

MEMORANDUM

TO: Fort Wayne Senate

FROM: Jeffrey Malanson, Presiding Officer, Fort Wayne Senate
Andrew Downs, Speaker of the Indiana University Faculty
Abe Schwab, Speaker of the Purdue University Faculty

DATE: December 1, 2017

SUBJ: Report on Administrative Staffing and Budgeting

WHEREAS, The faculty leaders conducted a study of administrative staffing and budgeting; and

WHEREAS, The faculty leaders provided faculty with several opportunities to provide feedback and ask questions about the data used and the conclusions recommended in the report, and much of this feedback was incorporated into the final report; and

WHEREAS, The central administration provided the faculty leaders with access to relevant data, and were given the opportunity to provide feedback on the final report in order to ensure the accuracy of its information and to comment on its final recommendations;

BE IT RESOLVED, That the faculty leaders hereby submit the Report on Administrative Staffing and Budgeting, as well as the supporting data, to the Senate; and

BE IT FURTHER RESOLVED, That the faculty leaders will also submit the Report and data to the central administration, with the sincere hope and expectation that the administration will take seriously its recommendations and will act upon them; and

BE IT FURTHER RESOLVED, That the faculty leaders thank all members of the faculty and administration who helped in the preparation of the report and provided feedback on the data and preliminary report.

Report on Administrative Staffing and Budgeting

Prepared by Jeffrey Malanson (Presiding Officer, Fort Wayne Senate), Andrew Downs (Speaker of the Indiana University Faculty), and Abe Schwab (Speaker of the Purdue University Faculty)

This report is divided into four sections:

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Background

For many years, there has been a discourse on campus that IPFW suffers from administrative bloat—that IPFW is over-invested in administration and under-invested in academics.¹ Many attempts to investigate this discourse have focused on changing staffing levels over time, however, these comparisons presume that IPFW was optimally staffed and/or budgeted at some particular point in its history; it assumes that at some point in the past IPFW’s budget and employee distribution was rationally determined. There is no evidence that this has ever been the case. This historical data also fails to fully consider how IPFW’s student population has changed over time, what administrative and student support services have been added or subtracted, or how individual employees’ job responsibilities and titles have evolved.² Thus, while the historical data can reveal the rates of growth and decline in administrative and faculty ranks, the data is not automatically meaningful, especially when trying to develop recommendations for how to move forward.

This study has taken a two-pronged approach to understanding administrative staffing and budgeting. The first prong was to develop a comprehensive view of IPFW’s current administrative structure, investment, and staffing levels. A dataset based on IPFW’s fiscal year 2018 (the 2017-18 academic year, hereafter referred to as FY18) budget, as well as the Salary Distribution Report for FY18, upon which the budget was constructed, were combined to create a single dataset documenting all General Fund expenses and all IPFW employees, regardless of source of funding.³

The second prong was to develop data that would enable us to contextualize IPFW’s staffing and budgeting relative to a group of peer institutions. In order to accomplish this contextualization based upon a consistent dataset, we utilized data from the Integrated Postsecondary Education Data System (IPEDS). The great benefit of IPEDS data is that all institutions report the same data and follow standard reporting practices in doing so. While there are undoubtedly going to be some inconsistencies between institutions in how data is reported, IPEDS provides data that can reliably be compared across institutions. The primary drawback of IPEDS data is that it is one to three years old. Given how quickly and significantly our student and employee populations have

¹ For the purposes of this study, “administration” includes all university functions outside of academic departments and colleges/schools.

² When assessing changes in the student population, it is important to consider not just the size of the student population, but also demographics, preparation levels, and other factors.

³ This study focuses on the General Fund budget because it is generally only General Fund dollars that can easily be reallocated to support various university activities. Restricted and Auxiliary funds are limited in their uses, and generally cannot be reallocated to support General Fund activities.

changed in recent years, some of the IPEDS data does not necessarily accurately reflect IPFW as it exists in Fall 2017. At the same time, contextualized data from our recent past still enables us to better understand our current data.

Data Overview

This section explains the primary data sources and terminology used in those sources to allow for a more streamlined discussion in the remainder of the report. It also seeks to clarify IPEDS data that is aggregated and reported in ways that does not necessarily accurately reflect IPFW's situation.

This report consists of two primary datasets: (1) FY18 Expenses and Headcount, and (2) the IPEDS Data Comparison. In both datasets, information about faculty, instructional costs, and academic units are included, even though the primary focus of this report is administration.

FY18 Expenses and Headcount⁴

As indicated, the FY18 Expenses and Headcount dataset is a combination of data from the FY18 Budget and the FY18 Salary Distribution Report. The Salary Distribution Report was prepared in Spring 2017, so does not reflect promotions, raises, new hires, or staffing changes that took place during Summer 2017 or after. Using Spring 2017 data in the Salary Distribution Report aligns perfectly with the Budget, though, greatly enhancing our ability to accurately align employees and their salaries with the appropriate cost centers in the Budget.

