

State of Washington
Joint Legislative Audit & Review Committee (JLARC)



Transparency in Higher Education Data

Report 10-10

December 1, 2010

*Upon request, this document is available in
alternative formats for persons with disabilities.*

Joint Legislative Audit and Review Committee

1300 Quince St SE

PO Box 40910

Olympia, WA 98504

(360) 786-5171

(360) 786-5180 Fax

www.jlarc.leg.wa.gov

Committee Members

Senators

Randy Gordon

Janéa Holmquist

Jeanne Kohl-Welles

Eric Oemig, *Assistant Secretary*

Linda Evans Parlette, *Vice Chair*

Cheryl Pflug

Craig Pridemore

Joseph Zarelli

Representatives

Gary Alexander, *Secretary*

Glenn Anderson

Kathy Haigh

Troy Kelley, *Chair*

Dan Kristiansen

Sharon Nelson

Dan Roach

Deb Wallace

Legislative Auditor

Ruta Fanning

Audit Authority

The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more efficient and effective. The Committee is comprised of an equal number of House members and Senators, Democrats and Republicans.

JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in Chapter 44.28 RCW, requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

TABLE OF CONTENTS

Report Summary	1
Chapter One – Expenditure Data: Data Availability, Data Gaps, and Addressing Those Gaps	5
What Data is Available Now?	5
Gaps in Expenditure Data and Addressing the Gaps	8
Chapter Two – Revenue Data: Data Availability, Data Gaps, and Addressing Those Gaps	11
What Data is Available Now?	11
Gaps in Revenue Data and Addressing the Gaps	12
Chapter Three – Performance Data: Data Availability, Data Gaps, and Addressing Those Gaps	15
What Data is Available Now?	15
Gaps in Performance Data, and Addressing the Gaps	19
Chapter Four – How Can the State Identify Relationships Between Revenues, Expenditures, and Performance?	21
Analytic Models	21
Negotiated Agreements	24
Appendix 1 – Scope and Objectives	31
Appendix 2 – Agency Responses	33
Four Year Institutions	33
Other Agencies	33
Appendix 3 – AFRS Financial Tables	55
Appendix 4 – HECB Performance Data	69
Appendix 5 – Measures from Other States’ Agreements	79
California	79
Colorado	81
Virginia	82
West Virginia	85

Committee Approval

On December 1, 2010, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Acknowledgements

JLARC thanks the staff of the following higher education institutions and state agencies for their assistance during this study:

- ▶ Central Washington University
- ▶ Eastern Washington University
- ▶ The Evergreen State College
- ▶ University of Washington
- ▶ Washington State University
- ▶ Western Washington University

- ▶ Higher Education Coordinating Board
- ▶ Legislative Evaluation and Accountability Program Committee
- ▶ Office of Financial Management

**Transparency
in Higher
Education Data
Report 10-10**

December 1, 2010



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM
Nina Oman, PhD

PROJECT SUPERVISOR
Keenan Konopaski

LEGISLATIVE AUDITOR
Ruta Fanning

Copies of Final Reports and Digests
are available on the JLARC website
at:

www.jlarc.leg.wa.gov

or contact

Joint Legislative Audit & Review
Committee
1300 Quince St SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 FAX

REPORT SUMMARY

Current Reporting Does Not Link Higher Education Data on Revenues, Expenditures and Performance

Currently, the Legislature and others cannot easily examine expenditure and revenue information in conjunction with performance information about the state's four-year higher education institutions. Legislators cannot easily compare the levels of state dollars they are investing, the institutions' expenditure choices, and information on what those investments are yielding in terms of results such as the number of degrees awarded and graduation efficiency.

In 2009, the Legislature asked the Joint Legislative Audit and Review Committee (JLARC) to explore the feasibility of linking expenditure, revenue, and performance information for the state's four-year higher education institutions (ESHB 2344).

Linking Information at Three Levels of Complexity

This study discusses linking information at three levels of complexity:

- **Reporting:** Bringing together expenditure, revenue, and performance information for a single institution;
- **Comparing:** Bringing together information about expenditures, revenues, and performance in a manner that allows for comparing the institutions to one another and/or to peers; and
- **Identifying Relationships:** The most complex of the three levels, this involves identifying how expenditures, revenues, and performance influence, and are influenced, by each other.

Results: Information to Support Reporting on and Comparing Higher Education Institutions is Currently Available; Identifying Relationships Would Require Additional Work

In general, comparable expenditure, revenue, and performance information is currently available for each institution, although the information is collected and stored in numerous different locations. Linking this information for the purposes of reporting on and comparing institutions would require an agency or other entity pulling together existing data from all the various locations and providing access to it in a way that allows users to select the information they wish to review in the three different categories.

More work would be required to identify the more complex linkage of how expenditures, revenues, and performance influence one another.

Reporting on and Comparing the Institutions: Data Availability, Data Gaps, and Addressing Those Gaps

Chapters One through Three of this report provide detail on the expenditure, revenue, and performance information that is currently available. JLARC’s analysis also identified the following gaps in that information, along with potential solutions for addressing those gaps. These suggestions are offered as “potential solutions” since none of the gaps are compliance issues; instead they are issues of transparency or comparability among the institutions.

Data Gap	Potential Solution
<p>Program categories and definitions currently used for reporting expenditures in the Agency Financial Reporting System (AFRS) are old and may be outdated.</p>	<p>Office of Financial Management (OFM), with input from the Legislature, should review the higher education program categories and definitions used in AFRS for reporting expenditures to determine if they need to be updated to serve current information needs.</p>
<p>OFM no longer maintains higher education program categories and definitions and does not review for consistency in expenditure reporting.</p>	<p>The Legislature should direct OFM to (a) maintain specific program categories and definitions for the six higher education institutions to use in reporting their expenditures, and (b) review expenditure reporting to see if the institutions are reporting consistently.</p>
<p>Nonappropriated/nonallotted funds are not typically included in the monitoring reports used by legislators and legislative staff.</p>	<p>Legislative Evaluation and Accountability Program (LEAP) Committee should develop an option for including the nonappropriated/nonallotted funds on higher education fiscal reports.</p>
<p>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.</p>	<p>The Legislature should identify which fees it wants to track separately and then establish separate funds for those fees.</p>
<p>The institutions are not depositing all revenues from the same sources into the same accounts.</p>	<p>The Legislature should develop more specific statutes on which revenues should be deposited in which funds.</p>
<p>Higher Education Coordinating Board (HECB) accountability framework does not include measures for research and public service.</p>	<p>The Legislature should consider whether it wants to require HECB to expand the accountability measures to include research and public service.</p>
<p>Reporting on HECB’s high demand degree performance measure is not comparable among institutions.</p>	<p>HECB should ensure all institutions are reporting on the high demand degree performance measure consistent with HECB definition.</p>
<p>HECB has not yet produced a required cost of degree study.</p>	<p>HECB should complete its required cost of degree study.</p>

In addition to the gaps listed above, JLARC found two compliance issues:

1. An OFM Fund Reference Manual definition for one fund is not consistent with statute.

Recommendation 1

OFM should correct its Fund Reference Manual definition to comply with statute.

Legislation Required:	None
Fiscal Impact:	JLARC assumes this can be completed within existing resources.
Implementation Date:	July 2011

2. Some institutions did not provide accurate and/or complete reporting to students on the amount of state support students receive.

Recommendation 2

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.

Legislation Required:	None
Fiscal Impact:	JLARC assumes this can be completed within existing resources.
Implementation Date:	By the institutions' next publication date.

Identifying Relationships Between Revenues, Expenditures, and Performance Would Require Additional Work

Analytic models, such as regression models or cost models, are an approach that decision makers could pursue to gain a better understanding of the relationship between revenues, expenditures, and performance – but these models would take time to build. Negotiated agreements are another approach that could be pursued. Performance agreements (a type of negotiated agreement) have not yet been successful in Washington, although other states have been able to put them in place. Chapter Four provides more information on analytic models, and a summary of Washington's most recent experience with performance agreements, as well as four other states' evaluations of performance agreements.

CHAPTER ONE – EXPENDITURE DATA: DATA AVAILABILITY, DATA GAPS, AND ADDRESSING THOSE GAPS

For each of the categories of expenditures, revenues, and performance measures, JLARC reviewed what information is available for reporting on and comparing the six four-year higher education institutions: Central Washington University, Eastern Washington University, The Evergreen State College, the University of Washington, Washington State University, and Western Washington University.

This chapter describes what expenditure information is available for reporting on and comparing the six higher education institutions. The chapter then describes gaps in the expenditure information and offers potential solutions to address those gaps.

What Data is Available Now?

There are two major sources of higher education expenditure information:

- ❖ **The Agency Financial Reporting System** (AFRS – the state’s accounting system). Each institution reports expenditure data to AFRS. Legislators and legislative staff extract data from AFRS using Legislative Evaluation and Accountability Program (LEAP) Committee reports.
- ❖ **Financial statements** prepared separately by each of the six institutions. Institutions use data from their financial statements as a source for reporting to finance surveys conducted by the Integrated Postsecondary Education Data System (IPEDS), which is part of the National Center for Education Statistics.

The next section of this report describes key features of the data available in each of these two data sources.

AFRS Expenditure Data

- Expenditures in AFRS are reported on a monthly basis from the institutions, and information is available in LEAP reports after about a one-month lag.
- Expenditures are reported by the following 13 programs:
 1. Instruction
 2. Research
 3. Public Service
 4. Primary Support Services
 5. Libraries
 6. Student Services
 7. Hospitals
 8. Institutional Support
 9. Plant Operations and Maintenance
 10. Sponsored Research and Programs
 11. Washington State University Service Center
 12. Non-Budgeted Programs
 13. Plant Fund (Capital)

- The program definitions used to report expenditure information in AFRS were defined by the state’s Office of Financial Management (OFM) in 1976.
- Expenditure data is available at a very detailed level in AFRS. Expenditures are reported at the program level and are also reported at a sub-program level. For example, within the program of Instruction, AFRS can provide expenditure information on the sub-program Summer Session. See Appendix 3 for AFRS data on Fiscal Year 2009 expenditures by program (Exhibit 3-1) and by sub-program (Exhibit 3-2) for all six institutions.

Expenditures in AFRS are also reported by the funds or accounts from which the expenditures are made. This option might be useful for an analyst reviewing revenues and expenditures from a particular fund or account.

Funds and accounts are classified into five types, based on whether the fund or account is appropriated by the Legislature, and the degree to which the fund or account is subject to state expenditure authority and allotment (spending plan) control by OFM. LEAP extracts data from AFRS for reports that are used by legislators and staff. All funds and accounts except Nonappropriated/Nonallotted accounts are typically included in these reports.

Exhibit 1 provides a list of the five fund/account types and their attributes.

Exhibit 1 – Five Fund/Account Types for Expenditures Available in AFRS

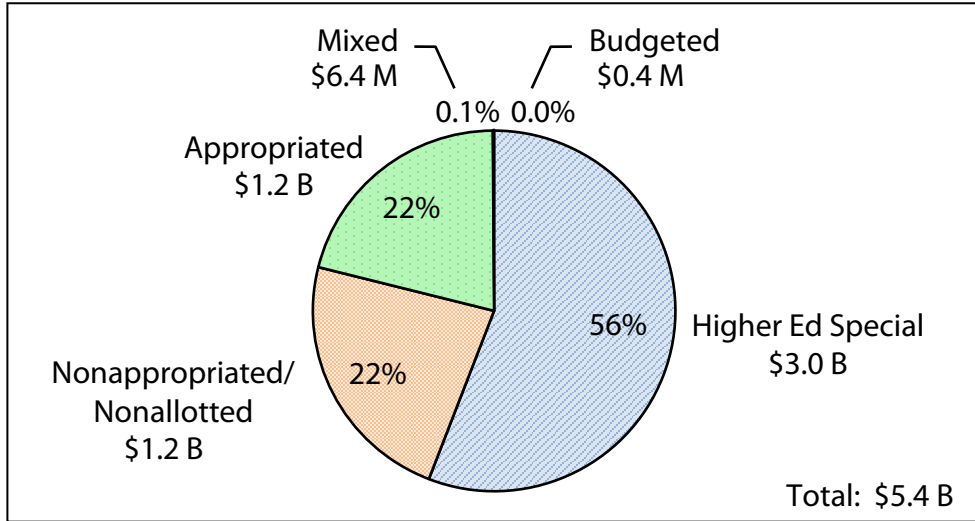
Fund/Account Type	Appropriated?	Allotted?	Typically appear in LEAP reports?
Appropriated <i>(Example: State General Fund)</i>	Yes	Yes	Yes
Budgeted <i>(Example: Energy Account)</i>	No	Yes	Yes
Higher Education Special <i>(Example: Operating Fees Account)</i>	No	*No	Yes
Mixed <i>(Example: Medical Aid and Accident Funds)</i>	For some portions	For some portions	For some portions
Nonappropriated/Nonallotted: <i>(Example: Bookstore account)</i>	No	No	No

Source: OFM Accounting Manual and LEAP reports.

*Higher Education-Special Accounts are typically not allotted. However, 2009-11 budget language required that the operating fees (tuition) account be allotted, an exception to existing statute (RCW 28B.15.031).

In Fiscal Year 2009, 22 percent of all reported expenditures were made from appropriated accounts, 56 percent from higher education-special accounts, and 22 percent from non-appropriated/nonallotted accounts. The remaining two categories (budgeted and mixed) accounted for less than 1 percent of all expenditures. (See Exhibit 2.)

Exhibit 2 – Expenditures by Fund/Account Type



Source: LEAP extract of AFRS data.

See Appendix 3 for AFRS data on Fiscal Year 2009 expenditures by account for the six institutions (See Exhibit 3-3.)

Financial Statement/IPEDS Expenditure Data

- Both financial statement and IPEDS expenditure data are reported annually.
- The availability of annual financial statements depends on each institution. IPEDS finance data is collected each Spring and is made available to the public about one year later. IPEDS also makes “early release” data available to institutions and on its “College Navigator” website three to four months after data collection closes. Currently, 2007-08 finance data is available on the IPEDS website.
- Financial statement and IPEDS data are reported by the following 12 programs:

1. Instruction	7. Operation and Maintenance of Plant
2. Research	8. Scholarships and Fellowships
3. Public Service	9. Depreciation
4. Academic Support	10. Auxiliary Enterprises
5. Student Services	11. Hospitals
6. Institutional Support	12. Independent Operations
- The program definitions for reporting on financial statements and to IPEDS are guided by a national organization (the National Association of College and University Budget Officers, or “NACUBO”). The definitions were last updated in 2010.

- Expenditures are not reported on financial statements or in IPEDS at the sub-program level or by account.
- IPEDS data are used to compare to expenditure information about higher education institutions in other states. Organizations that use the data for comparisons among states include the Delta Cost Project, the National Center for Higher Education Management Systems (NCHEMS) and the National Center for Public Policy and Higher Education in its “Measuring Up” reports.

JLARC did not analyze the comparability of IPEDS data among the Washington higher education institutions. For example, recent NACUBO changes allowing institutions to choose their own cost allocation methodologies for certain expenditures may make data less comparable than in the past. Note: While there is overlap in the programs used to report expenditures in AFRS and IPEDS, the two sets of programs are not identical. In addition, due to different reporting requirements, the institutions report expenditures differently in the two systems; for example, the depreciation of assets is treated differently. Because of these differences, the expenditures reported in total and by program differ between the AFRS reporting and the financial statement/IPEDS reporting.

Gaps in Expenditure Data and Addressing the Gaps

This section discusses three gaps related to expenditure reporting in AFRS. The discussion focuses on AFRS data since the state has the authority to make changes in how AFRS data is reported. None of these gaps are compliance issues; they are issues of transparency or comparability among institutions in their reporting of expenditure data.

Program Categories and Definitions Currently Used for Reporting Expenditures in AFRS Are Old and May Be Outdated

The program categories and definitions currently used for reporting expenditures in AFRS were defined by OFM in a 1976 memorandum to the higher education institutions. OFM has not updated the definitions since that time.

JLARC found two examples where the program categories and definitions may be outdated:

- In contrast to the more current definitions used by NACUBO, the 1976 OFM memorandum does not include the term “information technology” or provide specific guidance on how information technology expenditures should be reported. The memorandum does have references to “administrative data processing.”
- Expenditures on scholarships and fellowships are lumped together with “auxiliary enterprises” into a single program category. As a result, scholarship and fellowship expenditures cannot be viewed separately, as is possible in IPEDS. While legislators and staff may not have been interested in doing this in 1976, it may be of interest now.

Potential Solution: OFM, with input from the Legislature, should review the higher education program categories and definitions used in AFRS for reporting expenditures to determine if they need to be updated to serve current information needs.

The definitions for the IPEDS programs were recently updated. The IPEDS program definitions could be a useful point of reference for OFM in its effort.

OFM No Longer Maintains Higher Education Program Categories and Definitions and Does Not Review for Consistency in Expenditure Reporting

After the 1980s, OFM stopped maintaining program and sub-program categories and definitions for higher education in the statewide accounting manual and in its budget instructions.

Each institution indicated to JLARC it was using essentially the same program categories and definitions for reporting expenditures. However, since the expenditure categories and definitions are no longer formally maintained, there is some risk that, in the future, the institutions could define programs and sub-programs differently from one another.

