



PERFORMANCE AUDIT REPORT

State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs? (A K-GOAL Audit)

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
August 2009**

Legislative Post Audit Committee

Legislative Division of Post Audit

THE LEGISLATIVE POST Audit Committee and its audit agency, the Legislative Division of Post Audit, are the audit arm of Kansas government. The programs and activities of State government now cost about \$13 billion a year. As legislators and administrators try increasingly to allocate tax dollars effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by Legislative Post Audit helps provide that information.

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DO YOU HAVE AN IDEA FOR IMPROVED GOVERNMENT EFFICIENCY OR COST SAVINGS?

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August 21, 2009

To: Members, Legislative Post Audit Committee

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Representative Peggy Mast	Senator Chris Steineger
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This report contains the findings, conclusions, and recommendations from our completed performance audit, *State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs? (A K-GOAL Audit)*.

The report also contains an appendix showing the total amount of general use and restricted use expenditures reported by the six universities for fiscal years 2005 and 2008.

The report includes a recommendation for the Board of Regents and university officials to consider the merits implementing changes in each of the efficiency areas mentioned in the report. We've also recommended that the Board of Regents ask university officials to prepare and submit more current data to Board staff in all the areas discussed in this audit.

We would be happy to discuss the findings and recommendations presented in this report with any legislative committees, individual legislators, or other State officials. These findings are supported by a wealth of data, not all of which could be included in this report because of space considerations. These data may allow us to answer additional questions about the audit findings or to further clarify the issues raised in the report.

Barbara J. Hinton
Legislative Post Auditor

READER'S GUIDE

<i>The Big Picture</i>		<i>The Details</i>	
Audit Highlights	The highlights sheet, inserted in each report, provides an overview of the audit's key findings	"At-a-Glance Box"	Used to describe key aspects of the audited agency; generally appears in the first few pages of the main report
Conclusions and Recommendations	Located at the end of the audit questions, or at the end of the report	Side Headings	Point out key issues and findings
Agency Response	Included as the last Appendix in the report	Charts, Tables, and Graphs	Visually help tell the story of what we found
Table of Contents, and lists of figures and appendices	Lets the reader quickly locate key parts of the report	Narrative Text Boxes	Highlight interesting information or provide detailed examples

This audit was conducted by Joe Lawhon, Amy Thompson, Ivan Williams, Heidi Zimmerman, Nathan Ensz and Lynn Retz. Chris Clarke was the audit manager. If you need any additional information about the audit's findings, please contact Joe Lawhon at the Division's offices.

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State Universities: Can State Universities Provide Postsecondary Education More Efficiently To Reduce Costs? (A K-GOAL Audit)

The Kansas Governmental Operations Accountability Law (K-GOAL) subjects any State agency or program to audits, reviews, and evaluations as determined by the Legislative Post Audit Committee. Through this process, the Legislature can, in the words of the Act, “retain and maintain appropriate and effective governmental operations, remediate defective governmental operations, and terminate inappropriate or obsolete governmental operations.”

The Committee is required to direct at least four audits each year under the law; it has chosen to focus these audits primarily on efficiency and cost savings issues. The law states that such audits may determine whether the agency or program is still needed, whether another agency could effectively perform the functions of the agency or program, whether the agency or program could be operated more efficiently and still fulfill its intended purpose, and other factors as determined by the Legislative Post Audit Committee. The Committee has designated this audit of six State universities as a K-GOAL audit.

Between 1998 and 2008, spending at the six universities (excluding the University of Kansas Medical Center and the Veterinary Medical Center and extension programs at Kansas State) grew from about \$910 million to \$1.7 billion. That increase is about 30% higher than the inflation rate for higher education. During that same period, staffing levels at the six universities grew by 16% and student enrollment at those universities grew by about 13%, from about 77,000 students to almost 87,000 students.

The February 2008 issue of *State Legislatures* magazine reported that officials from the university system in Maryland had recognized the need to demonstrate greater efficiencies in how they delivered postsecondary 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.

This information led to questions about whether the six public universities in Kansas could apply some of these same sorts of techniques to achieve greater efficiencies and reduce the overall cost of providing a college education. The scope statement approved by the Legislative Post Audit Committee contained this question:

Are there opportunities for State universities in Kansas to reduce the cost of providing postsecondary education?

For reporting purposes, we broke this question down into three audit questions. Those questions are:

- 1. How do costs per student and staffing levels compare for Kansas' six major universities?**
- 2. What actions could universities take to reduce their academic spending?**
- 3. What actions could universities take to reduce their institutional spending?**

Throughout this audit, our analyses excluded the University of Kansas' Medical Center campuses in Kansas City and Wichita, and Kansas State University's School of Veterinary Medicine. We also excluded expenditures for Kansas State's extension programs from our financial data analyses in Question 1, and to the extent possible we excluded the staffing positions related to the medical and veterinary schools in our other analyses. This allowed us to focus many of our analyses on traditional educational services that impact graduate and undergraduate students, and to make our analyses as comparable as possible.

To answer Question 1, we did the following:

- obtained and analyzed the universities' financial reports for fiscal years 2005 through 2008, which provide summary information about university expenditures, how the expenditures were funded, and the number of budgeted general use positions for each year.
- obtained copies of the Board of Regents' 2007, 2008, and 2009 Data Books, which contain financial, student, staffing, and tuition-rate data, as well as other information. We also reviewed and analyzed Board reports on enrollments, FTE instructional staff, and community colleges. We used these sources to calculate various ratios and efficiency measures.
- worked with university officials to identify comparable out-of-State peer institutions. We attempted to gather comparable information for the six Kansas universities and those peer institutions from two sources—the Integrated Postsecondary Education Data System (IPEDS), and the Delaware Study of Instructional Costs and Productivity (prepared by the University of Delaware). These two sources contain information that is self-reported by universities across the country.

To answer Questions 2 and 3, we:

- reviewed relevant articles to identify actions other universities have considered or taken to reduce their operating costs in a host of areas.

- reviewed university and Board policies about issues such as teacher workload and program review.
- asked officials from each university to prepare a listing of all courses and sections taught during the Fall 2007 and Spring 2008 semesters. This list also included information about who taught each course, the number of students taught, and the credit hours for the course. We used this listing in a number of our analyses, such as identifying the number of remedial and low-enrollment courses and sections taught, identifying the number of credit hours taught by instructors, and determining the number of online student credit hours generated.
- obtained and analyzed a copy of data the universities had provided to the Legislative Research Department during the 2009 legislative session showing the amount of instructional salary paid to instructional staff as of Fall 2007.
- reviewed university data to look for ways to consolidate academic departments.
- analyzed summary data about remedial courses and sections taught during schools years 2005 through 2008 that are maintained in the Board's Kansas Postsecondary Database. These data contained information about enrollments in these courses and the percentage of students who passed. We also spoke with university officials about their remedial programs and how and why they are provided, and reviewed articles to learn how other states provide remedial courses and the need for such courses at the collegiate level.
- reviewed classroom and laboratory usage data maintained by the Board.
- reviewed the Board's program inventory and program review reports to learn about actions taken to identify "underperforming" academic programs at each university.
- reviewed summary reports submitted by university officials to the Board on actions taken to make their universities more cost efficient. We also reviewed a summary report prepared by Board staff on actions that could be taken to allow the universities to operate more efficiently.

Throughout the audit, we spoke with many officials, including representatives of the Board, the universities, the Kansas Department of Education, and several out-of-State university systems. The purpose of these discussions included clarifying issues about the data they had submitted, understanding issues related to the teaching of remedial courses, and learning about specific actions universities had taken in areas such as developing online courses and programs, and reducing operating costs.

A copy of the scope statement the Legislative Post Audit Committee approved for this audit is included in *Appendix A*.

In conducting this audit, we followed the applicable government auditing standards set forth by the U.S. Government Accountability Office, except we were not able to test the reliability of most of the information we used in our analyses. Doing so would have been impractical within any reasonable amount of time given the multitude of data we used from or about the universities during this audit. Those data included the following:

- the financial and non-financial data the universities provided to us. The non-financial data included course section listings, online program listings, counts of FTE positions, and efficiency reports.
- Board of Regents' data regarding such things as enrollment levels, space utilization, FTE instructional staff, program inventories, and remedial courses
- salary information the universities reported to Legislative Research
- K-12 assessment score data provided by the Kansas Department of Education
- the IPEDS information, Delaware Study results, and ACT test score data, which are maintained by other entities

Because nearly all the expenditure and operational data used throughout the audit are self-reported, there's no way to know how accurate they are. However, we did take a number of steps to try to ensure the data we used in developing our analyses were reasonable and to exclude any data that we thought were potentially wrong or incomplete. For example, we reviewed the financial expenditure data used to develop our findings in Question 1 for completeness and compared it against other sources to assure ourselves that the amounts reported appeared reasonable. We also spent a significant amount of time reviewing and working with university officials to develop the section listing data. When we identified inconsistencies in the data, we had university officials modify and resubmit corrected data to us. However, we think that some fields in the final data set still contain minor errors. We also worked closely with university officials to develop revised counts for the number of instructional FTE positions they reported for the Fall 2007 semester.

In designing this audit, we intended to compare the Kansas universities amongst themselves and with out-of-state peer institutions. Although we were able to make a few comparisons for the regional universities against their out-of-state peers, we did not make such comparisons in this report for the three research universities. That's because the primary sources of information for these analyses—IPEDS and the Delaware study—contained data that we determined to be inaccurate or not comparable.

Because of the limitations of the data that were available to answer the audit questions, the expenditure and operational information presented in this report—and the estimated cost impacts of taking certain actions to reduce costs— should be viewed as indicators, and not as absolute fact.

Government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Except for the limitations described above, we followed those standards.

Our findings begin on page 13, following a brief Overview.

Overview of the Kansas Board of Regents and The Universities It Oversees

The Board Is Responsible For Governing the Six State Universities And for Supervising Other Postsecondary Educational Institutions

The Kansas Board of Regents was established in 1925 to oversee five educational State universities—the University of Kansas, Kansas State University, Pittsburg State University, Fort Hays State University, and Emporia State University. In 1964, the Board became responsible for overseeing Wichita State University as well.

The Board’s responsibilities changed significantly as a result of legislation passed during the 1999 legislative session. Those changes can be summarized as follows:

- the Board was given responsibility for supervising the State’s 19 community colleges, 11 technical schools and technical colleges, and Washburn University. The governance of these schools continues to reside with local boards.
- the Legislature required the Board to ensure coordination among institutions and institutional sectors, including Washburn University and the independent public colleges.
- the Board became responsible for adult basic education, supplementary education programs, and certifying private postsecondary institutions. This responsibility was transferred from the State Board of Education.

Currently, the Board consists of nine members appointed by the Governor to four-year staggered terms. The Board’s duties include providing Statewide planning for higher education, and adopting and administering a comprehensive plan for the coordination of higher education in the State. The Board also is required to conduct continuous studies of ways to maximize the use of resources available for higher education in Kansas and to initiate action for improvement.

The Board has a staff of 63, and is headed by a President and CEO. Board staff conduct research and analysis on educational and academic management issues, and review institutional budgets. They also are involved in the planning and analysis of facility needs, help summarize the results of institutionally conducted program reviews, and operate and maintain the KAN-ED network. This broadband, technology-based network provides access to distance learning and other communication needs for schools, libraries, and hospitals. Board staff also maintain the Kansas Postsecondary Database (KSPSD) which primarily contains student identification-level data. Some of the remedial course data we used in this audit came from this database.

Since 2002, the Legislature Has Funded Universities Through Block Grants

Before 2002, universities developed a budget of total expenditures, estimated how much tuition they would generate, and received funding from the State for the balance of the approved budget. If the university generated more tuition than estimated, an amount equal to the excess was deducted from the State money it received.

As a result of legislative changes approved in 2001, the universities are now funded on a block-grant system. In accordance with State laws, the Board sets tuition rates and each university retains all the tuition money it generates.

Under the new block-grant system, any new State General Fund moneys are appropriated to the Board. According to Board officials, the starting amount for each university is the appropriated amount from the previous year. In years when the Legislature has approved an increase in State appropriations, the Board has assessed the performance of each university, and made a decision about how to allocate the increase among all the universities.

In Fiscal Year 2008, The Board and the Six Universities Spent Almost \$2.4 Billion

According to the Governor's Fiscal Year 2010 Budget Report, the Board's actual expenditures in fiscal year 2008 were \$240 million. Of that amount, about \$175 million went toward postsecondary education and was distributed to community colleges, area technical schools and Washburn University.

OV-1 Total Expenditures and FTE Student Enrollment For the Six Regents' Universities Fiscal Year 2008		
Entity	Expenditures (in millions)	FTE Student (a)
FHSU	\$88.3	6,246
PSU	\$92.7	6,626
ESU	\$84.2	5,230
WSU	\$233.2	10,795
KSU	\$515.5	19,311
KU	\$714.7	23,831
Subtotal	\$1,728.6	72,039
KSU - Extension and Agricultural Research	\$128.7	none
KSU - Veterinary Medical Center	\$33.7	645
KU - Medical Center (b)	\$250.7	(c)
Total	\$2,141.7	72,684

(a) FTE calculation based on enrolled student credit hours on the 20th day of classes in the Fall 2007 semester
(b) Includes the Medical Center's Kansas City and Wichita campuses.
(c) FTE is not defined at the University of Kansas Medical Center. The reported headcount for the Medical Center for Fall 2007 was 2,918.
Source: LPA analysis of unaudited data from The Governor's Budget Report, Volume 2 for Fiscal Year 2010 and the Board of Regents' Enrollment Report.

The Governor's Budget Report also shows that total expenditures for the six universities were more than \$2.1 billion in fiscal year 2008. This information is shown in **Figure OV-1**.

These expenditures include the activities of the University of Kansas' Medical Center campuses in Kansas City and Wichita, and the Veterinary School and Extension and Agricultural Research Program at Kansas State University. Total spending without these activities was approximately \$1.7 billion Statewide.

These figures also include both “general use” and “restricted use” expenditures. Those expenditures can be defined as follows:

- **General use expenditures are funded by sources that don’t have any spending restrictions.** For the universities, the two sources for general use expenditures are State General Fund appropriations and tuition revenues. In fiscal year 2008, expenditures funded by general-use dollars totaled \$884 million (slightly more than half the \$1.7 billion we analyzed.) That amount included about \$872 million in operating expenditures for education and general program purposes, and about \$12 million for non-operating expenditures, such as auxiliary enterprises (bookstores), debt service, and capital outlay.
- **Restricted use expenditures are funded by sources that have specific purposes and uses.** These primarily include student fees and federal grants. In fiscal year 2008, university expenditures funded by restricted-use dollars totaled \$823 million.

Our analyses in Question 1 focus on the universities’ general use operating expenditures for education and general program purposes.

Figure OV-1 also shows information about the number of FTE students attending each university as of Fall 2007. The figure shows that the University of Kansas had the largest enrollment and Emporia State had the smallest enrollment. According to Board of Regents’ records, full time equivalency is not defined at the University of Kansas Medical Center. In a footnote, we’ve provided a headcount number for the Medical Center.

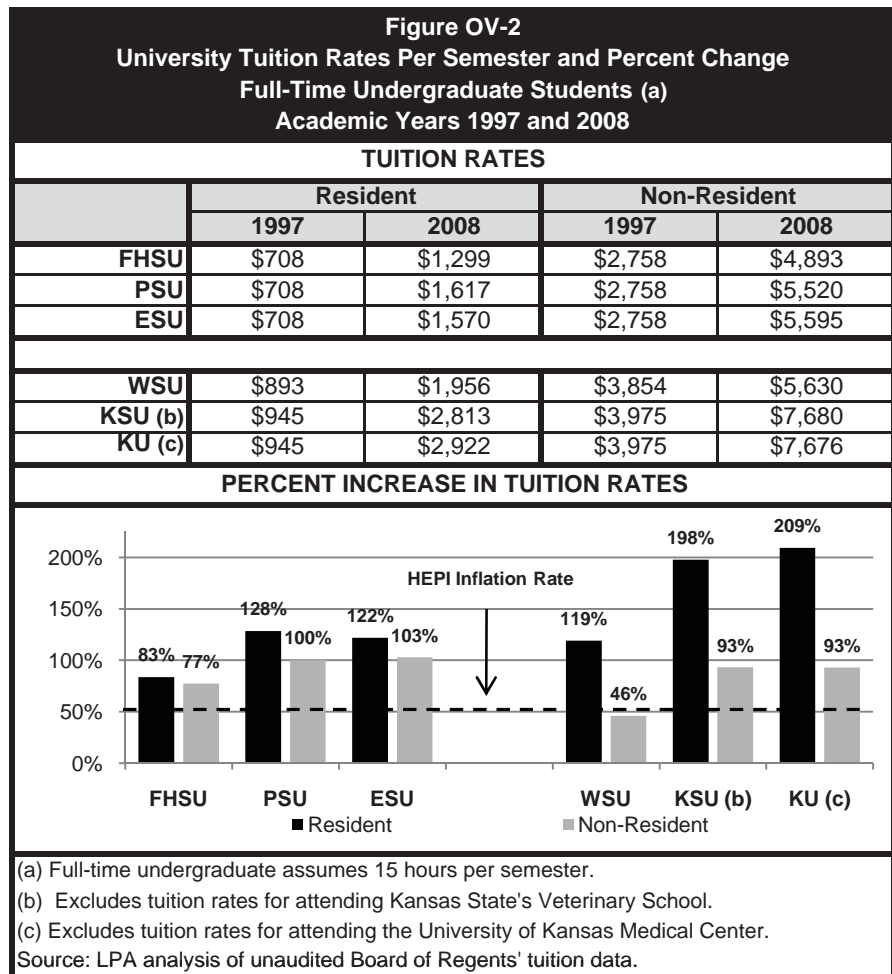
When looking at expenditures-per-student, Fort Hays State and Pittsburg State were the two lowest and Kansas State and the University of Kansas were the two highest.

Appendix B shows the general use and restricted use expenditures reported by each of the six universities to us for fiscal years 2005 and 2008, along with the percentage change in those expenditures. It also shows the amount spent per FTE student for those years.

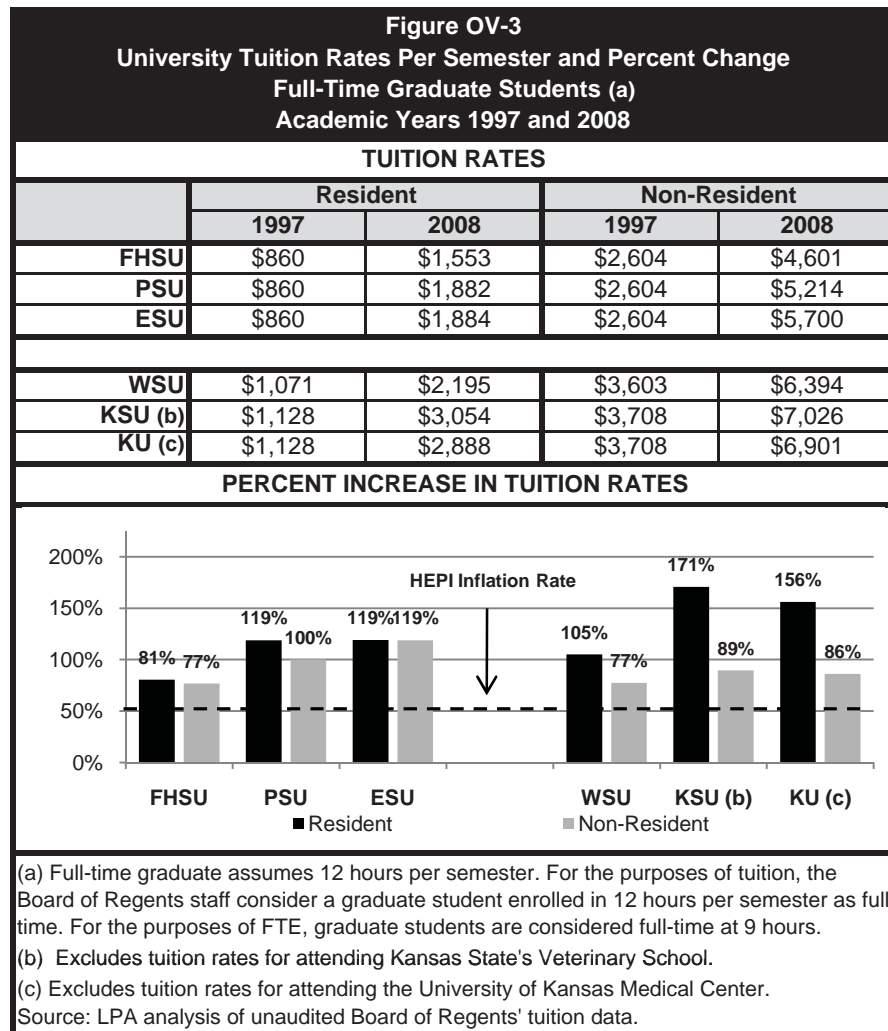
***From 1997 to 2008,
Tuition Rates Rose
Significantly at All Six
State Universities***

Tuition rates vary by university and by type of student. Universities charge different tuition rates depending on whether a student is taking undergraduate or graduate courses, and on whether the student is a Kansas or non-Kansas resident. Typically, tuition rates for undergraduate credit hours are lower than tuition rates for graduate credit hours. Further, Kansas residents have lower rates than non-residents. While non-resident tuition rates are higher than resident rates, each university is allowed by law and policy to reduce tuition rates for certain non-resident students.

From 1997 to 2008, tuition increases were greater than the Higher Education Price Index in all but one category. The Higher Education Price Index (HEPI) is an inflation index designed specifically to track the main cost drivers in higher education. As *Figures OV-2* and *OV-3* show, tuition has increased for all categories at all universities from 1997 to 2008. Increases over this time period range from a low of 46% at Wichita State for full-time non-resident undergraduate students to a high of 209% for full-time resident undergraduate students at the University of Kansas. During this same period, the Higher Education Price Index increased by 51%.



With the exception of full-time undergraduate resident tuition rates, from 1997 to 2008 Emporia State had the largest tuition increases among the regional universities, and Kansas State had the largest tuition increases among the research universities. Recently, universities requested tuition increases for academic year 2010 ranging from 3.9% at Kansas State to 8.5% at Wichita State. The Board approved these increases in June 2009.

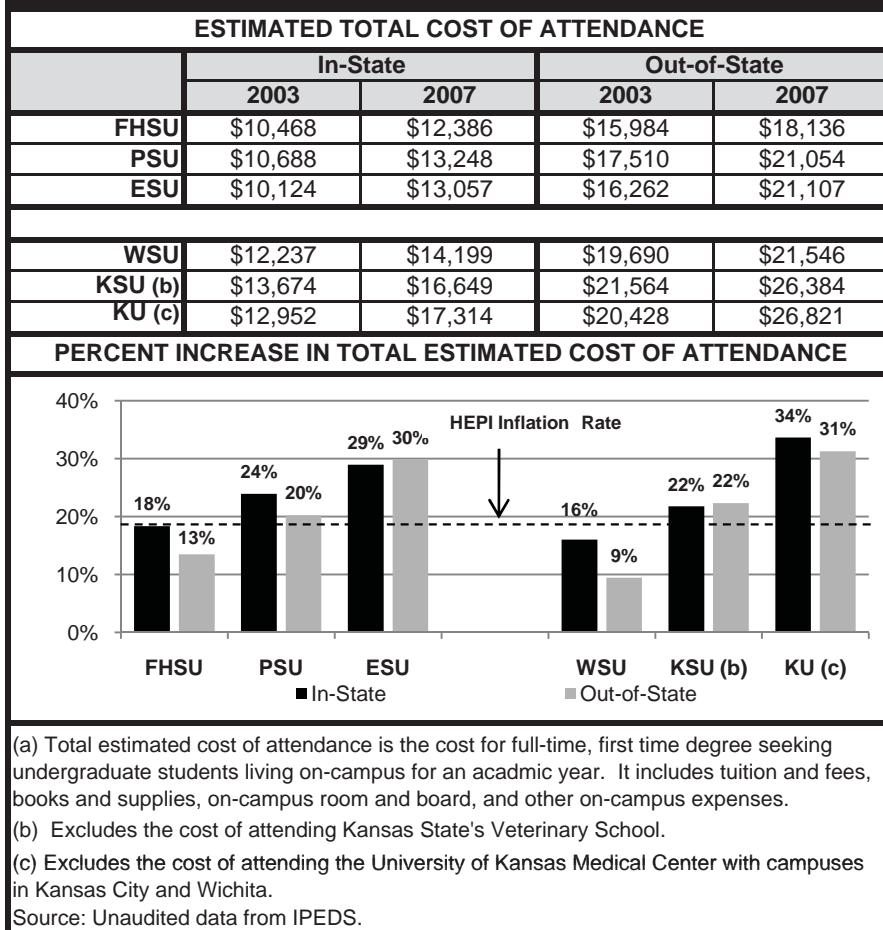


Student Costs For Attending a Regents' University Have Risen Significantly Since 2003

The Integrated Postsecondary Education Data System (IPEDS) maintained by the U.S. Department of Education's National Center for Education Statistics includes data on the estimated total cost to the student of attending a State university in Kansas. That total cost includes tuition and fees, books and supplies, on-campus room and board, and other on-campus expenses. How a student pays these costs has no impact on the estimated total cost.

The IPEDS data show that student costs for attending Kansas universities increased by 9% to 34% from 2003 to 2007. During this same period, the Higher Education Price Index increased by 18%. **Figure OV-4** on page 11 shows the reported total cost of attendance for all State universities in Kansas for Fall 2003 to Fall 2007, the most recent year for which IPEDS data were available at the time of our analysis.

Figure OV-4
Estimated Total Cost of Attendance (a)
Fall 2003 to 2007



As the figure shows:

- for the **regional** universities, Emporia State had the largest percent increases for both in-State and out-of-State students from 2003 to 2007. For students at Fort Hays State University, total costs generally increased less than the rate of inflation.
- for the **research** universities, KU had the largest percentage increase for both in-State and out-of-State students. For students at Wichita State, total costs increased less than the rate of inflation.

Question 1: How Do Costs per Student and Staffing Levels Compare for Kansas' Six Major Universities?

Answer In Brief:

The primary measures of efficiency for universities are expenditures per student and teacher workload. In fiscal year 2008, Emporia State and the University of Kansas spent about \$2,000 more per student than their in-State counterparts. From 2005 through 2008, average expenditures per student increased from 8% to 22%, and much of that increase was funded with tuition revenues. Additionally, expenditures per student increased at a higher rate than inflation at four of the six universities between 2005 and 2008. Over the same 4-year period, FTE student enrollments increased by an average of just 2%, but that increase varied considerably among universities. For educational programs, staffing and salary levels appeared to account for most differences in spending. However, a variety of factors appear to have contributed to differences in spending on general operational programs. Overall, Emporia State and Kansas State had more total staff per student than their counterparts in 2008. Emporia State also had significantly more staff per 1,000 students than its out-of-state peers; comparable data weren't available for the research universities. Across all six universities, total staffing levels increased by 4.4% from 2005 to 2008. Data limitations hindered our ability to compare Kansas universities with out-of-state peers. These and other findings are described in more detail in the sections that follow.

The Primary Measures Of Efficiency for Universities Are Expenditures per Student And Teacher Workload

Measures of efficiency are calculated ratios that capture the relationship between inputs (the resources used) and outputs (the things accomplished or produced).

For educational entities, the primary measures of efficiency are expenditures per student, and teacher workload (e.g., the number of classes, credit hours, or students taught per teacher). This question addresses expenditures per student; Question 2 presents information about teacher workloads.

In calculating and comparing expenditures per student, we made the following decisions:

- To compare universities with different enrollment levels and different types of students (undergraduate and graduate) on a more uniform and consistent basis, we used expenditures per full-time-equivalent (FTE) student. The Board of Regents defines an undergraduate FTE student as someone taking 15 credit hours. In some cases, it defines a graduate student as someone taking 9 credit hours.
- We focused on the universities' **general use operating expenditures**, which are funded by State appropriations and tuition revenues, and which totaled \$872 million in fiscal year 2008. Those are the amounts that could be impacted by the Legislature or the Board of Regents. Non-operating costs we excluded related to auxiliary enterprises (like bookstores), debt service, and capital outlay.

- We excluded expenditures related to the KU Medical Center's two campuses in Kansas City and Wichita, K-State Veterinary School and Research and Extension programs, and the universities' corporations (like their endowment associations and athletic departments), because they provide unique services or don't represent traditional educational areas, and make comparisons between schools less accurate and meaningful.

Because staffing costs account for a large portion of universities' costs, we also performed a number of analyses comparing the universities' staffing levels to each other and, where comparative information was available, to their peers.

In Fiscal Year 2008, Emporia State and the University of Kansas Spent About \$2,000 More Per Student Than Their In-State Counterparts

Using financial information the universities submitted directly to us, we computed each university's **general use operating expenditures per FTE student**, both overall and for each of the eight operational categories that are directly related to education or education support. (*When we use the phrase "expenditures per student" from here on, that figure represents this amount.*) Those categories are defined at the bottom of ***Figure 1-1***.

Figure 1-1 on page 15 shows these expenditures per FTE student for fiscal year 2008, which was the most recent year available at the time of the audit.

We present our analyses separately for the research and regional universities. The three larger universities (Wichita State, Kansas State, and the University of Kansas) are considered to be **research** universities because of their emphasis on both teaching and research. All three offer doctoral degrees. The three smaller universities (Fort Hays State, Pittsburg State, and Emporia State) are considered to be **regional** universities because of their emphasis on teaching. These universities generally don't offer doctoral degrees.

As ***Figure 1-1*** shows:

- among the **regional** universities, Emporia State had the highest expenditures per student overall, for all educational-related categories, and for most of the general program categories.

