

## Campus Responses - FY12 Budget Questions

### Cost per Completion

*Describe trends in expenditures per completion as they relate to your campus. How do these trends compare with system-wide figures?...with WICHE peers averages? Identify some of the primary driving factors behind increases or decreases.*

#### UM MISSOULA

- UM believes the cost per completion value of \$50,154 demonstrates both an upside and downside. The upside shows that UM is very efficient. The downside again illustrates that UM is understaffed.
- UM cost per completion is significantly less than that of our peers within the WICHE system (UM \$50,154 – Doc WICHE \$63,825).
- With the embedded Missoula College, UM has a responsibility to provide 2-year education and UM performs this task in a larger proportion than any other institution in the state. In FY12 UM provided 16.1% of all the associate degrees awarded in the state, second only to Flathead Valley CC which provided 17.4%.
- UM has experienced a significant increase in the number of associate degrees awarded; In 2011, UM awarded nearly 50% more associate degrees than it did in 2007. Over the same period, the number of baccalaureate degrees has increased by nearly 15%.

#### MT TECH

During the period fiscal year (FY) 2006 through FY 2012, on an annualized basis, the expenditures per completion for Montana Tech increased at an average annual growth rate of 2.4%. For the Montana University System in aggregate, the expenditures per completion increased at an average annual growth rate of 2.4% during the same time period. From FY 2011 to FY 2012, the expenditures per completion increased from \$63,097 to \$66,169 per completion, an increase of 4.9%. FY 2012 total expenditures included one-time-only expenses of \$550k for class/lab equipment upgrades, \$217k of deferred maintenance/ infrastructure improvements, and \$303k of energy conservation loan payoffs. Additionally, the total completions declined slightly from 458 in FY 2011 to 439 in FY 2012. FY 2011 was a high completion year for two of Montana Tech's largest departments: Petroleum Engineering and Business and Information Technology.

Compared to other schools in the Montana University System, Montana Tech has the highest cost per completion due to a number of factors. Montana Tech has several high cost programs, including all engineering and nursing programs. Additionally, Montana Tech awards certificates in Healthcare Informatics and Pre-Apprenticeship Lineman. These completions are excluded from the dashboard calculations, although all of the expenses associated with these programs are included in the calculation. This results in a greater cost per completion. If those awarded certificate numbers (39) were included in the calculation, the cost per completion would decrease by about \$6,000 in FY 2012.

## UM WESTERN

- We note this temporal measurement often shows larger fluctuations on the smaller campuses, including us.
- These data are affected by increasing enrollment and corresponding expenditures.
- Accordingly, as our completions increase we approach WICHE averages.
- Based on this metric, we have strategically changed our approach regarding two-year enrollment and degrees. In the past, successful students could declare a four-year major at the end of the first year and move directly to the four year degree. Last year, we began encouraging the completion of the A.A. or A.S. and continuing toward a four-year degree for the cohort admitted to the two-year degree program. This will impact the metric (as it did this year) and also should improve our completion and graduation rates in the future.

## HELENA COLLEGE

The expenditures per completion are the lowest or nearly the lowest in the system for the time periods presented in the chart. The Helena College figures are significantly lower than the WICHE two year average figures and the MUS total figures. In looking at the trend, it appears that the Helena College figures are following a trend line similar to the WICHE and MUS totals with some variations in the magnitude of the changes.

Factors that may be driving the changes:

- Enrollment fluctuations
- Expenditure fluctuations
- Fluctuations in the number of students seeking degrees versus those just taking courses for transfer.
- Fluctuations in the number of students seeking certificates versus just taking course for skill development.