In addition, OFM is not currently reviewing the institutions' expenditure reports to see if the institutions are reporting by program consistently. While the institutions indicated they were using similar definitions for reporting their expenditures, JLARC did not verify expenditures were always reported consistently using these definitions. There is some risk that the definitions could be used inconsistently among the institutions. This could be a problem if the state wants to use AFRS data to compare institution's expenditures by program.

Potential Solution: The Legislature should direct OFM to (a) maintain specific program categories and definitions for the six higher education institutions to use in reporting their expenditures, and (b) review expenditure reporting to see if the institutions are reporting consistently.

Nonappropriated/Nonallotted Funds Are Not Typically Included in the Monitoring Reports Used By Legislators and Legislative Staff

Legislators and legislative staff rely on LEAP reports for fiscal information. LEAP reports extract information from AFRS, but typically do not include the nonappropriated/nonallotted funds except those designated as "higher education special." Information on the nonappropriated/nonallotted funds is available in AFRS and *can* be included at special request, as LEAP did for JLARC for this study. Total expenditures for these accounts totaled \$1.2 billion for Fiscal Year 2009 for higher education.

Potential Solution: LEAP should develop an option for including the nonappropriated/nonallotted funds on higher education fiscal reports.

CHAPTER TWO – REVENUE DATA: DATA AVAILABILITY, DATA GAPS, AND ADDRESSING THOSE GAPS

This chapter describes what revenue information is available for reporting on and comparing the six higher education institutions. The chapter then describes gaps in the revenue information and offers potential solutions or recommendations to address those gaps.

What Data is Available Now?

There are three major sources of higher education revenue information:

- ❖ **The Agency Financial Reporting System (AFRS)** – the state’s accounting system). Each institution reports revenue data to AFRS. Legislators and legislative staff extract data from AFRS using Legislative Evaluation and Accountability Program Committee (LEAP) reports.
- ❖ **Financial statements** prepared separately by each of the six institutions. Institutions use data from their financial statements as a source for reporting to finance surveys conducted by the Integrated Postsecondary Education Data System (IPEDS), which is part of the National Center for Education Statistics.
- ❖ **A Higher Education Coordinating Board (HECB) report on the amount of state support received by students.** HECB provides this information to each of the six institutions, which are required by statute to disclose the information to students.

The next section of this report describes key features of the data available in each of these three data sources.

AFRS Revenue Data

- Revenues in AFRS are reported on a monthly basis from the institutions and information is available in LEAP reports after about a one month lag.
- Revenue information in this report is derived from revenue sources collected by the institutions. For example, the State General Fund is not included since it does not reflect revenue collected by an institution.
- The information is available by the accounts into which revenues are deposited.

Appendix 3 includes AFRS data on revenue by account for Fiscal Year 2009 for the six institutions (Exhibit 3-4).

Financial Statement/IPEDS Revenue Data

- Financial statement availability depends on the institution. IPEDS finance data is collected each Spring, with data collection closing in mid-April. Data is made available to the public about one year after data collection closes. IPEDS also makes “early release” data available to institutions and on its “College Navigator” website three to four months after data collection closes. Currently, 2007-08 finance data is available on the IPEDS website.

- Financial statement and IPEDS revenue data is reported by combining funds together. It is not possible to see how revenue is spent by account as you can in AFRS. Instead, the funds are grouped into larger sources such as “net tuition and fees.”
- IPEDS data are used to compare to revenue information about higher education institutions in other states. Organizations that use the data for comparisons among states include the Delta Cost Project, the National Center for Higher Education Management Systems (NCHEMS) and the National Center for Public Policy and Higher Education in its “Measuring Up” reports.

HECB Report on State Support Received by Students

Statute (RCW 28B.76.300) mandates that institutions report to students on the amount of state support the students are receiving in each tuition category. The information can be provided through one or more of the following: registration materials, class schedules, tuition and fee billing packets, student newspapers, or via e-mail or kiosk.

HECB provides this information to the institutions on an annual basis in four tuition categories:

- Resident undergraduate;
- Resident graduate;
- Non-resident undergraduate; and
- Non-resident graduate.

Gaps in Revenue Data and Addressing the Gaps

This section discusses four gaps in total. The first two gaps are related to revenue reporting in AFRS and are not compliance issues; they are issues of transparency or comparability among institutions in their reporting of revenue data. The discussion focuses on the AFRS data since the state has the authority to make changes in how AFRS data is reported. The last two gaps are statutory compliance issues.

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

Students pay a number of different fees, including course fees, building fees, operating fees, service and activity fees, technology fees, and health/counseling fees. Legislators and legislative staff may be interested in knowing how much revenue is generated from these different fees and how the revenue is spent. The institutions may deposit the revenues from more than one fee into a single account, and they may be depositing non-fee related revenue into the same account. For example, some institutions deposit course fees into Fund 148, as well as revenue from summer session tuition, indirect cost recoveries for contracts and grants, and miscellaneous revenue and interest earnings.

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

The Institutions are Not Depositing All Revenues From the Same Sources into the Same Accounts

There are inconsistencies in how the institutions are depositing some revenues. For example, JLARC found that while most institutions use Fund 148 for depositing course fee revenue, one institution uses Fund 570.

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

An OFM Fund Reference Manual Definition for One Fund is Not Consistent with Statute

Tuition, as defined in statute (RCW 28B.15.020 consists of building fees and operating fees). 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 as “a local fund used by institutions of higher education to account for all resources not required to be accounted in other funds or accounts.”

Some Institutions Did Not Provide Accurate and/or Complete Reporting to Students on the Amount of State Support Students Receive

As described earlier, statute mandates that institutions report to students on the amount of state support the students are receiving in each tuition category. HECB assembles this information each year and provides it to each institution for four tuition categories: resident undergraduate, resident graduate, non-resident undergraduate and non-resident graduate. The institutions are then to provide the information to their students through one or more of the following: registration materials, class schedules, tuition and fee billing packets, student newspapers, or via e-mail or kiosk.

Eastern Washington University and The Evergreen State College provided the information correctly. The remaining institutions reported incorrect information and/or did not report it for all tuition categories.

- Central Washington University provided correct information to resident undergraduates on tuition statements, but did not provide information to students in the other three tuition categories.
- The University of Washington provided incorrect information to resident undergraduates on tuition statements and did not provide information to students in the other three tuition categories.
- Washington State University provided correct information to resident undergraduates on tuition statements, but provided resident undergraduate information to students in the other three tuition categories on tuition statements, with hyperlinks to the correct information.

- Western Washington University provided the information correctly in its student catalogue about resident students, but did not provide information about non-resident students. On tuition statements, Western provided correct amounts to resident students, but provided incorrect amounts to non-resident students.

CHAPTER THREE – PERFORMANCE DATA: DATA AVAILABILITY, DATA GAPS, AND ADDRESSING THOSE GAPS

This chapter describes what performance information is available for reporting on and comparing the six higher education institutions. The chapter then describes gaps in the performance information and offers potential solutions to address those gaps.

What Data is Available Now?

There are four sources of **comparable performance information** on all six institutions:

- ❖ HECB Accountability Framework
- ❖ IPEDS
- ❖ HECB Cost of Instruction Study
- ❖ OFM Enrollment Data, and Education and Research Data Center

There is also additional information available about individual institutions:

- ❖ Strategic Master Plans
- ❖ Washington State Quality Award
- ❖ OFM Budget and Performance Measure Tracking
- ❖ Accreditation
- ❖ Other sources of information maintained by the institutions

Sources of Comparable Performance Data on All Six Institutions

HECB Accountability Framework

- RCW 28B.76.270 requires HECB to establish an accountability monitoring and reporting system. Each institution submits data annually to HECB, and HECB reports it to the Legislature every two years. The measures used for the framework are:
 - The number of bachelor’s degrees awarded;
 - The number of bachelor’s degrees awarded in “high-demand” areas;
 - The number of advanced degrees awarded;
 - Six-year graduation rate (the percentage of first-time, full-time freshmen, including Running Start students, who graduate within six years);
 - Three-year graduation rate (the percentage of transfer students with an associate’s degree from a Washington community college who graduate within three years);
 - Freshman retention (the percentage of students who return for their second fall quarter); and
 - Bachelor’s degree efficiency (students earning their first bachelor’s degree with a single major who graduate within 125 percent of the credits required for that degree).

- HECB measures focus on instruction.
- HECB measures include:
 - Separate measures for transfer students;
 - Measures reported separately for Pell grant recipients; and
 - State-specific measures (e.g., high demand degrees).
- HECB measures are reported to the Government Management Accountability and Performance or “GMAP” staff at GMAP meetings with the Governor. The institutions do not report to GMAP separately.
- HECB data was last reported in January 2009 for the 2007-08 academic year.

See Appendix 4 for the most recent HECB accountability data (Exhibit 4-1).

Integrated Postsecondary Education Data System (IPEDS)

IPEDS collects data on student completions and collects enrollment data used to calculate student retention rates in Fall of each year, and on student graduation rates in the Spring of each year. Data is generally available to the public on the IPEDS website after about a one-year delay. IPEDS also makes “early release” data available to institutions and on its “College Navigator” website three to four months after data collection closes.

Completion of IPEDS surveys is mandatory for all institutions that participate or are applicants for participation in any Federal financial assistance program authorized by Title IV of the Higher Education Act of 1965, as amended.

Student completion data includes the number of bachelor’s and advanced degrees awarded by Classification of Instructional Program (CIP) code. CIP codes are a national classification system of fields of study. Degrees awarded are also reported by gender and by race/ethnicity category.

Student graduation rate data includes the following, broken down by race/ethnicity:

- First-time, full-time students who complete their program in four years or less, five years or six years;
- First-time, full-time students who complete within 150 percent and 200 percent of the “normal” time to complete; and
- Non-completers still enrolled and no longer enrolled.
- The IPEDS measures focus on instruction.
- IPEDS data focuses on full-time, first-time students and does not include information about transfer students or low-income students.
- IPEDS data are used to compare to performance information about higher education institutions in other states.
- 2007-08 completions data and 2008 graduation rates are currently available on the IPEDS website.

HECB Cost of Instruction Study

HECB is required by statute (RCW 28B.76.310) to consult with various agencies and legislative committees to develop standardized methods and protocols for measuring the undergraduate and graduate educational costs for the state universities, regional universities, and community colleges, including but not limited to the costs of instruction and costs to provide degrees in specific fields.

HECB currently publishes a “Cost of Instruction Study” that provides the cost of educating a full-time student (FTE), broken down by: institution, discipline area, upper division credits, lower division credits, and undergraduate and graduate students.

Statute previously required HECB to complete a study every four years beginning with 1989-90. Revisions to statute in 2004 require HECB to propose a schedule to the fiscal committees of the Legislature. HECB has proposed a reporting schedule in which the study continues to be published every four years. The study was last published in July 2007 using 2005-06 data.

See Appendix 4 for a summary of cost information provided by HECB Cost of Instruction study (Exhibits 4-2 and 4-3).

OFM Higher Education Data

The state currently funds higher education based on course enrollments. OFM provides enrollment data for each institution, including:

- Average Full-Time Equivalent (FTE) enrollments
- Non-state funded enrollment (headcount) by site and course level
- Students enrolled under fee-waiver programs at each institution
- Entering students by geographic origin
- Counts of students by major area of study and class standing

In 2007, the Legislature established the Education Research and Data Center (ERDC) in OFM (RCW 43.41.400). OFM staff report they are soon planning to collect more information about students, such as degrees, majors, minors, and credits earned.

Additional Performance Information Available About Individual Institutions

This section describes additional information available about each institution. These sources of data are not meant to provide comparable data. If there are any common measures provided within any of these sources (e.g., graduation rates), it is coincidental and not planned.

Strategic Plans

Each institution has developed its own strategic plan. The plans cover different years, and some have specific measures listed, while others have no measures listed.

Washington State Quality Award (WSQA)

Statute (RCW 43.17.390) requires applications to WSQA or a similar organization by 2012, and at least once every three years thereafter.

Five of the six public four-year institutions indicated they have applied for the WSQA. The WSQA process is tailored to each institution along the Baldrige Criteria for Performance Excellence. Each institution is allowed to choose its own performance measures.

Budget/Performance Measure Tracking (PMT)

The state Office of Financial Management (OFM)'s budget development system includes a vehicle for storing performance measures and for setting targets and tracking progress toward those targets (the PMT or performance measure tracking system, now known as the Results through Performance Management or "RPM" system). Statute (RCW 43.88.090) requires agencies to establish objectives for major activities in the budget. Institutions of higher education are considered agencies. Statute also requires OFM to conduct reviews of selected activities. JLARC reviewed 2009-11 budget submittals and information in what was then the PMT and found:

- Central Washington University submitted the names of several measures, including HECB accountability measures, in its budget request with no targets, and did not submit any information in the PMT;
- The Evergreen State College, University of Washington, and Western Washington University referred to HECB accountability measures with targets in their budget requests and did not submit any information in the PMT; and
- Eastern Washington University and Washington State University submitted several performance measures and targets in their budget requests and in the PMT.

Accreditation

Accreditation is a voluntary process; however, an institution must be accredited in order to receive federal Title IV student assistance. The Northwest Commission on Colleges and Universities establishes accreditation criteria and evaluation procedures and oversees accreditation for institutions in Washington. Measures are linked to five common standards. However, the process is individualized to each institution and its mission, and most of the institutions are in different stages of the process.

Other Sources of Information Maintained by the Institutions

- Various data and statistics can be found on websites for each institution.
- The Voluntary System of Accountability is a voluntary initiative that was developed through a partnership between the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges. Four-year colleges and universities report information through a template called the "College Portrait." In Washington, four institutions participate:
 - Eastern Washington University
 - University of Washington (Tacoma Campus only)
 - Washington State University
 - Western Washington University

Gaps in Performance Data, and Addressing the Gaps

This section discusses three gaps, all related to performance reporting by HECB. None of these gaps are compliance issues; they are all issues of transparency or comparability.

HECB Accountability Framework Does Not Include Measures for Research and Public Service

Currently, HECB accountability framework focuses on instruction and does not include performance measures for research and public service.

Fiscal year 2009 expenditures for instruction, research, and public service as reported in AFRS were as follows:

- Instruction: \$1,069,567,251 (20 percent of total expenditures)
- Research: \$59,590,767 (1 percent of total expenditures) – (does not include Sponsored Research)
- Public Service \$55,999,189 (1 percent of total expenditures)

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

Reporting on HECB’s High Demand Degree Performance Measure Is Not Comparable Among Institutions

One of HECB’s current accountability measures is the number of bachelor’s degrees awarded in “high demand” areas. HECB has defined high-demand degrees as degrees in computer science, engineering, software engineering and architecture, and health care occupations.

Some of the degrees the institutions are reporting as “high-demand” are not consistent with HECB definition. For example, some institutions are reporting degrees in education as “high demand.”

Potential Solution: HECB should ensure all institutions are reporting on the high demand degree performance measure consistent with HECB definition.

HECB Has Not Yet Produced a Required Cost of Degree Study

In addition to reporting on the cost of instruction, statute (RCW 28B.76.310) also directs HECB to report on the costs to provide degrees in specific fields. In order to complete this report, HECB staff want to use student transcript data from OFM to create a “profile” of courses that students complete when they are awarded degrees in different fields. Then, the courses in those fields can be assigned costs and the costs in each field can be calculated.

HECB staff report they have delayed this study in order to acquire student transcript data from OFM. This is not a conflict with statute since HECB sets its own schedule for this report; however, the report is late according to HECB’s own deadline of January 2008, which it has missed.

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

CHAPTER FOUR – HOW CAN THE STATE IDENTIFY RELATIONSHIPS BETWEEN REVENUES, EXPENDITURES, AND PERFORMANCE?

This chapter describes how the state could gain a better understanding of how revenues, expenditures, and performance influence one another. Two main approaches that could provide decision makers with an understanding of these types of relationships will be discussed: analytic models, and negotiated agreements.

Analytic models rely on data and/or logical analysis to explain how revenues, expenditures, and performance influence one another.

Negotiated agreements, on the other hand, benefit from data and logical analysis, but do not necessarily require it. Performance agreements are a type of negotiated agreement. A performance agreement, for example, could benefit from information about the cost of a degree in specific academic disciplines. However, some states have concluded performance agreements without this information. This chapter provides a summary of this state's experience with higher education performance agreements to date, as well as three other states' evaluations of performance agreements.

Analytic Models

Analytic models can be useful in explaining how revenues, expenditures and performance influence one another by providing logical analyses to decision makers that tie the three types of data together. Two examples of analytic models are data-based models and logic models.

Data-Based Models

Data-based models rely on data and analysis to better understand how variables affect one another. Data-based models include regression models and cost models.

Regression Models

Regression models use variables to create an equation that can predict an outcome (such as graduation rates). For example, Clifford Adelman's "Answers in the Toolbox: Academic Intensity, Attendance Patterns, and Bachelor's Degree Attainment" (1999) is a well-known study in higher education that used regression methods to analyze national transcript data. Adelman found that the highest level of math completed in secondary school has the strongest effect on bachelor's degree completion. Transcript data soon to be collected by OFM's Education Data and Research Center could potentially be used to build new regression models based on Washington students.

Cost Models

Cost models use data on costs to analyze how costs vary to provide degrees in different disciplines, by lower and upper division credits, by undergraduate and graduate fields of study and by different institutions and institution sites. Ideally, the detailed costs from these models could then be compared to performance information broken down by the same categories. While cost and performance are not necessarily causally linked, these data could possibly serve at least as a starting point for conversations and negotiations.

Chapter Four – How Can the State Identify Relationships Between Revenues, Expenditures, and Performance?