For example, Emporia State spent about \$2,000 more per student in total than its counterparts. It spent about \$1,000 more per student on instruction than Fort Hays State, \$300 more per student on student services than Pittsburg State, and \$550 more per student on scholarships/fellowships than Fort Hays State.

- among the **research** universities, KU had the highest expenditures per student in total, and for most of the educational-related program categories. However, Wichita State spent more for general program expenditures overall, and for most of the categories within that area.

KU spent about \$2,000 more per student overall than its counterparts. It spent about \$2,000 more per student on instruction than Wichita State, and about \$600 more per student on State- or tuition-funded research than Wichita State. However, Wichita State spent about \$400 more per student than KU on its physical plant.

We noted Emporia State and the University of Kansas had the highest percentages of FTE graduate students. Graduate classes typically are smaller and this factor could be affecting university costs.

Figure 1-1 General Use Operating Expenditures Per FTE Student Fiscal Year 2008								
Category of Expenditure	FHSU	PSU	ESU	Regional Average	WSU	KSU (a)	KU (b)	Research Average
Total Expenditures per Student								
Total (c)	\$8,330	\$8,880	\$10,781	\$9,330	\$12,160	\$12,173	\$14,191	\$12,841
Breakdown: Expenditures per Student on Educational Programs								
Instruction	\$3,948	\$4,420	\$4,944	\$4,437	\$4,946	\$6,068	\$7,024	\$6,013
Academic Support	\$1,377	\$1,271	\$1,814	\$1,488	\$1,837	\$1,761	\$2,200	\$1,933
Student Services	\$914	\$657	\$986	\$852	\$866	\$602	\$595	\$688
Institutional Support	\$806	\$798	\$829	\$811	\$1,155	\$1,160	\$1,313	\$1,210
Subtotal/Avg. (c)	\$7,045	\$7,146	\$8,573	\$7,588	\$8,804	\$9,591	\$11,132	\$9,842
% of Total	85%	80%	80%	81%	72%	79%	78%	77%
Breakdown: Expenditures per Student on General Programs								
Physical Plant	\$1,151	\$1,401	\$1,369	\$1,307	\$1,853	\$1,465	\$1,469	\$1,596
Public Services	\$74	\$51	\$200	\$108	\$295	\$94	\$165	\$184
Scholarships/ Fellowships	\$57	\$281	\$616	\$318	\$1,058	\$670	\$636	\$788
Research	\$3	\$0	\$24	\$9	\$150	\$353	\$790	\$431
Subtotal/Avg.	\$1,285	\$1,733	\$2,209	\$1,742	\$3,356	\$2,582	\$3,060	\$2,999
% of Total	15%	20%	20%	19%	28%	21%	22%	23%
Educational Programs:								
Instruction - Activities related to designing and teaching courses.								
Academic Support - Activities that directly support instruction, research, or public service, such as libraries, museums, academic administration, course or curriculum development, and academic personnel development.								
Student Services - Activities that contribute to the emotional and physical well-being of students such as social/cultural development, counseling and career guidance, financial aid, administration, student recruitment, admissions, and student service administration.								
Institutional Support - Activities that support the day-to-day functioning and long-term viability of the institution such as executive management, fiscal operations, general administrative services, logistical services, and public relations/development.								
General Programs:								
Physical Plant - Activities related to maintaining buildings and grounds, providing utility services, and planning and designing the expansion and modification of facilities.								
Public Services - Expenditures that support making the unique resources and capabilities of the institution available to the community. Examples include community services, public broadcasting, and cooperative extension.								
Scholarships/ Fellowships - Financial assistance provided to students in the form of grants and scholarships.								
Research - Activities intended to produce one or more research outcomes such as the creation of knowledge, the organization of knowledge, or the application of knowledge.								
(a) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.								
(b) Excludes the Medical Center with campuses in Kansas City and Wichita.								
(c) May not add due to rounding.								
Source: LPA analysis of unaudited university financial data.								

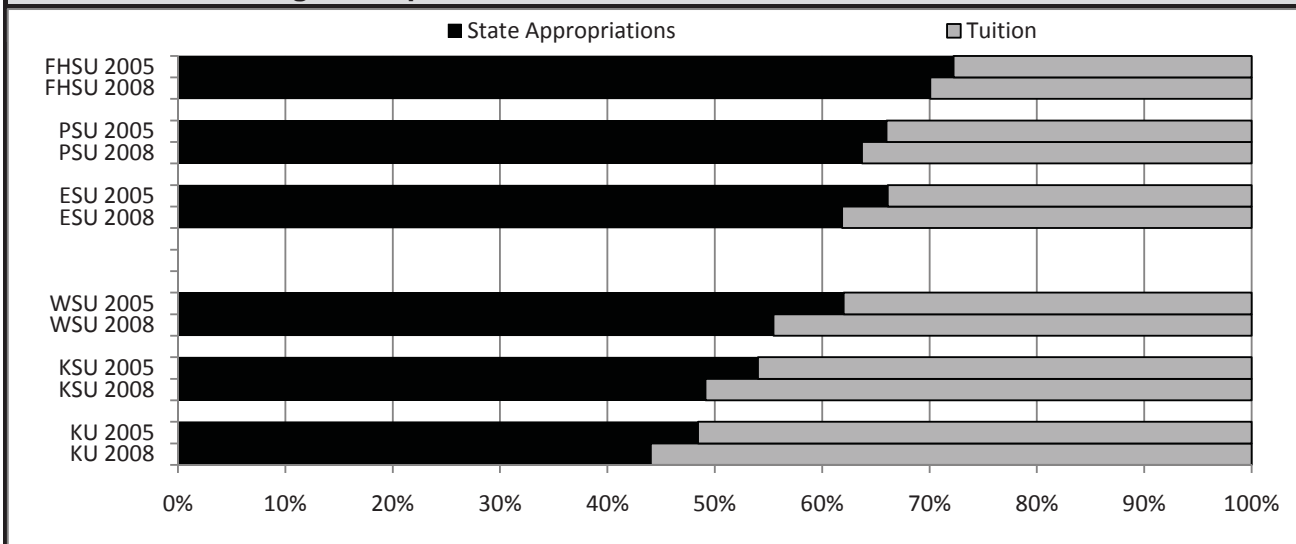
The figure also shows that instruction was by far the largest single category of spending. It accounted for 72% to 85% of universities' general use operating costs. It is important to remember this table shows only general use expenditures and that some of the differences in the amounts shown in the various expenditure categories could arise because the universities classify their expenditures differently.

From 2005 through 2008, operating expenditures per student increased from 8% to 22%, and much of that increase was funded with tuition revenues. The table at the top of *Figure 1-2* shows the universities' expenditures per student, as well as the sources of revenue used to fund those expenditures.

Figure 1-2
Universities' Expenditures per FTE Student, and the Sources of Funding for Those Expenditures
Fiscal Years 2005 and 2008

University	Total Operating Expenditures per FTE Student			Expenditures Funded With State Appropriations per FTE Student			Expenditures Funded With Tuition Revenue per FTE Student		
	2005	2008	% Change	2005	2008	% Change	2005	2008	% Change
FHSU	\$7,420	\$8,330	12%	\$5,361	\$5,837	9%	\$2,059	\$2,493	21%
PSU	\$8,206	\$8,880	8%	\$5,415	\$5,658	4%	\$2,791	\$3,222	15%
ESU	\$9,284	\$10,781	16%	\$6,139	\$6,669	9%	\$3,145	\$4,113	31%
Avg. for Regionals	\$8,303	\$9,330	12%	\$5,638	\$6,055	7%	\$2,665	\$3,276	23%
WSU	\$10,191	\$12,160	19%	\$6,320	\$6,745	7%	\$3,872	\$5,415	40%
KSU (a)	\$10,074	\$12,173	21%	\$5,442	\$5,980	10%	\$4,633	\$6,193	34%
KU (b)	\$11,641	\$14,191	22%	\$5,637	\$6,251	11%	\$6,004	\$7,940	32%
Avg. for Research	\$10,636	\$12,841	21%	\$5,799	\$6,325	9%	\$4,836	\$6,516	35%

Percentage of Expenditures Funded with State and Tuition Revenues



(a) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.

(b) Excludes the Medical Center with campuses in Kansas City and Wichita.

Source: LPA analysis of unaudited university financial data.

As that table shows on a per FTE student basis:

- for the **regional** universities, the expenditures funded with State-appropriated revenues increased by 7%, on average, while expenditures funded with tuition revenues increased by 23%. The largest increase in expenditures funded with tuition revenues per student was at Emporia State.
- for the **research** universities, the expenditures funded with State-appropriated revenues increased by 9%, on average, while expenditures funded with tuition revenues increased by 35%. The largest increase in expenditures funded with tuition revenues per student was at Wichita State; it went up 40%.
- total operating expenditures for the **research** universities grew at a faster pace than for the regional universities (21% versus 12%).

The chart on the bottom of *Figure 1-2* shows the change in the mix of State appropriations and tuition revenues that funded the universities' general use operating expenditures. It shows that, between 2005 and 2008:

- the percentage of expenditures covered by State appropriations and tuition revenues shifted more heavily in favor of tuition for all six universities
- State appropriations covered more of the **regional** universities' expenditures than the research universities' expenditures

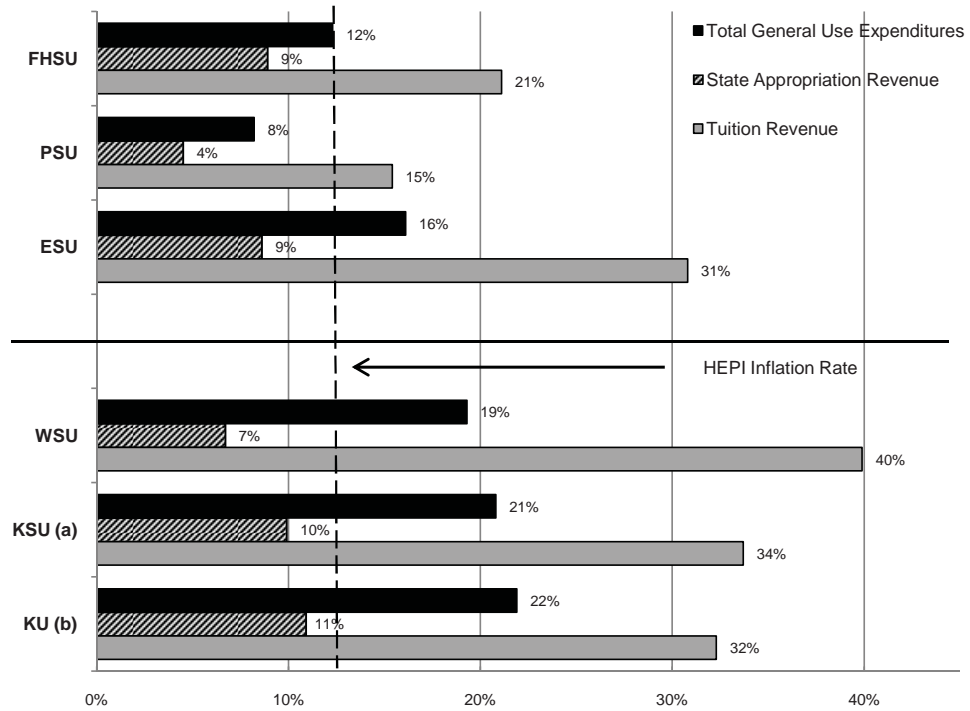
Expenditures per student increased at a higher rate than inflation at four of the six universities between 2005 and 2008. For this analysis, we used the Higher Education Price Index (HEPI)—which is an inflation index designed specifically to track the main cost drivers in higher education—to compare the universities' general use operating expenditures per student.

From 2005 to 2008 the inflation rate for regional universities was 12.7%; it was 12.9% for the research universities. The results of this analysis are summarized in *Figure 1-3* on page 18.

As the figure shows, between 2005 and 2008:

- only one of the **regional** universities' total expenditures per student increased faster than the rate of inflation—Emporia State—while all the **research** universities did.
- on a per-student basis, the increases in State appropriations used to fund expenditures were lower than the inflation rate at all six universities.
- on a per-student basis, the increase in tuition revenues used to fund expenditures exceeded the rate of inflation at all six universities. The difference was significantly greater at the **research** universities.

Figure 1-3
Percent Change in Total General Use Expenditures, and in the Tuition Revenue and the State Appropriations Used To Fund Those Expenditures
On a Per FTE Student Basis
Academic Years 2005 to 2008



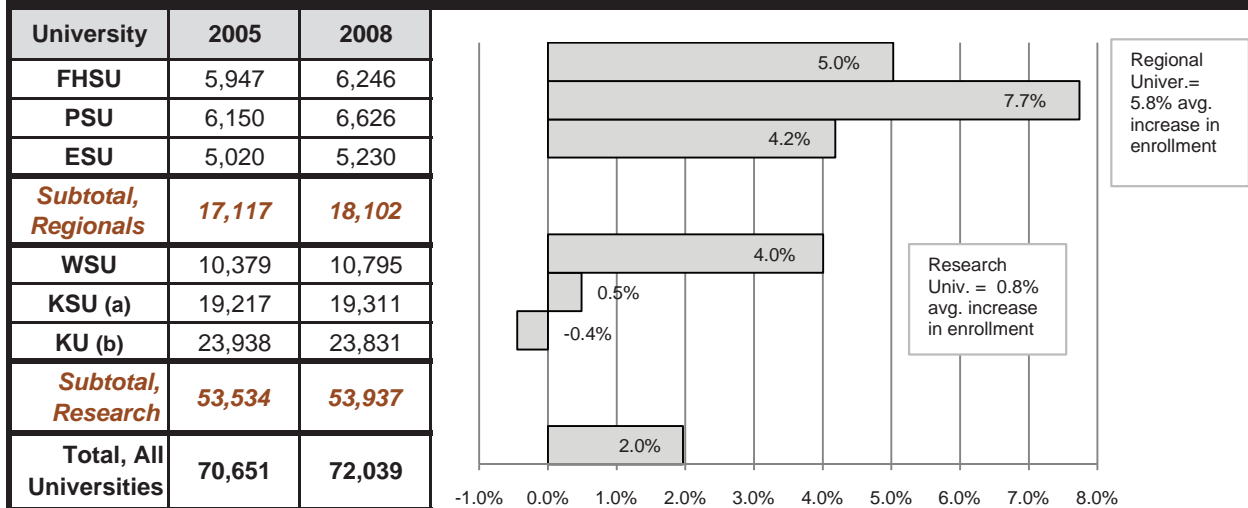
(a) Does not include the Veterinary School, Extension Offices, and Agricultural Experiment Stations.
 (b) Does not include the Medical Center's Kansas City or Wichita campuses.
 Source: LPA analysis of unaudited financial data provided by the universities.

Over the same 4-year period, FTE student enrollment increased by an average of just 2%, but that increase varied considerably among universities. Figure 1-4 on the following page shows FTE student enrollment at each university for 2005 and 2008. The Board of Regents calculates FTE student enrollment numbers based on enrolled credit hours on the 20th day of classes for the Fall semester.

As the figure shows:

- enrollment trends varied considerably, from a slight decrease at the University of Kansas to an almost 8% increase at Pittsburg State. Overall, the Statewide average was an increase of 2%.
- the largest percentage increases in enrollment occurred at the three **regional** universities, while enrollment levels at K-State and KU remained essentially flat.

Figure 1-4
Student Enrollment Levels (Full-Time Equivalents) and Percent Growth
Academic Years 2005 and 2008



(a) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.

(b) Excludes the Medical Center campuses in Kansas City and Wichita.

Source: LPA analysis of unaudited Board of Regents' enrollment data.

For Educational Programs, Staffing and Salary Levels Appeared To Account for Most Differences in Spending

As noted earlier, both Emporia State and the University of Kansas spent about \$2,000 more per student than their counterparts in 2008. Because we were looking at multiple aspects of six universities in this audit, it wasn't possible to review each university's actual practices and operations to determine why large differences in per-student expenditures existed. However, because they make up such a large percentage of total per-student costs, staff and salary levels are likely to have the most significant impact on those expenditures.

To help assess high-level reasons for variations between the universities' spending per student for 2008, we compared those expenditures for each "educational program" category with the number of budgeted regular FTE staff positions per 1,000 FTE students, and with the budgeted average salary and benefits per budgeted regular staff position. We used budgeted staff because university officials were concerned about the time it would have taken them to provide us with data on the number of actual positions in these eight financial categories. In this analysis we used "regular" positions which included benefit eligible positions and generally didn't include positions such as graduate teaching assistants or other temporary positions.

The universities' educational programs accounted for about 80% of their general use operating expenditures in fiscal year 2008. Educational programs include instruction activities like designing and teaching courses; academic support activities like libraries and academic administration; student service activities like counseling

and career guidance, financial aid, and admissions; and institutional support activities like executive management and fiscal operations.

The results of our analyses for the universities' educational program categories are summarized in **Figure 1-5**. The reader should be aware these measures provide indicators, but some differences may be the result of how universities categorized their spending, classified their staff, or budgeted for their positions.

Figure 1-5
Summary of Information Related to Universities' EDUCATIONAL Programs
Fiscal Year 2008

REGIONAL UNIVERSITIES					RESEARCH UNIVERSITIES				
University	% of Gen. Use Oper. Expend. on This Area	\$ per FTE Student	Budgeted Regular FTE Staff per 1,000 FTE Students	Avg Budgeted Salary and Benefits per Budgeted Position	University	% of Gen. Use Oper. Expend. on This Area	\$ per FTE Student	Budgeted Regular FTE Staff per 1,000 FTE Students	Avg Budgeted Salary and Benefits per Budgeted Position
INSTRUCTION PROGRAMS									
FHSU	47%	\$3,948	50.8	\$68,030	WSU	41%	\$4,946	59.9	\$75,013
PSU	50%	\$4,420	52.8	\$75,610	KSU (a)	50%	\$6,068	57.9	\$85,951
ESU	46%	\$4,944	55.5	\$74,428	KU (b)	49%	\$7,024	58.6	\$93,388
ACADEMIC SUPPORT PROGRAMS									
FHSU	17%	\$1,377	15.1	\$60,748	WSU	15%	\$1,837	18.6	\$64,733
PSU	14%	\$1,271	13.8	\$61,880	KSU (a)	14%	\$1,761	15.6	\$72,108
ESU	17%	\$1,814	15.4	\$63,705	KU (b)	16%	\$2,200	20.5	\$67,452
STUDENT SERVICES PROGRAMS									
FHSU	11%	\$914	11.6	\$50,459	WSU	7%	\$866	12.8	\$51,163
PSU	7%	\$657	9.7	\$54,167	KSU (a)	5%	\$602	8.4	\$54,953
ESU	9%	\$986	14.0	\$50,271	KU (b)	4%	\$595	8.5	\$51,493
INSTITUTIONAL SUPPORT PROGRAMS									
FHSU	10%	\$806	7.7	\$62,555	WSU	9%	\$1,155	12.4	\$79,403
PSU	9%	\$798	9.1	\$73,626	KSU (a)	10%	\$1,160	10.9	\$76,190
ESU	8%	\$829	9.4	\$62,032	KU (b)	9%	\$1,313	13.2	\$75,450

(a) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.
 (b) Excludes the Medical Center in Kansas City and Wichita.
 Source: LPA analysis of unaudited university financial data.

As the figure shows, both Emporia State and the University of Kansas—the two universities with the highest overall and educational program costs per student—generally had more budgeted staff per student than their counterparts.

For example:

- at the **regional** universities, Emporia State had more budgeted FTE staff per student than its counterparts for all four educational program areas. In one of those areas, Emporia State's average budgeted salaries were higher, as well.
- at the **research** universities, KU had more budgeted FTE staff per student in two of four education-related areas—the academic support and institutional support instructional programs. KU paid a significantly higher average salary for its budgeted staff positions in the instruction program, the largest expenditure category.

In looking at the more detailed accounting data universities provided to us, we also noted that student services' programs included intercollegiate athletics that were funded with general use operating dollars. Those expenditures ranged from \$1.6 million at Kansas State to almost \$2.2 million at Fort Hays State. These intercollegiate athletics generally cost an average of \$324 per student for the regional universities, and \$120 for the research universities.

A variety of factors—not just budgeted staffing levels and salaries—appear to have contributed to differences in spending on general operational programs. The results of our analyses for the universities' general program expenditures are summarized in *Figure 1-6* on page 22.

These general program expenditures accounted for about 20% of the universities' general use operating expenditures in fiscal year 2008. They include the costs of the universities' physical plants (including activities related to maintaining buildings and grounds); public service to the community, (including community services, public broadcasting, and cooperative extension); scholarships/fellowships (financial assistance provided in the form of grants or scholarships); and State- or tuition-funded research.

As the figure shows:

- at the **regional** universities, Emporia State had more budgeted FTE staff per student than its counterparts for the two general program areas where they had budgeted staff positions
- at the **research** universities, KU had considerably more budgeted staff than its counterparts for research, but Wichita State had more budgeted FTE staff in two areas—the physical plant and public service categories. Wichita State spent about \$400 more per student than any other university on its physical plant. Although not shown in the table, in 2005, that figure was \$200 more. Routinely spending more in this category may allow a university to better maintain its infrastructure. An audit we issued in July 2005 reported that Wichita State had some of the lowest critical maintenance needs in 2004.

**Figure 1-6
Summary of Information Related to Universities' GENERAL Programs
Fiscal Year 2008**

REGIONAL UNIVERSITIES						RESEARCH UNIVERSITIES					
Univer- sity	% of Gen. Use Oper. on This Area	\$ per FTE Student	Budgeted Regular FTE Staff per 1,000 FTE Students (c)	Avg Budgeted Salary and Benefits per Budgeted Position	\$ Per Square Foot	Univer- sity	% of Gen. Use Oper. on This Area	\$ per FTE Student	Budgeted Regular FTE Staff per 1,000 FTE Students (c)	Avg Budgeted Salary and Benefits per Budgeted Position	\$ Per Square Foot
PHYSICAL PLANT											
FHSU	14%	\$1,151	18.4	\$40,866	\$3.65	WSU	15%	\$1,853	25.0	\$40,251	\$6.90
PSU	16%	\$1,401	20.9	\$43,153	\$5.08	KSU (a)	12%	\$1,465	17.6	\$42,549	\$3.81
ESU	13%	\$1,369	22.0	\$41,146	\$4.21	KU (b)	10%	\$1,469	20.3	\$41,719	\$3.94
PUBLIC SERVICE											
FHSU	1%	\$74	0.5	\$52,249		WSU	2%	\$295	2.3	\$74,175	
PSU	1%	\$51	0.3	\$85,396		KSU (a)	1%	\$94	1.1	\$75,788	
ESU	2%	\$200	1.2	\$51,552		KU (b)	1%	\$165	1.9	\$63,905	
SCHOLARSHIPS/FELLOWSHIPS											
FHSU	1%	\$57	0	N/A		WSU	9%	\$1,058	0	N/A	
PSU	3%	\$281	0	N/A		KSU (a)	6%	\$670	0	N/A	
ESU	6%	\$616	0	N/A		KU (b)	4%	\$636	0	N/A	
RESEARCH											
FHSU	0%	\$3	0	N/A		WSU	1%	\$150	1.2	\$76,982	
PSU	0%	\$0	0	N/A		KSU (a)	3%	\$353	1.4	\$81,880	
ESU	0%	\$24	0	N/A		KU (b)	6%	\$790	6.3	\$79,748	

(a) Excludes the Veterinary School, Extension Offices and Agricultural Experiment Stations.
(b) Excludes the Medical Center in Kansas City and Wichita.
(c) Not all areas of the general program have positions budgeted for that program.
Source: LPA analysis of unaudited university financial data.

We also noted that Emporia State and Wichita State had more budgeted staff and spent more per student on public service. Public service expenditures may vary significantly because of the number and types of activities they fund. For example, those expenditures help pay for entities such as the Dole Institute of Politics at KU, the Sternberg Museum at Fort Hays State, and the Centers for Entrepreneurship, Management Development, and Urban Studies at Wichita State.

Overall, Emporia State And Kansas State Had More Total Staff per Student in 2008 Than Their Counterparts

In the previous analysis, we were limited to looking at universities' budgeted staff-per-student for each educational and general program. To make comparisons using actual staffing levels broken down into two general categories of instructional and non-instructional staff, we used staffing data from the National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS). The Center is run by the U.S. Department of Education, and all universities that receive federal funds are required to submit various types of information to it.

The reader should be aware that IPEDS data show what universities report as a **headcount of all** their staff, not just the staff associated with general use operating expenditures. Thus, these figures will include staff positions funded with general use or restricted moneys.

In an effort to make our comparisons more accurate and meaningful, however, we did the following:

- excluded the KU Medical Center campuses in Kansas City and Wichita and Kansas State's Veterinary School, as we had done with all our other analyses
- converted all headcount positions to full-time-equivalent positions. For all staff labeled as full-time we counted them as one FTE position. For any staff labeled as part-time we counted them as one-third FTE position. We chose this method for converting headcount to FTE based on instructions from IPEDS.

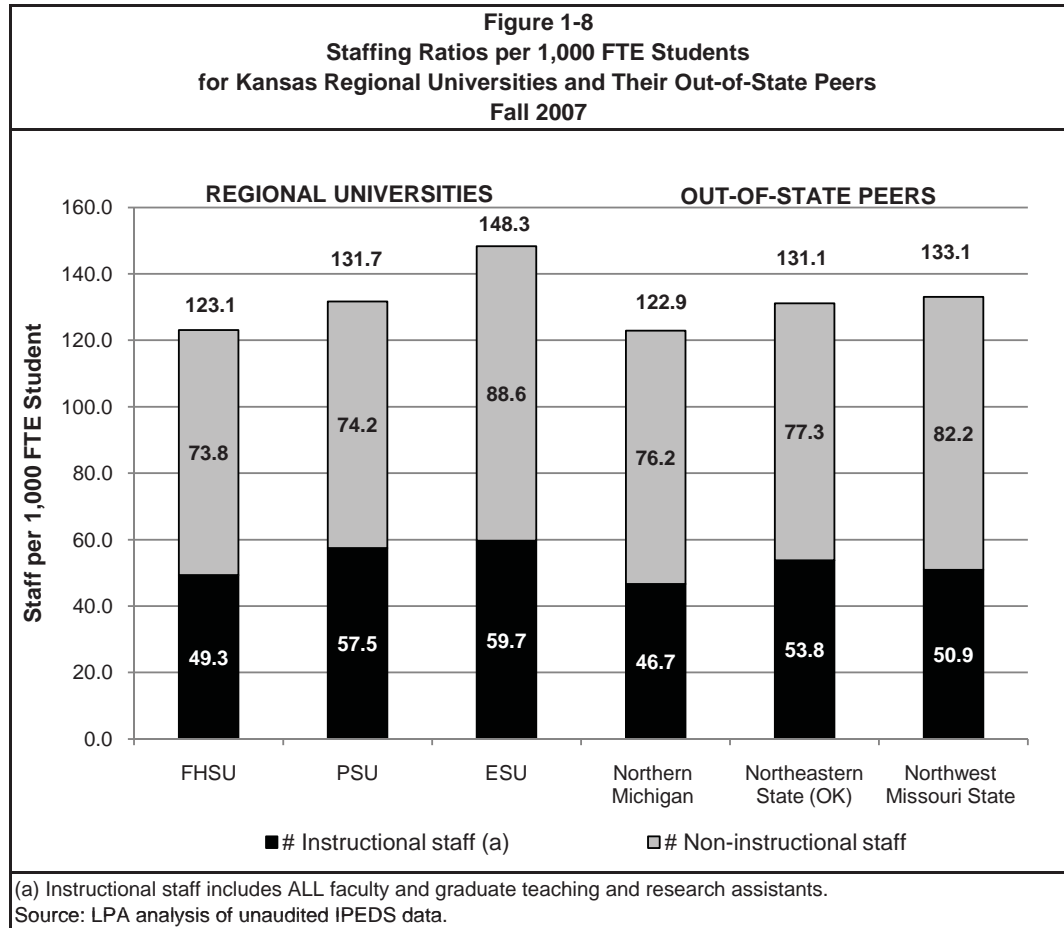
The results of our analysis is shown in **Figure 1-7**.

Figure 1-7 Staffing Ratios for Kansas Universities Fall 2007				
University	# Instructional staff per 1,000 FTE students (a)	# non-instructional staff per 1,000 FTE students	# total staff per 1,000 FTE students	# non instructional staff per 1 instructional staff
FHSU	49.3	73.8	123.1	1.5
PSU	57.5	74.2	131.8	1.3
ESU	59.7	88.6	148.3	1.5
Regional Average (b)	55.3	78.3	133.6	1.4
WSU	79.9	104.5	184.4	1.3
KSU (c)	84.3	135.5	219.8	1.6
KU (d)	102.2	108.5	210.7	1.1
Research Average (b)	91.3	117.4	208.7	1.3
(a) Instructional staff includes ALL faculty and graduate teaching and research assistants. (b) This is a <i>weighted</i> average. (c) Does not include the Veterinary School, Extension Offices and Agricultural Experiment Stations. (d) Does not include the Medical Center campuses in Kansas City and Wichita. Source: LPA analysis of unaudited IPEDS data and Board enrollment data.				

As that figure shows:

- at the **regional** universities, Emporia State had almost 17 more **total** staff per 1,000 students overall than Pittsburg State, and 25 more than Fort Hays State.
- at the **research** universities, the University of Kansas had almost 18 more **instructional** staff per 1,000 students than K-State, but K-State had nearly 27 more **non-instructional** staff per 1,000 students than KU.