## MSU BOZEMAN

	<i>Cost per Completion</i>						
	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
MSU Bozeman	\$47,986	\$50,306	\$55,141	\$55,778	\$59,335	\$60,860	\$62,658
MUS Total	\$44,148	\$45,530	\$49,312	\$50,351	\$52,836	\$50,560	\$50,982
Doc WICHE Avg	\$56,680	\$61,696	\$64,528	\$67,823	\$63,825		

MSU's cost per completion was \$62,658 in 2011-12, up steadily each year since 2008-09. The main reasons for the increases are twofold: Annual increases in enrollment and higher percentages of nonresident students. The growing enrollment of nonresident students at MSU is increasing the funds available as each new cohort enters the university. If it were not for the increase in our nonresident

student enrollment, and the associated higher tuition revenues that come with those students, our overall expenditure per student would have decreased since 2008-09.

Looking at this another way, completions are the result of spending over the last several years, not the current year, and current spending is a leading indicator of completions in the future, which will increase as a result of our increasing enrollments. Holding other factors constant, this ratio will increase during periods of enrollment growth and will decrease during periods of enrollment decline. Given current trends in enrollment and nonresident mix, MSU's cost per completion will continue to increase because total revenues, and therefore expenditures, are increasing while the number of graduates represent smaller cohorts that entered 4 to 6 years prior.

The WICHE average cost per completion was \$63,825 in 2009-10 compared to MSU's cost of \$59,335 that year. MSU's cost per completion was \$11,676 above the MUS average in 2011-12 which reflects its programmatic offerings, continued enrollment growth, and nonresident student mix and associated tuition revenues.

### MSU BILLINGS

	Cost per Completion						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
MSU Billings	\$43,216	\$42,840	\$41,193	\$44,208	\$44,316	\$44,638	\$41,062
MUS Total	\$44,148	\$45,530	\$49,312	\$50,351	\$52,836	\$50,560	\$50,982
BA/MA WICHE Avg	\$41,718	\$43,499	\$47,010	\$45,869	\$43,210		

Year-to-year cost fluctuations are a reflection of increases in operating costs and the number of completions from a low of 771 in FY06 to a record high of 966 in FY12. Operating cost increases include modest salary and benefit increases and the increase in the number of faculty and staff to serve students during times of enrollment growth. The projected FY12 decrease in cost per completion indicates efficiency by producing a larger percentage of completions relative to the percentage increase in operating costs.

MSU Billings' cost per completion in 2012 of \$41,062 is lower than the MUS average of \$50,982 and lower than the BA/MA WICHE average of \$43,210 from 2010. This is attributable to:

- (1) Efficiency and high productivity which results in lower operating costs
- (2) Low facilities operating costs
- (3) Implementation of a budget equal to available state support and tuition revenue

### MSU NORTHERN

	Cost per Completion						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
MSU Northern	\$38,346	\$36,782	\$45,277	\$46,787	\$59,122	\$45,507	\$52,471
MUS Total	\$44,148	\$45,530	\$49,312	\$50,351	\$52,836	\$50,560	\$50,982
BA/MA WICHE Avg	\$41,718	\$43,499	\$47,010	\$45,869	\$43,210		

MSUN's most significant fluctuation on costs per completion occurred at the end of the 2009-2010 academic year, with a drop of 54 completions from two years previously (2007-2008, 286 completions; 2009-2010, 232 completions). The following year (2010-2011), completions rose to 314, with a concurrent 23% decrease in costs per completion. As a result, based on the most recent data (2010-2011), MSUN has a cost per completion of \$45,507: 10% below the MUS total cost-per-completion rate of \$50,560.

Regarding "driving factors behind increases or decreases," in the most significant fluctuation between AY 2009-10 and AY 2010-2011 our budget remained relatively stable (a modest increase of 4%). At the same time, we posted our largest enrollment of 1155 in AY 2010-2011 but also had a large graduating class, hence the increase in completions that year.

### GREAT FALLS COLLEGE

	Cost per Completion						
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
GF College MSU	\$43,204	\$42,635	\$42,070	\$33,327	\$36,679	\$32,500	\$27,268
MUS Total	\$44,148	\$45,530	\$49,312	\$50,351	\$52,836	\$50,560	\$50,982
2-yr WICHE Avg	\$42,481	\$43,294	\$48,965	\$48,012	\$46,099		

At Great Falls College MSU, expenditures per completion have decreased by approximately 37% in the last six fiscal years, while almost all of the other schools in the system have seen an increase in this area. Compared to the WICHE average for two-year schools, Great Falls College MSU spends roughly 20% less per completion.

