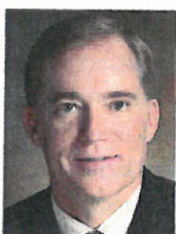


# Budgeting for Today's Institutions

Institutions confront unavoidable, and perhaps unsustainable, spending shifts.

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



**I**F WE COULD TRANSPORT early 20th-century educators to the present, they would be amazed, perhaps overwhelmed, by challenges facing modern presidents and administrators. Student-centered education and the model of the student as “client” were unknown a century ago; higher education was for the privileged few, who were expected to conform to institutional traditions of the time which included few amenities of choice or comfort. In 1914, there were no campus food courts.



Today, new student populations, some with special needs and learning disabilities, along with expanding expectations of students and

families and the impact of technology, have literally caused a revolution in institutional spending priorities. Budgets reflect the shift of dollars into student-support areas from the more traditional priorities of academics and even athletics.

At the outset, we want to emphasize that many of these trends are positive, creating opportunity for institutions to offer student-centered education and enhanced possibilities for students. We note substantial challenges, however, for many colleges — especially small, residential institutions — in trying to keep pace with their competition and with the rising cost of complying with increased regulations.

**New regulations come with compliance costs.** The regulatory climate that impacts so much of American enterprise has heated up for higher education, too. The number of mandatory report deadlines that many colleges must honor for various accrediting and regulatory bodies approaches 200 annually. We accept these responsibilities as necessary to the well being of our students, the quality of our academic mission and the assessment of our work. But a frequent topic in higher-education circles today is whether colleges and universities will find themselves overly regulated, drowning in data production of dubious value. Especially at small institutions where staffing is typically thin, compliance often constitutes a challenge.

**Not all costs are cool “bells and whistles.”** Student-centered programming costs often go directly to support retention. Bethany College invests \$400,000 a year in campus jobs, \$326,000 per

year in academic counseling programs and \$155,000 a year in its center for enrollment management, which includes the financial aid operation.

**Student-centered learning is here to stay.** We cannot return to the old “horse and buggy” days even if we want to. Most campuses today are expected to be more than academic institutions; they are, in fact, academies for learning life skills in a global society. One distinguishing factor for the small college is its holistic approach to education, which offers a positive response to the growth of online institutions. Our challenges, however, are to upgrade facilities and technology, create innovative programming and promote our reputation as a place committed to preparing students for satisfying lives as well as careers.

**Shifting spending priorities compel careful strategic planning.** “Unsustainable” is often applied to today’s level of student services, amenities and facilities which some liken to an “arms race.” While no one wants to return to the culture of high attrition in which higher education was affordable and accessible only to the wealthy, we as CEOs and student services administrators are challenged with seeking a healthy balance in student-centered education — determining which are essential costs and which reflect merely luxuries or passing fads. At the same time, sufficient resources must be reserved for any institution’s primary mission — instruction.

We have long advocated for budgetary adjustments based on thoughtful strategic planning. Today’s “student as consumer” heightens that necessity. *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](http://www.presidentialperspectives.org)).*