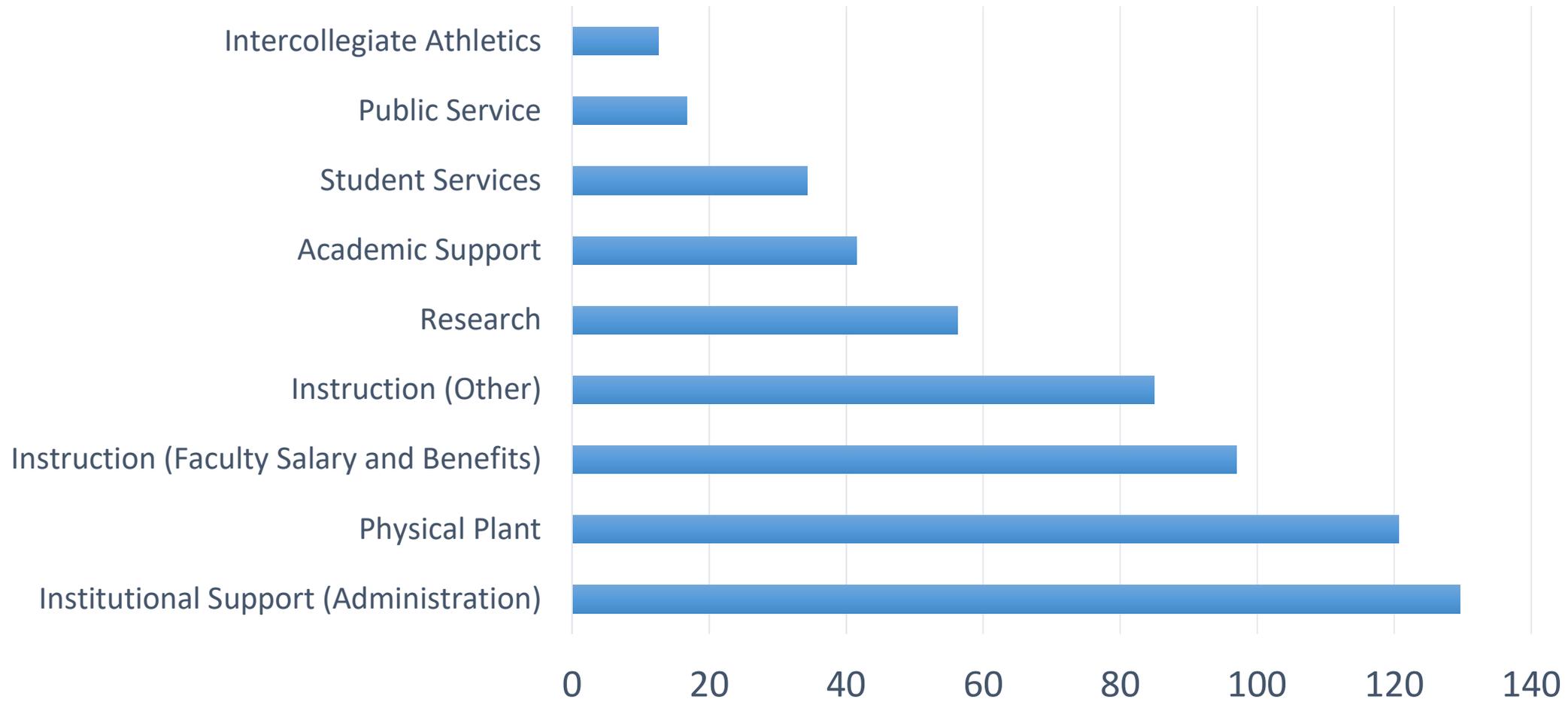


Administrative Costs in the UA System

Joel M Potter, Ph.D.

