

PERFORMANCE AUDIT
Montana University System Workforce
Data Reporting
Montana University System

JANUARY 2016

14P-05

REPORT SUMMARY

The Montana University System employs over 8,500 full-time equivalent and for fiscal year 2015 spent over \$350 million of unrestricted funds on personal services. The Montana Board of Regents, the Office of the Commissioner of Higher Education, and MUS units should develop a system-wide consistent approach for categorizing staff positions, review current human resource data for accuracy, and implement a statewide level interpretation of national reporting metrics. These improvements across the MUS will improve the ability of policy makers to monitor and understand trends in university workforce data.

Context

Numerous studies, analyses, and audits have reviewed university tuition and fee increases. There is speculation surrounding the cause. Some studies point to administrative positions and costs while others point to the cost of benefits as well as declines in state and federal support.

When reviewing higher education as a whole, it is clear that higher education systems across the nation are struggling with various market shifts, including:

- ◆ Tuition revenue decreases driven by various factors, including decreased enrollment.
- ◆ Non-tuition revenue decreases (e.g. state/federal funding, research funding).
- ◆ Increased public scrutiny resulting in more regulation/accreditation reviews at universities.
- ◆ Heightened interest and enrollment in online courses versus the traditional higher education structure.

Over the past two decades, the Montana University System (MUS) is seeing similar challenges as institutions across the nation. State support, as a percentage of total unrestricted funds, has decreased, while tuition has increased as a percentage. This decrease leads to the argument that students pay more of the cost of attending public universities, making college less affordable, which in turn puts additional public scrutiny on universities. As such, various policy makers and news articles have questioned the MUS's efficiency and effectiveness, specifically regarding administrative costs tied to the MUS workforce.

Results

During fiscal year 2015 the MUS employed over 8,500 full-time equivalent (FTE), with 72 percent of these FTE being employed at Montana State University–Bozeman (MSU) and the University of Montana–Missoula (UM). Additionally, during fiscal year 2015, 54 percent of unrestricted expenses were

salaries and wages; when benefits are included this percentage increased to 74 percent. Our audit focused on the workforce data available at the MUS units

Audit work reviewed national reporting data (IPEDS) and examined MSU and UM human resource data (Banner) for accuracy and consistency. When reviewing data recorded in IPEDS, both campuses had a relatively consistent workforce from fiscal years 2010-2014 and, when compared to peer institutions across the nation, spent less on both instructional and administrative costs per student FTE. While the audit identified MUS universities being comparable to peer institutions when looking at the number and cost of FTE, assuming there is broad agreement about the validity of comparing MUS institutions with public universities in other states, this does not answer the more fundamental question: “Could the MUS improve its ability to report and analyze total positions devoted to its core mission and positions that operate in administrative or support roles?” This question is especially important when viewed over a longer time frame. The country’s higher education landscape has changed dramatically over the past half century, and 50 years ago it would have been very difficult to justify the differences between teaching, core staff roles, and all other positions at a university.

When analyzing and working toward improving the effectiveness and efficiency of an organization, it is vital its workforce is fully understood. Currently the Board of Regents (BOR) and the Office of the Commissioner of Higher Education (OCHE) have a limited capability to gather workforce data across the MUS, impacting BOR and OCHE’s ability to influence costs tied to its workforce. Additionally, we identified IPEDS guidelines are vague in some areas, making it difficult to ensure institutions across the nation are recording the same types of positions in the same categories. Therefore, while IPEDS data are useful when benchmarking MUS campuses against comparable institutions, they become less useful when trying to understand the landscape of the MUS workforce. Universities are more complex organizations now than in the past; therefore, policy makers need more complex analytical tools to fully understand the MUS workforce.

Recommendation Concurrence	
Concur	3
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

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