Emporia State also had significantly more staff per 1,000 students than three out-of-state peers; comparable data weren't available for the research universities. We used the IPEDS data and worked with university officials to identify peer universities for the three regional universities in Kansas that were similar in both enrollment levels and type of university. The results of our comparisons are shown in *Figure 1-8*.



As the figure shows:

- Emporia State's total staffing ratio was considerably above the peer institutions
- Pittsburg State's instructional staff-to-student ratios also were above the three out-of-state peer institutions

Again, the reader should be aware some of these differences could exist because of variations in the ways universities classify certain types of staff. There was no way for us to identify such variations within a reasonable timeframe.

We also tried to obtain similar comparison information for the **research** universities, but weren't able to because of differences in the ways some universities reported their data to IPEDS. For example, some universities reported their special purpose programs (such as medical or veterinary schools) with their main campuses, some didn't, and some reported them differently from year to year. We couldn't always tell from the IPEDS data how the universities reported those data.

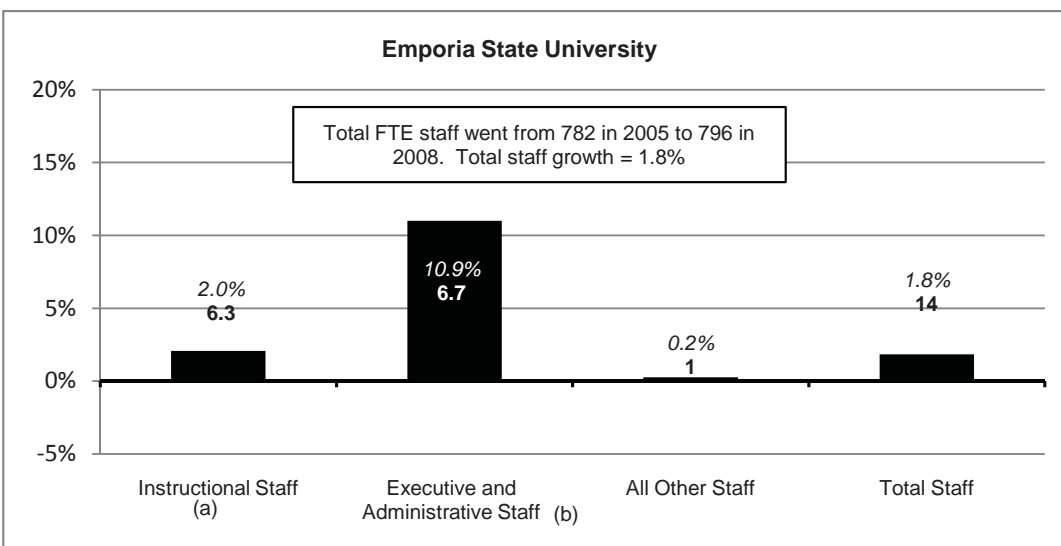
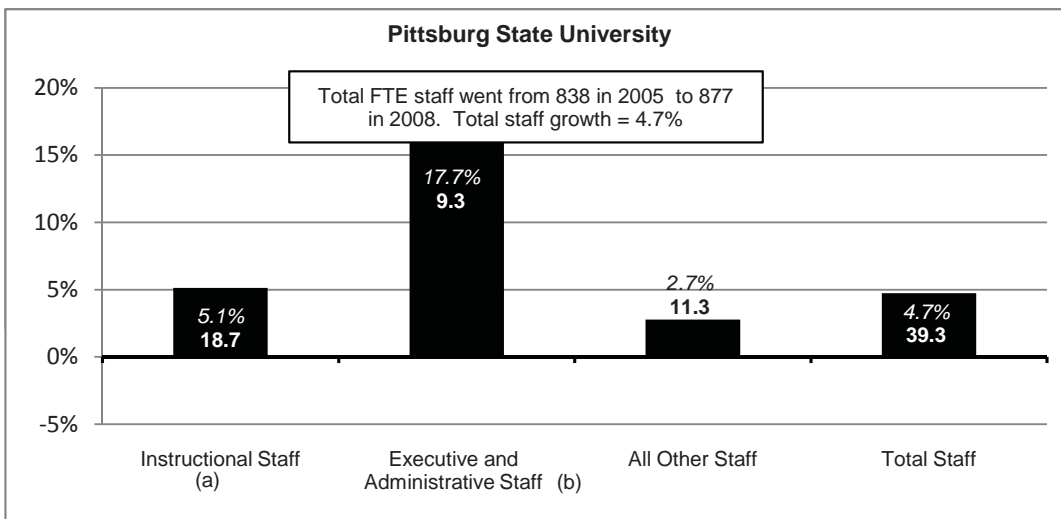
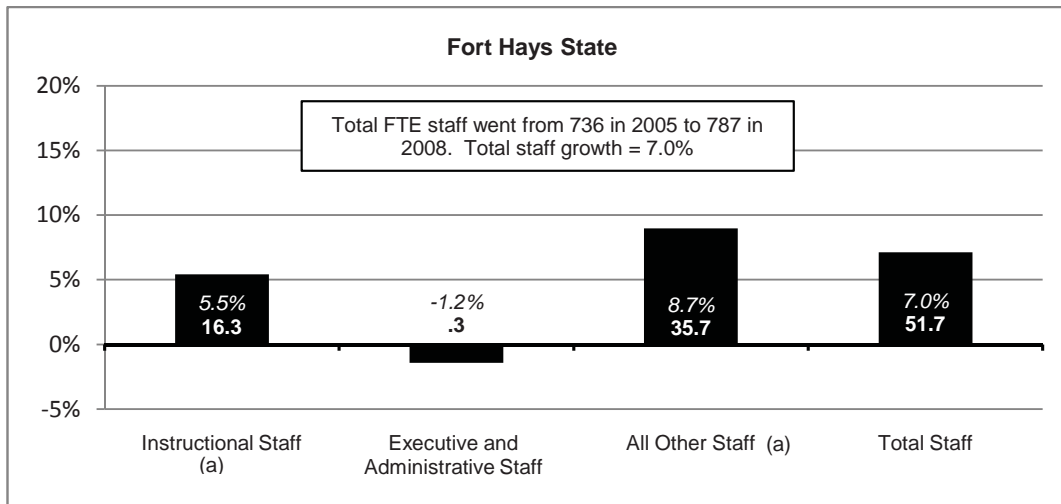
Across all six universities, total staffing levels increased by 4.4% from 2005 to 2008. For this analysis, we again had to use staffing data that universities report to IPEDS. Again, these data show a headcount of **all** staff, not just the FTE staff associated with general use operating expenditures. As in the previous analysis, we excluded the Medical and Veterinary Schools and Extension programs, and converted headcount positions to FTE positions to make our comparisons more meaningful and accurate.

Figures 1-9 and 1-10 on pages 26 and 27 show how the total FTE staffing levels changed at each university from 2005 to 2008, by certain types of positions. Overall, at the **regional** universities, total staff increased from 2,355 positions to 2,460, an increase of about 105 FTE staff positions (4.5%). At the **research** universities, total staff excluding the Medical and Veterinary Schools and Extension programs increased from 10,786 FTE staff positions to 11,255 an increase of about 469 FTE staff positions (4.3%).

As the figure shows:

- at the **regional** universities, Emporia State had the smallest total increase in staff. All three universities increased their instructional staff somewhat, but increases in the other types of staff were mixed.
- at the **research** universities, all three universities increased their instructional staff and the changes in the remaining staff levels were mixed.

**Figure 1-9
REGIONAL UNIVERSITIES
Percentage Change in FTE Staff
Academic Year 2005-2008**

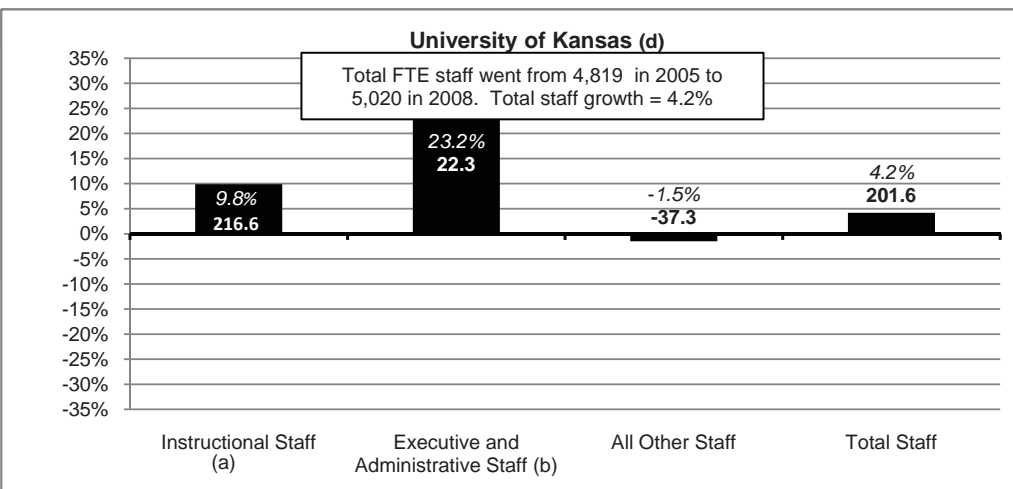
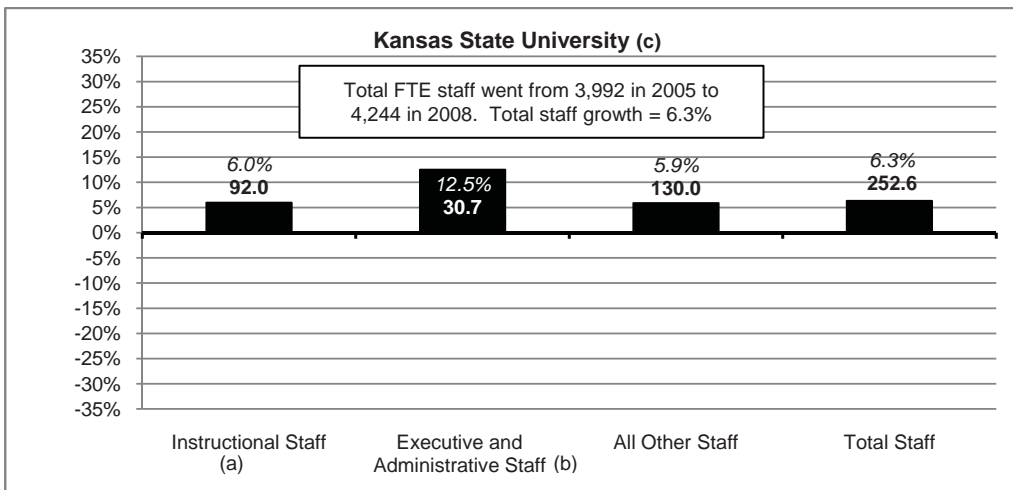
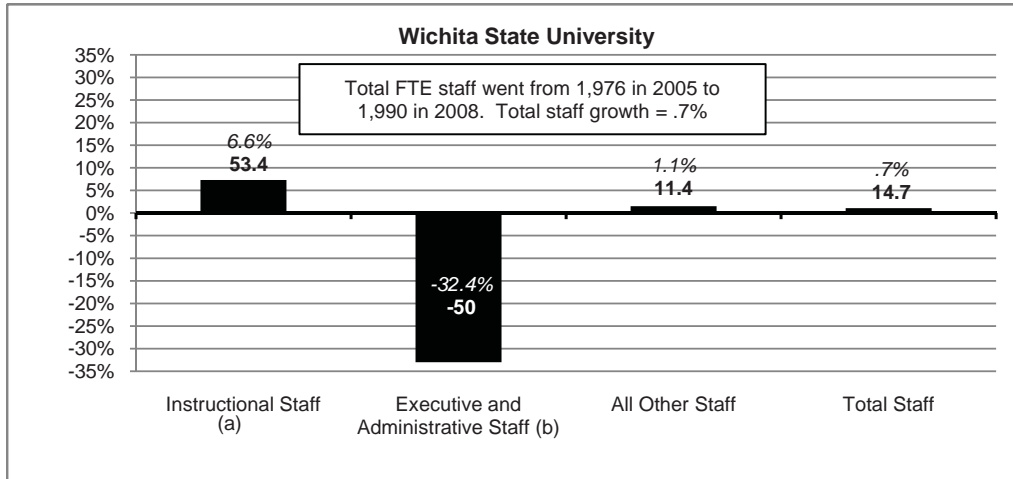


(a) Instructional staff includes ALL faculty and graduate teaching and research assistants.

(b) Some of the increase in this category is likely due to the university re-classifying a number of employees from one category to another.

Source: LPA analysis of unaudited IPEDS data .

**Figure 1-10
RESEARCH UNIVERSITIES
Percentage Change in FTE Staff
Academic Year 2005-2008**



(a) Instructional staff includes ALL faculty and graduate teaching and research assistants.
 (b) Some of the change in this category is likely due to the university re-classifying a number of employees from one category to another.
 (c) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.
 (d) Excludes the Medical Center in Kansas City and Wichita.
 Source: LPA analysis of unaudited IPEDS data.

***Data Limitations
Hindered Our Ability
To Compare Kansas
Universities With
Out-of-State Peers***

Kansas and other universities across the country compile and report data on many topics, including:

- revenues and expenditures
- student enrollments
- number of employees
- number of buildings and square footage

These data can be reported in many ways. For example, student enrollment levels can be reported on a full-time-equivalent or headcount basis, by 9-month or 12-month enrollment status, or as duplicated or unduplicated counts. Similarly, expenditures can be reported on a budgetary or actual basis, by funding source or object code, or by restricted or unrestricted use.

The main sources of out-of-State data for universities are:

- **Integrated Post-Secondary Education Data System (IPEDS)**—a national database with information on all post-secondary institutions that receive federal money.
- **Delaware Study of Instructional Costs and Productivity**—a voluntary study for benchmarking data on faculty teaching loads and instructional costs at the academic discipline level. Data are submitted to the University of Delaware. In Kansas, only the KU, K-State, and Wichita State submit data.

We identified limitations with the national data that made comparisons with other states difficult. In this audit, we wanted to compare costs per student, teacher workloads, and other efficiency measures for Kansas universities with comparable out-of-State universities. Although we were able to make some of those comparisons for Kansas' regional universities, we weren't able to make those same comparisons for Kansas' research universities.

Problems we identified with the IPEDS and Delaware study data for the research universities are summarized below.

- Potential inconsistencies with the IPEDS data raised doubts about the similarity of the data the universities had submitted. A large university may have several special purpose programs, such as a medical school, a dental school, a school of veterinary medicine, etc. As we reviewed the IPEDS data, we noticed that some universities reported financial and non-financial data for these activities separately, while others combined these activities with their main campus data. KU has reported both ways in recent years. We were able to work with university officials to remove Medical and Veterinary School data for Kansas, but we couldn't always tell whether similar adjustments were needed for the out-of-State universities we had selected as comparison universities, nor did we have the data to make the adjustments. As a result, any comparisons using financial information, or staffing and student enrollment data, may have been inconsistent.

- Potential errors with the data submitted to the Delaware study raised doubts about the reliability of those data. We obtained data for all three of Kansas' research universities and summary-level data for a group of peers for each university. As we reviewed data submitted to Delaware by K-State and KU, we noticed errors. KU officials subsequently resubmitted new corrected data to Delaware; K-State officials previously had submitted corrected data, but Delaware officials hadn't updated their data files to reflect those corrections. Finding incorrect data for two of three Kansas universities raised questions about whether data submitted by the peer institutions were reliable. Because we had no way of knowing, we decided these data were too unreliable to use in this audit. In addition, the Delaware study is intended to compare university productivity at the department or discipline level, and not for the university as a whole. Many of the analyses we performed in the audit took a look at university practices at a higher level.

The conclusion and recommendations for this audit are presented beginning on page 70.

Question 2: What Actions Could Universities Take To Reduce Their Academic Spending?

Answer In Brief:

Numerous options exist for delivering universities' academic programs and courses more economically or efficiently. These include eliminating or combining low-enrollment course sections, academic departments, or degree programs within universities; collaborating with other universities to share course content, teachers, and instructional programs; increasing the number of courses and programs offered online or through distance learning; increasing faculty workloads; and modifying remedial courses. Actions universities in other states have taken in these areas, available information for Kansas universities that relates to each area, and some potential impacts are presented in the sections that follow.

Numerous Options Exist For Delivering Universities' Academic Programs and Courses More Economically or Efficiently

Efficiency audits focus on ways in which an agency can change the way it currently operates to *essentially accomplish the same outcomes using fewer resources, or to allow their existing resources to become more productive*. If fewer resources are needed, the agency can use the savings either to reduce spending or to redirect those resources to other more important activities.

For this audit, with six universities and an unlimited number of areas available for review, we chose not to focus in on specific activities, but to conduct a broad review of possible actions the universities could take to become more efficient and, when data were available, to assess the potential impact on their level of efficiency.

Many of the areas we chose to review came from articles describing actions universities in other states have considered or taken to operate more economically or efficiently. Some actions clearly stemmed from universities' efforts to reduce costs in light of the fiscal crisis currently facing the country. But other actions appeared to reflect a desire to modernize the way educational programs and courses are delivered, primarily through greater collaboration and more widespread use of technology.

Throughout this audit, we shared the information we developed through our analyses with university officials. In several instances (such as teaching classes with low enrollments), we asked them to tell us whether they could change or eliminate their practices, and what the potential impact would be. In reading this question, readers should be aware of several things:

- we didn't try to verify what university officials reported to us
- officials' responses understandably reflected their experiences given the educational systems each one currently has in place. However, we

generally viewed the university “system” in Kansas more as a whole, rather than as a collection of individual universities.

- given the efficiency focus of this audit, we didn’t try to determine the potential impact of the options discussed in this question on educational outcomes. Given the extent to which universities in other states are taking some of the actions described in this question, it is clearly both possible and in some cases desirable to change university operations to operate more efficiently and economically. But there is obviously a need to ensure that efficiency and effectiveness are in balance.
- the data we used for our analyses was the most current available at the time—generally the 2007-08 academic school year. Given the budgetary cuts universities have experienced since then, they already may have had to take some of the actions discussed below to reduce their academic spending.

In the following sections we’ll discuss the main activities we’ve identified that Kansas universities could take to gain efficiencies and cost savings. Because some readers of this report may not be familiar with university terminology, we’ve included a glossary that defines key terms used in this question it’s shown on page 32.

Eliminating or Combining Low-Enrollment Course Sections Within a University

Universities in other states have considered or taken steps to eliminate or combine low-enrollment course sections. Low enrollment sections are course offerings with very few students in the class. Through our literature review, we noted the following:

- In June 2006, University of Wisconsin officials began consolidating or eliminating low-enrollment sections. In an effort to save costs, the university implemented a review process that allows officials to look at factors such as enrollment, degree program size, and other universities that offer the course. They use these data to identify low-enrollment course sections that can be consolidated, reorganized, or eliminated.
- In fiscal year 2003, Towson University in Maryland began an efficiency initiative to look for ways to contain costs. In fiscal year 2004, officials began consolidating or eliminating low-enrollment sections. Although university officials indicate they are reducing costs through these actions, they haven’t specified an amount.

At Kansas’ six universities, almost 2,700 undergraduate, organized course sections had low enrollments during the Fall 2007 and Spring 2008 semesters, representing about 13% of the total organized sections taught those two semesters. University officials submitted a listing to us of each course taught in the Fall 2007 and Spring 2008 semesters. For each course, the university listed each section, who taught the section, and its enrollment.

Glossary of Terms	
Term	Definition
Academic Department	An academic department is a division of a university devoted to a particular academic discipline. Departments are generally chaired by a member of the department.
Academic Year	Generally coincides with the State's fiscal year. It begins with the Fall semester and concludes with summer school.
Class Size	The number of students enrolled in a specific section of a course. For example, a 3-credit hour course with 10 students would have a class size of 10.
Course	Universities offer many courses of instruction each semester. Each course concentrates on a different topic. For example, Early American History is a course.
Degree Program	The specified courses and curriculum a student must complete to be eligible for a degree. Degree programs generally reflect the topic or area of study, such as art history or mechanical engineering.
Interactive Distance Learning	Education that is delivered to students who are not physically "on site". Rather than attending courses in person, teachers and students may communicate at times of their own choosing by exchanging printed or electronic media, or through technology that allows them to communicate in real time.
Individual Instruction Section	Individual instruction sections are typically arranged between student and teacher and generally have only one or two students. These sections can also include internships, field work, and student teaching.
Online Course	A course that is offered completely over the Internet.
Online Degree Program	A degree program that allows a student to meet all of the requirements for a degree completely online.
Organized Section	Organized sections typically meet at a regularly scheduled time each week and have multiple students.
Overload	Extra courses a professor volunteers to teach without pay that exceed the university's course load policies.
Section	Sections refer to each instance that a course is offered in a semester. For example, if an Early American History course is offered at 9:30 and 10:30, then the Early American History has two sections.
Student Credit Hour	The number of credits a student earns for completing the course. For example, History 101 may meet 3 times a week for 50 minutes. The university assigns this course a value of 3 credit hours.
Teaching Credit Hour	The number of credit hours an instructor teaches. For example, if an instructor taught two sections of the History 101 course mentioned above, that instructor would be credited with 6 teaching credit hours.
Source: LPA definition of various terms used in this audit.	

We analyzed these data to determine the number and percentage of low-enrollment sections. For this analysis we included only undergraduate, organized sections and considered a section to have low-enrollment when:

- Course sections at the 0-499 course level had nine or fewer students enrolled
- Course sections at the 500-699 course level had four or fewer students enrolled

We distinguished between upper and lower level undergraduate courses because we would expect upper-level course sections to have fewer students, given their more specialized topic matter.

Figure 2-1 shows for each university the total number of undergraduate sections offered, the number and percent that were low-enrollment, and average class sizes for all sections and for low-enrollment sections.

University	Total Course Sections	Low-Enrollment Sections (b)	Percent Low-Enrollment Sections	Average <u>Low-Enrollment</u> Class Size	Average <u>All</u> Undergraduate Class Size
FHSU	2,670	532	19.9%	4.7	20.1
PSU	2,288	323	14.1%	4.9	23.8
ESU	1,898	342	18.0%	4.9	23.0
Regional Universities	6,856	1,197	17.5%	---	---
WSU	3,004	485	16.1%	5.1	26.2
KSU	5,117	587	11.5%	5.0	30.7
KU	5,222	404	7.7%	5.6	33.8
Research Universities	13,343	1,476	11.1%	---	---
Total	20,199	2,673	13.2%	---	---

(a) Analysis includes only undergraduate organized sections. Individual instruction sections were not included.
 (b) Low-enrollment is defined as a 0-499 section having 9 or fewer students and a 500-699 section having 4 or fewer students.
 Source: LPA analysis of unaudited course section listing data provided by each university.

As the figure shows, we found:

- Among the **regional** universities, Fort Hays State had the highest percentage of low-enrollment course sections (19.9%). The average class size for its low-enrollment course sections was 4.7 students.
- Among the **research** universities, Wichita State had the highest percentage of low-enrollment course sections (16.1%). The average class size for its low-enrollment course sections was 5.1 students.

We then looked specifically at the courses and departments at each university that tended to have the most low-enrollment course sections. To do this we assigned each section to a department based on information provided to us by each university. **Figure 2-2** summarizes this information and provides examples of the types of courses with low enrollments.

Figure 2-2
Top Five Departments at Each University with the Highest Percentage of Undergraduate Organized Low-Enrollment Sections (a), Examples of Courses (b), and Number of Students in the Section Fall 2007 and Spring 2008 Semesters

FORT HAYS STATE		PITTSBURG STATE		EMPORIA STATE	
Department	Sections	Department	Sections	Department	Sections
Technology Studies	<ul style="list-style-type: none"> •Computer-Aided Manufacturing (3) •Machine Tool Operations (5) •Industrial Management (5) 	Nursing	<ul style="list-style-type: none"> •Psychiatric Nursing (7) •Advanced Surgical Nursing (9) •Health Assessment (5) 	Library & Information Management	<ul style="list-style-type: none"> •Introduction to Information Resources (3) •Information Sources and Services (3)
Music	<ul style="list-style-type: none"> •Brass Ensemble (2) •Instrumental Arranging (3) •Opera Production (4) 	Music	<ul style="list-style-type: none"> •Piano Class (2) •Jazz Ensemble (3) •Chamber Orchestra (5) 	Music	<ul style="list-style-type: none"> •Woodwind Methods (4) •Chamber Music (2) •Accompanying (3)
Chemistry	<ul style="list-style-type: none"> •Biochemistry II (4) •Organic Chemistry (2) •Chemical Analysis (6) 	Modern Languages	<ul style="list-style-type: none"> •Russian Language and Culture II (4) •Korean Language and Culture II (2) •French Grammar and Composition (7) 	Modern Languages	<ul style="list-style-type: none"> •Foreign Language Teaching Methodology (4) •French Language and Culture (2) •Arabic Languages and Culture (6)
Teacher Education	<ul style="list-style-type: none"> •Correction of Reading Disabilities (4) •Elementary School Social Studies (4) •Changing Bullying Behaviors (4) 	Technology Management	<ul style="list-style-type: none"> •Work and Efficiency Measurements (8) •Societal Influences of Technology (9) 	Art	<ul style="list-style-type: none"> •Sculpture II (4) •Glass Forming II (6) •Graphic Design Systems (5)
Communication Disorders	<ul style="list-style-type: none"> •Accent Modification (8) •Advanced Sign Language (5) •Clinical Procedures (7) 	Graphics and Imaging Technologies	<ul style="list-style-type: none"> •Typography (3) •Press Operations (6) •Commercial Photography (4) 	Communication & Theatre	<ul style="list-style-type: none"> •Acting I (8) •Stage Costuming (3) •Conflict Resolution (3)
WICHITA STATE		KANSAS STATE		UNIVERSITY OF KANSAS	
Department	Sections	Department	Sections	Department	Sections
Music	<ul style="list-style-type: none"> •Jazz Arranging (2) •English Diction (6) •Choral Conducting (9) 	Aviation	<ul style="list-style-type: none"> •Advanced Avionics (2) •Professional Pilot Instruction (3) •Crew Resource Management (7) 	Linguistics	<ul style="list-style-type: none"> •Phonetics II (9) •Phonology II (4) •Syntax II (4)
Computer Science	<ul style="list-style-type: none"> •Dreamweaver (5) •Windows XP (8) •MS PowerPoint (4) 	Engineering Technology	<ul style="list-style-type: none"> •Automated Manufacturing Systems II (6) •Linear Circuit Applications (5) •Telecommunications Systems (3) 	Russian, East European, and Eurasian Studies	<ul style="list-style-type: none"> •Seminar in Russian and East European Studies (2)
Medical Technology	<ul style="list-style-type: none"> •Clinical Chemistry II (8) •Hematology II (8) •Clinical Microbiology II (7) 	Special Education, Counseling, & Student Affairs	<ul style="list-style-type: none"> •The University Experience (4) •Career Decisions (4) 	Slavic Languages and Literatures	<ul style="list-style-type: none"> •West Slavic Literature and Civilization (5) •Biblical Themes in Russian Literature (4) •Slavic Folklore (5)
Art & Design	<ul style="list-style-type: none"> •Fiber Exploration (7) •Contemporary Museums (8) •Advanced Watercolors (2) 	Entomology	<ul style="list-style-type: none"> •Entomology Lab (7) 	African and African American Studies	<ul style="list-style-type: none"> •Elementary Wolof (4) •Elementary Haitian (8) •Elementary Hausa (5)
Modern and Classical Languages	<ul style="list-style-type: none"> •Intermediate Latin (6) •Intermediate Russian (3) •Japanese Conversation (8) 	Secondary Education	<ul style="list-style-type: none"> •Art Methods (6) •Math Methods (8) •Leadership and Professional Development (4) 	Latin American Studies	<ul style="list-style-type: none"> •Topics in Latin American Studies (8)

(a) Analysis includes only undergraduate organized sections. Individual instruction sections were not included.
(b) These are examples of single sections with low enrollments. Other sections of the same course may have had larger enrollments.
Source: LPA analysis of unaudited course section listing provided by each university.

Although many different departments are listed as having the highest percentage of low-enrollment course sections, music and foreign language departments were most common. University officials told us that music sections often are small because of classroom and equipment limitations. Additionally, the nature of music instruction often requires smaller groups of students.

Those officials also said while there is minimal demand for some foreign language courses (resulting in very small classes), federal moneys are used to cover some of the costs of offering those languages.

Universities could have eliminated some of these low-enrollment sections. We reviewed the section listing data provided by the universities for examples of the following two scenarios:

- Where multiple course sections were offered in the same semester, and at least one of those sections had low enrollment. For example, a college algebra section with three students was offered, even though five other sections of the same college algebra course were offered—each with 20 students. In such situations, we asked whether the university could have eliminated the low-enrollment section(s) and enrolled those students in one of the other sections.
- A low-enrollment section was offered only once in the semester, but was offered in both semesters. For example, organic chemistry was offered once in the Fall and once in the Spring, even though both sections only had four students. In such situations, we asked why it was necessary to offer the course in both semesters, and whether it could have been offered only in one semester.

The section listing data contained many examples of these situations. We sent 91 examples of low-enrollment course sections that fit these scenarios to university officials for their review and comment. (These examples weren't randomly selected, so the results can't be projected.) For 5 sections (6%), they indicated the low-enrollment section had been combined with other sections even though the listing they gave us showed it as a separate section

For 20 sections (22%), officials reported they could have combined sections or offered a course only once during the year without any adverse consequences. **Figure 2-3** on page 36 shows these 20 low-enrollment sections, the other sections of the same course, and the actions university officials say they could have taken to reduce the number of times a section was offered.

