Redirecting Higher Education in a Time of Budget Reduction. Issues in Higher Education.

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Boston State College; MA; Massachusetts; Program Discontinuance; University of Massachusetts

Abstract

Adjustments that state policy-makers and institutions of higher education will need to make as they face cutbacks in public support and declining enrollments are described, based in part on a research project on retrenchment in higher education conducted by the Southern Regional Education Board. Given the long-term contractual obligations of colleges and universities to individuals and the significant size of personnel budgets, institutional administrators often have little choice in the short-term in determining the object of cutbacks. Some of these approaches may include using fund balances; reducing expenditures for such items as equipment, travel, and telephones; cutting energy costs, curtailing library expenditures, and reducing expenditures for secretarial help; deferring maintenance efforts, reducing course offerings, student services and counseling; and hiring freezes. However, these short-term solutions cannot deal adequately with the longer-term problems created by repeated reductions in public support.

Alternative approaches to retrenchment are suggested: building of reserves and developing contingency plans, improving institution flexibility, raising revenue from nongovernmental sources, restricting access through enrollment limitations, reducing faculty personnel costs through academic program reduction, reducing administrative and academic support costs, and merging or closing institutions. The case of reorganized statewide governance in Massachusetts and the merging of Boston State College and the University of Massachusetts is briefly described. (SW)
Redirecting Higher Education In a Time of Budget Reduction

The decade of the 1970s was one of fiscal stringency for many states and institutions, and the 1980s are likely to bring more of the same. Support for public higher education has been affected by fluctuations in the economy, by persistent inflation, and by shifting state priorities, leading to a declining share of state tax dollars for some public systems. Two additional factors face public higher education in the immediate future — further state budget cuts, because of federal cutbacks and the prospect of steadily declining enrollments due to a smaller student population. Institutions of higher education face widely different futures — some can expect continued enrollment growth; others, significant decline. The adjustments required either because of cutbacks in public support or declines in enrollment will be substantial. During the past two years, SREB has been conducting a broad-based research project concerned with retrenchment in higher education and its likely consequences. Supported in part by the Ford Foundation, the project has examined institutional management problems facing colleges and universities and public policy issues confronting the states. The following discussion draws upon the project's work.*

Revenue Shortfalls — What is the Immediate Response?

Three times in the past 10 years, economic downturns have been severe enough to cause abrupt midyear curtailments of spending plans in some states, as tax collections dropped with the declining economy. The first substantial cutbacks affecting higher education occurred in the 1974-75 recession, the second in 1979-80, and states face similar circumstances in 1982. (Ten Southern states have been affected in the last two years; see Table 1.) In Tennessee, revenue shortfalls required a $35 million midyear adjustment in 1980; higher education's share of the budget cut was set at $13.6 million. In Kentucky, three successive budget reductions of the 1980-82 biennium resulted in higher education's original $394 million budget for 1981-82 being reduced to $350 million.

How have these cutbacks been accomplished? What are the short-term and the long-term solutions available to state policymakers and institutions?

When midyear revenue cuts come to a state, few options are available. Faced with constitutional provisions to maintain balanced budgets, governors must look quickly for ways to cut spending or to raise additional revenue. This may mean that a disproportionate share of the statewide revenue shortfall is borne by higher education institutions. In both Kentucky and Tennessee, where higher education's share of the state budget is less than 20 percent, its share of the budget cutbacks was nearer to 40 percent. This distribution may be attributable both to the existence of fund balances in some institutions and the ability of public higher education, unlike other state agencies, to increase revenue by raising student charges. In some states, larger budget cuts have also been justified on the basis of public higher education's greater growth, relative to other state activities, in recent years.

Once higher education's share of the reduction has been established, it may be the role of the statewide coordinating board and multicampus governing boards to determine the distribution of cutbacks within higher education. If the budgeting authority of these agencies is weak, this distribution is made by the state budget office.) Typically, when midyear retrenchments occur, they are distributed across-the-board. In Tennessee, budget requests are generated according to a formula developed by the Higher Education Commission and appropriations are made directly to the individual institutions. The state budget director required each institution to remit five percent of its state appropriation in 1980-81. Such an approach may be inevitable, given the shortness of time in which revenue cuts must be made in these situations. In addition, information on which to base selective reductions may not be available. The Kentucky Council, for example, had seven days in which to make its recommendations to the governor. Furthermore, across-the-board reduction is a public affirmation that all are sharing in the cutbacks equally. Problems arise, however, in such an

Across-the-board cuts assume that all units in the system are able to bear equal shares. This is most likely not the case. Circumstances may have changed since the original budget was developed — enrollment may be up in some institutions, down in others. Larger institutions may be in a better position to absorb cuts than smaller ones, and some institutions may have more short-term flexibility in their budgets than others.

