



HIGHER EDUCATION

HISTORICAL FUNDING, TRENDS, COSTS PER DEGREE

HIGHER EDUCATION
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ISSUE BRIEF

The Utah System of Higher Education (USHE) is responsible for providing public, post-secondary education. Six universities and two community college are the accredited, credit-granting institutions. The institutions award certificates and degrees to students who successfully complete the requirements for the particular degree.

Funding of higher education in the State of Utah represents a significant portion of the State’s budget. The Legislature currently appropriates approximately \$1.5 billion for the operational costs of the higher education institutions, in addition to capital costs and the Utah Education Network as shown in Figure 1.

State appropriations for Higher Education

Total appropriations for Higher Education have increased from \$652.9 million in FY 1999 to \$1,492.2 million in FY 2015, a total increase of 129 percent.

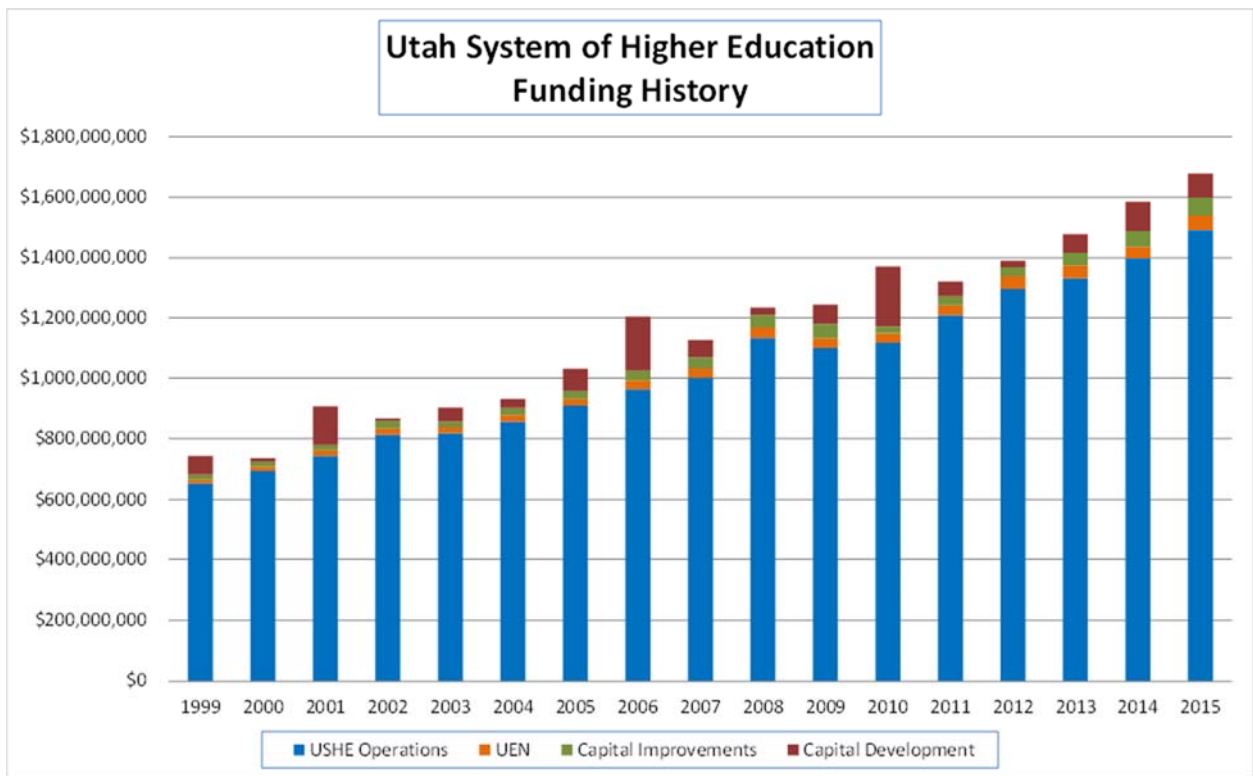


Figure 1

State tax funds and tuition appropriations for Higher Education

The two main sources of state appropriations for Higher Education include state tax funds (General and Education Funds) and dedicated credits (tuition). Tax funds and tuition, over the period from 1999 through 2015, covered an average of 97.5 percent of total appropriated costs. The following chart shows that state tax funding increased from

\$488.1 million in FY 1999 to \$809.7 million in FY 2015, an overall increase of 66 percent. Over the same time period, tuition increased from \$164.8 million to \$682.5 million, an increase of 314 percent. Total appropriations from both sources increased from \$652.9 million to \$1,492.2 million, a total increase of 129 percent.