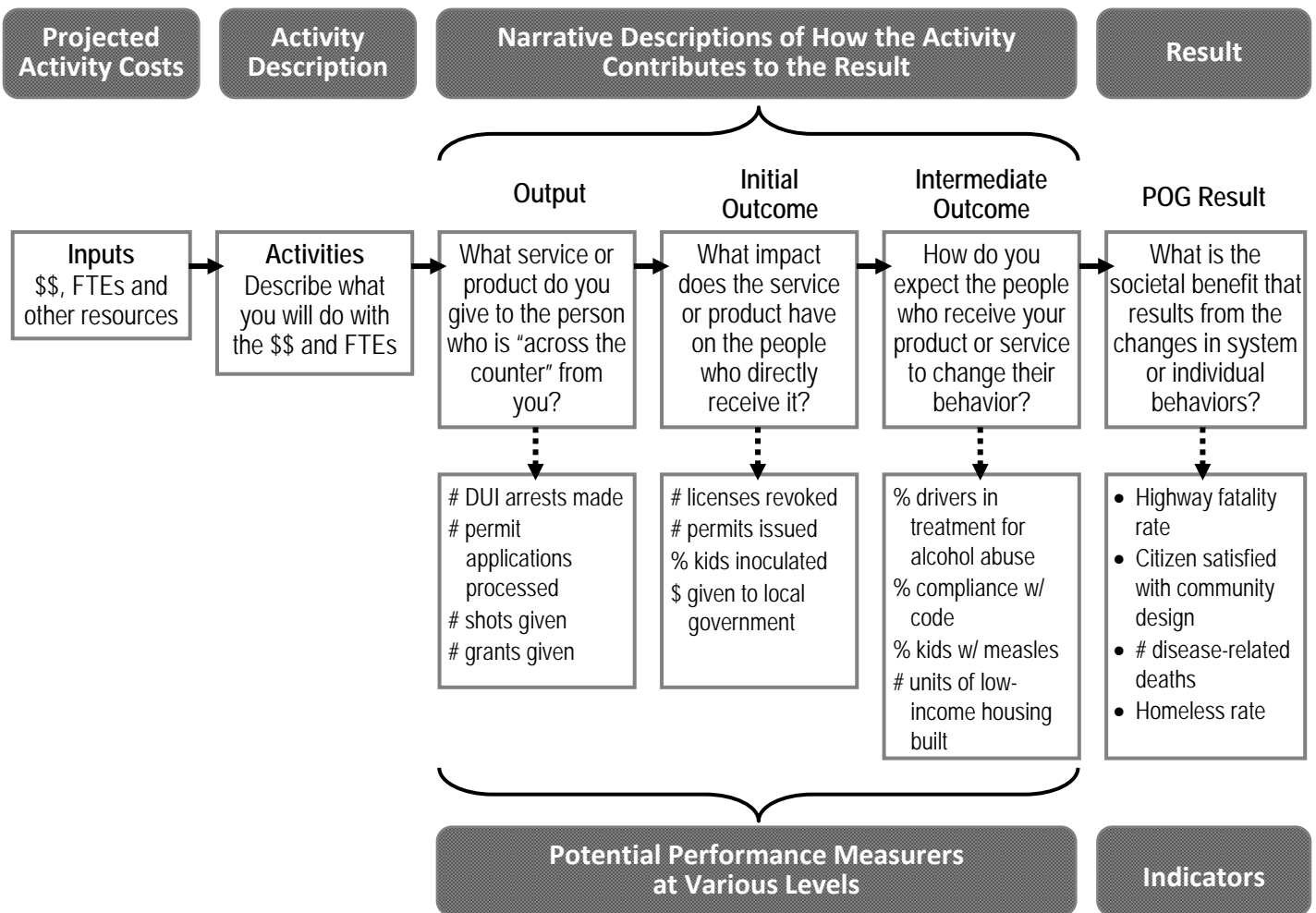
For example, it could be useful to compare whether degrees offered at a certain site are more or less expensive than those at another similar site. Cost models have been used in Ohio to provide funding to different institutions. A cost model that provides the cost of a degree in different disciplines could provide policy-makers with a budgeting tool or with additional information when negotiating performance agreements. HECB Cost of Degree study could provide data for such a cost model.

Logic Models

Logic models can be used to clarify and display the relationship between how an agency delivers services, the intended results, and how resources are used to provide those results.

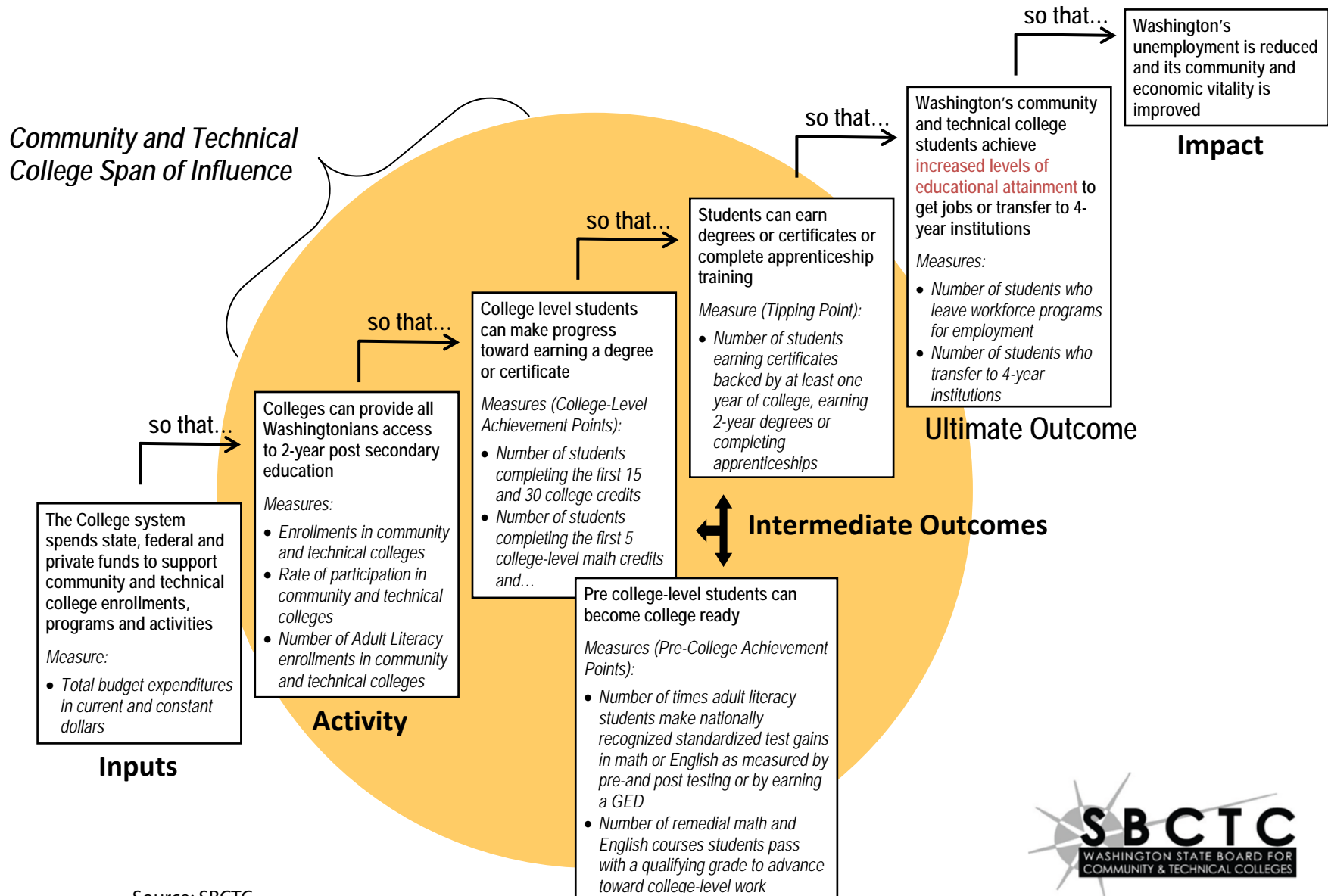
OFM has integrated logic models into the Performance Measurement section of its 2009-11 Budget Instructions. (See Exhibit 2.) Exhibit 3, on the following page, provides an example of a logic model that has been developed for the community and technical colleges in Washington. No similar model has been developed for the four-year institutions.

Exhibit 2 – Logic Model (OFM Example)



Source: OFM Performance Measure Guide, August 2009.

Exhibit 3 – Logic Model for Community & Technical Colleges



Source: SBCTC.

Negotiated Agreements

Negotiated agreements can be complex or simple. They can identify one relationship (one outcome to one level of funding; for example, the number of degrees or enrollments in exchange for a set level of funding) or they can encompass several layers of relationships. Negotiated agreements can rely very little on data or analysis, or they can rely heavily on results from data sources such as regression analysis, cost models, or logic models. Performance agreements are an example of negotiated agreements.

This section of the report summarizes Washington’s experience in 2008 with higher education performance agreements and provides information on evaluations of higher education performance agreements in four other states.

Washington’s Most Recent Experience with Higher Education Performance Agreements

The Legislature passed EHB 2641 in 2008

The state Legislature passed EHB 2641 in 2008, creating a Performance Agreement Committee with membership from the Governor’s Office, OFM, HECB, the Office of Superintendent of Public Instruction, two members of the Senate appointed by the Secretary of the Senate, and two members of the House of Representatives appointed by the Speaker of the House. The agreements were to be pilot tested beginning in 2008 with the public four-year institutions of higher education.

The bill outlined a process for drafting the agreements, where each participating institution would develop a draft with input from students and faculty. Subsequent steps in the process were outlined as follows:

- (1) Each institution would share its draft with the State Committee.
- (2) The State Committee and institutions would develop revised drafts and submit them to the Governor and higher education and fiscal committees of the Legislature by September 1, 2008.
- (3) After receiving input, the State Committee and institutions would develop final agreements and submit them to the Governor and OFM by November 1, 2008, for consideration in the 2009-11 budget.
- (4) If the Legislature affirmed in a budget proviso that the enacted budgets (Capital and Operating) aligned with the agreements, the agreements would be in effect from July 1, 2009, through June 30, 2015.
- (5) If the Legislature affirmed in a budget proviso (or by inaction) that the enacted budgets did not align, the agreements would be redrafted and take effect from September 1, 2009, through June 30, 2015.

The process of performance agreement revision was to be repeated with each subsequent budget enacted between 2010 and 2014 so that the agreements and the budgets would be aligned. JLARC was directed to conduct an evaluation of the pilot by November 1, 2014.

Chapter Four – How Can the State Identify Relationships Between Revenues, Expenditures, and Performance?

EHB 2641 did not list a specific set of measures; instead it listed guidelines for what issues the agreements should include, as follows:

- Indicators that measure outcomes concerning cost, quality, timeliness of student progress toward degrees and certifications, and articulation between and within the K-12 and higher education systems;
- Benchmarks and goals for long-term degree production, including discrete benchmarks and goals in particular fields of study;
- The level of resources necessary to meet the performance outcomes, benchmarks, and goals, subject to legislative appropriation;
- The prioritization of four-year institution capital budget projects by the Office of Financial Management; and
- Indicators that measure outcomes concerning recruitment, retention, and success of students, faculty, and staff from diverse, underrepresented communities.

Goals and outcomes of the agreements were to be linked to the role, mission and strategic plan of each institution and aligned with the state's strategic master plan as prepared by HECB. The bill also allowed for grants of flexibility or waivers from state rules, and outlined areas that could not be included in an agreement.

Actions taken in 2008 to implement the bill

A State Performance Agreement Committee was formed in 2008. The Committee held two meetings: one in July, and one in September 2008. All six institutions submitted draft performance agreements to the Committee, but these were not submitted to the Governor or legislative committees.

Additional provisions in the 2009-11 Operating Budget

The 2009-11 Operating Budget bill (ESHB 1244 – Ch 564, Laws of 2009) referred to statute (RCW 28B.10.920 through 28B.10.922), and directed the institutions to develop agreements for the period September 1, 2009, through June 30, 2015. The agreements were to reflect the level of resources available in the 2009-11 Operating and Capital budgets, as well as reasonably anticipated changes in such resources for the subsequent biennia as required to accomplish the master plan as adopted by the Legislature. The agreements were to build on each institution's actual performance relative to 2011 targets previously negotiated between the institution, HECB, and OFM. The budget set out more specific language for performance indicators, as the agreements were to include:

- Student enrollment levels, by campus;
- Baccalaureate and advanced degree production;
- Baccalaureate and advanced degree production in high employer-demand fields;
- Undergraduate retention and graduation rates;
- Time-to-degree for freshmen and transfer students;
- Efficiency to degree; and
- Capital investments as required to maintain existing capacity and to meet enrollment targets in accordance with the master plan.

Chapter Four – How Can the State Identify Relationships Between Revenues, Expenditures, and Performance?

There have been no further Committee meetings or new draft performance agreements.

Budget language further requires each institution to report progress toward its performance targets to the State Performance Agreement Committee prior to November 1, 2010, and requires HECB to consolidate and summarize institutional reports and provide them to the Legislature by December 1, 2010.

Observations from Participants in the 2008 Process

JLARC asked HECB staff, representatives of the institutions, and OFM staff to describe their perception of the process and what occurred, hoping to shed light on any gaps or barriers that might inform the Legislature if performance agreements were to be attempted again.

HECB Staff

- Statute did not designate a chair or a procedure for appointing a chair, and the Committee never selected a chair.
- The draft agreements varied widely – in large part, because the institutions were not asked to respond using a common format.
- In an attempt to align possible measures with Strategic Master Plan goals and objectives, a Committee member asked institutions to provide specific data elements. The institutions were unable to provide the information, in large part, because of a lack of common data definitions and the lack of available data.
- Ultimately, the draft agreements were deemed by the Committee to be too complex to answer whether they would advance the goals of the Strategic Master Plan for Higher Education.
- Performance agreements require some degree of economic stability to work well. Given the lack of financial incentives and the variability in the institution responses, the Committee did not adopt the performance agreements or make recommendations.

Institution Staff

- Three institutions (Eastern, Western, and WSU) responded they had “fully complied with the process and will continue to do so as the process unfurls (or unfolds).”
- The Evergreen State College explained it had submitted a draft and followed the process.
- Central asserted it was a strong supporter of the concept and would be a willing participant in further work, and was continuing to consult with HECB periodically to understand the status of any current information.
- The University of Washington responded it is a strong supporter of performance agreements, and that it had anticipated further action and guidance; in its absence, it is crafting measures over the interim for use in the 2011 Session.

OFM Staff

- Timing for the negotiations was problematic, and drafts were developed largely without the State Committee providing direction. There was little time to revise and complete negotiations.
- We entered a recession in November 2008, and the institutional drafts did not anticipate reduced state support. There was insufficient time for the institutions to create wholly new drafts that would reflect the new budget reality.
- The performance agreement process is one of many that attempts to measure performance outcomes in higher education and tie them to funding. Performance measurement for higher education would benefit from greater state consensus in articulating more specific higher education outputs and desired outcomes. This would improve the likelihood of achieving better linkages between appropriations and results.

JLARC Found Evaluations of Higher Education Performance Agreements in Four Other States

JLARC found four other states (California, Colorado, West Virginia, and Virginia) where evaluations of performance agreements have been conducted. Those evaluations will be briefly summarized here.

California

California has had “compacts” in higher education for several years (at least since 1995-96, under Governor Wilson, and again, under the Davis Administration, from 2000 through 2004). However, the California Legislative Analyst Office (LAO) recommended against compacts in prospective evaluations, since mechanisms are already in place to express policy and budget priorities and for measuring accountability. In addition, the LAO warned that the compacts cannot guarantee budget predictability.

Despite the LAO’s warnings against previous compacts, and a current compact established in 2005-06, Governor Schwarzenegger and the University of California and the California State University have agreed to meet various performance expectations in return for funding commitments over the years 2005-06 through 2010-11. The Legislature is not a party to the compact. The current compact includes a list of 22 performance measures which are included in Appendix 5.

Colorado

The Western Interstate Commission on Higher Education (WICHE) conducted an evaluation of Colorado’s College Opportunity Fund (COF) and Related Policies, including performance contracts. Performance contracts were negotiated between each institution and the Colorado Commission on Higher Education as part of the COF legislation.

As part of its evaluation, WICHE asked proponents and focus group participants about performance contracts’ impact on institutions. WICHE found the contracts had little influence on institutional behaviors. As one participant put it, they had “no teeth.” Loosening of state requirements did not occur, and after one year of tuition increases, the state slowed the pace of

Chapter Four – How Can the State Identify Relationships Between Revenues, Expenditures, and Performance?

tuition growth. The WICHE report also states “A final point about the performance contracts is that they have also not served the goal of improved transparency in public policy.”

The WICHE report covers the initial four years of the contracts, from 2005 to 2009. The contracts end in 2010. The Colorado Department of Higher Education is now conducting its own formal review of the contracts. Tuition increases are expected this year, and a bill has just passed providing tuition authority to the institutions with some limitations.

Each contract includes institution-specific measures; however, they all have in common five broad state goals: 1) Access and Success; 2) Quality in Undergraduate Education; 3) Efficiency of Operations; 4) Other State Needs – Teacher Education; and 5) Other State Needs – Workforce and Economic Development. These measures are included in Appendix 5.

Virginia

In 2008, the Joint Legislative Audit and Review Commission in Virginia completed a Two-Year Review of Initial Higher Education Management Agreements.

