



HIGHER EDUCATION IN CRISIS

How administrative cost growth puts degrees out of reach for Idaho students, and what to do about it.



IDAHO FREEDOM
FOUNDATION



INTRODUCTION

Gov. Brad Little recently called for state agencies to do a spending reset. Little wrote, “we have a duty to prudently manage the people’s money.”

In line with Little, the Idaho Freedom Foundation believes this is a perfect time to conduct a prudent review of higher education expenditures. Although earlier this year, attention was focused on state General Fund appropriations and tuition dollars that go to college and universities, scant attention has been paid to how these institutions spend their money. These are dollars that ultimately come from taxpayers and students via taxes, tuition, and fees.

While conducting this spending review, let’s keep in mind one Idaho collegiate fact: Only BSU has growing student enrollment. The other state institutions have flat to declining enrollment. So why is the cost of college jumping ever higher?

A key challenge is administrative bloat – which has not led to academic excellence or high graduation rates, but simply to higher operating costs. At a time when both the University of Idaho and Idaho State University are experiencing declining student enrollment, they have grown the ranks of their faculty, executive, administrative, managerial, and professional positions. At Lewis-Clark State College, where enrollment has been essentially flat, the same trend is observed; at Boise State University, the growth of these positions far exceeds student enrollment growth. These conclusions are supported by the data provided for each school. Keep in mind, when discussing the expense of a college degree: Higher overhead leads to higher costs, and higher costs lead to higher tuition. This has not translated into better outcomes for Idaho’s students.

Let’s hit the pause button: Freeze tuition and fees for Idaho students.

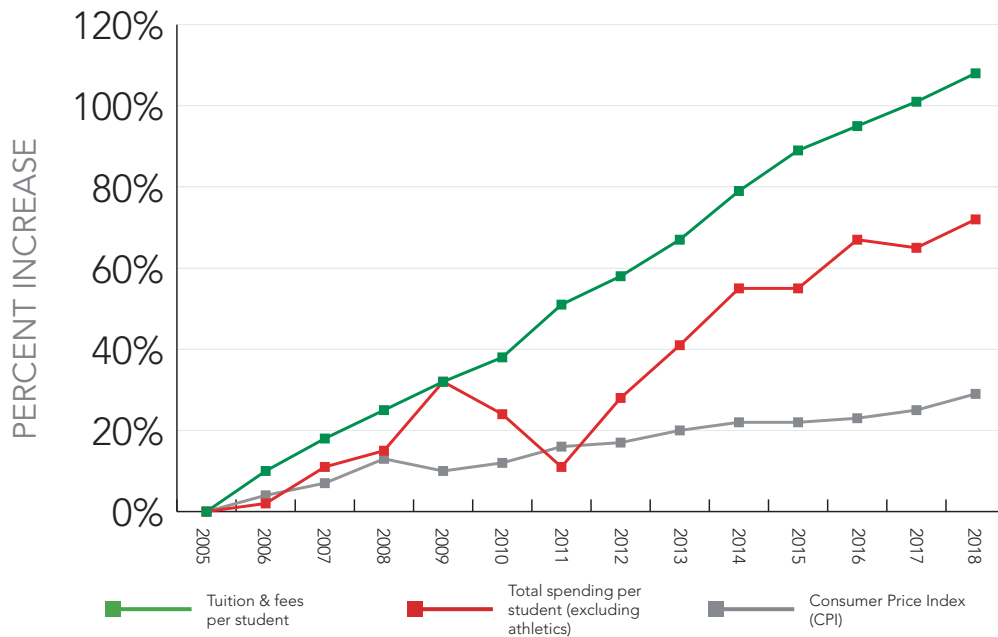
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BOISE STATE UNIVERSITY

