

AGB / NACUBO Study on College Costs



About the Survey

The survey was sponsored and conducted by AGB in collaboration with the National Association of College and University Business Officers (NACUBO). The survey population included 2,131 CFOs, drawn from member institutions of AGB and NACUBO, stratified into groups of public four-year, public two-year, and private two-year and private four-year institutions. The survey was administered online over four weeks from December 15, 2006, to January 15, 2007. The survey was preceded by a letter to AGB-member presidents, informing them of the survey and inviting questions about it.

Responses were received from 733 institutions—about 26 percent of the recipients (after correcting for duplicate responses and undeliverable e-mail). Response rates were highest (50 percent) among the “administrative units” (system offices), followed by 32 percent for private four-year institutions, 22 percent for public four-year institutions, and 18 percent for two-year institutions, both public and private. Responses from private two-year institutions were excluded from the subsequent analysis because of the small number in this category. The remaining groups are statistically valid for the sectors as a whole.

More information about the AGB Cost Project, including related papers and current research are available at www.agb.org/cost.

Association of Governing Boards of Universities and Colleges
One Dupont Circle, Suite 400, Washington, DC 20036, 202/296-8400.

All Institutions (Private 4 yr, Public 2 yr, Public 4 yr)

1. Did you present EXPENDITURES PER STUDENT (not tuition or room and board costs) to your governing board at any time in the 2006 fiscal year?

	Responses
Yes	293
No	407

2. In regard to instructional expenditures/costs, what types of data were provided to the governing board or board committee(s) during the past fiscal year? (Check all that apply)

	Single Year	Historic trends	Future projections	Other
Average instructional expenditure per FTE student (all students combined)	240	230	72	31
Average instructional expenditure by level of instruction (e.g. lower division, upper division, and graduate, as applicable)	107	86	33	31
Average instructional expenditure by department/discipline	130	99	35	24
Comparative data from other institutions on average instructional expenditure	180	145	31	24

3. Using the table below, please describe what type of cost/expenditure information was provided to the governing board or board committee(s) over the past fiscal year. Please indicate the applicable time periods covered and whether comparative data on other institutions were provided. (Check all that apply)

	Single Year	Historic trends	Future projections	Other	Comparative data provided
Total operating expenditures	538	503	373	10	265
Instructional related expenditures	477	420	259	9	206
Co-curricular/Student Life related expenditures	372	326	211	7	135
Auxiliary related expenditures	462	386	258	7	161
Athletic related expenditures	268	228	143	9	93
Indirect Cost related expenditures	192	161	102	18	55
Capital Projects and Facilities related expenditures	487	375	341	23	135

4. What best describes the reporting methodologies you employ when preparing cost information to share with your board? (Check all that apply)

	Responses
Internal benchmarks developed at your institution	456
Benchmarks against peer institutions	412
Measures mandated by state government	141
Measures adapted from the NACUBO Cost of College methodology	94
Measures voluntarily adopted by a consortia or group with which you are affiliated	100
Other (please specify)	46

5. If information on costs/expenditures in any form was shared with the board, in what context(s) was the information used? (Check all that apply)

	Responses
To help set overall institutional operating budgets for the forthcoming fiscal or budget year	580
To help set specific elements of your operating budgets for the forthcoming fiscal year (e.g. faculty salaries)	396
To help set institutional capital budget for the forthcoming fiscal year	415
To help set tuition, fees, and/or room and board rates for the forthcoming fiscal year	551
To help develop long-range (e.g. multi-year) or strategic plans	406
Related to program review, introduction of new programs, or accreditation	224
Reports to your state coordinating or planning agency, the governor, or the legislature, as a part of a public accountability "report card"	155
Other (please specify)	23

6. Over the course of the 2006 fiscal year, did the board or a board committee take action to approve any of the following cost related items and what role did cost information or other data play in the deliberations?

Level of Action

	Board Action	Committee Action	Board and Committee Action	No Action
Faculty salaries	228	35	195	120
Faculty workload	27	30	19	410
Use of adjunct faculty	19	24	21	416
Employee benefits	142	85	140	179
Student tuition discounting levels/policies	128	59	150	189
New capital outlay projects	256	27	256	45
Major new contracts with outside vendors	97	36	73	290
Program consolidation or elimination	67	19	64	335

Use of Comparative Data by Board or Committee

	None	Minimal	Extensive
Faculty salaries	61	209	207
Faculty workload	131	49	35
Use of adjunct faculty	145	49	16
Employee benefits	92	185	133
Student tuition discounting levels/policies	75	139	172
New capital outlay projects	203	166	133
Major new contracts with outside vendors	170	78	45
Program consolidation or elimination	142	59	50

Impact that Data Had on Deliberations

	None	Minor Role	Major Role
Faculty salaries	58	179	221
Faculty workload	127	45	32
Use of adjunct faculty	137	45	16
Employee benefits	89	166	133
Student tuition discounting levels/policies	73	136	157
New capital outlay projects	155	140	155
Major new contracts with outside vendors	145	78	47
Program consolidation or elimination	130	59	48

7. How would you describe the priority your board places on expenditure/cost management (increasing efficiencies and reducing spending) as part of its role in fiscal oversight?

