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Organization, Budgeting, and Staffing

Michael Ginsburg

Student affairs divisions at metropolitan universities share many common elements in terms of their organizational and staffing patterns because of the similarities of the institutions. Principal among these is that organizational structures, staffing patterns, and budgetary resources are extremely fluid in contemporary higher educational institutions. Changes in leadership in the institution itself or within the state in which the institution is located can have an effect upon the organization or allocation of resources. Trends at the local, state, and federal levels of government also can affect institutional priorities that are often reflected in the organizational structure, budget, and staffing of the entire institution. These internal and external influences account for a lack of uniformity among institutions when comparing or analyzing organizations and data.

Analysis of the issues facing student affairs divisions in metropolitan universities regarding organization, staffing, and budgeting can help chief student Affairs officers and other student affairs administrators at these institutions to be responsive and have an understanding of changes that occur on these campuses. In most institutions, the student affairs division does not have as high a priority for resource allocation as do other units (Schuh, 1990). Chief student affairs officers are often not equal to chief academic officers in terms of institutional influence or power. At metropolitan universities, this power disparity is especially true given the larger bureaucracy created by increased demands placed upon these institutions.

Within any organization, the effective distribution of resources by managers is often an indicator of power and a benchmark of leadership (Ginsburg, 1993). Effective leaders are often described as individuals who are able to control resources in a way that enables the organization to effectively meet its goals. Jeffrey Pfeffer, in his book *Organizations and Organization Theory*, argues that

"the source of [organizational] power is typically ... the ability of the ... actor to provide some performance or resource to the organization that is valued or important. . . ." (1982, p. 65). Chief student affairs officers at metropolitan universities can benefit from understanding the effects that organizational decision-making, staffing, and budget allocations have relative to institutional power. A greater understanding of the commonalities and differences in these issues can help these officers articulate their needs better when making decisions or when preparing requests for additional resources.

Organizational Patterns

Student affairs units vary in organizational structure from institution to institution and do not reflect any obvious patterns based on regional, state, system, or local similarities. In fact, similar types of institutions (including metropolitan universities) generally have little in common as to the composition of student affairs organizations.

Campus organizational structures develop as a result of campus history, culture, and other events. Student affairs divisions at metropolitan institutions show marked differences. For example, at some institutions the financial aid office reports to student affairs, while at other campuses the unit is part of the business office function. Admissions offices are an academic affairs function at some institutions but considered a student affairs unit at other campuses. Metropolitan universities share many organizational characteristics, which are out-lined in the following section. These organizational similarities provide a basis for comparing metropolitan institutions to each other and for distinguishing these institutions from other types of institutions.

Interinstitutional Comparisons. In order for an institution to compare itself to others or to better prepare for an internal analysis, it is best to obtain information or data from other institutions. This type of analysis, often referred to as benchmarking, requires development of an interinstitutional or peer group for comparison purposes. These groups provide institutions with a reference against which to compare data to evaluate staffing levels and financial resources. Selecting a set of institutions to undertake interinstitutional comparison requires analysis of the characteristics of the institution and identification of others with similar characteristics. Once a comparison group is established, data can be defined, collected, and analyzed, and comparisons drawn.

Comparison Groups. Brinkman and Krakower (1983) define four types of comparison groups: competitor, peer, aspiration, and jurisdictional. A competitor group consists of institutions that compete with each other for students, faculty, or research dollars. An aspiration group includes institutions whose characteristics are dissimilar to those of the home institution but are worthy of emulation; this type of comparison allows the home institution to determine the level of resources needed to achieve the performance level obtained by the higher-ranked institutions. A jurisdictional group consists of institutions that

are part of the same political or legal jurisdiction, such as all those governed by a state board, or institutions that are part of the same university system and share a system board.

The remaining type of comparison group, the peer group, includes metropolitan universities. In this group, institutions share similar roles, scopes, or missions. Similarities and differences between institutions must be appropriately assessed to allow an individual institution to compare its data with data of the peer group. The existence of predetermined institutional comparison groups—such as those belonging to the same athletic conference, an association, a Carnegie Commission classification, or a legal entity such as a local board—creates the necessity for most institutions to utilize more than one comparison group (Brinkman, 1987). Because of the different types of institutional classifications of metropolitan universities (four-year public, research, etc.), comparisons within these institutions may not be meaningful. Moreover, differences that can be accounted for by local and state economics (as with cost of living rates) or by initiatives advanced by the municipality or state may make it even more difficult for metropolitan institutions to compare data.

