

## **ADMINISTRATIVE PRODUCTIVITY MEASURE (APM)**

### **BACKGROUND**

On February 10, 2015, Governor John Kasich signed Executive Order 2015-01K establishing the Ohio Task Force on Affordability and Efficiency in Higher Education. The Task Force was charged with reviewing and recommending ways in which Ohio's public institutions of higher education could be more efficient, offering an education of equal or higher quality while at the same time decreasing costs.

On October 1, 2015, the Task Force delivered recommendations to Governor Kasich, Senate President Keith Faber and House Speaker Cliff Rosenberger. Among the many recommendations of the Task Force, Recommendation 5B, specifically, encouraged the Department of Higher Education to develop a common measurement of administrative productivity that could be adopted across Ohio's 37 public institutions of higher education.

The purpose of this document is to outline the source data, methodology and key assumptions as related to the fully-developed administrative productivity measure (APM).

### **DATA ELEMENTS**

The data source for calculating the APM is files submitted directly by public institutions of higher education into the Higher Education Information System (HEI). Whenever possible, a three-year average of the most recently available data, as submitted by each public institution of higher education, is utilized. There are examples of limited instances in which an institution is missing a year of data within this three-year range; in those instances a two-year average is utilized. The six data elements utilized in the calculation are described in greater detail as follows:

- ***Administrative Salary Expenditure***

Defined as the salary reported on the 'AM' file for employees in work categories MA, BF, CE, CL, and OS (see full description in Appendix A) for full-time employees only (appointment status = (9/10 month) - (09), Full Time (11/12 month) - (11)). For employees with pay type = wages (W), the calculation is the hourly rate multiplied by 2,080 hours.

All fund groups are included with the exception of 'HO' = hospital.

- ***Administrative Employee Headcount***

Defined as the count of OBRIDs reported on the 'AM' file for employees in work categories MA, BF, CE, CL, and OS (see full description in Appendix A) for full-time employees only (appointment status = (9/10 month) - (09), Full Time (11/12 month) - (11)). All fund groups are included with the exception of 'HO' = hospital.

- ***All Employee Headcount***

Defined as the count of OBRIDs reported on the 'AM' file for employees in all work categories for full-time employees only (appointment status = (9/10 month) - (09), Full Time (11/12 month) - (11)). All fund groups are included with the exception of 'HO' = hospital.

- ***Educational and General Expenditure***

Defined as the sum of all unrestricted expenditures reported in the 'EE' file.

- ***Student Course Completed FTE***

This is taken directly from the FY16 final SSI calculation for the course completion portion of the formula.

- ***Student Degree Completions***

This is taken directly from the FY16 final SSI calculation for the degree completion portion of the formula. Please note that community college degree counts currently include subsidy eligible certificates, degrees and transfers from FY 2012-2014. This definition of a community college degree differs from the university degree definition, which does not include transfers or certificates, for example.

## **CALCULATION METHODOLOGY**

The APM is comprised of four individual ratios. For comparative purposes, ratios of four-year and two-year institutions are presented on separate documents.

The four individual ratios are defined and calculated as follows:

1. *Course Completion Ratio*: Student course completed FTE divided by administrative employee headcount (student course completed FTE /administrative employee headcount);
2. *Degree Completion Ratio*: Student degree completions divided by administrative employee headcount (student degree completions/administrative employee headcount);
3. *Administrative Headcount Ratio*: Administrative employee headcount divided by all employee headcount (administrative employee headcount/all employee headcount); and
4. *Administrative Expenditure Ratio*: Administrative salary expenditure divided by educational and general expenditure (administrative salary expenditure /educational and general expenditure).