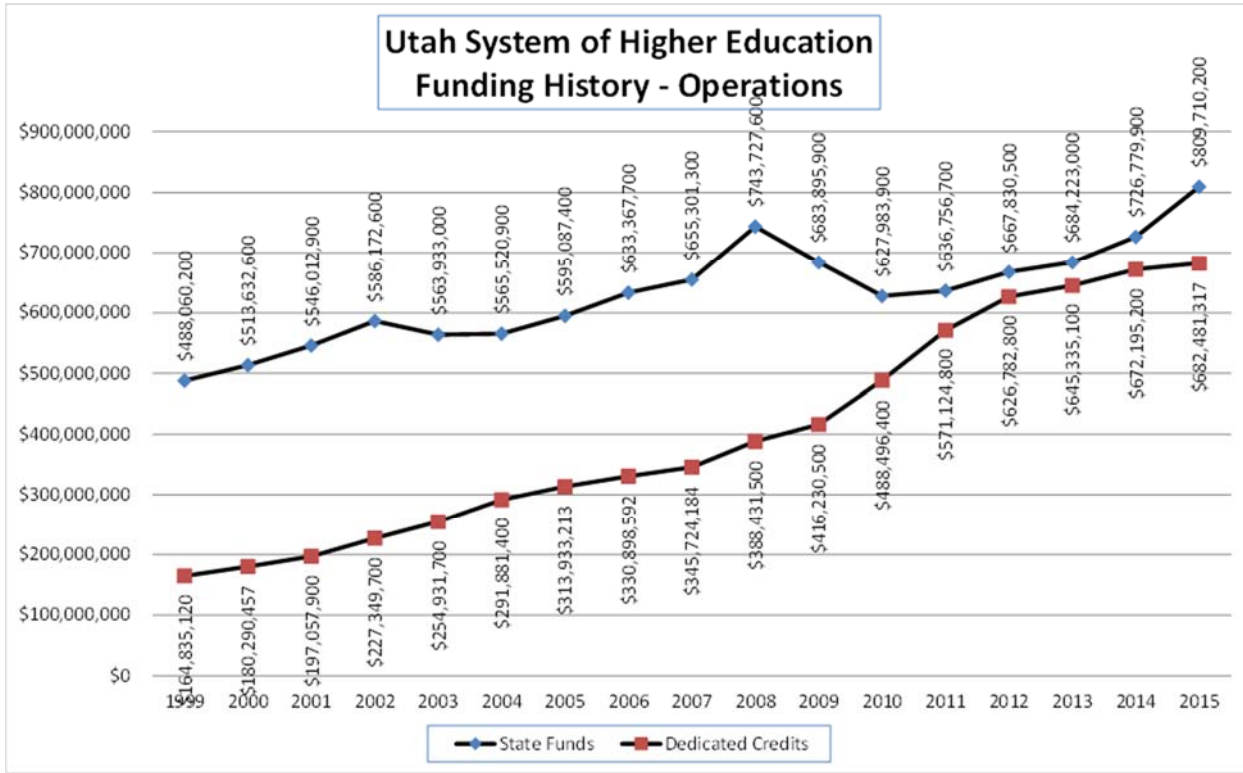


Figure 2

State tax funds and tuition appropriations per FTE Student

One of the main reasons funding has grown at higher education institutions is increased enrollment of FTE students. Student enrollment has an inverse relationship to the state’s economy. When the economy is going well, and jobs are more plentiful, more college-aged people may choose to leave higher education and join the workforce. Conversely, when the economy turns, people may enroll in college to enhance their skills because they may have either lost their job or are unable to successfully find a job.

Since FY 2002-03, state funding per FTE student has shown a general downward trend while tuition funding has shown a corresponding, but inverse, upward trend. Looking to the Utah System of Higher Education (USHE) as a whole, state funding in FY 2002-03 in the amount of \$483.8 million covered approximately 66.6 percent of the costs for the 104,112 full-time equivalent (FTE) students. Tuition collected from those students amounted to \$242.5 million, covering 33.4 percent of the costs. The state funding declined slightly in FY 2004 to 63.6 percent, where it held steady until FY 2009 when the country fell into a prolonged recessionary period. Over the next few years, through a combination of decreased state funds, increased enrollments, and increased higher education costs per FTE student, the state funding declined to below 50 percent. In FY 2013, the percentage hit a low point of 48.3 percent. Detailed information for each institution and the USHE can be found in Appendix 1.

Beginning in FY 2013, the USHE experienced minor decreases in enrollments, and state funding began to rebound. FY 2015 estimated data indicates that state funding of \$694.1 million covers 51.3 percent of the costs for the 114,791 FTE students. The tuition collections amount to \$659.3 million, or about 48.7 percent. These effects differ between USHE institutions, with some institutions receiving a higher percentage of state funding than others. The Legislature

addressed state participation in higher education costs in the past few years when “equity” funding was provided for those institutions that were the furthest from the state funding level average. For example, the state funding at Utah Valley University was at a low of 37.1 percent in FY 2010, but because of equity funding, particularly in FY 2015, that percentage has since increased to 48.2 percent. The following two charts show the overall state funds and tuition per FTE and the percentage split between state funding and tuition for the USHE.

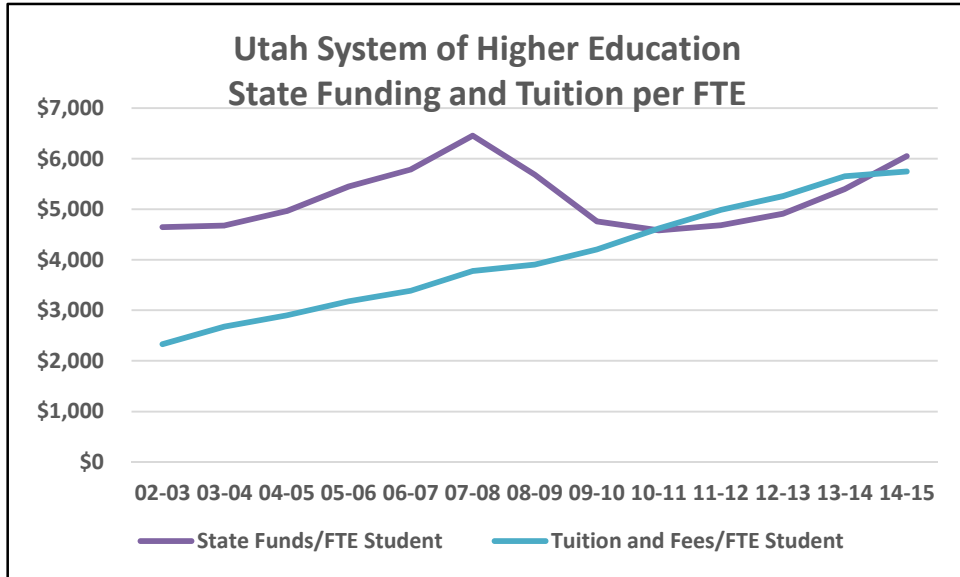


Figure 3

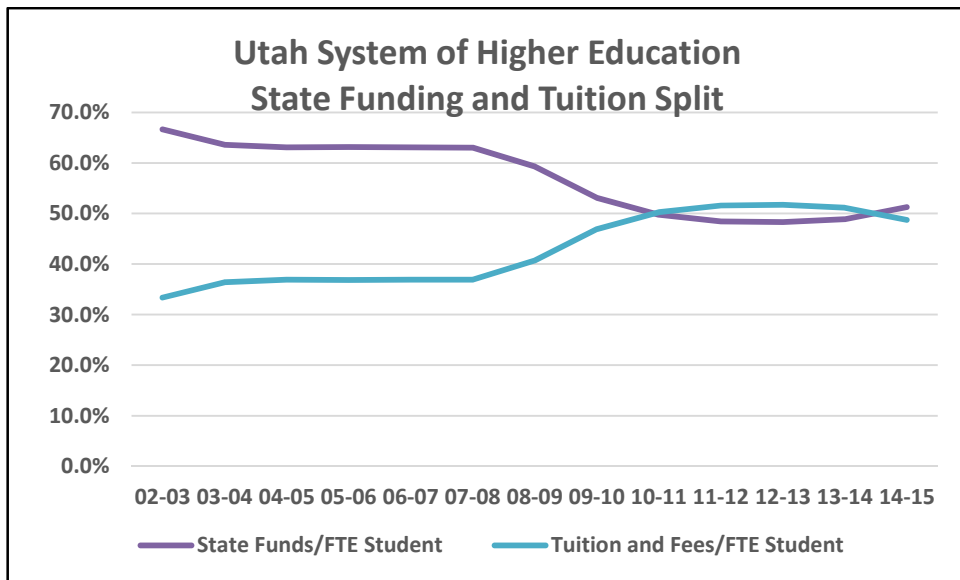


Figure 4

Costs per Degree

During the 2014 General Session, the Higher Education Appropriations Subcommittee included intent language requiring USHE institutions to report on the following items:

- Graduation rates (100, 150, and 200 percent) by cohort, compared to national averages;
- Transfer and Retention rates, by cohort;
- Job placement rates, by classification of instructional program (CIP);
- Cost per degree, with comparisons to national averages;
- Percentage of students enrolling in, and successfully completing, developmental math, who immediately or concurrently enroll in college level math; and
- (For the two research universities) Amount of grant money applied for and received and the number of research/outreach initiatives funded by non-state-funded grants.

