

INSIDE
HIGHER ED



Money Talks: Explaining Finances to the Entire Campus Community

An Inside Higher Ed webcast

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2 p.m. Eastern

Presenters



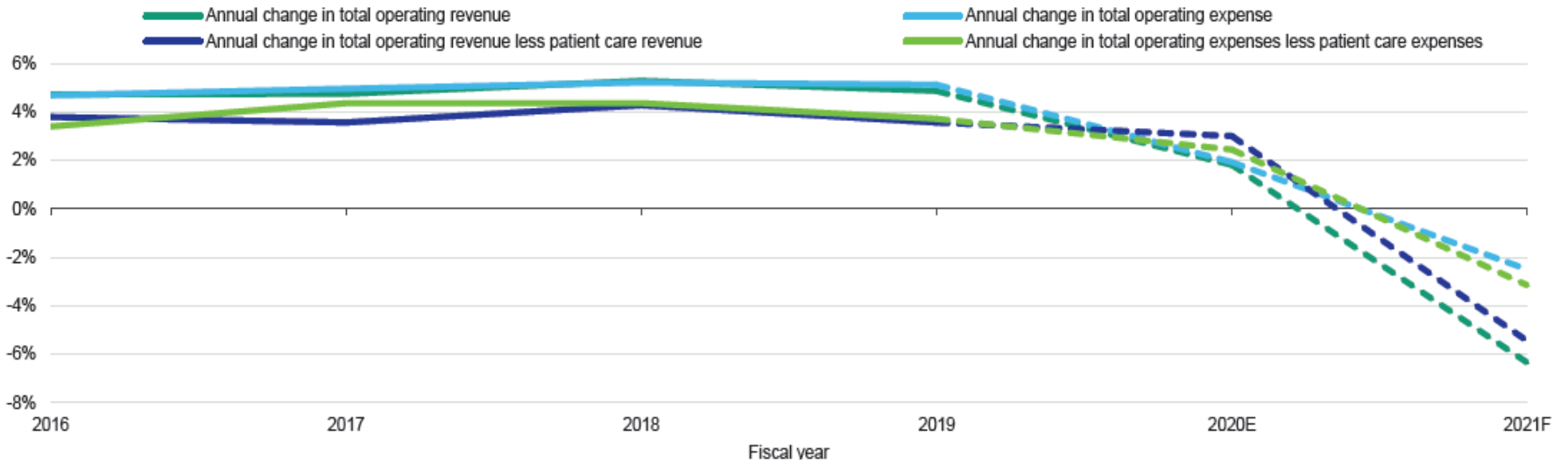
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Higher Ed's Financial Outlook

Exhibit 1
Revenue will decline in fiscal 2021 with potential for a recovery in the second half of the year
Revenue and expense change with and without patient care



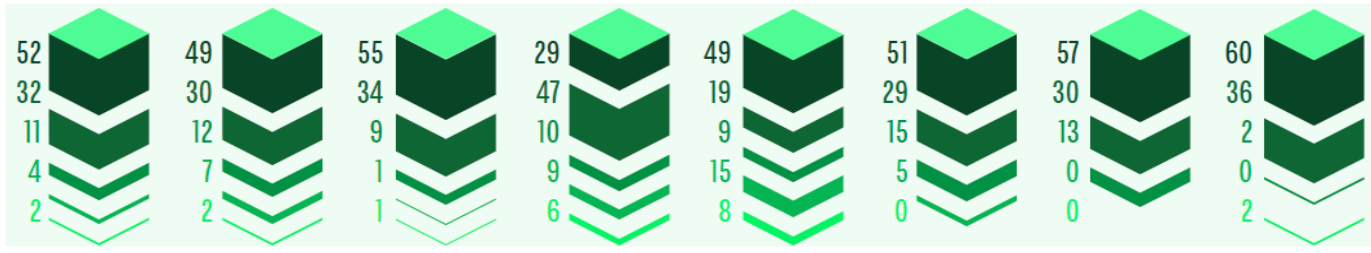
Moody's Investor Service

Higher Ed's Financial Outlook (cont.)