University of Alaska Anchorage

FY18 UA Unrestricted Expenditures (millions of dollars)



Peer Systems

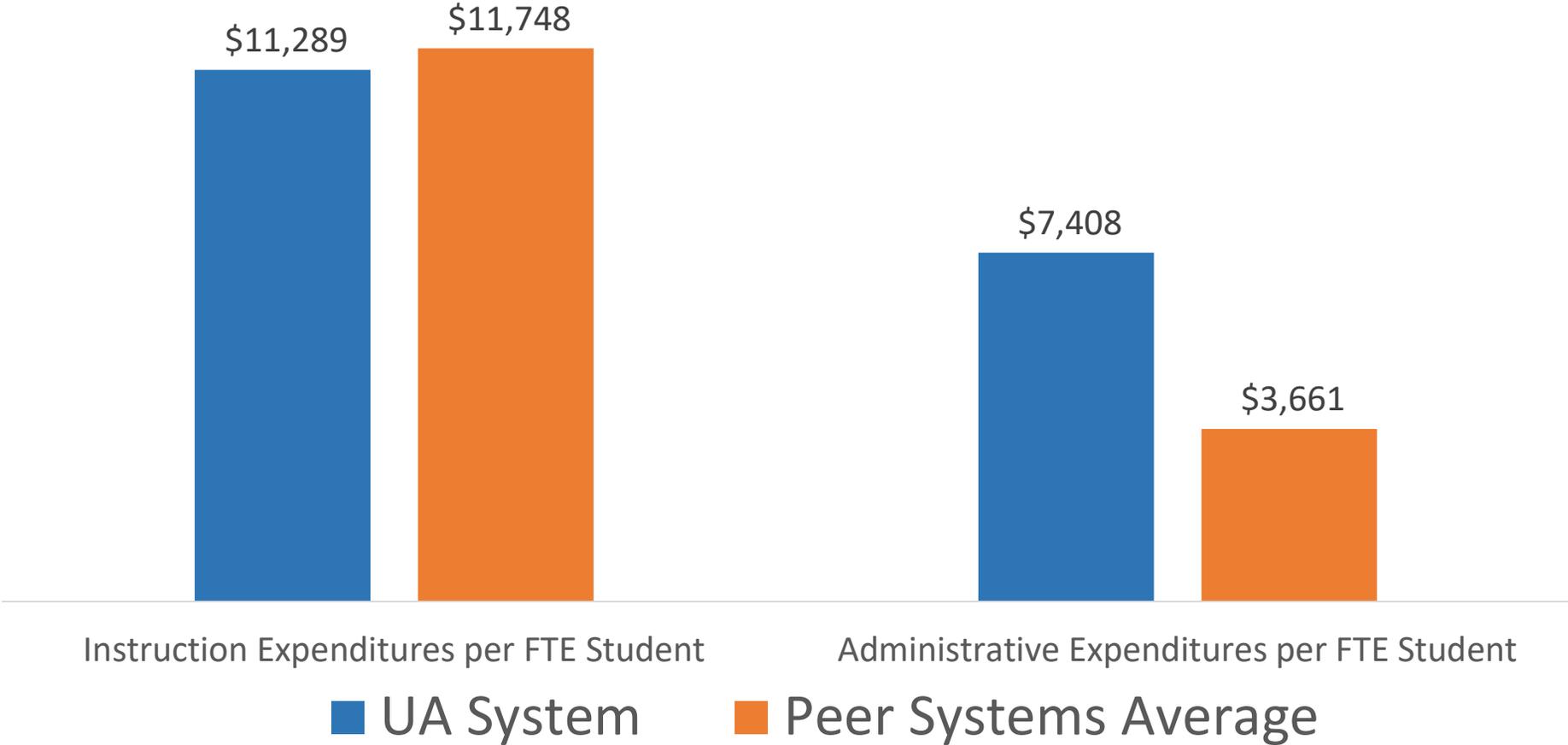
1. Montana University System
2. Florida Board of Governors
3. Southern Illinois University System
4. University of Louisiana System
5. University of Maine System
6. University and Community College System of Nevada
7. University of North Carolina Student
8. University of Texas System
9. Idaho State Board of Education
10. University of Wisconsin System
11. University of Colorado
12. University System of Maryland
13. University of Hawai'i System
14. Utah System of Higher Education
15. University of Houston System
16. University of Iowa
17. University of Massachusetts System
18. University of Missouri System
19. University of Nebraska

Public University Systems (Peer Systems & other systems with system office IPEDS data)

