

---

---

**Docket Item:**

Budget Note Process – Financial Data and Measures

**Summary:**

A 2019 legislative budget note directs the HECC and the public universities to coordinate on the collection of financial data. The goal is to create a common set of metrics used to assess financial health and provide a more robust understanding of the public universities.

**Docket Material:**

A budget note in HB 5024 (2019) directed the Commission and the universities to coordinate on the collection of financial data and measures that will be consistently provided to the HECC to improve transparency and accountability. Financial information may include administrative costs, financial activity by fund, fund reserve balances, and results of audits. The report is due to the Joint Committee on Ways and Means or the Emergency Board no later than September 2020. The full text of the budget note is included in the appendix.

HECC staff will produce a discussion document, meet with the Vice Presidents for Finance and Administration (VPFAs) for all seven public universities in March, 2020. Recommendations and information will then be presented to the Commission at its April F&A meeting.

**Staff Recommendation:**

This is an informational and discussion item only.

## Appendix

### HB 5024 (2019) Budget Note, Full Text

The seven Public Universities shall collectively report to the Joint Committee on Ways and Means in February 2020 on cost management measures implemented during the 2019-20 academic year. The report should include administration and program reductions, use of fund reserve balances, positions eliminated or left vacant for more than six months, and any new positions established. An updated report for the 2020-21 academic year shall be provided to the Emergency Board in December 2020. The seven Public Universities and the Higher Education Coordinating Commission (HECC) are also directed to coordinate in the interim to identify public university financial data and measures that will be consistently provided to HECC to improve transparency and accountability. Financial information may include administrative costs, financial activity by fund, fund reserve balances, and results of audits. HECC shall report to the Joint Committee on Ways and Means or the Emergency Board no later than September 2020 on this effort.

### Potential Metrics for Consideration

#### Affordability

- Total cost of attendance
- Net price
- Financial aid: percentage receiving Pell, federal loans and institutional grant aid
- Institutional grant aid per FTE student
- Tuition discount rate

#### Revenue, Spending and Financial Stability

- Revenue and spending per FTE student
- Tuition-financed shared of spending
- Compensation per FTE employee and share of total spending
- Net income ratio
- Return on net assets ratio

#### Outcomes

- Spending per completion
- Spending per SCH
- Completions per \$100K of spending
- Completions per 100 FTE
- SCH per completion

#### Efficiency & Return on Investment (ROI)

- Faculty throughput (SCH per FTE faculty)
- Student-to-faculty ratio
- Student retention rate
- Average SCH load
- Net revenue from 1% change in retention or average SCH load