

## Technical Review Panel No. 57 IPEDS Financial Metrics

### Final Actions

IPEDS collects and makes publicly available information related to the financing and management of postsecondary education to help meet data collection and reporting requirements<sup>1</sup> outlined in federal statute.<sup>2</sup> The IPEDS Finance survey component collects summary data on each institution's financial status, including revenues by source, expenses by function, assets and liabilities, and amounts of scholarships and fellowships. Institutions report finance data conforming to the accounting standards<sup>3</sup> that govern public and private institutions and by degree-granting status. Due to differences in the survey forms, some finance data elements are not uniformly collected or distributed, which limits comparisons across accounting standards and institution type. In addition, it is unclear how extensively the data collected through the Finance survey component are used by various constituencies.

On October 23 and 24, 2018, 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 to discuss opportunities to improve the utility of IPEDS data by collecting new finance data that the postsecondary community and IPEDS stakeholders consider important, while also maintaining the quality (reliability and validity) of the data and balancing burden for data reporters. The panel consisted of 44 individuals representing institutions, researchers, state governments, the federal government, higher education associations, and other experts.

The TRP discussed ways in which the IPEDS Finance survey meets existing needs and how it might be improved – both in terms of revising, eliminating, or adding data and developing new metrics. They considered potential changes to streamline the current IPEDS Finance survey component and consider strategies for reducing burden for data reporters.

Following the meeting, RTI posted a summary of the TRP suggestions to the web ([https://edsurveys.rti.org/IPEDS\\_TRP/Default.aspx](https://edsurveys.rti.org/IPEDS_TRP/Default.aspx)) 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 December 28, 2018. RTI received 10 comments from interested parties in response to the posting. Following the

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<sup>1</sup> The National Education Statistics Act of 1994 in the Improving America's Schools Act of 1994 (P.L. 103-382) included the requirement F-2 that the National Center for Education Statistics (NCES) collects and disseminates data at all levels of education on the financing and management of education, including data on revenues and expenditures (20 U.S.C. 9543(a)(1)(I)).

<sup>2</sup> The Education Sciences Reform Act (ESRA) of 2002 (P.L. 107-279) directs NCES to collect, report, analyze, and disseminate statistical data related to the condition and progress of postsecondary education, including the financing and management of education (including data on revenues).

<sup>3</sup> Generally, public institutions use standards established by the Governmental Accounting Standards Board (GASB) and private institutions (and a small number of public institutions) use standards established by the Financial Accounting Standards Board (FASB). Private for-profit institutions operate under FASB accounting standards but report finance data to IPEDS in forms adjusted to account for differences between private nonprofit and private for-profit institutions.

comment period, RTI outlined recommendations for 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 IPEDS Data Collection by Survey Component**

NCES requested and received clearance from the Office of Management and Budget for the 2019-20, 2020-21, and 2021-22 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 as a result of the TRP.

### **Changes to Finance Forms, 2020-21**

- **Degree-granting GASB and FASB not-for-profit institutions:** New screening question to determine where/whether institutions will report intercollegiate athletics revenues.
  - If your institution participates in intercollegiate athletics, are the expenses accounted for as auxiliary enterprises or treated as student services?
    - Auxiliary enterprises
    - Student services
    - Does not participate in intercollegiate athletics
    - Other (specify in box below)
  - If your institution participates in intercollegiate athletics, indicate the category where these revenues are included (check all that apply):
    - Sales and services of educational activities
    - Sales and services of auxiliary enterprises
    - Does not have intercollegiate athletics revenue
    - Other (explain in caveat box)
  
- **Degree-granting GASB, FASB, and private-for-profit institutions:** New screen (Part N-GASB, Part I-FASB, and Part G-PFP) to collect numerator and denominator used to calculate financial health ratios that compose the Composite Financial Index (CFI)
  - Collect current year amounts for:
    - 01 Operating income (loss) + net nonoperating revenues (expenses)/ Change in unrestricted net assets/Pretax income
    - 02 Operating revenues + nonoperating revenues/Total unrestricted operating revenues/ Total revenues
    - 03 Change in net position/ Change in net assets/Total equity
    - 04 Net position/Total net assets/Total assets
    - 05 Expendable net assets/Expendable net assets/Adjusted equity
    - 06 Plant-related debt/ Plant-related debt/Plant-related debt
    - 07 Total expenses/ Total expenses/ Total expenses
  
- **All institutions:** New screen (Part E2-GASB and Part C2-FASB/PFP) to collect sources of discounts & allowances. Collect tuition and fees discounts and allowances and auxiliary enterprises discounts and allowances (then calculate a total) for:
  - 12 Pell grants (federal)

- 13 Other federal grants (Do NOT include FDSL amounts)
  - 14 Grants by state government
  - 15 Grants by local government
  - 16 Endowments and gifts
  - 17 Other institutional sources (calculated value = 18 – (sum of 12 through 16))
  - 18 Total (preloaded into new screen)
- **Degree-granting GASB and FASB institutions:** New data elements in Part H to collect market value for change in value of endowment net assets
    - 03a New gifts and additions
    - 03b Endowment net investment return
    - 03c Spending distribution for current use
    - 03d Other (calculated value 03 – (03a+03b+03c))
  - Rewording for clarification: “ endowment assets to endowment net assets”

Forms and instructions will be available for preview in 2019-20 to give institutions 1-year notice of how new data items will be collected in the future. The preview screens are available from the data collection system, under the Survey Materials option within the Help menu.