Spending, tuition, and fee changes 2005-2018

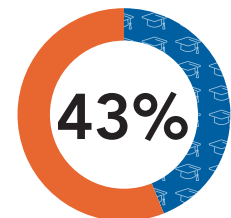
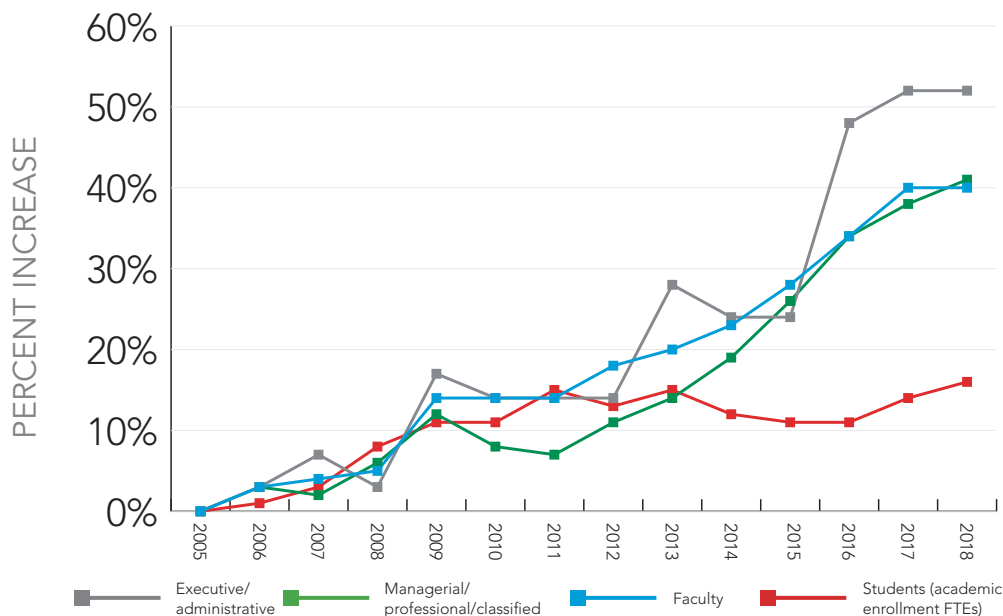


SUMMARY

BSU is the only university that has consistently grown over the last 13 years. However, even after taking that growth into account, the surge in administration has far outstripped student enrollment growth. Student growth has been steady, and full-time enrollment increased 16% from 2005 to 2018.

During this period, staff headcount grew by 41%, which includes a 52% increase in executive and administrative ranks. From 2005 to 2018, the expense line for institutional support, which includes expenses for central and executive-level management services, has grown 287%. Tuition has increased 108%, during this same time period inflation is up 29%. Why has the university grown non-academic costs so rapidly?

