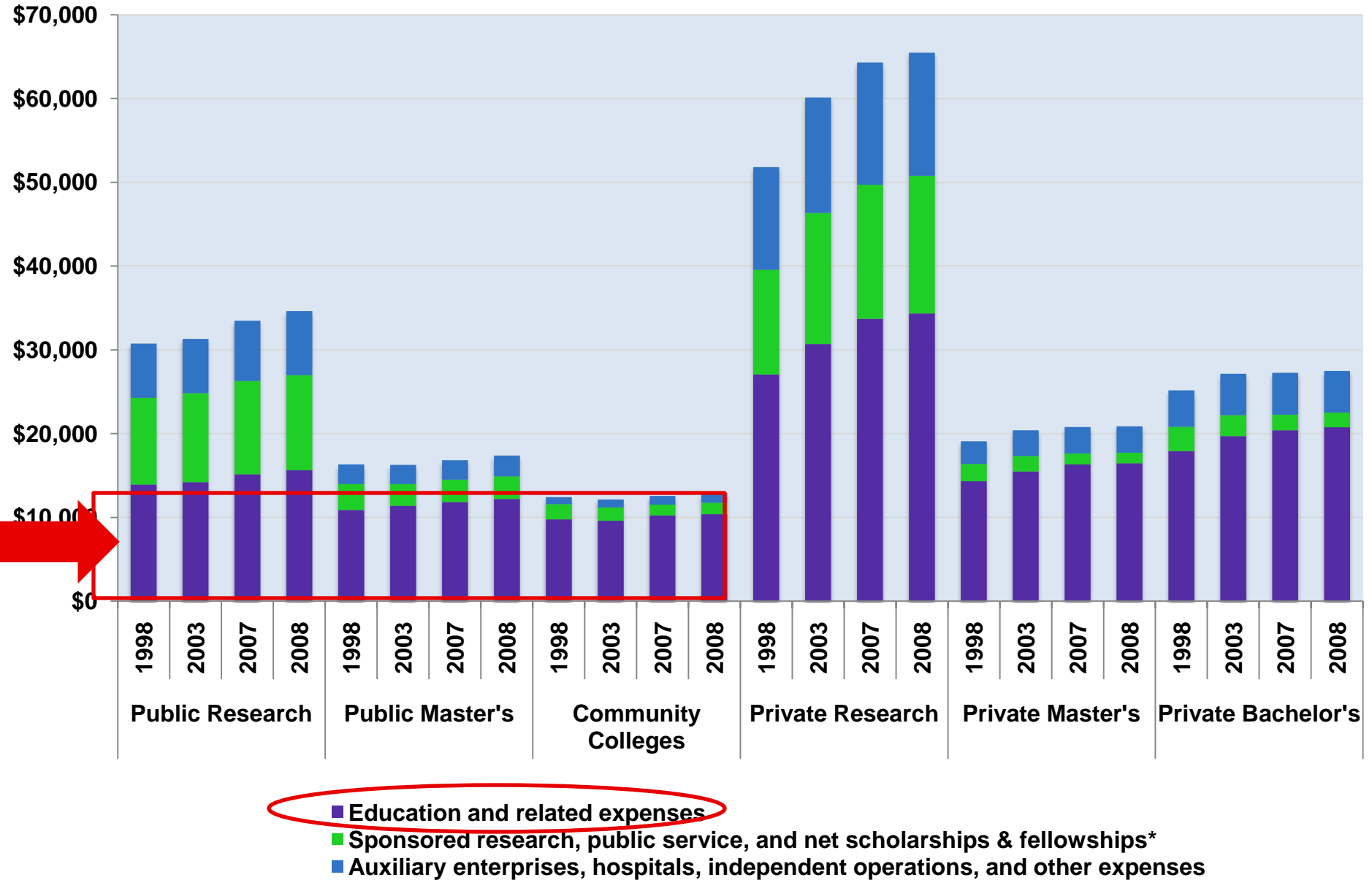
“Connecting the dots” major findings

- Very little work on spending and effectiveness, but what’s there says...
- Almost NO consistent relationship between spending levels and any measure of performance
- HOW money is spent matters
 - For instruction and student services
 - For need-based aid

Delta cost spending metrics

- Looks at spending – not at appropriations, or tuition, or research funding
- All measures are reported per FTE student, and adjusted for inflation using CPI-U
- National data are organized into “Carnegie” classifications using “Carnegie 2005”
 - Separates public and non-profits
 - Publics: research, masters, associates
 - Privates: research, masters, bachelors

E&R spending as a proportion of total operating spending



Education and related expenses

Sponsored research, public service, and net scholarships & fellowships*

Auxiliary enterprises, hospitals, independent operations, and other expenses

*Note: In 1998, public institutions reported gross scholarships and fellowships.

Source: Delta Cost Project IPEDS Database, 1987-2008, 11-year matched set.