The figure also shows that, at Emporia State, university officials thought all six sections of Linguistics for Language Teachers could have been offered online. A discussion relating to offering courses online or partnering with other universities is presented later in this question, but the benefits of such actions can include freeing up classroom space, boosting enrollment, reducing duplication, and potentially reducing instructional costs system-wide.

**Figure 2-3
Low-Enrollment Sections University Officials Reported
They Could Have Combined or Offered Fewer Times During the Year**

Section Title	Enrollment	Action That Could Have Been Taken	Section Title	Enrollment	Action That Could Have Been Taken
FORT HAYS STATE			EMPORIA STATE CONTINUED		
Generalist Practice: The Helping Relationship	5	These sections could have been combined.	Linguistics for Language Teachers	4	All sections could have been offered online.
Generalist Practice: The Helping Relationship	6		Linguistics for Language Teachers	4	
Generalist Practice: Introduction to Practice	5	These sections could have been combined.	Linguistics for Language Teachers	17	
Generalist Practice: Introduction to Practice	8		Linguistics for Language Teachers	18	
Introduction to the Practicum	6	These sections could have been combined.	Linguistics for Language Teachers	20	
Introduction to the Practicum	11		Linguistics for Language Teachers	20	
Aerobic Dancing	9	The section with two students could have been combined with one of the larger sections.	Teaching English as Second Language	2	These sections could have been combined.
Aerobic Dancing	18		Teaching English as Second Language	21	
Aerobic Dancing	13		These sections could have been combined.	Constructing Your Career	6
Aerobic Dancing	16			Constructing Your Career	8
Aerobic Dancing	2			Developing & Emerging Speech	12
Drawing II	8	The two smallest sections could have been combined.	Developing & Emerging Speech	8	
Drawing II	14		Engraving I	3	The course could have been offered just once that year.
Drawing II	2		Engraving I	8	
Essentials of Organic Chemistry	4	The course could have been offered just once that year.	WICHITA STATE		
Essentials of Organic Chemistry	2		Printmaking I	3	These sections could have been combined.
Health Care Ethics	3	These sections could have been combined.	Printmaking I	6	
Health Care Ethics	19		KANSAS STATE		
Weight Training and Conditioning	5	The two smallest sections could have been combined.	Animal Health Entomology lab	4	These sections could have been combined.
Weight Training and Conditioning	8		Animal Health Entomology lab	6	
Weight Training and Conditioning	10		Career Decisions	1	Multiple sections could have been combined to create fewer larger sections.
PITTSBURG STATE			Career Decisions	3	
Jazz Choir	5	The course could have been offered just once that year.	Career Decisions	4	
Jazz Choir	4		Career Decisions	5	
Racquetball	1	These sections could have been combined.	Career Decisions	5	
Racquetball	8		Career Decisions	5	
EMPORIA STATE			Career Decisions	7	
Accompanying	2	The course could have been offered just once that year.	UNIVERSITY OF KANSAS		
Accompanying	3		none		
Double Reed Making	1	The course could have been offered just once that year.	Source: LPA analysis of unaudited section listings provided by each university and university officials.		
Double Reed Making	1				

In most cases, officials told us there would have been little cost savings from combining or consolidating these low-enrollment course sections. They cited the following reasons:

- the professor was teaching the section as an overload course (overload is when a professor volunteers to teach more sections than the university requires, without additional pay)
- the section was taught by a volunteer
- the person was paid a fixed amount to teach the course, regardless of the number of sections taught

However, combining or consolidating low-enrollment course sections whenever possible could free up enough instructional staff's time to allow the universities to redistribute faculty teaching workloads and reduce the overall number of staff needed.

University officials also cited many reasons why they thought the other examples of low-enrollment sections could not have been combined or offered only once during the school year. The three most commonly cited reasons were:

- **The sections were offered to accommodate students' schedules (10 instances).** Universities publish schedules and students sign up for classes well in advance for the semester. In four instances, university officials said the actual enrollment for the section was not as high as anticipated, but they decided to go ahead with the section because students had firmed up their schedules and canceling the section would have negatively impacted them. In six instances, officials said they scheduled the class at night to make the class available to people with jobs.
- **The sections were offered at different locations (nine instances).** For example, the University of Kansas wasn't able to combine two military science sections with enrollments of four and seven students because one of them was offered at an off-campus location. However, university officials told us they don't control where these courses are offered because they are part of the Reserve Officers' Training Corps program.
- **Capacity limitations, either in classroom space or equipment (nine instances).** For example, at Emporia State a low-enrollment painting section couldn't be combined with a larger section because the art studios have room for only 15 students.

Here are some examples of the other types of reasons university officials cited for not being able to combine sections:

- The University of Kansas offered two low-enrollment sections of dance—one in the Fall and one in the Spring. University officials said even though only a few students were enrolled each semester, dance couldn't be offered only once in the year because the University wanted to provide professional dance opportunities for the students.

- Fort Hays State offered two sections of a course called Problems in Education I in Spring 2008, one with four students and one with only one. The University said the sections couldn't be combined because they discussed different topics.
- Pittsburg State offered Introduction to Advanced Math in both Fall 2007 (two students) and Spring 2008 (one student). The University said it didn't make sense to offer the course only once a year because the professor taught it as overload, so there would be no savings.

Although universities want to offer the widest possible range of opportunities for their students, that may not be possible given the current financial situation, and it may not be desirable in a time when more focus is being placed on how efficiently government agencies are operating.

Eliminating or Combining Academic Departments Within a University

Universities in other states have considered or taken steps to eliminate or consolidate academic departments and programs.

Through our literature review, we noted the following:

- An issue paper published in 2006 by the U.S. Secretary of Education's Commission on the Future of Higher Education noted that maintaining separate academic departments could be costly because every academic department usually has a department chair, teaching staff, administrative support staff, office space, and equipment. The paper suggested that maintaining small departments caused unnecessary costs for universities, and noted that many universities across the country were combining two or more similar academic disciplines into a single department.
- The University of Wisconsin's university system established a review process in 2008 that requires staff to consider eliminating or consolidating academic or academic support units that are deemed to be too small and inefficient. In talking with University officials, we learned that they expect some smaller academic units (defined in terms of the number of graduates and enrollment) to be eliminated, along with some instructional staff positions. The University anticipates this will be accomplished in part by "regionalizing" some academic units across universities. This entails making courses taught at one university available to students at another university.

Kansas universities are authorized to organize their administrative structure in whatever way best suits them. Under Board policies, a university must obtain approval from the Board to create a new academic program, but it can eliminate an academic program at any time. When a new academic program is created, university officials decide whether to create a new department (with Board approval) or to place the program within an existing department. In 2008, for example, Kansas State sought permission from the Board to add an Entrepreneurship program. Once approved by the Board, university officials placed this program in its Management Department.

Kansas universities have anywhere from 20 to 63 academic departments each. We took that number from a table included in the program review report prepared by Board staff. (The Board’s program review process is discussed more fully on page 42.) **Figure 2-4** shows the number of entities identified as academic departments for each university for 2008, and the average number of student credit hours generated per department.

Figure 2-4
Number of Departments (a), Average Number of Student Credit Hours per Department, and the Range of Student Credit Hours at Each University
Fall 2007

University	# of Departments	Calculated Average # of Student Credit Hours per Department	Range of Student Credit Hours	
			High	Low
FHSU	31	2,875	7,898	790
PSU	26	3,421	9,694	760
ESU	20	3,521	5,835	1,158
Regional Average	25.7	3,227 (b)	---	---
WSU	42	3,511	10,581	375
KSU	63	4,326	13,708	152
KU	62	5,240	28,339	15
Research Average	55.7	4,460 (b)	---	---

(a) This is the number of departments as of Fall 2007 as reported by universities and as shown in the Board's program review report.
(b) This is a *weighted* average.
Source: LPA analysis of unaudited section listings provided by each university and department data reported by the universities, as shown in the Board's program review report.

As the figure shows:

- for the **regional** universities, the number of entities identified as academic departments ranged from 20 to 31. For the Fall 2007 semester, we calculated those departments generated a total of about 248,000 student credit hours, or an average of about 3,200 per department.
- for the **research** universities, the number of entities identified as academic departments ranged from 42 to 63. For the Fall 2007 semester, we calculated those departments generated a total of about 745,000 student credit hours, or an average of about 4,500 per department.

Some academic departments may be able to be consolidated because they teach subject matter that is very similar. We reviewed the organizational structure of all six universities to see how each one arranged its academic departments. We noted some similarities in how departments were arranged, but also many differences. Some universities have departments with combined areas of study, while others are more singular in focus. For example,

here's how the regional universities have organized their mathematics departments:

- Pittsburg State has one department for mathematics only
- Fort Hays State has one department that includes both mathematics and computer science
- Emporia State has one department that houses mathematics, computer science, and economics

To identify departments that might be potential candidates for consolidation, we looked for departments that housed similar areas of study. In performing this work, we took into account the size of the department (defined in terms of instructional FTE positions), and how other Kansas universities have organized their departments. For example, Wichita State has a math and statistics department so we thought it could be possible for another university to organize itself in the same way. Additionally, for each university, we didn't want to combine one or more departments in ways that would create a department that would become much larger than any other department that university had. *Figure 2-5* on the next page presents some examples.

It also may be possible for some departments not shown in these two figures to be combined into other departments within the same college or school. For example, Kansas State may be able to consolidate some of the nine departments currently in its College of Agriculture.

The information presented above should be viewed as a starting point in the discussion about the potential for consolidating some academic departments. Some of these departments may not be the best candidates for consolidation but there may be others that are good candidates.

We didn't try to assess whether certain departments have dedicated funding streams that potentially could be at risk if those departments were combined with others, or if there were other issues preventing consolidation. Identifying which departments actually could be consolidated to help reduce the universities operating costs, and deciding how to do it, will require universities to undertake a more thorough in-depth review.

Within academic departments, there can be additional opportunities for eliminating some underperforming degree programs. Through our literature review, we noted the following:

- The Tennessee Board of Regents, which oversees six four-year institutions, implemented a review process in 2001 that calls for any program generating fewer than 10 graduates a year to be reviewed once every three years. In the first review cycle, 16 programs were

Figure 2-5 Examples of Possible Department Reorganizations	
Current Departments	Potential Consolidated Department
FHSU	
Special Education	Education
Teacher Education	
Economics and Finance	Business
Management and Marketing	
PSU	
Accounting	Business
Economics, Finance and Banking	
Management and Marketing	
ESU	
None Suggested	
WSU	
Sociology	Sociology and Anthropology
Anthropology	
Curriculum & Instruction	Education
Educational Leadership	
Physical Therapy	Physical Therapy and Kinesiology
Kinesiology and Sport Studies	
Management	Management and Marketing
Marketing	
KSU	
Math	Math and Statistics
Statistics	
Chemistry	Chemistry
Biochemistry	
Architectural Engineering and Construction Science	Architecture
Architecture	
KU	
Curriculum and Teaching	Education
Special Education	
French and Italian	Romance Languages
Spanish and Portuguese	
Art	Art
History of Art	
Sociology	Sociology and Anthropology
Anthropology	
Source: LPA analysis of department level data provided by the universities.	

eliminated and cumulatively about 23 have been eliminated through this process. For example, at one university, the geology program was merged into the geography program. Tennessee officials told us the geography program is a larger and healthier program, and some instructors who had been working in the geology program were able to teach geography courses.

- Recently, the University of Nevada at Las Vegas instituted a rule that requires staff to eliminate an underperforming program before they can add a new program. In a report released in February 2009, university officials reported eliminating four underperforming degree programs in the last year.

In Kansas, the Board has established 10 performance measures for assessing the adequacy of each academic program's performance. Those measures include student enrollment and graduation counts, and data are calculated using a five-year rolling average. The results are published in what is commonly known as minima tables. For example, the Board has set the graduation criteria for bachelor's degree programs at 10 students and for masters' degree programs at five students. If a program fails to meet any one of the 10 criteria, university officials may decide to conduct a more intensive review of that program to assess its performance.

Overall, the minima tables for academic year 2008 show that 107 of 364 (29%) bachelor's programs and 79 of 257 (31%) masters' programs failed to meet the established graduation count criteria.

In Kansas, the Board of Regents has established a process for reviewing academic programs, but the primary goal is to look for ways to strengthen underperforming academic programs, rather than to discontinue them. Universities must seek approval from the Board before offering a new degree program, but they can eliminate a degree program without seeking Board approval. According to Board records, since 2006, universities have added 46 new bachelor, masters, or doctoral degree programs and eliminated 20, for a net gain of 26 programs.

The Board's program review process, established in 1982, calls for every academic program to be reviewed at least once every eight years by university officials. They assemble data on the number of majors, the number of graduates, the number of FTE faculty for each program, and several other measures. Officials submit a summary assessment of the program and any actions they intend to take to the Board. Those actions include continue the program as is, monitor or enhance it in some way, or eliminate the program.

Board officials assemble the reports from each university and submit a combined report to Board members. Board staff told us they don't conduct any follow-up work to see if university officials did what they reported they would do.

We reviewed the results of the three most recent program reviews each university submitted. In those reviews, university officials identified 18 programs that they said would be discontinued. (Overall, universities had more than 700 degree programs as of February 2009.) Their reasons for saying they would be discontinued included lack of student interest and some because the requirements for the degree had been changed, such as eliminating a bachelor's degree and adding a master's degree. For example, Kansas State changed its architectural degree from a bachelor's degree to a master's degree.

Collaborating with Other Universities To Share Course Content, Teachers, and Instructional Programs

Universities in other states have considered or taken steps to collaborate with other universities from a more system-wide approach. Through our literature review, we noted the following actions:

- An article published by the Lumina Foundation suggested that cross-institutional collaboration should become the norm in today's world. In other words, courses and programs don't need to be developed by a single institution, much less by a single instructor. The article implies that if universities shared more, the number of faculty needed by each campus could be reduced.
- The University of Maryland faculty are being encouraged and trained to develop online course content that can be shared by instructors at all of the state's institutions. In addition, the university is working to improve its system where credits taken from one university are accepted by another of its "sister" institutions.
- The Tennessee Board of Regents is planning to develop faculty expertise across the system and not at each university. For example, in expensive disciplines such as engineering, the university system is expecting students to have access to any course offered by any institution, rather than just the engineering courses offered at the university each student attends. This could be accomplished by making better use of the Internet, possibly having some courses become online courses, and by having some courses be available through interactive distance learning.
- The University of Wisconsin is looking for ways to regionalize some of its programs. This action would cause some campuses to stop teaching certain courses, and if students wanted to take those courses, they would access those courses through other campuses, likely by taking an online course or through some form of interactive distance learning.
- In a survey conducted by the American Association of State Colleges and Universities, an unspecified number of respondents said they were planning to develop joint programs with other universities.

In reviewing the actions taken by universities listed above, we noted they are a part of a statewide university system with multiple campuses. That's different from Kansas' system; Kansas has six stand-alone universities which operate independently of one another. In some cases, this independence could hinder or limit the amount of collaboration that occurs, as explained below.

Competition for students and other resources can limit universities' interest in or willingness to share resources and have a system-wide perspective. Often, multiple stand-alone universities are competing for the same types of student. In addition, the universities may be attempting to hire the same types of teachers or applying for similar grants.

This competition can inhibit their desire to share resources and encourages duplication as each university attempts to build more programs to attract more students. While this type of competition can lead to improved programs it can also create significant inefficiencies within the Statewide system. If Kansas' universities are to increase their sharing of instructional staff and other resources, they will need to view themselves less as competitors and more as collaborators.

Universities in Kansas reported taking some steps in recent years to share teaching resources or programs. We asked officials from the six universities to describe the actions they've taken to jointly provide a learning opportunity with another in-State university. Although there may be others, officials listed relatively few instances for us. Listed below are the responses we received:

- Wichita State reported that it had provided an instructor to teach nursing courses via the Internet to students at Pittsburg State and Fort Hays State.
- KU has provided a professor who taught as an adjunct professor in Wichita State's public health program.
- K-State and KU have worked to coordinate a Ph.D. program in Geology, students receive their degree from KU, although their research work can be conducted at either university. Further, both schools participate in an engineering consortium, that enables students enrolled in a Big 12 university to take pertinent courses in nuclear engineering from one of several universities, and those credits are accepted by the university he or she attends.
- K-State and KU are in the process of developing a joint master's degree program in public health.
- K-State and Wichita State have plans for developing a Ph.D. program in criminal justice.

Other instances university officials reported included activities like interlibrary loans and working with other institutions of higher learning,

such as Haskell Indian Nations University and community colleges. Given the size, breadth, and commonality of the educational services the universities provide, we think there should be numerous opportunities for university staff to work together and jointly develop and provide education programs that can be used by more than one university.

Increasing the Number of Courses and Programs Offered Online or Through Distance Learning

Universities in other states have considered or taken steps to increase the number of courses and programs they offer online or through distance learning (video or interactive courses). Through our literature review, we noted the following:

- The Tennessee Board of Regents is suggesting to increase the number of students completing online courses. Ways in which this may be accomplished include:
 - Specifying the number of online courses a student must take in order to earn a bachelor degree
 - Charging a discounted tuition rate for students who expect to complete certain courses online with no direct support from a faculty member, except oversight of testing and grading
 - Designing more master's level degrees and work to be taken exclusively online
- In a survey conducted by the American Association of State Colleges and Universities, 52% of the respondents said online learning can have positive impacts on both financial and student-learning outcomes.

With one notable exception, most universities in Kansas offer very few courses online. We analyzed university data for the Fall 2007 and Spring 2008 semesters. The results of this analysis are shown in *Figure 2-6* on page 46.

As the figure shows:

- Overall, about 6% of the student credit hours taught for those two semesters were taught online
- At the regional universities, Fort Hays State taught more than 43% of its student credit hours online, significantly more than the other regional universities.
- At the research universities, the highest percentage of student credit hours taught online was at Wichita State, with 2.4%. At the University of Kansas, only 1,254 of the nearly 632,000 student credit hours taught those two semesters (0.2%) were taught online.

University officials told us that decisions about whether to make individual courses available online generally are made at the department level, not at the university level.

Figure 2-6
Undergraduate and Graduate Online Student Credit Hours (SCH)
Earned for Fall 2007 & Spring 2008 Semesters and
The Number of Bachelor's and Master's Online Degree Programs Offered as of 2008

University	Calculated Total SCH	Calculated Online SCH	Online SCH as a % of Total SCH	# of Bachelor's Degrees Offered Online	# of Master's Degrees Offered Online	Total # of Degrees Offered Online
FHSU	171,427	74,197	43.3%	17	9	26
PSU	177,465	4,640	2.6%	3	0	3
ESU	138,952	14,086	10.1%	2	8	10
Regional Total	487,844	92,923	19.0%	22	17	39
WSU	294,705	7,191	2.4%	1	3	4
KSU	519,700	10,475	2.0%	0	9	9
KU	631,803	1,254	0.2%	0	1	1
Research Total	1,446,208	18,920	1.3%	1	13	14
Total	1,934,052	111,843	5.8%	23	30	53

Source: LPA analysis of unaudited course section listing data and online program data provided by each university.

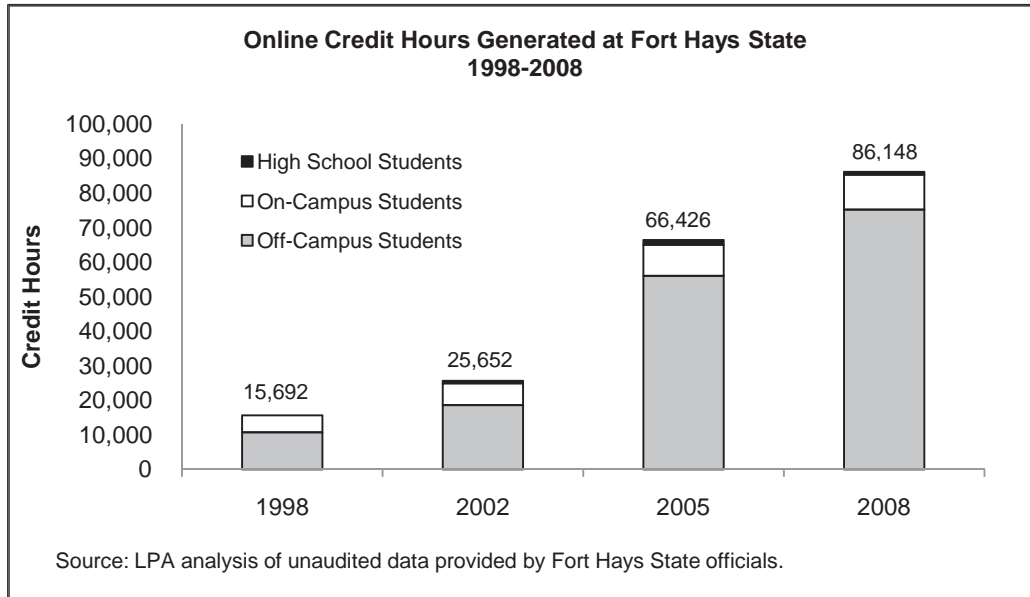
At Fort Hays State, the University President and officials have made it a priority in recent years to maximize the number of online student credit hours the university produces. The box on page 47 contains more information.

Officials from five of the six universities told us they have plans to expand the number of degree programs that can be earned through online courses. University officials told us they offered a total of 53 online degree programs during academic year 2008, of which 30 were master's level and 23 were bachelor's level. To put this number in perspective, Board data show that as of February 2009, the six universities offered more than 700 bachelors, masters, and doctorate degree programs. As shown in *Figure 2-6*, Fort Hays State accounts for almost half of the online degree programs—it offered bachelor's degrees in 17 areas of study and master's degrees in nine. Emporia State offered the second highest number of degree programs.

Only Wichita State officials said their university has no plans at present to expand the number of online degree programs. Officials from the other five universities cited plans for making approximately 13 additional degrees available through online courses in the next few years. For example, the University of Kansas hopes to begin offering a master's degree in special education in 2010 and Fort Hays State hopes to begin offering a bachelor's degree in international finance in 2011.

Fort Hays State's Virtual College Has Contributed Significantly To the University's Financial Well Being

Fort Hays State has seen significant growth in its online program since launching its first online courses in academic year 1998. In that year, the virtual college awarded about 16,000 student credit hours. In 2008, the virtual college awarded more than 86,000 student credit hours—an increase of more than 400%.



Fort Hays State officials break virtual college student credit hours into three categories:

- credit hours generated by students who are enrolled in virtual college courses only. These students could be located within the State, within the country, or outside of the country and don't take any courses on-campus or live on-campus
- credit hours earned by students who take courses on-campus, and also take online courses
- credit hours earned by high school students who are enrolled in hours offered by the virtual college

The percentage of the virtual college's credit hours earned by students who were enrolled in only virtual college courses has increased from 68% in 1998 to 87% in 2008. According to university officials, many of these students are located in China. The university has an arrangement with four Chinese universities to provide distance learning courses.

In 2002, the university offered its first online degree program and as of the end of academic year 2009 offered 30 degree programs entirely online through the virtual college. University officials told us they consider the virtual college to be a natural extension of their mission to provide post-secondary education access to western Kansas.

Though some literature suggests online programs can save costs, university officials reported that the virtual college is more of a "revenue producer" than a "cost-saver." For example, university records show the virtual college's international and domestic programs generated a profit of almost \$1.7 million in fiscal year 2008.

The online program does allow the university to achieve some savings. For example, for the Summer 2009 session, the university reduced the number of courses taught on-campus but increased the number of online courses. This allowed the university to increase the number of credit hours taught for the summer while saving maintenance and energy costs by not having to operate as many buildings during the summer.

We also spoke to two professors who teach online classes through the virtual college. They both reported that it takes more time to develop an online course than it takes to develop a traditional course. They also said that once the primary course materials are developed, it takes a similar amount of time to update and maintain those materials for both types of courses. The university keeps a strict limit on the number of students enrolled in online courses, typically 15-25. The university keeps these limits so professors can maintain the amount of contact with students that students typically require and expect. Additionally, the professors we spoke to said they enjoy teaching online courses because of the increased interaction and diversity of the students.

Online courses offer several advantages to both students and universities. For example:

- Students can access learning materials at any time of the day, and many students are very comfortable with learning online. Many of today's younger students are so familiar with technology they may prefer this learning style, as opposed to more traditional styles of attending class and listening to a professor's lecture. However, that's not to say that every student could benefit from this learning style.
- As noted earlier, online or distance-learning courses offer universities many opportunities for sharing their resources and interacting more collaboratively with each other. For example, if it's not cost-effective for the university a student attends to offer a course he or she might need or want to take, the student may be able to take that class from another university, either online or through interactive distance learning.
- Online courses allow students who are still in high school or who live in other locations to take a course from that university. As Fort Hays State's situation clearly shows, from a university perspective this can generate tuition revenue the university might not otherwise receive.
- Offering courses online may reduce teaching costs, depending on how the course is set up and offered, and will reduce the amount of classroom space needed on campus.

According to literature we reviewed and university officials we interviewed, whether an online course is more or less expensive to offer than an on-campus course could vary from university to university, and would be dependent on many factors. Those factors can include:

- what costs are included and excluded from the analysis, and how many years the analysis covers
- the types of courses taught
- limits imposed on class size
- how computerized the university already is

If universities continue to make better use of technology—which will increase the opportunities for using the various forms of interactive distance learning—universities should be able to share teacher resources and reduce instructional costs both within each university and Statewide.

Increasing Faculty Workloads

Universities in other states have considered or taken actions to increase faculty workloads. Through our literature review we noted the following:

- In 2004, officials in the Maryland university system instructed universities to increase their faculty workload by 10%. Faced with an influx of students, Maryland officials needed to increase the number of sections offered without incurring additional costs.
- In 2009, the University of Nevada-Las Vegas implemented changes to increase faculty workload and class size to the maximum capacity their physical facilities would allow for budgetary reasons. However, officials noted this wasn't sustainable over the long term and might lead to their best faculty leaving.
- In 2006, the University of Wisconsin began to develop procedures to evaluate faculty workload. Officials planned to re-evaluate workload as a way to cut costs.
- In 2009, the Lumina Foundation issued a report containing ideas suggested by faculty, financial officers, and others for controlling university costs. Financial officers suggested increasing faculty teaching loads by 5% and increasing class sizes.
- The National Association of College and University Business Officers established a webpage where members can post suggestions or ways their institutions are addressing cost-containment issues. Universities aren't identified with any of the suggestions or actions. One suggestion was to increase productivity by increasing class sizes.

For Kansas universities, the typical requirement for faculty teaching load is 12 credit hours per semester, but there are exceptions. The Board of Regents doesn't oversee faculty workload policies at the universities or set guidelines for the universities to follow in this area. Instead, decisions about faculty workload and productivity are carried out at the campus level.

Figure 2-7 summarizes the faculty workload policies for the six universities at a broad level. Those policies typically apply only to full-time instructional staff, and define faculty teaching workload by credit hours taught per semester. In addition, different departments within a university may have slightly different requirements. Kansas State doesn't have faculty workload policies because it negotiates workloads individually with each professor.

Figure 2-7 Standard Semester Instructional Workload Expectation	
University	Credit Hours per Semester
FHSU	12
PSU	12
ESU	9-12 (a)
WSU	6-12 (a)
KSU	No Policies (b)
KU	6-9 (a)

(a) Standard varies based on research expectation and department.
 (b) Kansas State officials reported they negotiate workload on an individual basis so the university doesn't have a university-wide standard.
 Source: University workload policies

As the figure shows:

- the **regional** universities generally require a full-time professor to teach 12 credit hours per semester (the equivalent of four, 3-hour classes)
- the **research** universities' standards vary. In general, full-time professors are expected to teach between 6-12 credit hours per semester—based on the department and the amount of research the professor is expected to conduct

A significant percentage of university professors taught fewer credit hours than their university's policies require. We used the section listing data university officials provided to us for this analysis. We analyzed only the professor ranks (full professors, associate professors, and assistant professors), because these are the people most likely to be teaching full-time, and thus subject to the universities' policies.

Because of data limitations (in some instances we know the person who was shown as teaching the course really didn't teach it), it's important to view the results of these analyses as indicators of how many hours professors were teaching, on average, for these semesters and not as absolute fact. It's also important to understand that our analyses combined the Fall 2007 and Spring 2008 semester data, so the expected number of credit hours taught for the two semesters combined would be 24 for the regional universities and 12-24 for the research universities. **Figure 2-8** shows the results of those analyses.

Figure 2-8
Percentage of PROFESSORS (a) Teaching Credit Hours
at Certain Thresholds (b)
Fall 2007 and Spring 2008 Semesters

University	less than 12	12-23.9	24-35.9	36 or more
<i>The expected standard for the regional universities is 18-24 credit hours for the fall and spring semesters combined.</i>				
FHSU	3.3%	31.9%	43.2%	21.6%
PSU	10.1%	34.7%	44.0%	11.3%
ESU	14.2%	52.0%	26.7%	7.1%
Regional Average (c)	9.3%	39.5%	38.0%	13.1%
<i>The expected standard for the research universities is 12-24 credit hours for the fall and spring semesters combined.</i>				
WSU	17.3%	48.0%	22.7%	11.9%
KSU	41.5%	45.5%	8.5%	4.5%
KU	24.1%	47.0%	19.9%	9.0%
Research Average (c)	29.5%	46.6%	16.1%	7.8%

(a) Professors includes full professors, associate professors, and assistant professors.
 (b) 12 teaching credit hours for the year is equivalent to teaching 2, 3-hour sections per semester, 24 teaching credit hours for the year is equivalent to teaching 4, 3-hour sections per semester, and 36 teaching credit hours for the year is equivalent to teaching 6, 3-hour sections per semester.
 (c) The percentages presented here are *weighted averages*.
 Source: LPA analysis of unaudited section listing data provided by each university.

