

# Are Texas Universities Making the Grade in Accountability?

## *Improving Higher Education Transparency*

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### Recommendations

- Require universities to make easily available: budgets, faculty salaries, curriculum vitae, student evaluations of faculty, course syllabi, graduation rates, 5-year-out student surveys, and any other information that measures efficiency or student learning.
- Ensure data consistency from year to year. Policymakers should call for uniform reporting standards.
- Post all collected data on a public website that is easily accessible, searchable, and understandable.
- Consider alternatives that could end the negative effects of internal, behind-closed-doors bureaucratic accountability.
- Place detailed check registers online. Doing so would provide complete spending transparency and could save universities money by reducing the number of open records requests filed.

Students and parents invest thousands of dollars a year in the pursuit of quality higher education, with Texans further subsidizing this resource with their tax dollars. Billions in tuition and tax money is spent by Texans each year on public colleges and universities, yet they have little way of knowing how their dollars are being spent and what results those dollars yield.

The informed participation of citizens is vital to the success of any popular government, because without access to factual information there is no way of effectively participating in the political process. Without transparency, taxpayers are unable to hold their government accountable. Beyond discouraging fraud, making government expenditures transparent allows taxpayers to see how their dollars are being spent, enabling them to determine whether the service or good they subsidize is a worthwhile investment.

Texas policymakers should take steps to improve higher education transparency, and the recommendations provided in this paper could help make this suggestion a successful reality.

### Spending Should Yield Positive Results

The Texas Higher Education Coordinating Board collects and posts some information, but there is not enough information tracked that could be useful to university customers. Numbers such as minority make-up

and class size are tracked, but not enough data is published that adequately gauges institutional efficiency, spending, or student success. There is also no way of knowing that the data universities provide is reliable since the only oversight is internal.

Beyond the lack of valuable and dependable data, even information that is officially available is difficult for the average person to access. For example, locating the operating budget for Texas A&M University on its website is pretty simple, taking only seconds to find. However, when attempting to find the University of Texas at Austin's budget on its website, seemingly relevant links will send you on a hunt around the website leaving you only at dead ends. Difficulties similar to this are common among institutions of higher education because each university publishes its data in a different location, if it does at all.

Additionally, higher education data, to the extent it is even collected, is often inconsistent or unavailable from year to year, making valid comparisons difficult. For instance, the Texas Higher Education Coordinating Board researched and made available tuition rates and fees for every public state university from 2003-08, but there is no document citing tuition rates and fees prior to 2003 (before tuition was deregulated). Unfortunately, this makes it exceedingly difficult to track rising tuition rates in Texas. Universities in Texas are taking in more revenue from university customers, and their budgets have expanded accord-

ingly. Increased university spending should yield positive results, but without concrete data tracking tuition increases and measuring student success, one cannot determine whether increased tuition translates into a better education for students.

Unfortunately, this makes it exceedingly difficult to track rising tuition rates in Texas. Increased state funding and university spending should yield positive results, and without concrete data such as this, one cannot determine whether university spending translates into student success.

Available information shows university spending is on the rise. In 1991, the statewide average operating cost per student was \$10,665. By 2007, this number had increased to \$17,506 (inflation adjusted)—a 64.1 percent increase.<sup>1</sup> An increase this pronounced should cause some to question the spending habits of Texas universities, but since the current level of transparency is inadequate, there is no way to determine whether increased spending has improved educational quality.

Universities are spending more per student, charging higher tuition rates, and taking in more revenue. Since universities have various revenue streams, it is nearly impossible to know the exact amount of money they receive each year, but it *is* possible to see how much they receive from the state. For the 2010-11 biennium, institutions of higher education in Texas are set to receive an estimated \$21.9 billion, up from \$19 billion last biennium.<sup>2</sup>

Higher education institutions have seen their revenues increase at least 61 percent since 2002 and 15.26 percent since 2007. On what was this money spent, and what positive results did the increased spending produce?

University customers cannot demand change if they do not know there are problems. Higher education quality cannot be improved if there is no way of knowing what needs to be

fixed. Government funding should produce worthwhile results, and in order to make universities accountable, results must be measured and made public.

## Recommendations

- Require universities to make easily available: budgets, faculty salaries, curriculum vitae, student evaluations of faculty, course syllabi, graduation rates, 5-year-out student surveys, and any other information that measures efficiency or student learning.
- Ensure data consistency from year to year. Policymakers should call for uniform reporting standards.
- Post all collected data on a public website that is easily accessible, searchable, and understandable. This would be easy to accomplish since Texas already has a website in place that could be updated for this purpose. The link to the website should be displayed prominently on every university and university system home page.
- Consider alternatives that could end the negative effects of internal, behind-closed-doors bureaucratic accountability.
- Place detailed check registers online. Doing so would provide complete spending transparency and could save universities money by reducing the number of open records requests filed.

## Conclusion

Our public universities are given ultimate spending discretion without enough accountability. Accordingly, there is no way to prove they are good stewards of the tax dollars they receive from the state. By improving transparency, policymakers will be better able to discover problems and enact solutions to make the system of higher education more cost-efficient while providing greater value to higher education customers. ★

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<sup>1</sup> Marc Levin, "2009-2010 Legislators' Guide to the Issues: Higher Education Productivity," Texas Public Policy Foundation (Jan. 2009).

<sup>2</sup> General Appropriations Bill (May 2009).