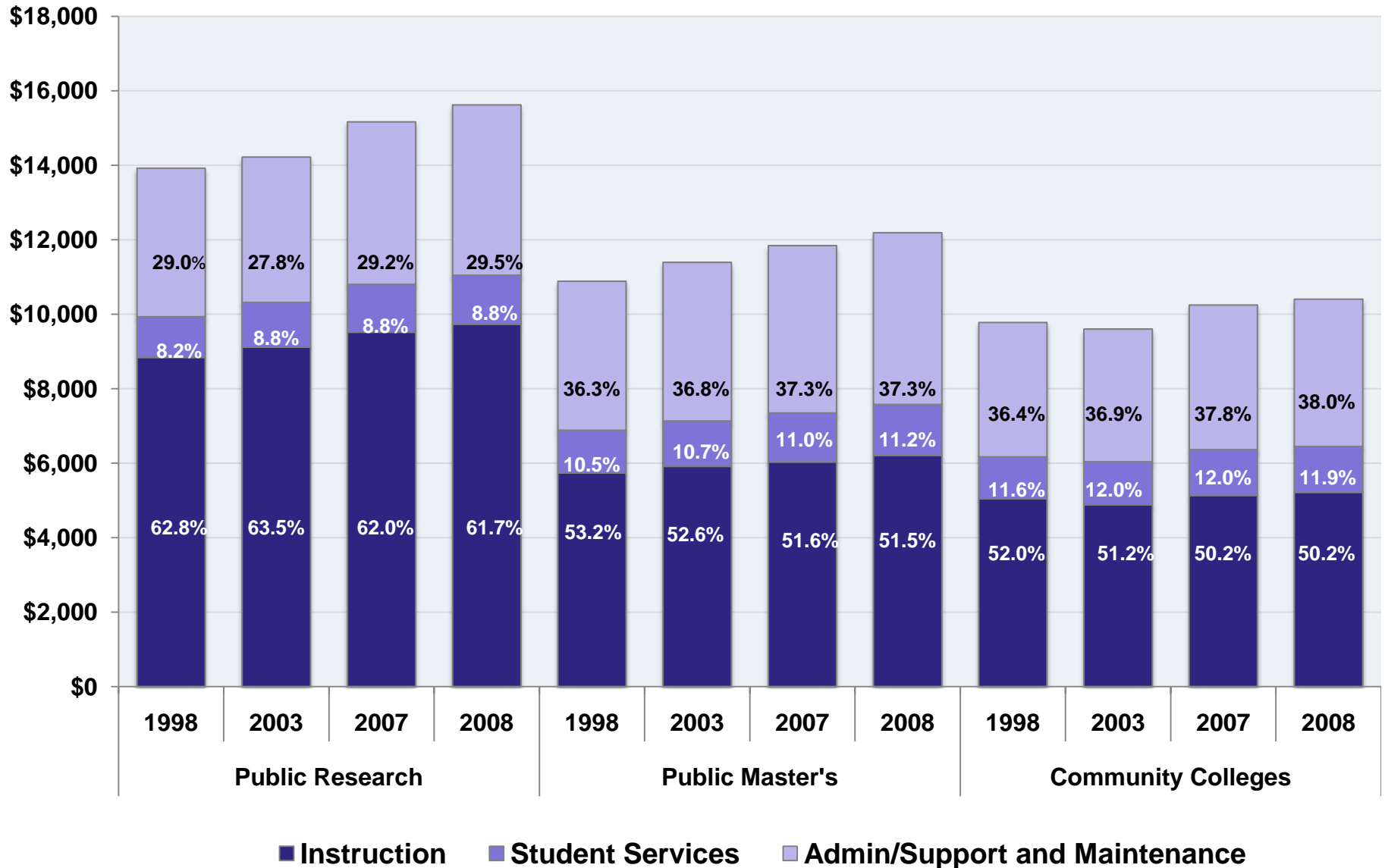
The most important metric: E&R

- E&R spending per student – average education and related spending
 - An average “full-cost” per student figure
 - Includes instruction and student services, and a share of academic/institutional/maintenance
- These are the resources that the state and the institutions can control

Focus within E&R

- Proportion going to instruction & student services
 - Are these areas being protected as spending priorities?
- Student/subsidy share of costs
 - Are state subsidies being spent consistent with priorities?
 - Is the student share of costs equitable?
- Tuitions versus spending: are tuitions going up because of cost-shifting or spending increases?

Average **education and related (E&R)** spending per FTE student, by component, at public institutions, 1998-2008 (in 2008 \$).