As the figure shows:

- among the regional universities, Emporia State had the highest percentage of professors teaching fewer than 12 credit hours during the Fall and Spring semesters
- among the research universities, Kansas State had the highest percentage of professors teaching fewer than 12 credit hours—more than double the percentage of Wichita State

In reviewing these data with university officials, they explained there could be many reasons why individual professors may have taught a limited number of hours in these two semesters. Those reasons included phased retirement, faculty with administrative appointments,

and the like. In conducting our analysis, we didn't determine how many of the more than 3,000 professors had unique circumstances.

A 10% increase in the average faculty workload for the Fall 2007 semester would have resulted in the universities needing 330 fewer FTE staff to teach the courses and students taught that semester. As noted on page 49, the university system in Maryland increased its faculty workload

expectation by 10% to handle a large influx of students without having to hire new staff and incur additional costs, and not as a way of reducing its costs. Still, we thought it would be instructive to consider the impact such an action could have on reducing academic costs.

As a result, we analyzed what impact a 10% increase in average faculty workload would have had on FTE instructional staffing levels for the Fall 2007 semester. Under this scenario, if the average faculty workload was 12 credit hours, a 10% increase would raise that average to 13.2 credit hours. Some faculty members undoubtedly would teach more hours than the average and some would teach less. In Maryland, the 10% increase was at the department level, and not for individual instructors. Similarly, our analysis does not assume that every instructor position would have his or her workload increased by 10%. The effect of increasing the average workload is the universities would need fewer FTE instructional staff overall to teach the same number of student credit hours, all other things being equal. *Appendix C* provides the details of the methodology we used. In this analysis, we considered the workload of ALL paid teaching positions, including professors, adjuncts, and graduate teaching assistants.

In practical terms, a 10% increase in the average faculty workload would be the equivalent of one out of every three FTE instructional staff having to teach one additional 3-hour section per semester, or each FTE instructional staff having to teach one additional 3-hour section every three semesters.

Figure 2-9 on page 52 shows the results of our analysis. It's important to understand that this analysis is at a very high level, and can't take into consideration actual situations that may exist within each university, either as a whole or at the department level. As a result, this analysis should be viewed as a broad indicator of the potential impact of increasing faculty workloads, and not as absolute fact.

As the figure shows:

- at the regional universities, the average number of credit hours taught per FTE instructional staff ranged from 12.5 at Emporia State to 16.0 at Fort Hays State.
- at the research universities, the average number of credit hours taught per FTE instructional staff ranged from 11.3 at WSU to 14.3 at Kansas State.

If the average faculty workload were increased by 10% for the Fall 2007 semester, we estimated that, all other things being equal, the universities would have needed about 330 fewer FTE positions to teach the same number of student credit hours. For example, teachers at Emporia State taught about 70,000 student credit hours that semester. If the average workload per FTE instructional staff had increased by 10% (from 12.5 credit hours to 13.8), the university would have needed

Figure 2-9
Average Credit Hours Per FTE Instructional Staff With a 10% Workload Increase and
Estimate of Salary and Benefits Associated with Those Positions
Using Fall 2007 Semester Data

University	Average Teaching Credit Hours per FTE Instructional Staff (Fall 2007) (a)	Average Teaching Credit Hours per FTE Instructional Staff <u>With 10% Increase</u>	Estimated # of FTE Positions That Would Not Have Been Needed	Estimated Salary and Benefit Associated with Those Positions (b)
FHSU	16.0	17.5	28.7	\$1,737,207
PSU	13.7	15.0	30.2	\$1,916,695
ESU	12.5	13.8	26.5	\$1,632,504
WSU	11.3	12.4	57.3	\$3,323,738
KSU	14.3	15.8	66.1	\$4,775,972
KU	11.9	13.1	121.0	\$10,138,745
Total	---	---	329.8	\$23,524,861

(a) This number was calculated using all organized and individual instructional sections and all paid instructional FTE.
(b) Estimated salary is based on a 9-month salary.
Source: LPA analysis of unaudited section listing provided by each university, salary data provided by the universities to the Legislative Research Department, and benefits data provided by the Board.

about 26 fewer FTE instructional staff to teach the same number of student credit hours.

For all six universities, a 10% increase in faculty workload could mean the universities would need about 330 fewer FTE staff to teach the same number of student credit hours. We estimated that those 330 FTE staff accounted for about \$23.5 million in salary and benefits costs.

Reducing or Eliminating Remedial Courses, or Changing Who Teaches Them

Other states have considered or taken actions to limit the amount of remedial courses being taught at their institutions of higher learning. Some students attending universities lack certain academic skills in reading or math, and need remedial assistance before they can successfully take regular university-level courses. Sometimes remedial education is referred to as developmental education; for the purposes of this report, we call it remedial education.

According to the literature we reviewed, nationally 25%-33% of all incoming freshmen attending either a two-year or four-year institution will need to take at least one remedial course. These incoming freshmen are mostly high school graduates, but some could be adults returning to school. The box on page 54 provides more information about why many college-bound students need to take a remedial course.

As summarized in *Figure 2-10*, some states are moving toward having community colleges teach remedial courses to these students, rather than four-year institutions.

Figure 2-10 Actions States Are Taking to Address the Teaching of Remedial Courses	
State	Action Taken to Limit Four-Year Institutions Teaching Remedial Education
Arizona	The University of Arizona contracts with Pima Community College. The courses are offered on UA's campus, but all are taught by community college staff.
Colorado	State funding for remedial education is to be given only to community colleges, Adams State College, and Mesa State College.
Florida	Only two-year college institutions are allowed to use state funding for the teaching of remedial courses.
Nevada	Four-year institutions are not allowed to use state funding for remedial education.
New York	The City University of New York (CUNY) has 11 four-year degree-universities and six community colleges. All remedial courses are taught by the community colleges.
New Mexico	No doctoral institutions can use state funding for the teaching of remedial courses.
South Carolina	Only two-year college institutions are allowed to use state funding for the teaching of remedial courses.
Tennessee	The Board of Regents shifted remedial education from the universities to the community colleges.
Utah	Four-year institutions are not allowed to use state funding for remedial education.

Source: LPA review of literature and interviews of officials from Arizona, Colorado, Tennessee and New York.

As the figure shows, several states prohibit four-year institutions from using state funding to provide remedial education courses, and have transferred those duties to community colleges. We contacted officials in three states to determine whether these actions had resulted in savings, but none of them have tracked that information.

In Kansas, remedial courses represented about 1% of all organized course sections taught at universities in the 2008 academic school year. As shown in *Figure 2-11* on page 55, in Fall 2007 and Spring 2008 the universities taught 245 remedial course sections to 4,622 students (students are counted twice if they failed or withdrew the first semester and enrolled in the same course the second semester). Remedial math accounted for about 78% of the total remedial course sections and 85% of the students taught.

In the 2008 academic school year, all six universities offered remedial math courses, while only three—Emporia, Wichita, and Kansas State—offered remedial courses in English or reading.

Potential Reasons Why Many Students Entering College Need To Take Remedial Education Courses

Literature we reviewed suggests many students are unprepared academically for college-level study in core areas such as math and English. One means of assessing high school students' college-readiness is the ACT test. Each year, the ACT issues an "ACT High School Profile Report" for each state. The 2008 report for Kansas is based on the performance of 2008 graduating seniors who took the ACT as sophomores, juniors, or seniors. As the table below shows, although Kansas high school graduates exceeded the national average composite score, fewer than half achieved a score that would indicate they were ready for a college-level math or science curriculum. The graph below shows there has been a slight increase in ACT test scores in all four subject areas since 2002

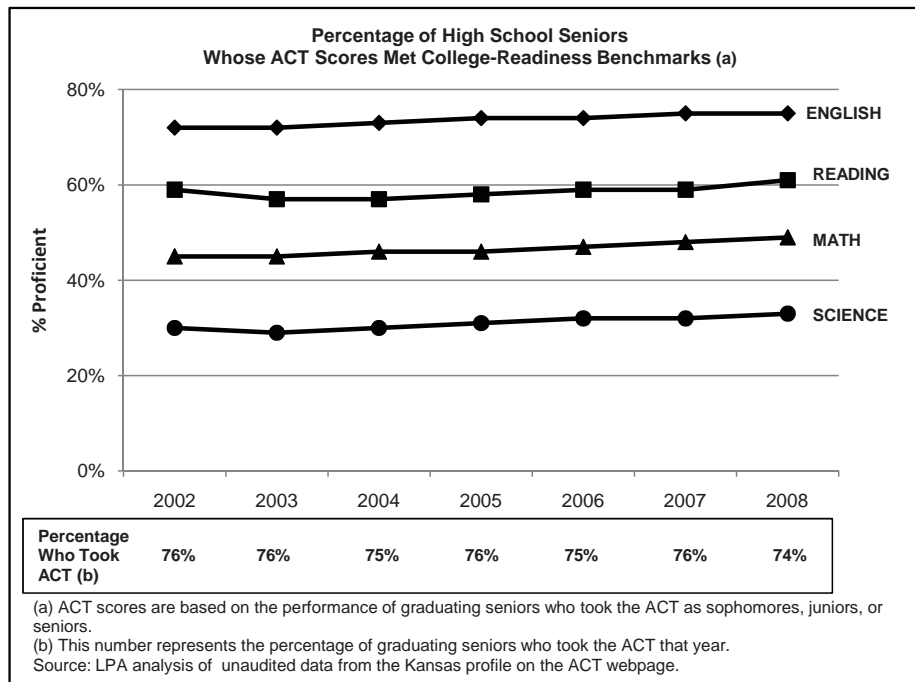
2008 ACT Benchmark Score for Assessing College Readiness and Percent of Kansas Students Who Achieved That Score			
Subject	Benchmark ACT Score for Assessing College Readiness	National Percentage of Students Reaching the ACT Benchmark	Kansas Percentage of Students Reaching the ACT Benchmark
English	18	68%	75%
Reading	21	53%	61%
Math	22	43%	49%
Science	24	28%	33%
Percentage of students meeting all four benchmarks	N/A	22%	26%
Average ACT Composite Score	N/A	National 21.1	Kansas 22

Source: LPA analysis of ACT Profile Report - Kansas

Department of Education officials told us one reason university officials may decide a student needs to take a remedial course is that "college readiness" is not clearly defined, and what K-12 officials consider proficient may not match what university officials consider "college ready." They also pointed to literature that says there is a clear gap between what is taught in high school and the expectations postsecondary teachers have for their new students. For example, an article published in 2007 by ACT, Inc. states

that, while high school mathematics teachers tend to emphasize advanced math concepts, postsecondary mathematics instructors view a thorough understanding of fundamental math concepts and skills as more important than exposure to advanced math concepts.

Kansas has recognized there is a need to align high school graduation standards with college admission standards. In 2008, former Governor Sebelius established the P20 Council, whose mission is to look at how to create an educational alignment and seamlessness essential to deliver high-quality education in Kansas, and the training needed to prepare each individual for life and work. There is no timeline for producing that report. The Department of Education and Board of Regents are represented on the P20 Council.



**Figure 2-11
Number of Undergraduate Sections for Organized and Remedial Classes and
Number of Students Enrolled in Organized and Remedial Classes
Fall 2007 and Spring 2008**

University	Total # of Undergraduate Organized Sections	# of Remedial Sections	% of Sections That Were Remedial	Duplicated Count of Students (a)	# of Remedial Course Students (b)	% of All Remedial Course Students	Average Remedial Class Size
FHSU	2,670	14	0.5%	53,752	318	0.6%	23
PSU	2,288	9	0.4%	54,564	330	0.6%	37
ESU	1,898	55	2.9%	43,626	1,001	2.3%	18
Regional Subtotal	6,856	78	1.1%	151,942	1,649	1.1%	21 (c)
WSU	3,004	54	1.8%	78,626	928	1.2%	17
KSU	5,117	53	1.0%	157,208	805	0.5%	15
KU	5,222	60	1.1%	176,689	1,240	0.7%	21
Research Subtotal	13,343	167	1.3%	412,523	2,973	0.7%	18 (c)
Total	20,199	245	1.2%	564,465	4,622	0.8%	19 (c)

(a) Students are counted more than once. For example, a student taking a math course, a history course, and a biology course is counted as three students.

(b) Students may be counted more than once. For example, if a student is enrolled in remedial math and fails the course in the Fall and retakes the course in the Spring, it counts as two students.

(c) The class size numbers presented here are *weighted averages*.

Source: LPA Analysis of unaudited course section data submitted to LPA by university officials.

We visited three of the six university campuses and spoke with officials from two community colleges to gain an understanding about how these courses are taught. For the most part, remedial math courses were taught in traditional classroom settings, where students could get additional assistance in the form of breakout sessions and study groups. However, remedial English and reading courses varied from a tutoring format with no set curriculum at Kansas State, to a traditional curriculum with written assignments and tests at Emporia and Wichita State.

None of the Regents' universities taught remedial courses online during the 2008 school year. Johnson County Community College offered remedial math classes online, as well as in the traditional classroom setting.

Kansas has no statutory requirements for teaching remedial courses at the university level, and providing remedial education is part of the stated mission of the community colleges. The Board of Regents hasn't developed any policies or guidelines regarding the teaching of remedial courses at State universities, but it has adopted the following policies regarding teaching remedial courses at community colleges (emphasis added):

- The specific educational function of the **community college** system is to provide access to basic instruction and **remedial skills** to prepare students for the college academic and vocational-technical programs and to become productive citizens.
- To meet the developmental needs of students, **community colleges** may offer courses in **developmental reading, mathematics, English and other content areas**. Developmental educational programs include independent activities and special types of educational experiences that are designed to meet academic and personal needs of students.

Several university officials we spoke with mentioned that, over the years, Board officials have encouraged their university to reduce or eliminate teaching remedial courses, but they said there have been no direct mandates from Board officials. The President and CEO of the Board told us that “even though the need for remedial/developmental education seems to have diminished, the reality is that even with qualified admissions, the universities have been required to admit ‘qualifying’ students who are nonetheless not prepared for college work. Thus, State universities have continued to offer such courses.”

Kansas could reduce its costs for providing remedial education by changing the type of instructional staff who teach those courses. *Figure 2-12* shows the number of students taught remedial courses during the 2007 Fall semester and the 2008 Spring semester, by type of instructional staff.

Figure 2-12
Number of Students Taking a Remedial Course, By Type of Instructional Staff (a)
Fall 2007 and Spring 2008

Type of Instructional Staff	Number (%) of Students at Taking a Remedial Course Taught By....						
	FHSU	PSU	ESU	WSU	KSU	KU	Total
Professors	104 33%	0 0%	60 6%	36 4%	84 10%	0 0%	284 6%
Instructor/ Assistant Specialist	214 67%	49 15%	39 4%	275 30%	501 62%	0 0%	1,078 23%
Oversight (Lecturers/ Directors/ Coordinators)	0 0%	116 35%	601 60%	114 12%	220 27%	0 0%	1,051 23%
Graduate Teaching Assistant	0 0%	165 50%	301 30%	503 54%	0 0%	1,240 100%	2,209 48%
Total Students	318 100%	330 100%	1,001 100%	928 100%	805 100%	1,240 100%	4,622 100%

(a) Students may be counted more than once. For example, if a student is enrolled in remedial math and fails the class in the Fall and retakes the class in the Spring, it counts as two students.
Source: LPA Analysis of unaudited course section data submitted to LPA by university officials.

As the figure shows:

- at Fort Hays State, 100% of the students taking remedial courses were taught by professors or instructors, compared with just 10% and 15% at the other regional universities
- at Kansas State, 72% of the students taking remedial courses were taught by professors or instructors, compared with 0 and 34% at the other research universities

Our analysis showed average salaries for professors were significantly higher than for other instructional staff. By using more lower paid staff to teach these remedial courses, such as graduate teaching assistants and lecturers, universities could achieve cost savings. Or, as the next section shows, having universities not teach remedial classes at all could save instructional costs.

Kansas likely could reduce its instructional costs by having community colleges teach remedial courses. For the Fall 2007 and Spring 2008 semesters, we estimated the number of teaching positions that could have been freed up at the universities if all these remedial courses had been taught by the community colleges instead. We also estimated the number of teaching positions that would have to have been added to the community colleges to pick up the workload. Finally, we calculated the average cost of salaries for those types of positions, and any net savings to the State.

Our assumptions and methodology are described in more detail in **Appendix D**. The results of our analysis are shown in **Figure 2-13**. That figure also shows average cost per student for remedial courses at each university.

As the top portion of the figure shows, our analysis showed the costs of teaching remedial courses at a nearby community college

would have been lower for four universities, but would have been higher for two universities. Reasons why some universities would have experienced higher or lower costs per student are listed below.

- The University of Kansas and Pittsburg State have the lowest cost per student because they have a large percentage of their remedial sections taught by graduate teaching assistants and other lower paid staff. (See **Figure 2-12**.) Conversely, Fort Hays and Kansas State's remedial instructional costs per student were significantly higher because many of their courses were taught by professors and instructors and these positions generally have much higher salaries.
- Wichita State and Emporia State had higher costs per student (See **Figure 2-13**) because their average remedial course had lower enrollment, thereby incurring more teacher costs. This factor also contributed to Kansas State having higher costs per student.

Figure 2-13			
Comparing the Estimated Cost of Teaching Remedial Courses at Universities and Community Colleges			
Fall 2007 and Spring 2008			
Estimated Cost for Teaching Remedial Courses at:			
University	University Cost	Community College Cost	Difference (additional costs) or savings
FHSU	\$105,694	\$77,922	\$27,772
PSU	\$45,905	\$70,116	(\$24,211)
ESU	\$348,183	\$264,990	\$83,193
WSU	\$266,628	\$240,900	\$25,728
KSU	\$262,431	\$169,497	\$92,934
KU	\$244,880	\$391,333	(\$146,453)
Total	\$1,273,720	\$1,214,758	\$58,963
Average Cost Per Student For Remedial Courses at Kansas Universities			
Fall 2007 and Spring 2008			
University	University Cost	# of Students Taking a Remedial Course	Average Cost per Student
FHSU	\$105,694	318	\$332
PSU	\$45,905	330	\$139
ESU	\$348,183	1,001	\$348
WSU	\$266,628	928	\$287
KSU	\$262,431	805	\$326
KU	\$244,880	1,240	\$197
Total	\$1,273,720	4,622	\$276
Source: LPA analysis of unaudited university and Board of Regents data.			

Although our analysis showed an annual savings of \$60,000, that figure could be higher or lower, depending on a number of factors. For example:

- We didn't try to determine whether some students could have been absorbed into pre-existing courses at the community colleges, which would reduce the number of new teachers required
- If some of the new remedial courses at the community colleges could be taught online, it might be possible for additional savings to be realized

The conclusion and recommendations for this audit are presented beginning on page 70.

Question 3: What Actions Could Universities Take To Reduce Their Institutional Spending?

Answer In Brief:

Universities in other states are considering or have taken a variety of actions to reduce their institutional spending, including maximizing the use of existing space to reduce the need for additional space, consolidating or changing administrative functions or processes—both within and across universities, outsourcing some non-academic services (like bookstores and grounds maintenance), and taking other actions such as sharing purchasing costs, reducing energy costs, improving recycling efforts, and more.

In Kansas, the six universities have taken steps in several of these areas, but our reviews suggest that additional opportunities exist to reduce costs and streamline university operations. Some of the most difficult actions to take involve consolidation or streamlining of administrative functions or processes. Such actions likely would involve considerable study and may be the most difficult to accomplish, given the fact that each university in Kansas is separate and not part of an integrated system, but could yield some of the most significant savings. Finally, university officials identified a number of laws or practices that they felt inhibit their ability to provide services more economically, many of which limit their authority to buy, lease, or sell certain goods or services without State approval. These and other findings are discussed in the sections that follow.

Maximizing the Use of Existing Classroom and Laboratory Space

Because the classroom is the place where most learning occurs, universities incur significant costs for building and maintaining classroom space.

Universities in other states have implemented space standards and taken other actions to make maximum use of their existing space. Through our literature review, we noted the following actions:

- The University of Texas at Dallas is looking for ways to make better use of its classroom space by adjusting class schedules. It has also created office space standards which are reported to have reduced costs and made more efficient use of existing space.
- The University of Michigan at Ann Arbor has developed criteria for assessing classroom utilization. One criteria measures the percentage of time a classroom is used—with a target of 70%. Another criteria measures the percentage of seats occupied during classroom activities—with a target of 65%. University officials report that with the usage data they accumulate, they will be able to identify underused space and designate it for other academic uses.

- The University of Michigan at Ann Arbor also has developed criteria for designing and assigning office space. One intent is to find ways to allow different units of the university to share existing space.

In Kansas, the Board of Regents has developed two criteria to measure the use of classroom and teaching laboratory space.

Those criteria are as follows:

- classroom space should be used at least 30 hours per week, while teaching laboratory space should be used at least 20 hours per week.
- classroom space should have a space-utilization factor below .83, and laboratory space should have a space-utilization factor below 3.75. The space factor is determined by dividing square feet by weekly student contact hours. A smaller number indicates a higher level of usage.

Every two years, the universities give the Board information regarding how much classroom and teaching laboratory space they have, how much of it is in use, how many hours it is in use, and how many student contact hours can be attributed to that space.

As of Fall 2008, the universities reported having almost 1.5 million square feet of classroom and teaching laboratory space. They also

reported almost 99% of that space was in use, and only 1% was not in use (e.g., undergoing repairs). *Figure 3-1* summarizes this information for the six universities.

**Figure 3-1
Classroom and Teaching Laboratory Square Footage
for the Six Kansas Universities
Fall 2008**

University	Sq. Ft. of Classroom Space	Sq. Ft. of Teaching Laboratory Space	Total Square Footage (a)	Sq. Ft per FTE Student (b)
FHSU	49,020	69,044	118,064	18.0
PSU	94,171	70,781	164,952	24.7
ESU	54,139	43,025	97,164	18.4
<i>Subtotal, Regionals</i>	<i>197,330</i>	<i>182,850</i>	<i>380,180</i>	<i>20.5</i>
WSU	114,034	127,908	241,942	21.7
KSU	136,397	302,038	438,435	22.8
KU	232,683	163,572	396,255	16.2
<i>Subtotal, Research</i>	<i>483,114</i>	<i>593,518</i>	<i>1,076,632</i>	<i>19.6</i>
All Universities	680,444	776,368	1,456,812	19.8

(a) Excludes the Medical Center in Kansas City and Wichita and also excludes the Veterinary School at Kansas State.
 (b) For this calculation, we used the Fall 2008 FTE enrollment count from the Board of Regents enrollment reports.
 Source: LPA analysis of unaudited Board and university data.

As the figure shows, Kansas State reported having the most square feet of space—almost 440,000 square feet—and Emporia State reported having the least—just under 100,000 square feet.

The research universities have two to three times as much classroom and teaching lab space as the regional universities. The figure also shows that Pittsburg State and Kansas State have more square footage per FTE student than their counterparts.

Figure 3-2
Applying the Board of Regents'
Space-Usage Criteria to the Six Universities' Classroom
and Laboratory Space
Fall 2008

University	Average # of Hours Space in Use 7:30 a.m. - 5:30 p.m., and Calculated Space-Use Factor	
	Classroom	Laboratory
<i>Minimum Space Usage: Board's standard is a minimum average usage rate of 30 hours per week for classrooms, and 20 hours per week for labs.</i>		
FHSU	25	9
PSU	27	22
ESU	24	15
WSU	22	17
KSU	33	32
KU	28	16
Total met	1	2
<i>Space Utilization Factor: Board's standard is less than .83 for classrooms and less than 3.75 for labs.</i>		
FHSU	1.41	8.22
PSU	1.33	3.83
ESU	1.12	3.17
WSU	1.28	7.05
KSU	0.88	4.46
KU	0.90	3.72
Total met	0	2
Source: LPA analysis of unaudited Board and university data.		

The universities generally don't meet the Board's criteria for minimum space usage. We applied the Board's criteria described above to the space-usage data the six universities reported. The results of our analysis are shown in *Figure 3-2*.

As the figure shows:

- only Pittsburg State and K-State met the Board's criteria for the minimum number of hours that space is to be used—KSU met the criteria for both classroom space and lab space, while Pittsburg State met only the lab space criteria
- only Emporia State and KU had space-utilization factors that achieved the Board's criteria—both for teaching lab space

Board staff mentioned that factors such as seating capacity, faculty schedules, classroom technology requirements and the like affect how universities use their space, which in turn impacts the ratios shown in *Figure 3-2*. For example, the space-utilization factor would be negatively impacted when a section with low enrollment was held in a large classroom. This could occur because that classroom was conveniently located for the professor and was available at the time the section

was scheduled, or because the classroom had the proper video equipment.

We didn't attempt to determine the condition and suitability of space or look at the processes universities use to schedule classrooms. However, our comparison suggests the universities should be able to make more efficient use of the space they have, which could reduce the need to add new space.

In addition, as discussed in Question 2, the universities could free-up even more space by eliminating remedial or low-enrollment classes—either altogether or by consolidating them with other course sections. Another way to potentially free up existing space would be to expand the use of online courses.

Consolidating or Changing Administrative Functions and Processes

Consolidating or changing administrative functions and processes can result in lower overall operating costs because duplicate or unnecessary work or effort can be eliminated. Among other things, such actions can reduce the need for some support staff positions or free up significant staff time to handle other more important tasks, and can save on equipment, supplies, and office or storage space. Opportunities exist both within and across universities in these areas.

Universities in other states have combined or changed a number of administrative functions and processes. Through our literature review, we noted the following actions:

- The University of Maine's university system has a strategic plan with a goal of improving administrative and cost-management practices. One idea under consideration is to merge administrative services across universities. The intent is to make more effective use of technology to reduce duplication of effort, and to ensure that services are provided in an economical way. The areas to be evaluated include purchasing, student billing, financial aid, and collections.
- The University of Michigan is looking at centralizing administrative functions, such as human resources and finance.
- The University of Tennessee is reviewing administrative functions at the system and campus levels, and is considering consolidating, eliminating, or combining various functions.
- The Tennessee Board of Regents is exploring changing administrative systems to include regionalizing or consolidating such functions as purchasing, support services, and general administration.
- Several universities within the University of Texas system have or are considering centralizing their purchasing functions. They also are looking at ways to allow different campuses to share administrative data centers, and to consolidate administrative departments within universities such as information technology.
- The University of Minnesota is establishing uniform standards to eliminate redundant administrative processes and associated support services.
- The University of Nevada at Las Vegas has initiated a "paperless" campaign. The university is automating its payroll and purchasing efforts, implementing electronic fund transfers, and implementing an e-bill system for student accounts.

Several of the "other state" examples included above have university systems with multiple campuses, and a single executive with authority and command over the system. This may make it easier to consider and pursue opportunities for consolidating various administrative functions such as personnel, purchasing, support services, and general administration on a regional or statewide basis.

Kansas universities have taken steps to consolidate or streamline administrative functions or processes, but significant additional opportunities exist. Given the sheer size of the universities' administrative structures, there's a huge potential for being able to consolidate or streamline administrative activities.

In 2008, university officials were asked to identify actions their universities had taken to reduce their overall costs and to report those actions to the Board of Regents. (More information on this activity is presented on page 66.) We reviewed the reports submitted by university officials and identified several items that relate to streamlining administrative functions or processes. Those actions and the savings associated with those actions are listed below. We didn't attempt to verify the efforts or savings university officials reported.

- Emporia State took assorted actions, including the elimination of several positions to attain savings of about \$637,000 per year.
- Pittsburg State developed a new in-house electronic appointment process, saving an estimated \$268,000 in reduced costs for administration, paper, and document retention. It also saved an estimated \$240,000 in costs for processing payments by implementing a business procurement card program, and reorganized its printing department for a savings of about \$19,000.
- Several universities changed their administrative processes for preparing, storing, or issuing documents by using an electronic process, instead of paper.
 - Fort Hays State began issuing enrollment, grade, and fiscal documents electronically, saving an estimated \$73,000
 - KU eliminated duplication between printed and electronic books, established research protocols online, and changed its process for producing the faculty/staff newsletter to make it an online publication, saving an estimated \$259,000
 - K-State converted paper documents that were difficult to access to electronic documents, and changed its process for producing the student catalog to a paperless one, saving an estimated \$85,000
- Wichita State centralized its purchasing process and reduced the use of external vendors but didn't provide a cost savings estimate for these measures.
- K-State increased its use of electronic conferencing, consolidated county extension offices, and reorganized media services within agriculture research and extension for an estimated savings of \$145,000.
- KU reported streamlining library jobs and shifting \$240,000 in salary savings to library collections. It also reported saving an estimated \$120,000 in its dining services costs by using lower cost biodegradable materials and by consolidating administrative positions.

As we reviewed these actions, we noted that most of the actions being taken or considered in Kansas appear to be focused on consolidation or streamlining opportunities within a single university, rather than across universities. One factor that may work against universities achieving savings across their campuses is that they're all separate universities and not part of a single university system with multiple campuses (e.g., the University of Missouri AT Kansas City, the University of Missouri AT Columbia, etc.).

In this audit, we became aware of one proposal to consolidate Kansas educational institutions on a regional basis. In September 2000, Pratt Community College and Fort Hays State University proposed an affiliation between the two institutions in an effort to better meet the needs of western Kansas. This proposal was approved by the Pratt Community College Board of Trustees earlier that year.

Under the proposal, Pratt Community College would have become a unit of Fort Hays State, but the two institutions would have maintained their separate campuses and identities. The proposal identified a total net savings of \$181,000. This included \$240,000 related to information technology savings and \$131,000 related to staffing reductions. Those savings would have been offset by about \$190,000 of increased personnel costs related to the retirement plan. The report also stated that perhaps the greatest benefit of the affiliation would have been to increase educational access and services to citizens of Kansas, particularly those in the south central portion of the State.