The Virginia JLARC was directed to review agreements for the first three institutions to have entered into management agreements with the Commonwealth. The reviews were to include: the degree of compliance with the terms of the agreements; the degree to which the institutions demonstrate their ability to manage successfully the administrative and financial operations of the institution; and the degree to which the institutions are meeting the 12 goals of the Restructuring Act. The Act provided public institutions with greater levels of autonomy and financial incentives in exchange for greater accountability. (A more detailed list of the Act’s goals and measures associated with the goals is included in Appendix 5.)

Institutions’ perceptions were that they were generally satisfied with the agreements. However, some other state agencies interviewed in the report raised concerns about the institutions’ ability to effectively manage their operations (e.g., in-house building code reviews, procurement/purchasing). The autonomy granted the institutions, plus the accountability requirements, also caused more oversight work for other agencies – specifically, state auditors, and at least ten agencies involved in monitoring data and reports from the institutions on an ongoing basis.

The review concluded that the agreements resulted in benefits to the state – reducing costs in capital outlay programs by an estimated \$2.5 million. However, because the agreements had only been in effect two years, it was not possible to complete a comprehensive analysis of cost savings. Virginia’s JLARC found commitments made by the institutions increased access for underrepresented student populations and transfer students, and should make college more affordable.

The VA JLARC report states that perhaps the greatest benefit is that the agreements allow Virginia to set expectations for the institutions and cause the institution to focus on those expectations. Also, for the first time, state goals for higher education have been codified, with financial and regulatory incentives put in place for the institutions to meet those goals. However, while the agreements express tuition setting authority resides with the institutions’ boards, the agreements are still subject to the annual Appropriations Act.

West Virginia

The West Virginia Legislative Auditor completed a review of the state's Higher Education Policy Commission (HEPC) in January 2010, which included a review of the state's higher education compacts.

In West Virginia, HEPC publishes a Master Plan with five areas of focus (economic growth, access, cost and affordability, learning and accountability, and innovation). In accordance with the Master Plan, institutions are required to submit annual reports (compacts) to report on progress toward the 14 core, and 11 elective elements of the master plan. The elements are included in Appendix 5.

Institutional accountability relies on the compact process, which is a Legislative Rule requiring the HEPC to report performance annually to the Legislature. The compact is a formal contract that aligns the goals of higher education institutions with system-wide goals and serves to establish the institutional performance measures needed to achieve those goals.

While HEPC has some remedial options if an institution does not make adequate progress toward goals, the West Virginia Legislative Auditor found those remedies were limited, and this limitation could prevent HEPC from making progress in its required mission to improve higher education in the state.

The West Virginia Legislative Auditor examined the master plan/compact process to determine its effectiveness and concluded that it provides some necessary information. However, it was not effective in achieving some educational goals. The Auditor concluded that new financial policies may provide more effective goal attainment, such as integrating finance policy with the goals and objectives in the Master Plan. For example, instead of appropriating funds to the institutions based on peer equity, HEPC was planning to use a new funding formula based on program costs, the number of full-time students, and the number of higher level enrolled students, as well as incentives to reward institutions for increasing retention and graduation rates.

Chapter Four – How Can the State Identify Relationships
Between Revenues, Expenditures, and Performance?

APPENDIX 1 – SCOPE AND OBJECTIVES

TRANSPARENCY IN HIGHER EDUCATION DATA

REVISED
SCOPE AND OBJECTIVES
JANUARY 29, 2010



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMITTEE

STUDY TEAM

Nina Oman, PhD
Gary Benson

PROJECT SUPERVISOR

Keenan Konopaski

LEGISLATIVE AUDITOR

Ruta Fanning

Joint Legislative Audit &
Review Committee
1300 Quince St SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 Fax

Website:

www.jlarc.leg.wa.gov
e-mail: neff.barbara@leg.wa.gov

Why a JLARC Study of a Transparent Link Between Revenues, Expenditures, and Performance Outcome Measures in Higher Education?

ESHB 2344 (2009) directs JLARC to conduct a study to identify a “transparent link between revenues, expenditures, and performance outcomes as outlined in the performance agreements developed under RCW 28B.10.920 and the strategic master plan for higher education as adopted by the Legislature.” The state universities, regional universities, and The Evergreen State College are the focus of this study.

Current Reporting Does Not Link Revenues, Expenditures, and Performance

While information is available on revenues, expenditures, and performance outcomes in higher education as *separate topics*, there is little information currently available that *links these subjects together* in a way that makes them meaningful to policymakers and transparent to the public. The following summary of major data collection efforts demonstrates the fragmented nature of information in the state:

- The Office of Financial Management (OFM), the Higher Education Coordinating Board (HECB), the Legislative Evaluation & Accountability Program Committee (LEAP), and the individual universities and colleges, all collect and maintain various statistics on **revenues and expenditures**.
- The Higher Education Coordinating Board is responsible for a variety of reports, including:
 - the **strategic master plan** for higher education;
 - **accountability** monitoring and reporting;
 - the approximate amount of **state support** that students receive; and
 - educational **costs**.
- In 2008, the Legislature called for **performance agreements** for institutions of higher education (EHB 2641). A performance agreement is an agreement between the state and the governing board of an institution. The purpose of the agreement is to align goals, priorities, desired outcomes, flexibility, institutional mission, accountability, and levels of resources. The 2008 legislation calls for the pilot-testing of performance contracts over a six-year period with the public four-year institutions of higher education, beginning in 2008.
- Under the **Priorities of Government** process, state agencies, including higher education institutions, are to report to OFM outcome-based, measurable objectives for all major budget activities (RCW 43.88.090). Every state agency is also accountable under the **Government Management Accountability and Performance** program to develop and implement a quality management, accountability, and performance system to improve the public services it provides (RCW 43.17.385).

Study Scope

The scope of this study will focus on identifying a transparent link between expenditures, revenue, and performance outcome measures of the state universities, regional universities, and The Evergreen State College. JLARC staff will review data collection efforts required by statute as well as other requirements that may be relevant to determine how to link the data together, and/or collect new data that will best provide an understandable and transparent linkage.

Study Objectives

The study objectives are grouped into categories of expenditures, revenue, performance outcome measures, and linkages:

Expenditures

- 1) What standardized categories of expenditures can currently be compared across various administrative, student support, and academic functions in higher education?
- 2) Based on currently available management data, what are current annual expenditures at each of the six higher education institutions for the categories identified in Objective One?

Revenue

- 3) Based on currently available management data, which fund sources support the expenditure categories identified in Objective One?

Performance Outcome Measures

- 4) What performance outcome measures currently exist in the master plan, performance agreements, or as a result of other requirements in statute?

Linking the Data Together

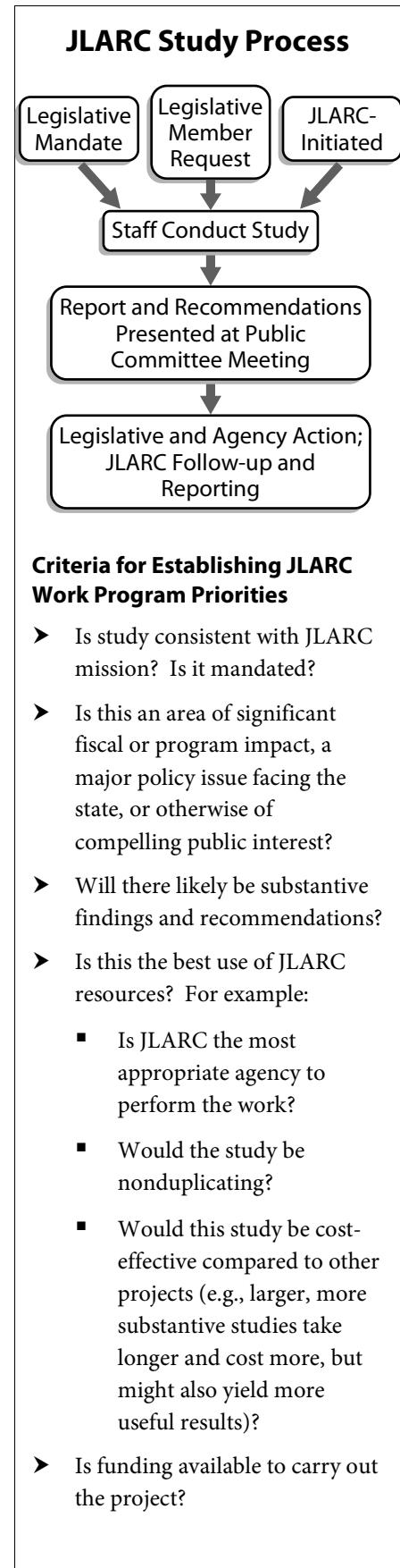
- 5) To what extent do barriers or gaps exist in linking expenditures, revenues, and performance outcome measures?
- 6) What steps would be necessary to develop a statewide higher education system to report on expenditures, revenues, and performance outcome measures?
- 7) What statutory or regulatory changes may be necessary for the higher education institutions to meet performance agreement objectives mutually agreed upon pursuant to RCW 28B.10.922?

Timeframe for the Study

Staff will present the preliminary report at the September 2010 JLARC meeting and the final report at the October 2010 JLARC meeting.

JLARC Staff Contact for the Study

Nina Oman, PhD	(360) 786-5186	oman.nina@leg.wa.gov
Gary Benson	(360) 786-5618	benson.gary@leg.wa.gov



APPENDIX 2 – AGENCY RESPONSES

Four Year Institutions

- Central Washington University35
- University of Washington.....37
- Washington State University43
- Western Washington University45

Note: Eastern Washington University and The Evergreen State College were not mentioned in the report recommendations and therefore were not required to respond; both institutions chose not to provide any additional comments related to the report.

Other Agencies

- Higher Education Coordinating Board (HECB).....49
- Legislative Evaluation & Accountability Program Committee (LEAP).....51
- Office of Financial Management.....53

Ruta Fanning

Legislative Auditor

Joint Legislative Audit Review Committee

PO Box 40910

Olympia, WA 98504

Dear Ms. Fanning,

I am pleased to provide the following response to preliminary report on “Transparency in Higher Education Data,” prepared by the Joint Legislative Audit and Review Committee. We appreciated the thoughtful and comprehensive work by Gary Benson and Nina Oman. It was a pleasure to work with them.

We concur with the need to provide state support information in three tuition categories for which this information is not now provided. This was an oversight and is being corrected. Central Washington University did provide correct state support information to resident undergraduate students on their tuition statements.

The report identifies numerous issues facing the HEC Board, Office of Financial Management, The Legislative Evaluation and Accountability Program Committee, numerous legislative committees and the six baccalaureate institutions. Central Washington University looks forward to participating in future actions in developing a holistic, accountable, and transparent system where the key measures are defined, the evaluation tools are developed and the results are consistently reported.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Quirk', with a stylized flourish at the end.

Dr. Wayne Quirk



TO: Ruta Fanning, Legislative Auditor

FROM: Paul Jenny, Vice Provost for Planning & Budgeting, University of Washington
Mary Lidstrom, Interim Provost

SUBJECT: University of Washington Response to the JLARC Preliminary Report, “Transparency in Higher Education Data”

Thank you for the opportunity to respond to the preliminary draft of the “Transparency in Higher Education Data” report. We appreciate your efforts to understand the financial data of the University of Washington and make explicit connections between revenue and expenditures, as reported in the AFRS system and past performance efforts.

We also want to take this opportunity to reassert our support for performance agreements. The UW fully cooperated with the State Performance Agreement Committee and provided all required information toward this effort. We are committed to participating in an effort like this in the future, and are excited to see endorsement of the National Governor’s Association “Complete to Compete” measures, which include some commonly used Integrated Postsecondary Education Data System (IPEDS) data items, that upon first review make sense for our public baccalaureate institutions.

Additionally, we appreciate your efforts to coordinate all institutions’ data as presented in various reports, so that higher education’s constituents and stakeholders are better able to navigate data to make well-informed policy decisions about higher education in the future.

Recommendation Two

As is required, we submit a formal response for Recommendation Two in this letter. We **concur** with the recommendation to correctly disclose the amount of state support our students receive. We appreciate that JLARC staff brought our inadvertent error and omission of reporting state support of all four major student categories to our attention. It was a mistake; it was immediately rectified.

As such, we request that the statement on page 13 be amended to reflect this correction:

“The University of Washington provided incorrect information to resident undergraduates on tuition statements in 2009-10, and did not provide information to students in the other three tuition categories. After being notified of this error, reporting was corrected in time for the release of Summer 2010 tuition statements.”

We believe this statement will be reassuring to this report’s audience, who may otherwise assume we did not take immediate action to resolve the error.

Underutilization of IPEDS in Favor of AFRS

Currently, institutional budget and accounting information must be translated so that it is possible to submit financial information through the Agency Financial Reporting System (AFRS). AFRS, a legacy system, has a number of system limitations that make it expensive to maintain and limit its usefulness from a budgeting and accounting standpoint:

- The system requires multiple, manual translations between institutional accounting systems and AFRS. We estimate the cost of our work on the year-end AFRS report to be upwards of \$200,000 per year. This translation often results in our inability to analyze specific expenditure types that roll into AFRS funds. When the budget office is asked by Legislative staff to explain certain products of AFRS outputs, we often cannot, and when we attempt to, the process takes an extremely long time and multiple staff.
- Numerous translation methodologies often result in lack of comparability across institutions in our state.
- The AFRS system and corresponding data are unique to our state, so information is difficult to interpret in a national or peer-to-peer context

Our financial accounting office is currently working with the Office of Financial Management and other institutions to simplify the construct of the AFRS submission at fiscal year-end. While these activities should help ensure annualized AFRS financial information better resemble actual financial statements, it will not eliminate all of the challenges above.

We recommend the use of IPEDS definitions as the basis for the year end submission. IPEDS is a nationally understood, accepted and required data source for higher education financial and performance-related data.

- IPEDS financial data most closely resembles actual financial statements, statements that are audited.
- IPEDS submission is required by the federal government and uses financial accounting definitions that are universally accepted.
- Data and financial information is comparable across all institutions and within a peer-to-peer and national context.

Regarding data-lag concerns outlined in the preliminary report, IPEDS finance data are submitted mid-April and are typically available one to three months after the due date. While these data are considered 'pre-release' in nature, many institutions and agencies in our state use pre-release data regularly.

In order to provide expenditure information that is classified at the sub-program level (since the monthly output of AFRS is classified at the sub-program level), we advocate the development of a simple web interface to allow staff to run expenditure queries at the sub-program level using data from our financial

accounting system. This approach could provide a substitute for the monthly AFRS submissions that will meet both institutional and state needs.

We would like to recommend that all institutions work in concert to determine an easy way to effectively report expenditures at the sub-program level (outside of the IPEDS and AFRS constructs). The colleges/universities wish to be transparent, but also wish to report this information in the most representative manner possible. Thus, a local-systems based interface of financial data would not only allow institutions to report expenditures in a user-friendly format for interested staff in Olympia but also, legislative staff could have the kind of detailed expenditure information they seek.

We believe that legislators, legislative staff, and OFM budget staff would benefit from updating the transmission of year-end AFRS data by using the IPEDS definitions, as well as using a system interface to access expenditures for any-time data on expenditures at any program code level. The result of these two changes, which may not be as difficult to implement as an overhaul of AFRS, would be: in-time data for informed decision with unambiguous data, easy peer-to-peer comparisons in and out of our state, and less analytical work and translation for all state agencies.

Program Categories

The program categories, as promulgated by the OFM in 1976, are intrinsic to our budget system. We have concerns that a third approach, in addition to the IPEDS and OFM/institution classification, would be expensive to implement and increase the risk of error. We have taken great care over the last thirty years to report expenditures in the current frame. It would require significant work and expense to reclassify the tens of thousands of budgets in our systems.

We appreciate the observation that the program categories (PC) do not include a specific category for information technology (IT) related expenditures. Unfortunately, IT-related expenditures occur across and within all program categories and there is no function in our systems to disaggregate them.

In addition, the lack of definition of “IT program expenditures” is cause for concern. If this recommendation moves forward, we would request a definition that includes centralized IT expenditures only.

Non-appropriated/Non-allotted Funds

Non-appropriated, non-allotted funds are available to legislative staff as well as other stakeholders in state government in AFRS and BASS. Including this information in LEAP would require additional time and resources. It would also increase potential for misinterpretation/translation across various data sources. Further, these funds are not considered within the context of the state budgeting process. We are able to provide information of this kind at any time by request and we are quite used to this ad-hoc data request.

Student Fees

Student fees were established by the legislature to fund student services and programs. Student-run committees plan for and direct money to, programs and endeavors on campus with oversight from the UW Board of Regents.

"The legislature also recognizes that services and activities fees are paid by students for the express purpose of funding student services and programs. It is the intent of the legislature that governing boards ensure that students have a strong voice in recommending budgets for services and activities fees. The boards of trustees and the boards of regents of the respective institutions of higher education shall adopt guidelines governing the establishment and funding of programs supported by services and activities fees." - RCW 28B.15.045

Information about these fees is readily available, as required by statute. Revenues generated by these fees are student-managed and directed. Therefore, we are unclear about the value of establishing separate funds for these student-directed fees. Establishing separate funds for these fees would require additional account maintenance and will not provide additional information about the products and services these funds bought, what specific student programs benefitted from these funds, and how the adjudication over funds by students resulted in certain desired outcomes. We believe that those questions would be better answered as ad-hoc requests.