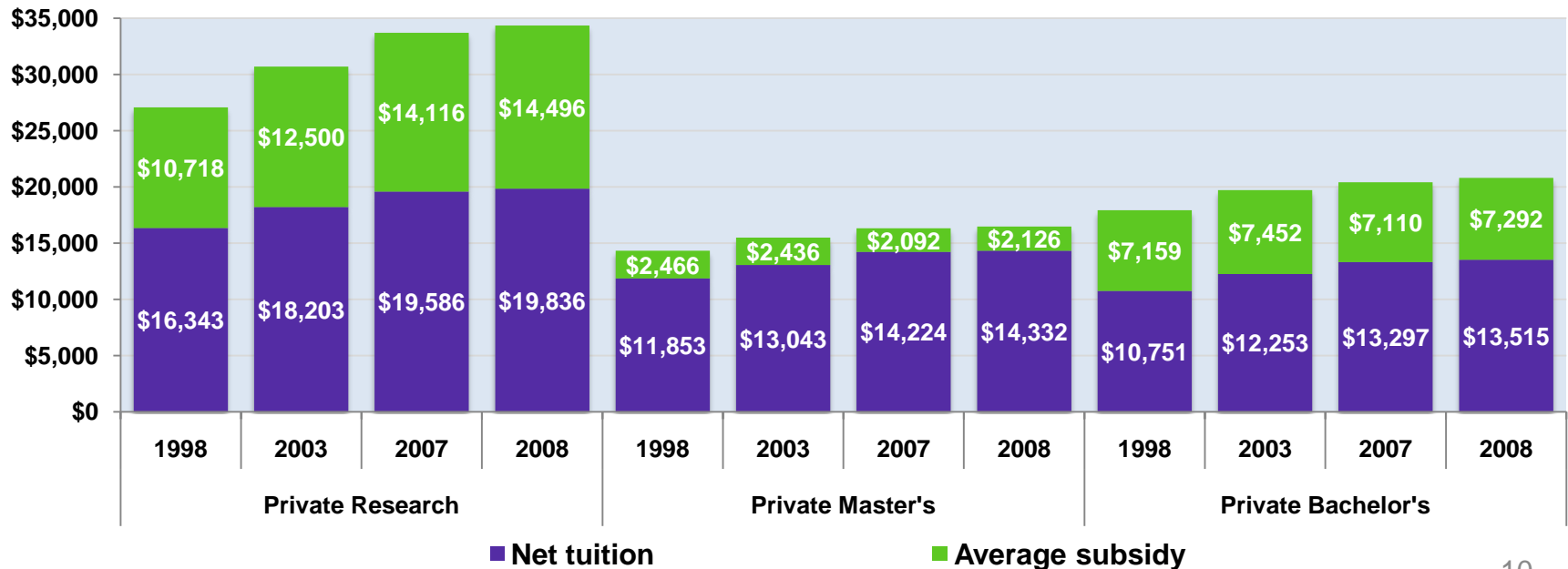
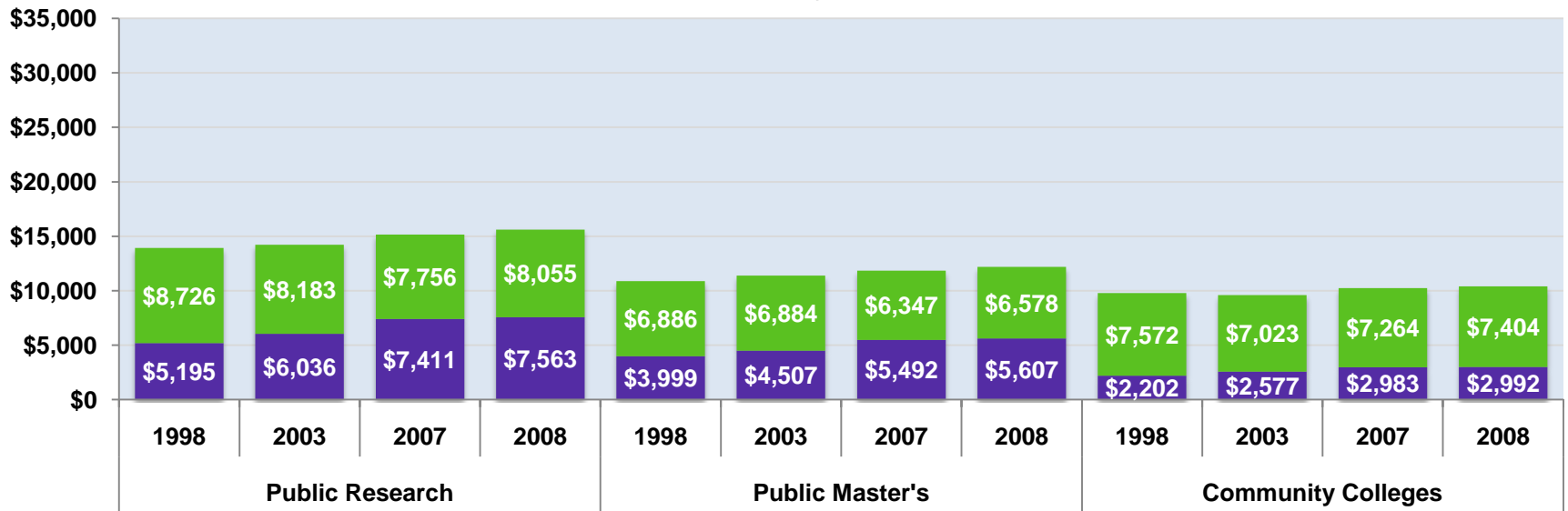
Source: Delta Cost Project IPEDS database, 1987-2008, 11-year matched set.