The Expenses and Headcount dataset utilizes the expense categories included in the Budget (with all expenses beyond Salaries and Wages and Fringe Benefits being aggregated as "All Other Expenses") and the employee categories included in the Salary Distribution Report (with Continuing Lecturers being split out from the original "A/P & Cont Lect" category [Administrative/Professional & Continuing Lecturers]). This dataset also utilizes employee Full Time Equivalency (FTE) rather than a strict headcount in order to track both full-time and part-time employees in a manner that more accurately reflects actual staffing levels.⁵

A few things to note about how the Salary Distribution Report is organized:

- Academic Deans are counted as faculty even though 100% of their workload is generally administration.
- Generally speaking, all Deans, Associate/Assistant Deans, and Department Chairs are counted as Professors, even if they actually hold the rank of Associate or Assistant Professor.
- Some employees appear multiple times. There are two primary causes for this:
 - Due to specific job responsibilities, funding sources in the case of endowed chairs, and other administrative or organizational considerations, some employees

⁴ The data referred to in this section can be found in the accompanying "Administration Study – Expenses and Headcount" Excel workbook.

⁵ It is important to note that employee FTE and faculty workload FTE are two distinct measures, only the former of which is reflected in the Expenses and Headcount data. Most tenure-line faculty at IPFW have a workload of 0.75 FTE teaching and 0.25 FTE research. Department Chairs and others receive administrative release time that further changes their FTE mix. Regardless of workload measures, in all cases faculty are reflected as being 1.00 FTE faculty.

are paid out of two or more cost centers, and/or have their employee FTE recorded in two or more units.

- Continuing Lecturers paid by the Division of Continuing Studies have their employee FTE recorded in their home academic departments, but their salaries are recorded in the DCS budget.
- In many cases, reported Salaries and Wages for part-time instruction include an employee FTE in the “Not Assigned” category. These FTE entries are required placeholders for the budget development process, and do not necessarily reflect an accurate representation of how those funds will be utilized.⁶
- In general, Graduate and Student Salaries and Wages data is not accompanied by employee FTE information.
- At this time, four employees totaling 2.93 FTE appearing in the Salary Distribution Report do not appear in the main body of the Headcount and Expenses dataset because their Salaries and Wages information could not be aligned with a particular cost center in the budget.

The Salary Distribution Report includes information on all IPFW employees, regardless of if they are paid through the General Fund, non-General Fund cost centers, or through external grants or fundraising. All employees included in the Salary Distribution Report are reflected in the Headcount and Expenses dataset, but only those employees paid through the General Fund have associated Salaries and Wages, Fringe Benefits, and All Other Expenses reflected.

Finally, the FY18 Budget data used in this study was from the beginning of the fiscal year and does not reflect any adjustments that have been made based on reduced enrollments and revenues.

IPEDS Data Comparison⁷

The goal of the data comparison is to benchmark IPFW’s data against a set of peer institutions in order to better understand what IPFW’s data actually means. In Fall 2017, a new set of peer institutions was established for IPFW/PFW utilizing a tool developed by Irah Modry-Caron, IPFW’s Director of Institutional Research. The peer group used in this study is as follows:

1. Colorado State University-Pueblo (Pueblo, Colorado)
2. Columbus State University (Columbus, Georgia)
3. Dixie State University (Saint George, Utah)
4. Farmingdale State College (Farmingdale, New York)
5. Indiana University-South Bend (South Bend, Indiana)
6. Purdue University-Calumet/Purdue University Northwest (Hammond, Indiana)⁸
7. University of Colorado Colorado Springs (Colorado Springs, Colorado)

⁶ At least in part, this approach is necessary because Limited Term Lecturers work on semester contracts, and are thus not under contract for the next fiscal year when the budget is developed.

⁷ The data referred to in this section can be found in the accompanying “Administration Study – IPEDS Data Comparison” Excel workbook.

⁸ The IPEDS data utilized to develop the peer institution list still reflects two separate Purdue campuses at Calumet and North Central; when IPEDS merges the institutions to reflect Purdue University Northwest, the peer list will also be updated.

8. University of Southern Indiana (Evansville, Indiana)
9. University of Southern Maine (Portland, Maine)

For each of these institutions, as well as for IPFW, the following IPEDS reports were utilized (with data year in parentheses—in all cases this was the most recently available data):

- Fall Enrollment (2015)
- Graduation Rate (Fall 2010 Cohort of students who graduated within 150% of normal time, or six years, by Summer 2016)
- Human Resources (2015-16)
- Finance (2014-15)

For each IPEDS report, information potentially relevant to this study was recorded for each university, with summary and focused analysis undertaken from there.

While a great deal of the discussion of specific data can be found in the Analysis section below, there are three important clarifying points that should be fully considered here.

FTE, % of Total, Per FTE, FTE Per

Looking at a student, faculty, or staff headcount in isolation, or comparing raw expenses across universities, can provide a misleading picture of staffing and budgeting levels. To control for this, much of the IPEDS data is reported in two or three ways:

- Original, or raw, reported numbers;
- As a percent of the total expense budget or employee count;
- As an expense per FTE student;⁹
- As a headcount of FTE students per employee.

In all cases, the goal is to make the data more easily comparable across institutions. For example:

Uni. A: \$100 million budget—\$50 million on Instruction (50%)—10,000 students (\$5,000/FTE)
 Uni. B: \$200 million budget—\$70 million on Instruction (35%)—15,000 students (\$4,667/FTE)

University B spends more on Instruction than University A, but University A spends a higher percentage of its overall budget and more per FTE student on Instruction than does University B.

Expenses by Functional and Natural Classification

The IPEDS Finance report separates university expenses into twelve categories by function—with brief definitions adapted from the IPEDS glossary:

- **Instruction**—A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and

⁹ IPEDS calculates a 12-month FTE student population that considers the number of full-time and part-time undergraduate and graduate students, as well as instructional activity that takes place over the course of the year. This calculation thus controls for different student population mixes, as well as universities that operate on different calendars (semester, trimesters, quarters, etc.).

extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans).