Outsourcing Some Non-Academic Services

Outsourcing functions is a common way for governmental entities to reduce their operating costs. Often this involves a cost-benefit analysis. In such instances, the governmental entity generally takes bids on a particular service and determines whether the acceptable bid would result in the service being provided at a lower cost. Other reasons for outsourcing include accommodating staffing limitations, enhancing service quality, and facilitating organizational change.

Universities in other states are outsourcing non-academic functions and services. Through our literature review, we noted the following actions:

- An article published by the Lumina Foundation in 2005 reported that an unspecified number of universities across the country had been surveyed about the services they've outsourced. The article stated that many respondents had outsourced services, including:
 - bookstores—45.7%
 - food service—74.6%
 - grounds maintenance—18.1%
 - laundry services—20.6%
 - vending services— 63.2%

The article identified other areas that universities have outsourced, including: student housing; cleaning; academic and residential building maintenance; facility management; payroll; printing; security; and transportation services. The single most important reason university officials cited for outsourcing was to reduce costs.

- The University of Texas at Arlington supplements its custodial and grounds staff with contract employees. This enables the university to increase staff during peak times and reduce staff during non-peak times. University officials reported this activity has reduced annual salary and benefit costs.
- The University of Texas at San Antonio is outsourcing its student email system to free up internal resources. This allows the student to maintain the same e-mail address after he or she leaves school, which provides a mechanism for the university to stay in contact with alumni.

Kansas universities have outsourced various non-academic functions and services, but other opportunities exist. We asked university officials to identify the non-academic functions their universities have outsourced. The most common service was food services (cited by five universities), followed by operation of the bookstore (cited by four universities.) The only other outsourcing activities provided by the universities were:

- The University of Kansas has outsourced some printing activities, its student loan collection services and its' online tuition and fee payments.
- Kansas State has outsourced the maintenance of certain equipment, such as elevators.
- Pittsburg State has outsourced its financial aid refund disbursement services, any financial aid after all obligations to the university are satisfied is distributed to the student.
- Fort Hays State and Pittsburg State outsourced the operation of its vending machines.
- PSU has outsourced its Student ID/Debit Service which allows the student to use their Student ID card as a debit card that is tied to their checking account. KU outsources the operation of a secure account the student can use on campus for photocopying, printing, laundry and food purchases. The student can also use it at some off-campus merchant locations. In both cases, this reduces the risk for universities handling, transmitting and storing credit card numbers or other sensitive student financial information.

Assessing whether it is more economical to contract out certain services—versus performing them with in-house staff—involves a cost-benefit analysis to identify the costs that would be incurred and the costs that would go away. By conducting such analyses—especially in areas where services are widely provided by the private sector—the universities may be able to identify other functions and services that could be outsourced to realize additional savings.

Taking Other Steps To Reduce Costs

Universities across the country are looking for additional ways to reduce costs at the institutional level. Some actions are relatively straightforward, while others have been more creative.

Universities in other states are taking many actions to reduce institutional costs by changing existing practices, sharing purchasing costs, reducing energy costs, improving recycling efforts, and more. Here are a few examples:

- Three universities that are part of University of Texas system have shared the costs of an Oracle/PeopleSoft student-tracking system.
- The University of Nevada at Las Vegas has reduced the frequency of janitorial services for areas that are not restrooms and common areas. It also has reduced the frequency of trash pickup.
- The University of Texas at Arlington has joined seven other system universities to purchase electricity at a reduced cost. Actions it has taken to limit energy consumption include adjusting building temperature settings and equipment run times.
- Three universities that are part of University of Texas system have implemented aggressive recycling programs to reduce trash collection fees.
- Towson University in Maryland renegotiated its electrical contract and modified its housekeeping services contract.
- University of Nevada at Las Vegas is reducing its water and energy consumption costs by installing water-smart landscaping and energy-efficient lighting. It also is adjusting building temperature settings.
- The University of Michigan is planning to modernize individual buildings to maximize energy efficiency, and is educating its faculty and staff on energy-efficiency behaviors.
- A university's suggestion listed on the National Association of College and University Business Officers website was to fill office, ground maintenance, and custodial staff positions with students in exchange for tuition-reduction credits.

In 2008, university officials in Kansas reported taking many similar actions to reduce their overall costs. In 2005, in an effort to have universities share information on how they were dealing with budget constraints, the Board of Regents required university officials to make "efficiency presentations" to the Board. In general, the reports were to include a summary of cost-cutting steps taken and their results. In light of Kansas' current financial situation, the Board reiterated this requirement last year; those presentations were made in the Fall 2008.

We reviewed the reports submitted by university officials and categorized the reported actions into three groups. In some cases

the descriptive information provided by the universities was vague. Because of time constraints we were unable to research the details of these reports, so we had to make assumptions on how to categorize the data. On page 63, we summarized administrative actions the universities had reported. **Figure 3-3** summarizes the remaining unaudited information they provided:

Figure 3-3 Summary of Efficiency Efforts Taken by Universities To Reduce Costs (a) As Reported to the Board of Regents in Fall 2008				
General Topic Area	Description	One Time Savings	Recurring Annual Savings	Savings To Be Realized over Several Years
Academic Reorganization	Eliminating and reorganizing academic programs Example: Wichita State merged its Department of Computer Science with its Electrical & Computer Engineering.	\$0	\$565,000	\$0
Administrative Restructuring	Reorganizing and reducing staff Example: Emporia State has saved \$70,000 by reorganizing enrollment management staff	\$0	\$182,000	\$0
Construction	Developing in-house construction crews and keeping dorms open during renovation to maintain a revenue stream. Example: Fort Hays developed an in-house construction crew to build a dorm.	\$210,000	\$0	\$2,633,000
Electronic Technology/Paperless	Renegotiating software and hardware contracts; reducing the use of paper documents Example: The University of Kansas converted to electronic medical records at the student health center and saved \$220,000	\$240,000	\$413,000	\$0
Energy	Purchasing of utilities, energy conservation efforts, implementing green technology into the facilities, using environmentally friendly vehicles and using alternative means of transportation. Example: Emporia State saved on utility costs by the strategic purchasing of natural gas.	\$1,527,000	\$325,000	\$30,000,000
Purchasing	Renegotiating contracts, purchasing pilot project Example: Pittsburg State implemented a business procurement program.	\$1,901,000	\$295,000	\$0
Recycling	Recycling paper and aluminum, recycling surplus property among other parts of the university, reducing trash collection fees, reducing water consumption. Example: Kansas State saved on landfill charges by recycling the trash picked up from athletic events.	\$18,000	\$132,000	\$0
Misc.	Interagency cooperation, in-house development of computerized systems used to track student activities, investment in equipment to free employee time, sharing journal licenses, streamlining jobs, libraries sharing data, reducing lease costs, revising grounds/maintenance schedule, reducing fertilizer use Example: The University of Kansas shares journal licenses with the University of Kansas Medical Center.	\$187,000	\$5,335,000	\$0
Total		\$4,083,000	\$7,247,000	\$32,633,000
(a) LPA did not attempt to verify the accuracy of the amounts claimed by each university. Source: LPA review of efficiency reports submitted by the universities to the Board of Regents.				

As the figure shows, university officials reported:

- one-time savings totaling \$4.1 million. These included such actions as renegotiating contracts and taking measures to save energy.
- recurring annual savings totaling \$7.2 million. These included such actions as recycling efforts, reduced water consumption, improved purchasing efforts and alternative transportation options.
- savings to be realized over a span of years (up to 20 years in one case), totaling \$32.6 million. These included such actions as long-term energy and construction efforts.

By reviewing the actions that other universities are taking—both in-State and out-of-State—each of the six Kansas universities should be able to identify other options that could be explored.

***University Officials
Also Identified Several
Laws Or Practices That
Inhibit Their Ability To
Provide Services More
Economically***

We asked university officials to identify any laws or required practices that hindered the efficiency of their day-to-day operations. Board staff submitted a coordinated response for the universities.

In all, Board and university officials identified 11 items they don't consider to be essential to the universities' core mission and that, if eliminated, could save money. We grouped these 11 items into the categories shown below:

Delegate to the universities the authority to buy, lease, or sell certain goods or services on their own

1. Remove all construction projects not funded by State tax dollars from the State review and approval process. The 2009 Legislature passed SB9 which exempts certain construction projects.
2. Allow universities to manage and fund their own workers' compensation programs.
3. Revise the State Surplus Property Statute to allow the universities to sell items at a fixed cost determined by the universities (this could benefit all State agencies).
4. Authorize the universities to partner with a wind energy developer to obtain wind energy generated on property owned by the universities for use in campus operations.
5. Instead of leasing cell phones for selected employees, allow the universities to pay stipends to these individuals and have them acquire a cell phone at their own cost.

Raise the cost threshold of items the universities can buy, lease, or sell on their own before State approval kicks in

6. Increase the dollar threshold on Information Technology projects that require Kansas Information Technology Office review and approval from \$250,000 to \$500,000.

7. Delegate authority to the universities to approve leases for non-occupied space (farm land, storage space etc) that is less than 10,000 square feet and will be leased for less than 24 months.

Streamline policies and procedures related to the approval and expenditure of funds

8. Streamline policies and procedures for such items as encumbrances, construction, contract cover sheets, and certain travel policies.

Remove restrictions on who the universities must buy certain goods or services from

9. Abolish the Prison-made Goods Act to allow the universities to buy the same items on the open market or by competitive bid.
10. Revise the statutory requirements associated with the University Press of Kansas to allow the Press to participate in the university pilot purchasing project. This would allow the University Press (publishes scholarly books) to expedite the purchasing process, reduce administrative inefficiencies and be able to purchase goods competitively. As discussed below the pilot purchasing project has already generated significant savings for the University of Kansas, but the current statutory requirement does not allow the University Press to participate.
11. Extend the Pilot Purchasing Project to all universities.

Two of these items—#9 abolishing the Prison-made Goods Act, and #8 streamlining policies and procedures—could be addressed by extending the Pilot Purchasing Project.

During the 2006 legislative session, the Legislature authorized a pilot purchasing project for State universities. The Board selected the University of Kansas and Fort Hays State to participate in the project, which was scheduled to run from June 1, 2007, through June 30, 2010.

The purpose of the pilot purchasing project was to exempt State universities from certain state purchasing requirements—such as Statewide purchasing contracts, State travel services, and the Prison Made Goods Act—in order to determine whether purchasing for the universities could be made more efficient. This change allowed the two universities to participate in consortia contracts, and to increase competition by allowing various vendors to compete for the universities' business. Another goal of the pilot project was to save administrative time, efforts, and ultimately related costs.

In Fall 2008, officials from both universities reported total savings under the pilot purchasing project for fiscal year 2008 of about \$800,000. They anticipate being able to save a similar amount or more in fiscal year 2009. They also indicated the time savings alone made the program beneficial.

Board staff told us they are exploring options to extend these benefits to all six universities through executive and legislative efforts.

Conclusion:

The comparative spending information presented in this report provides a breakdown of where Kansas' three regional and three research universities costs are higher in comparison to their in-State counterparts. A variety of factors can impact staffing levels and salaries—the largest cost drivers at a university—including the mix and experience of faculty and the number of other staff, average class sizes, and the average number of classes each instructor teaches. For our analyses, we excluded certain factors that we knew would cause “artificial” differences between the research universities—the KU Medical Center and the Kansas State Veterinary School and Extension program.

Our review of what universities in other states have reported doing to reduce their costs and make their operations more efficient showed that some have changed their “business-as-usual” mindset in the way they deliver their educational programs and courses. That includes greater collaboration and more widespread use of technology, a critical look at the need for courses and degree programs that generate few student credit hours, and an assessment of how many sections instructional staff can or should teach. We’ve presented these and other options for the universities to consider, some of which universities can do on their own, and some of which would require the universities to work together. That can be difficult, given that Kansas has separate universities as opposed to a single university system with multiple campuses and a single executive with authority and command over the system. Our system inherently makes universities more competitors than collaborators. To effect change, the Board of Regents would have to provide strong leadership to encourage more critical assessments within the universities, and more collaboration across the universities.

Given the series of cuts that were made to all State agency budgets over the past year, we realize the universities already may have taken a number of actions discussed in this report to reduce their costs and make their operations more efficient. We think it would be beneficial for them to perform similar analyses to show how their efficiency and productivity has changed. We also understand that some changes could take years to plan or implement, and that many of the ideas presented in this report may seem impractical or undesirable at first. However, given the significant amounts of State tax dollars they receive, the universities and the Board need to take a critical look at how and where their operations can be modernized and made more efficient going into the future. Such actions should enable the universities to better carry out their mission to deliver educational services in the event that State tax revenues continue to fall short.

**Recommendations for
Executive Action:**

1. To help ensure that the universities are operating as efficiently as possible, the Board of Regents and university officials should consider each of the efficiency areas mentioned in this report. Specifically, in the areas related to academic spending, they should consider the merits of:
 - a. eliminating or combining low-enrollment course sections
 - b. eliminating or combining academic departments or degree programs
 - c. collaborating with other universities to share course content, teachers, and instructional programs
 - d. increasing the number of courses and programs offered online or through distance learning
 - e. increasing faculty workloads
 - f. modifying the delivery of remedial courses

In the areas of other university costs, those officials should carefully consider the merits of:

- g. maximizing the use of existing classroom and laboratory space
 - h. consolidating or changing administrative functions or processes
 - i. outsourcing non-academic functions, and
 - j. reducing energy costs, improving recycling efforts and the like.
2. Because much of the information presented in this report is based on an economic climate that has changed drastically for all State entities, the Board of Regents should ask university financial-management staff to prepare and submit more current data to Board staff in all the areas discussed in this audit. That updated information will give the Legislature, Board members, and university administrators more current information for their deliberations.

APPENDIX A

Scope Statement

This appendix contains the scope statement the Legislative Post Audit Committee approved for this audit on April 29, 2008. The audit was requested by the Legislative Post Audit Committee.

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, The Veterinary Medical Center at Kansas State as well as its extension programs) has grown from about \$910 million to \$1.7 billion. That increase in spending is approximately 30% higher than the inflation rate for higher education. During that same time the number of staff at the institutions has grown by 16% from 11,381 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 48%--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

APPENDIX B

Fiscal Year 2005 and 2008 General Use and Restricted Use Expenditures Reported by the Six Universities

This appendix shows the general use and restricted use expenditures (by program) each of the six State universities reported directly to us for fiscal years 2005 and 2008. In the table for each university, we've calculated the cost per FTE student for each program.

The total expenditure amounts for fiscal year 2008 shown in these tables for each university do not match the expenditure amounts shown in *Figure OV-1*. Those data come from the Governor's Budget Report for Fiscal Year 2010. In some cases, the amounts are close, and in others they differ by several million. We did not have time in this audit to reconcile these amounts and determine why they are different. Possible reasons include they come from different systems and there could be timing differences which causes some transactions to be included while others are excluded.

We did check the reasonableness and consistency of the expenditure data each university provided to us for these four fiscal years and compared the amounts reported by different universities to each other. This work didn't identify apparent gross or systematic errors. Because of time constraints, we didn't verify that these amounts represent the universities' actual expenditures, as recorded in their accountings systems.

It's important to note that all the institutions changed accounting practices between 2005 and 2008 for the Scholarship/Fellowship expenditure category. Prior to 2007, this category was reported as a reduction to revenue, but is now reported as an expense.

In conducting our analyses for Question 1, we used the expenditure data that each university provided to us.

Fort Hays State University
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY 2008		FY 2005	FY 2008	
Instruction	General Use	\$ 22,228,426	\$ 24,658,555	11%	\$ 3,738	\$ 3,948	6%
	Restricted Use	\$ 5,257,433	\$ 6,310,099	20%	\$ 884	\$ 1,010	14%
Academic Support	General Use	\$ 7,393,568	\$ 8,601,373	16%	\$ 1,243	\$ 1,377	11%
	Restricted Use	\$ 1,467,460	\$ 2,750,039	87%	\$ 247	\$ 440	78%
Student Service	General Use	\$ 3,489,503	\$ 5,708,289	64%	\$ 587	\$ 914	56%
	Restricted Use	\$ 1,260,484	\$ 1,917,716	52%	\$ 212	\$ 307	45%
Institutional Support	General Use	\$ 4,089,421	\$ 5,031,804	23%	\$ 688	\$ 806	17%
	Restricted Use	\$ 560,632	\$ 540,210	-4%	\$ 94	\$ 86	-8%
Subtotal - Educational Program	General Use	\$ 37,200,918	\$ 44,000,021	18%	\$ 6,255	\$ 7,045	13%
	Restricted Use	\$ 8,546,009	\$ 11,518,064	35%	\$ 1,437	\$ 1,844	28%
Physical Plant	General Use	\$ 6,495,843	\$ 7,189,842	11%	\$ 1,092	\$ 1,151	5%
	Restricted Use	\$ 279,554	\$ 312,668	12%	\$ 47	\$ 50	6%
Public Service	General Use	\$ 228,198	\$ 461,402	102%	\$ 38	\$ 74	93%
	Restricted Use	\$ 2,663,049	\$ 3,693,741	39%	\$ 448	\$ 591	32%
Research	General Use	\$ 38,131	\$ 21,159	-45%	\$ 6	\$ 3	-47%
	Restricted Use	\$ 273,621	\$ 402,501	47%	\$ 46	\$ 64	40%
Scholarships/ Fellowships	General Use	\$ 163,657	\$ 356,838	118%	\$ 28	\$ 57	108%
	Restricted Use	\$ 9,787,148	\$ 9,137,767	-7%	\$ 1,646	\$ 1,463	-11%
Total - Educational & General	General Use	\$ 44,126,747	\$ 52,029,262	18%	\$ 7,420	\$ 8,330	12%
	Restricted Use	\$ 21,549,381	\$ 25,064,741	16%	\$ 3,624	\$ 4,013	11%
Auxiliary Enterprises	Restricted Use	\$ 6,071,786	\$ 8,966,480	48%	\$ 1,021	\$ 1,436	41%
Debt Service	Restricted Use	\$ 92,767	\$ 81,524	-12%	\$ 16	\$ 13	-16%
Capital Improvements	General Use	\$ 77,539	\$ 72,151	-7%	\$ 13	\$ 12	-11%
	Restricted Use	\$ 687,307	\$ 2,420,305	252%	\$ 116	\$ 387	235%
Grand Total	General Use & Restricted Use	\$ 72,605,527	\$ 88,634,463	22%	\$ 12,209	\$ 14,191	16%

Source: Unaudited Fort Hays State University financial data.

Pittsburg State University
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY2008		FY 2005	FY2008	
Instruction	General Use	\$ 26,309,824	\$ 29,288,939	11%	\$ 4,278	\$ 4,420	3%
	Restricted Use	\$ 1,308,280	\$ 2,364,158	81%	\$ 213	\$ 357	68%
Academic Support	General Use	\$ 6,820,215	\$ 8,424,331	24%	\$ 1,109	\$ 1,271	15%
	Restricted Use	\$ 334,980	\$ 904,799	170%	\$ 54	\$ 137	151%
Student Service	General Use	\$ 3,702,209	\$ 4,355,726	18%	\$ 602	\$ 657	9%
	Restricted Use	\$ 1,370,808	\$ 1,941,032	42%	\$ 223	\$ 293	31%
Institutional Support	General Use	\$ 4,396,176	\$ 5,285,959	20%	\$ 715	\$ 798	12%
	Restricted Use	\$ 527,068	\$ 632,158	20%	\$ 86	\$ 95	11%
Subtotal - Educational Program	General Use	\$ 41,228,424	\$ 47,354,955	15%	\$ 6,704	\$ 7,147	7%
	Restricted Use	\$ 3,541,136	\$ 5,842,147	65%	\$ 576	\$ 882	53%
Physical Plant	General Use	\$ 7,787,071	\$ 9,282,810	19%	\$ 1,266	\$ 1,401	11%
	Restricted Use	\$ 228,797	\$ 334,366	46%	\$ 37	\$ 50	36%
Public Service	General Use	\$ 210,529	\$ 337,192	60%	\$ 34	\$ 51	49%
	Restricted Use	\$ 1,782,981	\$ 1,503,691	-16%	\$ 290	\$ 227	-22%
Research	General Use	\$ -	\$ -	N/A	\$ -	\$ -	N/A
	Restricted Use	\$ 2,498,458	\$ 2,324,638	-7%	\$ 406	\$ 351	-14%
Scholarships/ Fellowships	General Use	\$ 1,240,657	\$ 1,863,495	50%	\$ 202	\$ 281	39%
	Restricted Use	\$ 5,809,419	\$ 6,946,787	20%	\$ 945	\$ 1,048	11%
Total - Educational & General	General Use	\$ 50,466,681	\$ 58,838,452	17%	\$ 8,206	\$ 8,880	8%
	Restricted Use	\$ 13,860,791	\$ 16,951,629	22%	\$ 2,254	\$ 2,558	14%
Auxiliary Enterprises	Restricted Use	\$ 4,312,898	\$ 5,303,094	23%	\$ 701	\$ 800	14%
Debt Service	General Use	\$ 253,993	\$ 463,636	83%	\$ 41	\$ 70	69%
	Restricted Use	\$ 810,970	\$ 826,061	2%	\$ 132	\$ 125	-5%
Capital Improvements	General Use	\$ 276,364	\$ 797,528	189%	\$ 45	\$ 120	168%
	Restricted Use	\$ 600,191	\$ 5,327,347	788%	\$ 98	\$ 804	724%
Grand Total	General Use & Restricted Use	\$ 70,581,888	\$ 88,507,747	25%	\$ 11,477	\$ 13,358	16%

Source: Unaudited Pittsburg State University financial data.

Emporia State University
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY2008		FY 2005	FY2008	
Instruction	General Use	\$ 22,525,109	\$ 25,856,794	15%	\$ 4,487	\$ 4,944	10%
	Restricted Use	\$ 3,449,985	\$ 3,870,778	12%	\$ 687	\$ 740	8%
Academic Support	General Use	\$ 9,179,387	\$ 9,487,725	3%	\$ 1,829	\$ 1,814	-1%
	Restricted Use	\$ 903,307	\$ 1,071,251	19%	\$ 180	\$ 205	14%
Student Service	General Use	\$ 4,005,640	\$ 5,157,056	29%	\$ 798	\$ 986	24%
	Restricted Use	\$ 4,212,643	\$ 3,754,591	-11%	\$ 839	\$ 718	-14%
Institutional Support	General Use	\$ 3,350,031	\$ 4,334,539	29%	\$ 667	\$ 829	24%
	Restricted Use	\$ 1,544,282	\$ 499,666	-68%	\$ 308	\$ 96	-69%
Subtotal - Educational Program	General Use	\$ 39,060,167	\$ 44,836,114	15%	\$ 7,781	\$ 8,573	10%
	Restricted Use	\$ 10,110,217	\$ 9,196,286	-9%	\$ 2,014	\$ 1,758	-13%
Physical Plant	General Use	\$ 6,163,590	\$ 7,162,481	16%	\$ 1,228	\$ 1,369	12%
	Restricted Use	\$ 362,148	\$ 555,746	53%	\$ 72	\$ 106	47%
Public Service	General Use	\$ 713,059	\$ 1,043,798	46%	\$ 142	\$ 200	41%
	Restricted Use	\$ 1,771,531	\$ 1,748,442	-1%	\$ 353	\$ 334	-5%
Research	General Use	\$ 228,626	\$ 123,948	-46%	\$ 46	\$ 24	-48%
	Restricted Use	\$ 272,928	\$ 235,257	-14%	\$ 54	\$ 45	-17%
Scholarships/ Fellowships	General Use	\$ 440,360	\$ 3,219,713	631%	\$ 88	\$ 616	602%
	Restricted Use	\$ 4,837,868	\$ 7,916,017	64%	\$ 964	\$ 1,514	57%
Total - Educational & General	General Use	\$ 46,605,802	\$ 56,386,054	21%	\$ 9,284	\$ 10,781	16%
	Restricted Use	\$ 17,354,692	\$ 19,651,748	13%	\$ 3,457	\$ 3,758	9%
Auxiliary Enterprises	Restricted Use	\$ 2,937,820	\$ 3,209,856	9%	\$ 585	\$ 614	5%
Debt Service	Restricted Use	\$ 655,971	\$ 1,116,606	70%	\$ 131	\$ 214	63%
Capital Improvements	Restricted Use	\$ 1,097,160	\$ 2,749,711	151%	\$ 219	\$ 526	141%
Grand Total	General Use & Restricted Use	\$ 68,651,445	\$ 83,113,975	21%	\$ 13,676	\$ 15,892	16%

Source: Unaudited Emporia State University financial data.

Wichita State University
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY2008		FY 2005	FY2008	
Instruction	General Use	\$ 48,686,851	\$ 53,396,175	10%	\$ 4,691	\$ 4,946	5%
	Restricted Use	\$ 2,626,987	\$ 4,157,603	58%	\$ 253	\$ 385	52%
Academic Support	General Use	\$ 18,557,726	\$ 19,825,989	7%	\$ 1,788	\$ 1,837	3%
	Restricted Use	\$ 3,942,197	\$ 4,986,615	26%	\$ 380	\$ 462	22%
Student Service	General Use	\$ 7,382,055	\$ 9,346,526	27%	\$ 711	\$ 866	22%
	Restricted Use	\$ 6,187,387	\$ 6,054,611	-2%	\$ 596	\$ 561	-6%
Institutional Support	General Use	\$ 10,347,530	\$ 12,472,472	21%	\$ 997	\$ 1,155	16%
	Restricted Use	\$ 3,579,248	\$ 804,575	-78%	\$ 345	\$ 75	-78%
Subtotal - Educational Program	General Use	\$ 84,974,161	\$ 95,041,162	12%	\$ 8,187	\$ 8,804	8%
	Restricted Use	\$ 16,335,820	\$ 16,003,404	-2%	\$ 1,574	\$ 1,482	-6%
Physical Plant	General Use	\$ 16,060,084	\$ 20,003,970	25%	\$ 1,547	\$ 1,853	20%
	Restricted Use	\$ 1,464,017	\$ 1,471,285	0%	\$ 141	\$ 136	-3%
Public Service	General Use	\$ 2,614,986	\$ 3,180,061	22%	\$ 252	\$ 295	17%
	Restricted Use	\$ 12,827,412	\$ 13,257,678	3%	\$ 1,236	\$ 1,228	-1%
Research	General Use	\$ 1,442,718	\$ 1,622,156	12%	\$ 139	\$ 150	8%
	Restricted Use	\$ 19,025,402	\$ 30,776,986	62%	\$ 1,833	\$ 2,851	56%
Scholarships/ Fellowships	General Use	\$ 681,316	\$ 11,415,766	1576%	\$ 66	\$ 1,058	1511%
	Restricted Use	\$ 12,465,746	\$ 9,719,114	-22%	\$ 1,201	\$ 900	-25%
Total - Educational & General	General Use	\$ 105,773,266	\$ 131,263,115	24%	\$ 10,191	\$ 12,160	19%
	Restricted Use	\$ 62,118,397	\$ 71,228,467	15%	\$ 5,985	\$ 6,598	10%
Auxiliary Enterprises	Restricted Use	\$ 7,281,799	\$ 7,415,941	2%	\$ 702	\$ 687	-2%
Debt Service	General Use	\$ 1,180,962	\$ 2,591,377	119%	\$ 114	\$ 240	111%
	Restricted Use	\$ -	\$ 929,173	N/A	\$ -	\$ 86	N/A
Capital improvements	General Use	\$ -	\$ -	N/A	\$ -	\$ -	N/A
	Restricted Use	\$ 975,906	\$ 3,316,824	240%	\$ 94	\$ 307	227%
Grand Total	General Use & Restricted Use	\$ 177,330,329	\$ 216,744,897	22%	\$ 17,085	\$ 20,078	18%

Source: Unaudited Wichita State University financial data.

Kansas State University
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY2008		FY 2005	FY2008	
Instruction	General Use	\$ 99,645,203	\$ 117,182,839	18%	\$ 5,185	\$ 6,068	17%
	Restricted Use	\$ 20,542,939	\$ 20,060,155	-2%	\$ 1,069	\$ 1,039	-3%
Academic Support	General Use	\$ 29,308,436	\$ 34,007,529	16%	\$ 1,525	\$ 1,761	15%
	Restricted Use	\$ 6,229,808	\$ 4,715,304	-24%	\$ 324	\$ 244	-25%
Student Service	General Use	\$ 9,612,272	\$ 11,628,812	21%	\$ 500	\$ 602	20%
	Restricted Use	\$ 7,101,796	\$ 7,927,690	12%	\$ 370	\$ 411	11%
Institutional Support	General Use	\$ 17,352,439	\$ 22,400,987	29%	\$ 903	\$ 1,160	28%
	Restricted Use	\$ 4,850,915	\$ 4,891,945	1%	\$ 252	\$ 253	0%
Subtotal - Educational Program	General Use	\$ 155,918,350	\$ 185,220,167	19%	\$ 8,114	\$ 9,591	18%
	Restricted Use	\$ 38,725,459	\$ 37,595,094	-3%	\$ 2,015	\$ 1,947	-3%
Physical Plant	General Use	\$ 24,050,165	\$ 28,284,080	18%	\$ 1,252	\$ 1,465	17%
	Restricted Use	\$ 1,754,575	\$ 3,484,483	99%	\$ 91	\$ 180	98%
Public Service	General Use	\$ 1,450,768	\$ 1,806,891	25%	\$ 75	\$ 94	24%
	Restricted Use	\$ 7,907,037	\$ 14,381,305	82%	\$ 411	\$ 745	81%
Research	General Use	\$ 4,524,904	\$ 6,818,186	51%	\$ 235	\$ 353	50%
	Restricted Use	\$ 39,127,870	\$ 41,244,135	5%	\$ 2,036	\$ 2,136	5%
Scholarships/ Fellowships	General Use	\$ 7,656,002	\$ 12,940,417	69%	\$ 398	\$ 670	68%
	Restricted Use	\$ 107,784,854	\$ 110,998,803	3%	\$ 5,609	\$ 5,748	2%
Total - Educational & General	General Use	\$ 193,600,189	\$ 235,069,741	21%	\$ 10,074	\$ 12,173	21%
	Restricted Use	\$ 195,299,794	\$ 207,703,820	6%	\$ 10,163	\$ 10,756	6%
Auxiliary Enterprises	Restricted Use	\$ 27,902,889	\$ 31,100,767	11%	\$ 1,452	\$ 1,611	11%
Debt Service	General Use	\$ 712,757	\$ 1,543,555	117%	\$ 37	\$ 80	116%
	Restricted Use	\$ 3,636,441	\$ 4,045,225	11%	\$ 189	\$ 209	11%
Capital Improvements	General Use	\$ 3,247	\$ 71,604	2105%	\$ 0	\$ 4	N/A
	Restricted Use	\$ 6,566,513	\$ 19,957,036	204%	\$ 342	\$ 1,033	202%
Grand Total	General Use & Restricted Use	\$ 427,721,830	\$ 499,491,748	17%	\$ 22,257	\$ 25,866	16%

(a) Excludes the Veterinary School, Extension Offices, and Agricultural Experiment Stations.
Source: Unaudited Kansas State University financial data.