Cost/Price/Subsidy

*What proportion of **E&R costs** are paid by students, and what by the institution/state?*

- **Cost: Average E&R spending** per student
- **Price: Proportion of cost paid from net tuition revenues**
- **Subsidy: Proportion of cost paid from institutional revenues (Cost less price)**

Average **education and related** spending per FTE student, by net tuition and subsidy, AY1998-2008



■ Net tuition

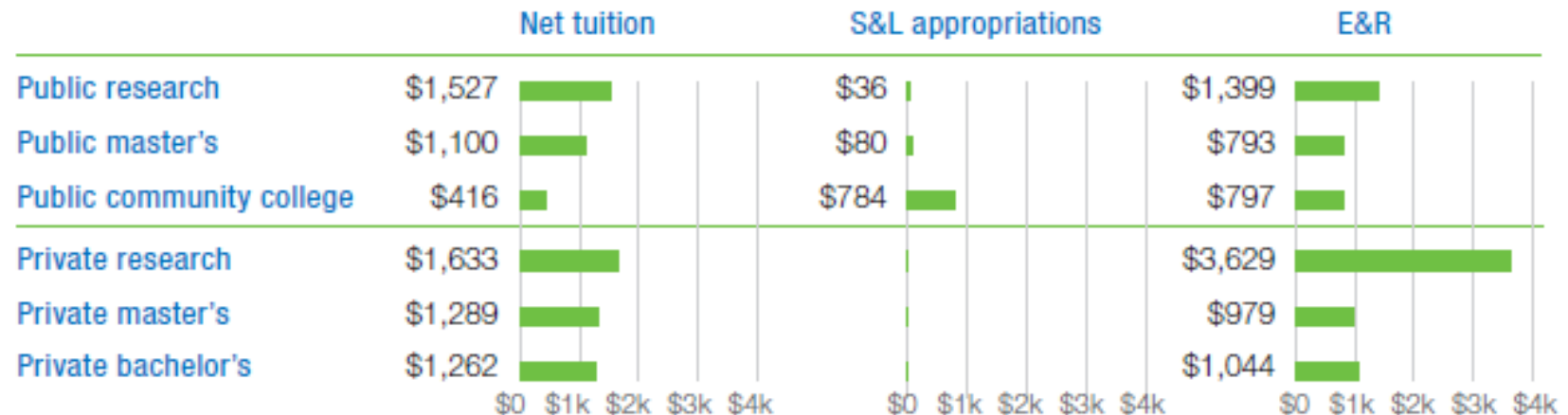
■ Average subsidy

Source: Delta Cost Project IPEDS database, 1987-2008, 11-year matched set.

Relation between tuition and E&R spending increases

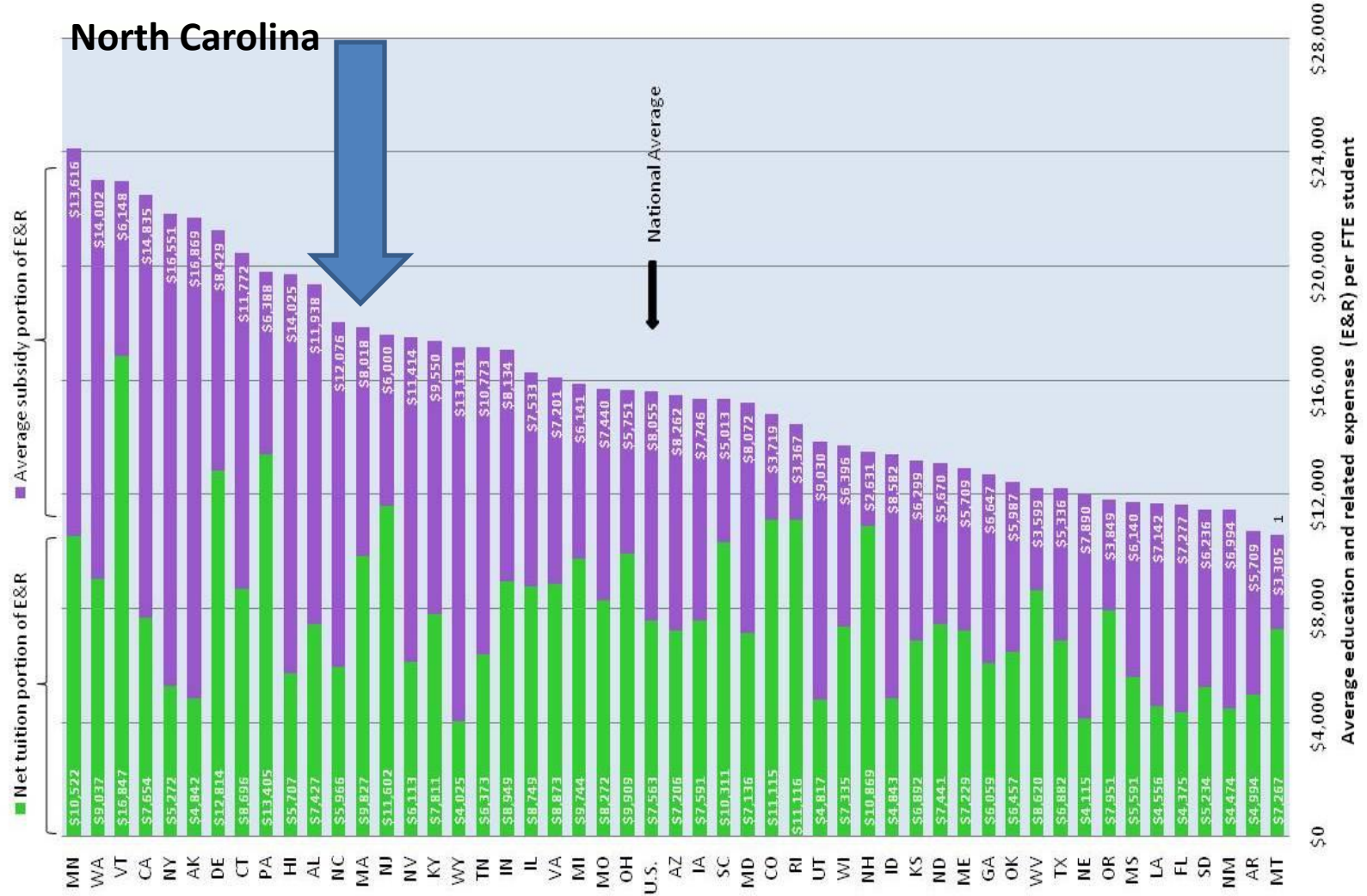
Outside the private research sector, the student share of costs is rising primarily to replace Institutional subsidies—and not to enable greater spending

