

Technical Review Panel No. 39 Improving Finance Survey Forms for For-Profit Institutions

Final Actions

On August 21 and 22, 2012, RTI International, the contractor for the Integrated Postsecondary Education Data System (IPEDS) web-based data collection system, convened a meeting of the IPEDS Technical Review Panel (TRP) in Washington, DC. Meetings of the IPEDS TRP are conducted by RTI to solicit expert discussion and suggestions on a broad range of issues related to postsecondary education and the conduct of IPEDS. The TRP is designed to advise and work with RTI to improve IPEDS data collection and products, data quality, and user-friendliness. The TRP does not report to or advise the Department of Education.

RTI's specific purpose for TRP 39 was to solicit input from the postsecondary education community regarding improving IPEDS Finance survey forms for for-profit institutions. The panel consisted of 36 individuals representing institutions, researchers and other data users, state governments, the federal government, higher education associations, and others. Members of the for-profit sector were well represented on the panel.

The for-profit sector has experienced dramatic growth in both the number of institutions and enrollments since 2000. At the same time, demand for transparency around college costs and spending at all types of postsecondary institutions has increased. Policymakers and other stakeholders have expressed interest in topics like the distribution of instructional expenses by expense type and the percentage of total revenue from federal grants. However, the FASB forms for for-profit institutions collect considerably less detail than the FASB forms for nonprofit institutions and GASB forms, so there are limitations to accurately comparing these data statewide or aggregating them at the national level. Although some accounting differences cannot be made to correspond, RTI convened the TRP to discuss changes to the FASB forms for for-profit institutions to increase data comparability across institutional sectors and utility to institutions and decision makers, while also ensuring data being reported are appropriate for the sector and accurately represent the institutions.

After the conclusion of the TRP, RTI posted a summary of suggestions to the web for public comment. RTI solicited comments by notifying keyholders and coordinators through a "This Week in IPEDS" email announcement. Comments were left open for approximately 60 days and the comment period closed on December 7, 2012. During the comment period, RTI received 6 comments from interested parties. Following the comment period, RTI outlined recommendations for NCES based on the outcome of the TRP meeting and subsequent public comment period. NCES has taken the actions listed below.

Changes to the For-Profit Finance (F) Form

NCES requested and received clearance on the following items on the Finance component. The items will be previewed in 2013-14 and implemented in 2014-15.

Make changes to Revenues information collected:

- Separate federal appropriations, grants, and contracts into two categories:
 - Federal appropriations
 - Federal grants and contracts
- Separate state and local government appropriations, grants, and contracts into four new categories:

- State appropriations
- State grants and contracts
- Local appropriations
- Local grants and contracts
- Add private gifts to be reported with private grants and contracts
- Add the following two revenue categories:
 - Hospital services
 - Independent operations revenue

Make changes to Expenses information collected:

- Separate research and public service into two categories:
 - Research
 - Public service
- Separate academic support, student services, and institutional support into three categories:
 - Academic support
 - Student services
 - Institutional support
- Add the following new functional expense categories:
 - Operation and maintenance of plant
 - Hospital services
 - Independent operations
- The following categories will be allocated across the functional categories and will also be reported as a total amount following the expense matrix used by public and private nonprofit institutions:
 - Salaries and wages
 - Employee fringe benefits
 - Operations and maintenance
 - Interest
 - Depreciation
 - All other
- Add a new informational screening question: What is your business structure?
 - Based on the information provided, institutions with the business structure of either C Corporation or LLC will subsequently be asked to report the following income tax expenses as follows:
 - Total Federal income tax expenditures
 - Total state and local income tax expenditures

Make changes to Scholarships and Fellowships information collected:

- Separate state and local grants (government) into two new categories:
 - Grants by state government
 - Grants by local government

Make changes to Balance Sheet information collected:

- Add the following new categories:
 - Long-term investments
 - Property, plant, and equipment, net of accumulated depreciation
 - Intangible assets, net of accumulated amortization
 - Debt related to property, plant, and equipment
 - Additional detail to align with financial statements
 - Land improvements
 - Buildings
 - Equipment—including art and library collections
 - Construction in progress
 - Other plant, property, and equipment
 - Total plant, property, and equipment
 - Accumulated depreciation

The preview screens and instructions for the survey forms are available from the link <https://surveys.nces.ed.gov/ipeds/visresults.aspx>, and also from the data collection system, under the Survey Materials option within the Help menu.