<u>Budget and Academic Support Committee Report</u>: The Committee did not meet due to lack of a quorum. The committee, by electronic vote, recommended the following action item based up the attached report, authored by Dr. Tucker Landy:

BASC 03-04

"Based on the attached report, we cannot avoid the conclusion that KSU is significantly overstaffed with non-faculty and is significantly overspending in the areas of Institutional support and Student Services.

Therefore, we recommend that all non-instructional spending be closely studied and monitored, especially regarding the number of non-faculty employees, their salaries, and the possibility of overlapping responsibilities, so that an appropriate reduction in staffing and an adjustment of salaries can be considered."

Dare we Compare?

KSU's Budget Priorities

Report of the Faculty Senate Budget and Academic Support Committee
On Spending Trends in Comparison to Peer Institutions
January 2004

Executive Summary (Survey Year 2002)

Category	Measures	CPE Benchmark Institutions (n = 20)	BASC Benchmark Institutions (n = 22)
Student Headcount	KSU Rank	20	21
	KSU Value	2253	2253
	Mean Value (without KSU)	3973	4162
Total Operating Expenses	KSU Rank	14	9
	KSU Value	$48,301,705	$48,301,705
	Mean Value (without KSU)	$61,032,199	$44,644,571
Employees without faculty status	KSU Rank	4	1
	KSU Value	473	473
	Mean Value (without KSU)	383	263
Ratio Non-faculty employees to students	KSU Rank	1	2
	KSU Value	0.25	0.25
	Mean Value (without KSU)	0.11	0.09
Institutional Support	KSU Rank	3	2
	KSU Value	$8,189,712	$8,189,712
	Mean Value (without KSU)	$6,353,519	$5,022,026
Student Services	KSU Rank	4	2
	KSU Value	$4,849,554	$4,849,554
	Mean Value (without KSU)	$3,428,085	$3,261,197
Research	KSU Rank	6	3
	KSU Value	$4,516,266	$4,516,266
	Mean Value (without KSU)	$3,892,995	$941,163
Scholarships and Fellowships	KSU Rank	12	17
	KSU Value	$1,852,178	$1,852,178
	Mean Value (without KSU)	$4,198,765	$3,424,787

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I. Are the CPE Benchmark Institutions appropriately chosen?

The Council on Postsecondary Education has selected nineteen "benchmark institutions" for each of Kentucky's public institutions of higher education for use in decisions about state funding. These benchmark institutions are selected on the basis of characteristics similar to those of the public institution being evaluated. KSU's 2004-2006 benchmark institutions, as agreed to by the CPE in July 2003, are as follows (HBCU's designated by *. 1890 Land Grant HBCU's designated by **.):

Institution	State
University of Arkansas - Pine Bluff**	Arkansas
Delaware State University**	Delaware
Albany State University*	Georgia
Savannah State University*	Georgia
Fort Valley State University**	Georgia
Indiana University-Kokomo	Indiana
Kentucky State University**	Kentucky
Morgan State University*	Maryland
Alcorn State University**	Mississippi
Mississippi Valley State University*	Mississippi
Lincoln University**	Missouri
Fayetteville State University*	North Carolina
North Carolina Central University*	North Carolina
University of North Carolina - Asheville	North Carolina
University of North Carolina - Pembroke	North Carolina
Langston University**	Oklahoma
Southeastern Oklahoma State University	Oklahoma
Western Oregon State University	Oregon
South Carolina State University**	South Carolina
Virginia State University**	Virginia

In the following report we shall make extensive use these benchmark institutions for our analysis. However, there are several reasons why we believe that, for the purpose of this analysis, another comparison group should be used in addition:

(1) While most of the CPE benchmark institutions are comparable to KSU in terms of student populations, some are much larger than KSU in terms of total operating expenditures. Morgan State University, for example, reported total operating expenses amounting to $140 million, almost three times as much as KSU's $48 million. Fort Valley State's expenses are $113 million, and North Carolina Central's is $96 million. On the other hand, Indiana University's expenses amounted to $21.5 million, less than half of KSU's budget.

(2) Fifteen of the nineteen CPE benchmark institutions for KSU were apparently selected because they are HBCU's, and eight of these were apparently selected because they are 1890 Land Grant institutions. HBCU's account for only105 of the approximately 3,700 universities in the United States. The 1890 Land Grant institutions account for only 18 of the 105 HBCU's. Of this small group, CPE has selected eight that are comparable to KSU in total budget expenditures. Now, on the one hand, this special group of universities might have unique needs and spending requirements, which would make the CPE's selection quite appropriate. On the other hand, such a narrow preselected group of universities may be spending money in ways that are out of line with the mainstream of American universities comparable to KSU in size, operating budgets, and other characteristics. Thus, we believe it would be most helpful to compare KSU both to comparable HBCU's, such as most of our benchmark institutions are, and to other public universities of a comparable size and character, in order to get a complete picture of how we use our money.

Therefore, making use of the IPEDS Peers Analysis System available from the Web site of the National Center for Education Statistics (http://nces.ed.gov/ipedspas/), we have created our own comparison group for use in this report along with the CPE benchmark institutions. This group, which we shall call the BASC (Budget and Academic Support Committee) peer group, has been selected for the following characteristics:

(1) Total operating expenses in 2002 between $35 million and $60 million (KSU's is $48 million).