Headcount & enrollment changes 2005-2018



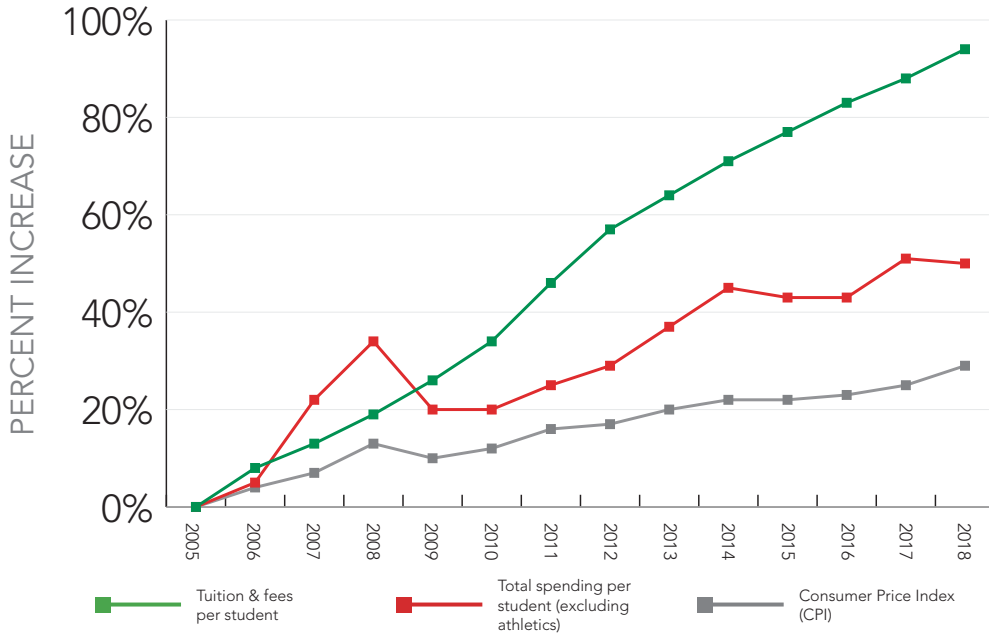
BSU six-year
graduation rate

Source: Idaho State Board of
Education



Idaho State University

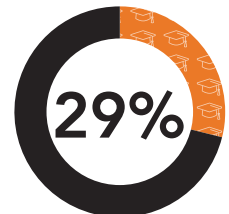
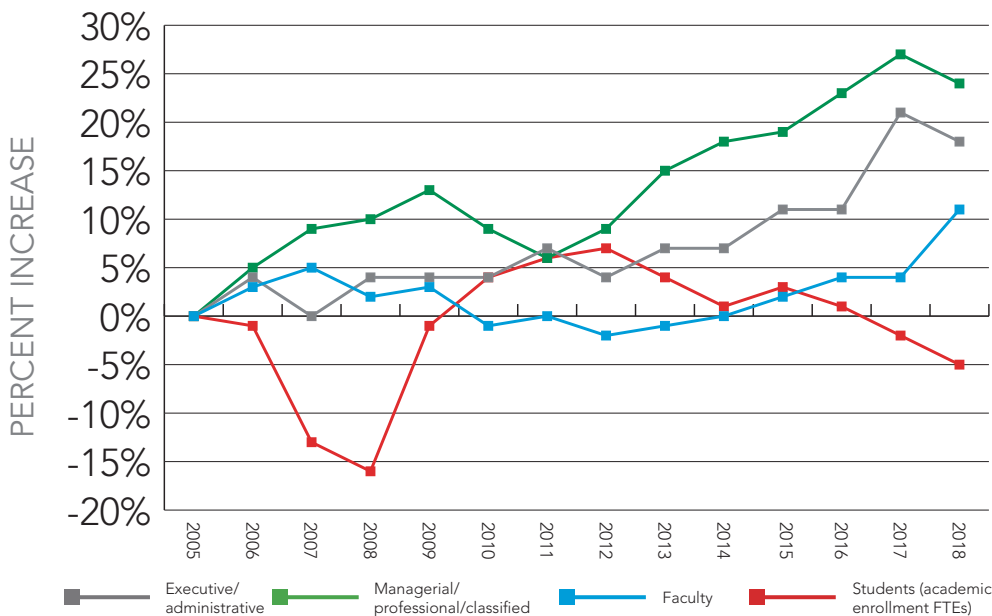
Spending, tuition, and fee changes 2005-2018



SUMMARY

ISU has also increased its managerial, professional, and classified staff in the face of downward enrollment trends. This staff component is up 24% from 2005 to 2018. Expenses for institutional support are up 67%, and tuition has increased 94% during this time period. Expenses for physical plant are up 80%. The cost increases far outstrip the 29% inflationary increase during this time period.

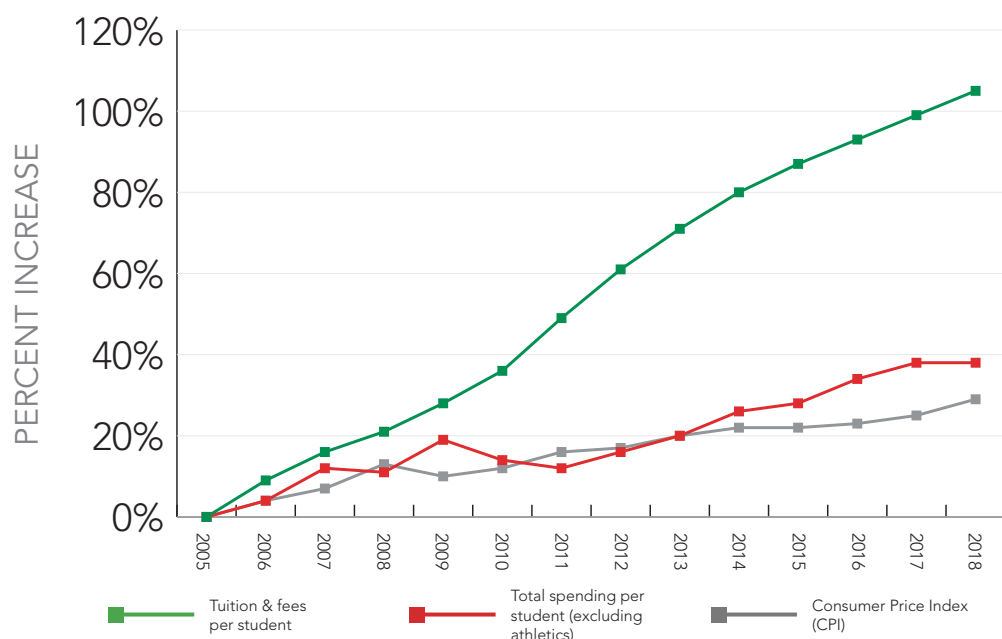
Headcount & enrollment changes 2005-2018



