

## **OKLAHOMA HIGHER EDUCATION: THE BUDGET, THE FACULTY, THE MISSION**

**DONALD J. MALETZ**  
University of Oklahoma

The following reflections are based on a personal experience, which has just come to an end. I was appointed to a three-year term on the University of Oklahoma (OU) Budget Council (Norman campus) in the spring of 1996 and served during the final year of the appointment as Chair. The Budget Council is one of numerous committees deriving from or allied with the Faculty and Staff Senates. These committees represent a nod in the direction of self-governance, although we are obviously in an age when most modern universities have become enormously complex organizations run for the most part by professional administrators. Like most of the other faculty and staff who serve on this particular body, I was an amateur in fiscal matters. Though lacking in specific budgeting "expertise," I nevertheless brought to the experience a certain long-standing conviction that self-government ought to be as close to a reality in the university as we could make it, and that it was a bad thing for any kind of profession to fall into a condition where it was subject to decisions it could not understand and had no hand in making. I was from the beginning also interested to see what an amateur could learn about the budget issues at the University of Oklahoma, partly because of my concern for the institution and partly because I wanted some insight into the conditions affecting higher education more generally as we approach the end of a century of unparalleled expansion.

The Budget Council is an official Advisory Council of the Norman Campus of the University. It seems to have been established in 1948, though a budget committee that was created in 1945 preceded it, and there may well have been similar bodies before that time. (The Health Sciences Center Faculty Senate has a standing committee called the Faculty Advisory Committee on Administration and Finance, which presumably plays a similar role for that campus of OU.) The membership of the Budget Council in Norman consists of six faculty, three staff, three students, and two ex officio non-voting members from the administrative side of OU (the Provost and the VP for Administrative Affairs). I do not know if all universities within the Oklahoma system have similar bodies, nor even whether it is typical in public universities across the country for such bodies to be created. The OU Budget Council in any event is currently purely an “advisory” body — that is to say, it has no executive powers. Judging from the official “charge” of the OU Council, it seems clear that the purpose behind its establishment was to create a formal medium for regular exchange of information and advice about budget matters between the administration on the one hand and the faculty and staff on the other. In that sense, it reflects something of the model of collective self-governance typical of an earlier day in the evolution of universities.

I refer to the mission of the Budget Council in terms of “exchange of information” advisedly. The official “charge” says that the Budget Council is to “advise the President and other appropriate administrators on matters concerning fiscal policies and resources of the University.” Our group has performed the advisory function, both through regular dialogue about budget issues with the Provost and other administrative officials, and by sending to the President a statement about what we take to be faculty, students and staff views on several major budget issues. Perhaps as important as the advice we give, however, is the flow of information in the opposite direction. A body like this one can be and should be a vehicle for communicating to the faculty and staff some detailed information about the state of the university’s budget, the financial priorities for the future, and the long-term fiscal condition of the institution.

In what follows, I want to comment on two separate themes derived from this experience. First, I want to report in general terms something of what I have learned about budget matters affecting higher education as they currently stand in the state of Oklahoma. Secondly, I want to

reflect in more general terms on how the faculty might contribute usefully to a university's deliberations about budget matters. My comments on this second point begin, of course, from my own experience on this Council, but I hope to address the issue in terms that might be applied to any large university, public or private. Before beginning, let me stress that the views expressed here are solely my own. I am not speaking for the OU Budget Council, or the University of Oklahoma. And although the OU Budget Council comprises faculty, students and staff representatives, I am speaking here only as an individual faculty member, and will not propose a role for the staff as such.

