The financial crunch hit the University of Minnesota after the 1971 legislative session, which appropriated for the 1971-72 and 1972-73 fiscal years and began an attempt at a new kind of budget planning process. It was a unique process in the institutional review of programs and in the setting of priorities for future growth and direction. There was an extensive communication and consultation flow up and down the hierarchical ladder with input from the president, vice presidents' groups, as well as the provosts, deans, Senate committees, Office of Budget and Planning and Information Services, the Expanded Consultative Committee, the Regents' Committees on Educational Policy and Budget, Audit and Legislative Relationships, and the students. The time consuming and exhaustive process included a number of public meetings and working sessions in an attempt to dispel the suspicion that the process was a sham used to legitimize decisions already made. Although many questioned the value of this institutional self-evaluation, the consensus is that the evaluation process will yield proposals for more efficient and effective use of faculty and student time.

(Author/JMF)
Resource Allocation Management in Higher Education
REPORTING AND COMMUNICATING

BUDGET PLANNING AND ADMINISTRATIVE COORDINATION:
A CASE STUDY—THE UNIVERSITY OF MINNESOTA

BY MALCOLM C. MOOS
President
University of Minnesota

The following paper was delivered by Dr. Moos on July 11 during the NACUBO 1972 Annual Meeting at The Denver Hilton in Denver. Following it are excerpts from remarks of the panelists responding to Dr. Moos’ presentation: President Vivian W. Henderson, Clark College; Donald E. Garretson, 3M Corporation; and Joseph Soshnik, Kirkpatrick, Pettis, Smith, Polian, Inc.

Last summer, after the University of Minnesota had begun what was to be a long and arduous attempt at a new kind of budget planning process, the Lawrence, Kansas, Daily Journal-World published a favorable editorial about our efforts. The concluding statement of that editorial sums up, I think, the general situation in which we in higher education find ourselves relative to resource management allocation:

A frank, honest, and sincere appraisal of priorities in defining school budgets would help to regain the confidence that is sorely needed if higher education is to become more meaningful in American life.

I will not belabor what is evident to us all. The affluent Fifties and Sixties are behind us, likely never to return. The overflowing public coffers from which we virtually shoveled out at will the resources we felt necessary to finance education have dwindled while the competing claimants for resources from those same coffers have mounted.

Added to the changing economic face of higher education, there is evident, particularly at state universities and colleges, a growing demand that these institutions reflect the goals of society as perceived by society. Hence, there is a general drift away from value-oriented education (i.e., the humanities and liberal arts) to a vocation-oriented education (i.e., the health sciences, professional schools, and applied social sciences).

What all this means is that we in higher education now find that we must spend far more time before our many constituencies—legislative, alumni, general public—explaining and justifying our purposes, practices, and processes. We are also required to do some intensive internal program review, and for the first time, some painful setting of specific program goals on a strict priority basis.

The business of communicating and reporting about resource allocation management therefore becomes increasingly important to all of us in higher education. No one can make the case for education better than we can, and I hope our recent experiences at Minnesota will be of some help as one example of how that can be done.

A Unique Process in Program Review

I believe what we have completed is a unique process in the institutional review of programs and in the setting of priorities for future growth and direction. That process grew out of the crunch we experienced after the 1971 legislative session, which appropriated for the 1971-72 and 1972-73 fiscal years. The university received $33 million or nineteen percent more than the previous biennium.

That increase, however, was not available for general instructional purposes. It went largely for normal cost increases, ongoing commitments, and more specifically designated funds. Indeed, because the base appropriation for academic positions was actually cut by one hundred full-time-equivalent positions, the university found itself faced with the need to retrench.

No contingency plan was available to handle the unexpected retrenchment, so the 1971-72 budget was prepared on the basis of arbitrary, across-the-board
cuts. Academic units were cut five percent and administrative units ten percent to free the reallocable funds necessary to meet instructional needs. There was overwhelming agreement that such a procedure was destructive, and the institution determined that a plan of program and priority review had to be developed to avoid this situation in the future.