## **APPENDIX A**

### Data Descriptions and Calculation Assumptions:

1. The Department of Higher Education (DHE) currently collects an 'all employee' (AM) file annually starting in December containing employees as of November 1<sup>st</sup> at each institution.
2. No college, department, or unit information is collected.
3. DHE cannot calculate an employee FTE, only a headcount.
4. Only employee salary information is reported in the AM file; employee benefit amounts are not reported.
5. Assumption for employees with hourly pay (reported as "W") is 2,080 hours per year, converted to an annual salary amount.
6. Salary used to calculate the total is only the salary reported, which does not include overtime.
7. Student course completed FTE and student degree completions are taken from the FY16 final SSI spreadsheet using the three-year average reported and combined across course or degree subject areas.
8. Student course completed FTE and student degree completions are derived from the data used in the State Share of Instruction calculation. As such, the course and degree completions are limited to those courses, degrees and students that are subsidy eligible.
9. Community college degree counts represent data from FY 2012-2014, while university degree counts represent data from FY 2013-2015.
10. Community college degree counts currently include subsidy eligible certificates, degrees and transfers from FY 2012-2014. This definition of a community college degree count differs significantly from the university degree count, which does not include transfers or certificates, for example.
11. Rio Grande does not report an AM file because of the private university/community college relationship with staff; therefore, they are excluded from the analysis due to associated effects on the data elements utilized in the calculation.
12. NEOMED is excluded from the analysis due to the effect(s) of their consortium-based relationships with other Ohio public institutions of higher education on the data elements utilized in the calculation.

- Includes work categories matched with IPEDs categories. Red indicates a category that is included in the administrative salary expenditure and administrative employee headcount figures.

HEI Code	IPEDS Category
MA	Management Occupations
BF	Business and Financial Operations Occupations
CE	Computer, Engineering, and Science Occupations
CL	Community Service, Legal, Arts, and Media Occupations
OS	Office and Administrative Support Occupations
PI	Primarily Instruction
RI	Instruction combined with research and/or public service (I/R/PS)
PR	Primarily Research
PS	Primarily Public Service
GT	Graduate assistants - teaching
GR	Graduate assistants - research(I/R/PS)
GA	Graduate assistants - other
AT	Archivists, Curators, and Museum Technicians
LI	Librarians
LT	Library Technicians
NT	Other Teaching and Instructional Support Occupations
HO	Healthcare Practitioners and Technical Occupations
SO	Service Occupations
SA	Sales and Related Occupations
NM	Natural Resources, Construction, and Maintenance Occupations
PT	Production, Transportation, and Material Moving Occupations
MS	Not applicable in IPEDS because IPEDS collects data on civilian staff only

- Red indicates a fund group reported in the 'AM' file used for generating the personnel counts included in the APM.

DI	Departmental Instruction	Includes all faculty compensation and other departmental compensation
AS	Academic Support	Includes compensation expended for activities, the primary mission of which is to provide support services for instruction, research, and public service (e.g., might include deans, assistant deans, and associate deans.) This category includes libraries, academic administration, educational media service, museums and galleries, course and curriculum development, and ancillary support.
SS	Student Services	This category includes funds expended for student services administration, social and cultural development, counseling, career guidance, financial aid administration, student admissions, student records, and developmental services. It does not include intercollegiate athletics.
PO	Plant Operation	This category includes all compensation for physical plant administration, building maintenance, custodial services, utilities, and landscaping and grounds maintenance.
IS	Institutional Support	This category contains expenditures for executive management, fiscal operations, general administration, logistical services, and community relations
SB	Separately Budgeted Research	This category includes all expenditures (internal as well as external funds) for activities specifically organized to produce research outcomes, whether commissioned by an agency external to the institution (restricted) or the institution (unrestricted), and includes matching funds applicable to the conditions set forth by the grant or contract from an external agency. Separately Budgeted Research funds may include soft money from contracts or grants such as those from Tech Prep or NSF.
PS	Public Service	This category includes all funds expended for activities that are established primarily to provide noncredit designated course offerings and services beneficial to individuals and groups external to the institution.

AU	Auxiliary	This category includes expenditures of essentially self-supporting activities. The following are examples of auxiliary enterprises: residence and dining halls, student centers, food services, bookstores, parking facilities, airports athletic facilities, and intercollegiate athletics.
HO	Hospital	This category includes all expenditures and transfers associated with the patient care operations of the hospital.