	Responses
Not a priority	10
Minor concern	55
On the radar	157
One of many priorities	272
Very high priority	151

8. To what extent do you anticipate your board's prioritization of cost or expenditure management will likely change over the next decade?

	Responses
Become much less important	3
Become somewhat less important	12
Remain the same	248
Become somewhat more important	262
Become much more important	120

9. How would you describe the depth and breadth of information your board receives on institutional costs and expenditures?

	Responses
Very limited	54
Not quite enough	130
About right	362
More than enough	91
Too much	4

10. How would you describe the depth and breadth of the information your board receives on institutional costs and expenditures, compared to boards of peer institutions?

	Responses
Below average	56
Slightly less than average	85
Average	201
Slightly more than average	72
Above average	99
Do not know	129

11. What are the impediments, if any, to your board's understanding of cost issues? (Check up to three that you consider most important)

	Responses
Requires extensive work to prepare such information	171
Requires details inappropriate to board's role	184
Not enough time at board meetings	316
Board members do not prepare sufficiently for meeting/read the materials provided	188
Presidential leadership	52
Board leadership	59
Other priorities/crises preempt board attention	202
There are no impediments	130
No opinion/have not been in the position long enough to judge	18
Other (please specify)	50

12. In your opinion, how effective has your institution been in managing costs and how extensive was your board's involvement in achieving those results?

	Low	Medium	High	No Opinion
Institutional effectiveness	34	240	362	3
Board's involvement	299	235	93	11

Public 2-year Institutions

1. Did you present EXPENDITURES PER STUDENT (not tuition or room and board costs) to your governing board at any time in the 2006 fiscal year?

	Responses
Yes	54
No	52

2. In regard to instructional expenditures/costs, what types of data were provided to the governing board or board committee(s) during the past fiscal year? (Check all that apply)

	Single Year	Historic trends	Future projections	Other
Average instructional expenditure per FTE student (all students combined)	54	42	13	3
Average instructional expenditure by level of instruction (e.g. lower division, upper division, and graduate, as applicable)	23	17	6	2
Average instructional expenditure by department/discipline	42	28	10	2
Comparative data from other institutions on average instructional expenditure	37	29	7	2

3. Using the table below, please describe what type of cost/expenditure information was provided to the governing board or board committee(s) over the past fiscal year. Please indicate the applicable time periods covered and whether comparative data on other institutions were provided. (Check all that apply)

	Single Year	Historic trends	Future projections	Other	Comparative data provided
Total operating expenditures	89	66	42	2	54
Instructional related expenditures	83	55	32	2	46
Co-curricular/Student Life related expenditures	48	29	14	1	20
Auxiliary related expenditures	76	40	24	1	29
Athletic related expenditures	38	18	12	0	12
Indirect Cost related expenditures	27	12	6	4	9
Capital Projects and Facilities related expenditures	85	45	42	4	35

4. What best describes the reporting methodologies you employ when preparing cost information to share with your board? (Check all that apply)

	Responses
Internal benchmarks developed at your institution	63
Benchmarks against peer institutions	54
Measures mandated by state government	68
Measures adapted from the NACUBO Cost of College methodology	11
Measures voluntarily adopted by a consortia or group with which you are affiliated	20
Other (please specify)	6

5. If information on costs/expenditures in any form was shared with the board, in what context(s) was the information used? (Check all that apply)

	Responses
To help set overall institutional operating budgets for the forthcoming fiscal or budget year	92
To help set specific elements of your operating budgets for the forthcoming fiscal year (e.g. faculty salaries)	61
To help set institutional capital budget for the forthcoming fiscal year	64
To help set tuition, fees, and/or room and board rates for the forthcoming fiscal year	82
To help develop long-range (e.g. multi-year) or strategic plans	58
Related to program review, introduction of new programs, or accreditation	49
Reports to your state coordinating or planning agency, the governor, or the legislature, as a part of a public accountability "report card"	62
Other (please specify)	5

6. Over the course of the 2006 fiscal year, did the board or a board committee take action to approve any of the following cost related items and what role did cost information or other data play in the deliberations?

