Student Affairs Budgeting and Financial Management in the Midst of Fiscal Crisis

Lori E. Varlotta
Barbara C. Jones
Editors

Number 129 • Spring 2010
Student Affairs
Budgeting and
Financial
Management in the Midst of Fiscal Crisis

Lori E. Varlotta
Barbara C. Jones
EDITORS
STUDENT AFFAIRS: BUDGETING AND FINANCIAL MANAGEMENT IN THE MIDS OF FISCAL CRISIS
Lori E. Varlotta, Barbara C. Jones (eds.)
New Directions for Student Services, no. 129
John H. Schuh, Editor-in-Chief
Elizabeth J. Whitt, Associate Editor

Copyright © 2010 Wiley Periodicals, Inc., A Wiley Company. All rights reserved. No part of this publication may be reproduced in any form or by any means, except as permitted under section 107 or 108 of the 1976 United States Copyright Act, without either the prior written permission of the publisher or authorization through the Copyright Clearance Center, 222 Rosewood Drive, Danvers, MA 01923; (978) 730-8400; fax (978) 646-8600. The copyright notice appearing at the bottom of the first page of an article in this journal indicates the copyright holder’s consent that copies may be made for personal or internal use, or for personal or internal use of specific clients, on the condition that the copier pay for copying beyond that permitted by law. This consent does not extend to other kinds of copying, such as copying for general distribution, for advertising or promotional purposes, for creating collective works, or for resale. Such permission requests and other permission inquiries should be addressed to the Permissions Department, c/o John Wiley & Sons, Inc., 111 River St., Hoboken, NJ 07030; (201) 748-8789, fax (201) 748-6326, www.wiley.com/go/permissions.


NEW DIRECTIONS FOR STUDENT SERVICES is indexed in CIJE: Current Index to Journals in Education, Contents Pages in Education (T&F), Current Abstracts (EBSCO), Education Index/Abstracts (H.W. Wilson), Educational Research Abstracts Online (T&eF), ERIC Database (Education Resources Information Center), and Higher Education Abstracts (Claremont Graduate University).

Microfilm copies of issues and articles are available in 16mm and 35mm, as well as microfiche in 105mm, through University Microfilms Inc., 300 North Zeeb Road, Ann Arbor, Michigan 48106-1346.

SUBSCRIPTIONS cost $98 for individuals and $267 for institutions, agencies, and libraries in the United States.

EDITORIAL CORRESPONDENCE should be sent to the Editor-in-Chief, John H. Schuh, N. 243 Lagomarcino Hall, Iowa State University, Ames, Iowa 50011.

www.josseybass.com
CONTENTS

EDITORS’ NOTES
Lori E. Varlotta, Barbara C. Jones 1

1. Becoming a Leader in University Budgeting
Lori E. Varlotta 5
This chapter presents information on a variety of budget models and explores the leadership role of the senior student affairs officer in division and university level budgeting.

2. A Small College Perspective on Institutional Budget Issues
Eugene L. Zdziarski II 21
The role of senior student affairs officers at small, private colleges often require a different set of skills and strategies than those at large, public institutions when addressing budget and financial issues as this chapter illustrates. The chapter looks at issues that leaders in students affairs must understand to exercise fiscal stewardship of their institutions.

3. Alternate Budgetary Sources During Budget Recissions
Kurt Keppler 29
This chapter describes revenue-generated and cost-saving strategies that student affairs divisions may consider during periods of budget rescissions.

4. Communicating with Stakeholders
Jonathan Eldridge, Tisa Mason 43
This chapter focuses on key aspects of developing a comprehensive communication strategy during a time of financial and institutional change.

5. The New Normal: Senior Student Affairs Officers Speak Out About Budget Cutting
C. Renee Romano, Jan Hanish, Calvin Phillips, Michael D. Waggoner 59
A qualitative study conducted in 2005 and 2009 describes the experiences of senior student affairs officers at twelve public universities as they managed significant budget reductions.

6. Preserving the Future from the Demands of the Present
Frank P. Ardiaolo 71
In this case study of how one institution has implemented budget reductions, the vice president for student affairs reviews the issues faced and the processes used to implement the changes.
7. Developing Budget Models, Communication Strategies, and Relationships to Mitigate the Pain of Tough Economic Times

*Lori E. Varlotta, Barbara C. Jones, John H. Schuh*

The final chapter highlights some of the most salient points from this volume.
EDITORS’ NOTES

The national financial crisis that began in 2008 has forced many American colleges and universities to reduce or restructure budgets, and some economic analysts are projecting continuing difficulties for higher education. Accordingly, many higher education administrators have begun to prepare themselves for the ongoing budget reductions that are likely to result from falling state support, withdrawal of stimulus money, and volatile endowments. The pressures on higher education are great. There are those, like President Obama, who believe the economic well-being of the country rests at least in part on the success of higher education to produce graduates who will lead the country in innovative ways to a brighter future. However, with the uncertain financial future of higher education, achieving success seems much more challenging.