Organizational Similarities. Of course, metropolitan universities have some key similarities. All are located in metropolitan areas. Metropolitan areas in turn share many characteristics, including diverse ethnic populations, and the student populations usually experience more financial constraints than those at residential universities. Metropolitan institutions also share similar scopes or missions. Other potential characteristics of these institutions emerge from the fact that many are linked to a medical center, including a hospital or other health care delivery system such as a dental or pharmacy clinic. Metropolitan universities also may be more apt to house a unit that provides assistance to nontraditional students, typically defined as older adults who are returning to school after an absence due to family, financial, or employment obligations. Some of these institutions may be able to compare levels of local funding support or information concerning multiple campus sites.

Restructuring. During the decade of the 1990s, many universities have focused on the need to "restructure" or "downsize" staff because of financial restrictions. Depending on the level of restructuring, comparative staffing data may be even more difficult to interpret. The decrease or slowed increase in public support for higher education coupled with increased competition for private support have caused many institutions to eliminate staff positions, particularly in student affairs units. Metropolitan universities may find staff eliminations from restructuring difficult to deal with since services are typically delivered to students at extended hours for the convenience of commuter students and those who take classes in the evening.

Student affairs divisions typically are asked to restructure, or retrench, more often than academic units. When forced to reduce expenditures, colleges and universities frequently make selective reductions, typically slashing support functions and protecting academic budgets (Gaither and DeWitt, 1991).

Staffing Patterns

Organizational patterns have a significant effect upon staffing levels. When an organization determines its priorities, resources are invested to ensure that those priorities are carried out appropriately. Priorities impact organizational structures and reflect issues that are of importance to the campus because of local, state, or institutional goals. Local issues may have an effect upon staffing patterns as well. Many metropolitan institutions are involved in community activities that necessitate investment of staff resources in working with political groups, businesses, and community agencies that are of interest to the campus.

Off-campus sites run by the institution may also affect staffing resources. Many metropolitan campuses either have branch sites or offer courses at locations that are not physically adjacent to the campus. Some institutions may offer courses in suburban locations or at business sites through partnerships with local corporations. With a larger number of community agencies present in metropolitan areas, student affairs and other campus units may be more involved in working with local community groups or political leaders on issues that require expertise or volunteer efforts available at the institution. All of these activities require decisions about the amount of staff time to be committed to work off campus at other locations.

Metropolitan universities typically recruit more staff locally than other universities do. Given the nature and scope of the labor force in the metropolitan area, there is stiff competition for jobs and for qualified job applicants. Furthermore, potential staff members trained at more traditional schools and with appropriate academic credentials may arrive at a metropolitan campus environment without compatible experience. Although the formal credentials may be acceptable (and valued by other types of institutions), staff without experience at metropolitan universities find that skills are not always transferable. Additionally, metropolitan universities compete with private business and industry, and each other, for staff. The competition is especially difficult for public institutions, whose wage scales are lower than those of private universities and the corporate sector. Student employees can earn more money in the community; thus recruiting and retaining lower-paid employees is also a problem.

Admissions. One example of a student affairs unit that illustrates different student affairs staffing patterns is admissions. Student recruitment in metropolitan universities requires different strategies than recruitment at other types of institutions. These differences necessitate alternative staffing patterns and organizational roles. Admissions offices are likely to be organized around recruitment of students from the metropolitan area as compared to other universities that extend recruitment staffing across a state or multistate region.

Metropolitan universities often have to convince prospective students of the advantages of attending a local campus; typically, they focus the marketing approach on the more reasonable cost for a quality education or the value of being located in an urban setting. This strategy frequently results in additional recruitment costs since these institutions must compete in the market

as a "perceived lesser brand," and consequently they must do more to convince the public to purchase their product. A decade ago, metropolitan institutions focused less on recruitment efforts, but the current trend is for increased staff to perform this function as marketing and sales techniques have grown more sophisticated and metropolitan institutions have attempted to retain their market share of eligible students. Recruitment efforts require more contact with students than is that case at other universities, which focus on one campus visit. At metropolitan institutions, recruitment efforts may include invitations for multiple campus visits and inviting prospective students to campus events.

Additionally, the staff hired to perform recruitment functions at metropolitan universities may differ in qualifications from those who perform this function at traditional institutions. Local experts who are well connected in the community, particularly those who can help with underrepresented minority groups, may be hired to assist with recruitment efforts despite their lack of job experience in the field of student recruitment. This approach results in a need for more staff training and development programs.