(2) Public academic universities that offer A.A.'s, B.A.'s, M.A.'s and no (or "implied" no) Ph.D's.

(3) Graduate student populations in 2002 between 0 and 999 (KSU reported 146 graduate students)

Together, then, the CPE benchmark institutions and the BASC peer group institutions should give us a clear picture of how we compare to other universities in budget expenditures.

II. How do we compare?

We present here only the most salient facts to emerge from our investigation. Our purpose is not to provide an exhaustive analysis of spending at KSU, but to point out where the most conspicuous discrepancies seem to be, so that they can be addressed by the appropriate governing bodies.

A. Student Population and Total Operating Expenses

It is important to note, even as we consider universities with comparable expenditures, that KSU has the smallest number of students (2,253 in 2002) among all our CPE benchmark institutions. Among the BASC peer group, only the University of the Virgin Islands has a smaller student population (1,476). KSU's relatively tiny student population must be kept in mind as we consider the following comparisons. Below are tables showing the total enrollments and total operational expenses for both of these peer groups as well as for all eighteen 1890 Land Grant institutions:

CPE Benchmark Institutions
Ranking by: Total Enrollment

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	6660
2	NORTH CAROLINA CENTRAL UNIVERSITY*	NC	6519
3	FAYETTEVILLE STATE UNIVERSITY*	NC	5308
4	WESTERN OREGON UNIVERSITY	OR	5030
5	VIRGINIA STATE UNIVERSITY**	VA	4974
6	SOUTH CAROLINA STATE UNIVERSITY**	SC	4568
7	UNIVERSITY OF NORTH CAROLINA AT PEMBROKE	NC	4432
8	SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	OK	3967
9	ALBANY STATE UNIVERSITY*	GA	3557
10	MISSISSIPPI VALLEY STATE UNIVERSITY*	MS	3501
11	UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE	NC	3391
12	DELAWARE STATE UNIVERSITY**	DE	3367
13	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	3200
14	ALCORN STATE UNIVERSITY**	MS	3150
15	LINCOLN UNIVERSITY**	MO	3092
16	LANGSTON UNIVERSITY**	OK	3028
17	INDIANA UNIVERSITY-KOKOMO	IN	2772
18	SAVANNAH STATE UNIVERSITY*	GA	2529
19	FORT VALLEY STATE UNIVERSITY	GA	2446

20	**KENTUCKY STATE UNIVERSITY ****	**KY**	**2253**

Mean Value (without KSU): 3973

CPE Benchmark Institutions

Ranking by: Total operating expenses - Current year total

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	139843077
2	FORT VALLEY STATE UNIVERSITY**	GA	113477563
3	NORTH CAROLINA CENTRAL UNIVERSITY*	NC	96342941
4	SOUTH CAROLINA STATE UNIVERSITY**	SC	79465409
5	VIRGINIA STATE UNIVERSITY**	VA	74393597
6	WESTERN OREGON UNIVERSITY	OR	58558125
7	DELAWARE STATE UNIVERSITY**	DE	57721126
8	FAYETTEVILLE STATE UNIVERSITY*	NC	56880295
9	ALCORN STATE UNIVERSITY**	MS	55797976
10	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	54462897
11	ALBANY STATE UNIVERSITY*	GA	52659816
12	MISSISSIPPI VALLEY STATE UNIVERSITY*	MS	51734117
13	UNIVERSITY OF NORTH CAROLINA AT ASHEVILLE	NC	48846225
14	**KENTUCKY STATE UNIVERSITY****	**KY**	**48301705**
15	UNIVERSITY OF NORTH CAROLINA AT PEMBROKE	NC	47482317
16	SAVANNAH STATE UNIVERSITY*	GA	39659110
17	SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	OK	39365861
18	LINCOLN UNIVERSITY**	MO	39270118
19	LANGSTON UNIVERSITY**	OK	32143843
20	INDIANA UNIVERSITY-KOKOMO	IN	21507375

Mean Value (without KSU):
$61,032,199

Dare We Compare? (BASC Report 01/04)

BASC Peer Institutions

Ranking by: Total student headcount

Rank	Institution Name	State	Value
1	FAIRMONT STATE COLLEGE	WV	6806
2	MIDWESTERN STATE UNIVERSITY	TX	6218
3	ARKANSAS TECH UNIVERSITY	AR	5855
4	CAMERON UNIVERSITY	OK	5658
5	MESA STATE COLLEGE	CO	5572
6	FLORIDA GULF COAST UNIVERSITY	FL	5109
7	SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	OK	5022
8	LOCK HAVEN UNIVERSITY OF PENNSYLVANIA	PA	4574
9	UNIVERSITY OF SOUTH CAROLINA AT SPARTANBURG	SC	4362
10	NORTH GEORGIA COLLEGE AND STATE UNIVERSITY	GA	4175
11	MONTANA STATE UNIVERSITY-BILLINGS	MT	3787
12	SOUTHERN POLYTECHNIC STATE UNIVERSITY	GA	3683
13	HENDERSON STATE UNIVERSITY	AR	3497
14	SOUTHERN UNIVERSITY AT NEW ORLEANS	LA	3386
15	MANSFIELD UNIVERSITY OF PENNSYLVANIA	PA	3368
16	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	3200
17	OREGON INSTITUTE OF TECHNOLOGY	OR	3138
18	LINCOLN UNIVERSITY**	MO	3092
19	UNIVERSITY OF WISCONSIN-SUPERIOR	WI	2887
20	SAVANNAH STATE UNIVERSITY*	GA	2529
21	**KENTUCKY STATE UNIVERSITY****	**KY**	**2253**
22	UNIVERSITY OF THE VIRGIN ISLANDS*	VI	1476