Academic planning must precede fiscal planning, but it is naive to assume that fiscal stringency automatically produces the kind of planning, both long and short-range, that will preserve and protect basic educational goals. What it may produce, instead, is a conflict of interests that strangles planning and results in decisions made on grounds of sheer expediency. Recognizing the magnitude of the task before the university, I asked our Student-Faculty Senate for the help of two major Senate committees as consultants to the administration.

In a joint report of the Senate Committees on Educational Policy and Resources and Planning, the committees justified such input with the following recommendation:

Faculty-student participation in university governance can significantly determine educational policy only insofar as these groups take an active role in the budget and planning process. The university is competing with many other bodies for state funds and must justify its request for the additional resources needed to expand some programs, restore or preserve the quality of others, and add such new programs as are judged educationally desirable and necessary. In developing the university's legislative request, some criteria must be used to determine and rank priorities. The process of priority-ranking and justification in developing a budget is inescapable. The issue before the Senate is the degree of faculty-student participation in that process. The University Senate can help maximize this participation by, first, recommending to central administration suitable criteria for ranking program requests, and second, assuring that the final decisions are consistent with these criteria by authorizing a continuing consultation process by appropriate bodies which are accountable to the Senate.

The committees spent most of the summer of 1974 composing the document that provided the base on which the budget planning was to be done for the fiscal year 1972-73. That document entitled "Accountability and Educational Criteria: University Planning for Selective Growth," is a landmark product of an academic-legislative process. In it the committees recommended to the central administration that priorities be determined and set in planning the 1972-73 budget, and suggested criteria against which collegiate units could measure and evaluate their programs' contributions to the university's mission.

The University of Minnesota's mission has evolved over the decades as the state's higher education became more complex. Ten years ago the university enrolled almost half of the undergraduates in the state who went on for post-secondary education. We now enroll less than one-third. Our role as a professional and graduate institution, however, has increased, and two years ago the Board of Regents determined that our direction would be away from lower division undergraduate instruction to upper division undergraduate, professional, and graduate instruction. This evolution of mission will require rigorous review of funding and program priorities, a fact constantly borne in mind by the committee members who proposed criteria based on the university's overall goals and objectives.

Concerned, also, with the obvious need for accountability, the committees wrote:

Within a college, chairmen and faculties will rightly demand that, in the ordering of priorities, justice not only is done, but can be seen to be done. In our context, justice is defined by the contribution of a program to the total educational mission of the collegiate unit and the university.

**Determining All-University Priorities**

Each collegiate unit was asked to develop a plan which showed how the unit would build or rebuild its programs from its new and reduced (on-the-basis of the across-the-board 1971-72 cut) budget base. All-university priorities would be determined centrally. The document suggested that "whether a college receives any funds for its proposals must depend upon the strength of the plan supporting the high priority status for the programs involved."

Seven basic criteria were set forth by the committees:

1) Program demand and productivity at various levels;
2) Uniqueness of programs;
3) Centrality of programs to general university mission;
4) Institutional vitality (i.e., vitality of educational programs, faculty, and student body);
5) Redundancy, diversity, and quality of life;
6) Non-institutional research and support units; and
7) Program costs.

The document then proposed a budget plan process which:

1) Cut six percent from each collegiate, support service, and administrative unit's budget;
2) Reallocated the first three percent back to the units on the basis of program priorities and justifications, determined by the individual units;
3) Reviewed unit proposals against proposals determined to be all-university needs (e.g., tuition support, libraries, educational development); and
4) Reallocated some $3.4 million of the operations and maintenance budget base (approximately $90 million) to fund all-university needs which would otherwise have gone unmet.
Malcolm C. Moos is the innovative President of the University of Minnesota. A native of Minnesota, he received his B.A. and M.A. degrees from the state university before moving west to receive his Ph.D. in political science from the University of California in 1942. Dr. Moos was a White House consultant and special assistant to Presidents Eisenhower and Kennedy. Prior to his appointment to the presidency at Minnesota in 1967, and following numerous high-level professorships, Dr. Moos was Director of Policy and Planning at The Ford Foundation. He is the author or co-author of eleven books, including The Campus and the State and Politics, Presidents and Coattails.