### **THE HIGHER EDUCATION BUDGET**

First of all, working through the issues with the Budget Council has given me a somewhat better grasp of the big picture in regard to Oklahoma's higher education budget. Like most faculty, I had at best a hazy view of the financial situation. I was well aware that Oklahoma's fiscal condition was poor once the oil boom faded, but that it had recovered substantially in the last decade. But I had paid little attention to the exact scale of the recovery, and was unaware of some of the larger policies that have affected the legislature's budget decisions for higher education. Let me mention some of the more striking items that have come to my attention:

1. The three fiscal years 1997 through 1999 have shown strong growth in the overall higher education system budget, with total state appropriations mounting from \$636.2 million to \$757.9 million according to the Oklahoma State Regents for Higher Education (OSRHE). The appropriation for FY 2000 is \$772.2 million, an increase to be sure but a meager one of 1.9 percent. Over the last twelve years the growth of 83.3 percent in state appropriations amounts to inflation-adjusted growth of 37.4 percent, about 3 percent per year (OSRHE, 1999b, p. 6). The increase for FY 2000 reflects a slowing of economic growth, and, more importantly, choices made by the legislature about priorities in other areas.

2. Despite the pattern of recent growth, higher education's share of the total state appropriation has declined from 18.55 percent in FY 1980 to a FY 2000 15.50 percent (the low of 14.94 percent occurred in FY 96) (OSRHE, 1999b, p. 8). By contrast, over the same period both common education and vocational-technical education have increased their share of the overall state budget. Yet the major beneficiaries of strong growth in the most recent years have been not education but Transportation and Corrections. According to a report prepared by the fiscal staff of the State Senate, appropriations for Corrections have grown 87.3 percent in the last five fiscal years, and for Transportation by 88.6 percent, as compared to 38.4 percent for higher education.

3. The state system of higher education in FY 1999 budgeted expenditures of \$1,161.8 billion, and \$1,206.9 billion for FY 2000. This sum reflects the combined expenditures for colleges and universities, special programs, student aid, state regents operations, and technology (chiefly the Internet infrastructure for educational and public institutions) (OSRHE, 1999b, p. 12).

4. State appropriations have declined as a percentage of the overall higher education budget. In FY 1988, the state appropriated funds constituted 75.3 percent of the budget, and in FY 2000 they are 62.3 percent. In the same period, self-generated funds have increased dramatically, from 24.7 percent to 37.7 percent (OSRHE, 1999b, p. 9). The comprehensive research universities have generated a remarkable 226 percent increase in sponsored research funds over the period (OSRHE, 1999b, p. 6).

5. The growth in faculty compensation has been modest, with an 87.3 percent increase between FY 1988 and FY 2000. This figure represents growth in constant dollars of 40.9 percent. Far out-distancing the enhancement of salaries is the rapid increase of 197.9 percent (151.5 percent in constant dollars) in expenditures for benefits. The growth is primarily due to increases in the cost of health insurance costs and in payments to the Oklahoma Teachers' Retirement System. Total salaries and benefits were 66.8 percent of Education and General budgets statewide in FY 1988, but are down to 56.2 percent for FY 2000 (OSRHE, 1999b, pp. 25-26, 27, 29).

6. The Oklahoma State Regents require that administrative costs at the comprehensive universities be capped at 10 percent of their budget. OU and OSU report administrative costs at 6.0 percent and 7.1 percent respectively (OSRHE, 1999, p. 30). Overall, in June, 1998, the state higher education system reported overall administrative costs at all institutions as 9.0 percent of the total budget, an amount said to be “well below national, regional and peer averages” (OSRHE, 1998, p. 33).

7. Students contribute about 26 percent toward their education at Oklahoma colleges and universities. In FY 1999, tuition and fee costs at the comprehensive universities were ranked 41<sup>st</sup> in the nation (OSRHE, 1999a).

The above data serve only to draw attention to some high points of the overall higher education budget and expenditure picture and to give a sense of the scale of the system and of some major recent trends. Perhaps the most striking point revealed by the overall numbers is the relative decline in higher education’s share of the state budget. Whatever might be said rhetorically, it seems clear from the actual choices made by legislators that improving the funding for corrections, and addressing road and other transportation problems, has been a higher priority than improving the funding for higher education. In addition, both common education and vocational-technical education have benefited from higher rates of growth from FY 80 to FY 99 than has higher education. Despite these facts, however, it should also be acknowledged that the state makes an on-going massive investment in public higher education, a remarkable commitment in fact for an enterprise that serves in a direct sense only a minority of the state’s population (although, it is argued, the overall benefits from higher education spill over into general economic growth and benefit the wider population).