Diversity. Metropolitan institutions generally have a higher percentage of minority students enrolled because larger numbers of minority individuals reside in urban areas. Because of internal and external forces, these institutions often must maintain an enrollment that closely mirrors or exceeds the minority percentages in the community. For these reasons, the institutions must recruit and retain staff who reflect the community composition so as to provide students with a variety of role models. A diverse faculty and staff is presumed to hold a higher level of understanding and sensitivity for minority student needs. Minority students often receive specialized support services provided by special student service units; this requires additional staff and financial commitments on behalf of the institution.

Athletics. Given the urban character of the campuses, and the nature of student recruitment described in the admissions discussion earlier, most metropolitan institutions rely upon athletic programs that are reflective of the community and attractive to community members. Given the recent emphasis on basketball as the predominant participant sport in urban environments, it should not be surprising to learn that men's and women's basketball is the primary sport for most metropolitan institutions.

There is a clear difference between metropolitan university athletics and athletics at residential institutions. In metropolitan areas, there are many other competing interests for individuals who enjoy attending sporting events, including professional sports and those at other colleges. Rural campuses have little competition in this regard. As a result, athletics staff at metropolitan campuses must spend additional dollars on marketing and have less of a fan base for ticket sales, which affects availability and distribution of funds within the department.

Athletics at some metropolitan institutions may be less important, while at others it is emphasized. Comparisons among institutions can only be made when similarities exist in the level of competition (such as National Collegiate

Athletic Association, or NCAA, division membership classification), conference affiliation, and similarity of sports being offered. For example, institutions with football teams competing at the Division I level within the NCAA have significantly higher costs and staffing levels compared to a metropolitan institution without football that competes at a different athletic level within another athletic conference. Major college football carries higher costs thanks to the large number of athletes and coaches involved, in addition to higher administrative, travel, and recruitment costs.

Budgeting

Colleges and universities obtain their operating funds from a variety of sources and then develop their own internal processes for allocating those funds. Both of these processes require that institutional planning and organizational decision-making systems be put in place. A system is needed to determine the appropriate level of financial resources to support institutional goals, examine methods for obtaining funds, and review the internal distribution of funds that are collected.

Each of these processes relies upon experts who have an understanding of financial issues. Metropolitan institutions generally do not differ from other institutions in their need to develop appropriate budgeting procedures.

Sources of Budgets. Institutional budgets typically consist of several different components: operating budgets, capital budgets, restricted budgets, auxiliary enterprise budgets, hospital operations budgets, service center budgets, and unrestricted budgets. Student affairs units generally rely upon only a few of these sources.

Operating budgets are derived from the primary source of income available to the institution. In public institutions, operating funds come from state-allocated resources and tuition dollars. At private institutions, tuition dollars serve as the main funding source for operating budgets. These funds generally are earmarked to specific departments and programs. The institution may have some control over internal allocation or reallocation of these funds.

Capital budgets consist of funds provided to the institution for facilities. These funds may be utilized for construction of new facilities or maintenance or renovation of existing facilities. Capital funds usually are provided to public institutions by the state after a priority list is derived. Private institutions often rely upon specific endowments or gifts to fund capital projects.

Restricted budgets consist of funds allocated to the institution by state, federal, or local agencies for specific purposes or from donations made to the institution by alumni or others who earmark the donation for a specific purpose. Examples include such diverse issues as a federal research grant for laboratory studies or a faculty chair in the English department. A restricted budget also may consist of funds derived from student fees earmarked for certain expenditures.

Auxiliary enterprise funds are derived from student fees or generated income from the sales of merchandise or services provided by auxiliary operations. In some states, these funds may not be commingled with operating funds.

Hospital budgets are similar to auxiliary funds in that funds allocated for the operation of -a hospital may not be reallocated for other purposes, and funds for other purposes cannot be redirected to the hospital. University hospitals commonly are found at metropolitan institutions.

Service center budgets usually consist of units whose budgets serve as a "pass-through" to provide a service for the institution. Essentially, all of the unit's operating funds are derived by charging other units for services. Examples of this approach include central word processing areas, telecommunications, and publications offices. Unrestricted funds are generally very limited; however, an institution may have endowments that -have been provided without any specific designation and that can be utilized at the institution's prerogative.

Many metropolitan universities also derive income from special user fees, in which students are charged for applications or transcripts, or for a differential cost of enrolling in certain courses or academic programs such as architecture, computer science, or engineering.