ISU six-year
graduation rate

Source: Idaho State Board of
Education

Spending, tuition, and fee changes 2005-2018

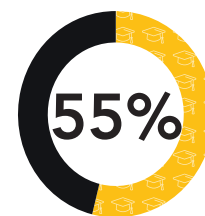
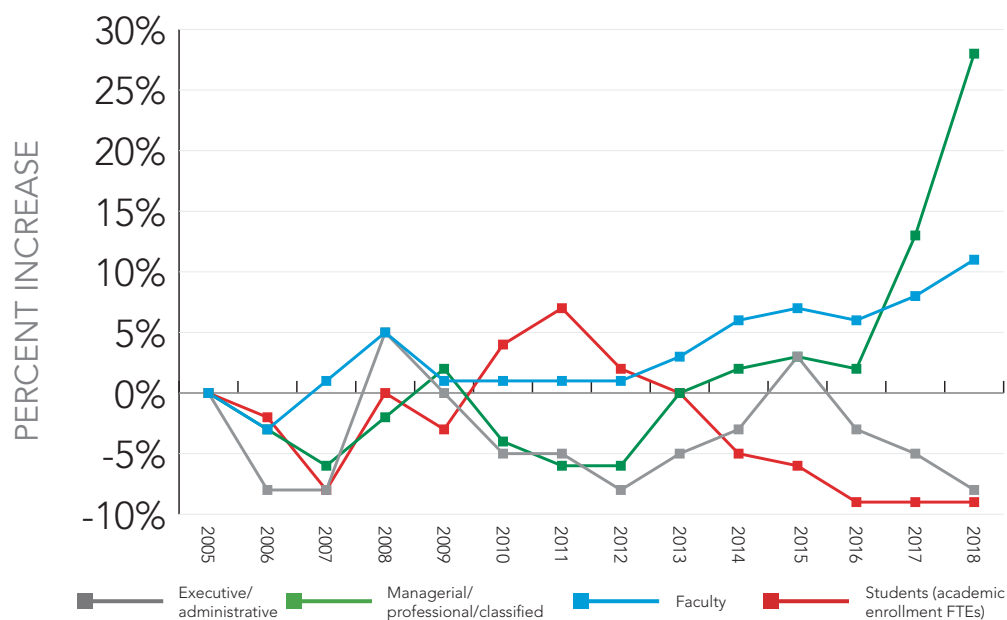


SUMMARY

Despite declining enrollment, UI continues to increase staff, particularly among the managerial and professional staff. From 2005 to 2018, despite academic enrollment declining about 9%, managerial professional, and classified staff increased 28%.

At UI, budget growth in the library system, student services, and for the physical plant has outstripped inflation – despite a shrinking full-time student population. UI has increased tuition by over 105% during the last 13 years, well faster than inflation, which has increased 29%. To boot, while tuition was jacked up 105% UI's endowment fund appropriations climbed 55%.