University of Kansas (a)
Reported General Use & Restricted Use Expenditures by Program
FY 2005 and FY 2008

Programs	Expenditure Type	Total Expenditures		% Change	Expenditures Per FTE Student		% Change
		FY 2005	FY2008		FY 2005	FY2008	
Instruction	General Use	\$ 136,335,275	\$ 167,386,403	23%	\$ 5,695	\$ 7,024	23%
	Restricted Use	\$ 44,949,872	\$ 48,061,632	7%	\$ 1,878	\$ 2,017	7%
Academic Support	General Use	\$ 44,662,687	\$ 52,439,140	17%	\$ 1,866	\$ 2,200	18%
	Restricted Use	\$ 9,013,942	\$ 11,482,670	27%	\$ 377	\$ 482	28%
Student Service	General Use	\$ 10,924,021	\$ 14,172,814	30%	\$ 456	\$ 595	30%
	Restricted Use	\$ 8,843,250	\$ 8,983,034	2%	\$ 369	\$ 377	2%
Institutional Support	General Use	\$ 25,018,188	\$ 31,292,418	25%	\$ 1,045	\$ 1,313	26%
	Restricted Use	\$ 6,710,236	\$ 7,206,250	7%	\$ 280	\$ 302	8%
Subtotal - Educational Program	General Use	\$ 216,940,171	\$ 265,290,775	22%	\$ 9,063	\$ 11,132	23%
	Restricted Use	\$ 69,517,300	\$ 75,733,586	9%	\$ 2,904	\$ 3,178	9%
Physical Plant	General Use	\$ 32,041,394	\$ 35,011,043	9%	\$ 1,339	\$ 1,469	10%
	Restricted Use	\$ 4,439,103	\$ 7,873,769	77%	\$ 185	\$ 330	78%
Public Service	General Use	\$ 3,304,151	\$ 3,923,187	19%	\$ 138	\$ 165	19%
	Restricted Use	\$ 10,913,856	\$ 14,239,818	30%	\$ 456	\$ 598	31%
Research	General Use	\$ 15,942,942	\$ 18,816,517	18%	\$ 666	\$ 790	19%
	Restricted Use	\$ 36,114,688	\$ 44,115,742	22%	\$ 1,509	\$ 1,851	23%
Scholarships/ Fellowships	General Use	\$ 10,439,312	\$ 15,149,027	45%	\$ 436	\$ 636	46%
	Restricted Use	\$ 24,781,487	\$ 30,088,809	21%	\$ 1,035	\$ 1,263	22%
Total - Educational & General	General Use	\$ 278,667,970	\$ 338,190,549	21%	\$ 11,641	\$ 14,191	22%
	Restricted Use	\$ 145,766,434	\$ 172,051,724	18%	\$ 6,089	\$ 7,220	19%
Auxiliary Enterprises	General Use	\$ 714,572	\$ 736,559	3%	\$ 30	\$ 31	4%
	Restricted Use	\$ 39,220,153	\$ 49,395,293	26%	\$ 1,638	\$ 2,073	27%
Debt Service	General Use	\$ 1,513,325	\$ 1,522,002	1%	\$ 63	\$ 64	1%
	Restricted Use	\$ 9,874,960	\$ 9,042,579	-8%	\$ 413	\$ 379	-8%
Capital Improvements	General Use	\$ 1,657,179	\$ 4,364,504	163%	\$ 69	\$ 183	165%
	Restricted Use	\$ 33,985,492	\$ 34,614,220	2%	\$ 1,420	\$ 1,452	2%
Student Loans	Restricted Use	\$ 92,848,151	\$ 120,466,722	30%	\$ 3,879	\$ 5,055	30%
Grand Total	General Use & Restricted Use	\$ 604,248,236	\$ 730,384,152	21%	\$ 25,242	\$ 30,648	21%

(a) Excludes the University of Kansas Medical Center with campuses in Kansas City and Wichita.

Source: Unaudited University of Kansas financial data.

APPENDIX C

Assumptions and Methodologies Used For Estimating the Impact of A 10% Increase in the Workload of Instructional Staff

This appendix describes the assumptions and methodologies used in this audit to estimate the salary and benefit costs associated with the reduced number of instructional positions needed if the average faculty workload was increased by 10%. These calculations are based on Fall 2007 semester teaching loads.

To develop this estimate, we had to make two separate sets of calculations:

- First, to estimate the number of instructional positions that would not be needed if workload was increased by 10%
- Second, to estimate the average cost of an instructional position at each of the six universities

Estimating The Number of Instructional Positions that Would Not Be Needed

We used the section listing data submitted by each university for the Fall 2007 semester to calculate the number of teaching credit hours for each university. We included only credit hours that could be attributed to a department, in order to match with the departmental FTE instructional staff university officials had submitted to us. This allowed us to calculate the average teaching credits hours per FTE instructional staff for each university.

After reviewing the results of this work with university officials, we decided to remove a fixed percentage from the total FTE instructional staff for each university to account for those people who teach, but are not paid to teach. For example, a librarian could teach one section per semester, but is not paid an additional sum to teach that section. Similarly, someone from outside the university could volunteer to teach a course on occasion. It is our understanding that FTE instructional staff for these types of positions were included in the total FTE instructional staff reported. We would not expect them to increase their workload by 10%, so we attempted to remove them from our data.

To do so, for each university we removed 4.2% of the FTE instructional staff reported to us. This was the percentage that University of Kansas officials had calculated as their estimated amount of donated teaching time at the University. We realize this percentage probably varies from university-to-university, but time constraints prohibited us from determining this percentage for each university. We then applied the standard 12 credit hours to each of these FTE instructional staff. We subtracted that amount from the total teaching credit hours for the semester. We then calculated a revised average teaching credits hours per FTE instructional staff for each university.

Using this revised figure, we calculated what a 10% increase in average teaching credit hours would be on a university-wide basis. Using the increased average teaching credit hours, we calculated the number of FTE instructional staff that would have been needed to teach the credit hours that semester. For example, if the average teaching load per instructional FTE for one university was 15 credit hours, we raised it to 16.5 and then calculated the number of FTE needed to teach the same courses and students. As mentioned earlier, this analysis holds the TOTAL number of teaching credit hours constant and assumes the same amount of work could

be done with fewer people. We estimated how many fewer FTE instructional positions would have been needed.

Estimating the Salary and Benefit Costs Associated with the Instructional Positions that Would Not Be Needed

We used salary data submitted by the universities to Legislative Research in early 2009 to determine an average salary per FTE instructional staff at each of the universities. We calculated an average salary for all academic ranks, such as Professor, Lecturer and GTA

To estimate the costs of fringe benefits other than health insurance, Board officials told us to apply a percentage of either 18.5% or 18.7%, depending on the university. We applied this benefit percentage only to the professor ranks. The professor ranks are the employees most likely to be full-time and thus receiving benefits. We also applied the single health insurance rate of \$4,813 to the professor ranks. We are aware that some professors may have family insurance or no insurance at all, but because we couldn't ascertain the coverage for each professor within a reasonable amount of time, we decided to apply the single rate to all professor ranks. Again, we applied health insurance costs only to the professor ranks because they are ones mostly likely to be receiving this health benefit.

We added these fringe benefit amounts to the professor ranks and calculated a weighted average salary and benefit cost for FTE instructional staff at each university.

Estimate of Salary and Benefit Costs

We multiplied the total number of FTE instructional staff that we estimate would not be needed by this weighted average salary and benefit cost, for each university. This yielded an estimate for the total amount of salary and benefit costs associated with those positions.

APPENDIX D

Assumptions and Methodologies Used for Estimating the Cost of Teaching Remedial Courses at State Universities and Community Colleges

This appendix describes the assumptions and methodologies used in this audit to estimate the cost of teaching remedial courses at State universities and community colleges.

In developing these costs, we needed to determine the number of teaching positions that could be saved by the universities and the number of teaching positions that community colleges would need to add.

The general assumptions we made concerning universities, community colleges, and their teaching staff are:

- We assumed students who need remedial education but otherwise met university admission standards would take the remedial education courses at the community college located in the closest proximity to each university. For example, we assume remedial students attending the University of Kansas would take their remedial courses at Johnson County Community College.
- We assumed the student would stay at the Regent university for all other courses taking the same number of credit hours, excluding the remedial courses.
- We assumed enrollment for remedial courses would remain constant in the future. In our calculations, we used student enrollment for academic year 2008. Although we analyzed four years of data in the audit and noted that there has been a decrease in the number of student attempts, we thought it would be best to use unadjusted figures for the basis of this analysis.
- We assumed the number of administrators and other support staff working at the universities and community colleges would not change.
- We rounded our estimates of the number of teaching positions to be cut or added to whole or half units, because it is difficult to hire for other fractions of a teaching position.
- We estimated teaching costs by including only the costs of salary and benefits for teaching positions. We used salary and benefit cost information published by the Kansas Board of Regents. We didn't estimate costs for other factors, such as space, utilities, etc.

The specific assumptions we made concerning universities only and their teaching staff are:

- We estimated the number of courses a teacher would be capable of teaching using university-provided data which summarized teaching loads for the Fall 2007 semester.
- We assumed no full professor positions would be eliminated. In those cases where a professor had taught a remedial course, we reassigned that teaching load among the other teaching positions that also had taught remedial courses at that university in that year to calculate costs. This assumption didn't apply to associate or assistant professors.

The specific assumptions we made concerning community colleges only and their teaching staff are:

- We assumed each community college had sufficient classroom space to absorb the increase in students and would not need to add classroom space.

- We assumed a class size of 20 at every community college. We rounded our estimates of the number of classes to be taught to whole or half units.
- We assumed a teaching position at the community college would be capable of teaching five courses per semester, or 10 courses per year.
- We applied the average full-time teacher salary as reported in the 2008 KBOR – Community College Enrollment & Financial Statistics Report to calculate salary costs for hiring any additional teaching staff to teach the remedial courses.

The following table shows how we developed our estimate of savings for Fort Hays State. We used the same methodology for the other five universities.

Estimating Potential Savings by Having Barton County Community College Teach Remedial Courses Instead of Fort Hays State University

Estimate of the Cost of Teaching Remedial Courses at Fort Hays State University									
Type of Instructor	This cell left blank intentionally	Number of Sections Taught by this Type of Instructor	This cell left blank intentionally	Number of Sections Expected To Be Taught by This Level of Teaching Employee (per Year)	Calculated Number of FTE Needed to Teach These Sections	Conversion Factor to Whole or Half	Average Salary at this University for this Type of Instructor	Estimated Cost of Instruction for these Sections	
Adjunct PT Faculty		2		6	0.33	0.50	\$39,035	\$19,518	
Assistant Professor		5		8	0.63	1.00	\$47,141	\$47,141	
Instructor		7		7	1.00	1.00	\$39,035	\$39,035	
							Total	\$105,694	

Community College (Barton County) Remedial Cost Calculations									
Estimated Number of Students Who Would Enroll in a Remedial Course in this Subject Area	Typical Class Enrollment	Estimated Number of Sections To Be Added To Teach Courses in This Subject Area	Conversion Factor to Whole Number	Number of Courses an Instructor at this Community College Is Expected to Teach for This Subject Area	Number of New Instructors Needed	Conversion Factor to Whole or Half	Average Salary at this Comm College for this Type of Instructor in this Department	Estimated Cost of Instruction for these Sections	
318	20	15.9	16	10	1.60	2.00	\$38,961	\$77,922	

Savings if Remedial Courses were taught at Barton County Community College

\$27,772

APPENDIX E

Agency Response

On August 5, 2009, we provided copies of the draft audit report to the Board of Regents. The Board distributed copies to each of the universities. We also provided a draft copy of the remedial course information to the Department of Education. Responses from the Board and the six State universities are included in this appendix. The Department of Education did not make a formal response.

The Board generally concurred with the report's findings, conclusions, and recommendations. Each of the six State universities provided additional context or data for readers to consider. We made minor changes or clarifications to the report as a result of the Board's and the universities' review of the draft audit report. None of these changes significantly affected our findings or conclusions.

In its response, the Board noted the importance of comparing the universities with out-of-state peer institutions by using data such as that reported to the federal Department of Education's Integrated Postsecondary Education Data System (IPEDS). Although we had wanted to, we did not make such comparisons because of differences in how universities reported their data. Both the Board and Emporia State noted in their responses that there were problems using that sort of peer data for comparison purposes. Further, university officials warned us about using those data during the course of our fieldwork, as there can be significant differences in missions, programs, and enrollments that aren't reflected in the data.



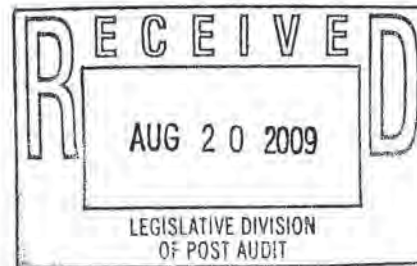
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August 20, 2009

Barbara J. Hinton, Legislative Post Auditor
Legislative Division of Post Audit
800 SW Jackson Street, Suite 1200
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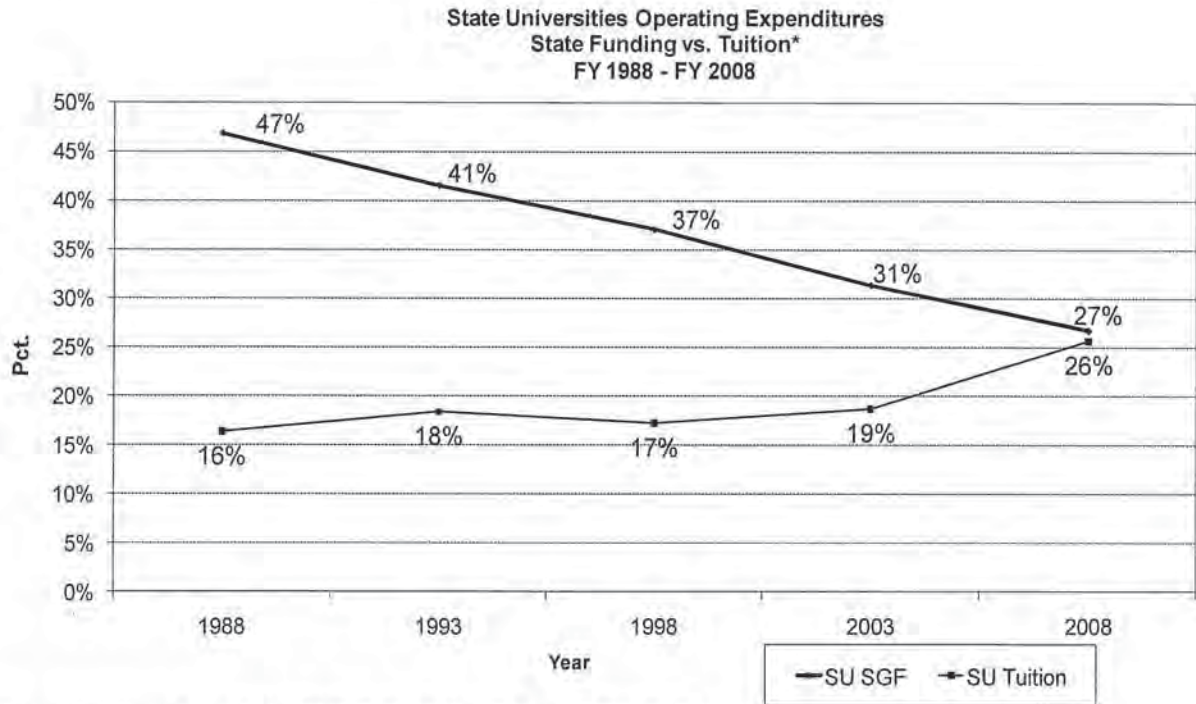
Dear Ms. Hinton:

Thank you for the opportunity to review the draft of your recently completed performance audit, *State Universities: Can State Universities Provide Postsecondary Education More Efficiently to Reduce Costs?* In addition to this system response, I have attached letters from the individual state universities to provide institution-specific responses.

First, on behalf of the state universities, let me say that we very much appreciate the professionalism and diligence of the auditors as they worked hard to understand the costs associated with the educational programs delivered by our state universities and how those costs are financed. Unfortunately, in terms of the overall picture of funding for the state universities, the auditors work took place during the first half of CY 2009 and could not take into account the dramatic impact of the recession and the precedent setting drop in state revenues that produced a **12% or \$76 million dollar base reduction** in the amount of SGF appropriated for the operation of our state universities for FY 2010 compared to the amount originally appropriated for FY 2009.

The state universities have taken a range of actions to reduce FY 2010 expenditures by approximately \$55 million, including eliminating, laying off or holding vacant approximately 655 FTE positions, eliminating an estimated 448 classes, increasing class sizes and reducing course offerings, reducing library resources and hours of operation, reducing operating support for equipment and technology upgrades, reducing student counseling services, eliminating purchases of research and educational equipment, reducing or eliminating student labor budgets, increasing faculty teaching loads, and other actions to reduce spending.

As described in the LPA report and illustrated in the 25 year historical chart below, the state funding backdrop for the current economic crisis was one of increasing tuition revenues as a growing percentage of total educational revenues and decreasing state support as a declining percentage of total educational revenues. State universities in Kansas have historically charged relatively low tuition for attendance. Yet, as state support continued to decline, tuition revenues have increased steadily beginning in 2000.



* State universities only; excludes KUMC, KSU-Vet Med, and KSU-ESARP.

It is important to remember that state funds and tuition provide only a portion of what constitutes total university spending. For example, a significant portion of the \$1.7 billion spent by universities consists of federal dollars and private money expended in support of research. Both of these funding sources directly impact the Kansas economy.

As the auditors recognize in their recommendations, the dramatic 12% decline in state support substantially alters the analysis reflected in the document. Because of the magnitude of current reductions, together with the continuing presence of an economic climate that is not expected to improve quickly, many of the areas noted on the list of recommendations that the LPA report provides have been pursued. Those actions are not captured in the audit. In fact, the environment has changed so drastically that the auditors recommended that the Board ask the universities to prepare and submit current and accurate data that describes the current state of our academic and non-academic operations in the following areas:

- a. Eliminating or combining low-enrollment course sections
- b. Eliminating or combining academic departments or degree programs
- c. Collaborating with other universities to share course content, teachers, and instructional programs (Note: in addition to collaborating with other universities, there are numerous instances of collaboration with Kansas community colleges as well as institutions in other states and the Board will ask the universities to report on all collaborative efforts and the efficiencies achieved)

- d. Increasing the number of courses and programs offered online or through distance learning
- e. Increasing faculty workloads (Note: attached is a letter sent to the auditors outlining concerns about the auditor's faculty workload analysis and clarifying the significant differences in faculty expectations among the universities with respect to the amount of time allocated to teaching and research)
- f. Modifying the delivery of remedial courses
- g. Maximizing the use of existing classroom and laboratory space
- h. Consolidating or changing administrative functions or processes
- i. Outsourcing non-academic functions
- j. Reducing energy costs, improving recycling efforts and the like

We look forward to gathering that data and pursuing that work.

On a separate note, I feel compelled to observe that we are disappointed that this audit fails to include meaningful data or analysis that compares our state universities with peer institutions. Comparisons among in-state universities are neither apt, nor particularly helpful. We understand that LPA staff initially intended to present meaningful peer comparison data, but was not able to pursue that effort. Although the LPA analysis separates the regional universities and the research universities, it still presents the information in a manner that invites comparisons among Kansas's state universities, both within and across sectors and missions. The reality is that the work at each university is driven by a distinct mission that uniquely impacts cost per student ratios. As the Emporia State University response points out in great detail, there are significant differences in missions, programs, and enrollments that straight-line ratios and gross comparisons fail to capture; thus, in many areas the audit fails to provide appropriate and comparable data and analysis that would have been more useful to the Board, university leaders, and state policy makers.

It is critical that institutions with similar missions be used for benchmarking costs and workload. The Board will continue to work with the state universities to utilize (at a high-level of analysis) the federal Department of Education's Integrated Postsecondary Education Data System (IPEDs), and (for a more granular analysis) the Delaware Study of Instructional Costs and Productivity, and other nationally-recognized data bases, such as the Delta Cost Project (funded by the Lumina Foundation) to benchmark costs for each of the universities with peer institutions.

Finally, I want to make clear that even before the economic crisis hit, the Board was concerned about costs and the pursuit of efficiencies. As the auditors reported, the Board has required the universities to report regularly regarding efficiencies, and has focused university leaders on the critical importance of pursuing meaningful cost-saving measures.

Barbara Hinton
August 20, 2009
Page 4

Looking ahead, the Board will carefully consider the report LPA has produced, determine which areas merit further study and evaluation, and move forward with actions that produce efficiencies and reduce costs. The current economic crisis, with its impact on both state revenues and student and family incomes, sharpens the imperative to make substantial structural changes in academic and non-academic operations, with a laser focus on containing and reducing costs while maintaining and improving quality.

Thank you for the opportunity to comment. Again, I appreciate the hard work your auditors undertook to provide this analysis.

Sincerely,



Reginald L. Robinson
President and CEO

cc: Regents
University Presidents



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June 22, 2009

Barbara Hinton, Legislative Post Auditor
 Legislative Division of Post Audit
 800 SW Jackson Street, Suite 1200
 Topeka, KS 66612-2212



Dear Ms. Hinton:

I understand the audit team working on the state university efficiency study has begun writing its report. I know how hard your team has worked on this project and I appreciate the effort they are making to produce a meaningful report. Because you have reached the writing stage, I feel it important to inform you about some concerns that are emerging for me regarding your team's analysis and the potential inclusion of recommendation related to state university teaching faculty.

In particular, as I understand some of the discussions and information sharing that has occurred between and among KBOR staff, university officials, and LPA staff, your team may be developing a recommendation that would call upon the universities to reduce a fixed percentage of faculty positions in the name of efficiency. If those impressions about the work being developed are accurate, I have deep concerns about such an approach, and I want to share them with you.

First, as you know, faculty members play multiple roles in the course of fulfilling their university responsibilities, but the core of their work centers on teaching, research and service. My understanding is that in calling for the reduction of a fixed percentage of faculty, the LPA staff assumes that remaining faculty would simply compensate for the research and service work currently accomplished by the faculty that would be eliminated. Among the problems with such an analysis is that it would be impossible to spread such cuts evenly across the institution. That is, simply asking to cut a fixed percentage of faculty would have a disproportionate effect across each university. For example, professional disciplines like teacher education and nursing operate under accreditation requirements that stipulate faculty/student ratios. Thus, the elimination of teaching faculty would jeopardize the accreditation of these programs. Other potential effects of eliminating a fixed percentage of faculty include:

- Larger and fewer classes (especially in gateway courses, i.e., prerequisites, courses required for entry into a major, etc.). Larger and less-available courses could have an impact on introductory courses taken by new freshmen. It may also have a negative impact on first to second year retention, especially on first-generation college students.
- Increased time-to-degree, due especially to problems in offering gateway courses. For example, a student may have to wait an additional semester, or even longer, before space in a course that must be taken in a specific sequence comes available.
- A reduction in faculty is likely to decrease the availability of smaller classes required to complete a major, as departments provide majors with fewer choices for fulfilling requirements. This would serve to narrow the overall breadth, and ultimately quality, of individual majors—especially for smaller departments that already have fewer resources.
- Increased reliance on adjunct faculty as a way to handle enrollment pressures. This would have an effect on the stability of the institution.

In addition, both in the United States and internationally, the trend is toward emphasizing degree completion at all levels of education. While the American focus has traditionally been on access and its attendant emphasis on enrollment, the shift to a knowledge-based economy places a premium on persistence and graduation rates, which in turn underscores the need for teaching faculty. It is also worth noting that public universities face increased pressure to provide the best possible education to the largest possible number of individuals. This is a significant change in attitude and expectation from an earlier, more elitist model, in which universities were organized to provide education primarily to the “best and brightest.” Eliminating a fixed portion of their teaching faculties would seriously hamper our universities’ ability to fulfill the expectation to provide postsecondary education to ever increasing numbers of people.

When LPA began this audit, much emphasis seemed to be placed on the University System of Maryland’s Effectiveness and Efficiency initiative. To the extent that the developing recommendation to reduce faculty is justified by a purported reliance on the Maryland approach, that reliance is misplaced. It is important to be clear about the Maryland initiative. Faced with an influx of some 5,000 additional students and limited state funding, the Maryland System undertook to improve productivity in a wide range of areas, only one of which was teaching. Among the many actions taken by the Maryland System included limiting majors to 120 credits, requiring that all students take at least 12 credits of coursework from outside the traditional curriculum, and increasing faculty teaching load by ten percent at the department level. There are two critical points that should be understood regarding the Maryland effort’s implications for faculty. First, the Maryland initiative increased teaching loads; it did not decrease the size of the teaching faculty. Second, it increased those loads at the departmental, not the individual level. In addition, Maryland eliminated low-producing programs and introduced numerous other efficiencies related to such things as IT services, energy costs, leveraging buying power, promoting economies of scale through shared services in travel, accounts payable and other

Barbara Hinton
June 22, 2009
Page 3

transaction processing, to name a few. Nothing in the Maryland plan called for the elimination of faculty in the name of efficiency.

I should note that I am particularly troubled that such a recommendation would emerge at a time when Kansas's universities have already seen their budgets drastically reduced, with further cuts virtually certain—even as the pressure to educate more Kansans increases. In the current fiscal climate, which already demands cuts of dramatic proportion, it is quite frankly distressing to have to confront a recommendation that calls upon our universities to take steps that would do nothing but exacerbate the difficult situation they are working with great energy to address.

In summary, Kansas's universities, including their faculties, are committed to taking every constructive action possible to enable the System to weather the current economic crisis and emerge even stronger on the other side. The Regents and our institutional leaders are prepared to do what is necessary to face the many challenges of our current economic reality. We believe the LPA analysis, if included in your report, would severely undercut current and future efforts.

Thank you for your attention to this issue and your consideration of these concerns. Again, I understand the exceedingly complex and difficult nature of the project your staff has been charged to undertake; and I truly appreciate your work, as always. I would be pleased to meet with you to discuss this matter further.

Sincerely,



Reginald L. Robinson
President and CEO

August 18, 2009



Ms. Barbara Hinton, Legislative Post Auditor
Legislative Division of Post Audit
800 SW Jackson St, Suite 1200
Topeka, KS 66612-2212

Dear Ms. Hinton:

Emporia State University appreciates the opportunity to review and respond to the Legislative Post Audit Draft Regarding University Efficiency. ESU concurs with many of the recommendations listed on page 72. Several of those recommendations have already been implemented at ESU. And several others are underway. In ESU's effort to accommodate 12 percent State General Fund reductions to date during FY 2010, the University has already: launched initiatives to reduce low enrollment classes; combine academic departments; collaborate with other institutions; and increase online programs.

The type of ratio analysis utilized in the draft audit comparisons are an efficient method to distill and display a very large quantity of complex information regarding six very different universities. To those familiar with Kansas universities and the system, there were few surprises in the draft report. To individuals unfamiliar with the system, a potential pitfall of such ratio information is the assumption that the institution spending the least is the most efficient, and the institution spending the most is less efficient. The incorrect conclusion is that institutions may be characterized as efficient or inefficient, when in fact they are only spending more or less than the others to which they are being compared. Such a comparison ignores significant differences in missions, programs and particularly enrollments. Fortunately through the years, the Legislature and the Kansas Board of Regents have typically considered those differences in their comparisons and decision-making, often avoiding incorrect comparisons of the universities to each other.

Throughout the audit, ESU is cited as the institution spending the most, when compared to FHSU and PSU. The comparison leads to the possible conclusion that ESU is less efficient. We believe most of those differences are the result of ESU having the highest percentage of graduate student enrollment in the Regents system. We believe ESU is offering highly efficient, low expenditure graduate education, principally to Kansas residents. The higher costs of delivering graduate education cause ESU to have a higher cost per student than regional institutions which

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have significantly fewer graduate students. Nonetheless, efficiencies in delivery cause ESU to have lower costs per student than larger institutions having significantly higher staffing and research costs. It is for this reason, ESU appears at the high end of gross costs per student among the smaller institutions, but significantly lower than larger institutions having comparable proportions of graduate enrollment. Such would also be the case in gross comparisons of teaching load and class size. Several items are identified in the following paragraphs. We believe these items should be considered when reviewing the information contained in the audit.