Mean Value (without KSU):
4162

BASC Peer Institutions

Ranking by: Total operating expenses - Current year total

Rank	Institution Name	State	Value
1	LOCK HAVEN UNIVERSITY OF PENNSYLVANIA	PA	56451621
2	UNIVERSITY OF THE VIRGIN ISLANDS*	VI	56113022
3	FLORIDA GULF COAST UNIVERSITY	FL	55470531
4	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	54462897
5	FAIRMONT STATE COLLEGE	WV	52615160
6	MIDWESTERN STATE UNIVERSITY	TX	51523626
7	ARKANSAS TECH UNIVERSITY	AR	50773030
8	MANSFIELD UNIVERSITY OF PENNSYLVANIA	PA	48905354
9	**KENTUCKY STATE UNIVERSITY****	**KY**	**48301705**
10	MONTANA STATE UNIVERSITY-BILLINGS	MT	44014469
11	SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	OK	43218389
12	SOUTHERN POLYTECHNIC STATE UNIVERSITY	GA	42702035
13	NORTH GEORGIA COLLEGE AND STATE UNIVERSITY	GA	40921559
14	MESA STATE COLLEGE	CO	40526873
15	SAVANNAH STATE UNIVERSITY*	GA	39659110
16	LINCOLN UNIVERSITY**	MO	39270118
17	CAMERON UNIVERSITY	OK	38823671
18	UNIVERSITY OF SOUTH CAROLINA AT SPARTANBURG	SC	38629852
19	OREGON INSTITUTE OF TECHNOLOGY	OR	37620040
20	HENDERSON STATE UNIVERSITY	AR	35650615
21	SOUTHERN UNIVERSITY AT NEW ORLEANS	LA	35097567
22	UNIVERSITY OF WISCONSIN-SUPERIOR	WI	35086443

Mean Value (without KSU):
$44,644,571

1890 Land Grant Institutions

Ranking by: Total student headcount

(CPE Benchmark institutions designated by italics)

Rank	Institution Name	State	Value
1	FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY	FL	12464
2	NORTH CAROLINA AGRICULT AND TECH ST UNIV	NC	9115
3	TENNESSEE STATE UNIVERSITY	TN	8881
4	SOUTHERN UNIVERSITY AND A & M COLLEGE	LA	8572
5	PRAIRIE VIEW A & M UNIVERSITY	TX	7255
6	ALABAMA A & M UNIVERSITY	AL	5914
7	WEST VIRGINIA STATE COLLEGE	WV	4997
8	VIRGINIA STATE UNIVERSITY	VA	4974
9	*SOUTH CAROLINA STATE UNIVERSITY*	SC	4568
10	UNIVERSITY OF MARYLAND-EASTERN SHORE	MD	3644
11	*DELAWARE STATE UNIVERSITY*	DE	3367
12	*UNIVERSITY OF ARKANSAS AT PINE BLUFF*	AR	3200
13	*ALCORN STATE UNIVERSITY*	MS	3150
14	*LINCOLN UNIVERSITY*	MO	3092
15	*LANGSTON UNIVERSITY*	OK	3028
16	TUSKEGEE UNIVERSITY	AL	3001
17	*FORT VALLEY STATE UNIVERSITY*	GA	2446
18	***KENTUCKY STATE UNIVERSITY***	**KY**	**2253**

Mean Value (without KSU):
5392

1890 Land Grant Institutions

Ranking by: Total operating expenses - Current year total

(CPE Benchmark institutions designated by italics)

Rank	Institution Name	State	Value
1	FLORIDA AGRICULTURAL AND MECHANICAL UNIVERSITY	FL	204404061
2	NORTH CAROLINA AGRICULTURAL AND TECHNICAL ST UNIV	NC	144073690
3	TENNESSEE STATE UNIVERSITY	TN	131868094
4	SOUTHERN UNIVERSITY AND A & M COLLEGE	LA	124139614
5	FORT VALLEY STATE UNIVERSITY	GA	113477563
6	*PRAIRIE VIEW A & M UNIVERSITY*	TX	99857764
7	ALABAMA A & M UNIVERSITY	AL	87198782
8	*SOUTH CAROLINA STATE UNIVERSITY*	SC	79465409
9	*VIRGINIA STATE UNIVERSITY*	VA	74393597
10	UNIVERSITY OF MARYLAND-EASTERN SHORE	MD	63223861
11	*DELAWARE STATE UNIVERSITY*	DE	57721126
12	*ALCORN STATE UNIVERSITY*	MS	55797976
13	*UNIVERSITY OF ARKANSAS AT PINE BLUFF*	AR	54462897
14	*WEST VIRGINIA STATE COLLEGE*	WV	50229542
15	***KENTUCKY STATE UNIVERSITY***	***KY***	***48301705***
16	*LINCOLN UNIVERSITY*	MO	39270118
17	*LANGSTON UNIVERSITY*	OK	32143843
18	TUSKEGEE UNIVERSITY	AL	Blank