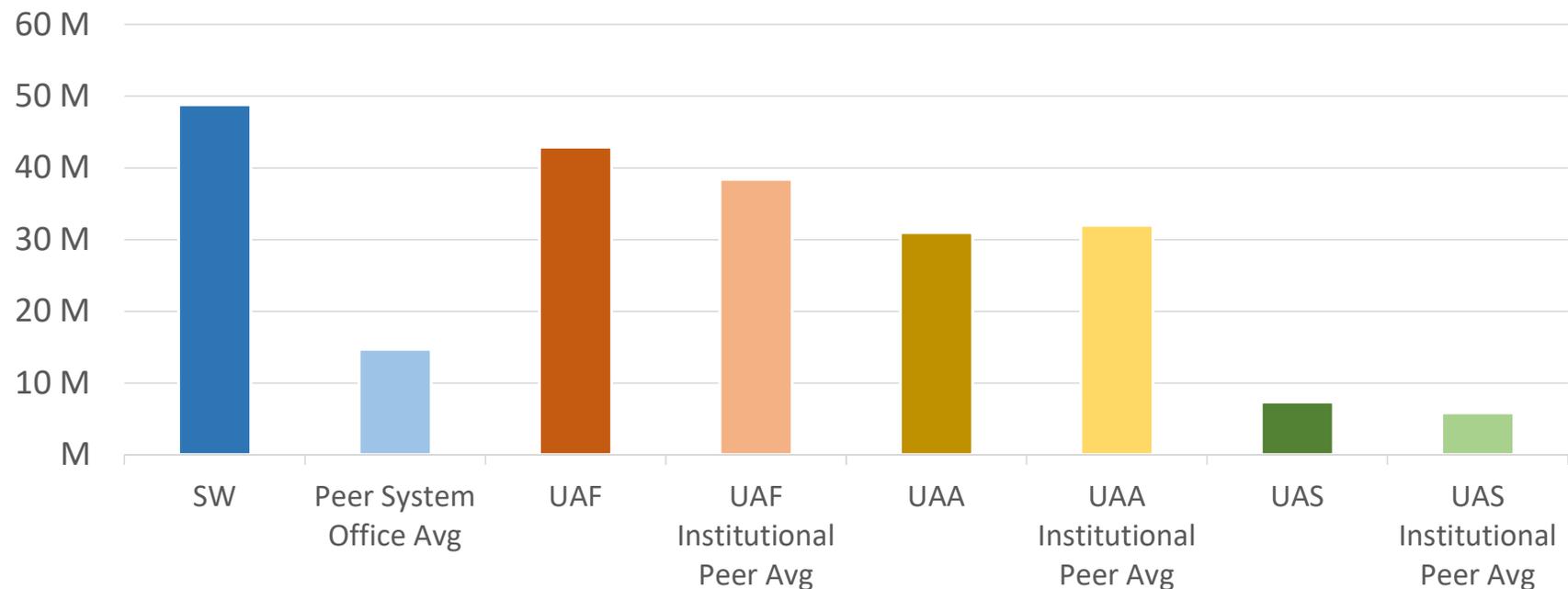
- | | | |
|--|--|---|
| 1. University of Alaska System of Higher Education* | 13. Colorado State University-System Office | 26. Iowa Regents Board Office |
| 2. Vermont State Colleges-Office of the Chancellor* | 14. University of Houston-System Administration | 27. Arizona Board of Regents |
| 3. Arkansas State University-System Office* | 15. Nevada System of Higher Education-System Office | 28. University System of Maryland |
| 4. University of Maine-System Central Office* | 16. University of Hawaii System Office | 29. University of Wisconsin-System Administration |
| 5. University System of New Hampshire System Office* | 17. Texas Tech University System Administration | 30. Utah System of Higher Education |
| 6. University of North Texas System* | 18. University of Nebraska-Central Administration System Office | 31. University of Illinois University Administration |
| 7. Montana University System Office of the Commissioner of Higher Education* | 19. Pennsylvania State System of Higher Education-Central Office | 32. California State University-Chancellors Office |
| 8. University of Alabama System Office | 20. University of Arkansas System Office | 33. University of North Carolina System |
| 9. Southern Illinois University-System Office* | 21. University of Missouri-System Office | 34. State University System of Florida Chancellor's Office |
| 10. Idaho State Board of Education Office* | 22. University of Massachusetts-Central Office | 35. SUNY-System Office |
| 11. University of Alabama System Office | 23. University of Colorado System Office | 36. University of California-System Administration Central Office |
| 12. University of Louisiana-System Administration | 24. CUNY System Office | 37. The University of Texas System Office |
| | 25. Texas A & M University-System Office | |

Systems marked with "*" were used in a separate study to examine costs at smaller systems with total system expenditures below 1.32BN. These had average total system expenditures of 824.4M.