Headcount & enrollment changes 2005-2018



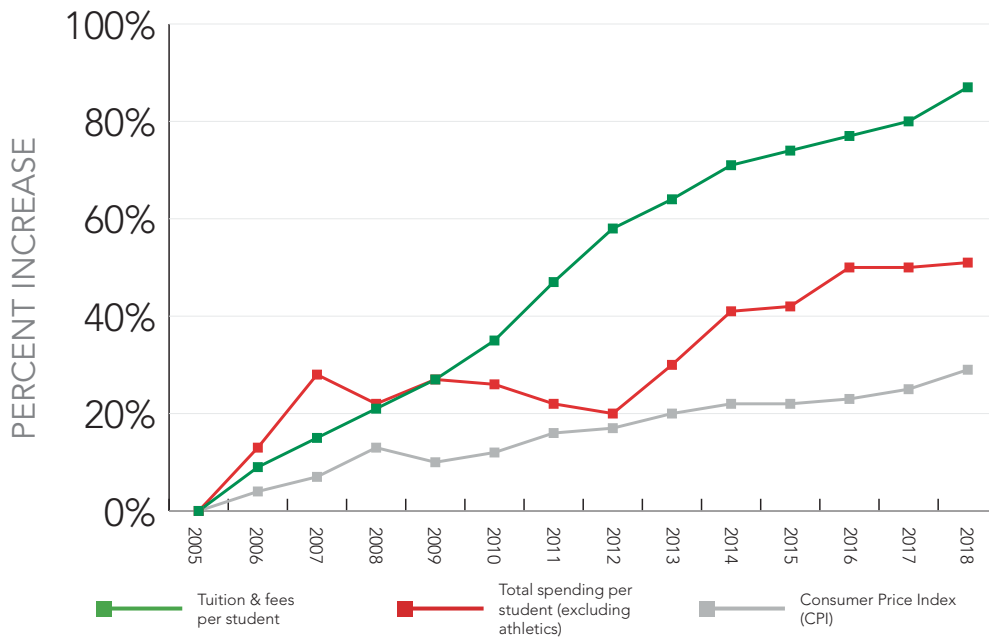
UI six-year
graduation rate

Source: Idaho State Board of
Education



LEWIS-CLARK STATE COLLEGE

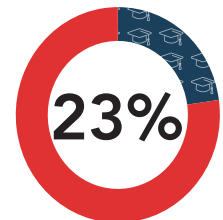
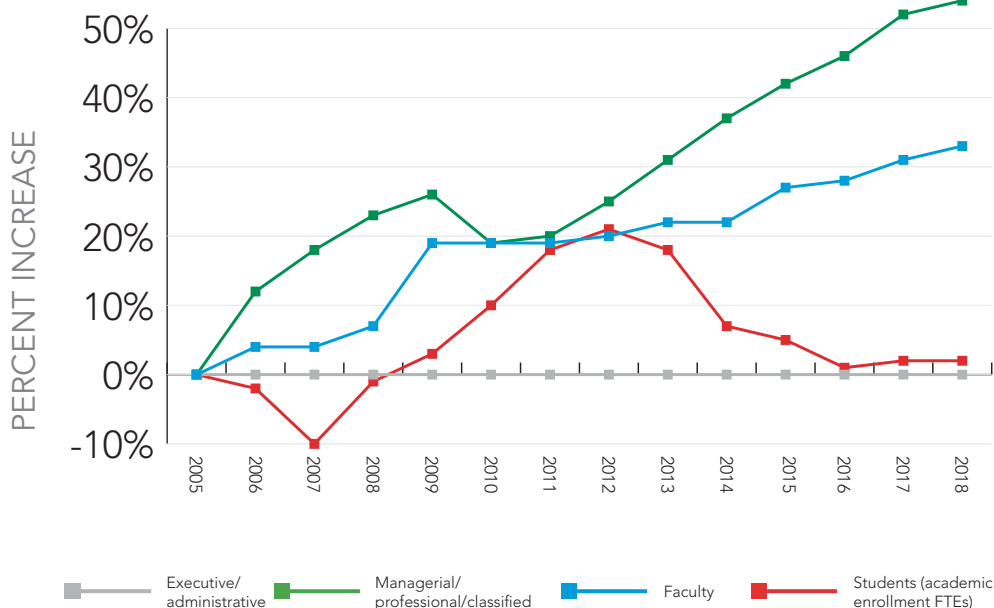
Spending, tuition, and fee changes 2005-2018



SUMMARY

Enrollment has been holding steady at this college, but costs continue to increase. Overall staff headcount is up 42%, and the managerial, professional, and classified category is up 54%. For the period 2005 to 2018, student services expenses, which include cultural events and student activities, are up 126%. Tuition has increased far faster than inflation, 87% vs. 29% over the same period.

Headcount & enrollment changes 2005-2018



LCSC six-year
graduation rate

Source: Idaho State Board of
Education

WHY IT MATTERS

Tens of thousands of Idaho students see a four-year degree as a stepping stone to economic security. High costs derail students from finishing their degrees, or leave them loaded with debt as they launch their careers.

Below is just one example of how one student deals with sky-high tuition.



Shelby Hickey

From Spirit Lake, Idaho
Attending Boise State University

“I have been saving for my education since I was twelve years old, and the money ran out last year. My life savings covered my associate’s degree at a tiny community college in Iowa. To my knowledge, it didn’t have any special programs or diversity initiatives: it was just school. You go, you learn, you graduate.

“However, while getting my bachelor’s degree in Idaho, I have to take a year off just to save up the funds, and I still have to take out a bunch of student loans. I have not used a single program at BSU meant to help students like me. I chose Idaho because, as a resident, it was the most affordable option. But if prices keep going up, I am going to have to sell an organ or go into a trade. The scariest part is: After this, I want to go to law school, and I know for a fact it will end up costing me more than my BA.”

REPORT SOURCES:

Idaho State Board of Education; sources and uses of funds
National Center for Education Statistics; academic enrollment, FTEs



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