



Congress of the United States  
House of Representatives  
Washington, DC 20515

December 26, 2018

Ms. Janice Kelly-Reid  
IPEDS Project Director  
RTI International  
3040 East Cornwallis Road  
Post Office Box 12194  
Research Triangle Park, NC 27709-2194

Re: Report and Suggestions from IPEDS Technical Review Panel #57: IPEDS Financial Metrics

Mrs. Janice Kelly-Reid,

I write to submit comment on improvements to the Integrated Postsecondary Education Data System (IPEDS) Finance Survey, which requires institutions to report spending on key functions. Although institutions report data on student services expenditure, the information is rendered useless due to an overly broad definition of the “student services” category and insufficient institutional guidance to ensure consistent reporting across institutions. To allow the public insight into institutional priorities, I urge RTI International to disaggregate the variable in a way that clearly separates student supports from other institutional spending currently classified as “student services” such as recruitment and marketing.

The variable “student services” currently includes spending on admissions and registrar activities, in addition to activities that support student emotional, cultural, intellectual, and social development outside the classroom (e.g., tutoring and career counseling). This broad definition of student services allows institutions to report spending on recruiting and marketing, which leads to insufficient clarity regarding actual spending levels on activities designed to directly support students.<sup>1</sup>

IPEDS data from fiscal year 2017 reveals that student services accounted for 49 percent of total spending at for-profit institutions yet only accounted for 25 percent at public institutions.<sup>2</sup> These data could be interpreted to mean that for-profit institutions invest in student supports at nearly twice the rate of public colleges and universities. However, based on advertising tracking data from Kantar Media and EMG estimates for online advertising, for-profit institutions outspent

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<sup>1</sup> IPEDS 2018-19 Data Collection System. Retrieved from [https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package\\_5\\_68.pdf](https://surveys.nces.ed.gov/IPEDS/Downloads/Forms/package_5_68.pdf)

<sup>2</sup> IES National Center for Education Statistics. (2018, November). Enrollment and Employees in Postsecondary Institutions, Fall 2017: and Financial Statistics and Academic Libraries, Fiscal Year 2017, First Look (Preliminary Data). Retrieved from <https://nces.ed.gov/pubs2019/2019021.pdf#page=18>

public institutions by approximately \$180 million in advertising.<sup>3</sup> Disaggregated information that separates funds spent on services that help students complete from recruitment and marketing spending could help policymakers and researchers identify institutions overly-reliant on marketing for tuition revenues. It can also help create a federal accountability system informed by an institution's priority and financial health.

Given the billions of taxpayer dollars flowing into the higher education system each year, it is crucial that transparency exists regarding how institutions spend their revenues. Therefore, I urge that "student services" and "marketing and recruitment" be clearly-defined in the IPEDS Finance Survey. Improving data on institutional spending is a sensible step forward in promoting transparency and accountability in the U.S. higher education system.

Sincerely,

A handwritten signature in blue ink that reads "Mark Takano". The signature is written in a cursive, flowing style.

Mark Takano  
Member of Congress

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<sup>3</sup> Brock, B. (2017, Oct. 5). College advertising at all-time high. Educational Marketing Group. Retrieved from <https://emgonline.com/2017/10/college-advertising-at-all-time-high/#fn1>