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Administrative costs of colleges can be controlled

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Regional

Administrative costs of colleges can be controlled

Higher education is being attacked for many things from many different quarters. From the political spectrum, we hear things that colleges and universities are “too liberal” or teach “useless things.” Those perceptions, paired with increasing calls for accountability, have generated a series of both federal and state laws calling for more oversight of the operations of these institutions, ranging from where students sleep when going off campus on university business to how to assign textbooks to students.

This increased oversight, in turn, has created more administrative burden on colleges and universities, requiring them to spend more time, effort, and money on regulatory issues rather than on their main business: education. This has resulted in an increasingly large and complex administrative structures that faculty see, with suspicion, as “administrative bloat.” This creates sort of an unexpected alliance between those who are unsympathetic toward higher education (some politicians) and those who would be the most affected by outside interference (faculty).

Both bodies seem to ignore a number of things. First, legal mandates by federal and state bodies are largely unfunded, as the federal and state governments never give additional moneys to handle these new requirements. Instead, money must be pulled from other areas, such as teaching, which increases the pressure on institutions to offer larger (and more pedagogically ineffective) classes.

From faculty members, we hear that colleges and universities keep increasing their administrative staff in detriment to its academic mission. Although that is true in a few cases, the fact of the matter is that because of both increases in federal and state regu-

Dr. Aldemaro Romero Jr. Letters from Academia

lations, institutions of higher education have had to hire more administrators to comply with those regulations. In fact, as mentioned in an earlier article of this column, dozens of presidents of colleges and universities complained to the federal government about the cost of complying with their regulations, which could be as high as 15 percent of their budgets, and that’s only for federal mandates. When it comes to state regulations, the presidents of public institutions have been much more circumspect in order to avoid rattling the political structures in their own states.

Now a document titled “How much is too much,” recently produced by the American Council of Trustees and Alumni, sheds some insight into this problem and provides some important recommendations. We need to frame their efforts by remaining mindful that the major concern of this organization is not political or faculty criticism, but the fact that the cost of going to college keeps increasing. Their goal is to make the college experience as cost-effective as possible.

One of the recommendations of the report is that everybody within the institution should be made more aware of the data when it comes to items such as faculty/administrative personnel ratio, and how those numbers compare with similar institutions nationwide. And those comparisons have to be meaningful. You cannot compare those ratios between a small, private liberal arts college and a large public

one. The size of the operations of the former – having smaller student-faculty ratios – is always going to be smaller because of the larger proportion of faculty at big state schools.

Also, whether the institution is more focused on research or in teaching changes the number of staff required to manage the complex jungle of regulations imposed by the federal government. And they will have to provide faculty with more “release time” for research, which means that the tenure track faculty will be teaching fewer courses.

Costs for maintaining expensive athletic programs such as football or basketball is also a factor. It is well known that many coaches at universities with prestigious athletic programs earn million-dollar salaries. However, we can argue that those sport programs contribute very little, if any, to the quality of the education provided to students.

The main recommendations of this report are several. One is that boards of trustees must be knowledgeable about administrative spending by asking their chief financial officer to report the institution’s administrative/instructional cost ratio for the most recent fiscal year. If, for example, the institution’s ratio is higher than the median ratio for schools of similar undergraduate enrollments, the board should ask why that is the case.

Another recommendation is to create a financial dashboard for determining cost-effectiveness indicators to evaluate when boards are asked to sign off on major expenditures. That should include space utilization before authorizing new buildings, and number of students in each degree program before approving new ones. This is important because some

academic programs with very small enrollments survive as “zombies” just because they are in the books. And all the while we keep hiring faculty to teach in those programs.

Another recommendation is to increase transparency so everybody is well informed about expenditures and their justifications. To that end it is very important to separate what expenses are really related to the mission of the institution versus non-essential tasks. That would maintain the priorities of the institution front and center, while avoiding external and internal criticisms.

In addition to all this we need to remember the very concept of shared governance that is being applied in higher education. Shared governance means shared responsibilities. It is not a political label. What it means is that faculty members need to take more responsibility for the operations of the institution that will allow them to better understand the inner workings of these complex institutions while providing sensible advice – not just criticism – to the purely administrative personnel.

Something that baffles many of us in higher education is how little most faculty members understand about how their colleges and universities work, which leads to misunderstandings and frictions. That is why we should offer more opportunities for faculty to participate in the administration of our institutions.

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