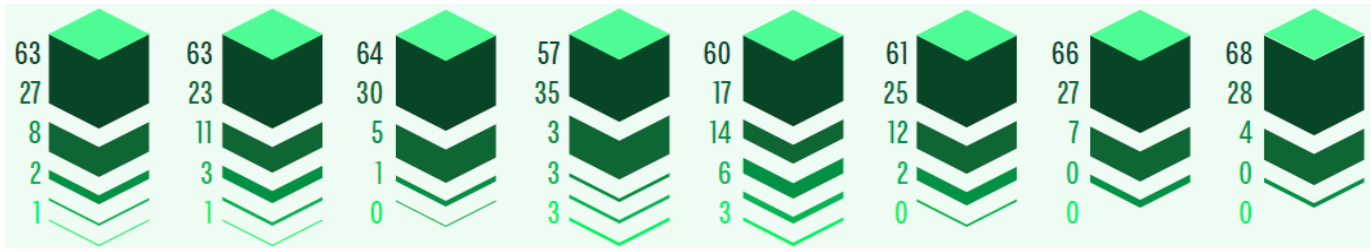
	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
I am confident my institution will be financially stable over the next 10 years.								
%5 Strongly agree	20	22	15	19	13	25	15	12
%4	33	39	26	55	28	36	28	26
%3	35	30	40	23	34	34	35	42
%2	13	9	18	4	24	5	20	18
%1 Strongly disagree	1	0	1	0	0	0	1	2

Views of the Financial Situation

Trustees are aware of and understand the financial challenges confronting my institution.



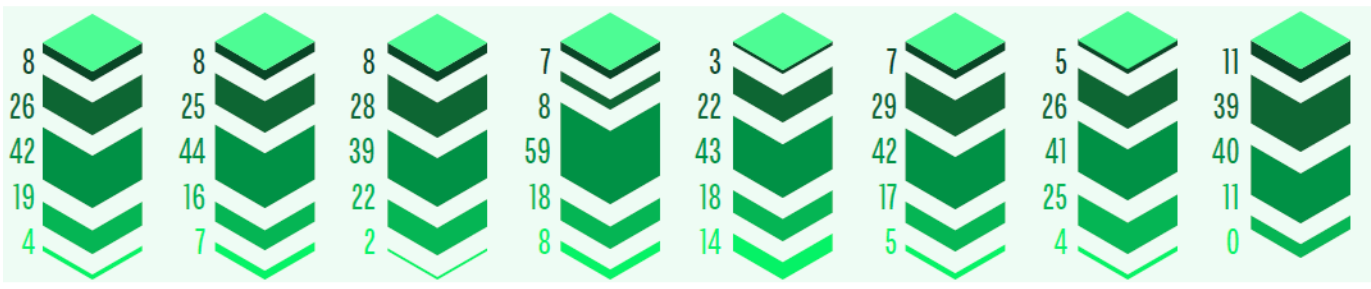
Senior administrators are aware of and understand the financial challenges confronting my institution.



Strongly agree

Strongly disagree

Faculty members are aware of and understand the financial challenges confronting my institution.