Given the long-term contractual obligations of colleges and universities to individuals and the significant size of personnel budgets (typically about 70 percent of an institution’s operating budget), institutional administrators often have little choice in the short-term in determining the object of cutbacks. Mandated salary increases by the legislature or revenue shortfalls which come after these salary increases have been awarded further limit an institution. If an institution is able to maintain fund balances (many are not), these can be used. At the University of Kentucky, fund balances generated from salary savings due to normal turnover, have averaged between $4 million and $6 million in recent years. Institutions are quick to note, however, that these are not “surplus” funds, but are budgeted each year for use in such nonrecurring expenses as equipment purchases, renovation, and small capital projects. Their use to make up for budget cuts for recurring expenses, such as salaries and utility costs, is a one-time solution which merely postpones the problem if reductions to the funding base are permanent.

If fund balances do not exist or have been used up in previous years, institutions must look to other sources for quick and easy savings. A first round of retrenchment — if it is less than two or three percent of the institution’s operating budget — is often handled by reducing expenditures for such items as equipment, travel, and telephones. Other common methods include cutting energy costs, curtailing library expenditures (an area affected by some of the most rapidly escalating costs in higher education), and reducing expenditures for secretarial help (see Figure 1).

Institutions have also adjusted their cash management policies to maximize profits from short-term investments. As retrenchment continues and grows in magnitude, the institution may be forced to defer maintenance efforts, reduce course offerings, and scale back areas such as student services and counseling. Hiring freezes may be imposed and savings from attrition used to offset the budget cuts. Institutional presidents may require that all vacancies be controlled centrally so that the budget director can monitor expenditures. A “hard” hiring freeze may mean, for example, that only 20 percent of the vacancies are filled, with the resulting salary savings making up for the revenue shortfalls.

While across-the-board hiring freezes initially may be required from all units, the central administration may implement this freeze differentially, as deans argue for varying degrees of relief. Requests to hire staff for popular courses may be the first filled since institutions will want to avoid canceling classes and losing tuition revenue. As cutbacks grow in size and frequency, the institution may also begin trimming back or closing ancillary programs — the student radio station, the intramural recreation program, or the natural history museum, for example. Off-campus programs are usually cut before on-campus ones, and nontraditional or innovative academic programs are more vulnerable to cutbacks than the traditional core curriculum.

### Table 1

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Source: M. M. Chambers (The Chronicle of Higher Education, October 21, 1981), and SREB’s State Services Office.
Short-Term Solutions Create Long-Term Problems

While traditional budgeting practices and retrenchment strategies may be effective in dealing with occasional revenue shortfalls, they cannot deal adequately with the longer-term problems created by repeated reductions in public support. By the second and third rounds of retrenchment, colleges can begin to see visible signs of distress which affect the ability of the institution not only to manage its operations effectively, but to attract students as well — the campus buildings begin to show marked “wear and tear”; reduced student services create overloads for counselors and dissatisfaction among students; student-faculty ratios climb in some fields, as the institution is unable to add staff to areas of growing demand. In other departments productivity falls, as staff levels are maintained despite drops in enrollment. Personnel costs consume larger and larger proportions of the budget, and little or no money is available for new or innovative programs. As budgets tighten, so do opportunities for promotion. Salary increases fail to keep pace with inflation, and merit increases all but disappear. The institution has difficulty in employing new faculty in areas of growing demand and, as conflict increases, in retaining high-quality staff.

Planning and Budgeting for Cutbacks

The planning and budgeting practices of states and institutions are in considerable flux. Increased state oversight in the 1970s, especially in reviewing requests for the initiation of new programs, has been related in part to the control of growth in expenditures. At the same time, restrictive accountability provisions have limited the ability of institutions to effectively respond to cutbacks. Budgeting practices and funding formulas applicable during periods of growth have been found to be a hindrance to effective management during periods of decline.