Changes in net tuition, state and local appropriations, and education and related spending per FTE student, 2003–2008 (in 2008 dollars)



Source: Delta Cost Project IPEDS database, 20-year matched set.

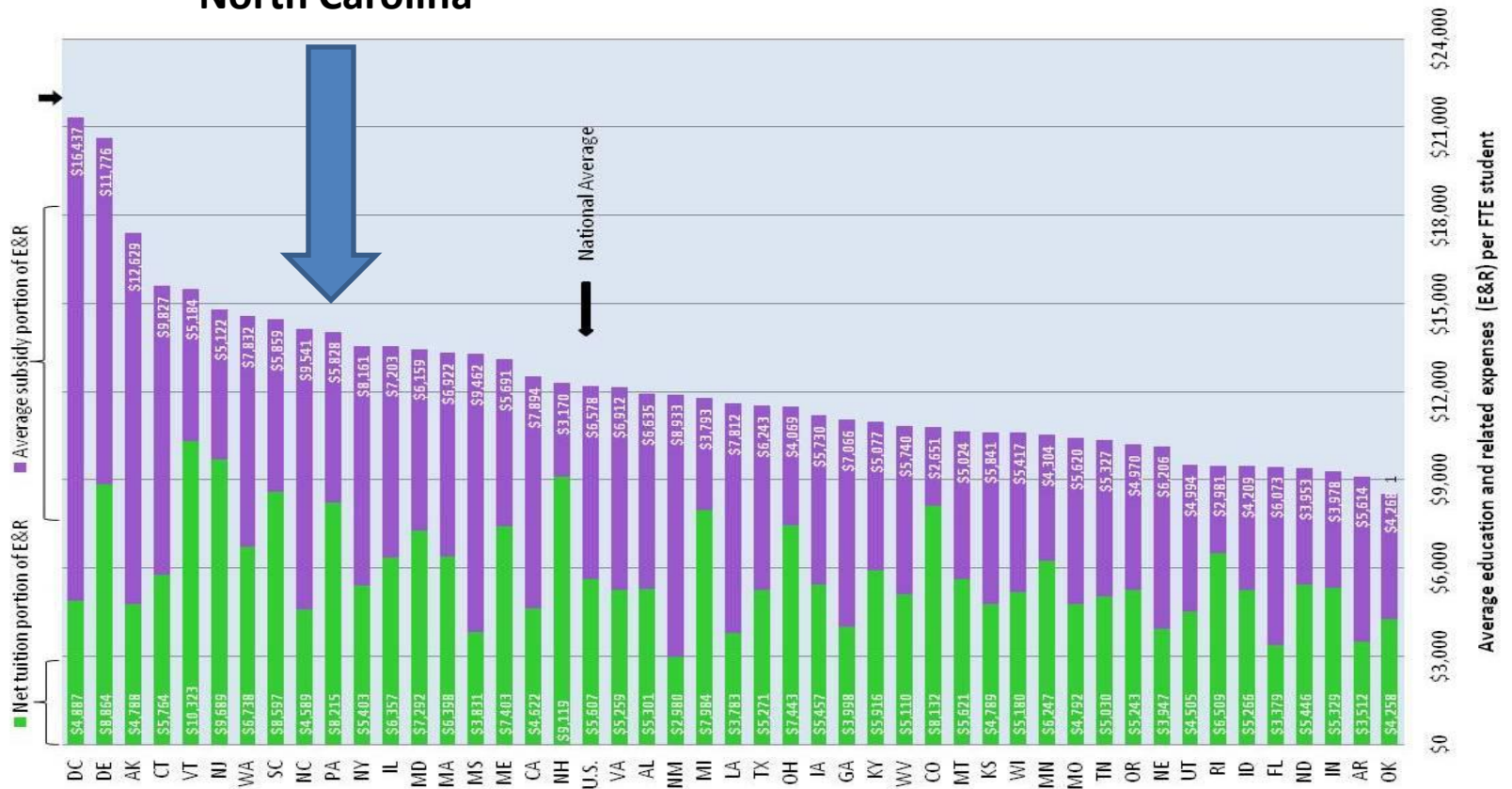
Public Research Institutions: Average Subsidy/Student share of E&R Spending per student by State, 2008



Source: Delta Cost Project IPEDS state database.