Graduate Enrollment. Nearly a third of the headcount and almost one fourth of the FTE enrollment at ESU are in graduate programs. These proportions are the highest of the six state universities and significantly higher than the other regional universities in Kansas as detailed in the table below. (Note: Fall 2007 was used for this analysis, since it is one of the analysis years in the LPA audit).

Graduate Enrollment
State Universities
Fall 2007

<u>University</u>	<u>Graduate Headcount</u>	<u>Percent of Total Headcount</u>	<u>Graduate FTE</u>	<u>Percent of Total FTE</u>
Emporia State	2,034	32.0%	1,215	23.2%
Fort Hays State	1,474	15.4%	843	13.5%
Pittsburg State	1,215	17.1%	932	14.1%
University of Kansas	6,044	22.9%	5,360	22.5%
Kansas State University	4,359	19.0%	2,936	15.2%
Wichita State University	3,119	21.6%	2,391	22.1%

Impact of Graduate Programs on Instructional Staffing. The large proportion of graduate programming is a significant factor in instructional staffing, as graduate classes are typically smaller than undergraduate classes and the intensive instructional nature of graduate programming causes graduate instructors to have a smaller class load. The accrediting agencies for some graduate programs often specify faculty research requirements, also a factor in faculty teaching loads. At ESU approximately 41 percent of tenure/tenure track faculty teach at least one graduate class, using the Faculty Load report, which was furnished to the auditor. Of lecturers and instructors, 28 percent taught a graduate course, using the Faculty Load Report. These factors contribute to the varying Instructional Workload Expectations cited by the auditor on page 49 of the draft. Accordingly we would suggest that footnote (a) of figure 2-7 include such a reference and be modified to read, "(a) Standard varies based upon research expectations, department, and graduate teaching load."

Also of significance is ESU's student participation rate in graduate programs at ESU. A total of 544 masters degrees were awarded by ESU during 2008. ESU had an average of 51 students enrolled in each of its Masters degree programs during 2006, the highest of the regional universities and the second highest rate in the Regents system using the Regents Minima Reports. The masters programs had an average of 17 degrees awarded during 2006, also slightly higher than the other regional universities and competitive in the system. (Note: the 2006 Regents Minima Reports were used for these comparisons, since they represent the most recent available report of the system.)

Research Expenditures Per FTE. The audit report identifies General Use Research Expenditures on an expenditure per student FTE basis which shows ESU having the highest ratio, compared to the other regional Universities. The expenditures are related to general use-financed graduate research assistant stipends, expenditures which the University believes are related to active graduate programs. There were 21 individuals who received such stipends during FY 2008. It appears the other regional universities do not have comparable expenditures. While ESU does not believe the stipends to be a sign of inefficiency, some have been abolished to accommodate budget reductions during FY 2010 and probably beyond.

Staffing Per 1,000 FTE Students. On Page 23 the draft audit moves from comparison of general use data to all funds staffing data reported to IPEDS. This change is mentioned in the audit text as is the fact that IPEDS data is unaudited for comparability among institutions. However, it is easy to overlook these factors when reviewing the tables. Campus reports to IPEDS are typically internally comparable from year to year. However, campus practices vary regarding the counting of some positions, including employees in auxiliary enterprises and affiliated corporations. Additionally campuses contracting for service functions will record fewer actual staff on IPEDS reports, distorting comparisons accordingly. We would respectfully request that readers consider re-labeling the text related to staffing comparisons on page 24 of the audit. Categorically stating that ESU's staffing exceeds that of out-of-state peer institutions is inappropriate, since it is actually a comparison to only 3 out-of-state institutions.

Public Service Expenditures Per FTE. The audit report identifies per student expenditures for Public Service. Public Service expenditures at the various universities have typically been for long-standing programs for which the university is noted and its preeminence in the area has become a part of its statewide/national mission. The auditor has noted a few examples of such; coincidentally, none of the examples mentioned ESU programs. We believe it noteworthy that throughout the Regents system, each of the Public Service Programs have at one time or another been specifically approved by the Regents and the Legislature. At ESU there are 6 FTE General Use funded positions in Public Service, associated with the Jones Institute for Educational Excellence. Some of the more well known programs within the Jones Institute include: Reading Recovery, National Board Certification of Teachers, and Future Teachers Academy.

Due to the aforementioned factors, equating well known public service expenditures, whether at ESU or some other institution, to a ratio per FTE student and relating the resultant ratio as a measure of efficiency may not be relevant. Conversely, if such a ratio is relevant, the higher the ratio of expenditures to students would be a measure of success, as it measures the recognized distinction among its programs.

Changes to Accounting Practices. Between FY 2005 and FY 2008, two fiscal years compared by the auditor, ESU as well as the other Kansas Regents institutions, changed the financial reporting model for scholarships and fellowships. This change, which was detailed to the auditor but which was not considered in their analysis, was necessary to fully implement "GASB 35" (Governmental Accounting Standards Board Statement Number 35, later amended by Statements 37 and 38). Because the State of Kansas STARS accounting system reports on a cash basis, prior to FY 2007 ESU reported most scholarships and tuition waivers as direct reductions to revenue accounts. Upon moving to a new financial system and for less cumbersome tracking for GAAP (Generally Accepted Accounting Principles)-based financial reporting, ESU began

recording scholarships and tuition waivers as expense, rather than netting them out of revenue. This change is the reason for the precipitous increase in General Use Scholarships/Fellowships, listed for ESU and possibly other institutions on pages 76-81 of the draft audit. FY 2005 is comparable among the institutions as is FY 2008. However, comparing FY 2005 to FY 2008 involves non-comparable data.

At ESU the bookkeeping change causes FY 2008 expenditures to be \$2,593,508 larger than FY 2005. The following display identifies data as listed and the correct/comparable data (after removing the \$2.6 million) which should be considered for ESU. The most significant factor in this difference is the increase being less than the Higher Education Price Index, rather than exceeding it as the draft audit indicates. ESU does not have the data to make the comparison for the other institutions in the system. However, it is most likely a factor for each institution.

FY 2008 Scholarship Expenditure Per Student		FY 2008 Total Expenditure Per Student		Percent Change Total Expenditure Per Student		Tuition Revenue Per Student	
As Reported	Comparable to FY 2005	As Reported	Comparable to FY 2005	As Reported	Comparable to FY 2005	As Reported	Comparable to FY 2005
\$616	\$119	\$10,781	\$10,285	16%	10.70%	31%	15%

In summary, ESU continues to be introspective in methods to reduce expenditures, while not sacrificing the quality of its programs. The University looks forward to working with the Regents, Legislative Post Audit, and the Legislature in seeking methods to become more efficient. The University is hopeful some of the aforementioned factors will be considered as individuals draw conclusions from the Audit report. ESU would also be hopeful that readers would compare the system to some of the more global comparisons to other states. A 2005 NCHEMS study comparing state expenditures per student to those of other institutions revealed Kansas spending significantly less than many states, particularly when compared to selected performance categories.

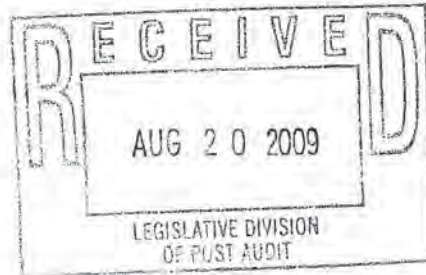
Sincerely,



Michael R. Lane
President



FORT HAYS STATE UNIVERSITY



August 18, 2009

Legislative Division of Post Audit
800 SW Jackson St.
Topeka, KS 66612-1216

RECEIVED
AUG 20 2009
KANSAS BOARD OF REGENTS

To whom it may concern:

Fort Hays State University is generally pleased with the substance and accuracy of the draft report conducted on the efficiencies of state universities. The report is reflective of Fort Hays State University's basic entrepreneurial character and its extended traditional mission.

While our review has not found any factual errors, there are some areas of the analysis that we believe are misleading and want to bring to your attention.

1. Legislative Post Audit mistakenly uses the regionals' emphasis on teacher education as a way of distinguishing them from the research universities. (p. 14) It is true that the comprehensive universities place a greater emphasis on their teaching mission than the research Institutions, but that is significantly different from an emphasis on teacher education.
2. While the report on page 18 makes the point that the largest percent of increase in students has occurred at the state comprehensive universities, it is not supported by the additional fact that growth has not produced any new resources for the institutions. The growth that has occurred has been absorbed by institutional efficiencies, not by additional resources or new allocations.
3. The whole discussion regarding under-performing academic programs is also misleading. Many of the sections claimed to be under-enrolled are thesis sections or sections created to help students complete academic programs on time. The report fails to make clear that at Fort Hays State University these low enrollment courses are either pro-rated or not paid for at all. The faculty provide these courses and sections to support the institution's commitment to a four-year guaranteed degree. In addition, low enrollment courses are not distinguished as either on or off campus at our institution with the implication being that you cannot take an on-campus class or section and combine it with an off-campus section even though they may be the same material.
4. The report also fails to discuss the advantages of small classes to the learning process. Our institution's efforts to try maintain a class size of 17 to 20 students is part of our competitive advantage and is also the reason why national surveys on student learning rank our educational environment in the top ten percent in the nation. The facts are clear that small classes generally produce a better learning environment.

5. In reviewing the recommendations on page 72 of the executive action section on academic spending, we have found that Fort Hays State University has already addressed in detail most of them. For example, in the last year we have already achieved efficiencies by consolidating academic departments within the College of Business as part of our efficiency initiative to reduce our operating budget by a little over \$5 million this fiscal year.

Thank you for giving us the opportunity to review the draft document. I hope that this institutional response is of assistance. If you need any additional information , please do not hesitate to give me a call.

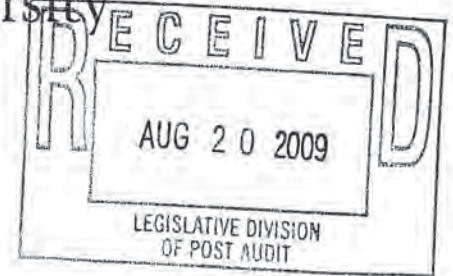
Sincerely yours,

A handwritten signature in black ink, appearing to read "Edward H. Hammond". The signature is fluid and cursive, with a large loop at the end.

Edward H. Hammond
President



Pittsburg State University
OFFICE OF THE PRESIDENT



August 12, 2009

Reginald L. Robinson
President and CEO
Kansas Board of Regent
1000 SW Jackson Street, Suite 520
Topeka, KS 66612-1368

Dear President Robinson:

Pittsburg State University has reviewed the draft report from Legislative Post Audit and we have no data concerns. However, there are several issues of a factual nature we would like to address within the context of the post audit draft report.

First, Pittsburg State University is a meet-and-confer institution. Any issue related to faculty load is a negotiated issue. At the same time, it is important to note that many accredited programs also have faculty load and/or course enrollment guidelines. It is important to consider not only faculty load issues but also the impact this has on the quality of the educational experience provided and other educational opportunities offered. With this in mind, of the low enrollment courses presented in the document for Pittsburg State University, six are discipline specific issues (Music and Nursing) and the rest have been addressed through program review (Music and Modern Languages) or eliminated due to low demand or changing requirements in the field (Technology Management and Graphics and Imaging Technologies).

Second, the draft document addresses the issue of institutional cooperation. Pittsburg State University has a history of cooperating with other institutions in our region. As was presented to Legislative Post Audit when they visited our campus and not reflected in the document, developing partnerships is a core component of the institution's performance agreement with the Board of Regents. There are many types of cooperation beyond joint degree programs with the other universities. We have a cooperative program with Fort Scott Community College to serve students who do not meet qualified admissions and we are in the process of implementing a program with Neosho County Community College to offer remedial courses for Pittsburg State students who need them.

Finally, one of the major recommendations in the post audit document addresses the use of online instruction to increase efficiency. Pittsburg State University recognizes the role

of online programs to the extent that we are seeking a blanket approval from the Higher Learning Commission to offer online degree programs. However, the university consciously balances online offerings against the institution's purposeful commitment to being a predominately campus orientated institution. As one reviews the post audit document, it is important to consider institutional mission and to balance mission against the recommendations.

I look forward to discussing this at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven A. Scott". The signature is fluid and cursive, with the first name being the most prominent.

Steven A. Scott
President

jl

cc: Diane Duffy
Lynette Olson
John Patterson
Bob Wilkinson



August 19, 2009

Barbara J. Hinton
Legislative Post Auditor
Legislative Division of Post Audit
800 SW Jackson Street
Suite 1200
Topeka, KS 66612-2212

Dear Barbara,

I appreciate the time and effort that the Legislative Division of Post Audit staff put into meeting with representatives from the University of Kansas as they sought to understand how KU carries out its mission of teaching, research, and service. KU supports the intent of this study, which is to determine if there are ways the university can more efficiently carry out its mission.

We continually seek to provide a high quality educational experience for our students with available resources. We seek economies wherever they can be achieved and work to leverage our resources consistent with our mission. For example, we are on track to save nearly \$9 million over the previous and current fiscal years through cost savings and other efficiencies.

KU's ability to carry out its mission is threatened. There have been declines to higher education funding, as there have been to other key functions of state government in response to declining state resources. I do not believe the seriousness of this decline was fully expressed in the study. As you can see in Attachment 1, State General Fund dollars per FTE student have decreased by roughly a third since FY 1985 and the situation has only worsened during the current budget crisis.

This steep decline in state support has necessitated an increase in tuition in order to maintain the level of quality higher education Kansas students and families have been promised. Our students have been very involved in tuition setting for some time. The students proposed the Four-Year Tuition Compact that enables students and their families to know the cost of a KU degree when they first enroll.

Students have supported tuition increases when those increases have been tied to enhancements to their learning environment. For example, the five-year increase in tuition rates starting in FY 2003 was specifically tied to increasing the number of instructors at KU by 100, expanding library collections, enhancing technology offerings, and providing other academic support programs. Students embraced these changes because they could see the results in their own classrooms and knew these investments would pay off in a more valuable education.

Unfortunately, the budget cuts of FY 2009 and FY 2010 have forced KU to reduce the number of instructors by 55 faculty positions, not to mention reductions in the number of graduate teaching assistants and other lost staff positions. These budget-related reductions will lead to increased class sizes and fewer course offerings, as well as negating a significant portion of the investment students made via tuition.

On the subject of faculty reductions, the report recommends a reduction in the number of faculty with the expectation that we will be more efficient in the teaching function. One of the pieces of evidence presented in this area deals with teacher workload. However, as Attachment 2 shows, refined statistics on teacher workloads demonstrate that the average instructor workload at KU is much higher than what was cited by the study.

Additionally, I would like to point out one of the unintended consequences of reducing the number of faculty members. First, most faculty at research universities are expected to devote 40 percent of their time to instruction, 40 percent to research and 20 percent to service. For this reason, a reduction in the number of faculty members has effects outside the classroom related to the other 60 percent of their normal work expectations.

One significant effect is a reduction in the amount of external research funding coming in to the state of Kansas. External research funding is an economic engine for the state; state general fund dollars support instruction but they are also an investment that KU leverages for the benefit of the state through external research funding. In FY 2008, research expenditures averaged more than \$95,000 per faculty member on the Lawrence campus. Tenured and tenure-track faculty, along with other research investigators, generated in excess of \$122 million in research. A reduction in faculty not only impacts what happens in the classroom, but also decreases our capacity for attracting external research funding, which slows down this important economic engine in our state.

Additionally, the way students interact with instructors outside the classroom must be taken into account. KU was recognized in 2004 by the National Survey of Student Engagement (NSSE) as being highly effective, which led to our inclusion in a study to Document Effective Educational Practices. KU and the University of Michigan were the two research universities included in the study of 20 institutions. Student engagement includes small group interaction with faculty both in and out of class. Reducing the number of faculty in order to increase the number of hours taught per instructor disregards the type of interactions students now expect to have with faculty members and reduces the opportunities for the small group and one-on-one interactions that help students succeed in their studies. Furthermore, research done by NSSE and others found that student-faculty contact is especially important to the success of first-generation students, low income, and racial/ethnic minorities. With the changing demographics in Kansas we must be vigilant to not dilute the learning experience for these students.

The Division of Post Audit study did highlight the need to have formal teaching load policies for all academic units. While the College of Liberal Arts and Sciences and several of KU's professional schools have explicit teaching load policies, those that do not are in the process of developing them.

In the area of classroom utilization, there is a larger story behind the data. KU classroom utilization data include both the highly utilized Lawrence Campus and the newer and expanding Edwards Campus in Overland Park. Space between these two geographical locations is combined in the data, but the space is not interchangeable between the two campuses. For this reason, I would like to point out the effect the usage of space at the KU Edwards Campus has on the university's overall space utilization figures. Many of the Edwards Campus' classes take place outside the 7:30 a.m. to 5:30 p.m. timeframe in the Board of Regents standards. However, these classrooms do not stand idle during the day. They are rented to Johnson County Community College and other organizations for daytime use. Attachment 3 displays the data for KU both with and without the Edwards Campus included in the analysis. When

excluding the Edwards Campus, with its unique role to play in Kansas City workforce development, KU meets the Board's criteria regarding space utilization.

I appreciate the efforts of the Division of Post Audit to help identify areas in which KU might be more efficient – a goal we pursue relentlessly. However, a recommendation such as reducing the number of faculty members would be counterproductive to maintaining the quality of the educational experience for our students and would harm our ability to attract research dollars to Kansas. Unfortunately, the cuts KU has already taken as a result of the state's budget crisis have forced these reductions to be made, yet we will continue to look for avenues to redirect funds or leverage resources to protect critical mission activities.

Again, I appreciate the Division of Post Audit's work on this report and thank you for the opportunity to provide this additional information.

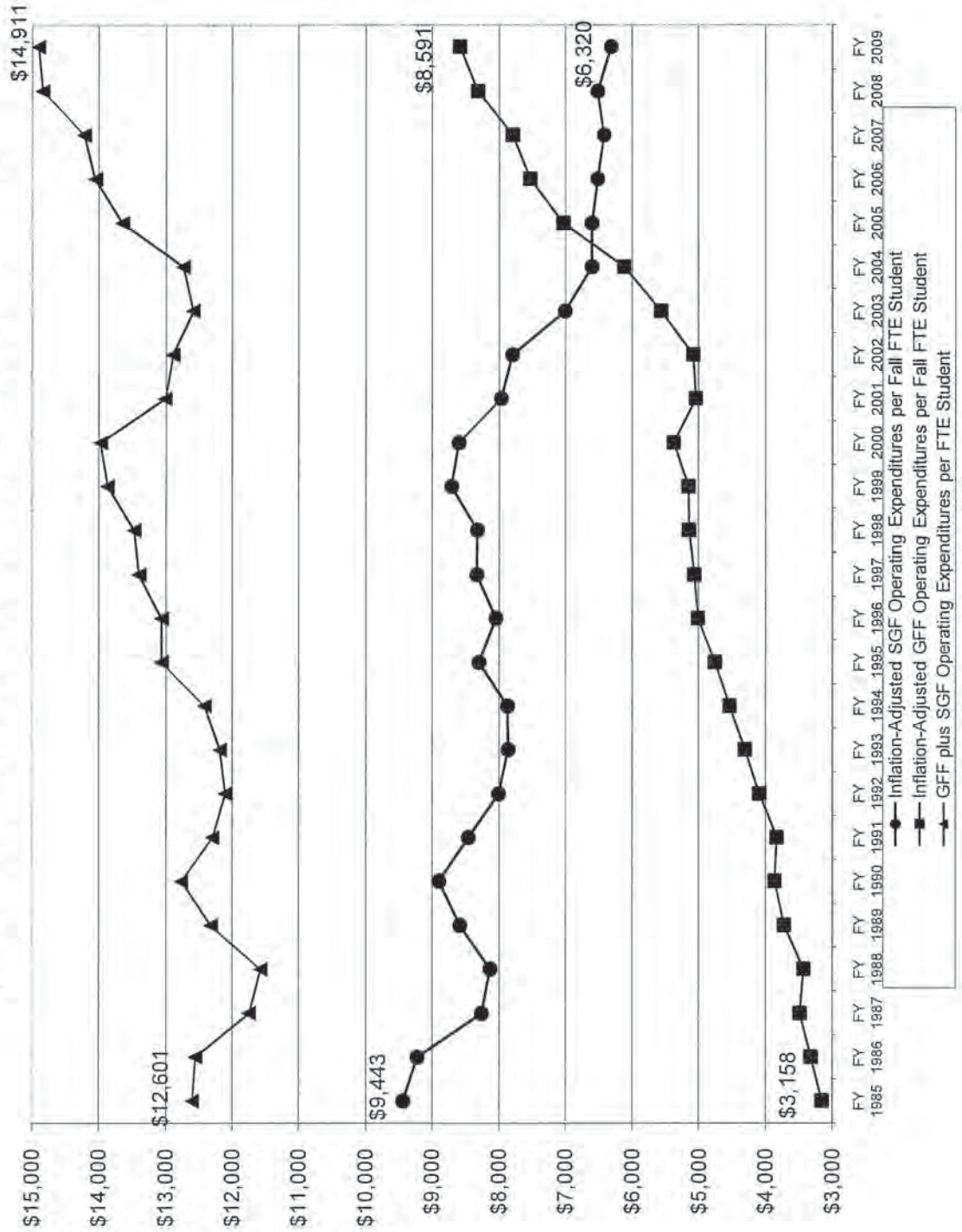
Sincerely,



Danny J. Anderson
Interim Provost and Executive Vice Chancellor
University of Kansas
1450 Jayhawk Blvd., Strong Hall Room 250
Lawrence, Kansas 66045

Attachment 1

**General Fees Fund (Tuition), State General Fund (State Appropriations), and Total:
Operating Expenditures per KU-Lawrence Fall FTE Student**
(Amounts shown are in estimated FY 2009 inflation-adjusted dollars)



Attachment 2

Figure 2-8
Percentage of Professors Teaching Credit Hours

Data refinement

	Post Audit	KU
Less than 12	24.1%	16.2%
Less than 24	47.0%	51.7%
Less than 36	19.9%	21.8%
36 or more	9.0%	10.3%

Of the 272 faculty in the first category, the data refinement done by KU eliminates from consideration 110 faculty for the following reasons:

- 40 faculty were not paid for teaching e.g., ROTC, retirees, donated teaching, etc.
- 25 faculty were on phased retirement and have a smaller teaching load as a result
- 45 faculty hold joint administrative or funded research appointment and do not carry a full teaching load as a result. Examples include, associate dean/associate professor, senior scientist/professor, chair of the department or director in the department

There are normal reallocations of teaching to research for the following situations:

- 1) negotiated recruitment inducement
- 2) pretenure research intensive semester
- 3) administration-intensive period negotiated with dean for university, professional, or public service role, e.g., editing a journal
- 4) grant or contract buyout of classes for research

Attachment 3

Addendum on Space Utilization

The University believes that the space utilization standards are met when only the Lawrence campus is examined. The standards do not adjust or factor in the difference between the Lawrence and Edwards campuses in terms of the populations served and the peak demand times.

The Edwards Campus primarily serves students who have full time jobs during the day and take courses in the evenings and weekends. There is little or no demand for KU classes at the Edwards campus during the day. In fact, classroom space is leased to Johnson County Community College during from 8 a.m. to 4 p.m. during the week. The space is also rented for corporate training purposes.

The Fall 2008 classroom utilization, **including** Edwards Campus is as follows:

7:30AM - 5:30PM space factor = 0.90

7:30AM - 5:30PM average hours used per week = 27.79

The Fall 2008 classroom utilization, **excluding** Edwards Campus is as follows:

7:30AM - 5:30PM space factor = 0.81 Regents standard = 0.83

7:30AM - 5:30PM average hours used per week = 30.42 Regents standard = 30.0

KU easily reaches the goal of the Board of Regents by not including the Edwards Campus.

We will work with the Kansas Board of Regents to capture the utilization of space more accurately for each campus and collectively.



Office of the President
110 Anderson Hall
Manhattan, KS 66506-0112
785-532-6221
Fax: 785-532-7639

Date: August 19, 2009

To: Kansas Legislative Post Audit

From: Dr. Kirk Schulz
President, Kansas State University

RE: Institutional Response to the LPA State Universities Draft for September 2009

We have reviewed the draft report of the Legislative Post Audit of State Universities dated September 2009. We provide the following as clarification from our perspective.

1. Given the different missions and initiatives at each of the Regent universities, comparing the six universities on the same criteria can create somewhat misleading analysis unless additional explanations are offered for clarification. Since Kansas State University (K-State) is the only Land-Grant University in the State of Kansas, its mission and structure is different than the other five universities. The most significant mission and structural difference is the existence of the Agricultural Experiment Station (AES) and Cooperative Extension (CE) components. These two components are not trivial – they employ 1,390 FTE positions. The duties of the positions in these units do not include generating any student credit hours. In order to make valid comparisons regarding instructional FTE staff with the other schools, the expenditures and staffing from these two units should be excluded from the calculations associated with instructional FTE staff. On the other hand, K-State's expenditures for research and public service and the budgeted FTE tables associated with those two expenditures are significantly affected when the contributions from AES and CE are not included. In fact, these two units are a major part of the university with total expenditures of \$122.3 million along with the FTE identified above. Essentially, the importance, value, and contribution of these two components to the state of Kansas should be noted in the report.
2. Another important contribution to the state of Kansas and to surrounding states is K-State's leadership in forming several collaborative relationships with other universities to share courses, teachers and instructional programs. This report would be incomplete if it did not include some discussion of K-State's role in the Great Plains Interactive Distance Education Alliance (IDEA) and the Inter-Institutional Alliance (IAA). K-State has served as the managing partner for the Great Plains IDEA since its inception in 2001. The original scope of this alliance included programs in the human sciences, and K-State participates in six of the seven Great Plains IDEA programs—all but Family & Consumer Sciences Education. The Great Plains IDEA is an inter-institutional alliance currently comprised of 14 land grant institutions with 14 more intending to join. Academic programs are at the core of the Alliance. Each member institution awards academic credit and degrees for programs

in which they participate. Curricula are developed by inter-institutional faculty teams. The scope of the Great Plains IDEA is now expanding to include agriculture. The Agriculture Interactive Distance Education Alliance (AG*IDEA) operates under the auspices of the Great Plains IDEA, and currently includes 28 institutions of higher education offering degrees in agriculture and related sciences.

The Inter-Institutional Alliance (IAA) is the nation's leader in developing higher education alliances by providing the support to help establish and implement these alliances with no direct K-State funding. The IAA secured the grant funding used to establish the Big 12 Engineering Consortium and thus, the Nuclear Engineering Consortium program was formed. The Consortium enables students to enroll at any Big 12 school and take nuclear engineering courses taught completely online by Kansas State University, Texas A&M University, University of Missouri, and The University of Texas-Austin without having to deal with transfer of credits. Nine online courses in nuclear engineering are currently offered by the Consortium, as well as a summer institute that engages students in hands-on training at the UT reactor in Austin. The Big 12 is currently considering the development of collaborative, online programs in other engineering fields.

In addition to its participation in these alliances, K-State provides nine bachelor's degree completion programs through distance education and has signed 44 2+2 agreements with community colleges across the state of Kansas. K-State recognizes that community colleges can provide the first two years to many place-bound students, who can then complete a bachelor's degree at K-State by taking K-State courses online during the remaining 2-3 years.

3. The measure of faculty workload seems to focus very heavily, if not exclusively, on instructional activity. In Figures 2-8 and 2-9, the data are based upon a list of courses taught in one specific year only and include faculty whose primary roles are in areas other than instruction as well as newly hired or other faculty who may temporarily be on reduced teaching assignments. As noted in the report, the data are complex, since faculty have a variety of differing appointments. In order to accurately reflect faculty time committed to instruction, this table should show the percent of instructional FTE associated with teaching the various credit hours rather than a simple percentage of the number of faculty (headcount). By using instructional FTE, the report would account for faculty, especially at K-State, who have allocated FTE to other responsibilities such as research, agricultural research and cooperative extension.
4. The Post Audit staff selected fairly strict criteria for identifying low-enrollment courses. K-State has a policy that uses slightly different criteria to monitor such courses. Thus, the Post Audit criteria identified as low-enrollment more than 100 K-State course sections that were not so identified by the K-State criteria.

We appreciate the opportunity to review the information in the draft and to provide feedback to enhance the accuracy of the final document. If we can provide any further information, please let us know.

WICHITA STATE UNIVERSITY

Office of the President

August 12, 2009

Kansas Legislative Post Audit
800 SW Jackson Street
Topeka, Kansas 66612-1216

Legislative Post Audit Committee:

Thank you for the opportunity to review the draft audit report entitled "State Universities: Can State Universities Provide Post-Secondary Education More Efficiently to Reduce Costs." Members of my administrative team and I have studied and discussed the document in detail. We appreciate the work your staff has done on the report and we will use it along with other tools to continue meeting the mission of the university.

Kansas universities have broad missions in terms of instruction, research and service in order to fulfill our responsibilities to students and citizens throughout the State. As presented in the report, financial and human resources at Wichita State University have been utilized to address this mission in conjunction with the University's unique urban-serving mission.

Wichita State University remains committed to continue to serve the needs of our community during this difficult economic time. I believe the report demonstrates Wichita State University has been:

- a good steward of all dollars received whether from tax dollars, tuition, or research grants,
- conscious of the environment in which we operate, and
- loyal to the mission for those who take advantage of this institution.

Respectfully,



Donald L. Beggs
President

cc: Mary Herrin
Reginald Robinson
Andy Schlapp

Wichita State University, Wichita, Kansas 67260-0001 Telephone: (316) 978-3001 Fax: (316) 978-3093