Mean Value (without KSU):
$88,232,996

B. Number of employees with non-faculty status

CPE Benchmark Institutions

Ranking by: Employees without faculty status

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	889
…	. . .	…	…
3	ALCORN STATE UNIVERSITY**	MS	548
4	**KENTUCKY STATE UNIVERSITY****	**KY**	**473**
…	…	…	…
20	INDIANA UNIVERSITY-KOKOMO	IN	125

Mean Value (without KSU):
383

CPE Benchmark Institutions

Ranking by: Ratio of Non-faculty Employees to FTE Students

Rank	Institution Name	State	Value
1	**KENTUCKY STATE UNIVERSITY****	**KY**	**0.25**
2	ALCORN STATE UNIVERSITY**	DE	0.20
…	…	…	…
20	VIRGINIA STATE UNIVERSITY**	va	0.05

Mean Value (without KSU):
0.11

BASC Peer Institutions

Ranking by: Employees without faculty status

Rank	Institution Name	State	Value
1	**KENTUCKY STATE UNIVERSITY****	**KY**	**473**
2	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	386
…	…	…	…
22	OREGON INSTITUTE OF TECHNOLOGY	OR	173

Mean Value (without KSU):

263

BASC Peer Institutions

Ranking by: Ratio of Non-faculty Employees to FTE Students

Rank	Institution Name	State	Value
1	UNIVERSITY OF THE VIRGIN ISLANDS*	VI	0.36
2	**KENTUCKY STATE UNIVERSITY****	**KY**	**0.25**
…	…	…	…
22	FAIRMONT STATE COLLEGE	WV	0.04

Mean Value (without KSU):
0.09

CPE Benchmark Institutions

Ranking by: Executive/Administrative Employees

Rank	Institution Name	State	Value
1	VIRGINIA STATE UNIVERSITY**	VA	91
…	…	…	…
11	**KENTUCKY STATE UNIVERSITY****	**KY**	**44**
…	…	…	…
20	INDIANA UNIVERSITY-KOKOMO	IN	9

Mean Value (without KSU):
47

BASC Peer Institutions

Ranking by: Executive/administrative employees

Rank	Institution Name	State	Value
1	FLORIDA GULF COAST UNIVERSITY	FL	95
…	…	…	…
6	**KENTUCKY STATE UNIVERSITY****	**KY**	**44**
…	…	…	…
22	CAMERON UNIVERSITY	OK	5

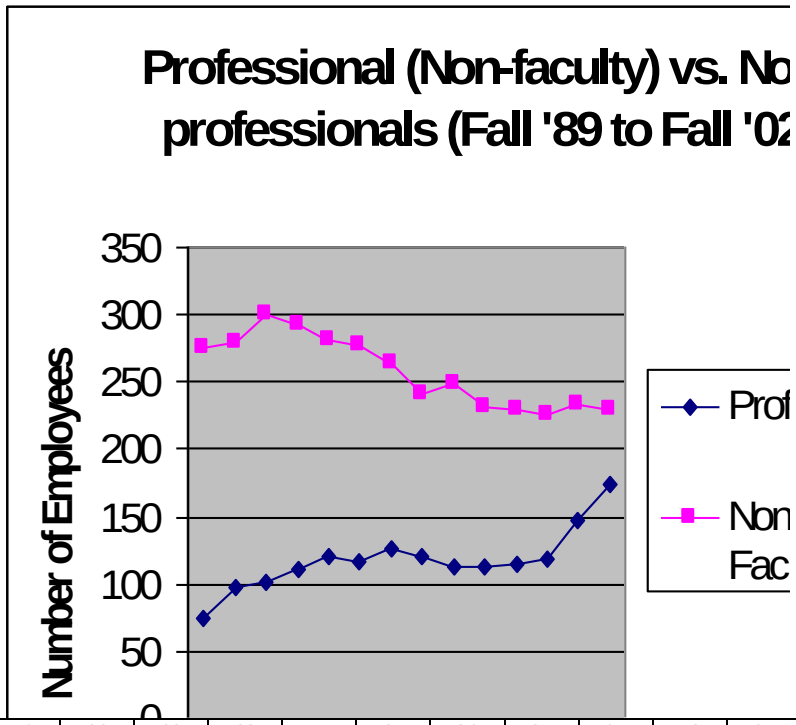
Mean Value (without KSU):
40

Dare We Compare? (BASC Report 01/04)

The following table, obtained from the CPE Web site,[1] shows trends in the number of faculty and staff positions over the last 14 years. The graph below shows the growth in professional non-faculty employees vs. the decline in the number of secretaries, technical and paraprofessional personnel, skilled craftsmen, and service/maintenance personnel combined.