Expanding Accountability to Track Research and Public Service Measures

The UW is supportive of, and responsive to, action intended to increase the UW's accountability to its various constituencies. The value of expanding accountability measures to include research and public service efforts depends, we would argue, on what is meant. If this recommendation implies a requirement to explicitly track expenditures in these categories, we would have difficulty doing so. Public service and research activity occurs across all program codes, in all departments, and occurs at the UW as a result of student tuition funds, federal funds, indirect research cost recovery, and other funds. "State supported" public service and research activities benefit from cross subsidies across all units. Tracking expenditures along these lines would not likely lead to a clear or meaningful measure of those expenditures.

While tracking research and public service activities by program code via allotments lacks value, these activities are possible to track and monitor in more meaningful ways. In particular, it may be valuable to include the proportion of students who participate in research or public service learning opportunities as performance measures. While the UW could also show the research contributions made through its success in getting research grant and contract support, in publishing results, or in patenting new technologies, much of this effort is funded by outside agencies.

High Demand Degree Reporting

The UW appreciates the need for consistent reporting across institutions and has, as a result, always provided information requested by the HECB about "high demand" degrees using the HECB definitions. However, we are concerned about the possibility that the HECB definition of "high demand" might be imposed when or if Performance Agreements are developed. The UW believes that the HECB's definition is too narrow and does not fully represent the disciplines in which the public or legislature may perceive to be "high demand."



In the 2009-11 Biennial Operating Budget, the Legislature asked higher education institutions to maintain, and endeavor to increase, enrollment and degree production levels at or beyond current levels in biological and biomedical sciences, computer and information sciences, education with specializations in special education, math or science, engineering and engineering technology, health professions and related clinical sciences, and mathematics and statistics. This broad and appropriate list does not correlate with the HECB definition. As a result, we also strongly recommend against any classification system that relies on the two-digit CIP code and would instead advocate that a broader definition be developed. We would additionally advocate the inclusion of non-biological sciences in this definition

Sincerely,

A handwritten signature in black ink, appearing to read 'Paul Jenpy', written over a white background.

Paul Jenpy

Vice Provost, Planning & Budgeting

A handwritten signature in black ink, appearing to read 'Mary Lidstrom', written over a white background.

Mary Lidstrom

Interim Provost

CC: Sarah Hall, Margaret Shepherd and Todd Mildon



October 25, 2010

Ms. Ruta Fanning
JLARC
1300 Quince St SE
PO Box 40910
Olympia, WA 98504-0910

RE: JLARC Preliminary Report – Transparency in Higher Education Data

Dear Ms. Fanning:

Washington State University appreciates the depth and breadth of this preliminary report. As noted in your report, there is much information in many systems regarding the expenditures, revenues and performance of the institutions and the difficulty is not in obtaining the information, but in understanding the links between revenues, expenditures and performance.

WSU also appreciates the notification that our tuition statements were not fully compliant with RCW 28B.76.300. We have begun the process of amending the statements to include the state support for all categories of students.

As a result, our formal position regarding the recommendation is shown below:

<u>Recommendation</u>	<u>Agency Position</u>	<u>Comments</u>
Recommendation #2	WSU Concur	Changes will be made on tuition statements to include the state support for all student categories for the beginning of the next semester, January, 2011.

Sincerely,

Warwick M. Bayly
Provost and Executive Vice President
Washington State University

cc: Joan King



University Planning and Budgeting

Bellingham, Washington 98225-9014
(360) 650-3750 Fax (360) 650-6502

October 25, 2010

Ruta Fanning
Legislative Auditor
Joint Legislative Audit and Review Committee
1300 Quince St SE
Olympia, WA 98504

Subject: Western Washington University's Formal Response to the Joint Legislative Audit and Review Committee (JLARC) preliminary report on "Transparency in Higher Education Data"

Dear Ruta,

Thank you for the opportunity to respond to JLARC's preliminary report on "Transparency in Higher Education Data". We understand that our response to the preliminary report will be included in the proposed final report, which is tentatively scheduled to be presented at JLARC's December 1, 2010, meeting. At the end of this document, please find our response to the formal recommendation that mentions WWU by name (page 3 of the report).

We do also want to take advantage of your invitation to provide additional comments on the report. The motivation for this study tapped deeply held commitments and concerns at WWU for which we seek JLARC's support and partnership. These are critical times for Washington State and higher education. We share with JLARC an interest in transparency and accountability and believe these goals can be advanced even in the current financial situation.

Today WWU has many fewer staff than at the beginning of this biennium, which compels us to look for further efficiencies. There are obvious efficiencies we could achieve by eliminating the duplicative and competing reporting requirements. For us the JLARC Transparency Study does an excellent job of documenting those reporting requirements, placing JLARC now in a prime position to help to promote efficiency by recommending the elimination of reports that are largely redundant, serve no independent need or have yet to yield essential outcomes.

Further, we are supportive of the need to consolidate and coordinate expenditure, revenue and performance measures and reporting requirements for Washington's public universities. As pointed out in the report, there is no current system that accomplishes this, but we believe by involving the institutions and other stakeholders, a single, better system of reporting on expenditure, revenue and performance can be achieved.

Ruta Fanning
 October 25, 2010
 Page | 2

In terms of performance measures, as discussed by the universities’ provosts through the Council of Presidents, there are some standard measures that are appropriate for all of our institutions. Those measures carry value for within-sector comparisons, but even greater value when looking at a university’s performance across time. All universities are intensely focusing on some common metrics, seeking to improve outcomes for our students. An equally important aspect of a robust system of accountability would be additional measures tailored to the distinctive and essential aspects of each university’s mission. The beauty of and efficiency within Washington public higher education are the distinct missions of the institutions, that together offer Washington citizens a comprehensive set of educational options. The current HECB Accountability Performance measures reflect this common and institution-specific approach.

We appreciate the report’s attention to the importance of data definitions for high demand fields. We respectfully disagree however with the conclusion that the HECB should ensure all institutions are reporting high-demand degrees consistent with current definitions. Instead we recommend that the list of fields be reviewed for completeness. Our specific concern is for the representation of education-related fields. For example, despite the widely recognized importance of P-12 education, and changing demographics in Washington, no field within which there are current acute shortages of educational professionals is listed as a high demand field (e.g., early childhood education, special education, teachers with math and science endorsements; and Teaching English to Speakers of Other Languages).

Our Plea

JLARC has an opportunity in this report to strongly recommend that unnecessary paperwork and duplicative reporting requirements be eliminated and that a coherent and robust single system of reporting for expenditure, revenue and performance be established. WWU would welcome the state’s partnership in finding ways to streamline and become more efficient by focusing on best practices of accountability and transparency. We are committed to those goals and consider ourselves leaders in this area. We are also committed to Washington’s future and believe that the goals of transparency and the explicit and implicit conclusions of JLARC’s report would advance us in that direction, as long as they are accompanied by elimination of less useful, competing and duplicative reporting requirements. By supporting institutions as we seek to better understand and optimize the dynamic relationships among our expenditures, revenues and performance, together we can help build a strong Washington, even in these tough times.

JLARC Recommendation Addressing WWU

RECOMMENDATION	AGENCY POSITION	COMMENTS
Rec. 2: CWU, UW, WSU and WWU should comply with statute to correctly disclose	Concur	WWU complied in disclosing the amount of state support to resident students, but mistakenly did not report this information to nonresident students,

Ruta Fanning
October 25, 2010
Page | 3

the amount of state support their students receive.		where appropriate. As indicated on page 14 of the JLARC Preliminary Report, "Western Washington University provided the information correctly in its student catalogue about resident students, but did not provide information about nonresident students. On tuition statements, WWU provided correct amounts to resident students but provided incorrect amounts to nonresident students."
---	--	---

Sincerely,



Catherine A. Riordan
Provost and Vice President for Academic Affairs

CC: Paula M. Gilman Executive Director, University Planning and Budgeting
Sherry Burkey, Associate Vice President for University Relations
Ming Zhang, Director of Institutional Research



STATE OF WASHINGTON
HIGHER EDUCATION COORDINATING BOARD

917 Lakeridge Way SW • PO Box 43430 • Olympia, WA 98504-3430 • (360) 753-7800 • FAX (360) 753-7808 • www.hecb.wa.gov

October 25, 2010

Ruta Fanning, Legislative Auditor
Joint Legislative Audit and Review Committee
1300 Quince St. SE
PO Box 40910
Olympia, WA 98504-0910

Dear Ruta,

Thank you for the opportunity to submit comments on the Joint Legislative Audit and Review Committee's recent report, "Transparency in Higher Education Data." The Higher Education Coordinating Board staff was pleased to work with JLARC staff throughout your study and provide information to assist in this important work.

We appreciate the acknowledgement that HECB has been delayed in completing its schedule for the Cost of Degree Study (Page 19). As you know, the Legislature authorized the Board to determine this schedule. A variety of circumstances contributed to delay in keeping to the original schedule, including: (1) a long-needed update of the Public Centralized Higher Education Enrollment System (PCHEES) database which is now nearly complete; (2) key HECB staff originally assigned to this project left the agency for positions in other state agencies; and (3) the agency's inability to fill position vacancies due to budget reductions.

A new study schedule for this project will be part of the Board's 2011 work plan. An initial pilot effort confirmed that available data was essentially not accurate for purposes of determining the cost of specific degrees. Also, an accurate cost of degree study is more difficult during a period of uncertain and volatile funding. With significant reductions in higher education expenditures in the current biennium, we would have a much skewed baseline if the Cost of Degree Study had been done on the original schedule.

Another consideration for completing a cost of degree study is the emerging national effort to develop a standard methodology for such evaluations. The Delta Cost Project's Cost Study uses a straightforward method that captures direct instructional costs in a way that can be compared across states. So far, the Delta Cost Project has conducted its analysis by level of degree (lower/upper division undergraduate, graduate) and by type of institution (community colleges, regional-comprehensive universities, research universities). The Project has begun work on expanding the Cost Study methodology so that it addresses *cost of degrees* as well (by major). HECB staff intends to work closely with the Delta Cost Project researchers so that we can ultimately compare Washington data with other states to better measure performance (http://www.deltacostproject.org/resources/pdf/johnson3-09_WP.pdf).

Accountability reporting is a second area of concern noted in the JLARC report (Page 19). The HECB is currently reporting on two of the issues identified through the Government Management Accountability and Performance (GMAP) process in the Governor's forums on Economic Vitality and Education initiatives. Performance measures are reported for research and technology transfer (<http://performance.wa.gov/EconomicVitality/EV071510/FoundationforSuccess/technologytransfer/Pages/default.aspx>), as are production of specific high demand degrees (<http://performance.wa.gov/Education/Ed081710/StudentEconomicOutcomes/HighDemanddegreesand/Pages/default.aspx>). HECB staff is currently working with institutions so that GMAP measures and the HECB's Accountability Framework measures are consistent and aligned to the greatest extent possible.

Thank you again for this work to improve understanding of the relationship between state funding for higher education and accountability measures to ensure that we reach the strategic goal of raising educational attainment for Washington's citizens. We look forward to working with you and others to act on the report's recommendations.

Sincerely,



Don Bennett
Executive Director

3309 Capitol Boulevard
 P.O. Box 40934
 Olympia, WA 98504-0934



(360) 786-6111
 Fax (360) 786-6130
<http://leap.leg.wa.gov>

Tom Jensen, Administrator

Legislative Evaluation & Accountability Program Committee

REPRESENTATIVES ♦ Glenn Anderson ♦ Mark Miloscia, Vice Chair ♦ Joe Schmick ♦ Larry Seaquist
 SENATORS ♦ Mary Margaret Haugen ♦ Chris Marr ♦ Dan Swecker, Chair ♦ Vacant

Ruta Fanning
 Legislative Auditor
 Joint Legislative Audit & Review Committee
 PO Box 40910
 Olympia, WA 98504

Dear Ruta,

Thank you for contacting LEAP in regards to the JLARC preliminary report on “Transparency in Higher Education Data”. Here are our comments to the JLARC recommendation:

RECOMMENDATION	AGENCY POSITION	COMMENTS
<p>Data Gap: Nonappropriated/nonallotted funds are not typically included in the monitoring reports used by legislators and legislative staff.</p> <p>Potential Solution: Legislative Evaluation and Accountability Program (LEAP) Committee should develop an option for including the nonappropriated/nonallotted funds on higher education fiscal reports.</p>	<p>To some extent, the recommendation has already been implemented. To the extent that the recommendation provides an opportunity to improve reporting, LEAP will consult legislative fiscal staff to obtain their input and direction.</p>	<p>LEAP appreciates the opportunity to participate in this process.</p>

Please let us know if you have any questions.

Sincerely,

Tom Jensen
 Administrator
 Legislative Evaluation & Accountability Program Committee



STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

October 26, 2010

TO: Ruta Fanning, Legislative Auditor
 Joint Legislative Audit and Review Committee

FROM: Marty Brown *MB*
 Director

**SUBJECT: REVIEW OF JLARC DRAFT PRELIMINARY REPORT -
 TRANSPARENCY IN HIGHER EDUCATION DATA**

Thank you for the opportunity to review and comment on JLARC’s preliminary report, “Transparency in Higher Education Data.” We would like to present the following comments on the recommendations and descriptions included in the report.

Recommendation	Agency Position	Comments
1. Program categories and definitions currently used for reporting expenditures in AFRS are old and may be outdated – Page 8.	Concur	The Office of Financial Management will create definitions that enable policy makers and staff to track expenditures.
2. OFM no longer maintains higher education program categories and definitions and does not review for consistency in expenditure reporting – Page 9.	Concur	We will create program definitions to monitor for consistency. While we believe that the current system has proven effective (as the institutions report in the same programs to other entities), there is value in defining the programs in the State Administrative and Accounting Manual (SAAM).
3. An OFM Accounting Manual definition for one fund is inconsistent with statute – Page 13.	Concur	We will adjust the accounting/fund reference manual definition.

cc: Sadie Rodriguez-Hawkins, Senior Assistant Director, Office of Financial Management

APPENDIX 3 – AFRS FINANCIAL TABLES

Exhibit 3-1 – Expenditures by Program FY 2009 (All Funds).....	57
Exhibit 3-2 – Expenditures by Subprogram FY 2009 (All Funds)	58
Exhibit 3-3 – Expenditures by Account/Fund FY 2009 (All Funds)	61
Exhibit 3-4 – Revenue by Account/Fund FY 2009 (All Funds*).....	65

Appendix 3 – AFRS Financial Tables

Exhibit 3-1 – Expenditures by Program FY 2009 (All Funds)

Program	UW	WSU	EWU	CWU	TESC	WWU	Total
Instruction	\$643,573,036	\$202,241,833	\$50,768,717	\$63,589,173	\$26,056,680	\$83,337,813	\$1,069,567,251
% of Total	18%	21%	27%	29%	22%	30%	20%
Research	\$16,650,325	\$40,701,959	\$237,710	\$742,090	\$102,217	\$1,156,467	\$59,590,767
% of Total	0%	4%	0%	0%	0%	0%	1%
Public Service	\$10,540,726	\$41,072,420	\$1,376,421	\$23,793	\$2,985,829		\$55,999,189
% of Total	0%	4%	1%	0%	3%		1%
Primary Support Services	\$91,183,636	\$51,176,429	\$9,675,085	\$5,612,160	\$2,105,731	\$7,201,148	\$166,954,189
% of Total	2%	5%	5%	3%	2%	3%	3%
Libraries	\$46,196,133	\$14,868,649	\$4,950,592	\$3,660,778	\$5,538,712	\$6,858,161	\$82,073,025
% of Total	1%	2%	3%	2%	5%	2%	2%
Student Services	\$32,838,084	\$21,219,132	\$13,812,360	\$9,180,054	\$7,950,158	\$15,887,332	\$100,887,120
% of Total	1%	2%	7%	4%	7%	6%	2%
Hospitals	\$602,969,435						\$602,969,435
% of Total	16%						11%
Institutional Support	\$113,748,712	\$48,323,581	\$14,549,599	\$16,225,551	\$10,233,884	\$19,498,017	\$222,579,344
% of Total	3%	5%	8%	7%	9%	7%	4%
Plant Operations	\$123,323,596	\$49,528,290	\$12,865,695	\$10,953,837	\$7,546,718	\$13,993,866	\$218,212,001
% of Total	3%	5%	7%	5%	6%	5%	4%
Sponsored Research & Programs	\$1,046,200,773	\$137,175,747	\$10,909,871	\$30,384,653	\$4,496,317	\$20,540,006	\$1,249,707,368
% of Total	29%	14%	6%	14%	4%	7%	23%
WSU Service Center		\$1,792,456					\$1,792,456
% of Total		0%					0%
Non-Budgeted	\$805,248,458	\$248,199,998	\$49,077,272	\$50,447,132	\$33,364,676	\$81,809,880	\$1,268,147,416
% of Total	22%	25%	26%	23%	28%	29%	23%
Capital Projects	\$122,402,338	\$117,997,383	\$22,982,887	\$26,503,656	\$17,161,421	\$27,235,517	\$334,283,202
% of Total	3%	12%	12%	12%	15%	10%	6%
Grand Total	\$3,654,875,253	\$974,297,878	\$191,206,209	\$217,322,876	\$117,542,343	\$277,518,206	\$5,432,762,766

Source: LEAP extracts of AFRS data; not recast for historical comparability.