During the 2015 General Session, the State Board of Regents reported on these items. The report includes the costs of various degrees (Associates, Bachelors, Masters, and Doctorates) at each USHE institution for 31 general categories of study. The information shows the costs broken down by state funds and tuition.

In general, the cost of the degrees goes up as the level increases, i.e., Doctorate degrees are more expensive than Masters degrees, which are more expensive than Bachelor’s degrees. Also degrees at the two research universities are more expensive than those at the teaching universities. The 31 general categories include the following:

Agriculture, Agriculture Operations, and Related Science	Family and Consumer Sciences/Human Sciences	Homeland Security, Law Enforcement, Firefighting, and Related Protective Services
Natural Resources and Conservation	Legal Profession and Studies	Public Administration and Social Service Professions
Architecture and Related Services	English Language and Literature/Letters	Social Sciences
Communications, Journalism, and Related Programs	Liberal Arts and Sciences, General Studies and Humanities	Construction Trades
Computer and Information Sciences and Support Services	Biological and Biomedical Sciences	Mechanical and Repair Technologies/Technicians
Personal and Culinary Services	Mathematics and Statistics	Precision Production
Education	Parks, Recreation, Leisure, and Fitness Studies	Transportation and Materials Moving
Engineering	Philosophy and Religious Studies	Visual and Performing Arts
Engineering Technologies and Engineering-Related Fields	Physical Sciences	Health Professions and Related Programs
Foreign Language, Literatures, and Linguistics	Science Technologies/Technicians	Business Management, Marketing, and Related Support Services
	Psychology	

(Note: Not all of these disciplines are taught at all of the USHE institutions.)

HISTORICAL FUNDING, TRENDS, COSTS PER DEGREE

Utah System of Higher Education Costs per Degree - 2009-10

Total	State Funds				Tuition				Total				
	Assoc.	Bach.	Masters	Doctorate	Assoc.	Bach.	Masters	Doctorate		Assoc.	Bach.	Masters	Doctorate
UU		12,061	10,493	16,572	UU	9,356	8,140	12,855	UU	21,417	18,633	29,427	
USU	4,843	13,262	14,088	22,175	USU	2,506	6,863	7,291	USU	7,349	20,125	21,379	
WSU	3,296	8,664	6,759		WSU	2,494	6,557	5,115	WSU	5,790	15,220	11,873	
SUU	2,958	7,123	4,634		SUU	2,543	6,123	3,983	SUU	5,501	13,246	8,617	
UVU	3,515	7,587	6,286		UVU	2,780	5,999	4,971	UVU	6,295	13,586	11,257	
Snow	3,406				Snow	4,416			Snow	7,822			
DSU	3,109	7,224			DSU	1,142	2,654		DSU	4,251	9,878		
SLCC	2,986				SLCC	2,699			SLCC	5,685			

Utah System of Higher Education Costs per Degree - 2013-14

Total	State Funds				Tuition				Total				
	Assoc.	Bach.	Masters	Doctorate	Assoc.	Bach.	Masters	Doctorate		Assoc.	Bach.	Masters	Doctorate
UU		12,641	10,552	13,519	UU	14,654	12,233	15,672	UU	27,294	22,785	29,190	
USU	3,854	12,695	17,431	29,629	USU	2,693	8,869	12,179	USU	6,547	21,564	29,610	
WSU	2,972	8,191	7,017		WSU	2,954	8,140	6,973	WSU	5,926	16,331	13,990	
SUU	3,287	8,016	4,549		SUU	3,662	8,933	5,069	SUU	6,949	16,949	9,617	
UVU	4,013	8,630	6,060		UVU	3,778	8,125	5,705	UVU	7,792	16,755	11,765	
Snow	3,175	6,350			Snow	4,486	8,972		Snow	7,661	15,322		
DSU	4,142	9,292			DSU	2,068	4,641		DSU	6,210	13,932		
SLCC	3,352				SLCC	3,114			SLCC	6,466			

Utah System of Higher Education Changes in Costs per Degree - 2009-10 to 2013-14

	State Funds				Tuition					Total			
	Assoc.	Bach.	Masters	Doctorate	Assoc.	Bach.	Masters	Doctorate		Assoc.	Bach.	Masters	Doctorate
UU		4.8%	0.6%	-18.4%	UU	56.6%	50.3%	21.9%	UU	27.4%	22.3%	-0.8%	
USU	-20.4%	-4.3%	23.7%	33.6%	USU	7.4%	29.2%	67.0%	USU	-10.9%	7.1%	38.5%	
WSU	-9.8%	-5.5%	3.8%		WSU	18.4%	24.1%	36.3%	WSU	2.3%	7.3%	17.8%	
SUU	11.1%	12.5%	-1.8%		SUU	44.0%	45.9%	27.3%	SUU	26.3%	28.0%	11.6%	
UVU	14.2%	13.8%	-3.6%		UVU	35.9%	35.4%	14.8%	UVU	23.8%	23.3%	4.5%	
Snow	-6.8%				Snow	1.6%			Snow	-2.1%			
DSU	33.2%	28.6%			DSU	81.1%	74.9%		DSU	46.1%	41.1%		
SLCC	12.2%				SLCC	15.4%			SLCC	13.7%			

The Consumer Price Index (CPI) for the time period from 2009-10 to 2013-14 grew by 9 percent.

HISTORICAL FUNDING, TRENDS, COSTS PER DEGREE

The following charts show each USHE institution's state funds and tuition costs per degree for the various types of degrees it awards.