Level of Action

	Board Action	Committee Action	Board and Committee Action	No Action
Faculty salaries	64	2	12	12
Faculty workload	13	2	1	54
Use of adjunct faculty	8	3	5	54
Employee benefits	53	3	13	18
Student tuition discounting levels/policies	25	0	6	41
New capital outlay projects	66	0	19	1
Major new contracts with outside vendors	36	3	10	25
Program consolidation or elimination	19	3	12	39

Use of Comparative Data by Board or Committee

	None	Minimal	Extensive
Faculty salaries	10	38	32
Faculty workload	22	9	6
Use of adjunct faculty	22	10	4
Employee benefits	9	34	29
Student tuition discounting levels/policies	14	11	15
New capital outlay projects	19	33	27
Major new contracts with outside vendors	20	21	15
Program consolidation or elimination	17	16	11

Impact that Data Had on Deliberations

	None	Minor Role	Major Role
Faculty salaries	9	32	34
Faculty workload	20	9	5
Use of adjunct faculty	18	10	4
Employee benefits	9	28	31
Student tuition discounting levels/policies	13	10	13
New capital outlay projects	17	24	32
Major new contracts with outside vendors	18	22	12
Program consolidation or elimination	14	15	11

7. How would you describe the priority your board places on expenditure/cost management (increasing efficiencies and reducing spending) as part of its role in fiscal oversight?

	Responses
Not a priority	1
Minor concern	11
On the radar	26
One of many priorities	46
Very high priority	17

8. To what extent do you anticipate your board's prioritization of cost or expenditure management will likely change over the next decade?

	Responses
Become much less important	0
Become somewhat less important	0
Remain the same	45
Become somewhat more important	41
Become much more important	15

9. How would you describe the depth and breadth of information your board receives on institutional costs and expenditures?

	Responses
Very limited	7
Not quite enough	15
About right	59
More than enough	19
Too much	1

10. How would you describe the depth and breadth of the information your board receives on institutional costs and expenditures, compared to boards of peer institutions?

	Responses
Below average	4
Slightly less than average	18
Average	32
Slightly more than average	11
Above average	18
Do not know	17

11. What are the impediments, if any, to your board's understanding of cost issues? (Check up to three that you consider most important)

	Responses
Requires extensive work to prepare such information	23
Requires details inappropriate to board's role	32
Not enough time at board meetings	33
Board members do not prepare sufficiently for meeting/read the materials provided	27
Presidential leadership	7
Board leadership	5
Other priorities/crises preempt board attention	29
There are no impediments	22
No opinion/have not been in the position long enough to judge	3
Other (please specify)	11

12. In your opinion, how effective has your institution been in managing costs and how extensive was your board's involvement in achieving those results?

	Low	Medium	High	No Opinion
Institutional effectiveness	5	39	57	0
Board's involvement	52	38	10	1

Public 4-year Institutions

1. Did you present EXPENDITURES PER STUDENT (not tuition or room and board costs) to your governing board at any time in the 2006 fiscal year?

	Responses
Yes	82
No	74

2. In regard to instructional expenditures/costs, what types of data were provided to the governing board or board committee(s) during the past fiscal year? (Check all that apply)

	Single Year	Historic trends	Future projections	Other
Average instructional expenditure per FTE student (all students combined)	62	52	20	3
Average instructional expenditure by level of instruction (e.g. lower division, upper division, and graduate, as applicable)	31	24	8	4
Average instructional expenditure by department/discipline	30	18	3	5
Comparative data from other institutions on average instructional expenditure	45	35	10	4

3. Using the table below, please describe what type of cost/expenditure information was provided to the governing board or board committee(s) over the past fiscal year. Please indicate the applicable time periods covered and whether comparative data on other institutions were provided. (Check all that apply)

	Single Year	Historic trends	Future projections	Other	Comparative data provided
Total operating expenditures	121	102	55	1	62
Instructional related expenditures	99	74	27	1	41
Co-curricular/Student Life related expenditures	74	52	19	1	30
Auxiliary related expenditures	104	75	37	0	34
Athletic related expenditures	76	54	24	1	32
Indirect Cost related expenditures	39	30	15	2	9
Capital Projects and Facilities related expenditures	106	75	64	6	25

4. What best describes the reporting methodologies you employ when preparing cost information to share with your board? (Check all that apply)

	Responses
Internal benchmarks developed at your institution	77
Benchmarks against peer institutions	102
Measures mandated by state government	67
Measures adapted from the NACUBO Cost of College methodology	13
Measures voluntarily adopted by a consortia or group with which you are affiliated	12
Other (please specify)	11