KSU Full-Time Faculty and Staff by EEOC Category

Fall of:	**'89**	**'90**	**'91**	**'92**	**'93**	**'94**	**'95**	**'96**	**'97**	**'98**	**'99**	**'00**	**'01**	**'02**
Exc/Adm/Mng	41	42	42	35	38	34	41	46	43	39	43	38	56	44
Prof Non-Fac	**74**	**98**	**101**	**110**	**121**	**116**	**126**	**121**	**113**	**112**	**114**	**118**	**147**	**174**
Secret/Cler	82	80	98	95	92	91	84	81	83	81	76	77	69	72
Tech/Parapf	103	99	95	89	94	90	85	70	73	75	76	80	88	82
Skilled Craft	25	20	21	21	26	22	25	23	24	23	19	18	18	19
Serv/Maint	66	81	87	87	70	75	70	67	69	52	59	50	59	56
FT Staff	391	420	444	437	441	428	431	408	405	382	387	381	437	447
Faculty	123	120	124	126	122	126	133	131	129	123	126	104	172	137
Faculty/Staff	514	540	568	563	563	554	564	539	534	505	513	485	609	584



[1]http://www.cpe.state.ky.us/facts/CompTables/ft_FS.pdf

Dare We Compare? (BASC Report 01/04)

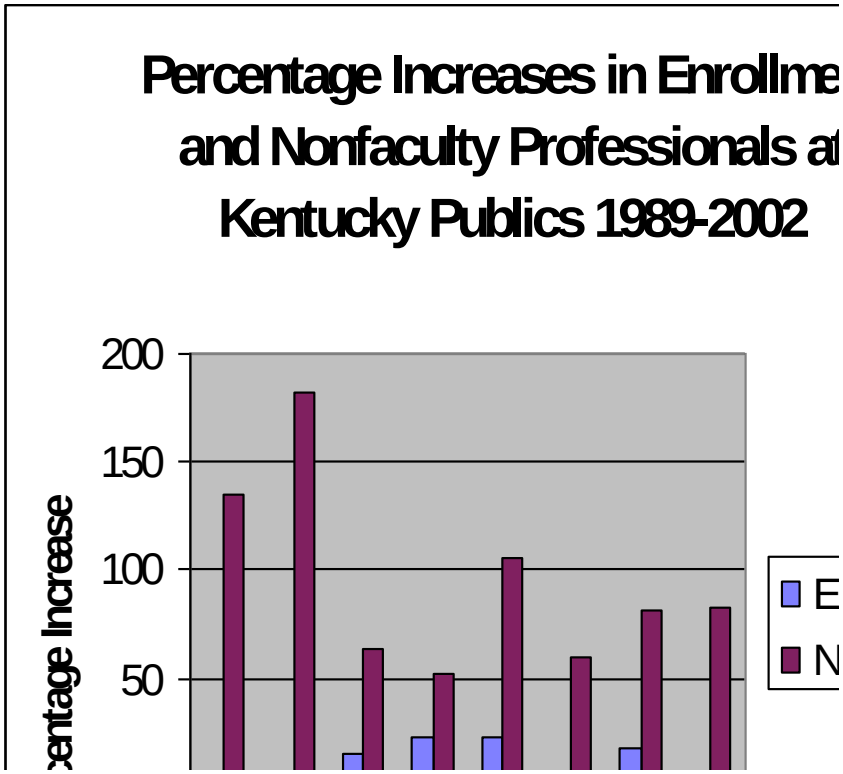
It appears that KSU has always had a very large contingent of non-faculty positions for an institution its size. However, we draw special attention to the growth in the number of "Professional Non-Faculty." This is accompanied by drops in the numbers of secretaries, technical and paraprofessional support personnel, skilled craftsmen, and maintenance personnel. Assuming professionals are paid more than nonprofessionals, these trends suggest that funds have been spent increasingly on non-faculty wages and non-academic functions during this period. See below for more information on this trend. (We admit to some puzzlement over the huge one-year dip, followed by the huge jump, in the number of faculty for 2000 and 2001.)

The following table shows a comparison between Kentucky public universities by several related variables (data obtained from the CPE Web site):

School	**Enrollmt Fall 1989**	**Enrollmt Fall 2002**	**Faculty 1989**	**Faculty 2001**	**Non-Fac Prof 1989**	**Non-Fac Prof 2002**
KSU	*2,506*	*2,253 (-10%)*	*123*	*137 (11%)*	*74*	*174 (135%)*
EKU	15,290	15,248 (0%)	620	637 (3%)	178	503 (183%)
Morehead	8,605	9,930 (15%)	345	353 (2%)	195	319 (64%)
Murray	8,079	9,920 (23%)	365	412 (13%)	153	233 (52%)
NKU	11,254	13,743 (22%)	324	505 (56%)	142	292 (106%)
UK	**	**	**	**	**	**
UofL	22,979	21,089 (-8%)	1,088	1,274 (17%)	724	1,154(59%)
WKU	15,170	17,818 (17%)	554	620 (12%)	230	416 (81%)
All Univ. but UK	83,883	90,001 (7%)	3,419	3,938 (15%)	1,696	3,091 (82%)

**UK omitted because it stopped including the hospital in its statistics in 2002.

All universities experienced positive growth in headcount enrollment except EKU, which remained almost flat, UofL and KSU, which experienced an eight percent and ten percent decrease, respectively. All universities show a significant increase in the number of non-faculty professionals. It should also be noted that part of the reason for the growth in faculty at KSU was the conversion of 6 Aquaculture staff into faculty in 2000.