Committees were established at all levels of the university to determine the priorities of each educational unit. In addition, I expanded the Senate Consultative Committee of seven students and eleven faculty to include a number of deans, members of central administration, and more faculty and students. Together, this sub-group numbered about thirty-five and served with the Senate committees that prepared the "Accountability" document, as the major point of consultation for the process.

The Flow of Communication and Consultation

After budgets were formulated at unit levels, they were forwarded to the appropriate vice presidents' office, which in turn presented them to the President and Vice Presidents' Group for the first general review and discussion. At this point, and for the next two steps, there was also input from the provosts, deans, Senate committees, and the Office of Budget Planning and Information Services.

The budgets then moved to the Expanded Consultative Committee, which reviewed and discussed proposals in working sessions, and to joint meetings of the Regents' Committees on Educational Policy and Budget, Audit and Legislative Relationships. The Vice Presidents' Group and I reviewed the budgets a second time in terms of student-faculty input, and made preliminary recommendations that went to Regents' committees, the Expanded Consultative Committee, the deans, and the Student-Faculty Senate for information.

We reviewed the budgets a third time, and forwarded our recommendations to the joint Regents' committees, which held a number of public meetings and working sessions so that those who wanted additional input or who disagreed with the recommendations could be heard.

From there the Vice Presidents' Group and I reviewed the budgets for final recommendations, which we then sent to the Regents for approval.

Needless to say, the process was time-consuming and exhausting because of all the various elements of input that it was necessary to include. We have not computed the amount of time spent, but I am sure the collective total of hours numbers in the thousands. Indeed, the Board of Regents only this month approved the formal budgetary document for 1972-73, although the process of program review and budget formulation began more than a year ago.

Now, if I may say something about the general atmosphere in which the process took place, perhaps the words "tense and uncertain" best characterized the feelings of those involved. Because the process was unprecedented, at least at Minnesota, few had any clear idea of what it would be like. Minnesota, like most other institutions of higher learning, had grown used to incremental growth budgets, and had to reorient itself very quickly to zero base considerations through R and R deliberations.

Many doubted the viability of the proposed process; some faculty and students suspected the motives of the administration in undertaking it; and nearly all of us doubted that it would be done with the type of consultation and within the time schedule originally outlined.

Much of the pain and conflict of our exercise flowed from the simultaneous attempt to:

1) Determine the decision-making and consultation structure of the university for material resource allocation;
2) Set intermediate planning goals;
3) Establish programmatic priorities and intermediate-term objectives; and
4) Carry out the programmatic and efficiency reviews and the resource-balancing function of budgeting.

The process was also marked by the concern of faculty who asked why those of one discipline should be able to judge the programs of another. And, finally, we had to cope with the anxiety produced because we had never before had to justify our existence so thoroughly in terms of overall university mission and goals.

There is much to recommend extensive consultation on all matters of program and budget decision-making. Fractionation and the dispersal of power to
actually make decisions, however, have little to recommend them. I have often felt that internal governance would become more effective once the participants—students, faculty, and administrators—understood the differences between policy-consultation, policy-making, and policy-implementation.

Some of the difficulty which attended our experience centered around the suspicion that the process was a sham—used to legitimize decisions already made. That suspicion will never be entirely eradicated, but nearly the whole University of Minnesota community of interests can be brought behind a rational budgeting and planning system if we are very careful that the suspicion has no foundation in fact. That means making staff work and the consultative process central to our activity, and being very sure that they are not merely decorative.