## FACULTY AND CITIZEN REVIEW

What contribution can an advisory body make to the analysis and review of budget problems in higher education? Is an entity made up primarily of fiscal amateurs, faculty, such as the OU Budget Council,

capable of playing an important role? And if so, what should that role be? Or is a body like this a useless remnant of an earlier, simpler age? I found myself forced to reflect on this problem as I considered what exactly the role of an entity like the Budget Council ought to be.

To answer that question requires acknowledging the serious obstacles that confront those who are outside the direct line of the process and yet want to proffer useful advice. There are a number of difficulties for faculty in this role, but the chief of these obstacles is a serious knowledge deficit. The fiscal affairs of a large public university have become, first of all, extraordinarily intricate and complicated. Both the administrative and the fiscal systems resemble those of a large corporation far more than those of the "college" of the earlier part of this century. The days are long gone when revenue came from tuition and state appropriations alone, and when expenditures were for instructional costs, books, and building maintenance. In the age of the research university, there are vast endeavors funded by governmental and private grants and contracts. Private foundations provide support. Auxiliary services, though not profit-oriented, have all of the characteristics of businesses. We need not dwell on the special charms of athletic departments and their finances. It is a formidable task to obtain a clear and accurate picture of these complexities. To understand these matters in broad outline, amateurs will inevitably need to depend heavily on the information provided by the professionals who keep track of the numbers, administer the funds, and develop the reports.

Yet a knowledge deficit of another kind also limits the role of amateur advisors. The fiscal fate of public universities is obviously to a large extent dependent on legislative actions, despite the growth of research and private funding, and yet the maneuvers in state legislatures when it comes to budgets are far from transparent, to put it mildly. The appropriations for education emerge after complicated political bargaining in which there are plainly trade-offs involving education as well as prisons, roads, taxes, energy, agriculture and in short the whole panoply of interests that expect public support. How are the hard choices made? What motives drive these calculations? What incentives might change them? We have surprisingly little information to answer these questions, and therefore those who pretend to speak and advise about budget issues are always susceptible to the rejoinder that they fail to grasp the political situation. The reporting on these issues found in the main state

newspapers in Oklahoma is adequate in stating the results of the main legislative decisions, so we learn what the appropriations are when bills are passed. But we lack the vigorous and inquisitive political reporting able to give an account of the political factors at work and the reasons actually motivating the main decisions. As a result, few outside the circles at the Capitol can gain much insight into what the legislature is likely to prefer before it happens. To fault my own discipline, political science has generally not done enough, here and elsewhere, to illuminate state politics and policy-making.

There is probably no easy “solution” to these two forms of knowledge deficit. The nature of a more than one billion-dollar state higher education budget ensures a complexity that requires professional analysis and administration. But the products of the budget and finance specialists — reports, analyses, documentation — are at least publicly available, and the very professionalism that makes them complicated also tends to ensure that they are reasonably accurate and reliable. In this area, faculty as institutional citizens are likely to remain in a state of permanent dependency on the professionals. The other aspect of the knowledge problem, the lack of detailed reporting, is, however, one that faculty might be in a position to address. We badly need sustained, systematic efforts to report and analyze the political decision-making that affects every aspect of state fiscal allocations, including higher education. Such analysis in and of itself would be a worthwhile contribution to understanding our state. But of particular interest would be developing a better understanding of the alignment of interests that has succeeded in reallocating funds from higher education to other areas during the last decade. We need, in short, a better portrait of the decisions taken by representatives who profess to favor higher education but who in fact often decide that they favor other sectors more. More insight might, of course, teach us that there are sometimes quite good reasons for a *de facto* shift of new resources to areas other than higher education.