The following tables show comparisons regarding non-faculty professionals and technical/para-professionals.

CPE Benchmark Institutions

Ranking by: Nonfaculty Professionals

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	314
2	**KENTUCKY STATE UNIVERSITY****	**KY**	**174**
…	…	…	…
20	UNIVERSITY OF NORTH CAROLINA AT PEMBROKE	NC	39

Mean Value (without KSU):
120

KSU's ranking among the BASC Peer Group is even more striking.

BASC Peer Institutions
Ranking by: Nonfaculty Professionals

Rank	Institution Name	State	Value
1	**KENTUCKY STATE UNIVERSITY****	**KY**	**174**
2	UNIVERSITY OF THE VIRGIN ISLANDS	VI	156
…	…	…	…
22	MESA STATE COLLEGE	CO	24

Mean Value (without KSU):
77

We find similar results by comparing the number of "technical/paraprofessional" employees at KSU and other peers.

CPE Benchmark Institutions
Ranking by: Technical/Para-professionals

Rank	Institution Name	State	Value
1	DELAWARE STATE UNIVERSITY**	DE	93
2	NORTH CAROLINA CENTRAL UNIVERSITY*	NC	89
3	**KENTUCKY STATE UNIVERSITY****	**KY**	**82**
…	…	…	…
20	INDIANA UNIVERSITY-KOKOMO	IN	6

Mean Value (without KSU):
46

BASC Peer Institutions
Ranking by: Technical/Para-professionals

Rank	Institution Name	State	Value
1	**KENTUCKY STATE UNIVERSITY****	**KY**	**82**
2	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	73
…	…	…	…
22	SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	OK	3

Mean Value (without KSU):
25

In other EEOC categories, KSU is not significantly far from the average.

C. Spending on Institutional Support

"Institutional Support" is the category of spending that does not fall under any of the academic areas or student services or even physical plant operations and maintenance. According to NCES, this category "[i]ncludes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development."

We present here, and in the sections below, the number of dollars spent in these areas, rather than percentage of the budget. The main reason for this approach is to avoid the pitfall of comparing the way KSU apportions its budget to the way larger institutions do so. We fully recognize that all universities are obliged to spend a certain amount of money on day-to-day operations, regardless of size. Since KSU is very small in terms of student population, it would be unfair to expect KSU to spend the same portion of its budget in operating the physical plant or on other day-today operations as bigger institutions do. By looking at dollars spent instead of budget percentages, therefore, we make no such unfair comparisons. However, we do reasonably expect that most of the institutions in the comparison groups should be spending more dollars than KSU in these budget categories, simply because they have more money to spend and certainly more students to care for. We find, however, that KSU spends considerably more in non-instructional areas, just in terms of dollars, than most of the other institutions in the two peer groups, and this difference is not small:

CPE Benchmark Institutions

Ranking by: Institutional support - Current year total

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	20375398
2	NORTH CAROLINA CENTRAL UNIVERSITY**	NC	9743944
3	**KENTUCKY STATE UNIVERSITY****	**KY**	**8189712**
…	…	…	…
20	SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	OK	2123485

Mean Value (without KSU):

$6,353,519

BASC Peer Institutions

Ranking by: Institutional support - Current year total

Rank	Institution Name	State	Value
1	UNIVERSITY OF THE VIRGIN ISLANDS*	VI	10537946
2	**KENTUCKY STATE UNIVERSITY****	**KY**	**8189712**
3	FAIRMONT STATE COLLEGE	WV	7779855
…	…	…	…
22	MESA STATE COLLEGE	CO	1933917

Mean Value (without KSU): $5,022,026

D. Spending on Student Services

According to NCES, this category represents the "the sum of all operating expenses associated with admissions, registrar activities, and activities whose primary purpose is to contribute to students' emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal academic program (remedial instruction for example), career guidance, counseling, financial aid." It should be noted that, as far as we can determine, KSU does not include supplemental or remedial instruction in Student Services (according to the KSU Budget Analysis, FY 2003-2004, p. 68, both the Communication Skills Center and the First Year Experience are included under Instruction).

CPE Benchmark Institutions

Ranking by: Student services - Current year total

Rank	Institution Name	State	Value
1	SOUTH CAROLINA STATE UNIVERSITY**	SC	8598552
2	DELAWARE STATE UNIVERSITY**	DE	6371243
3	MORGAN STATE UNIVERSITY*	MD	5745943
4	**KENTUCKY STATE UNIVERSITY****	**KY**	**4849554**
…	…	…	…
20	INDIANA UNIVERSITY-KOKOMO	IN	1282032

Mean Value (without KSU):

Dare We Compare? (BASC Report 01/04)