The long-term solution for institutions experiencing decline — whether from reduced enrollments or reduced public support — is to find new sources of revenue and to utilize more effectively the resources that they have. How can quality be protected in the face of financial stringency? How can institutions find new sources of revenue or raise revenue from within — through retrenchment, and then reallocation? How can states more successfully anticipate and plan for retrenchment? The SREB study discusses several ways in which this might be accomplished: 1) through the building of reserves and development of contingency plans, 2) by improving institutional flexibility, 3) by raising revenue from nongovernmental sources, 4) by restricting access through enrollment limitations, 5) by reducing faculty personnel costs through academic program reductions, 6) by reducing administrative and academic support costs, and 7) by merging or closing institutions.

Building Reserves and Developing Contingency Plans

To deal effectively with a volatile economic climate, states and institutions are changing their approach to budgeting. Following the 1974-75 recession, which had severe consequences for the state’s economy, Florida made provisions through a statute for a “working capital fund,” which allows the build-up of reserves to a level not to exceed 10 percent of the previous year’s revenue collections. The fund may be used to make up for revenue shortfalls in the general fund. In the fall of 1981, with the working capital fund in excess of $400 million, the state experienced its first revenue shortfall since the fund was established. The governor and the administrative commission (composed of the state’s cabinet-level officers) chose to use $21.7 million of the contingency fund and to call for cuts of $31 million from current budgets. Law enforcement programs, programs for the elderly, and basic support for elementary and secondary education were exempted from the cuts, and the shortfall was prorated across other state agencies. Public higher education’s share of the cutback amounted to about $10 million, or 1.3 percent of its state appropriation. While some in the state advocated use of working capital funds to make up for the entire shortfall, the governor and administrative commission sought to protect the reserve as much as possible, in anticipation of a deepening of the recession and additional curtailments because of federal cutbacks.

South Carolina has a constitutional provision for maintaining a continuing reserve fund which is more restrictive in its mandates than the Florida statute. Dollars are allocated to the fund at the beginning of the budget year and then supplemented in subsequent years in order to maintain a mandatory 5 percent reserve (calculated on the basis of the most recent year’s revenue collections). The reserve fund can be used by the Budget and Control Board in South Carolina only to make up for year-end deficits. If revenue collections are not meeting/budgeted appropriations in the course of the year, budgets must be reduced unless two-thirds of both houses approve the use of the reserve fund for this or other purposes. The constitutional provision has produced substantial reserves for South Carolina (about $75 million in 1981). But the law has been criticized by some as mandating too high a percentage and being of little help in adjusting revenue shortfalls during recessions, given the restrictions on its use and a requirement that the legislature begin immediate payback in the next fiscal year.

At the institutional level, budgeting in reserves is equally necessary. Some analysts believe that permitting institutions to maintain fund balances both encourages efficiency and provides contingency funds to be used in adjusting to decline. But if these fund balances are to be accounted for by the state in determining higher education’s share of a midyear revenue reduction, it will discourage their use, and institutions will find ways to expend their total budgets by the end of each fiscal year. Institutional presidents will find it increasingly beneficial to do their own “economic forecasts” before settling on institutional budgets. If the outlook indicates that the institution may expect revenue shortfalls during the budget year (despite optimism from the state capitol), the president may wish to take a conservative approach to such issues as salary increases. If fund balances are permitted and the revenue holds up, the institution is always in a position to catch up on salaries the following year.

Some state systems have adopted comprehensive contingency plans to deal with both revenue and enrollment declines. The University of Wisconsin System plan includes precise mission statements for its institutions, the development of a long-range planning cycle, a system of ongoing
program evaluation, some fiscal and enrollment targets for each of its institutions, and a mechanism for special institution-wide reviews which are triggered by quantifiable indicators of stress. (See bibliography for other recent SREB publications on planning for decline.)

Improving Institutional Flexibility

Contingency planning requires improved institutional flexibility. To planning administrators, this means the authority and the ability to handle declines in financial support in the least damaging manner and still meet contractual obligations. Systems and institutions receiving lump sum appropriations are clearly in a better position to respond than those having line item budgets with restrictions against transfer among accounts. Given the long-term contractual obligations of institutions and the due process and notification requirements for the termination of faculty and staff, institutions, if possible, should be allowed to adjust to a smaller scale of operations through phased-in cutbacks. Funding formulas closely tied to enrollment and based on average cost assumptions have proved especially troublesome during periods of decline. Formulas which recognize the fixed nature of many costs in higher education and allow for phasing in reductions will sharpen the ability of institutions to adjust appropriately to decline.

