

Technical Review Panel No. 46 Improvements to the Finance Survey

Final Actions

The Finance component of the Integrated Postsecondary Education Data System (IPEDS) collects institutional data on the financial resources and costs involved in the provision of postsecondary education. Data include institutional revenues by source, expenditures by category, assets and liabilities, and other information reported on institutions' audited financial statements. Even with recent changes to improve comparability of the Finance data, data users have indicated that differences in accounting standards and institutional operations make it difficult to accurately compare financial data across institutions.

On March 24 and 25, 2015, RTI International, the contractor for the IPEDS web-based data collection system, convened a meeting of the IPEDS Technical Review Panel (TRP)¹ in Washington, DC to engage the community in a discussion on how to increase the accuracy and utility of the financial information collected. The panel consisted of 48 individuals representing institutions, researchers and other data users, state governments, the federal government, higher education associations, and others. A number of panelists came from a finance background and had specific knowledge of college and university accounting policies and practices.

Panelists were asked to explore desirable outcomes for the Finance component, data elements to add or remove, and methods for streamlining the forms. The panel considered a number of potential changes to the survey forms and provided feedback on how changes would impact data quality and reporting burden for institutions. Following the meeting, RTI posted a summary of the TRP suggestions to the web for public comment. RTI solicited comments by notifying keyholders and coordinators through a "This Week in IPEDS" email announcement and encouraged member associations involved in the TRP to notify their constituents and stakeholders. Comments were left open for approximately 30 days and the comment period closed on June 12, 2015. RTI received 15 comments from interested parties in response to the posting. Following the comment period, RTI outlined recommendations for the National Center for Education Statistics (NCES) based on the outcome of the TRP meetings and subsequent public comment period. NCES has taken the actions listed below.

Proposed Changes to the Finance Component

NCES requested clearance from the Office of Management and Budget for the 2016-17, 2017-18, and 2018-19 IPEDS data collections. The clearance package includes a number of proposed changes to the data collection, including the following proposed changes to the Finance component. If approved, the items will be implemented in 2016-17.

Changes to the Expense Screen (All Versions)

Reducing the level of detail collected will alleviate some of the difficulty in reporting functional or programmatic allocations. Institutions will report expenses by functional and natural classification categories separately, not by both together.

- Remove the matrix of expenses by functional and natural classifications

¹ 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 allow the public 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.

- Create a separate table for reporting total expenses by the following functional classifications:
 - Instruction
 - Research
 - Public service
 - Academic support
 - Student services
 - Institutional support
 - Operation and maintenance of plant
 - Scholarship and fellowship expenses
 - Auxiliary enterprises
 - Hospital services (if answer Y to screening question)
 - Independent operations
 - Other functional expenses
 - Total expenses and deductions
- Add a column to the above table for reporting salaries and wages by the same functional classifications
- Create a separate table for reporting total expenses by the following natural classifications:
 - Salaries and wages (preloaded from above table)
 - Benefits
 - Depreciation
 - Interest
 - Other natural expenses, calculated from total expenses minus the sum of salaries, benefits, depreciation, and interest
 - Total expenses and deductions (preloaded from above table)