$3,428,085

BASC Peer Institutions

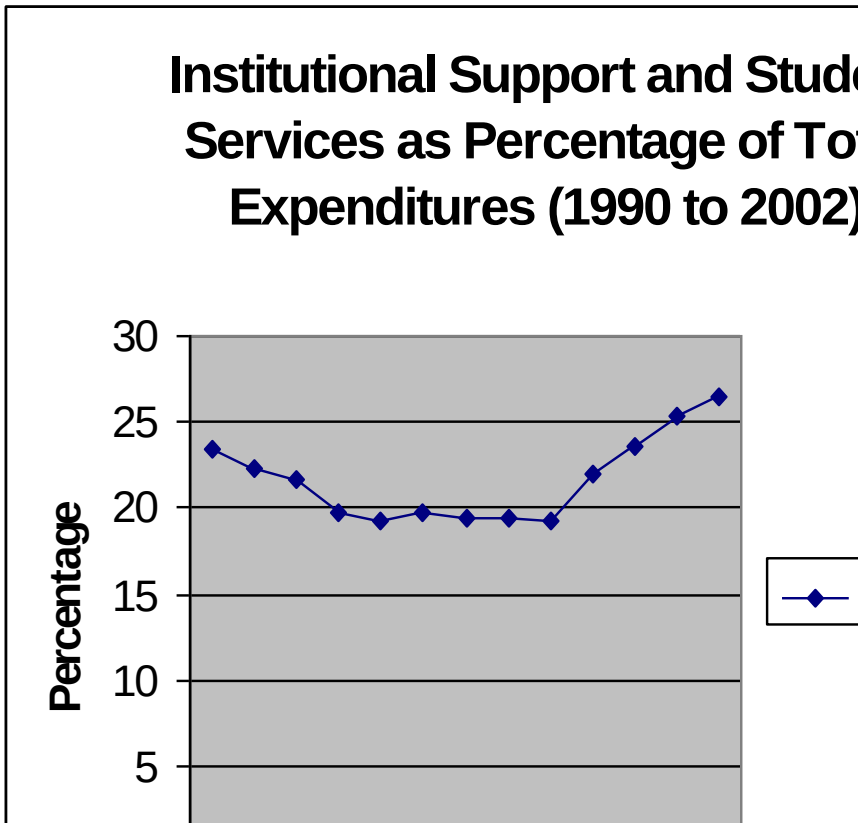
Ranking by: Student services - Current year total

Rank	Institution Name	State	Value
1	LOCK HAVEN UNIVERSITY OF PENNSYLVANIA	PA	6283996
2	**KENTUCKY STATE UNIVERSITY****	**KY**	**4849554**
…	…	…	…
22	HENDERSON STATE UNIVERSITY	AR	2016781

Mean Value (without KSU):
$3,261,197

E. Spending Trends in Institutional Support & Student Services

The following graph shows the trend at KSU in spending on institutional support and student



services (combined) as a percentage of total expenditures from survey years 1990 to 2002.

Dare We Compare? (BASC Report 01/04)

F. Spending on Research

According to NCES, this category represents the "sum of all operating expenses associated with activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs)."

CPE Benchmark Institutions

Ranking by: Research - Current year total

Rank	Institution Name	State	Value
1	MORGAN STATE UNIVERSITY*	MD	27491409
…	…	AR	…
6	**KENTUCKY STATE UNIVERSITY****	**KY**	**4516266**
7	DELAWARE STATE UNIVERSITY**	DE	3345728
…	…	…	…
20	ALBANY STATE UNIVERSITY*	GA	0

Mean Value (without KSU):
$3,892,995

BASC Peer Institutions

Ranking by: Research - Current year total

Rank	Institution Name	State	Value
1	UNIVERSITY OF THE VIRGIN ISLANDS*	VI	5065897
2	UNIVERSITY OF ARKANSAS AT PINE BLUFF**	AR	4881158
3	**KENTUCKY STATE UNIVERSITY****	**KY**	**4516266**
4	LINCOLN UNIVERSITY**	MO	2672040
…	…	…	…
22	NORTH GEORGIA COLLEGE AND STATE UNIVERSITY	GA	0

Mean Value (without KSU):
$941,163

G. Spending on Scholarships and Fellowships

According to NCES, this category represents the "sum of all operating expenses associated with scholarships and fellowships treated as expenses because the institution incurs an incremental expense in the provision of a good or service. Thus, payments made to students or third parties in support of the total cost of education are expenses if those payments are made for goods and services not provided by the institution. Examples include payments for services to third parties (including students) for off-campus housing or for the cost of board provided by institutional contract meal plans."

CPE Benchmark Institutions

Ranking by: Scholarships and fellowships expenses -- Current year total

Rank	Institution Name	State	Value
1	FORT VALLEY STATE UNIVERSITY**	GA	14263613
…	…	…	…
12	**KENTUCKY STATE UNIVERSITY****	**KY**	**1852178**
…	…	…	…
20	DELAWARE STATE UNIVERSITY**	DE	80000

Mean Value (without KSU):
$4,198,765

BASC Peer Institutions

Ranking by: Scholarships and fellowships expenses -- Current year total

Rank	Institution Name	State	Value
1	ARKANSAS TECH UNIVERSITY	AR	7257875
…	…	…	…
17	**KENTUCKY STATE UNIVERSITY****	**KY**	**1852178**
…	…	…	…
22	LINCOLN UNIVERSITY**	MO	465110

Mean Value (without KSU):
$3,424,787

H. Spending on Operation and Maintenance of Plant

According to NCES, this category represents the "sum of all operating expenses associated with operations established to provide service and maintenance related to campus grounds and facilities used for educational and general purposes."