Exhibit 3-2 – Expenditures by Subprogram FY 2009 (All Funds)

Expenditures by Subprogram							
Subprogram	UW	WSU	EWU	CWU	TESC	WWU	Total
Instruction							
Instruction and Departmental Research-General	\$353,801,197	\$152,132,726	\$40,551,636	\$55,748,515	\$24,448,236	\$72,365,868	\$699,048,177
Instruction and Departmental Research-Health Sci	\$215,010,378	\$29,814,549	\$3,702,056			\$1,361,723	\$249,888,707
Special Session Instruction	\$10,973,556	\$9,527,401	\$2,309,863	\$4,936,248	\$1,606,974	\$3,327,771	\$32,681,813
Community Education	\$42,179,887	\$262,770					\$42,442,657
Extension Education	\$21,608,018	\$2,946	\$4,205,161	\$2,904,410	\$1,469	\$6,246,487	\$34,968,492
Intercoll CTR for Nursing Education		\$10,501,441					\$10,501,441
Not Specified						\$35,964	\$35,964
Total	\$643,573,036	\$202,241,833	\$50,768,717	\$63,589,173	\$26,056,680	\$83,337,813	\$1,069,567,251
Research							
AG Research Centers and Institutes		\$31,397,982					\$31,397,982
Other Institutes and Research Ctrs	\$13,593,515	\$3,548,562				\$1,156,467	\$18,298,544
Ind Or Project Research	\$3,056,811	\$5,755,414	\$237,710	\$742,090			\$9,792,024
Not Specified					\$102,217		\$102,217
Total	\$16,650,325	\$40,701,959	\$237,710	\$742,090	\$102,217	\$1,156,467	\$59,590,767
Public Service							
Community Service	\$10,540,726	\$15,461,559	\$1,376,421	\$23,793	\$2,824,776		\$30,227,275
Cooperative Extension Service		\$25,610,861			\$161,053		\$25,771,914
Total	\$10,540,726	\$41,072,420	\$1,376,421	\$23,793	\$2,985,829		\$55,999,189
Primary Support Services							
Academic Computing Services	\$25,017,695	\$1,972,268	\$3,740,928	\$2,055,277	\$862,785	\$3,900,498	\$37,549,451
Ancillary Support Services	\$20,233,457	\$23,459,197	\$1,821,202	\$26,445		\$995,799	\$46,536,100
Academic Administration	\$45,932,483	\$25,744,964	\$4,112,955	\$3,530,438	\$1,242,946	\$2,304,851	\$82,868,637
Total	\$91,183,636	\$51,176,429	\$9,675,085	\$5,612,160	\$2,105,731	\$7,201,148	\$166,954,189

Appendix 3 – AFRS Financial Tables

Expenditures by Subprogram							
Subprogram	UW	WSU	EWU	CWU	TESC	WWU	Total
Libraries							
Learning Resources	\$35,942,040	\$14,497,553	\$4,913,103	\$3,652,829	\$2,955,816	\$6,761,917	\$68,723,259
Special Libraries and Svcs	\$10,254,093	\$371,096	\$37,489	\$7,949	\$2,582,896	\$96,244	\$13,349,767
Total	\$46,196,133	\$14,868,649	\$4,950,592	\$3,660,778	\$5,538,712	\$6,858,161	\$82,073,025
Student Services							
Basic Student Services	\$26,091,836	\$18,616,274	\$9,037,015	\$8,811,078	\$7,454,873	\$9,845,556	\$79,856,632
Educ Opportunities Programs	\$6,256,030	\$720,173	\$1,034,043	\$296,797	\$166,972		\$8,474,014
Other Special Programs & Services	\$490,218	\$1,882,685	\$3,741,303	\$72,179	\$328,313	\$6,041,775	\$12,556,474
Total	\$32,838,084	\$21,219,132	\$13,812,360	\$9,180,054	\$7,950,158	\$15,887,332	\$100,887,120
Hospitals							
University Hospital	\$595,035,306						\$595,035,306
Harborview Medical Center	\$7,934,129						\$7,934,129
Total	\$602,969,435						\$602,969,435
Institutional Support							
Institutional Management	\$14,711,141	\$8,443,727	\$2,184,071	\$2,410,248	\$3,167,281	\$4,429,176	\$35,345,645
Fiscal Operations	\$18,124,413	\$7,068,087	\$2,068,238	\$2,399,524	\$1,765,712	\$2,753,833	\$34,179,807
General Support Services	\$58,127,989	\$19,681,310	\$4,164,007	\$8,302,687	\$2,497,960	\$6,224,150	\$98,998,103
Logistical Services	\$9,464,277	\$2,154,470	\$2,999,248	\$692,169	\$892,787	\$1,706,550	\$17,909,502
Community Relations & Development	\$13,320,891	\$10,976,021	\$3,134,034	\$2,420,923	\$1,910,144	\$4,384,308	\$36,146,321
Not Specified		\$(34)					\$(34)
Total	\$113,748,712	\$48,323,581	\$14,549,599	\$16,225,551	\$10,233,884	\$19,498,017	\$222,579,344
Plant Operations							
Utilities & Other Fixed Costs	\$55,485,028	\$21,261,896	\$4,194,532	\$3,328,213	\$3,073,657	\$5,054,277	\$92,397,603
Buildings & Utilities Maintenance	\$13,693,232	\$4,227,893	\$2,825,142	\$1,827,888	\$1,148,453	\$1,746,529	\$25,469,137
Custodial and Grounds Service	\$17,965,003	\$8,892,393	\$2,695,216	\$3,272,393	\$1,733,477	\$3,422,998	\$37,981,480
Operations & Maintenance Support	\$36,180,333	\$15,146,108	\$3,150,804	\$2,525,344	\$1,591,131	\$3,770,062	\$62,363,781
Total	\$123,323,596	\$49,528,290	\$12,865,695	\$10,953,837	\$7,546,718	\$13,993,866	\$218,212,001

Appendix 3 – AFRS Financial Tables

Expenditures by Subprogram							
Subprogram	UW	WSU	EWU	CWU	TESC	WWU	Total
Sponsored Research & Programs							
Not Specified	\$1,046,200,773	\$137,175,747	\$10,909,871	\$30,384,653	\$4,496,317	\$20,540,006	\$1,249,707,368
Total	\$1,046,200,773	\$137,175,747	\$10,909,871	\$30,384,653	\$4,496,317	\$20,540,006	\$1,249,707,368
WSU Service Center							
Not Specified		\$1,792,456					\$1,792,456
Total		\$1,792,456					\$1,792,456
Non-Budgeted							
Not Specified	\$805,248,458	\$248,199,998	\$49,077,272	\$50,447,132	\$33,364,676	\$81,809,880	\$1,268,147,416
Total	\$805,248,458	\$248,199,998	\$49,077,272	\$50,447,132	\$33,364,676	\$81,809,880	\$1,268,147,416
Capital Projects							
Not Specified	\$122,402,338	\$117,997,383	\$22,982,887	\$26,503,656	\$17,161,421	\$27,235,517	\$334,283,202
Total	\$122,402,338	\$117,997,383	\$22,982,887	\$26,503,656	\$17,161,421	\$27,235,517	\$334,283,202
Grand Total	\$3,654,875,253	\$974,297,878	\$191,206,209	\$217,322,876	\$117,542,343	\$277,518,206	\$5,432,762,766

Source: LEAP extracts of AFRS data; not recast for historical comparability.

Exhibit 3-3 – Expenditures by Account/Fund FY 2009 (All Funds)

Expenditures by Account/Fund							
Account/Fund & Appropriation Type	UW	WSU	EWU	CWU	TESC	WWU	Total
Appropriated (Appropriated & Allotted)							
General Fund - State	\$358,707,248	\$223,360,077	\$45,771,000	\$45,275,000	\$27,973,000	\$64,450,000	\$765,536,324
General Fund-Private/Local	\$184,614						\$184,614
State Building Construction Acct-State	\$33,161,212	\$55,192,095	\$15,111,929	\$19,659,193	\$5,520,187	\$17,896,029	\$146,540,645
EWU Capital Projects Acct-State			\$4,709,425				\$4,709,425
WSU Building Acct-State		\$26,781,145					\$26,781,145
CWU Capital Projects Acct-State				\$4,155,122			\$4,155,122
UW Building Acct-State	\$21,106,828						\$21,106,828
WWU Capital Projects Acct-State						\$5,347,262	\$5,347,262
TESC Capital Projects Acct-State					\$4,216,593		\$4,216,593
Education Legacy Trust Acct-State	\$27,214,140	\$21,393,000	\$8,046,000	\$9,538,000	\$2,692,000	\$6,735,000	\$75,618,140
State Toxics Control Acct-State	\$942,568						\$942,568
Education Construction Acct-State	\$28,546,273	\$5,058,000	\$3,114,385	\$1,211,000	\$1,429,643	\$1,807,000	\$41,166,300
Gardner-Evans Higher Ed Construction-State	\$38,645,457	\$30,966,143	\$47,149	\$1,478,342	\$5,994,999	\$2,185,226	\$79,317,316
Pension Funding Stabilization Acct-State		\$1,225,000	\$2,379,000	\$2,165,000			\$5,769,000
Total Appropriated	\$508,508,340	\$363,975,460	\$79,178,887	\$83,481,656	\$47,826,421	\$98,420,517	\$1,181,391,281
Appropriated % of Total	14%	37%	41%	38%	41%	35%	22%
Budgeted (Non-Appropriated & Allotted)							
Geoduck Aquaculture Research Acct-Nonappropriated Funds	\$339,936						\$339,936
Energy Acct-Nonappropriated Funds		\$47,730					\$47,730
Total Budgeted	\$339,936	\$47,730					\$387,667
Budgeted % of Total	0%	0%	0%	0%	0%	0%	0%

Appendix 3 – AFRS Financial Tables

Expenditures by Account/Fund							
Account/Fund & Appropriation Type	UW	WSU	EWU	CWU	TESC	WWU	Total
Higher Ed-Special (Non-Appropriated & Non-Allotted)							
Inst of Hi Ed-Federal Approp Acct-Nonappropriated Funds		\$8,630,073					\$8,630,073
Inst of Hi Ed-Grants/Contracts Acct-Nonappropriated Funds	\$1,046,083,045	\$137,161,575	\$10,916,762	\$30,384,653	\$4,495,727	\$22,188,833	\$1,251,230,595
Inst of Hi Ed-Grants/Contracts Acct-Operating Nonapprop/Nonallot-Fed Stimulus	\$117,728	\$15,382					\$133,110
Inst of Hi Ed-Dedicated Local Acct-Nonappropriated Funds	\$407,075,808	\$81,955,703	\$15,142,940	\$15,819,873	\$7,368,369	\$23,486,089	\$550,848,783
Inst of Hi Ed-Operating Fees Acct-Nonappropriated Funds	\$294,543,324	\$132,519,501	\$36,890,348	\$37,189,562	\$24,487,150	\$51,612,888	\$577,242,772
Inst of Hi Ed-Data Processing Acct-Nonappropriated Funds	(\$5,192)	\$1,792,456				\$433,169	\$2,220,433
UW-University Hospital Acct-Nonappropriated Funds	\$645,819,065						\$645,819,065
Total Higher Ed - Special	\$2,393,633,779	\$362,074,690	\$62,950,050	\$83,394,088	\$36,351,247	\$97,720,978	\$3,036,124,832
Higher Ed - Special % of Total	65%	37%	33%	38%	31%	35%	56%
Mixed (Portions Appropriated/Allotted)							
Accident Acct-State	\$3,284,671						\$3,284,671
Medical Aid Acct-State	\$3,096,379						\$3,096,379
Total Mixed	\$6,381,051						\$6,381,051
Mixed % of Total	0%	0%	0%	0%	0%	0%	0%
Nonappropriated & Nonallotted							
Hi Ed Non-Proprietary Local Capital-Nonappropriated Funds	\$92,644,912	\$5,614,867		\$82,150			\$98,341,930
UW Facilities Bond Retirement Acct-Nonappropriated Funds	(\$2,113,189)						(\$2,113,189)

Appendix 3 – AFRS Financial Tables

Expenditures by Account/Fund							
Account/Fund & Appropriation Type	UW	WSU	EWU	CWU	TESC	WWU	Total
Self-Insurance Revolving Acct-Nonappropriated Funds	\$19,852,772						\$19,852,772
Inst of Hi Ed-Stores Acct-Nonappropriated Funds	\$2,578,205	\$1,633,525	\$33,021	\$2,722,983	\$119,568	\$121,222	\$7,208,524
Inst of Hi Ed-Printing Acct-Nonappropriated Funds	\$12,270,483	\$4,761,668	\$857,636	\$1,216,732	\$288,332	\$2,042,177	\$21,437,028
Inst of Hi Ed-Other Facilities Acct-Nonappropriated Funds	\$124,813,237	\$11,143,489	\$3,371,774	\$2,973,155	\$3,035,383	\$9,070,701	\$154,407,738
Inst of Hi Ed-Motor Pool Acct-Nonappropriated Funds	\$3,594,251	\$2,556,171	\$509,163	\$506,746	\$285,348	\$236,633	\$7,688,313
Inst of Hi Ed-Associated Students-Nonappropriated Funds	\$61,243,242	\$48,677,531	\$9,532,606	\$8,743,562	\$2,948,146	\$3,309,932	\$134,455,020
Inst of Hi Ed-Bookstore Acct-Nonappropriated Funds			\$6,060,853	\$8,243,926	\$1,928,856	\$6,005,443	\$22,239,078
Inst of Hi Ed-Parking Acct-Nonappropriated Funds	\$6,635,809	\$2,999,838	\$691,320	\$676,864	\$402,510	\$2,076,468	\$13,482,809
Inst of Hi Ed-Other Enterprises-Nonappropriated Funds	\$50,993,099	\$25,371,175				\$9,216,243	\$85,580,517
Inst of Hi Ed-Housing & Food Acct-Nonappropriated Funds	\$49,338,447	\$57,991,609	\$14,401,717	\$20,518,228	\$7,160,023	\$36,589,180	\$185,999,205
EWU License Plate Acct-Nonappropriated Funds			\$22,332				\$22,332
TESC License Plate Acct-Nonappropriated Funds					\$80		\$80
Grant-In-Aid Scholarship/Fellowship-Nonappropriated Funds	\$88,360,917	\$87,217,789	\$13,428,498	\$2,854,074	\$15,175,002	\$12,034,367	\$219,070,646
Inst of Hi Ed-Student Loan Acct-Nonappropriated Funds	\$1,948,184	\$226,280	\$168,352	\$1,371		\$191,712	\$2,535,899
Inst of Hi Ed-Work Study Acct-Nonappropriated Funds						\$471,657	\$471,657

Appendix 3 – AFRS Financial Tables

Expenditures by Account/Fund							
Account/Fund & Appropriation Type	UW	WSU	EWU	CWU	TESC	WWU	Total
Inst of Hi Ed-Annuity & Life Income-Nonappropriated Funds	\$4,136,399						\$4,136,399
Inst of Hi Ed-Endowment Local Acct-Nonappropriated Funds		\$6,055		\$12,167	\$11,915	\$7,865	\$38,002
Inst of Hi Ed-Long Term Loan Acct-Nonappropriated Funds	\$297,587			\$1,895,174	\$2,009,513	\$3,112	\$4,205,385
Higher Ed-Blended Component Units-Nonappropriated Funds	\$203,218,136						\$203,218,136
Higher Education Internal Lending Acct-Nonappropriated Funds	\$26,199,655						\$26,199,655
Total Nonappropriated & Nonallotted	\$746,012,147	\$248,199,998	\$49,077,272	\$50,447,132	\$33,364,676	\$81,376,711	\$1,208,477,936
Nonappropriated & Nonallotted % of Total	20%	25%	26%	23%	28%	29%	22%
Grand Total	\$3,654,875,253	\$974,297,878	\$191,206,209	\$217,322,876	\$117,542,343	\$277,518,206	\$5,432,762,766

Source: LEAP extracts of AFRS data; not recast for historical comparability.

Exhibit 3-4 – Revenue by Account/Fund FY 2009 (All Funds*)

Revenue by Account/Fund							
Account/Fund Title	UW	WSU	EWU	CWU	TESC	WWU	Total
Budgeted (Nonappropriated & Allotted)							
General Fund - Basic Account	(\$586,515)	(\$397,030)					(\$983,545)
EWU Capital Projects Account			\$1,560,852				\$1,560,852
WSU Building Account		\$29,451,390					\$29,451,390
CWU Capital Projects Account				\$1,616,026			\$1,616,026
UW Building Account	\$17,991,898						\$17,991,898
WWU Capital Projects Account						\$2,218,300	\$2,218,300
TESC Capital Projects Account					\$1,149,222		\$1,149,222
UW Operating Fees Account	\$22,547,968						\$22,547,968
WSU Operating Fees Account		\$1,988,899					\$1,988,899
CWU Operating Fees Account				\$451,019			\$451,019
WSU Bond Retirement Account		(\$22,496,246)					(\$22,496,246)
UW Bond Retirement Account	\$1,991,898						\$1,991,898
Total Budgeted	\$41,945,250	\$8,547,013	\$1,560,852	\$2,067,045	\$1,149,222	\$2,218,300	\$57,487,681
Budgeted % of Total	1%	1%	1%	1%	2%	1%	1%
Higher Ed Special (Nonappropriated/Nonallotted)							
Inst of Hi Ed-Federal Approp Acct		\$8,611,351					\$8,611,351
Inst of Hi Ed-Grants/Contracts Acct	\$1,066,430,466	\$134,642,859	\$11,476,191	\$30,531,217	\$4,482,221	\$23,056,556	\$1,270,619,510
Inst of Hi Ed-Dedicated Local Acct	\$52,967,689	\$81,686,060	\$19,680,938	\$12,209,993	\$6,930,798	\$24,309,281	\$197,784,760
Inst of HI ED-Operating Fees Acct	\$334,931,425	\$135,619,029	\$39,262,049	\$35,865,960	\$26,618,618	\$56,105,232	\$628,402,313
Inst of Hi Ed-data Processing Acct		\$1,892,202				\$452,695	\$2,344,897
UW-University Hospital Account	\$806,404,483						\$806,404,483
Total Higher Ed Special	\$2,260,734,063	\$362,451,501	\$70,419,178	\$78,607,170	\$38,031,637	\$103,923,763	\$2,914,167,313
Higher Ed Special % of Total	78%	59%	58%	56%	53%	55%	72%
Mixed (Portions Appropriated/Allotted)							
Accident Account	(\$16,703)						(\$16,703)

*Note: Revenue information in this report is derived from revenue sources collected by the institutions. For example, the State General Fund is not included since it does not reflect revenue collected by an institution.