Student Affairs. Student affairs units typically receive the bulk of their funding from the operating budget of the institution. Those institutions funded by state or other public funds thus may find that mandates for the use of those funds have been imposed by state legislatures, the governor, and state higher education governing authorities. Funds may be specifically earmarked for one special type of program but cannot be reassigned without legislative authority. Student fee revenue resulting from fees collected separately from tuition may support a portion of student affairs. Student fee levels are usually set in consultation with student committees who have some authority to review unit budgets and allocations to specific programs. Fee budgets at many metropolitan institutions tend to be higher than at traditional institutions for several reasons. First, student affairs divisions are not funded as well from institutional operating funds. Second, many metropolitan institutions are younger than traditional institutions, and hence the cost of adding services when a metropolitan institution was begun is higher than for a program started many years ago. Third, wages and construction costs are generally higher in metropolitan areas; thus, it costs more to provide services or build facilities.

Auxiliary enterprises are units that generate all or part of their operating budgets from sales or services. Units such as residence halls, bookstores, recreation centers, dining services, student unions child care centers, and intercollegiate athletics are all examples of auxiliaries. Although auxiliary units generally are expected to be self-sustaining, they may receive some state or student fee funds, depending on state regulations, institutional policies, or institutional traditions. Metropolitan universities are more likely to house child care centers because this service is needed by students with children. Child care centers may be funded by a combination of institutional subsidies, student fees, and user fees. Institutions subsidizing child care- centers are apt to do so in order to provide this service at a lower cost for students and support staff for whom the service would otherwise be unaffordable.

Another form of student affairs funding has been termed "fees for services." These fees are charged only to those students who directly utilize a service, distinct from student fees that essentially tax all students to provide a common good. Examples of the fee-for-service trend are fees for counseling visits or health center visits. Child care centers that are completely self-supporting would also be listed in this category.

Other sources of funds for student affairs units include grants for specific programs, income derived from rentals or leases of facilities to outside groups, bonds, capital funds, and earmarked funding provided by donors and corporations. Bonds are typically issued for the purpose of funding new facilities. Examples of bonded student affairs facilities are entertainment arenas, student unions, residence halls, and recreational or athletic facilities.

Budget Allocation Process. Once an institution obtains its resources, the funds are allocated within the institution through an internal process. Student-affairs divisions typically receive small amounts, if any, of new resources when they become available, and often student service programs are viewed as easy targets during budget reductions (Pembroke, 1985). Academic programs and academic support services usually receive the top priority of key campus leaders. State legislators are more apt to accept the rationale for additional library funds or engineering college initiatives than to provide funds for student development activities. Thus, student affairs divisions usually receive fewer new resources allocated to the campus by the state. Additionally, when campus chief executive officers make internal reallocation decisions, academic programs typically are given greater priority.

Generally, the budgetary process utilized in colleges and universities varies among institutions. The budget process may be affected by a number of factors, including institutional character, participation, trust, openness of the process, centralization of authority, and demand for information (Meisinger and Dubeck, 1984).

Alternative Funding Sources. Given the lack of consistency in annual allocations for higher education at state institutions, and the instability of maintaining consistent enrollment levels at both private and public institutions, institutions have to locate other sources of funds. Vandament (1989) identified several other potential budget sources for universities, many of which directly benefit student affairs divisions: (1) increases in user fees, such as tuition and other fees, including innovative special fees that support hiring additional faculty, purchasing computers, or constructing new buildings; (2) revenue bonds to finance construction projects such as residence halls and entertainment arenas; (3) aggressive investment strategies; (4) income derived from increased enrollments resulting from enhanced marketing and recruitment efforts or new academic curricula that attract additional students to the institution; (5) private funds from aggressive development campaigns directed toward alumni or corporations; (6) joint financial agreements between the institution and industry for research or training; and (7) grants from federal or state agencies.

Budgeting Models. Budgeting has been described by various authors as the method utilized by the institution to distribute its resources or as a means of financial planning (Caruthers and Orwig, 1981; Lozier and Althouse, 1983; Wildavsky, 1984). The human dimension of "translating financial resources into human purposes" (Wildavsky, 1984) equates budgeting with other organizational processes. Many budgeting models have been or are currently being utilized by higher educational institutions.

Most budgeting is done incrementally. Changes in budgets from one year to the next are compared with the resources allocated during the previous year. This process results in very small changes since continuing commitments do not vary unless either new programs are added or significant budgetary reductions affect the unit. Political scientist Charles E. Lindblom described this concept as "the science of muddling through" (cited by Meisinger and Dubeck, 1984, p. 182).

