

THE COMPARATIVE EFFICIENCY AND COST EFFECTIVENESS
OF THE SELECTED ACADEMIC PROGRAMS OF THE
FIVE STATE UNIVERSITIES AND COLLEGES
IN CALABARZON, SY 2002-2004

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ABSTRACT

This study attempted to compare and evaluate the efficiency and cost effectiveness of the selected academic programs of the five (5) SUCs in Calabarzon from SY 2002-03 to SY 2004-05. The input measure for cost efficiency was general expenditure while the input measures for outcome efficiency were the enrollees in the baccalaureate programs and full-time faculty. Both dimensions had the same output measures: number of graduates, weighted research rating, and weighted extension service rating. The indicators for cost effectiveness included school finance and education costs. The study adopted the following indicators of quality programs: success rate, retention rate, coefficient of efficiency, board exam performance and accreditation.

The study employed the descriptive-evaluative and comparative method of research to assess the comparative efficiency and cost effectiveness of the selected academic programs of the 5 SUCs in Calabarzon. The descriptive method was used to determine the profile of the input and output measures of the SUCs and their selected programs. The Data Envelopment Analysis (DEA) technique was employed to evaluate the performance of the five SUCs based on the cost and outcome efficiency dimensions. An evaluation was also conducted on the levels of the cost effectiveness indicators: school finance and institutional education expenditures. Only academic programs that required professional board examinations and were accredited by the Accrediting Agency of State Colleges and Universities (AACUP) were analyzed accordingly. The apparent cohort method was used to determine the retention rate. Finally, comparison was made

whether there were differences in the performance of the selected academic programs based on the indicators of quality programs.

The data for the internal finance resource were derived from the audited and detailed financial statements of the SUCs, and which also provided the basis for determining the resource allocation priorities. School finance was obtained both from the general appropriations, and from the tuition and other fees. Institutional education expenditure was allocated among the following: instructional, administrative, personal teaching, fringe benefits, personal non-teaching, research, extension, depreciation, and repairs and maintenance. The costs of education were categorized into smaller units for a more meaningful analysis: cost per unit, cost per student, cost per unit per program, cost per program and cost per student per program.

In the light of the findings, the following conclusions were drawn:

1. SUCs that are cost efficient are not necessarily outcome efficient.
2. In general, SUCs that are both cost and outcome efficient perform better in terms of success rate, retention rate, and coefficient of efficiency.
3. Accreditation does not guarantee higher board examination performance.
4. SUCs that are cost efficient incur the lowest average cost per unit, the lowest cost per student and the lowest cost per student per program.
5. General Appropriations is the main source of funding. The highest average expenditure allocation of the five (5) SUCs are in personal teaching, fringe benefits and administrative cost, correspondingly.

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