The creation of a new central structure, the Office of Budget Planning and Information Services, provided invaluable assistance in the process, and is designed to make ongoing program planning possible. The office served as a central location for all the university planning tied to the allocation of resources. It furnished the university with a staff that had the necessary technical skills to carry off the budget planning. We recognized the limitations of our data bases, and set BPIS to work bolstering appropriate information reservoirs. For the first time, we are moving to a point at which we can justify programmatically our needs and requests according to cost figures, enrollment projections, and general institutional analyses. We see BPIS functioning in the future not merely as a service arm of the central administration, but as a resource center upon which deans and college-level planning groups can draw.

And it is significant, I feel, that we have located the office under the Vice President for Administration, and not within the bailiwick of the two vice presidential offices that spend the most money: Academic Administration and Finance, Planning and Operations.

We feel it is more imperative than ever that accurate information be made available to all the participants in the budget planning process. Some difficulties developed as a result of misinformation, the best example of which centered on our humanities program.

Humanities at the University of Minnesota has been largely an undergraduate program in which many of the courses were taught by junior faculty and teaching assistants and associates. During the academic year 1970-71, a student-faculty group was formed to investigate the possibilities of strengthening the program, and that committee made several recommendations early in 1971. The recommendations were incorporated into a proposed reorganization of the program which sought to increase the number of full-time faculty, reduce the number of teaching associates and assistants employed, expand the program's area of influence to include students from all parts of the university, and plan for future involvement in graduate studies.

These recommendations were incorporated into the College of Liberal Arts' retrenchment and reallocation plan, and the result was some general confusion and anxiety because of misinformation and misunderstood decisions. Many teaching associates and assistants were not rehired for academic year 1972-73 because it was decided by student-faculty groups, that reallocable funds were instead to be channeled toward getting a new director and additional senior faculty. It was not felt that a strong program could be built and carried on the backs of junior staff alone. Many of those not rehired, however, viewed the decision as one of expedience; it is easier to get rid of non-tenured junior faculty than tenured faculty.

A fact that got lost in the confusion, however, was that recommendations and plans to strengthen the program were made before a retrenchment and reallocation situation developed. The imperatives of an R and P process dictated that we follow through on those recommendations as soon as possible to take advantage of what limited resources and flexibility we might have. Given the sensitivity of the issue, I cannot overemphasize how important it was to maintain open lines of communication and information.

The Value of Institutional Self-Evaluation

Not everyone, including some key participants, feels the process was worth the effort. One dean said it was "too much, too fast, too soon." Another said the administration should have taken a low-profile approach to the retrenchment instead of calling for an all-university evaluation. Some faculty feel we did not go far enough to cause the kind of self-evaluation the university needs. One professor told me that her department might end up changing some of its programs and priorities if it were asked to cut sixty percent of its budget instead of six. And some of those most directly involved in the consultative process felt that the number of hours they spent in committee meetings and hearings might have been overkill.

To the first observation, I must say that I think we did remarkably well, given our enormous task and our limited time schedule. I agree, however, that had we more time, we might have been able to lessen the anxieties and allow for a more thoughtful and reflective process. With our limited experience of one year, we can better anticipate our future attempts at a program budget and planning process.

To the second, I think the University of Minnesota, and perhaps most institutions of higher learning, are long overdue in rigorous self-analysis and evaluation. Regardless of the motivation, I think the University of Minnesota is a much healthier institution for having undergone such intensive internal review.
To the third point, I agree that program review should be an ongoing process, only begun with last year's budget planning process. I do not necessarily believe that every department and program should be completely reviewed every single year, but I do feel that such review should occur regularly.

And to the last observation, to the fear that the planning and budget-building processes distracted faculty and students from the "real work" of education, let me say that there can be no more important work for any organization than the determination of its own goals and the means for achieving them. To be sure, I think an extraordinary amount of time and energy was consumed in carrying out the process. I am certain an evaluation of the process will yield some proposals for more efficient and effective use of faculty and student time.