5. If information on costs/expenditures in any form was shared with the board, in what context(s) was the information used? (Check all that apply)

	Responses
To help set overall institutional operating budgets for the forthcoming fiscal or budget year	115
To help set specific elements of your operating budgets for the forthcoming fiscal year (e.g. faculty salaries)	74
To help set institutional capital budget for the forthcoming fiscal year	73
To help set tuition, fees, and/or room and board rates for the forthcoming fiscal year	113
To help develop long-range (e.g. multi-year) or strategic plans	66
Related to program review, introduction of new programs, or accreditation	50
Reports to your state coordinating or planning agency, the governor, or the legislature, as a part of a public accountability "report card"	86
Other (please specify)	7

6. Over the course of the 2006 fiscal year, did the board or a board committee take action to approve any of the following cost related items and what role did cost information or other data play in the deliberations?

Level of Action

	Board Action	Committee Action	Board and Committee Action	No Action
Faculty salaries	61	2	25	35
Faculty workload	3	3	3	90
Use of adjunct faculty	6	1	5	87
Employee benefits	36	5	18	50
Student tuition discounting levels/policies	31	4	17	49
New capital outlay projects	71	1	46	12
Major new contracts with outside vendors	35	3	23	48
Program consolidation or elimination	26	0	15	65

Use of Comparative Data by Board or Committee

	None	Minimal	Extensive
Faculty salaries	18	40	39
Faculty workload	29	10	4
Use of adjunct faculty	32	14	1
Employee benefits	26	29	20
Student tuition discounting levels/policies	26	23	19
New capital outlay projects	42	32	35
Major new contracts with outside vendors	46	20	11
Program consolidation or elimination	32	19	10

Impact that Data Had on Deliberations

	None	Minor Role	Major Role
Faculty salaries	19	37	37
Faculty workload	32	9	2
Use of adjunct faculty	33	12	2
Employee benefits	23	31	18
Student tuition discounting levels/policies	25	21	20
New capital outlay projects	33	31	37
Major new contracts with outside vendors	38	19	16
Program consolidation or elimination	30	21	9

7. How would you describe the priority your board places on expenditure/cost management (increasing efficiencies and reducing spending) as part of its role in fiscal oversight?

	Responses
Not a priority	2
Minor concern	7
On the radar	33
One of many priorities	59
Very high priority	37

8. To what extent do you anticipate your board's prioritization of cost or expenditure management will likely change over the next decade?

	Responses
Become much less important	0
Become somewhat less important	2
Remain the same	47
Become somewhat more important	58
Become much more important	32

9. How would you describe the depth and breadth of information your board receives on institutional costs and expenditures?

	Responses
Very limited	16
Not quite enough	22
About right	76
More than enough	24
Too much	0

10. How would you describe the depth and breadth of the information your board receives on institutional costs and expenditures, compared to boards of peer institutions?

	Responses
Below average	12
Slightly less than average	15
Average	41
Slightly more than average	15
Above average	21
Do not know	33

11. What are the impediments, if any, to your board's understanding of cost issues? (Check up to three that you consider most important)

	Responses
Requires extensive work to prepare such information	28
Requires details inappropriate to board's role	39
Not enough time at board meetings	62
Board members do not prepare sufficiently for meeting/read the materials provided	37
Presidential leadership	6
Board leadership	13
Other priorities/crises preempt board attention	46
There are no impediments	30
No opinion/have not been in the position long enough to judge	7
Other (please specify)	11

12. In your opinion, how effective has your institution been in managing costs and how extensive was your board's involvement in achieving those results?

	Low	Medium	High	No Opinion
Institutional effectiveness	7	46	82	0
Board's involvement	69	41	20	5

Private 4-year Institutions

1. Did you present EXPENDITURES PER STUDENT (not tuition or room and board costs) to your governing board at any time in the 2006 fiscal year?