CPE Benchmark Institutions

Ranking by: Operation and Maintenance of Plant -- Current year total

Rank	Institution Name	State	Value
1	FORT VALLEY STATE UNIVERSITY	GA	24789318
. . .	. . .	. . .	. . .
10	KENTUCKY STATE UNIVERSITY	KY	4014097
. . .	. . .	. . .	. . .
20	ALBANY STATE UNIVERSITY	GA	1596965

Mean Value (without KSU):
$6,408,778

BASC Peer Institutions

Ranking by: Operation and Maintenance of Plant -- Current year total

Rank	Institution Name	State	Value
1	SAVANNAH STATE UNIVERSITY	GA	4845685
. . .	. . .	. . .	. . .
7	KENTUCKY STATE UNIVERSITY	KY	4014097
. . .	. . .	. . .	. . .
22	OREGON INSTITUTE OF TECHNOLOGY	OR	2104414

Mean Value (without KSU):
$3,664,670

I. Grant Revenues

The question arises whether the revenues KSU uses to pay for non-academic expenses comes from so-called "hard money" or from grants and revenues. If the latter, it may be that non-academic functions are bringing more money into KSU than it is taking out of the regular budget. This might account for the apparently high expenditures in these areas. The following tables, however, show that KSU does not have an exceptionally high amount of revenue from grant sources.

CPE Benchmark Institutions

Ranking by: Total gross scholarships and fellowships

Rank	Institution Name	State	Value
1	FORT VALLEY STATE UNIVERSITY**	GA	45285157
…	…	…	…
16	**KENTUCKY STATE UNIVERSITY****	**KY**	**6034910**
…		…	…
20	INDIANA UNIVERSITY-KOKOMO	IN	1589285

Mean Value (without KSU): $11,454,021

BASC Peer Institutions

Ranking by: Total gross scholarships and fellowships

Rank	Institution Name	State	Value
1	ARKANSAS TECH UNIVERSITY	AR	14347556
…	…	…	…
16	**KENTUCKY STATE UNIVERSITY****	**KY**	**6034910**
…	…	…	…
22	NORTH GEORGIA COLLEGE AND STATE UNIVERSITY	GA	1882204

Mean Value (without KSU): $7,660,126

III. Conclusion

In the course of conducting this investigation, we have heard several possible explanations for what appear to be significant overspending and overstaffing in non-instructional areas. They are: (1) Because KSU is so small in terms of student enrollment, non-instructional expenditures at KSU will naturally seem relatively high because KSU must cover certain fixed costs shared by all universities; (2) KSU is a 1890's Land Grant institution with unique needs and spending requirements; (3) KSU has exceptionally large acreage and a large number of buildings to maintain for a school its size; (4) possibly this non-instructional spending comes from grants or other restricted sources.

These explanations do not hold up to careful scrutiny:

(1) While KSU's small size could explain why a larger *portion* of its budget must be spent in non-instructional areas, its small size cannot explain why KSU spends *more dollars* in non-instructional areas than almost all universities it is compared to in this report. Moreover, all but one of these universities are larger than KSU in terms of enrollment.

(2) As far as we can determine, most of the Land Grant expenses are under the functions of Instruction, Research, and Public Service. Thus, KSU's Land Grant activities cannot explain the overspending in Institutional Support and Student Services. Furthermore, there are eighteen 1890's Land Grant institutions in the United States, eight of which are comparable to KSU in size and budget and all are included in the CPE benchmark list. In comparison to these institutions, as we have seen, KSU is still apparently overstaffed and overspending in non-instructional areas.

(3) Building and grounds maintenance are covered under a different functional category than Institutional Support or Student Services, namely, the category of Plant Operation and Maintenance. Moreover, our research shows that KSU does not spend significantly higher in this area than either the CPE Benchmark institutions or the BASC Peer institutions (see section II.F). Thus, the size of the campus and the number of buildings cannot explain the budget imbalances revealed in this report.

(4) In comparison to its peer institutions, KSU takes in relatively little grant money (see section II.I). Moreover, most grant money and restricted funds are spent in the areas of Instruction, Academic Support, Public Service, and Research, not in Institutional Support or Student Services.

We cannot avoid the conclusion that KSU is significantly overstaffed with non-faculty and is significantly overspending in the areas of Institutional Support and Student Services. Indeed, if we brought spending in these areas down just to pre-1998 levels, which would be to around 20% of the budget (see section II.E) and which would still keep us in the high range of spending in this area (according to the *The Chronicle of Higher Education's* "Almanac Issue 2003-2004," p. 24, less than 12% of most public four-year university budgets go to these areas),

we could save at least $3 million per year. The same savings would occur if we limited our spending in these areas to the mean spent by the CPE Benchmark institutions. If we spent the mean in these areas spent by the BASC Peer institutions, we could save at least $4.5 million per year.

Therefore, we recommend that all non-instructional spending be closely studied and monitored, especially regarding the number of non-faculty employees, their salaries, and the possibility of overlapping responsibilities, so that an appropriate reduction in staffing and an adjustment of salaries can be considered.