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Counting Past Each Other: New Report from College Futures Foundation

Report calls for a new approach to measuring where money for public higher education comes from, where it goes, and what it buys

SAN FRANCISCO—Recent public opinion research shows an alarming trend of rising public mistrust of our nation’s colleges and universities—a mistrust sparked by increases in tuitions and the perception of eroding value of higher education.

Underlying these concerns is a growing problem of miscommunication between state officials, institutional leaders, and the public about where money for public higher education comes from, where it goes, and what it buys.

Counting Past Each Other: How Inconsistent Reporting Creates Confusion about Higher Education Finance, a new report by Darcie Harvey commissioned by the College Futures Foundation, calls for a new approach to financial measures in higher education in California.

“If we care whether our public education systems can ensure that all qualified California students can achieve their educational goals—and whether the state and the systems can successfully plan for the future—then agreeing on and using a set of common measures of accountability should be a high priority,” said Russ Gould, chair of the College Futures Foundation board.

“Working from a standardized set of metrics is essential to understanding the tradeoffs that are being made, such as the implications on the need for tuition revenue against the priority to increase salaries,” said Harvey.

The report explains in detail how state officials, the University of California, and the California State University systems are “counting past each other” by using different ways to define and measure key indicators on how they use resources and how they measure student outcomes.

Counting Past Each Other identifies a host of areas in which the two systems fail to agree on common metrics or where such measures are missing entirely, and provides recommendations for action. They include:

- **Revenue:**
There is no shared definition of what a core revenue item is, where it comes from, how it treats tuition and fees, and how financial aid is accounted for.

- **Expenditures:**
The two systems don't agree on definitions for fixed costs, of which personnel is one of the biggest spending items. There are no common benchmarks that identify benefits as a percentage of compensation, for example, and no separate reporting for expenditures on salary and benefits.
- **Budgetary Transparency:**
The systems cannot properly track whether revenues are ongoing or one-time-only, which makes it impossible to know if they can be counted on in the future, and thus planned for.
- **Other Resource Use:**
The systems are ill-equipped to know whether all students are succeeding. They don't know whether students were admitted to the school of their choice, and they don't know if students are participating in summer school, extension courses, or off-campus centers. Also, while undergraduate degree completion rates are tracked, graduate completion rates are not.

The report makes specific recommendations for common metrics for revenues, expenditures, transparency, and measuring student success.

"Metrics are vitally important to our understanding of how we fund higher education, whether students can attend, whether they are able to graduate with meaningful degrees, and how we discuss priorities and trade-offs," said Harvey. "Right now, we're guessing about those things. We need to *know*."

Find the report here: <http://bit.ly/countingpasteachother>.

Read the full post about how California's public universities could use shared metrics for better understanding and decision-making: <https://higheredfinance.org/resources-and-insights/resource/counting-past-each-other>.

Access more information on higher education finance reform for California here: www.higheredfinance.org.

About College Futures Foundation: *College Futures Foundation operates on the beliefs that a vibrant future for California's economy and communities requires more bachelor's degrees, and that every student in California should have the chance to succeed in college. College Futures aims to increase opportunities for low-income and underrepresented students by removing barriers to college degrees. Established in 2005, the foundation awards nearly \$20 million in grants annually. Together with its grantees and partners, College Futures works towards more graduates for a thriving California. Visit www.collegefutures.org.*