



Transparency in Higher Education Data

Proposed Final Report

Joint Legislative Audit & Review Committee
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Study Assigned in 2009 ESHB 2344

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The Legislature asked JLARC to explore the feasibility of linking expenditure, revenue, and performance information for the state's public four-year institutions

- Central Washington University (CWU)
- Eastern Washington University (EWU)
- The Evergreen State College (TESC)
- University of Washington (UW)
- Washington State University (WSU)
- Western Washington University (WWU)

Summary



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- In general, comparable revenue, expenditure and performance information is currently available for each of the six public four-year institutions.
 - JLARC identifies gaps and offers suggestions for improvements to:
 - Fiscal data collected in the state accounting system (AFRS); and
 - Performance data collected by the Higher Education Coordinating Board.
- Much more work is needed in order to understand how revenues, expenditures and performance influence one another.

Gaps and Potential Solutions for Improving Data (General)



- Gaps are not statutory compliance issues
- Potential solutions are suggestions for improvement should the Legislature want to create a more transparent and comparable system of higher education data
- Five gaps related to fiscal data
- Three gaps related to performance data

Fiscal Data Gap #1: Program Expenditure Categories Are Old



Gap: Program expenditure categories and definitions are old and may be outdated (last updated in 1976).

Potential Solution: Office of Financial Management (OFM), with input from the Legislature, should review the categories and definitions.

Agency Comments: *OFM concurs and will create definitions that enable policy makers and staff to track expenditures.*

Fiscal Data Gap #2: Program Expenditure Category Definitions Not Centrally Maintained



Gap: OFM no longer maintains program categories and definitions and does not review for consistency in expenditure reporting.

Potential Solution: The Legislature should direct OFM to maintain categories and definitions and review expenditure reporting.

Agency Comments: *OFM concurs and will create definitions to monitor for consistency.*

Fiscal Data Gap #3: Nonappropriated/Nonallotted Funds



Gap: Nonappropriated/nonallotted funds are not typically included in the monitoring reports used by legislators and legislative staff.

Potential Solution: Legislative Evaluation and Accountability Program (LEAP) Committee should develop an option for including these funds on higher education fiscal reports.

Agency Comments: *LEAP has already started to implement this solution. LEAP will further consult with legislative fiscal staff to obtain their input.*

Fiscal Data Gap #4: Student Fee Revenue



Gap: It is not currently possible to see how much revenue is generated from different types of student fees and how each type of fee revenue is spent.

Potential Solution: The Legislature should identify which fees it wants to track separately and then establish separate funds for those fees.

Fiscal Data Gap #5: Revenues Deposited Into Different Accounts



Gap: The institutions are not depositing all revenues from the same sources into the same accounts (e.g., student course fees).

Potential Solution: The Legislature should develop more specific statutes on which revenues should be deposited in which funds.

JLARC Also Found Two Compliance Issues



- Statute (RCW 28B.15.031) directs that operating fees be deposited in a local account containing only operating fees revenue and related interest.
- The institutions use Fund 149 (Operating Fees) for this purpose.
- OFM's Fund Reference manual has a broader definition of Fund 149.

Recommendation: OFM should correct its Fund Reference Manual to comply with statute. *OFM Concur.*

JLARC Also Found Two Compliance Issues (continued)



- Statute (RCW 28B.76.300) mandates that institutions report to students on the amount of state support that students are receiving.
- Some institutions did not provide accurate and/or complete reporting to students.

Recommendation: Central Washington University, the University of Washington, Washington State University, and Western Washington University should comply with statute to correctly disclose the amount of state support their students receive.
The institutions concur.

Performance Data Gap #1: Measures Focus on Instruction Only



Gap: HECB accountability measures focus on instruction and do not include measures for research and public service.

Potential Solution: The Legislature should consider whether it wants to require HECB to expand the accountability measures to include research and public service.

Performance Data Gap #2: High Demand Measure Not Comparable



Gap: HECB's measure on high demand degrees is not comparable among institutions.

Potential Solution: HECB should ensure all institutions are reporting on the measure consistent with its definition.

Agency Comments: *HECB is working with the institutions to improve alignment of this measure.*

Performance Data Gap #3: HECB Has Not Completed A Cost of Degree Study



Gap: HECB has not yet completed a required cost of degree study.

Potential Solution: HECB should complete its cost of degree study.

Agency Comments: *HECB intends to schedule this project in its 2011 work plan.*

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