Public Masters' Institutions: Average Subsidy/Student share of E&R Spending per student by State, 2008

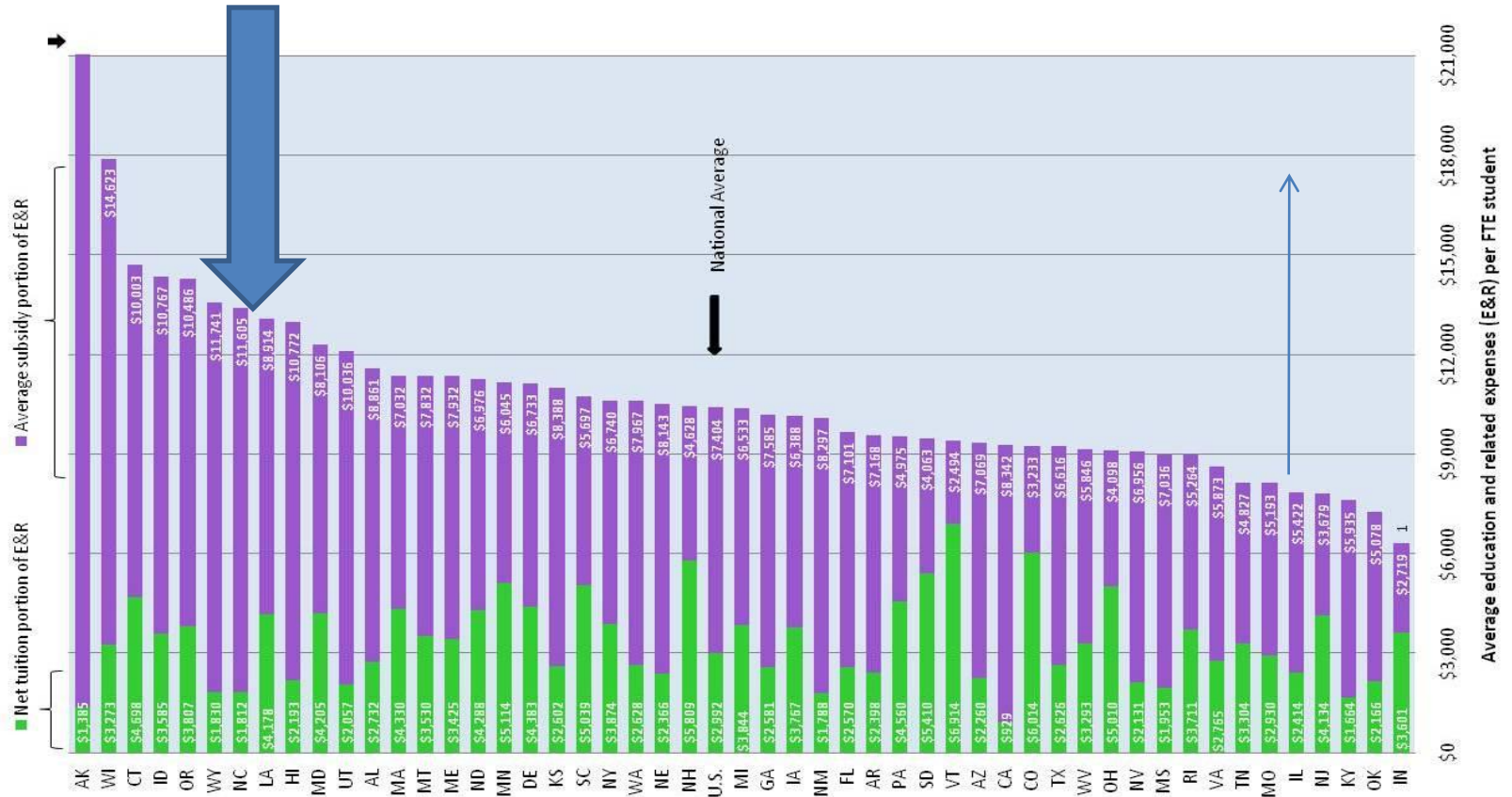
North Carolina



Source: Delta Cost Project IPEDS state database.

Public Community Colleges: Average Subsidy/Student share of E&R Spending per student by State, 2008

North Carolina



Source: Delta Cost Project IPEDS state database.