The number of completions at Great Falls College MSU has more than doubled in this same timeframe (from 185 in FY06 to 382 in FY12), while current unrestricted funds have stayed relatively flat. The new advising center has been working with students to identify eligibility for all degrees and certificates offered at Great Falls College MSU.

### DAWSON CC

As the number of graduates and FTE have decreased over the last four years the cost per completion has risen. In 2006 Dawson Community College was the next to the lowest in the system. In 2010 we are at about the mid-point. Graduation rates in community colleges are not a good indicator of student success. Many community college students have a goal of completing one semester or one year and transferring to a university. Others attend to attain the minimal skills required to get obtain a job. Dawson Community College's graduation rate of 17.8% is above the average for comparable community colleges. Dawson Community College's retention rate of over 62% is above most two-year colleges in our region and is a strong indicator of student persistence. While recognizing that graduation rates are not the sole indicator of student success, DCC is implementing steps to increase that number including:

- 1) Review of graduation requirements for CTE programs in terms of scheduling options of required courses, advising of students, and establishment of clearly defined student goals.
- 2) Reduce our requirement for a separate Information Literacy class from our Gen Ed Core. Many of our students who

would have received the AA or AS degree elected not to graduate as their transfer institution did not require this class and they were also concerned over the financial aid credit cap. 3) We have eliminated the graduation fee to encourage students to complete. At Dawson, we have held college costs to a minimum

### FLATHEAD VALLEY CC

FVCC's expenditures per completion declined from a peak of \$55,794 in FY2008 to \$37,751 in FY2011 before increasing slightly to \$39,111 in the most recent fiscal year (FY2012). Our results on this metric have shown more volatility than the MUS system as a whole, which is not surprising given our recent volatility in enrollment and graduate headcounts. Between FY2008 and FY2010, FVCC's expenditures per completion dropped 22% while the system's expenditures per completion rose 7.1%. Over all other time periods, FVCC's changes in expenditures per completion moved in the same direction as the overall MUS. FVCC's expenditures per completion were below the WICHE two-year average in two of the three years for which we have data. It is anticipated that we have continued to be below our two-year peers as our expenditures per completions in FY2011 and FY2012 are even lower than our FY2010 level.

The economic downturn resulted in a sharp increase of student enrollment in FY2009, FY2010 and FY2011. This increase would have led to more graduates in FY2011 and FY2012 even if graduation rates would have remained the same. However, the number of graduates increased at an even faster rate than enrollments, more than doubling from 203 in FY2008 to 417 in FY2011 and 416 in FY2012.

Several factors probably contributed to FVCC's increasing graduation rate. During the recession, there was a lack of employment opportunities that in the past have tempted students to leave prior to graduation. The Trade Adjustment Assistance Act funding some students enjoyed provided them with enough financial resources to allow them to focus on their education. We also redesigned our advising model, enhanced our orientation process and implemented other retention efforts using resources from our Title III grant.

### MILES CC

According to the Aspen Prize data set used to determine the 120 top U.S. community college eligible for the Aspen Prize for Community College Excellence, Miles Community College's three year graduation and transfer rate is 74.7% compared to the community college average of 51.8%. This places Miles Community College's completion rates among the top in the country.

Completion productivity as defined in the System and Campus Dashboard indicators show that Miles Community College numbers are comparable to WICHE and the Montana University System aggregate for expenditures per completion.

Trends and driving factors related to expenditures per completion defined in the Campus Dashboard Indicators from FY '06 – FY 10 are due to increased completion rates and state appropriations, which included the community college funding formula change and Banner implementation. The decreases in FY 11 and 12 are reflected in decreased revenue and decline in enrollment juxtaposed by strong retention and graduation rates.