As for the practical results of our efforts—the process, in the end, produced:

1) The most open and informed debate on the university's budget in the institution's history (one faculty member entitled it: "Everything You Ever Wanted to Know About Budgets but Were Sorry You Asked");
2) The most finely-drawn budget the university has had in modern history;
3) The best programmatic statements the university has ever had with which to justify budget requests to the state legislature;
4) The first step toward a careful delineation of legislative budget requests in terms of instruction, research, and administrative needs; and
5) Some substantial shifts in funding, which reflect, in part, the university's direction as determined by its various constituents.

We are now in another process, that of reviewing and evaluating the effects of our past year's experiences in budget planning. Both the Student-Faculty Senate and members of my administrative staff are preparing reports on their findings and recommendations about the course of future processes. Those reports are not yet in, but I have a feeling the consensus will be that we made some mistakes along the way largely due to our inexperience, and that we may have to modify our approach.

But overall, the process was a useful, practical, and enlightening experience, one which we will probably follow in the future and one which can stand as an example to the rest of the country of a university's decision to assume responsibility for managing its own affairs.

The following represent excerpts from the remarks of Vivian W. Henderson, Donald E. Garretson and Joseph Soshnik, who, as a panel, responded to Dr. Moos' presentation and to the larger question of Reporting and Communicating for more effective resource allocation management.

VIVIAN W. HENDERSON
President
Clark College

The question of how to effectively communicate resource allocation and use is a natural outgrowth of the quest for information by various groups in society and the "information explosion" that is under way all around us. The communication of decisions on resource allocation and use, as well as an understanding of and a participation in the process by which such decisions are made, is a significant challenge to higher education. This has become quite clear during the last four or five years. Alumni, students, faculty, legislators, community groups, and donors seriously question, in a variety of ways, how resources are allocated and used. Decisions in this regard are under increasing scrutiny and challenge. The extent to which decisions on resource allocation and use are communicated to the various constituencies, and the extent to which these groups participate in the process of decision making, will largely determine the nature of relations between administrators and their constituencies. This, it seems to me, is at the heart of the paper presented by President Moos.

Colleges and universities have only recently begun to take seriously the question of communicating problems, processes, and results of resource allocation and use. The budget and the audit, in many instances, are the most closely guarded secrets in the institution. Since deficits have engulfed so many private colleges and universities, administrators have recently begun to share and communicate information on budgets and audits to a wide spectrum of constituencies. "Priorities" has become a well known point of articulation, and the establishment of priorities has become a starting point for the involvement of constituencies in determining resource allocation and use. Institutional budgets are cast within a framework of priorities.

1) The budget is clearly the institution's most important and significant statement of resource allocation and use. However, it is also, in too many instances, the most closely guarded secret in the institution. Through the budget, the president and the administration present an assessment of the institution's problems annually and, indeed, a proposal for dealing with them. State legislatures, in essence, require this of public institutions. Private colleges also have this responsibility.

The budget is the vehicle for communicating the details of the president's assessment and recommendations. It is the chief instrument for forcing and record-
ing executive decisions about institutional priorities—objectives the institution should seek, the share of the institution's resources that should be devoted to each, and how costs should be distributed and underwritten. The annual review necessitated by the preparation of the budget also gives the president and the administration an opportunity to weigh the effectiveness of the institution's programs in achieving their purposes, and to consider how they might be improved.

One aspect of the problem was once sharply dichotomized between public and private institutions—i.e., sources of resources. At one time, public institutions built their budgets and asked legislatures for the funds, and legislatures levied taxes to support the schools. The public paid the taxes without too much outcry. This is no longer the case. Public colleges must now answer to a variety of publics and justify their resource requests and use in a variety of ways. The private colleges, on the other hand, had a virtual monopoly on private philanthropy and depended largely upon that philanthropy and alumni support. Today, public institutions are seeking these same sources of income, and the private schools are vigorous recipients of federal funds and are increasingly seeking state funds for higher education. These developments have extended "accountability" for resource use and allocation beyond traditional boundaries for both sets of institutions.

From the perspective of president of a small private college, there are three essential aspects of this matter, as I see it:

1) The structure for determining resource allocation and the processing of that determination;
2) The structure for delivering results once determination is made; and
3) Public relations.

