

## STATE HIGHER EDUCATION FINANCE (SHEF) PROJECT EXPANSION

Since 2003, SHEEO has produced the annual State Higher Education Finance (SHEF) report to broaden understanding and enable analysis of state-level and national funding and enrollment trends over time. The SHEF report provides the earliest possible review of state funding for higher education for the most recently completed fiscal year. The main components of the report are long-standing and provide valuable, reliable data to state budget officials each year.

However, the current collection is limited in its ability to draw conclusions about funding for higher education. Two-year institutions are very different from four-year institutions, yet the report does not differentiate between sectors. With additional support, SHEEO is now able to expand the report and modify the existing online data collection database so that our primary metrics can be calculated by institutional sector.

SHEF was originally set up to collect basic state-level financial data as simply as possible. Since 2010, there has been increasing interest in more detailed and nuanced data. In the summer of 2017, SHEEO surveyed our members and the broader field to gauge whether we needed to improve the SHEF survey. We found that researchers and SHEEOs would like additional variables as well as sector and residency breakouts of the state-level data.

In late 2018, SHEEO began a project funded by the Bill & Melinda Gates Foundation to improve the SHEF report. This project was born out of our members' expressed interest in expanding the SHEF report to include additional detailed data on a number of increasingly relevant issues in higher education. We worked closely with the SHEF advisory committee to determine the most useful and feasible expansion opportunities for the SHEF data collection.

In the summer of 2019, we shared our initial plans in a data-expansion survey sent to all SHEF data providers. With a 90% response rate, we were able to incorporate extensive feedback about data availability and definitions from almost every state. Following this survey, we held a two-day meeting with our technical advisory committee to fine-tune the new elements of our data collection.

## RESTRUCTURING THE DATA COLLECTION

The SHEF project is a result of a collaborative effort by all SHEEO agencies. The data we receive come from a designated data provider in each state. In some cases, there are multiple providers for a state and/or a single point of contact who combines data from multiple agencies.

SHEEO has tried to collect sector breakout data for years, but it is very difficult within the current collection structure. The current data collection uses state-level information to calculate derived metrics. Data providers are asked to work backwards and split the calculated metrics by institutional sector. After six years of trying to collect data in this way, we have not been able to capture a complete, accurate sector breakdown. Instead, SHEEO will now completely restructure the way we collect data by collecting the initial data by sector and rolling it up to the state level. This will allow for separate analyses of state and local funding, tuition revenue, and FTE enrollment

at public two-year and four-year institutions. As part of this restructuring, we will build in several much-requested additional variables (see the full list below). In addition to modifying our data collection system, the back-end structures that clean and edit the data for analysis will be updated to accommodate sector-split data.

Our database houses long-term trend data back to fiscal 1980 for the primary metrics, which we make available to researchers on a limited basis. Additional detail on the sources and uses of funding begins in fiscal 2001. While sector-level data for the most recently completed fiscal year will be useful, much of the value in the SHEF report is the ability to make year-over-year comparisons. While we will work extensively with data providers to obtain data for prior years, in some cases, it will be too burdensome on our providers, and we will explore collecting some of this data ourselves with oversight and verification from each system.

The fall 2020 SHEF data collection will pilot the new structure and variables. As part of this pilot, SHEEO will only request two years of data (2019 and 2020). Following that pilot collection and any definition and collection revisions, the fall 2021 data collection will request data for earlier years.

## SHEF VARIABLE CHANGES AND ADDITIONS

### State Support by Sector

- Total state financial aid
- Agency funding
- 2-year public operating
- 4-year public operating
- Total RAM funding
- Other state support

### Local Support

- 2-year local appropriations
- 4-year local appropriations
- Other local appropriations

### Capital Appropriations

- Total state public capital appropriations
- Debt-financed public capital appropriations
- Cash-financed public capital appropriations
- Capital appropriations for new construction
- Capital appropriations for renovations and improvements
- Capital appropriations for equipment

### State Financial Aid

- 2-year public aid
- 4-year public aid
- Independent aid

### Dual Enrollment

- Dual enrollment appropriations
- 2-year dual FTE enrollment
- 4-year dual FTE enrollment
- Other dual FTE enrollment

### Performance-Based Funding

- 2-year performance funding
- 4-year performance funding

### Tuition Revenue by Sector and Residency

#### 2-Year

- Gross tuition and fee revenue
- Net mandatory education and general fees
- Discounts and waivers (institutional aid)
- Tuition and fees used for debt service
- In-state net tuition and fee revenue
- Out-of-state net tuition and fee revenue
- Other net tuition and fee revenue

#### 4-Year

- Gross tuition revenue
- Net mandatory education and general fees
- Discounts and waivers (institutional aid)
- Tuition used for debt service
- Medical tuition and fee revenue
- In-state net tuition and fee revenue
- Out-of-state net tuition and fee revenue
- Other net tuition and fee revenue

### FTE Enrollment by Sector and Residency

#### 2-Year

- Gross FTE
- In-state net FTE
- Out-of-state net FTE
- Other net FTE

#### 4-Year

- Gross FTE
- Medical FTE
- In-state net FTE
- Out-of-state net FTE
- Other net FTE