- **Research**—A functional expense category that includes expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers, and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs).
- **Public Service**—A functional expense category that includes expenses for activities established primarily to provide noninstructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services.
- **Academic Support**—Includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service, including organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses; among other things.
- **Student Services**—A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Intercollegiate athletics and student health services may also be included except when operated as self-supporting auxiliary enterprises.
- **Institutional Support**—A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development.
- **Operation and Maintenance of Plant**—An expense category that includes expenses for operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes. Specific expenses include utilities, fire protection, property insurance, and similar items. This expense does include amounts charged to auxiliary enterprises, hospitals, and independent operations.
- **Scholarships and fellowships expenses, excluding discounts and allowances**—That portion of scholarships and fellowships granted that exceeds the amount applied to institutional charges such as tuition and fees or room and board. The amount reported as expense excludes allowances and discounts.
- **Auxiliary Enterprises**—Expenses for essentially self-supporting operations of the institution that exist to furnish a service to students, faculty, or staff, and that charge a fee that is directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services, student health services, intercollegiate athletics (only if essentially self-supporting), college unions, college stores, faculty and staff parking, and faculty housing.
- **Hospital Services**—Expenses associated with a hospital operated by the postsecondary institution (but not as a component unit) and reported as a part of the institution.
- **Independent Operations**—Expenses associated with operations that are independent of or unrelated to the primary missions of the institution (i.e., instruction, research, public service) although they may contribute indirectly to the enhancement of these programs. This category is generally limited to expenses of a major federally funded research and development center.
- **Other Expenses and Deductions**

These functional categories provide a high-level overview of how an institution allocates its resources.

Each of these categories is also divided into six sub-categories, referred to as natural classifications in the IPEDS data:

- **Salaries and wages**—Amounts paid as compensation for services to all employees - faculty, staff, part-time, full-time, regular employees, and student employees. This includes regular or periodic payment to a person for the regular or periodic performance of work or a service and payment to a person for more sporadic performance of work or a service (overtime, extra compensation, summer compensation, bonuses, sick or annual leave, etc.).
- **Employee fringe benefits**—Cash contributions in the form of supplementary or deferred compensation other than salary. Excludes the employee's contribution. Employee fringe benefits include retirement plans, social security taxes, medical/dental plans, guaranteed disability income protection plans, tuition plans, housing plans, unemployment compensation plans, group life insurance plans, worker's compensation plans, and other benefits in-kind with cash options.
- **Operation and maintenance of plant**—The actual or allocated costs for operation and maintenance of plant connected to each expense category.
- **Depreciation**—The allocation or distribution of the cost of capital assets, less any salvage value, to expenses over the estimated useful life of the asset in a systematic and rational manner. Depreciation for the year is the amount of the allocation or distribution for the year involved.
- **Interest**—The price paid (or received) for the use of money over a period of time. Interest income is one component of investment income. Interest paid by the institution is interest expense.
- **All other**¹⁰

Seeing the broad functional expense categories broken down in this manner provides a better understanding of how an institution allocates its resources, and the degree to which plant, depreciation, and interest expenses potentially constrain institutional budgets.

Instructional vs. Non-Instructional Staff

IPEDS uses the term Instructional Staff rather than faculty, because not all people with faculty status are primarily engaged in instruction, and not all Instructional Staff have faculty status. In IPFW's Full-Time Instructional Staff numbers, those Not on Tenure Track are primarily visiting faculty, and those Without Faculty Status are primarily Continuing Lecturers.

Non-Instructional Staff can include employees who have faculty status because they spend a significant portion of their time engaged in non-instructional activities. Compared to the peer group used in this analysis, IPFW has a large number of Non-Instructional Staff with faculty status, with the result that IPEDS functionally under-reports our Instructional Staff. For example:

- IPEDS defines Public Service Staff as being Non-Instructional Staff, but in IPFW's case, a large percentage of our Clinical Faculty are classified as Public Service Staff.
- IPEDS uses a definition of Management Occupations that includes the following groups of employees at IPFW: central administration (the Chancellor, Vice Chancellors, Associate/Assistant Vice Chancellors), Deans, Associate/Assistant Deans, and Department Chairs. Other than central administration, everyone else in this list has

¹⁰ "All Other" is not defined in the IPEDS glossary. In the context of IPFW's budget, All Other is primarily, though not exclusively, Supplies and Expenses.

faculty status, with the vast majority of Associate/Assistant Deans and Department Chairs continuing to teach 1-2 courses per semester.¹¹

In order to get a more accurate picture of the mix between Instructional and Non-Instructional Staff, we can reallocate Public Service Staff, Management Occupations, and other Non-Instructional Staff with faculty status from Non-Instructional to Instructional.

Analysis

This section will begin with a discussion of the IPEDS Data Comparison, as the conclusions drawn from this analysis will inform our discussion of the FY18 Headcount and Expenses.

IPEDS Data Comparison

In order to identify appropriate avenues for further investigation and analysis, we calculated the standard deviation for a variety of data points and decided to dig deeper into any data point with a standard deviation of +/- 1.00. It is important to note that these calculations are heavily influenced by the specific set of peer institutions against which IPFW is being compared; a different set of peer institutions would potentially result in different data points being identified for analysis, or the analysis producing different conclusions.