Impediments to the effective communication of resource allocation include the following:
1) Conventional wisdom about fiscal information;
2) Presidential "power";
3) Fear of open (public) scrutiny; and
4) Antiquated machinery.

DONALD E. GARRETTSON
Treasurer
3M Corporation

First, let me say I am indeed familiar with President Moos' problems and concur with most of his recommendations. Certainly, we can agree on the need for more careful allocation of resources and for more accurate, interesting and understandable ways of reporting institutional goals, priorities and budgets. This applies equally to the "private" college, and I would support his view that planning and budgeting must be a continuous process in this era of rapid changes in our society and in our institutions. The experiences of uncoupled educational institutions certainly confirm the need for contingency planning in this dynamic world.

There are, however, some additional things to consider in generalizing about the needs of U.S. educational institutions.

1) Stronger and better trained administrators must be developed in both the academic and business areas. This is particularly applicable to the academic side and at the chief executive office level. These ranks are often filled by candidates who have excelled in the classroom who must unlearn old skills and allegiances and develop new ones—a task which is not always achieved by all "promotes."

2) Another area of concern involves the structure and function of campus committees. President Moos spoke of a committee of thirty-five individuals. I submit that this is too large to be a very effective forum, unless vigorous sub-committees are formed. President Moos, perhaps inadvertently, also spoke of a committee determining priorities or goals. In my view, policies and goals can only be recommended by the kind of broad-based committee which was evidently involved.

3) Additionally, there is concern with the inefficiency of most campus committees. The amount of time and energy expended is excessive in relation to the authority and on-going impact of many of these committees. Discussions tend to be philosophical and even nitpicking in nature, or inordinately concerned with semantics. By their nature, campus committees tend to degenerate into criticisms of faculty, administration, or other leadership. Again, by their nature, they have little competence to make (or advise upon) the multitude of daily decisions faced by any administrator. Hence, they have limited credibility in criticizing such decisions. Real research and the marshalling of pertinent facts are all too often absent, remarkably so in view of the academic environment and involvement.

Many subjects of campus dissent do constitute educational opportunities—whether in the classroom or in campus committees. They are opportunities which, I fear, are being completely missed.

Proxy discussions on many campuses, for example, represent a great chance to educate our young people (and some faculty members too, I suspect) on the development of the corporate form, past efforts to...
create a viable corporate democracy, certain aspects of
distinctly financial implications.

It might appear that this criticism of a missed
possibility is more appropriate for the
academic side of institutions. To the contrary, it has
moos' support and lean appropriations by saying, "Higher,
academic side of institutions. To the contrary, it has
educational opportunity is more

discussions of chemistry, biology, physics and other,
fiscal resources, but also the educational resources and
cess, to the solution of the social problems
suggested that the impact of other costly social
problems has moved education down on the priority lists
of donors and legislators. These individuals do not
see education as addressing itself, with any real suc-
to the solution of the social problems of the day.
Hence, they allocate funds elsewhere.

The theme of this conference is "Resource Alloca-
tion Management." This theme suggests not only the
fiscal resources, but also the educational resources and
opportunities which I have briefly mentioned. By "educational resources," I mean the accumulated
knowledge and the research and teaching skills of the
academic side of your institutions. Greater pertinence
and effectiveness in the use of educational resources
to propose solutions for and not simply highlighting
our high-priority social problems would contribute
much to the resolution of our fiscal resource alloca-
tion problems.

JOSEPH SOSHNIK
Vice President and Director
Kirkpatrick, Pettis, Smith,
Polfian, Inc.

I was very interested in Dr. Moos' account
of recent evaluation and planning efforts, both
academic and financial, at the University of Minnesota.
In a real and personal way I found myself reacting to
many of the observations and recommendations in-
cluded in the "Joint Report of the Senate Committees
on Education Policy and Resources and Planning." I
read and re-read the following statement included
in Dr. Moos' paper:

Within a college, chairmen and faculties will rightly
demand that, in the ordering of priorities, justice not
only is done, but can be seen to be done. In our context,
justice is defined by the contribution of a program to
the total educational mission of the collegiate unit and
the university.