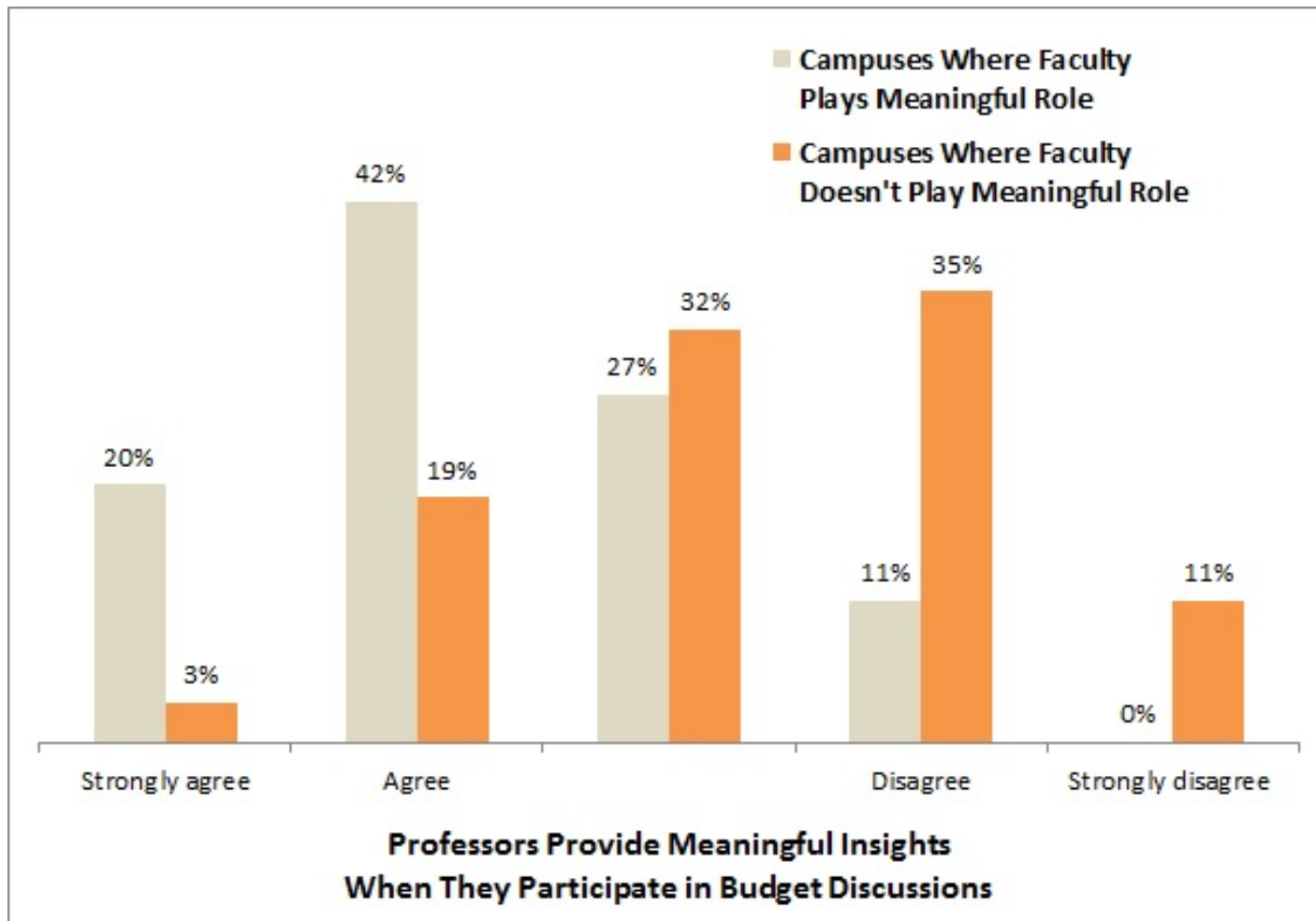
Why Do the Views Differ?

	All Institutions, by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
Do you rely on periodic financial reports that include projections to year-end?								
% Yes	93	89	96	96	83	89	98	93
% No	7	11	4	4	17	11	2	7
How often do you run this report?*								
% Weekly	4	4	3	3	5	2	1	3
% Monthly	61	68	51	62	60	77	49	51
% Quarterly	28	23	35	35	32	16	46	40
% Less often	7	4	11	0	2	5	4	6
To which campus groups is the report distributed? Select all that apply.*								
% The president's cabinet	73	67	81	54	69	64	83	91
% The governing board and/or the finance committee	65	57	74	40	41	64	75	63
% A faculty governing body	8	11	6	13	24	8	5	10
% The student governing body	3	5	1	2	11	2	1	2
% None of these	9	15	3	28	14	17	5	2

Why Do the Views Differ? (cont.)

	All Institutions by Sector			Public			Private Nonprofit	
	All	Public	Private Nonprofit	Doctoral	Master's/ Bacc.	Assoc.	Doctoral/ Master's	Bacc.
How aware do you think key campus constituencies – such as students, faculty and staff members, and alumni – are about the current financial health of your institution?								
% Very aware	15	9	20	15	6	10	11	27
% Somewhat aware	61	61	61	53	73	61	67	57
% Not too aware	19	23	16	25	19	21	17	14
% Not aware at all	5	7	3	6	2	9	5	1
Are senior administrators and governing board members at your college giving key campus constituencies accurate and sufficient information about the financial health of your institution?								
% Yes	86	89	83	81	89	89	91	79
% No	14	11	17	19	11	11	9	21

Why Do the Views Differ? (cont.)