An important big-picture takeaway from this exercise is the degree to which each institution varies in its allocation of financial resources and the composition of its workforce.

*Expenses by Functional and Natural Classification*¹²

Standard deviations were calculated for the Percent of Total Expenses (“% of Total”) for each category, on a Per FTE Student (“Per FTE”) basis, and on a Per Full-Time Staff Member (“Per Full-Time Staff”) basis. The following discussion will focus on the % of Total calculations.¹³

Instruction

- Employee Fringe Benefits (-1.26 standard deviations). IPFW had the lowest % of Total of the peer group. This means that IPFW spent the smallest percentage of its total budget of any institution in the peer group on Employee Fringe Benefits in the area of Instruction. For more discussion of Employee Fringe Benefits, see Institutional Support.
- Depreciation (1.71). IPFW had the highest % of Total of the peer group. IPFW also had the largest raw dollar expenditure of the peer group.

Public Service

- All Other (1.66). IPFW had the highest % of Total of the peer group. Public Service expenses vary significantly across the peer group, ranging from \$0 to \$20,991,000.

¹¹ As indicated elsewhere, IPFW’s internal employee categories count Deans as faculty. Interestingly, in the functional expense classifications, IPEDS counts Deans’ salaries in the Academic Support category, and Department Chair salaries in the Instruction category.

¹² This data was primarily derived from the IPEDS Finance report (2014-15).

¹³ There are 72 meaningful data points for each of the three sets of calculations. IPFW was +/- 1.00 standard deviations off on 14, 13, and 12 calculations, respectively, with the 13 and 12 being subsets of the 14 highlighted in the % of Total calculations.

IPFW's total of \$9,316,321 was the second largest raw total, but this was less than half of the largest.

Student Services¹⁴

- All calculations were below the peer group mean. Only Depreciation (-0.57) and Interest (-0.38) were less than -1.00 standard deviations below the mean.
- Total Amount (-1.55). IPFW had the lowest % of Total of the peer group. IPFW spent 5.6% of its total expenses on Student Services; the mean Student Services expense of the peer group was 9.3%.
- Salaries and Wages (-1.31). IPFW had the lowest % of Total of the peer group.
- Employee Fringe Benefits (-1.04). IPFW had the lowest % of Total of the peer group. For more discussion of Employee Fringe Benefits, see Institutional Support.
- Operation and Maintenance of Plant (-1.32). IPFW had the lowest % of Total of the peer group.
- All Other (-1.12). IPFW had the lowest % of Total of the Peer Group.

Institutional Support

- All calculations (other than Interest [-0.44]) were above the peer group mean: Salaries and Wages (0.76), Operation and Maintenance of Plant (0.67), and All Other (0.95) were less than 1.00 standard deviations above the mean.
- Total Amount (1.70). IPFW had the highest % of Total of the peer group. IPFW also had the largest raw dollar expenditure of the peer group.
- Employee Fringe Benefits (2.07). IPFW had the highest % of Total of the peer group. IPFW also had the largest raw dollar expenditure of the peer group.
 - IPFW exhibited an odd pattern with regard to Employee Fringe Benefits that significantly contributes to how far above the peer group mean IPFW was in overall Institutional Support expenditures. In most functional expense categories, IPFW was below the peer group mean in Employee Fringe Benefits, but in the Institutional Support category, IPFW spent almost as much on Employee Fringe Benefits (\$7,983,696) as it did on Salaries and Wages (\$8,354,671). IPFW spent 95.6% as much on Employee Fringe Benefits as it did on Salaries and Wages. To put this in perspective, the average ratio for IPFW's peers (excluding IPFW from the calculation) was 50.9%, ranging from 28.9% to 82.7%. This pattern was replicated in prior years of IPEDS data, with IPFW consistently reporting Employee Fringe Benefits expenditures in the Institutional Support category that nearly matched (and in some years, exceed) Salaries and Wages expenditures.
 - The primary cause of this discrepancy appears to be how IPFW's Fee Remissions were historically counted in the IPEDS data, as a substantial portion of the Employee Fringe Benefits recorded in Institutional Support is actually Fee Remissions. Fee Remissions in the [2014-15 budget summary document](#) were \$5.7 million. Approximately \$4.5 million of the Fee Remissions was actually student scholarships, which thus greatly overstates the Employee Fringe Benefit total in

¹⁴ Dixie State University (NCAA Division II) and the University of Southern Maine (NCAA Division III) budget their Intercollegiate Athletics programs in Student Services. All other institutions in the peer group, including IPFW, budget Athletics as an Auxiliary Enterprise.

Institutional Support. Removing the scholarships from the totals in the IPEDS data, IPFW's ratio of Employee Fringe Benefits to Salaries and Wages becomes 41.7%. The standard deviation for Employee Fringe Benefits also drops from 2.07 to 0.13; for Total Amount in Institutional Support, the standard deviation drops from 1.70 to 1.03.

- Depreciation (2.15). IPFW had the highest % of Total of the peer group. IPFW also had the largest raw dollar expenditure of the peer group.
- The large Employee Fringe Benefits and Depreciation expenses contribute significantly to how far above the peer group mean IPFW is in Institutional Support expenses.

Operation and Maintenance of Plant

- All Other (-1.11). IPFW had the lowest % of Total of the peer group.
- Operation and Maintenance of Plant (0.81). While a positive standard deviation, this is because this category is reflected as a negative number in the finance report. IPFW spent 6.6% of its expenses on Operation and Maintenance of Plant, which was the third lowest % of Total of the peer group.

