Leveraging Data Analytics to Study the Impact of State Budget Cuts on Public Higher Education Institutions in the United States

Praveen Kumar Guraja
Coleman College of Business, University of Pikeville
Pikeville, Kentucky 41501, USA
Praveenguraja@upike.edu

M. Affan Badar and Farman A. Moayed
College of Technology, Indiana State University
Terre Haute, Indiana 47809, USA
M.Affan.Badar@indstate.edu, Farman.AminMoayed@indstate.edu

Christopher J. Kluse
Department of Engineering Technology, Bowling Green State University
Bowling Green, Ohio 43403, USA
ckluse@bgsu.edu

Abstract

Public higher education in the United States (US) is funded through two primary forms: one is through state higher education appropriation funds, and the other is student financial aid that is directly given to students. Increasing postsecondary full-time equivalent (FTE) enrollment and graduation rate are becoming a crucial economic priority in the US. However, only a limited study is available about whether state investment in higher education and increasing tuition charges can impact FTE student enrollment (FTEE) and graduation rate (GR) at 4-year public universities in the US. A systematic literature review was conducted for the present research to comprehend the literature gap and identify factors or variables that may affect FTEE and GR. Five independent variables (IVs): state higher education appropriations per FTE (SHEA), average undergraduate charges per FTE (AUGC), student tuition share as a percentage of per capita income (STSPCI), state higher education appropriations as a percentage of GDP (SHEAGDP), and state financial aid (SFA) per FTE were selected. The dependent variables (DVs) were full-time equivalent enrollment (FTEE) and graduation rate (GR) at 4-year US public higher education institutions. Historical US public higher education data for 50 years (each year as one dataset, n=50) between 1971 and 2020 were collected and analyzed. The multiple linear regression tool of the open-source data analytics and machine learning software was used to test the hypotheses if the independent variables were significantly related to the dependent variables. Hypothesis 1 was about FTEE, and hypothesis 2 was about GR.

For FTEE, three variables were found to be significant: SHEA, AUGC, and SFA. For GR, two variables were found to be significant: SHEA and STSPCI. Hence, two data analytical models were developed involving the significant IVs: one for FTEE and the other for GR. Findings from the first model revealed that when state higher education appropriation (SHEA) funds increase, average undergraduate tuition charge (AUGC) decreases, and more student financial aid (SFA) is awarded, FTE enrollment (FTEE) increases. The second model results indicated that when state higher education appropriation (SHEA) funds increase and student tuition share as a percentage of per capita income (STSPCI) decreases, there is an increase in graduation rate (GR). These findings show how state budget cuts could impact students enrolling and graduating at public 4-year institutions in the US. State policymakers, higher education administrators, and other stakeholders could use this study to develop their customized data analytics and machine learning models and better analyze their past data to better prepare themselves for future uncertainties.
This study did not investigate how state funding or budget cuts a) impact full-time faculty vs. part-time faculty at public higher education institutions, as data were unavailable for some of the years, and b) if any specific year impacted the corresponding year of cohort. These can be investigated in future work.

**Keywords**
Data analytics, Graduation rate, Budget cuts, Enrollment, State appropriations.

**Biographies**

**Praveen Kumar Guraja, Ph.D. Candidate**, is the program coordinator and Assistant Professor of Information Technology Management at University of Pikeville, USA. Before, he worked as a Database Administrator at Pittsburg State University between 2017-2021, and Adjunct Faculty between 2019-2021 at the same university. He holds an undergraduate degree in Business Management, a Master’s in Technology, and currently a Ph.D. Candidate in Technology Management Program at Indiana State University. In addition to his academic experience, he is an Information Technology professional with 10+ years of experience in leading U.S. IT companies as Technical Associate at Genpact India Pvt. Ltd., Senior Support Representative 2A at Unisys India Pvt. Ltd., Senior Technical Associate at ADP India Pvt. Ltd.

**M. Affan Badar, Ph.D., CPEM** is a Professor in the Department of Applied Engineering and Technology Management at Indiana State University, USA. From 2016 to 2018, he was Professor and Chair of the Department of Industrial Engineering and Engineering Management at the University of Sharjah, UAE. He received a PhD in Industrial Engineering from the University of Oklahoma, MS in Mechanical Engineering from King Fahd University of Petroleum and Minerals, and MSc in Industrial Engineering and BSc (Hons) in Mechanical Engineering from Aligarh Muslim University. Dr. Badar has published more than 80 articles in refereed journals and proceedings.

**Farman A. Moayed, Ph.D., PE** is a Professor and Chair of the Department of Built Environment at Indiana State University since 2020. He received Ph.D. and M.Sc. degrees in Industrial Engineering from University of Cincinnati and B.Sc. in Industrial Engineering from Sharif University of Technology, Iran. He has published over 25 articles in refereed journals and proceedings as well as book chapter and books in multiple languages.

**Christopher J. Kluse, Ph.D.,** is the program coordinator and Associate Professor of Quality Systems at Bowling Green State University, USA. Prior to his full-time appointment in academia, he was a lecturer of Quality Management at Eastern Michigan University and an adjunct instructor for Southern New Hampshire University. Dr. Kluse was employed full-time for 25 years in the automotive industry, holding various quality management-related positions. Kluse holds a Ph.D. in Technology Management and is an ASQ Certified Manager of Quality & Organizational Excellence (CMQ/OE).