Do Colleges Have Good Information to Share?



Understanding the Roles

“The allocation of resources among competing demands is central in the formal responsibility of the governing board, in the administrative authority of the president, and in the educational function of the faculty. Each component should therefore have a voice in the determination of short- -and long--range priorities, and each should receive appropriate analyses of past budgetary experience, reports on current budgets and expenditures, and short- -and long--range budgetary projections.”

--*“The Role of the Faculty in Budgetary and Salary Matters,” American Association of University Professors*

Communication as Key

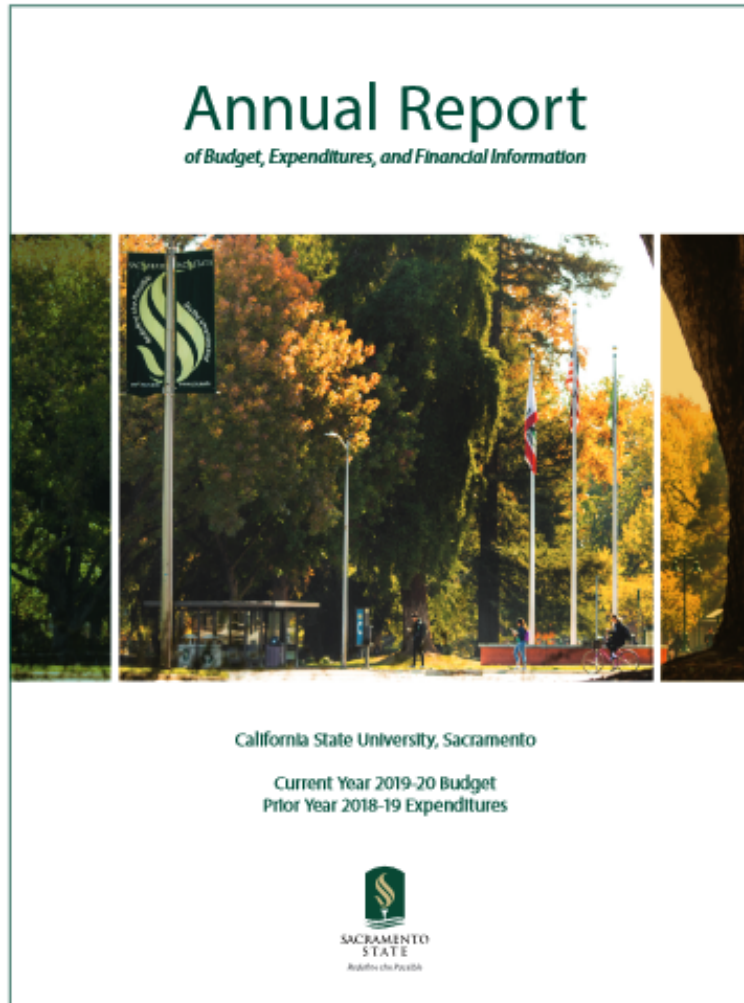
“The trick is recognizing something that we are often blind to: as business officers, our training and indoctrination prepares us for the functional aspects of our work, yet we often receive scant training in communicating with faculty and students.”

--Jeffrey Ratje, associate vice president for finance, Division of Agriculture, Life and Veterinary Sciences, and Cooperative Extension, University of Arizona

Forms for Communicating



One University's Example



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Not Just in a Crisis

“The fundamental question is whether one is so concerned about tension that one tries to avoid having the conversation until all relevant decisions have been made and the whole package can be announced. The choice is either to have these conversations as a regular part of campus life, or to be confronted episodically with unwelcome announcements of various sorts that make people feel excluded from a decision process.”

--Richard Kneedler, consultant, former college president

Not Just in a Crisis (cont.)

Ohio University faculty, staff protest layoffs, budget cuts

EDUCATION >

Iowa universities outline massive budget cuts

Tuition revenue hits projected to be the biggest loss

UVM students plan protests amid cut proposal

Marquette Faculty Council issues letter to the Marquette community, provide potential solutions to budget shortfall

With Thanks ...



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