Auxiliary Enterprises¹⁵

- All calculations other than Interest (see below) were below the peer group mean.
- Employee Fringe Benefits (-1.00). IPFW had the lowest % of Total of the peer group.
- Interest (2.34). IPFW had the highest % of Total of the peer group. On a raw dollar basis, IPFW's Interest in Auxiliary Enterprises (\$3,247,890) is almost 2.5x larger than our next closest peer. Interest in this category is largely attributable to construction on Student Housing, the Gates Sports Center, and the Athletics Center Fieldhouse. Interest in this functional expense category represents 63.8% of IPFW's total Interest expense.

Other Items of Note

- Research. While none of the calculations met the +/- 1.00 standard deviation threshold, all calculations were below the peer group mean, ranging from -0.55 to -0.75 standard deviations below the mean.
- Academic Support. While none of the calculations met the +/- 1.00 threshold, all calculations (other than All Other [0.42]) were below the peer group mean, ranging from -0.48 to -0.85 standard deviations below the mean.
- Total Expenses and Deductions. While individual categories as discussed above exceeded the +/- 1.00 threshold, none of the Total calculations met the threshold. In Salaries and Wages (0.51), Depreciation (0.88), and Interest (0.35) IPFW was above the peer group mean; in Employee Fringe Benefits (-0.62) and All Other (-0.20) IPFW was below the peer group mean. Operation and Maintenance of Plant is reported both as a functional expense category and a natural expense category, meaning that expenses are distributed out to the other functional expense categories. As a result, in the reported Totals, Operation and Maintenance of Plant is \$0 and 0% of overall expenses.

¹⁵ IPFW (NCAA Division I), Colorado State University-Pueblo (NCAA Division II), Columbus State University (NCAA Division II), Farmingdale State College (NCAA Division III), Indiana University-South Bend (NAIA), Purdue University-Calumet (NAIA), University of Colorado Colorado Springs (NCAA Division II), and the University of Southern Indiana (NCAA Division II) budget their Intercollegiate Athletics programs as Auxiliary Enterprises. Dixie State University and the University of Southern Maine budget Athletics in Student Services.

*Full-Time Staff*¹⁶

As stated previously, the IPEDS Human Resources report divides staff into Instructional and Non-Instructional categories, based on job responsibilities. Standard deviations were calculated on the percent of total Instructional/Non-Instructional Staff within each category (% of I.S. and % of N.I.S.), on the percent of total staff (% of Total Staff), and on FTE student per Instructional Staff/Non-Instructional Staff (FTE per I.S. and FTE per N.I.S.). The following discussion will focus on the % of I.S. and % of N.I.S. calculations.¹⁷

This analysis only considers full-time staff.¹⁸

Instructional Staff

- Instructional Staff are reported in four categories: Tenured, On Tenure Track, Not on Tenure Track, and Without Faculty Status. While the first two categories are self-explanatory, at IPFW, Not on Tenure Track is generally visiting faculty, and Without Faculty Status is generally Continuing Lecturers. Usage of these categories varies by institution within IPFW's peer group, although IPFW was the only institution with more Instructional Staff Without Faculty Status than Not on Tenure Track. Six of IPFW's peers reported no Full-Time Instructional Staff Without Faculty Status.
- Not on Tenure Track (-1.68) and Without Faculty Status (2.24). The categorization of IPFW's Continuing Lecturers as Without Faculty Status skews these calculations, as Full-Time Instructional Staff who play a similar role at other institutions generally have faculty status. If these two categories are combined, IPFW was in line with its peer group.

Non-Instructional Staff

- Non-Instructional Staff are broken down into thirteen categories based on job responsibilities.¹⁹ For eight of the categories, IPEDS distinguishes between Staff with faculty status and without faculty status. IPFW had the second highest percentage of Non-Instructional Staff with faculty status within the peer group.²⁰
- As a general observation, the data reveals that there are significant variations in workforce allocation across institutions. In some cases, this is due to the distribution of administrative responsibilities within a university system, in others it can be influenced by the degree to which an institution provides services to the public, and in others it can be shaped by the core mission of the university.
- Public Service Staff (2.01). Many of IPFW's Clinical Faculty are counted as Public Service Staff in the IPEDS data, which accounts for why IPFW is so far above the peer

¹⁶ This data was primarily derived from the IPEDS Human Resources report (2015-16).

¹⁷ There are 21 meaningful data points for each of the three sets of calculations. IPFW was +/- 1.00 standard deviations off on 5, 5, and 4 calculations, respectively, with the two sets of 5 being consistent and the 4 being a subset of the 5 highlighted in the other two sets.

¹⁸ Data on part-time staff is included in the "Administration Study – IPEDS Data Comparison" workbook.

¹⁹ Occupational categories are defined by the Bureau of Labor Statistics using their [Standard Occupational Classification](#).

²⁰ Excluding archivists, librarians, and library technicians from the calculations, 11.1% of IPFW's Non-Instructional Staff had faculty status. 11.6% of Columbus State University's Non-Instructional Staff had faculty status; other institutions ranged from 0% to 8.8%. IPFW had the largest raw number of Non-Instructional Staff with faculty status.

group mean. Also contributing to this result is the fact that six peer institutions report 0 Public Service Staff.