I confess to being drawn especially to this state-
ment taken from the "Joint Report" because it is ad-
dressed to one of the central concerns I have had
throughout my period of service as a university admin-
istrator. The following is a portion of a paper discuss-
budget planning which I presented to the
Association of Governing Boards eleven years ago:

One of the perennial problems in budget planning
is the problem of "watered" requests. American tourists
abroad are intrigued with the multi-price policies which
they find as they visit bazaars in Asia. American bureau-
cracy has developed its own counterpart in the form of
"watered" budget requests. So long as this practice
prevents, budget planning will retain an atmosphere
of doubt and suspicion. It should be pointed out, how-
ever, that the problem of "water" in budget requests is
one which governing boards and central administrators
have in some instances helped to create. Across-the-
board reductions in budget requests are an open invita-
tion to the inclusion of "water" for the next round.
Failure over a long period of time to dehydrate the
"watered" requests of one division of the university
will cause "water" to seek a similar level in other
divisions. In budget planning, as in other organized
endeavors, willingness to make concessions or sacri-

ices is conditional. Unless all who are involved are
called upon to make concessions on an equitable basis,
cooperation and acceptance will be withheld. There is
no more ingenious subterfuge than that which is prac-
ticed by a clever, administrator who is motivated by
righteous indignation.

It goes without saying that deviousness, secrecy,
and mystery are not devices peculiar to any single
group on the college or university campus. Suspicion
and conflict between academic and financial admin-
istrators, when encountered, has generally arisen
through application of the "mystification principle" on
both sides.

Given my long-standing views on the need for
cooperation and trust in budget planning, it should
not be at all surprising that I have reacted so favorably
to the emphasis upon broadly-based participation
described in Dr. Moos' presentation.

Up to this point my observations concerning re-
porting and communicating have emphasized the
"internal public" of the college or university. Any
consideration of reporting and communicating ob-
viously should focus also on the many "external pub-
lcs" with which educational institutions must be
concerned. It is at best an understatement to point out
that these "external publics" are varied and diverse in
their awareness, interests, aspirations, loyalties, pre-
judices, and suspicions—all as related to the nature
and purpose of higher education.

Not too long ago a colleague of mine at the Uni-
viversity of Nebraska, in the introduction to a book of
essays entitled Perceptions in Public Higher Educa-
tion, emphasized the importance of public attitudes
and expectations to the future of higher education. In part, he wrote as follows:

Never has the man on the street expected more from public higher education than he does today. In a very real sense, he expects our colleges and universities to answer many of the unanswerable questions of our time...

Those of us associated with higher education must become more concerned about interpreting our institutions' objectives, responsibilities, and activities to the public. We have been complacent for too long. We must, as Robert Gheen suggests, participate in a crusade to educate not only the general public, but many of our students, faculty members, and administrators about the ways and means of our colleges and universities.

It should be clear from the emphasis that I have placed upon communication with "external publics" that I do not view institutional public relations as the responsibility of a single individual or department within a college or university. It is my view that major responsibility in this area rests upon all senior administrators, specifically including business and finance officers.

With regard to the workings of a college or university, senior administrators must be "bi-lingual." The college or university president and his senior associate are the "channels" between the academic community and governing boards and the society at large....

In concluding my comments on reporting and communicating, I return to an observation made by President Moos early in his presentation: "The overflowing public coffers from which we virtually shovelled out at will, the resources we felt necessary to finance education have dwindled while the competing claimants for resources from those same coffers have mounted."

Scarcity of resources is a continuing phenomenon, a chronic condition in most non-profit endeavors. Priority decisions in allocating scarce resources, by definition, are the fulcrum on which services rendered by these enterprises will rise and fall. Clearly, there are no effortless solutions to the problems of administrators in obtaining and managing the financial resources needed by the institutions they serve....