	Responses
Yes	157
No	281

2. In regard to instructional expenditures/costs, what types of data were provided to the governing board or board committee(s) during the past fiscal year? (Check all that apply)

	Single Year	Historic trends	Future projections	Other
Average instructional expenditure per FTE student (all students combined)	124	136	39	25
Average instructional expenditure by level of instruction (e.g. lower division, upper division, and graduate, as applicable)	53	45	19	25
Average instructional expenditure by department/discipline	58	53	22	17
Comparative data from other institutions on average instructional expenditure	98	81	14	18

3. Using the table below, please describe what type of cost/expenditure information was provided to the governing board or board committee(s) over the past fiscal year. Please indicate the applicable time periods covered and whether comparative data on other institutions were provided. (Check all that apply)

	Single Year	Historic trends	Future projections	Other	Comparative data provided
Total operating expenditures	328	335	276	7	149
Instructional related expenditures	295	291	200	6	119
Co-curricular/Student Life related expenditures	250	245	178	5	85
Auxiliary related expenditures	282	271	197	6	98
Athletic related expenditures	154	156	107	8	49
Indirect Cost related expenditures	126	119	81	12	37
Capital Projects and Facilities related expenditures	296	255	235	13	75

4. What best describes the reporting methodologies you employ when preparing cost information to share with your board? (Check all that apply)

	Responses
Internal benchmarks developed at your institution	316
Benchmarks against peer institutions	256
Measures mandated by state government	6
Measures adapted from the NACUBO Cost of College methodology	70
Measures voluntarily adopted by a consortia or group with which you are affiliated	68
Other (please specify)	29

5. If information on costs/expenditures in any form was shared with the board, in what context(s) was the information used? (Check all that apply)

	Responses
To help set overall institutional operating budgets for the forthcoming fiscal or budget year	373
To help set specific elements of your operating budgets for the forthcoming fiscal year (e.g. faculty salaries)	261
To help set institutional capital budget for the forthcoming fiscal year	278
To help set tuition, fees, and/or room and board rates for the forthcoming fiscal year	356
To help develop long-range (e.g. multi-year) or strategic plans	282
Related to program review, introduction of new programs, or accreditation	125
Reports to your state coordinating or planning agency, the governor, or the legislature, as a part of a public accountability "report card"	7
Other (please specify)	11

6. Over the course of the 2006 fiscal year, did the board or a board committee take action to approve any of the following cost related items and what role did cost information or other data play in the deliberations?

Level of Action

	Board Action	Committee Action	Board and Committee Action	No Action
Faculty salaries	103	31	158	73
Faculty workload	11	25	15	266
Use of adjunct faculty	5	20	11	275
Employee benefits	53	77	109	111
Student tuition discounting levels/policies	72	55	127	99
New capital outlay projects	119	26	191	32
Major new contracts with outside vendors	26	30	40	217
Program consolidation or elimination	22	16	37	231

Use of Comparative Data by Board or Committee

	None	Minimal	Extensive
Faculty salaries	33	131	136
Faculty workload	80	30	25
Use of adjunct faculty	91	25	11
Employee benefits	57	122	84
Student tuition discounting levels/policies	35	105	138
New capital outlay projects	142	101	71
Major new contracts with outside vendors	104	37	19
Program consolidation or elimination	93	24	29

Impact that Data Had on Deliberations

	None	Minor Role	Major Role
Faculty salaries	30	110	150
Faculty workload	75	27	25
Use of adjunct faculty	86	23	10
Employee benefits	57	107	84
Student tuition discounting levels/policies	35	105	124
New capital outlay projects	105	85	86
Major new contracts with outside vendors	89	37	19
Program consolidation or elimination	86	23	28

7. How would you describe the priority your board places on expenditure/cost management (increasing efficiencies and reducing spending) as part of its role in fiscal oversight?

	Responses
Not a priority	7
Minor concern	37
On the radar	98
One of many priorities	167
Very high priority	97

8. To what extent do you anticipate your board's prioritization of cost or expenditure management will likely change over the next decade?

	Responses
Become much less important	3
Become somewhat less important	10
Remain the same	156
Become somewhat more important	163
Become much more important	73

9. How would you describe the depth and breadth of information your board receives on institutional costs and expenditures?

	Responses
Very limited	31
Not quite enough	93
About right	227
More than enough	48
Too much	3

10. How would you describe the depth and breadth of the information your board receives on institutional costs and expenditures, compared to boards of peer institutions?

	Responses
Below average	40
Slightly less than average	52
Average	128
Slightly more than average	46
Above average	60
Do not know	79

11. What are the impediments, if any, to your board's understanding of cost issues? (Check up to three that you consider most important)

	Responses
Requires extensive work to prepare such information	120
Requires details inappropriate to board's role	113
Not enough time at board meetings	221
Board members do not prepare sufficiently for meeting/read the materials provided	124
Presidential leadership	39
Board leadership	41
Other priorities/crises preempt board attention	127
There are no impediments	78
No opinion/have not been in the position long enough to judge	8
Other (please specify)	28

12. In your opinion, how effective has your institution been

in managing costs and how extensive was your board's involvement in achieving those results?

	Low	Medium	High	No Opinion
Institutional effectiveness	22	155	223	3
Board's involvement	178	156	63	5