- Library and Student and Academic Affairs and Other Education Services Occupations (-1.31). IPFW has the lowest % of N.I.S. and the lowest raw number of N.I.S. in this category of the peer group. This generally aligns with the financial data previously discussed in this report.
- Management Occupations (-0.42). While this calculation does not meet the +/- 1.00 threshold, given the purpose of this study it does merit attention and contextualization. IPFW is below the peer group mean for Non-Instructional Staff in Management Occupations. The Management Occupations category in the IPEDS Human Resources report does not align with the Institutional Support category from the IPEDS Finance report. As the most obvious example of this, Department Chairs are counted as Management Occupations in the Human Resources report, but are counted in the Instruction category in the Finance report.
- Business and Financial Operations Occupations (1.59). IPFW had the second highest % of N.I.S. of the peer group, but the highest raw number of staff in this category of the peer group. As a % of N.I.S., IPFW was twice as large as the next institution on the list.
- IPFW was above the peer group mean for Computer, Engineering, and Science Occupations (0.51) and Production, Transportation, and Material Moving Occupations (0.91), but was below the peer group mean in the remaining seven categories.

Total Full-Time Staff

- In addition to tracking staff in individual categories, IPEDS also provides totals for Instructional and Non-Instructional Staff. Using the data as IPEDS reports it, IPFW was below the peer group mean in Total Full-Time Instructional Staff (-0.76) and above the peer group mean in Total Full-Time Non-Instructional Staff (0.76).
- If Non-Instructional Staff with faculty status (excluding archivists, librarians, and library technicians) are reallocated from Non-Instructional Staff to Instructional Staff for all institutions, the restated calculations show IPFW to be slightly above the peer group mean in Total Full-Time Instructional Staff (0.11) and slightly below the peer group mean in Total Full-Time Non-Instructional Staff (-0.11).

IPEDS Data Comparison Conclusions

Using the IPEDS data as stated, IPFW appears to be over-invested in Non-Instructional (hereinafter, administrative) expenses and personnel. While the restated Full-Time Instructional Staff vs. Full-Time Non-Instructional Staff data suggest that IPFW is in line with its peers in the distribution of resources between instruction and administration, the fact that IPFW expects such significant administrative contributions from faculty must be recognized.

It is also important to recognize the distribution of administrative personnel and expenses across university operations. Both the Finance and Human Resources data suggest that IPFW is over-invested in some administrative areas (especially Business and Financial Operations Occupations), while other university operations, especially Student Services and Support, are understaffed and under-resourced compared to our peers.

The relative under-investment in Student Services and Support is especially notable when considered in the context of the makeup of IPFW's student population. The Fall 2015 IPEDS Enrollment report indicates that 43.3% of IPFW's undergraduate student population was part-time. This was the largest percentage of part-time students in IPFW's peer group, and was 1.51 standard deviations above the mean. The expense per Student FTE calculations utilized in this report consider the full-time equivalent student population rather than raw headcount. While this is the most logical way of conducting the analysis (and the method that IPEDS uses to normalize comparisons across different kinds of institutions), in the area of Student Services and Support it is also important to consider the total number of students that are being served.²¹

FY18 Expenses and Headcount

Much the same way the IPEDS Finance and Human Resources reports categorized people and expenses in different ways, IPFW's administrative structure does not align with either IPEDS report. For example, an academic Dean's salary and benefits are reflected in the Academic Support category of the IPEDS Finance report, in the Management Occupations category in the IPEDS Human Resources report, and as a faculty member of their college/school in the FY18 Expenses and Headcount data (hereinafter referred to as the FY18 Data). This requires us to be careful in the conclusions we draw about the FY18 Data based on what we have learned from the IPEDS data comparison.

Likewise, it is also important to remember that the IPEDS data is 2-3 years older than the FY18 Data and is generally compiled without regard to an institution's administrative structure. For example, Student Success and Transitions is located within Academic Affairs at IPFW, yet performs at least some tasks that would generally fall under Student Services and Support in the IPEDS reports. On a broader level, the IPEDS reports distinguish between Instructional activities and expenses and Non-Instructional activities and expenses, whereas the FY18 Data combines instructional and administrative activities and expenses within the college/school and department-level data.

Employee Fringe Benefits

One of the more perplexing data points in the IPEDS data was Employee Fringe Benefits. As discussed previously, within the Institutional Support category, Employee Fringe Benefits were reported to be 95.6% of Salaries and Wages. This misalignment of Fringe Benefits does not appear in the FY18 Data. The ratio of Fringe Benefits to Salaries and Wages was calculated for each administrative and academic area, and the results range from 27.6% to 40.6%.²²

Student Services and Support

One of the major takeaways from the IPEDS data was the understaffing and resourcing of Student Services and Support relative to IPFW's peers. The FY18 Data supports this conclusion.

²¹ Redoing the calculations on a per student, rather than a per FTE basis, IPFW spent less per student (\$613) than any other institution in the peer group (ranging from \$799 to \$2,200), with an average expenditure of \$1,267 per student.

²² A variety of factors lead to the different Fringe Benefit-to-Salaries and Wages ratios for each academic and administrative area, including specific benefits selections, mix of employees at different salary levels, the number of benefitted part-time employees (who receive part-time salaries/wages but full-time benefits), etc. The Reserve and Other administrative area, which has no actual employees but instead contains two unfilled position reserves and a variety of reserve resources, had a Fringe Benefits-to-Salaries and Wages ratio of 91.5%.