Institutional flexibility can also be improved by minimizing long-term commitments to individuals. Institutions have increased the use of part-time faculty, have employed some faculty on fixed-term nontenure track appointments, have tightened the standards for tenure, and, in some cases, have imposed tenure quotas. These actions, however, have resulted in increased tension among faculty members as the standards for tenure shift to greater stringency and—in some critics' views—have reduced the quality of instruction offered. Teachers hired on nontenure track contracts often have heavy teaching loads, largely in introductory classes, with no time for research or personal development. Faculty in such circumstances have little job security and may have a low level of commitment to the institution and their profession.

Raising Additional Revenue from Nongovernmental Sources

Increased tuition, fees, room and board, and other student charges are the most likely sources of additional revenue for public colleges, especially when money must be raised quickly. But few states have explicit policies to guide their decisions about what the appropriate level of the student contribution should be. Tuitions are often established merely by subtracting state support estimates from total institutional budgets and making up the difference with tuition. (Provided the increase suggested is competitive and not likely to greatly affect enrollment levels in the short term.) Tuition increases often come sporadically—frequently several years will pass without any increase, followed by substantial jumps to catch up. When special surcharges are added to make up for unexpected declines in state revenues, it can bring charges that higher education is merely passing on the burden of cutback to students. The fact that tuition increases are far easier to implement than general state tax increases in times of financial exigency means that such an approach is tempting as a short-term solution.

States are increasingly recognizing the need for a more explicit state policy toward student charges. One solution chosen by several states is the indexing of tuition to instructional costs—that is, establishing a set percentage of these costs as the student's share. Indexing offers the advantage of making the process of setting tuition more routine and less prone to political conflict; increases are more gradual and planned. Indexing can also be extended to the adoption of tuition differentials by level of instruction and type of institution. With limited experience in indexing to date, it is unclear whether such a policy acts to contain costs or, from the student perspective, whether it means higher or lower levels than might occur under traditional methods of establishing tuition. Indexing provides a justifiable rationale for increases; however, it also calls attention to the reasons for increases—namely rising costs. A tuition policy this explicit may act as a restraint on costs in order to hold down tuition levels. Establishing a set percentage for the student contribution will also constrain institutions from substituting tuition increases for spending cutbacks during revenue shortfalls. Such a policy, however, obviously limits the flexibility of institutions and implies that tuition monies are state, rather than institutional, funds—factors which may result in institutional opposition to indexing.

In addition to increased student revenue, institutions are looking to private sources to make up for declines in state support. Public institutions are launching campaigns for gifts and are more aggressively pursuing research support from industry. The state of Florida has adopted a program of matching grants to encourage fund-raising activities in institutions.

Another strategy for coping with declining demand for traditional services in higher education is to "unbundle" some of the services that institutions now conduct, and create a capacity for distributing and pricing these services separately. In Challenges of Retrenchment, David Spence and George Weathersby suggest that the various functions of higher education—direct instruction, certification, research, and development, library and information services, for example—could be priced, managed, and delivered separately and independently of other functions. This could have the effect, they argue, of both increasing efficiency and expanding the clientele of higher education. Rather than trying to extract accountability from institutions, states would merely pick and choose among the services they wish to support. However, those in higher education who believe that many institutions are already too consumer-oriented, to the neglect of traditional functions, object to such a scheme because it may diminish quality.

Restricting Access Through Enrollment Limitations

The goal of public higher education in the United States has been to seek both access and quality simultaneously—a feat which may be achieved more easily during periods of growth than in decline. Quality was most often "purchased" with surplus funds, not by setting priorities. During periods of financial stringency, if quality is to be maintained at acceptable levels, states and institutions may have to restrict...
enrollment Some states, following cutbacks, have imposed enrollment limitations on one or more of their public institutions. (Frank Bowen and Lyman Glenny, in Challenges of Retrenchment, study enrollment caps in California, Maryland, Wisconsin, and Colorado.) Enrollment caps on popular campuses are also a way of redirecting students to underutilized facilities in the system, thus increasing efficiency. States have found, however, that only a limited amount of redirection is possible and such manipulations are unlikely to help campuses in isolated locations or those suffering from declining reputations. Some institutions are also applying enrollment caps to individual academic programs for which there is high demand and for which the institution cannot retain additional support or reallocate dollars internally. Public systems of higher education should consider enrollment ceilings if some combination of the following conditions exists:

1. Declines in state funding are seriously threatening the quality of academic offerings.
2. Excessive competition is creating demands for expansion at some campuses which must come at the expense of the system as a whole.
3. Little differentiation in admissions standards exists among the state institutions.
4. Some public colleges are significantly underenrolled, while others are overutilized.