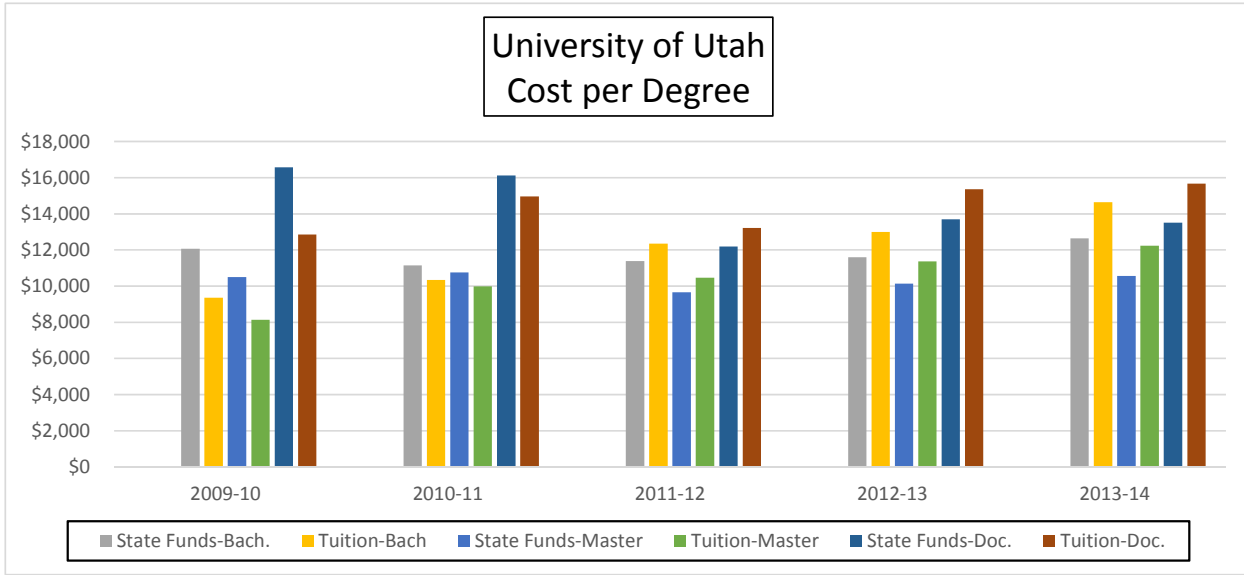


Figure 5

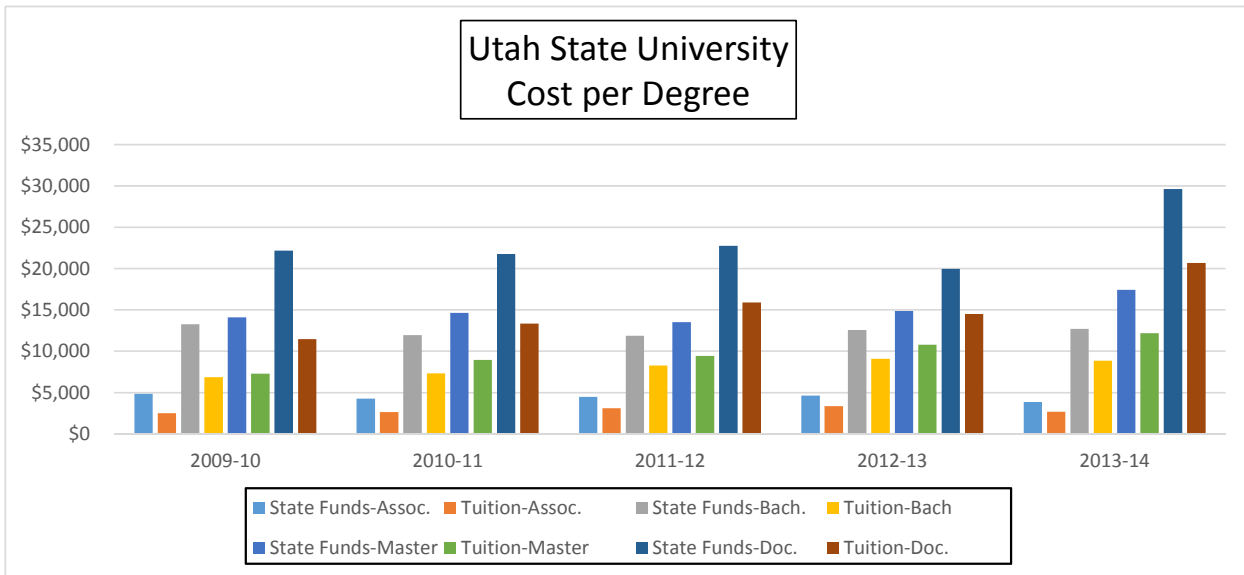


Figure 6

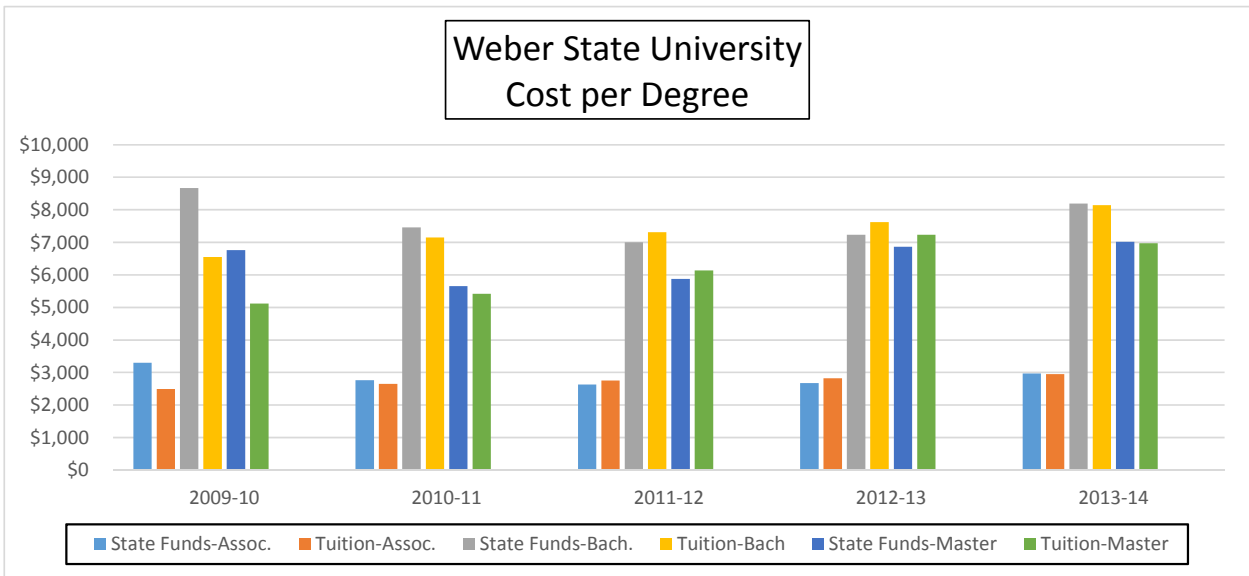


Figure 7

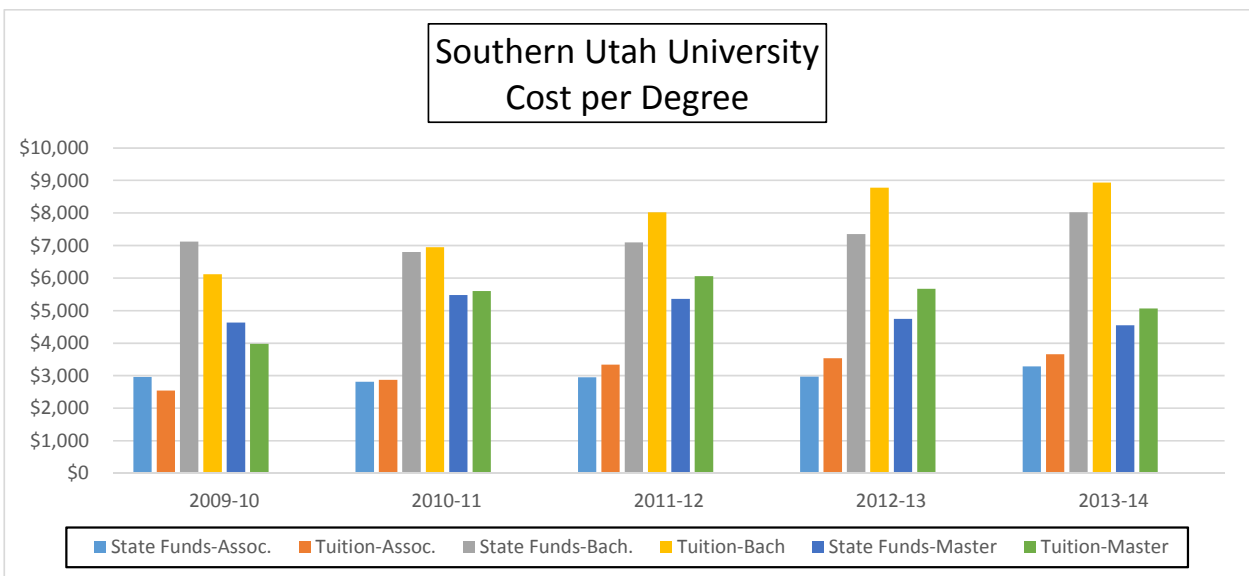


Figure 8

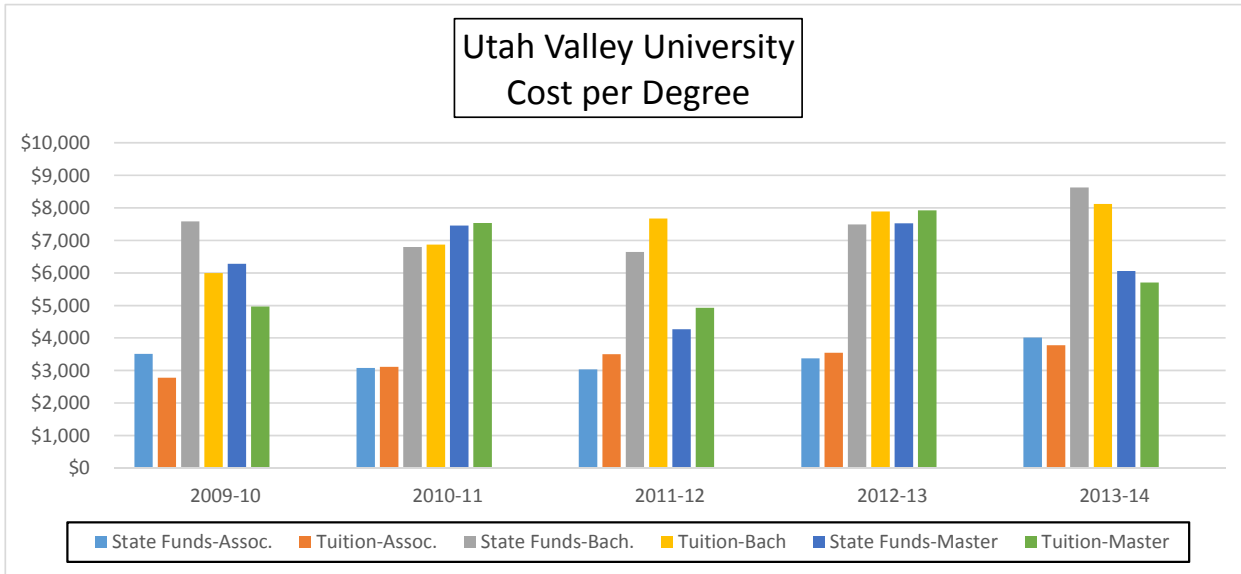


Figure 9

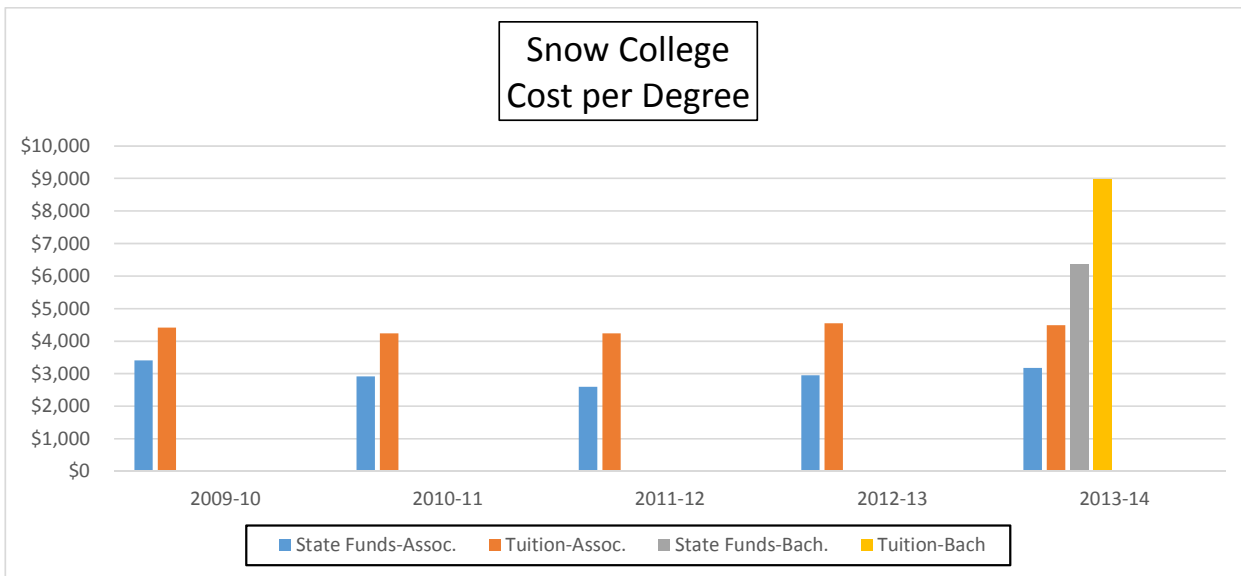


Figure 10

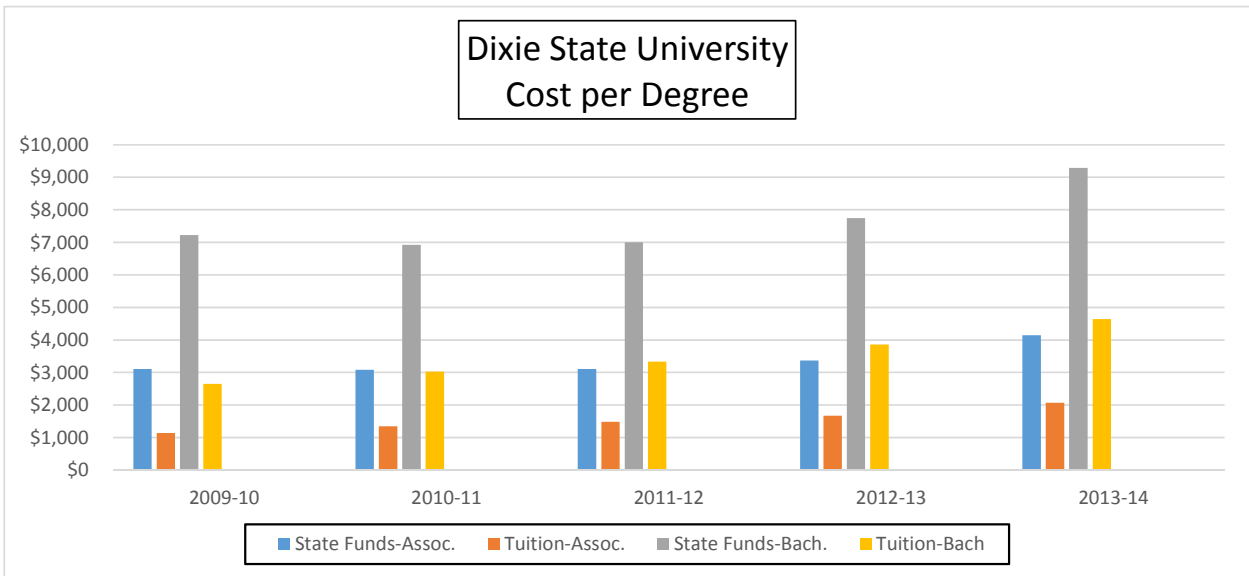


Figure 11

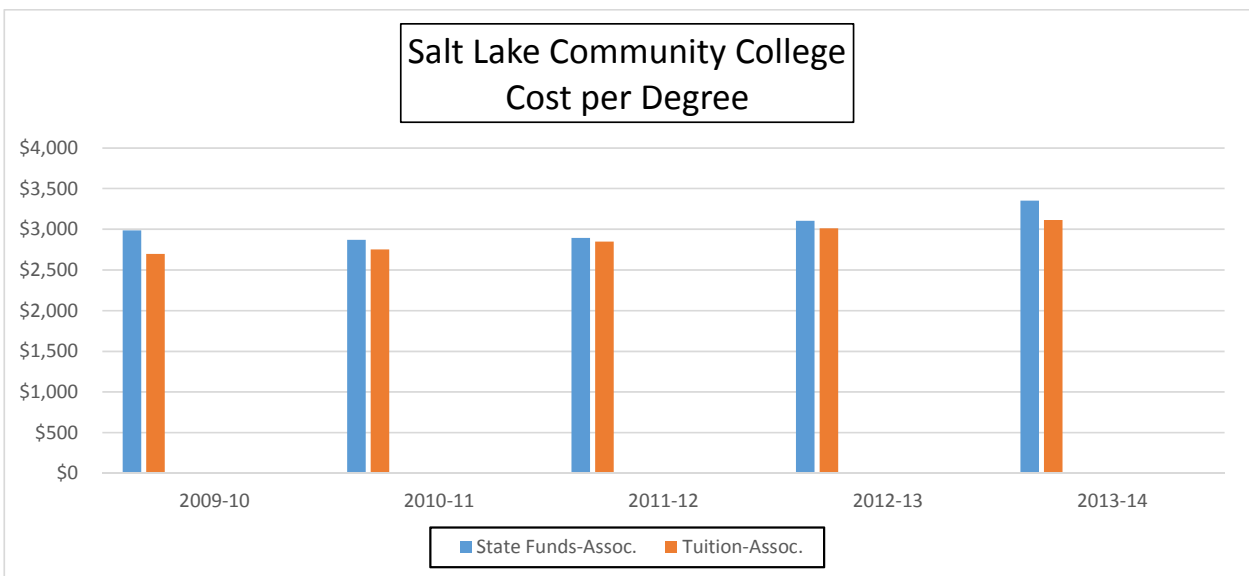


Figure 12

As explained in previous Issue Briefs, Education and General expenditures fall into the following categories:

- Instruction – All expenditures associated with instruction including academic, vocational, and remedial education.
- Research – All expenditures related to research and development.
- Public Service – Funding for non-instructional services including the Cooperative Extension at Utah State University.

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- Academic Support – Support services to meet the primary mission of the institutions such as libraries, museums, computer support and academic deans.
- Student Services – Admissions, registration, counseling, financial aid, career development, as well as the social aspect of college life such as student organizations and athletics.