Other approaches utilized by colleges and universities in the past include planning/programming and budgeting systems (PPBS), zero-based budgeting (ZBB), and formula budgeting. An emerging approach is termed cost-center or responsibility-center budgeting. Under this model, each "tub is on its own bottom" (Meisinger and Dubeck, 1984, p. 188) such that every unit is expected to either manage its prescribed allocation or become self-supporting by generating its own income. This model forces units to become more accountable for their own actions; however, it is also costly for each unit to hire its own financial expert.

Privatizing and Outsourcing. A current trend affecting student affairs divisions is the use of private vendors to provide services that were previously extended by the institution. Examples of this trend, which is often termed privatization or outsourcing, include contracting with firms to provide catering, management of facilities, bookstores, health insurance, psychological counseling, police and security, custodial services, temporary clerical staff, and project management. Each of these ideas has the potential to save a substantial sum of money expended by the institution to operate these units; also, the profits made by these firms can be shared with the institution in exchange for the privilege of the contract.

Outsourcing may have a negative effect upon the institution in several ways. University staff positions must be replaced by employees hired by the private vendor that is retained to perform the service. This practice may be controversial, particularly at campuses with strong employee unions. Another problem involves loss of direct control of the service until it is time for the contract to be renegotiated. Although the contract may permit the university to have a great deal of input in daily operations, managerial and advisory issues must be identified and negotiated as part of the original contract.

Costs Differential. Many factors contribute to higher student service costs at metropolitan institutions. First, the cost-of-living index is generally higher in metropolitan areas than in rural areas, so costs of supplies, services, and equipment are higher. Second, the competition for both professional and support staff drives salary levels higher than at institutions in rural communities without

larger worker and industrial bases. Third, most metropolitan campuses are younger in age than rural institutions, which results in higher start-up costs for programs and services. As an example of this phenomenon, building residence hall is much more expensive now than a generation ago. Additionally, institutions with a longer history can benefit from a larger and more successful alumni and donor base.

Finally, metropolitan universities find that the cost of providing services is higher than at residential campuses because of higher drop-out and stop-out rates and the lower average credit hour enrollment of metropolitan students. It can cost just as much to provide services (such as advising and counseling) for students taking six or nine hours as it does for students taking fifteen or more hours. Furthermore, services are expended to prepare students for the given semester, and when they drop out additional students have to be recruited to replace those who left. A larger headcount is usually needed at metropolitan universities to generate the same number of credit hours as for traditional students engaged in a steady pattern of full-time enrollment. This has significant implications on the tuition and fee income levels and expenditures for necessary student services.

Accountability. The need to create an accountability system grew more prevalent in higher education in the 1990s. As a result of public criticism given the cost of tuition and public support dollars, institutions have been asked to justify their results. Student affairs units are under closer scrutiny because of a historical dearth of outcomes measurements. Whereas academic units can reflect credit hours, student enrollments, and publications produced by the faculty, student affairs units have no such measurements in terms of the value of each unit. Student affairs units are under increasing pressure to develop outcome measurements, probably in line with the suggestion provided by the Student Learning Imperative of the American College Personnel Association (1994). Assessment tools that indicate the contributions made by student affairs functions to student learning and development assist student affairs divisions in articulating their case for additional resources and institutional power.

Student affairs divisions in metropolitan universities and colleges are also under pressure to provide outcomes measurements given the lower rates of student retention and graduation at these institutions.

Conclusion

Student affairs units at metropolitan campuses share many of the same issues faced by their counterparts at other universities and colleges. Organizational changes, staffing levels, and financial resources are all concerns to student affairs staff. Metropolitan campuses face unique issues involving the pressure to provide services to a diversifying student population while available resources are declining. At the same time, new delivery systems such as off-campus sites and distance learning programs are adding costs to services.

Student affairs divisions in metropolitan universities are, in some ways, better able to meet the challenges facing higher education today. The metropolitan community affords more opportunities to find local consultants, and to interact with elected officials who may provide assistance to the institution. Greater options are available for students, faculty, and staff to perform practical outreach activities as practice that combines academic learning with skill development.

Metropolitan campuses, with their nontraditional student populations, continue to be attractive to students, faculty, and staff. Institutional planning that includes leaders from student affairs can assist in developing appropriate organizational, staffing, and financial plans.

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