Reducing Faculty Personnel Costs Through Program Reductions

One of the short-term solutions to tight money in higher education has been to reduce the work force through hiring freezes and attrition. But reductions of the work force on the basis of chance openings and seniority are often unrelated to institutional needs. The result over the long run may be low productivity in some departments and unacceptably high student-faculty ratios in others.

One solution available for colleges facing repeated financial reductions and/or a steady increase in fixed costs due to inflation is to reduce the work force on a program-priority basis. This can be done by eliminating individual courses (for example, elective courses with low priority) or entire programs. For these programmatic cuts to be made, an institution needs: 1) a program evaluation process and a set of criteria for determining funding priorities, and 2) explicit policy and procedures for terminating faculty and staff. Retrenchment policy should be based both on institutional objectives and a recognition of the rights of individuals to due process (see insert "Three Perspectives on Faculty Retrenchment").

Reducing Administrative and Academic Support Costs

Administrative consolidations are more easily achieved than reductions of academic programs because of the short-term contracts of administrative staff, as opposed to the long-term contracts awarded most faculty. There are also opportunities, through consortia, for cost-sharing among colleges in support areas, such as purchasing, library, and computing. Some institutions have chosen to reduce their administrative costs by eliminating or downgrading individual positions or by reorganizing academic structures. Some institutions may shift, for example, from a college/department structure to a divisional structure. At the system level, some statewide reorganizations have consolidated separate boards into a single administrative unit, eliminated some regulatory functions, and shifted management functions to the institutional level.

The findings of Howard Bowen's recent study, The Costs of Higher Education, suggest that administrative costs may be an appropriate first target for retrenchment in higher edue-
Massachusetts: A State Reorganizes Governance and Closes a Public Institution

In 1980, the Massachusetts legislature in a quick and surprising move, reorganized statewide governance for public higher education in the state. Using language in the “outside section” of the appropriations bill, the legislature created a consolidated Board of Regents with governing powers over Massachusetts’ 28 institutions. At the same time, all existing institutional and system boards were abolished and replaced by new boards of trustees, which would serve as management boards. Also eliminated were the state coordinating board (the Massachusetts Board of Higher Education) and the Office of Secretary of Educational Affairs.

The apparent suddenness of these changes, however, masked years of conflict and debate over coordination and governance — a debate that had greatly intensified since the end of growth budgets in 1974. Budget cutbacks in the mid-1970s were followed by, at best, level funding for the remainder of the decade.

Legislative support eroded as an increasing number of elected officials viewed higher education as unresponsive to the fiscal belt-tightening in the state. Many legislators expressed irritation over what they perceived as excessive administrative costs in the various system offices in the public sector.

Among state planners and public higher education leaders, there was growing consensus by the end of the decade that statewide reorganization could eliminate obvious examples of duplication and achieve gains in political and financial support for the programs that remained.

The focus of greatest legislative discontent fell on the competing institutions in the city of Boston. Apprehension about the future of these institutions was heightened by the projections of significant enrollment declines, which some analysts expected to be as great as 30 percent in public institutions by 1994.

Boston State College was the object of special concern. A series of events in the 1970s had kept the college in the public eye and marked Boston State as a troubled institution. Enrollment declines in its education and liberal arts-programs and cutbacks in state support were followed by retrenchment of nontenured faculty in the history department in 1974.

In 1977, the faculty voted no confidence in the college’s president and called for the resignation of other administrative officers, claiming that the officers had excluded faculty from important academic decisions.

In 1978-79, the administration proposed dismissal of unspecified tenured faculty because of insufficient credit load (the institution was over 90 percent tenured), but dropped the plan because of language in the faculty union contract. Despite its apparent competition for students with both the University of Massachusetts at Boston and the city’s two-year colleges, supporters of Boston State...
pointed to the institution's valuable service to the city's working adults who sought out its newly initiated occupational programs.