- Institutional Support – Expenditures associated with executive level activities such as the management of the institution, planning and programming, legal services, fiscal operations, administrative data processing, space management, and human resource management.
- Scholarships – Expenditures from restricted and unrestricted funds in the form of grants to students.
- Operation and Maintenance – Expenses associated with the operation and maintenance of the physical plant including utilities and insurance.
- Transfers – Funding moved within the Utah System of Higher Education.

The previous “Cost per Degree” section was based on just the Instructional costs of the budget. Using the total appropriated costs, to factor in the costs associated with research, public service, academic support, student services, institutional support, and operations and maintenance, the cost per degree increases as shown in the following figure:

Utah System of Higher Education														
Costs per Degree - 2012-13														
Total	State Funds					Tuition					Total			
	Assoc.	Bach.	Masters	Doctorate		Assoc.	Bach.	Masters	Doctorate		Assoc.	Bach.	Masters	Doctorate
UU		26,210	17,435	20,988	UU		29,556	19,661	23,668	UU		55,766	37,096	44,656
USU	12,550	28,380	22,748	27,852	USU	9,088	20,551	16,473	20,169	USU	21,638	48,931	39,221	48,021
WSU	7,598	17,088	11,813		WSU	7,909	17,785	12,295		WSU	15,507	34,873	24,108	
SUU	9,445	20,397	11,348		SUU	11,087	23,944	13,322		SUU	20,532	44,341	24,670	
UVU	6,184	12,936	9,645		UVU	9,672	20,233	15,085		UVU	15,856	33,169	24,730	
Snow	19,495				Snow	9,602				Snow	29,097			
DSU	6,806	14,323			DSU	7,374	15,516			DSU	14,180	29,839		
SLCC	12,446				SLCC	11,958				SLCC	24,404			

These amounts include an average amount of non-instructional costs per award with the length of award factored in. The calculations include many assumptions:

- Costs are for a particular department or program, not the actual cost of a student’s course or study – different cost structures are in place, based on instructor, semester, year, and course enrollment.
- Costs will fluctuate from semester to semester, depending on institution, location, enrollment, and student to faculty ratio.
- The calculations use the 2012-13 state funds/tuition mix for all years of the degree.
- Different types of programs and degrees may be included in the two-digit CIP codes.
- Costs for non-completers are included and allocated to completers.
- Departments that offer General Education courses (i.e. Math and English) to many majors will have high departmental costs with comparatively few completers.