Student Affairs comprises just 1.9% of IPFW’s headcount and 1.9% of IPFW’s expense budget for FY18. Even when one considers that some employees who provide student support services are accounted for in other parts of IPFW’s administrative structure, the fact remains that IPFW makes a comparably small investment in Student Services and Support relative to our peer group.

Business and Financial Operations Occupations/Institutional Support

The IPEDS data suggested that IPFW is overstaffed in Business and Financial Operations Occupations and overinvested in Institutional Support relative to our peers. The IPEDS data also suggested that IPFW was understaffed and underinvested in most other Non-Instructional areas. The FY18 Data confirms the second suggestion, but is less definitive on the first.

Functionally, employees in the Business and Financial Operations Occupations category work throughout the institution in a variety of administrative units performing a variety of jobs. The FY18 Data does not point to a particular unit that features an abundance of staff performing redundant duties.

A careful review of the FY18 Data reveals that IPFW features a large number of lightly-staffed and modestly-funded administrative units; there are no glaring examples of “administrative bloat” in the FY18 Data. The largest administrative units in terms of headcount are Continuing Studies (71.75 FTE, some of whom are actually instructional staff), Information Technology Services (49.4 FTE), Building Services (41 FTE), and Athletics (36.35 FTE). A relatively small number of high-level administrators potentially make disproportionately large salaries relative to the average IPFW employee and IPFW’s funding base, but realistically IPFW should be striving to make salaries for employees in other areas (including academics) more competitive rather than attempting to reduce salaries for any particular employee.

Instructional Expenses and Headcount vs. Administrative Expenses and Headcount

There are a variety of reasonable ways to calculate Instructional and Administrative expenses and headcount in the FY18 Data, based on what one actually wants to measure. The simplest measure is to add up the expenses and headcount for the academic units (all academic departments and support units, minus college/school-level administration)²³:

	S&W	%	Headcount	%	Total Expenses²⁴	%
Instruction	\$31,083,533	57.5%	550.28	48.7%	\$42,423,110	43.6%
Administration	\$23,003,961	42.5%	580.48	51.3%	\$54,861,060	56.4%

A variation on this measure is to allocate college/school-level administration to the Instruction category, as these administrative functions directly support the instructional activities of the departments they administer:

²³ Please note that these calculations do not align with any reported data in the IPEDS Finance report. The IPEDS calculations distribute ITS and Physical Plant costs out to each of the functional areas, while the FY18 Data calculations treat all such expenses as administrative expenses. Please also note that while the headcount for non-General Fund positions is included in these numbers, the costs associated with those positions are not. For example, the data includes a total headcount of 36.35 employees for Athletics, but includes no university expenses associated with those positions because Athletics is an Auxiliary Enterprise.

²⁴ Total Expenses includes Supplies and Expenses for most units, but also includes the Purdue Central Service Fee, debt service, utilities expenses, etc.

	S&W	%	Headcount	%	Total Expenses	%
Instruction (inc. College admin.)	\$33,351,327	61.7%	579.98	51.3%	\$45,511,593	46.8%
Administration	\$20,736,167	38.3%	550.78	48.7%	\$51,772,576	53.2%

Another variation is to also allocate the costs of all academic administration for the university (Academic Affairs) to the Instruction category, as the vast majority of the units falling within Academic Affairs directly support the instructional mission of the university:

	S&W	%	Headcount	%	Total Expenses	%
Instruction (inc. Academic Affairs)	\$39,128,024	72.3%	690.59	61.1%	\$56,334,716	57.9%
Administration	\$14,959,471	27.7%	440.17	38.9%	\$40,949,454	42.1%

A final variation is to also allocate all student-facing/student-impacting units (Academic Affairs and Student Affairs) to the Instruction category as being the most important expenses and services that directly support the academic and student success missions of the university:

	S&W	%	Headcount	%	Total Expenses	%
Instruction (inc. Student Affairs)	\$40,178,625	74.3%	712.39	63.0%	\$58,215,499	59.8%
Administration	\$13,908,869	25.7%	418.37	37.0%	\$39,068,670	40.2%

A different way of assessing expenses and headcount is to measure at the employee category level rather than the administrative unit level. Adding up Salaries and Wages and headcount for all Faculty and Non-Faculty, IPFW's distribution of resources looks like this²⁵:

	S&W	%	Headcount	%
Faculty ²⁶	\$30,026,563	55.5%	380.06	33.6%
Non-Faculty	\$24,060,931	44.5%	750.70	66.4%

Faculty make up 55.5% of the Salaries and Wages expense and 33.6% of the total headcount.

While the meaning of these distributions—the degree to which they do or do not constitute an “appropriate” distribution of resources—will vary based upon the focus of the analysis and the perspective of the person doing the analysis, it is important to remember that the IPEDS data comparison suggests that IPFW is generally in line with its peer group in terms of the overall distribution of headcount and resources.

Conclusions and Recommendations

Based on the peer group analysis, IPFW does not appear to suffer from administrative bloat in the traditional sense of the term, at least relative to how other universities operate at this point in the history of U.S. higher education. With that being said, the distribution of IPFW's administrative expenses and headcount does appear to be misaligned relative to IPFW's peer group, with larger than standard investments in Business and Financial Operations Occupations and Institutional Support, and smaller than standard investments in Student Services and Support.

²⁵ The FY18 Data does not break Fringe Benefit or Other Expenses out per employee, so it is not possible to calculate Total Expenses by employee group.