**The Commission on Reorganization.** A legislative attempt to establish a "super board" had failed in 1976, but had prompted several groups to examine the governance question. Studies by the Board of Higher Education and the Sloan Commission on Government and Higher Education added support to the need for governance reform. In 1979, Governor Edward King appointed the Special Commission on the Reorganization of Higher Education, consisting of gubernatorial appointees and legislators. The Commission studied both statewide governance proposals and proposals for reorganizing the Boston area institutions — including one to merge Boston State with the University of Massachusetts campus at Boston, and another to create a City University of Boston, joining two-year and four-year institutions under the same board.

Paramount to the Boston State faculty were guarantees of employment for all personnel in the event of any merger — commitments which in fact they were able to exact from some of the legislators on the commission. Such conditions, however, were unacceptable to the University of Massachusetts, which would consider merger only if it could select from among the already over-staffed and underenrolled programs of Boston State.

Nearby universities or their branches, or for eliminations of two-year branch campuses and community colleges with low enrollment. But it is doubtful that states will close institutions serving isolated communities or economically depressed areas unless state economic conditions are quite severe. The cost savings for such closings will be minimal; the political conflict, high; and the consequence for the local economy and for students, sometimes substantial.

**Establishing a Retrenchment and Reallocation Policy**

State and institutional actions to deal with sudden midyear revenue shortfalls will seldom be more than patchwork. But successive years of cutbacks — either because of inflation, enrollment decline, or economic recession — should raise serious questions among state and institutional leaders about the scope and size of a state's higher education enterprise. The quality of existing academic programs has been jeopardized in many states because new academic programs and capital projects have been started without adequate funds to support their continued operation. Even with level funding or modest growth overall, quality is diminished as a larger number of units lay claim to their share. In these situations the long-term solution is to reduce the size of the higher education system through program reduction.

To undertake such reduction, institutions should be supported by incentives from legislatures and state planning agencies. Public institutions should be able to see a direct relationship between retrenchment in some programs and enhancement of others; master plans for the 1980s should be plans for reallocation. Administrators in private universities, such as Duke and Vanderbilt, have proposed and gained acceptance for program reductions because the resulting savings have remained within the institution. Similar conditions can be established in the public sector by setting a stable, multi-year budgeting climate, by allowing greater institutional flexibility in the management of funds, and by permitting some retrenchment savings to be retained and carried forward.

In a retrenchment climate, even those institutions designated as "comprehensive" may find that the full array of programs implied by this role and scope is not achievable without sacrificing quality. Priority setting will need to be substituted for growth and such a shift in attitude at the institutional level must be accompanied by an end to legislative intervention to protect favored programs. With thoughtful planning, many institutions in the South still have the time...
and flexibility to carry out phased-in reductions in programs. Commitments to tenured faculty can be honored and disruptions to the institution can be minimized. Unfortunately, some institutions already find themselves overcommitted in the extreme and underfunded, termination of faculty contracts may be unavoidable. The authors in Challenges of Retrenchment provide a variety of suggestions for programs of faculty retraining and reassignment, and for providing a just and equitable process for carrying out personnel retrenchment.

Formal reduction-in-forced policies need to be established. Before adoption, however, boards of trustees should familiarize themselves with the financial and legal obligations that different provisions of these policies entail. As the discussion on faculty retrenchment reveals (see insert), there is strong disagreement over the bona fide conditions for dismissal of tenured faculty. Application, for example, of the AAUP's "survival standard" in declarations of financial exigency is much more stringent and limiting than the "operating funds" standard that courts have applied in the absence of explicit contract language to the contrary. "Program discontinuance" is also legitimate cause for dismissal under AAUP guidelines, but these guidelines specify that educational, rather than financial, objectives be the primary determining factor in the decision. Institutions which adopt long-range plans for retrenchment and reallocation, instead of waiting for financial crisis, clearly have an opportunity to make educational considerations paramount.

The public policy questions associated with retrenchment and reallocation are exceedingly complex and the answers will be shaped by the significant organizational differences which exist in the 50 states. Without effective contingency planning, however, higher education may find itself constantly reacting to events without the ability to shape their character. Retrenchment should not be viewed as an end in itself, but as a method to redirect institutional operations in the most productive and educationally sound manner. Such consolidation and redirection will likely place higher education in a far better position to reclaim the public support upon which quality higher education depends.

This edition of Issues in Higher Education was prepared by James R. Mingle, SREB research associate.

Further Reading