

State Universities: Can State Universities Provide Post-Secondary Education More Efficiently to Reduce Costs?

The Board of Regents oversees the State higher education system, which includes six State universities serving about 90,000 students. In the past ten years, spending at the six universities (excluding the University of Kansas Medical Center) has grown from about \$910 million to nearly \$1.7 billion. That increase in spending is approximately 26% higher than the inflation rate for higher education. During that same time the number of staff at the institutions has grown by 16% from 11,383 to 13,245.

Instructional costs of the universities generally are funded by tuition, fees, and State General Fund appropriations. According to information provided by the Board of Regents, tuition has funded a larger share of increased spending in recent years. Between 2001 and 2006 average tuition per full-time-equivalent student rose 45%--from \$3,415 to \$5,055 (adjusted for inflation).

State Legislatures magazine recently has reported that officials from the University System in Maryland have recognized the need to demonstrate greater efficiencies in how they deliver post secondary education. They reportedly have boosted their capacity to serve students by increasing faculty course loads, enhancing student advising services to help students finish their degrees sooner, limiting undergraduate degree requirements, and encouraging enrollment at less-expensive public institutions.

Legislators have questioned whether Kansas universities could apply some of these same sorts of techniques to achieve greater efficiencies and reduce the overall cost of providing a college education.

A performance audit of this area would answer the following question:

1. **Are there opportunities for State universities in Kansas to reduce the cost of providing post-secondary education?** To answer this question, we would consult with the Board of Regents and university officials, officials from the University System in Maryland or others who have taken measures to make higher education more efficient to get their opinions about ways to make higher education more cost efficient. Also, we would review data obtained from sources such as the Integrated Postsecondary Education Data System to identify applicable measures of cost-efficiency and appropriate benchmarks. We would use university cost data to identify instructional costs by area, by type of cost, and by other appropriate categories. Some efficiency measures we might look at could include the ratio of administration and support staff to faculty, the percent of students completing degrees, the average time it took students to complete a degree program, the number of extra hours of instruction students are taking beyond the requirements for their degrees, the teaching loads of faculty, and the scheduling and use of facilities. By comparing Kansas universities' to relevant benchmarks and to each other, we would identify areas where Kansas universities appear less cost-efficient. In those areas, we would identify Kansas practices and compare those to "best practices" and to practices of selected other universities to identify ways Kansas could improve.

Estimated Time to Complete: 18-25 weeks