In the proceeding I have stressed two forms of knowledge deficit that work to the disadvantage of amateur contributions to budget decision-making. One might well reply to this point that the same difficulties are endemic to modern public life in every form. Every issue of contemporary governmental policy has taken on the characteristics of complexity mediated through professionals that I have just described within one expenditure area of one state. Whether it be defense and

foreign policy, taxes, Social Security, health policy, taxation or whatever, the predominance of experts over amateurs and the contrived obscurity of the political decision-making process seem inevitable aspects of growth and modernization. To this situation, the theory of democracy might lead us to respond in this way: however policy choices are made and administered, there remains a vital role for the beneficiaries and/or victims of such policies. The "citizen," so to speak, or the concerned and engaged recipient of policy ought to speak up to the bureaucrats and legislators in order to express preferences, to demand explanation, and to remind of unforeseen consequences. Surely in theory this role is still feasible. But as the uninformed or under-informed express their preferences, the message threatens to have less the character of contributing to a discussion and more the aspect of bringing pressure to bear. In short, instead of the "citizen," we may well obtain the interest group, speaking up for its wants and needs, lobbying the professionals and the politicians, attempting to mobilize whatever resources it can command to draw attention and funding.

In truth, the role of faculty in the budgeting process threatens today to be reduced to that of an interest group pressing for its wants and offering just another set of demands for an administrator to appease. Now I do not mean to disparage interest groups, and I do think that faculty have interests that need forceful representation. And yet I am not contented with this role, because by itself it is too narrow, because it contributes to the process of turning the faculty from professionals into a mere labor force, and because it will lead us to overlook some serious contributions to decisions about the allocation of resources that only faculty are in a position to offer.

What I think speaks for the participation of faculty in budgeting issues as something other than an interest group is the fact that there is a knowledge advantage which they offer. This advantage is one that ought, in my opinion, to confer a claim to a role, a claim that especially needs to be re-asserted today as universities attempt to adapt to a multitude of new demands and pressures. Let me try to explain this role by drawing on the knowledgeable and impressive account of the contemporary university given by Edward Shils (1997) in a recent collection of his essays on education. These essays provide an unusually insightful overview of the situation of the universities in the modern



industrialized societies, attempting in particular to grapple with the changes wrought by the massive expansion of the last fifty years.

A college or university worthy of the name is an institution for the preservation, transmission, and development of knowledge. (The term “knowledge” should be taken here in its broadest sense, to include not only what research uncovers, but also our historical, cultural, and artistic heritage.) The knowledge mission is one that can be performed very badly or very well, but it is in any case the specific mission that constitutes the core function of the university, and it is the specific practice in which faculty are supposed to be appropriately trained. There may seem to be something self-evident about this point. Shils stresses repeatedly that the “discovery and transmission” of knowledge — he is not embarrassed even to use the word “truth” on occasion — is the “distinctive task” of the university in the same sense as the “care of the health of the patient” is the “distinctive task of the medical profession” (1997, pp. 3, 13, 48, 118). But sometimes the self-evident can be covered over by other concerns to the point that it becomes far from obvious. Anyone familiar with the modern public university, or anyone taking a close look at decisions about the allocation of resources in public higher education, would be inclined to think that the notion of a “core” to the mission of a college or university is under real strain. For one of the most remarkable things about the university in our time is the proliferation of missions.

The “academic ethos” was once very simple in content (though difficult to practice well). It was constituted by both a set of obligations and a clear commitment to the pursuit of knowledge, and it could largely be taken for granted because it was widely, intuitively, shared by most of those concerned with higher education. But after several decades of enormous growth following World War II, universities are implicated in so many new tasks that a self-conscious effort may be required to keep the awareness of the core mission fresh. Shils describes the challenges for higher education arising in the last half-century for the “mass university,” the “service university,” the “political university,” the university that is “governmentally-dominated,” the “bureaucratized university,” the “financially straitened university,” the “university in the eye of publicity,” the “research university,” the “disaggregated university,” the “university with shaken morale”— and yet through all these tasks and responsibilities, the “university” must still attempt to be “a center of learning”(1997, pp. 13-48). His terms refer to new expectations imposed

on the university by government and by the public, as well as to internal forms of organization and administration that shape the terms under which knowledge is cultivated. A central concern for all involved in the university today must be whether its core mission is dangerously compromised by these factors.