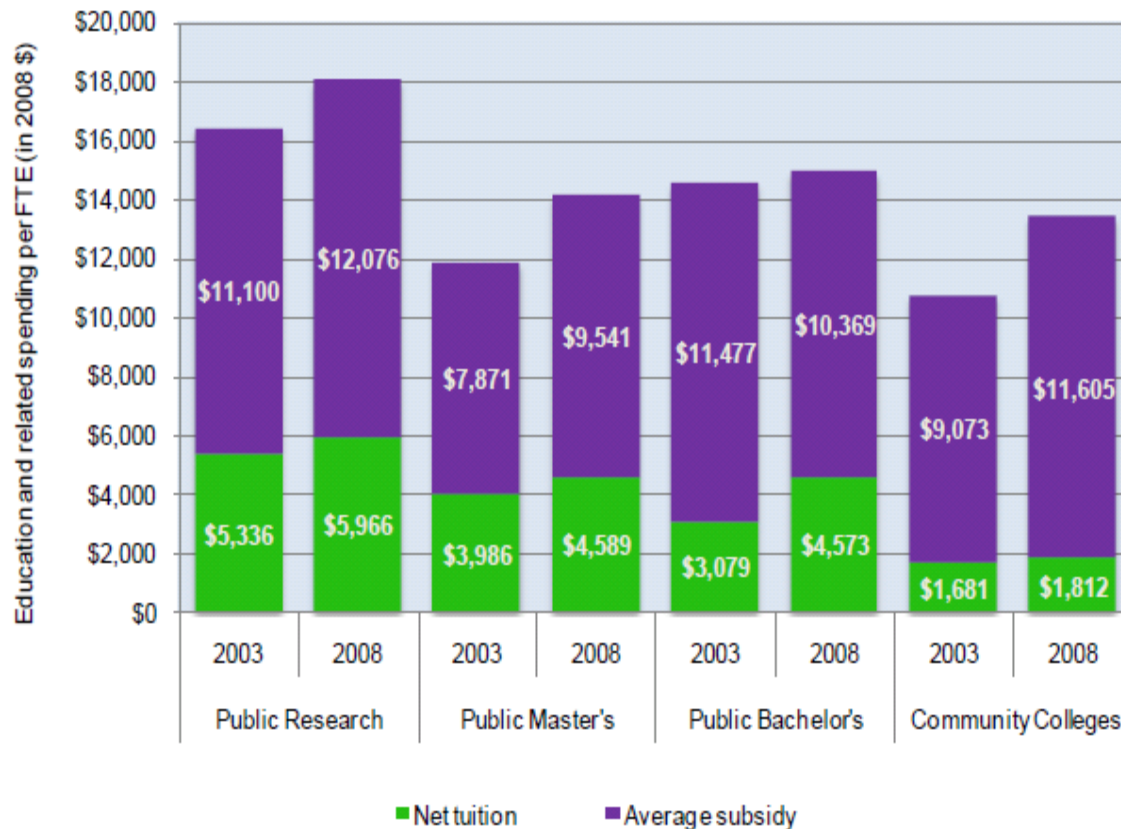
State Fact Sheets

For public institutions only, state level data showing key DCP metrics from 2003-2008:

- *where the students are*
- *cost/price/subsidy*
- *student share of costs*
- *instruction share of costs*
- *completions per 100 FTE students*
- *spending per completion*
- *comparisons to national averages*
- **Created to provide precise data at the institution and Carnegie classification level by untangling “parent-child” reported data, which is only possible in more recent years.**
- **<http://www.deltacostproject.org/data/state/>**

North Carolina

Average education and related spending per FTE student in North Carolina, 2003 and 2008



Total number of students enrolled at public and private postsecondary institutions:

North Carolina: 506,559
United States: 18,584,201

Percentage of students enrolled in public institutions:

North Carolina: 81%
United States: 72%

Distribution of enrollments at public institutions:

	NC	U.S.
Research:	33%	28%
Master's:	14%	19%
Bachelor's:	3%	3%
Community Colleges:	49%	49%

Average education and related costs per FTE student, student share, instruction share, and performance

