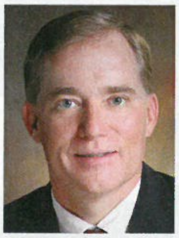
Budgeting for New Demographics

Serving new student populations creates unprecedented challenges.

BY DR. SCOTT D. MILLER AND DR. MARYLOUISE FENNELL



TWO DECADES AGO, college presidents and CFOs looked at a budget "pie" divided roughly into three segments. One huge wedge for academics and related services would have been cut right down the middle. Another quarter would have been earmarked for athletics. The rest, including student services, would have been divided into several thin slices.

Today, that graphic looks very different; the academic wedge now takes up about 30-40 percent of the pie, with student services and athletics occupying about 30 percent each. Changing student demographics, elevated expectations, ever-increasing competition and reaching out to new student populations are factors behind the shift.

Expanded Student Populations

Higher six-year graduation rates and lower attrition have come at a high institutional cost. Many spending shifts result from enrolling populations that previously might not have matriculated, or would have been under-served. More first-generation, learning-disabled, special-needs and nontraditional students have prompted additional expenditures for counseling and other student services. Those students who are the first in their families to attend college, for example, are often at risk for dropping out early in their academic careers; in addition, they and their families may need special guidance in the unfamiliar processes of meeting enrollment deadlines, qualifying for financial aid and adjusting to campus life.

Devoting resources to retaining students once they have enrolled is a necessity on most campuses today. The new reality also often includes increasing the number of campus jobs to enable financially needy students to stay in school, as well as activities to keep their interest. Fielding new sports teams costs money, for example — but often has clear benefit in reaching out to targeted student populations. At the same time, career services are seeing increased funding as students expect guaranteed post-graduation employment in exchange for their tuition investment.

Counseling, Compliance and Facilities

Counseling, compliance and new facilities costs drive budget priorities. Student services nationwide have expanded in areas such as substance abuse and sexual assault counseling, and many campuses have hired not only counselors but also social workers to handle educational programs in substance abuse and sexual assault.

"It's not a big deal to seek counseling," says Patricia Whitely, vice president for student affairs at the University of Miami and chair of the board of the National Association of Student Personnel Administrators, quoted in a July 28, 2014 article. "It's all good news. But we have had to ramp up our support so they can persist, retain and graduate."

Compliance also costs. Adhering to federal requirements for Title IX and other programs has increased staffing costs for many institutions. At Bethany College, for example, more than 200 major reports on a variety of programs are required by various government agencies and other organizations each fiscal year.

Finally, the "arms race" of facilities is an ever-present factor in rising costs of operation. Elaborate student centers with food courts, well-equipped fitness facilities and state-of-the-art residential complexes help to ensure students' comfort in their home away from home — but compel institutions to undertake gift campaigns and intricate financing arrangements to keep pace with student demand for the latest amenities.

With new demographics and competing priorities, campus CEOs today must pick and choose between attractive campus features and programs essential to recruitment and retention, and those required to sustain a quality academic experience. Ultimately the greatest challenge may be to ensure that adequate budgetary resources are reserved for the heart of any college's mission — instruction.

Meanwhile, the institutional "pie" can be carved into only so many slices. The kinds of budgetary choices made, preferably based on thoughtful strategic planning, increasingly determine institutional viability. CPM

***Dr. Scott D. Miller** is president and M.M. Cochran Professor of Leadership Studies at Bethany College. He was previously president of Wesley College and Lincoln Memorial University. He is chair of the Board of Directors of Academic Search, Inc. **Dr. Marylouise Fennell, RSM,** a former president of Carlow University, is senior counsel for the Council of Independent Colleges (CIC) and principal of Hyatt Fennell, a higher education search firm. They have collaborated on 11 books, including* President to President: Views on Technology in Higher Education (Volumes I to III) *and* Presidential Perspectives (Volumes I to VIII). *They edit the popular higher education thought series "Presidential Perspectives" (Aramark Higher Education), now in its ninth year* (www.presidentialperspectives.org).