In the late 1990s, the conditions described by Shils are evident everywhere. A first glance at the budgets of public universities will confirm that the system is indeed a means for teaching and research, to be sure. But a second glance will open the viewer's eye to the fact that the contemporary public university (and perhaps many private universities as well) is also a locale for many other goals beyond those originally meant by the pursuit of knowledge. These include attempts at both benign and aggressive social engineering, the provision of high and low forms of entertainment, the training of future professional athletes, the publicly-funded substitute for missing corporate apprenticeship and training programs, the sponsor of advanced telecommunications infrastructures, and last but far from least the university as venture capitalist fostering "economic development." The development theme is lately receiving increasing emphasis in Oklahoma and elsewhere, especially as economic growth seems ever more closely associated with advanced technology. It is doubtless true that there is a close correlation between education and economic growth. Yet as the idea takes hold that universities can be made more directly into agents of economic development, some of the tendencies already threatening the core mission of the university are likely to be exacerbated.

Of course, some portions of public higher education systems have typically been closely linked to business purposes and to "workforce development." But in the last analysis, universities must work by somewhat different standards than economic enterprises, and the academic ethic is far from the same as the business ethic. I say this without intending to express any hostility to the business ethos, and without wanting to deny that the condition of the modern university is in fact closely linked with the overall health of the economy and that means in part with the overall health of its businesses. Nevertheless, the core academic mission of the university is not identical with the mission of business. As legislators or administrators think the idea of economic development through, we should wonder if they may be tempted to

steer the funding ever more directly to those parts of the higher education system and only those parts that do measure up to business criteria.

In this proliferation of missions, the contribution which the faculty alone is in a position to make is to speak up for what Shils calls the “academic ethic” and for sustaining the conditions that make its practice possible. Shils maintains that this “ethic” is still recognized and observed in many cases, but adds very plausibly that the “self-confidence of the academic profession in its devotion to its calling has faltered” (1997, pp. 7, 9). If it is true that this confidence is faltering, and I have little doubt that it is in many fields, then the remedy for the problem quite likely lies deeper than something that can be cured by budgetary decisions. But one sign of the loss of self-confidence in a profession is the failure to insist on the conditions required for its successful practice.

Here is a path to discerning the role, which the faculty ought to play in the budgeting process. The corollary to the “academic freedom” which faculty rightly claim must be the “academic duty” of the faculty to develop a clear understanding of what conditions are necessary for the development and transmission of knowledge, and to press in the budgeting process for the recognition and fulfillment of those conditions as far as circumstances permit. By “conditions” I mean in the first place such mundane matters as the size of classes, the state of libraries, a sufficient number of well-qualified instructors, appropriate classroom and laboratory facilities, and, today, adequate technology resources. These are indeed mundane issues. They have no great novelty, they offer no revolutionary breakthrough to a new dimension of university life, they will not transform society; they can be described with a modish word, for example, “academic infrastructure,” but they remain comparatively pedestrian. They are, however, simply important pre-conditions for the adequate pursuit of the development and transmission of knowledge within the contemporary university. They involve expenditures, of course, but they ought to be considered by faculty primarily in terms of the contribution to the qualitative aspects of developing and transmitting knowledge.

The issue of the number of well-qualified instructors seems particularly important. Universities nation-wide are increasingly tempted to rely excessively on under-qualified adjunct and temporary instructors, and in some cases serious quality deficiencies are the result. Within the framework of ever-expanding missions for the university, it is highly

unlikely that any other sector of the university will stand up for these matters in the budgeting process if the faculty prove indifferent.

I would maintain that these ordinary but necessary forms of equipment and resources are today important for the performance of the university's core mission. They are not, however, sufficient. The academic ethic involves in the second place and even more importantly such qualitative concerns as the integrity of research and teaching, the criteria for examinations, the devising of legitimate programs of study, the standards for awarding degrees, and the protection of freedom of inquiry. These are not primarily issues of financial resources, and to some extent they are even comparatively independent of budgets. These aspects of the knowledge mission can be nurtured effectively even in straitened fiscal circumstances, if there is the will to do so.

For the faculty to be more than just another interest group, it must insist on the pre-conditions required for the core mission and yet must also forcefully represent, in budgeting as well as other administrative matters, the qualitative dimensions of the "academic ethic." In today's climate of mission expansion, both need to be guarded against the encroachment of undertakings that are remote from, and even perhaps work against, the core knowledge mission.

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