This report also shows comparisons between Utah and the other states in the union in the following areas:

- Average Tuition per FTE Student
- Average Appropriations (State Support) per FTE Student
- Average Total Revenue per FTE Student (assuming that revenues is a proxy for expenditures)
- Degrees per 100 FTE Students
- Degrees per \$100,000 of Educational Expenditures
- State and Local Higher Education Support per Capita

(The source for the data for Figures 13 through 18 is the National Center for Higher Education Management Systems (NCHEMS), a repository of higher education data.)

These comparisons show that Utah’s expenditures per FTE student, comprised of both tuition and state funds, is at the lower end of the scale, as can be seen in Figures 13 - 15.

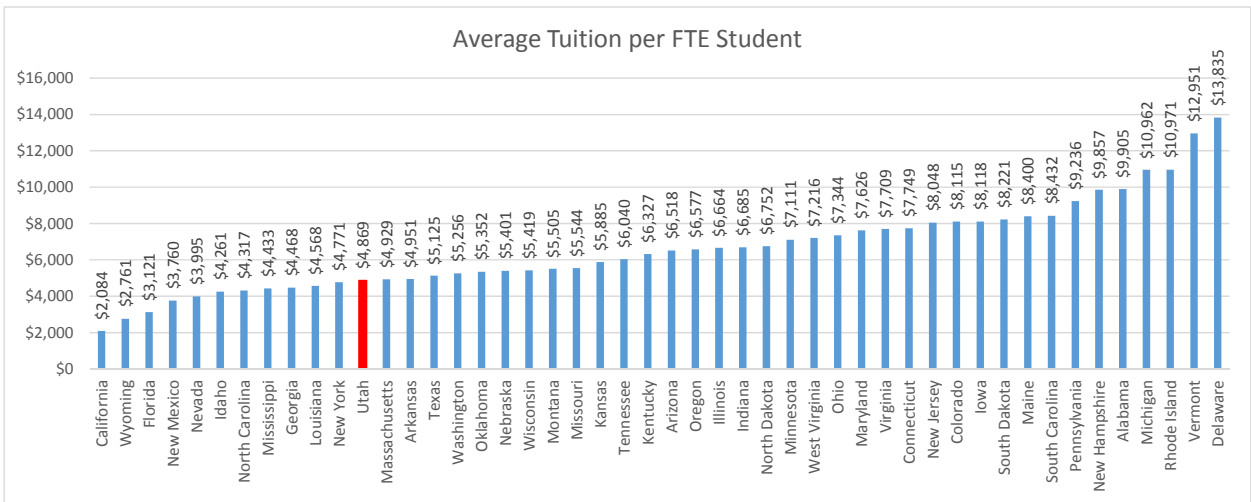


Figure 13

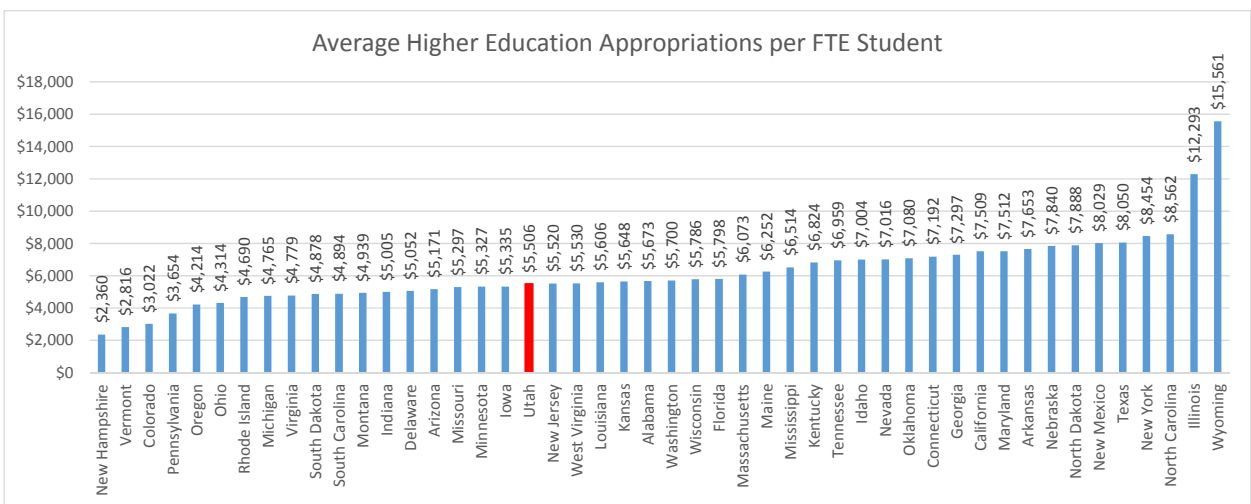


Figure 14

HISTORICAL FUNDING, TRENDS, COSTS PER DEGREE

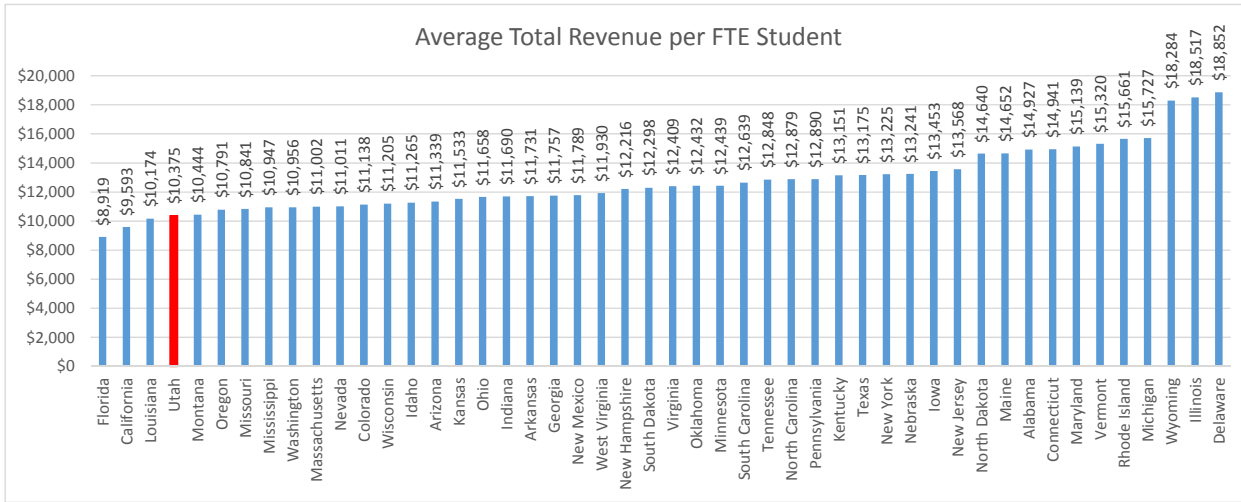


Figure 15

The number of degrees awarded per 100 FTE students is a recognized measure of higher education efficiency. Utah ranks near the top of all 50 states in this measure.