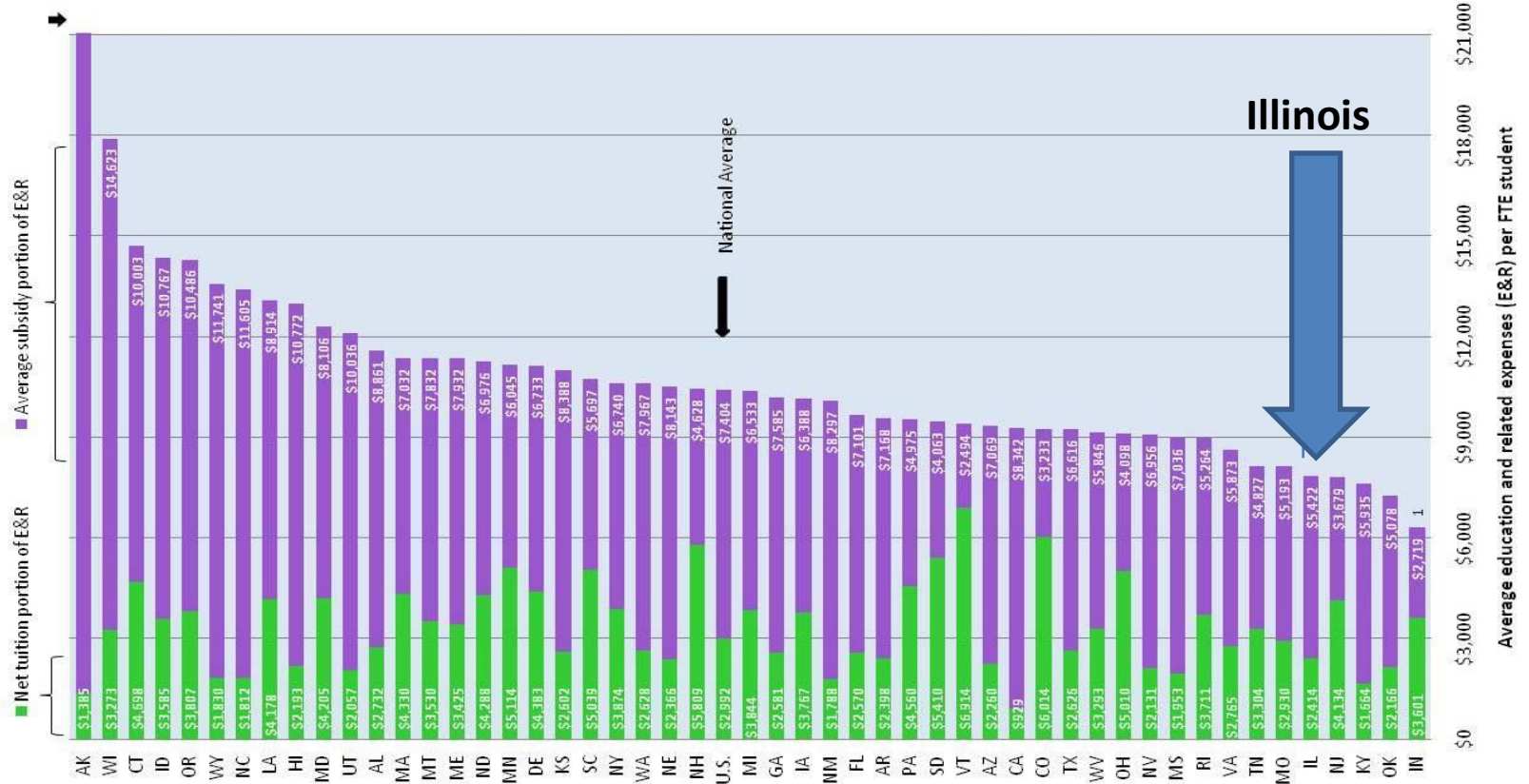
	North Carolina				United States			
	Public Research	Public Master's	Public Bachelor's	Community Colleges	Public Research	Public Master's	Public Bachelor's	Community Colleges
Education and related costs per FTE student								
2008	\$18,042	\$14,130	\$14,942	\$13,417	\$15,619	\$12,185	\$12,925	\$10,396
<i>Change from 2003-2008</i>	10%	19%	3%	25%	10%	7%	9%	8%
Net tuition share of education and related costs								
2008	35%	33%	31%	14%	50%	47%	45%	31%
<i>Percentage-point change from 2003-2008</i>	-1	-1	9	-2	6	7	7	3
Instruction share of education and related costs								
2008	65%	53%	51%	56%	62%	52%	48%	50%
<i>Percentage-point change from 2003-2008</i>	-2	-1	1	1	-1	-1	-1	-1
Completions per 100 FTE students								
2008	23	22	18	34	25	24	20	26
<i>Change from 2003-2008</i>	1	1	1	4	1	1	1	3
Education and related spending per completion								
2008	\$75,867	\$67,791	\$83,568	\$44,575	\$62,654	\$54,252	\$67,896	\$45,949
<i>Change from 2003-2008</i>	5%	15%	-1%	8%	3%	3%	4%	-4%

Delta Cost Project IPEDS State Database, 2003-2008.

Institutions included in the data:

Public Research: East Carolina U., North Carolina A & T St. U., UNC at Chapel Hill, UNC at Charlotte, UNC at Greensboro, North Carolina St. U. at Raleigh **Public Master's:** Appalachian St. U., Fayetteville St. U., North Carolina Central U., UNC-Wilmington, UNC at Pembroke, Western Carolina U. **Public Bachelor's:** Elizabeth City St. U., UNC at Asheville, Winston-Salem St. U. **Community Colleges:** College of the Albemarle, South Piedmont, Asheville-Buncombe Technical, Beaufort Co., Bladen, Blue Ridge, Brunswick, Caldwell CC and Tech Institute, Cape Fear, Carteret, Catawba Valley, Central Carolina, Central Piedmont, Cleveland, Coastal Carolina, Craven, Davidson Co., Durham Tech, Edgecombe, Fayetteville Tech, Forsyth Technical, Gaston College, Guilford Technical, Halifax, Haywood, Isothermal, James Sprunt, Johnston, Lenoir, Martin, Mayland, McDowell Technical, Mitchell, Montgomery, Nash, Pamlico, Piedmont, Pitt, Randolph, Richmond, Robeson, Rockingham, Rowan-Cabarrus, Sampson, Sandhills, Southeastern, Southwestern, Stanly, Surry, Alamance, Tri-County, Vance-Granville, Wake Technical, Wayne, Western Piedmont, Wilkes, Wilson, Carolinas College of Health Sciences.

Public Community Colleges: Average Subsidy/Student share of E&R Spending per student by State, 2008



Source: Delta Cost Project IPEDS state database.

Delta Cost Project TCS Online

Trends in College Spending (TCS) Online is a free, user-friendly, online data system www.tcs-online.org

TCS Online provides standardized reports for:

- Focus and comparison institutions
- Individual institution snapshots
- U.S. Carnegie Group averages

Using DCP finance and performance metrics:

- User-defined year selections and inflation adjustors
- Dollar amounts per FTE student
- Group means/medians
- Percent change
- Also includes enrollment data (by status, level, and race/ethnicity)

Various output options:

- Single or multi-year
- Tables and graphs (single year only)
- Html, excel, and pdf

Using data to improve legislative oversight of college spending

- Focus on spending against goals, not 'adequacy' based on peer comparisons
- Look at patterns in spending for E&R – these are the resources you and the institutions have control over
- See if spending for instruction and student services is being protected
- Look at how state subsidies are being spent against goals and performance