Campuses across the country have turned to many strategies to meet the financial challenges. In addressing the reductions, some have invoked a comprehensive strategic budget plan to inform the difficult choices and trade-offs they face. On other campuses, the cuts have been doled out as an across-the-board, or nearly across-the-board, percentage reduction. In many of these latter cases, noninstructional areas take the biggest (often uniform) hits, while instructional activities are held harmless or nearly harmless. To assist senior student affairs officers (SSAOs) and other student affairs colleagues in helping their campus make deliberate and strategic rather than quick or superficially formulaic cuts, this volume offers conceptual models, best practices, tried-and-true strategies, professional recommendations, and highlights of national trends on various issues related to budget planning, processes, communication, and alternative funding sources. It also explores the impact that continuing budget reductions have through the eyes of SSAOs who face these daily.

Toward that end, this New Directions for Student Services volume offers macrolevel summaries and analyses of budget cycles, models, and strategic communications. In Chapter One, Lori Varlotta sets the context by examining the real and potential link between planning and budgeting. In doing so, she describes both commonplace and less commonly used (but viable) models for collegiate budgeting. No matter which model and corollary strategies are employed on one’s campus, she urges the SSAO to take a leadership role in the institution’s overall budgeting process. Particularly in these trying times, it is crucial that the budget process and the foundational assumptions on which it is designed are shared with the
Chapter Two looks at the similarities and differences of funding and budgeting between public institutions and small, private institutions. Eugene Zdziarski describes the challenges smaller colleges face in developing budget models and the impact of the current economic conditions on those models. In so doing, he provides an insightful view of the small, private college.

To drive home that point, Kurt Keppler explores revenue opportunities and cost-savings strategies in Chapter Three. He categorizes these strategies according to the decision-making entities that are involved in each and explains why particular approaches are well suited to individual institutions. Jonathan Eldridge and Tisa Mason in Chapter Four provide a comprehensive look at issues surrounding budget communications. Although the communication strategies they delineate are suitable to any budget situation, they are especially useful during economic downturns as entire academic communities are interested in both the big picture and the details of how it will affect them. Even in these difficult times, SSAOs and other student affairs leaders can be—indeed, should be—creative.

The next two chapters explore the realities of budget reduction. Chapter Five, by Renee Romano, Jan Hanish, Calvin Phillips, and Michael Waggoner, takes a multicampus look at these realities. This chapter shares the experiences of twelve SSAOs who have managed significant budget reductions at their respective public universities over the past several years. The authors review a qualitative study conducted in 2005 and 2009 and summarize pertinent excerpts from the SSAOs at the institutions studied, highlighting key trends that emerged during their interviews with these leaders and comparing similarities and differences in the responses to the budget reductions between the two surveys. Using a narrative approach, Frank Ardaiolo describes in Chapter Six the realities he faced on a single campus. In this case, he recounts the journey his campus traveled as it moved through the uncharted waters of staggering state budget cuts.

The final chapter, by Lori Varlotta, Barb Jones, and John Schuh, summarizes the three content areas explored throughout this volume, highlighting some of the key points related to budget models, communication strategies, and relationships.

We know that readers of this volume will have personal and professional experiences that are unique to the budget issues playing out on their home campuses. We also acknowledge that differences in leadership style, strategic planning, and funding models shape, if not dictate, the approach institutions draw on to resolve their budget challenges and shortfalls. Still, we hope that student affairs colleagues at all levels of institutions will be able to find nuggets within these pages as they engage fully in institution-wide budget processes. The SSAOs and divisions of student affairs can and
should be significant contributors to setting the future direction of their colleges and universities by engaging fully in the process of addressing the budget crisis.

We end by expressing our sincere gratitude to Alan Haslam for his invaluable assistance in editing this volume.

Lori E. Varlotta
Barbara C. Jones
Editors

Lori E. Varlotta is vice president of student affairs at California State University, Sacramento.

Barbara C. Jones is vice president of student affairs at Miami University in Oxford, Ohio.