FY18 Instruction vs Administrative Expenditures Per FTE Student



Distribution of FY18 UA Administrative Expenditures (with comparison to peer units)



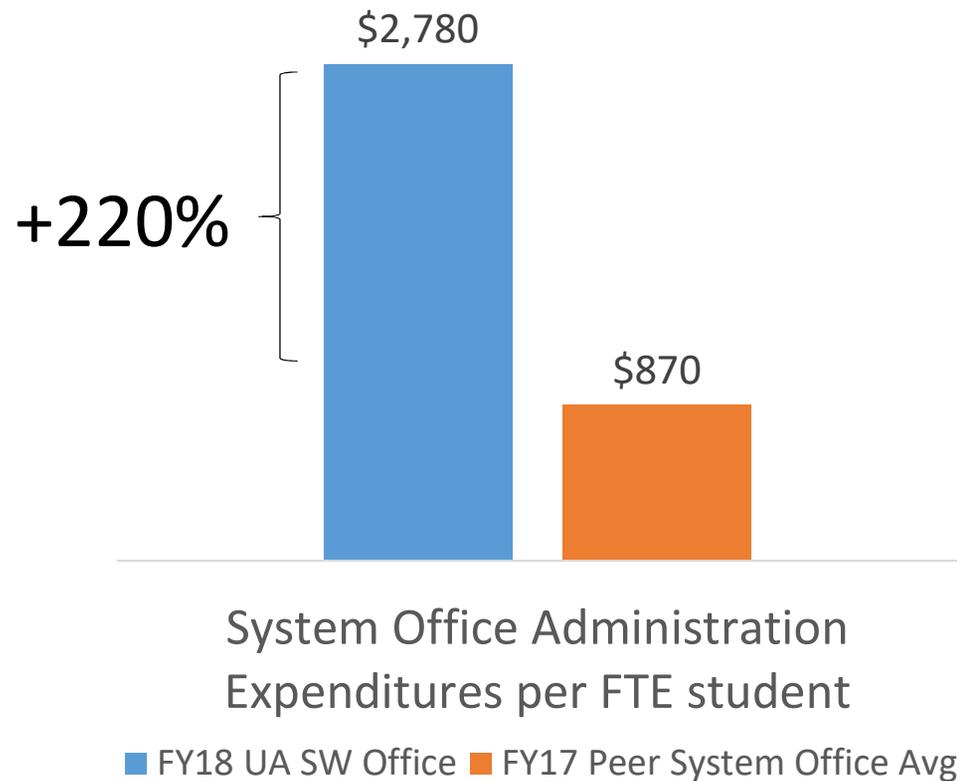
UA Administrative Expenditures are compared per unit with average peer rates of spending on administration.

UA Administrative Expenditures Compared to Peer Systems

#3 UA FY17 Administrative Spending at System Office per FTE Student

#2 UA FY17 System Administrative Expenditures as % of Total System Expenditures

#2 UA FY17 System Administrative Expenditures per FTE Student



	Measures of Administrative Cost in System		Measures of Admin Cost at System Office		Measure of Centralization
	Total Administrative Expenditures in System as % of Total System Expenditures	Total System Admin Exp per FTE Student	System Office Admin Exp as % of Total System Expenditures	System Office Admin Exp per FTE Student	System Office Admin Exp as % of Total System Administrative Expenditures
UA FY17 (IPEDS)	13.6%	\$6072	4.8%	\$2135	35.2%
UA FY17 (UAR & Yellowbook)	16.1%	\$7308	5.8%	\$2635	36.1%
FY17 Peer Systems Average	9.2%	\$3661	1.8%	\$870	17%
FY17 Small Systems Average	11.6%	\$3092	1.8%	\$463	14.1%

Key Findings of Systems Review

- The UA System has high administrative costs and high system office costs compared to other systems.
- The data shows no positive correlation between increased centralization of administrative expenditures and increased administrative cost efficiency.
- Instead, there is a moderate positive correlation between greater centralization of administrative expenditures and greater administrative cost per student ($r=0.77$ for peer systems, $r=0.48$ for small systems, and $r=0.57$ for all public systems).
- And there is a strong positive correlation between high costs at system offices and high spending per student on administrative costs in systems.
- Administrative costs are not on average higher in smaller systems or their system offices.