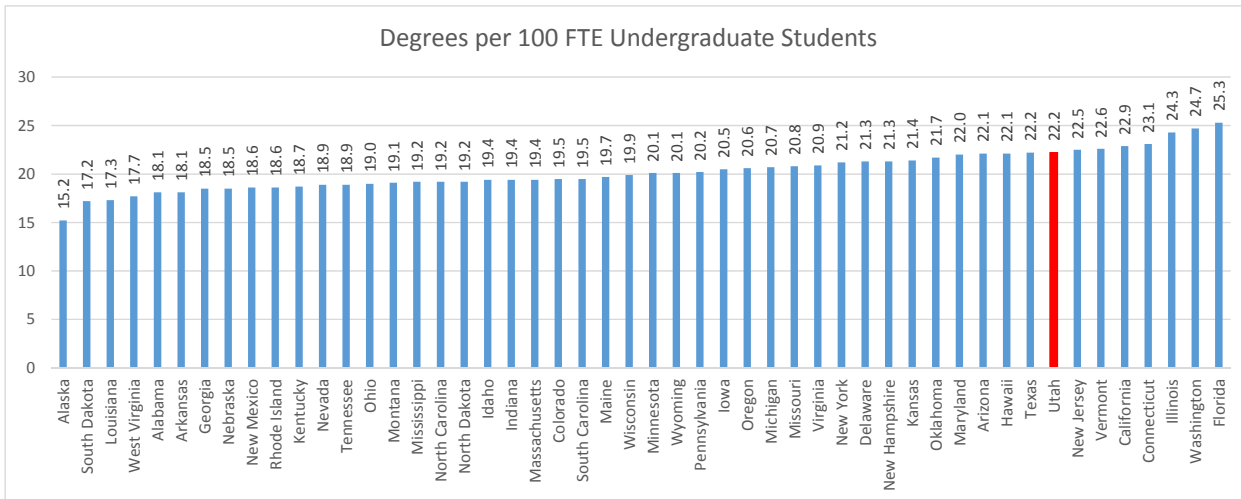


Figure 16

The number of degrees awarded per \$100,000 of educational expenditures is another measure of higher education efficiency. Utah is the second best in the nation when looking at this criteria.

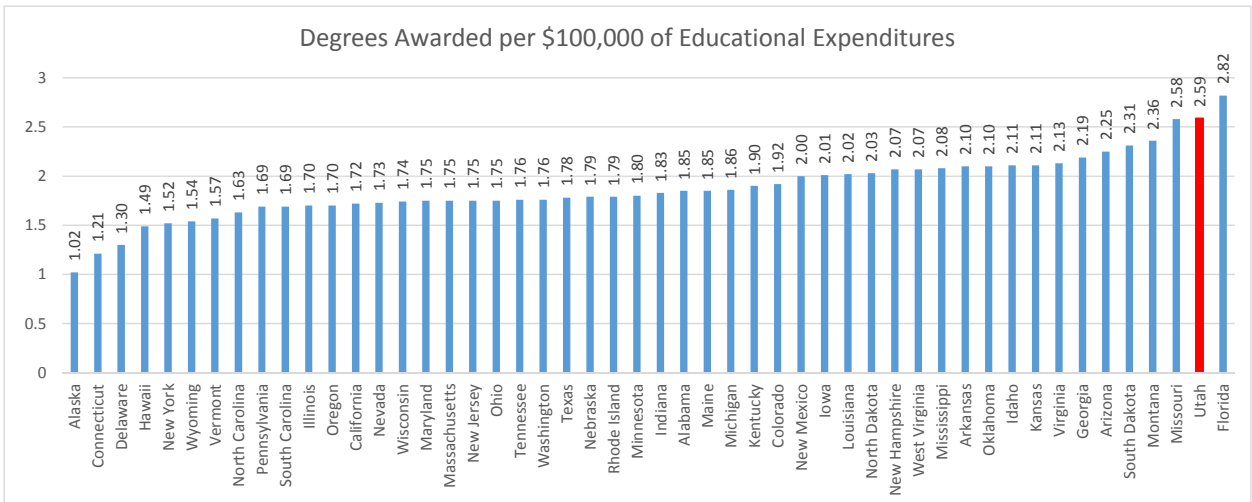


Figure 17

Utah is right in the middle of the 50 states when looking at state and local Higher Education funding per capita (Some states utilize local tax support for higher education; Utah does not.)

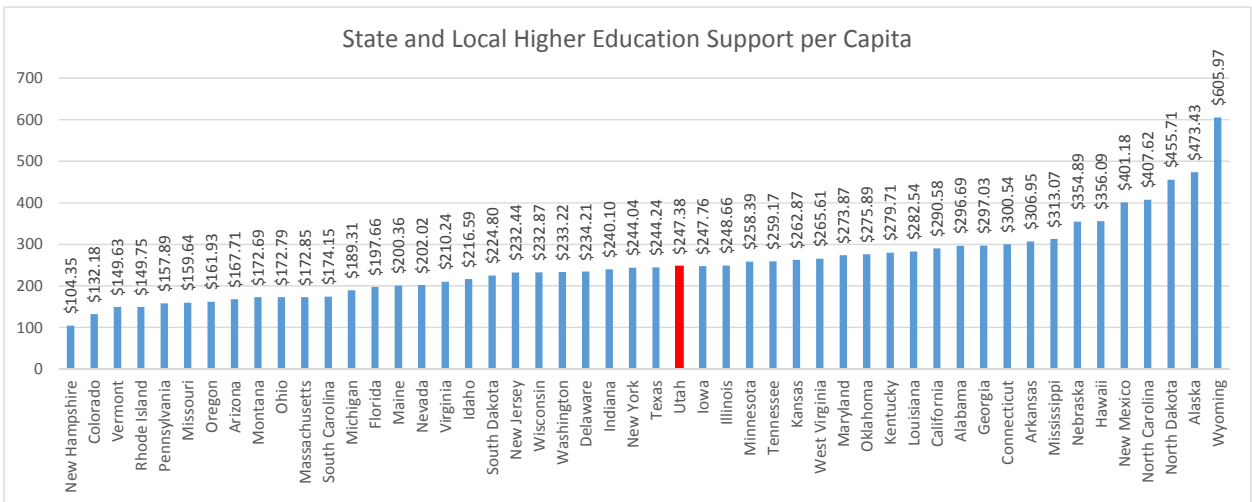


Figure 18