Appendix 3 – AFRS Financial Tables

Revenue by Account/Fund							
Account/Fund Title	UW	WSU	EWU	CWU	TESC	WWU	Total
Medical Aid Account	(\$18,001)						(\$18,001)
Total Mixed	(\$34,703)	\$0	\$0	\$0	\$0	\$0	(\$34,703)
Mixed % of Total	0%	0%	0%	0%	0%	0%	0%
Nonappropriated & Nonallotted							
HI ED Non-Proprietary Local Capital	\$82,475,691	\$2,677,339					\$85,153,030
UW Facilities Bond Retirement Acct	(\$855,825)						(\$855,825)
Self-insurance Revolving Account	\$11,476,024						\$11,476,024
Inst of Hi Ed-Stores Account	\$2,423,880	\$4,360,192	\$17,788	\$2,841,417	\$140,156	\$142,143	\$9,925,576
Inst of Hi Ed-Printing Account	\$12,536,859	\$5,135,781	\$666,671	\$1,220,866	\$264,379	\$1,960,653	\$21,785,209
Inst of Hi Ed-Other Facilities Acct	\$145,195,582	\$11,631,301	\$3,374,638	\$4,702,728	\$2,869,184	\$10,738,781	\$178,512,213
Inst of Hi Ed-Motor Pool Account	\$4,925,543	\$2,548,237	\$491,145	\$638,094	\$259,388	\$213,154	\$9,075,562
Inst of Hi Ed-Associated Students	\$101,397,569	\$44,710,177	\$9,963,197	\$10,391,041	\$3,371,639	\$3,303,983	\$173,137,605
Inst of Hi Ed-Bookstore Account			\$6,037,480	\$8,588,539	\$1,810,402	\$6,491,376	\$22,927,797
Inst of Hi Ed-Parking Account	\$24,160,100	\$5,185,513	\$642,301	\$1,062,893	\$498,239	\$2,114,771	\$33,663,817
Inst of Hi Ed-Other Enterprises	\$317,666,550	\$29,790,599				\$9,794,739	\$357,251,887
Inst of Hi Ed-Housing & Food Acct	\$99,499,606	\$48,979,009	\$14,788,877	\$25,326,824	\$6,179,642	\$34,125,483	\$228,899,442
UW License Plate Account	(\$286,590)						(\$286,590)
WSU License Plate Account		(\$381,388)					(\$381,388)
WWU License Plate Account						(\$25,622)	(\$25,622)
CWU License Plate Account				(\$32,284)			(\$32,284)
G. Robert Ross Endowment Account						(\$86,943)	(\$86,943)
Grant-In-Aid Scholarship/Fellowship	\$83,053,408	\$88,235,687	\$13,387,356	\$2,733,911	\$14,970,194	\$12,037,410	\$214,417,965
Inst of Hi Ed-Student Loan Account	\$2,940,753	\$587,983	\$218,134	\$4,802	\$38,245	\$261,944	\$4,051,861
Inst of Hi Ed-Work Study Account						\$520,752	\$520,752
Inst of Hi Ed-Annuity & Life Income	(\$16,579,186)						(\$16,579,186)
Inst of Hi Ed-Endowment Local Acct	(\$536,446,833)	(\$1,499,525)	\$133,275	(\$480,454)	\$47,206	(\$451,550)	(\$538,697,881)
Inst of Hi Ed-Long Term Loan Acct	\$1,179,771	\$831,028	\$308,509	\$1,704,429	\$2,116,025	\$59,958	\$6,199,718
Higher Education Blended Components	\$208,717,372						\$208,717,372

Appendix 3 – AFRS Financial Tables

Revenue by Account/Fund							
Account/Fund Title	UW	WSU	EWU	CWU	TESC	WWU	Total
Higher Ed. Internal Lending Acct.	\$46,574,390						\$46,574,390
Total Nonappropriated & Nonallotted	\$590,054,665	\$242,791,932	\$50,029,370	\$58,702,806	\$32,564,698	\$81,201,032	\$1,055,344,503
Nonappropriated & Nonallotted % of Total	20%	40%	41%	42%	45%	43%	26%
Grand Total	\$2,892,699,275	\$613,790,446	\$122,009,400	\$139,377,021	\$71,745,557	\$187,343,096	\$4,026,964,794

Source: LEAP extracts of AFRS data; not recast.

APPENDIX 4 – HECB PERFORMANCE DATA

Exhibit 4-1 – HECB Accountability Data	71
Exhibit 4-2– HECB Cost of Instruction Study: Lower Division/Upper Division Dollars per FTE	76
Exhibit 4-3 – HECB Cost of Instruction Study: Undergraduate/Graduate Dollars per FTE.....	77

Exhibit 4-1 – HECB Accountability Data

Performance Review for 2007-08 Academic Year							
Indicator/Institution	Baseline	Annual Results					
	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Bachelor's Degrees							
University of Washington	7,108	8,043	8,411	8,514	8,290	8,281	8,151
Washington State University	3,720	4,143	4,223	4,133	4,508	4,797	4,818
Central Washington University	1,950	1,893	2,076	2,125	2,140	2,352	2,485
Eastern Washington University	1,615	1,844	1,901	2,083	1,964	2,044	2,019
The Evergreen State College	1,158	1,129	1,194	1,169	1,211	1,114	1,077
Western Washington University	2,610	2,765	2,789	2,884	3,067	3,037	3,080
State Total Public Institutions	18,161	19,817	20,594	20,908	21,180	21,625	21,630
High-Demand Bachelor's Degrees							
University of Washington	1,419	1,546	1,472	1,559	1,491	1,474	1,449
Washington State University	522	648	692	622	681	731	773
Central Washington University	119	112	156	168	207	231	204
Eastern Washington University	221	349	315	371	328	343	393
Western Washington University	189	355	351	371	374	360	342
State Total Public Institutions	2,470	3,010	2,986	3,091	3,081	3,139	3,161
Advanced Degrees							
University of Washington	3,175	3,706	3,787	3,845	4,030	3,999	4,028
Washington State University	1,003	1,066	1,079	1,084	1,080	1,096	1,101
Central Washington University	181	225	207	180	219	184	177
Eastern Washington University	453	478	487	671	524	562	550
The Evergreen State College	101	94	95	91	92	119	97
Western Washington University	341	354	367	370	349	342	303
State Total Public Institutions	5,254	5,923	6,022	6,241	6,294	6,302	6,256

Appendix 4 – HECB Performance Data

Indicator/Institution	Baseline	Annual Results					
	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
6-Year Graduation Rate (first-time full-time freshmen)		Enroll Fall 1997 - Graduate by Summer 2003	Enroll Fall 1998 - Graduate by Summer 2004	Enroll Fall 1999 - Graduate by Summer 2005	Enroll Fall 2000 Graduate by Summer 2006	Enroll Fall 2001 Graduate by Summer 2007	Enroll Fall 2002 - Graduate by Summer 2008
University of Washington	70.3%	70.4%	73.4%	74.2%	74.8%	75.3%	76.9%
Washington State University	59.5%	60.0%	60.4%	63.2%	60.2%	62.9%	66.8%
Central Washington University	48.0%	52.6%	48.9%	51.6%	49.1%	55.5%	55.4%
Eastern Washington University	47.4%	44.7%	44.7%	48.5%	48.2%	47.2%	48.1%
The Evergreen State College	51.8%	47.7%	52.0%	51.6%	55.6%	56.7%	58.4%
Western Washington University	61.8%	60.1%	62.8%	61.8%	61.3%	65.8%	68.6%
State Total Public Institutions	61.3%	62.0%	62.9%	64.1%	63.9%	66.0%	70.3%
3-Year Graduation Rate (transfer with associate degree from WA community college)	Annual average 1997-98 -2001-02	Enroll Fall 2000 - Graduate by Summer 2003	Enroll Fall 2001 - Graduate by Summer 2004	Enroll Fall 2002 - Graduate by Summer 2005	Enroll Fall 2003 Graduate by Summer 2006	Enroll Fall 2004 Graduate by Summer 2007	Enroll Fall 2005 - Graduate by Summer 2008
University of Washington	64.7%	69.7%	73.8%	76.1%	79.2%	76.1%	79.8%
Washington State University	59.3%	64.1%	63.6%	64.3%	64.2%	62.5%	63.9%
Central Washington University	70.0%	70.4%	76.1%	76.1%	72.1%	78.9%	76.8%
Eastern Washington University	57.6%	58.1%	58.6%	65.1%	55.8%	60.4%	54.8%
The Evergreen State College	Data not avail	Data not avail	73.5%	70.1%	72.8%	71.5%	67.6%
Western Washington University	57.0%	61.9%	61.5%	59.0%	63.5%	66.9%	66.8%
State Total Public Institutions	62.9%1	66.5%1	69.2%	70.4%	70.2%	70.8%	71.2%

Appendix 4 – HECB Performance Data

Indicator/Institution	Baseline	Annual Results					
	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Freshman Retention		Enter 2001 - Enroll 2002	Enter 2002 - Enroll 2003	Enter 2003 - Enroll 2004	Enter 2004 - Enroll 2005	Enter 2005 - Enroll 2006	Enter 2006 -Enroll 2007
University of Washington	89.8%	90.1%	91.5%	92.5%	92.7%	92.8%	92.7%
Washington State University	83.3%	82.9%	84.5%	84.3%	84.8%	82.1%	84.1%
Central Washington University	74.6%	77.4%	79.7%	78.3%	78.7%	79.1%	77.0%
Eastern Washington University	74.5%	74.5%	72.9%	76.5%	77.2%	78.1%	73.0%
The Evergreen State College	70.2%	75.1%	70.7%	70.0%	67.6%	68.0%	69.8%
Western Washington University	79.1%	81.2%	83.9%	83.3%	84.5%	86.0%	83.9%
State Total Public Institutions	83.2%	84.2%	85.4%	85.3%	85.4%	84.8%	84.6%
Bachelor's Degree Efficiency (within 125% req'd credits; first degree, single major)	Annual average 1997- 98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
University of Washington	89.1%	87.3%	86.2%	87.7%	89.1%	90.7%	94.0%
Washington State University	92.4%	91.8%	91.9%	92.0%	91.7%	92.1%	91.4%
Central Washington University	84.4%	86.3%	85.5%	85.7%	87.6%	88.3%	87.5%
Eastern Washington University	76.3%	79.0%	80.0%	87.3%	91.1%	90.1%	97.5%
The Evergreen State College	Data not avail	97.5%	96.0%	97.1%	97.9%	96.8%	97.0%
Western Washington University	94.8%	94.6%	94.9%	95.2%	95.1%	94.7%	95.4%
State Total Public Institutions	90.3% ¹	91.2%	90.9%	91.7%	92.4%	92.6%	93.3%

¹ State public institution total does not include The Evergreen State College.

Appendix 4 – HECB Performance Data

Performance Review for 2007-08 Academic Year – Pell Grant Recipients							
Indicator/Institution	Baseline	Annual Results					
	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Bachelor's Degrees							
University of Washington	1,923	2,191	2,279	2,370	2,246	2,339	2,324
Washington State University	1,178	1,502	1,526	1,524	1,716	1,744	1,748
Central Washington University	Data not avail	713	742	800	772	895	977
Eastern Washington University	Data not avail	Data not avail	887	1,057	852	897	893
The Evergreen State College	Data not avail	Data not avail	450	557	546	507	511
Western Washington University	Data not avail	Data not avail	887	913	997	933	861
State Total Public Institutions	Data not avail	Data not avail	6,771	7,221	7,129	7,315	7,314
High-Demand Bachelor's Degrees							
University of Washington	320	352	368	372	342	428	422
Washington State University	192	251	251	234	250	297	285
Central Washington University	Data not avail	51	55	63	68	97	72
Eastern Washington University	Data not avail	Data not avail	149	252	181	150	183
Western Washington University	Data not avail	Data not avail	114	122	115	103	90
State Total Public Institutions	Data not avail	Data not avail	937	1,043	956	1,075	1,052
6-Year Graduation Rate (first-time full-time freshmen)	Annual average 1997-98 -2001-02	Enroll Fall 1997 - Graduate by Summer 2003	Enroll Fall 1998 - Graduate by Summer 2004	Enroll Fall 1999 - Graduate by Summer 2005	Enroll Fall 2000 - Graduate by Summer 2006	Enroll Fall 2001 Graduate by Summer 2007	Enroll Fall 2002 - Graduate by Summer 2008
University of Washington	Data not avail	74.0%	73.5%	76.4%	75.2%	77.7%	77.3%
Washington State University	Data not avail	56.0%	59.9%	57.2%	62.3%	61.7%	64.7%
Central Washington University	Data not avail	52.5%	49.8%	51.9%	50.5%	58.7%	56.4%
Eastern Washington University	Data not avail	Data not avail	45.2%	51.6%	49.2%	47.2%	49.1%
The Evergreen State College	Data not avail	Data not avail	64.5%	76.5%	79.5%	69.2%	59.9%
Western Washington University	Data not avail	Data not avail	63.5%	65.4%	66.3%	68.3%	68.2%
State Total Public Institutions	Data not avail	Data not avail	ISD ²	ISD ²	ISD ²	65.1%	65.1%

² Insufficient Data – State level rates could not be calculated because the number of Pell grant recipients included in the measure and the number of Pell grant recipients meeting the performance criterion in the academic years noted were not included among data submitted by CWU.