²⁶ Academic Deans, as well as Associate/Assistant Deans, are counted as faculty in the FY18 Data and are included in these numbers.

In light of IPFW's recent enrollment and revenue declines (trends that are not likely to be meaningfully reversed for the foreseeable future), the FY18 Data suggests that IPFW might be better served by reducing its overall number of administrative units, and reallocating those resources to increase the investment in Student Services and Support.²⁷

An essential next step in this process—one that must be carried out by the administration rather than by the faculty leaders—is to undertake a careful assessment of the role and performance of each administrative unit on campus (remembering that administration in this context includes everything outside of colleges/schools and academic departments) that takes into consideration IPFW's actual student enrollment (and not historically larger enrollment numbers) and actual budget situation, with an eye toward what IPFW's size will be after Realignment. In a significantly smaller university than IPFW was five-to-seven years ago, does every administrative function that IPFW currently features warrant the investment that is made in it? If an administrative unit is staffed and funded at a level to serve IPFW at its peak rather than IPFW at its present, perhaps reductions will be in order. If an administrative unit is marginally staffed and funded such that it cannot reasonably serve the function it is supposed to, careful thought needs to be given to whether efforts should be made to increase investment or to eliminate the unit and reallocate its resources. These questions are especially relevant after multiple years of early retirement buyouts, hiring freezes, and declining revenues.

In carrying out this work, the administration should also seek to assess non-General Fund expenses and units more fully than was possible in this study. This includes the ongoing discussions of Athletics and recent efforts to undertake self-operation of Student Housing, but should extend beyond these obvious areas.

Three overriding principles must be kept at the center of this work:

1. **Performance.** This study measures the degree to which IPFW's expenses and headcount are or are not in line with its peer group. The most important limitation of this study is that it provides no direct evidence of the actual performance of IPFW's administrative units. Under-staffed units might be over-delivering relative to our peers; over-staffed units might be under-delivering. In carrying out the next stage of analysis, it is essential that the administration consider not just relative size and investment, but also how well our current administrative units (including, for the purposes of ongoing evaluation, academic administration at the college/school and department levels) perform the duties IPFW expects of them.²⁸ This performance evaluation should be conducted with an eye

²⁷ This is not the first recommendation that has been made in recent years about increasing the institutional investment in certain administrative operations. This past year alone has seen consultants recommend increasing marketing, branding, website, and enrollment management budgets, among others. While the merits and feasibility of any particular recommendation need to be considered on their own terms, collectively they reinforce the idea that perhaps IPFW's administrative investments are spread too thin.

²⁸ The University Strategic Alignment Process (USAP) established rigorous performance metrics for academic units, but did not establish comparable performance metrics for administrative units. USAP metrics and additional academic performance metrics were used as part of the decision-making process that led to the elimination of twenty-four academic programs and two academic departments in Fall 2016. Similar performance metrics continue to be part of the annual reporting process for academic units. IPFW should strive to subject its administrative units

toward understanding IPFW's performance relative to its peer institutions. IPEDS data on graduation rates and retention rates (in part, measures of university performance) reveals that IPFW is underperforming relative to its peer group in these areas, making the underinvestment in Student Services and Support all the more significant.²⁹

2. **Student Services and Support.** Every effort should be made to increase investments and staffing in Student Services and Support areas. The IPEDS data is clear that IPFW lags behind all of its peers in these areas. Careful thought should certainly be given to what the most impactful investments might be, but it is clear that investment is needed.
3. **Preserve the current Instruction-to-Administration expense and headcount ratios.** Depending on how Non-Instructional Staff with faculty status are counted in the IPEDS data, IPFW is either below its peers or right in line with its peers in the distribution of headcount and expenses on Instruction compared to Administration. Ideally, IPFW would be in a position to increase investments across the university in response to this data, but given current economic realities, an essential operating principle behind an ongoing administrative study should be that financial resources cannot be taken from the Instructional realm to support Non-Instructional activities.

Finally, there will be great value in periodically updating this study when new IPEDS data is released, and when a new set of peer institutions is identified. This will enable IPFW to develop a more sophisticated understanding of how its administrative budget and headcount—and the distribution of resources between Instructional and Non-Instructional activities—have changed relative to our peers as a result of policy changes, staffing changes, revenue declines, Realignment, and other factors. Updated data and analysis should be shared with the campus community in order to facilitate an ongoing dialogue about university priorities and performance.

to a similar level of scrutiny. This is not to suggest that administrative units have not experienced cuts, but rather to say that IPFW should strive to establish a culture of accountability that touches all aspects of university operations.
²⁹ Data on first-time, full-time retention rates and 4-, 5-, and 6-year graduation rates were derived from the IPEDS Fall Enrollments (2015) and Graduation Rate (2016) reports.

	IPFW	Pueblo	Col. St.	Dixie St.	Farm. St.	IU-SB	PCal	UCCS	USI	USM
First-time, full-time Retention Rate	64.0%	64.0%	71.0%	58.0%	79.0%	66.0%	70.0%	68.0%	71.0%	64.0%
4-year graduation rate	7.4%	18.6%	11.5%	8.3%	31.0%	7.2%	10.7%	25.3%	18.7%	13.6%
5-year graduation rate	18.3%	29.4%	24.2%	14.8%	46.6%	20.8%	24.1%	41.1%	33.7%	29.0%
6-year graduation rate	23.8%	32.4%	30.3%	17.7%	53.4%	29.8%	31.6%	46.5%	37.5%	33.7%