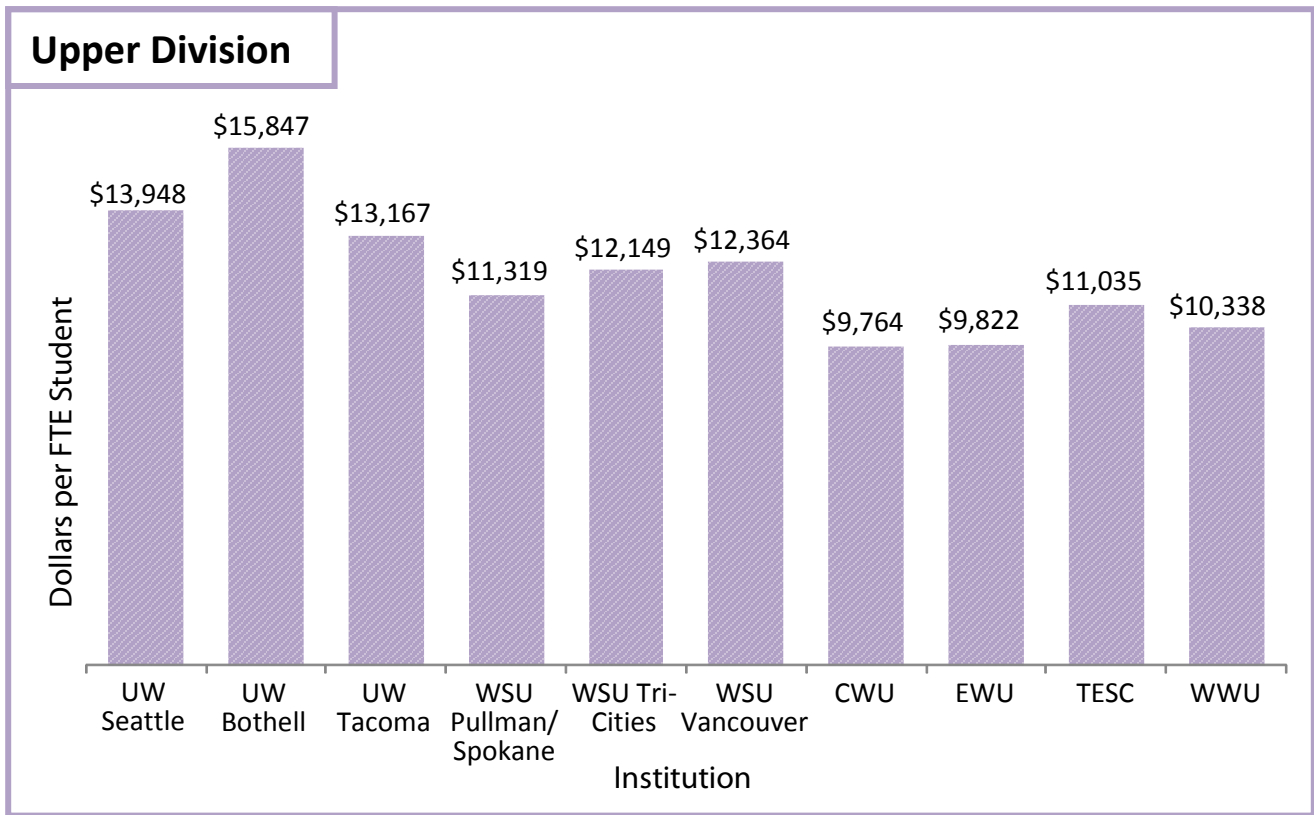
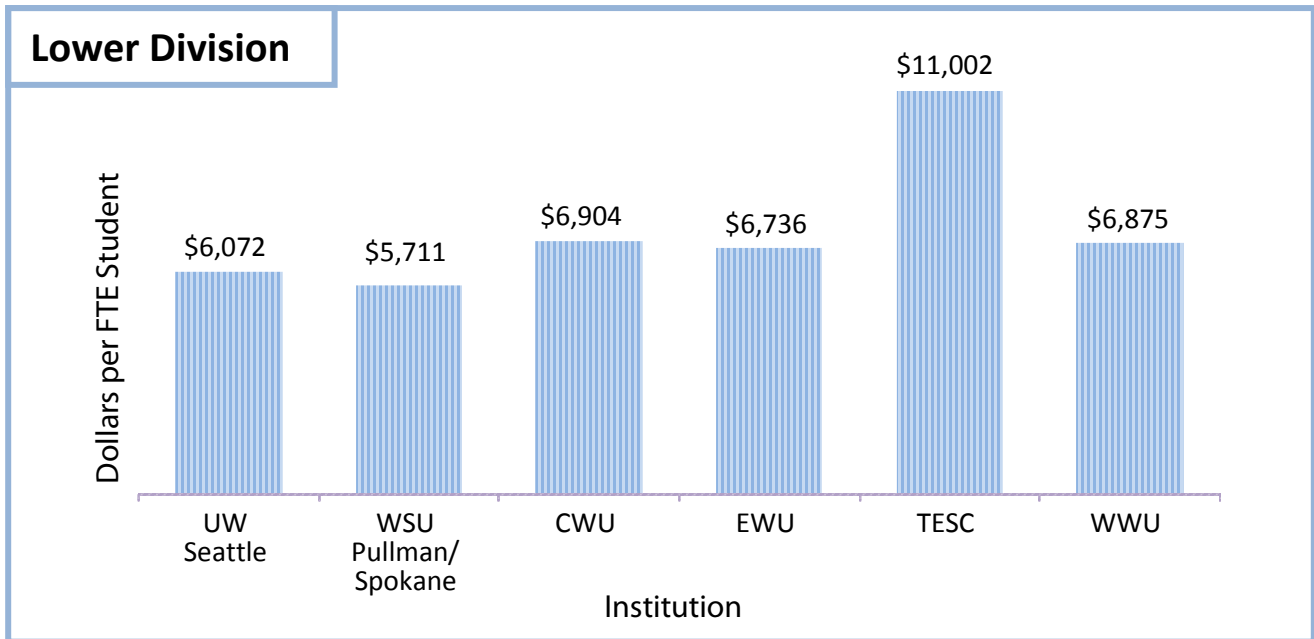
Appendix 4 – HECB Performance Data

Indicator/Institution	Baseline	Annual Results					
	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
3-Year Graduation Rate (transfer with associate degree from WA community college)		Enroll Fall 2000 - Graduate by Summer 2003	Enroll Fall 2001 -Graduate by Summer 2004	Enroll Fall 2002 -Graduate by Summer 2005	Enroll Fall 2003 - Graduate by Summer 2006	Enroll Fall 2004 -Graduate by Summer 2007	Enroll Fall 2005 - Graduate by Summer 2008
University of Washington	65.5%	87.1%	88.3%	86.1%	84.8%	75.9%	81.1%
Washington State University	56.3%	59.2%	64.8%	62.8%	62.8%	63.6%	62.5%
Central Washington University	Data not avail	69.8%	76.8%	75.4%	72.8%	76.3%	72.2%
Eastern Washington University	Data not avail	Data not avail	58.5%	61.2%	57.3%	52.7%	64.7%
The Evergreen State College	Data not avail	Data not avail	73.9%	76.1%	72.4%	71.9%	65.6%
Western Washington University	Data not avail	Data not avail	59.4%	61.0%	64.8%	65.7%	63.0%
State Total Public Institutions	Data not avail	Data not avail	ISD ²	ISD ²	ISD ²	67.2%	69.4%
Freshman Retention	Annual average 1997-98 -2001-02	Enter 2001 - Enroll 2002	Enter 2002 - Enroll 2003	Enter 2003 - Enroll 2004	Enter 2004 - Enroll 2005	Enter 2005 - Enroll 2006	Enter 2006 -Enroll 2007
University of Washington	87.6%	88.0%	88.6%	90.4%	89.3%	92.3%	91.1%
Washington State University	80.8%	82.6%	82.6%	79.1%	80.3%	75.8%	78.6%
Central Washington University	Data not avail	70.6%	72.2%	82.0%	77.4%	77.5%	76.4%
Eastern Washington University	Data not avail	Data not avail	79.9%	80.4%	99.7%	73.1%	73.1%
The Evergreen State College	Data not avail	Data not avail	74.3%	79.8%	71.8%	74.3%	65.4%
Western Washington University	Data not avail	Data not avail	Data not avail	84.3%	81.3%	83.5%	80.6%
State Total Public Institutions	Data not avail	Data not avail	ISD ²	ISD ²	ISD ²	82.2%	80.9%
Bachelor's Degree Efficiency (within 125% req'd credits; first degree, single major)	Annual average 1997-98 -2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
University of Washington	89.1%	87.3%	86.2%	87.7%	89.1%	90.7%	90.2%
Washington State University	88.6%	89.2%	88.6%	89.2%	89.4%	89.1%	88.5%
Central Washington University	Data not avail	80.3%	82.3%	77.8%	80.1%	81.9%	82.9%
Eastern Washington University	Data not avail	Data not avail	81.2%	82.9%	78.0%	87.1%	97.0%
The Evergreen State College	Data not avail	Data not avail	94.9%	95.8%	97.5%	94.6%	95.6%
Western Washington University	Data not avail	Data not avail	91.9%	92.2%	92.5%	92.4%	93.4%
State Total Public Institutions	Data not avail	Data not avail	ISD ³	ISD ³	ISD ³	89.4%	90.3%

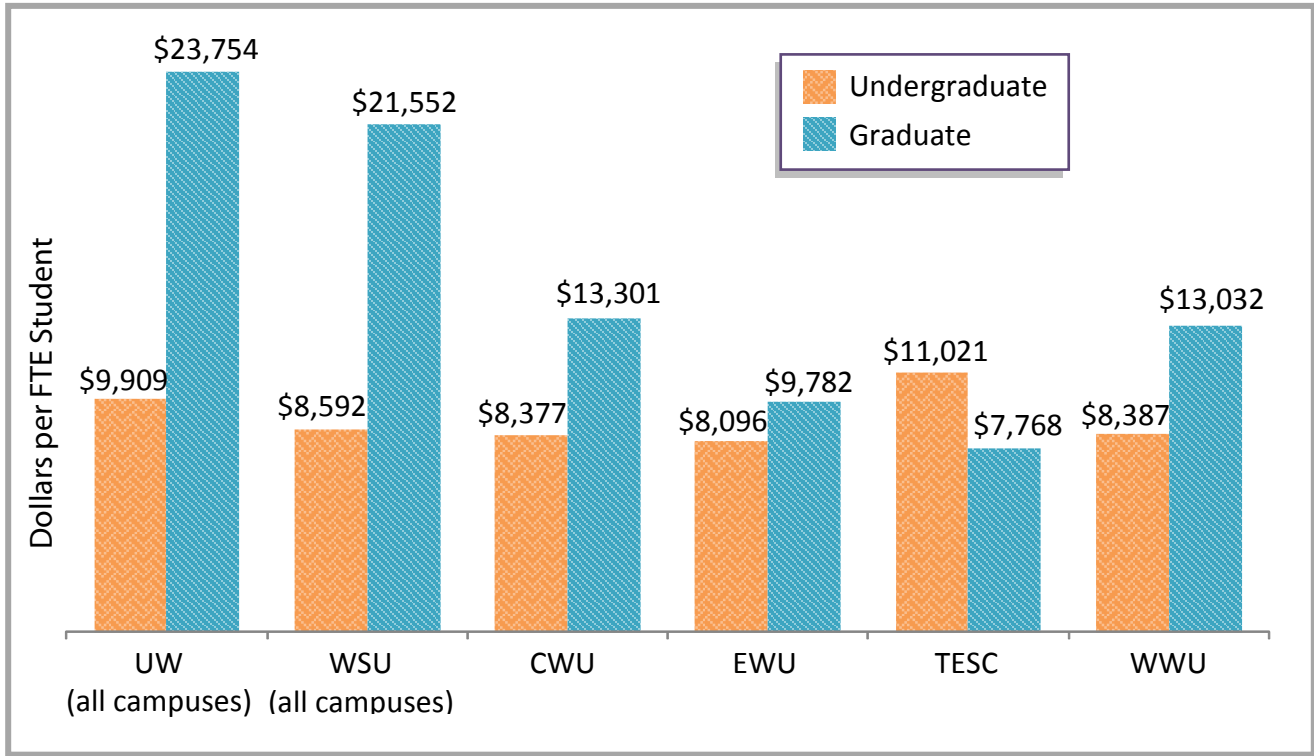
³ Insufficient Data –See note on previous page.

Source: HEC Board 2007-08 Accountability Report.

Exhibit 4-2– HECB Cost of Instruction Study: Lower Division/Upper Division Dollars per FTE



**Exhibit 4-3 – HECB Cost of Instruction Study:
Undergraduate/Graduate Dollars per FTE**



Source: HECB July 2007 Education Cost Study.

APPENDIX 5 – MEASURES FROM OTHER STATES’ AGREEMENTS

California

Efficiency in graduating students

- Number of undergraduate degrees awarded;
- Number of graduate and professional degrees awarded, including detail on degrees awarded in fields that are high priorities for meeting state workforce needs (mathematics, engineering, computer science and other science fields);
- Average time-to-degree for undergraduates;
- Total number and percent of graduating undergraduates who have accumulated excess units required for their degree, as determined by the segments, and the average number of excess units accumulated by these students;
- Persistence and graduation rates for freshmen and California Community College (CCC) transfer students;
- Number of undergraduates admitted as freshmen who leave in academic difficulty; and
- Number of undergraduates admitted as (CCC) transfer students who leave in academic difficulty.

Utilization of systemwide resources

- Student-to-faculty ratio;
- Instructional activities per faculty member;
- Percent of total State-funded salary and benefit expenditures dedicated to direct teaching staff;
- Rate of change in total State-funded staff salary and benefit expenditures for instructional staff, administrative staff, and other student and public service staff;
- Faculty honors and awards;
- Information on technology transfer, including progress in achieving industry-university partnerships, number of patents, total annual income generated by UC-held patents, the proportionate split of those revenues between the University and third parties, and UC’s annual patent-related legal costs (UC only);
- Federal, private, and other support for research (UC only); and
- Total State-funded expenditures and staff levels for the President’s and Chancellor’s Office, together with rates of change from the previous year.

Student-level information

- Total enrollment (both headcount and FTE), by class level;
- Number of new CCC transfer students enrolled (headcount and FTE);

- Number of new freshmen enrolled (headcount and FTE);
- Number and percent of new freshmen and CCC transfer students who were admitted by exception;
- Progress on achieving course articulation agreements with CCCs;
- Number and percent of undergraduates who did not meet the UC entry level writing requirement for reading comprehension before entering UC; and
- Number and percent of undergraduates who did not meet the math and English placement exam requirements before entering CSU.

Capital Outlay

The UC and CSU will continue to provide five-year capital outlay plans outlining the capital priorities for each campus. The plans should include projects that provide safe and accessible learning environments for students and the faculty and staff that serve them.

Source: Higher Education Compact: Agreement Between Governor Schwarzenegger, the University of California, and the California State University, 2005-06 through 2010-11.

Colorado

Each compact has its own individual measures; however, each has in common a focus on five state goals:

- 1) Access and Success;
- 2) Quality in Undergraduate Education;
- 3) Efficiency of Operations;
- 4) Other State Needs – Teacher Education; and
- 5) Other State Needs – Workforce and Economic Development.

Copies of performance contracts for each institution in Colorado can be found here:

<http://highered.colorado.gov/Academics/PerformanceContracts/>

Virginia

1. Access:

- In-state enrollment
- Underrepresented enrollment
- Degree awards

2. Affordability:

- An institution’s in-state undergraduate tuition and fees, both gross and net of need-based gift aid, as a percentage of the institution’s median student family income;
- Average debt (in dollars) of in-state undergraduate borrowers;
- Percent of in-state undergraduate borrowers; and
- Estimated impact of tuition and fee level net of financial aid on applications, enrollment, and student indebtedness incurred for the payment of tuition and fees.

3. Academic Offerings:

According to a 2008 report completed by Virginia’s Joint Legislative Audit and Review Committee (JLARC), the higher education institutions were to offer a broad range of undergraduate and, where appropriate, graduate programs consistent with their mission. Each institution was also to “assess regularly the extent to which the institution’s curricula and degree programs address the Commonwealth’s need for sufficient graduates in particular shortage areas, including specific academic disciplines, professions, and geographic regions.”

The report found that parts of the goal were not addressed by the single performance measure, which was “Total number and percentage of graduates in high-need areas.” The institutions had met the targets of high-need graduates, however. The performance measure may not have appropriately counted “high demand” degrees, since there may have been other “high-demand” areas not covered by the definition, and since some areas covered by the definition may not have been in high demand.

At the time the Virginia JLARC report was published, a task force was meeting to review the measures for this goal.

4. Academic Standards:

Programs regularly reviewed by the Southern Association of Colleges and Schools assessment of student learning outcomes criteria within the institution’s established assessment cycle in which continuous improvement plans addressing recommended policy and program changes were implemented

5. Student Progress and Success:

- Number of students denied enrollment in required 100 and 200 level courses (that are necessary for timely graduation). This measure was not operational at the time the 2008 report was published.

- Ratio of degrees conferred per full-time equivalent instructional faculty member;
- Annual retention and progression rates of degree-seeking undergraduate students; and
- Ratio of total undergraduate degree awards per annual full-time equivalent degree-seeking undergraduate students (except in those years whereas the institution is pursuing planned enrollment growth).

6. Articulation Agreements and Dual Enrollment:

- The number of undergraduate programs or schools for which it has established a uniform articulation agreement for associate degree graduates transferring from all colleges of the Virginia Community College System and Richard Bland College; and
- The total number of associate degree graduates enrolled as transfer students from Virginia's public two-year colleges.

7. Economic Development

All institutions are expected to “actively contribute to efforts to stimulate the economic development of the Commonwealth and the area in which the institution is located.”

Performance for this goal is measured by means of a survey or through evidence of a formal partnership/action plan with regions or localities that “lag the Commonwealth in terms of income, employment, and other factors.”

8. Research, Patents, and Licenses

This goal has two parts. One is “to increase the level of externally funded research conducted at the institution.” The other is to “facilitate the transfer of technology from university research centers to private sector companies.” It is measured by:

- Total expenditures in grants and contracts for research; and
- Annual number of new patent awards and licenses.

9. Elementary and Secondary Education

The main objectives of this goal are for the institution to “work actively and cooperatively with elementary and secondary school administrators, teachers, and students in public schools and school divisions” to:

- Improve student achievement;
- Upgrade the knowledge and skills of teachers; and
- Strengthen leadership skills of school administrators.

Performance for this goal is measured using a survey.

10. Six-Year Financial Plan

Each institution is to develop and adopt a six-year financial plan consistent with Section 23-9.2:3.03 of the Code of Virginia. The Code requires The State Council of Higher Education for Virginia (SCHEV) staff to annually review and assess the plans.

11. Financial and Administrative Measures

This goal is to conduct the institution’s business affairs in a manner that:

- Maximizes operational efficiencies and economies for the institution;
- Contributes to maximum efficiencies and economies of state government as a whole; and
- Meets certain financial and administrative standards.

12. Campus Safety and Security

Each institution is to “seek to ensure the safety and security of the Commonwealth’s students on college and university campuses.”

Source: Report of the Joint Legislative Audit and Review Commission To the Governor and The General Assembly of Virginia, “Two Year Review of Initial Higher Education Management Agreements”, House Document No. 29, 2008.

West Virginia

Core Elements	Elective Elements
<ol style="list-style-type: none"> 1. Enrollment 2. Retention rate 3. Graduation rate 4. Degree production 5. Degrees in STEM and health fields 6. Licensure pass rates 7. Percentage of faculty with terminal degrees 8. Assessment of student learning 9. Accreditation 10. Alignment with K-12 schools 11. Use of instructional technology 12. Career placement 13. Institutional financial aid 14. Programs of distinction 	<ol style="list-style-type: none"> 1. Promotion of global awareness 2. Partnerships with private business for training and employment purposes 3. Educational services to adults 4. Service to underrepresented/disadvantaged populations 5. External funding 6. Institutional efficiencies 7. Expansion of graduate/postdoctoral education 8. National faculty recognition/faculty quality 9. Student civic engagement 10. Entrepreneurial education 11. *Research and external funding

Source: Compact Reporting Elements, Master plan 2007-2012, HEPC.

*Marshall University and West Virginia University must report on research and external funding along with another elective element.

