

Public Institution and University System
Financial Conditions Survey

by Cristin Toutsis and Rich Novak

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Introduction

This report provides an overview of current financial conditions in public higher education. Using such metrics as funding levels, budget cuts, strategies for cost reductions, creative board actions, tuition and financial aid levels, enrollment projections, private support, and current board practices, we have tried to capture the essence of the challenges college and university boards are facing and how they are responding.

As the economy continues to dominate the news nationally, states are cutting, limiting, and redistributing resources. According to the Center on Budget and Policy Priorities' *State Budget Troubles Worsen*, "47 states faced or are facing shortfalls in their budgets for this and/or next year."ⁱ The Center's March 2009 report also indicated that 2009 mid-year shortfalls of \$53 billion are plaguing the states. In this economic climate, states are facing severe budget deficits that are directly influencing educational revenue and expense streams for public higher education.

Several senior administrators have weathered previous recessions and budget downturns in the early 1980s and early 1990s. There are fears, however, that this recession may be worse than any economic downturn since the Great Depression. Federal dollars from the Obama Administration will help. But with the length and depth of the current recession unknown, public college and university governing boards, their chief executives, and other senior administrators will face difficult challenges and choices.

The current fiscal downturn in the nation and in our states is of serious concern to policymakers and higher education leaders, not only for its effects on colleges and universities, but also for its effects on students and families. The National Center for Public Policy in Higher Education (NCPPE) recommended in its March 2009 report, *Challenge to States: Preserving College Access and Affordability in a Time of Crisis*,

*"...in the immediate crisis, the leadership of governors, legislatures, and governing boards is critical. They must devise and implement strategies to preserve college opportunity while stimulating innovations to prepare for a future that will require enhanced access, quality, cost-effectiveness, and productivity."*ⁱⁱ

In light of the economic realities and fiscal constraints placed on higher education, it is arguable that public higher education is in a critical position to be dramatically altered for future generations. Decisions will not likely be incremental; rather, for public institutions and systems to thrive, transformational change will be required to sustain fundamental needs and interests.

All stakeholders, especially state policymakers and higher education leaders, must come together to accept ownership and responsibility to create effective and responsive public policies that advance state agendas and public workforce needs. Those who will lead public higher education through this crisis must also keep a focus on the future—on the strategic choices that must be made to transform their institutions while addressing the all-important priorities of the state public agenda.

As we prepared this report, we were cognizant that state fiscal conditions are volatile. Many

experts are predicting that conditions will worsen as the year continues. We hope that this turns out not to be the case. But based on what several survey respondents project at this point and the fact that state tax collections will lag at least one year behind any economic recovery, we fear that funding for public higher education will indeed worsen from the already declining situation presented in this report.

We hope you will find this report informative and meaningful. Where it illuminates a finding, we have included data and information from other sources. These sources are indicated in the footnotes.

Further Research

A number of boards indicate that they are uncertain about some responses, as state legislative sessions are still in progress. As a follow-up, AGB's biannual State Governance Action Report (SGAR) will be published by the Ingram Center in June 2009. This report will include newly enacted legislation regarding finance and governance topics in public higher education.

Further Information or Questions

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Highlights from the Survey

- The 40 percent survey response rate provided a solid sample size to gather data points on the current and projected financial realities in America's systems of public higher education.
- Sixty-two percent of board chairs and executives responded that the current economic and fiscal crisis is having a substantial impact on their institutions and/or systems. Clearly, this economic downturn is viewed very seriously by the board chairs, executives, and other senior administrators at America's public colleges and universities.
- Governing boards and senior administrators are working hard to address the current crisis. Board and executive leaders are scheduling more meetings of the board executive committee, calling additional meetings of board committees, and forming special ad hoc committees to deal with the situation. Over one-half of board chairs and executives report that they are engaging in additional meetings of the chief executive's cabinet.
- The economic and fiscal crisis is having a profound impact on public higher education in the following states: Alabama, Arizona, Connecticut, Florida, Kentucky, Minnesota, New Jersey, New Mexico, New York, Ohio, South Carolina, Tennessee, Utah, and Virginia. Boards and executives in 14 states report three consecutive years of budget reductions, a reduction in the fiscal year 2009 level from fiscal year 2008 levels, a mid-year cut in fiscal year 2009, and a projected decline in fiscal year 2010. Public higher education in these 14 states is experiencing its own version of a "Misery Index."
- As educational leaders sift through possible impacts of state stabilization funds becoming available through the American Recovery and Reinvestment Act of 2009, boards are contemplating how the federal stimulus funds may help offset missing state revenue. Respondents were split over whether the funds would help forestall or mitigate immediate cuts—not preventing reductions that must be made in the upcoming fiscal year—or whether the funds would have any effect at all.
- As signs that state governments were undergoing difficulty prior to the current year, 42 percent of respondents indicated that this year's state budget was reduced from fiscal year 2008. On top of already reduced budgets, 66 percent of respondents experienced mid-year cuts. As funding dilemmas are projected throughout the next two years, 74 percent of boards will face budget cuts in fiscal year 2010 (academic year 2009-10).
- As a result of declining revenues, 79 percent of boards are experiencing at least a 5 percent cut in their operational budgets this year.
- In rank order, boards are taking the following steps to immediately reduce costs: hiring freezes or restrictions; travel freezes or restrictions; postponing capital spending; reducing maintenance; and making uniform cuts across the institution or at all system campuses.

- Demonstrating a capacity for creative strategies, institutional leaders are developing short- and long-term initiatives to generate transformational change. Some examples include: creating committees of economic experts; course redesign initiatives— curriculum restructuring; and implementing renewable “green” energy systems.
- There is much uncertainty surrounding changes in undergraduate tuition charges for the next academic year. Although 40 percent of boards (in 26 states) are increasing tuition an average of 6.65 percent, 49 percent of boards (again, in 26 states) are unsure as to what changes may actually occur. Also, and with regard to affordability, 52 percent of boards (66 percent of states surveyed) plan to increase institutional sponsored financial aid.
- Not surprisingly, the economic downturn is having its effects on private giving. Twenty percent of respondents tell us they are postponing the launch of a fund-raising campaign; another 20 percent are adding or changing campaign priorities; and 27 percent are extending the current campaign. Nine institutions and systems (11 percent) are decreasing their on-going campaign goals.

About the Survey

In February 2009, the Ingram Center for Public Trusteeship and Governance of the Association of Governing Boards of Universities and Colleges (AGB) conducted a survey to determine the effects of the economic downturn and fiscal crisis on public higher education. Surveys were sent to the governing board chairs of the nation's 225 public universities and university system governing boards who were asked to complete the survey on behalf of their institution or system. These boards govern all of the nation's public four-year colleges and universities. Of the 225 surveys, 90 were completed, creating a 40 percent response rate. (Some surveys were referred to the chief executive or the chief financial officer for completion.)

Surveys were gathered from institutions and university systems in 46 states and the territory of Puerto Rico. For the purposes of this study, Puerto Rico will be included in the data for states. Respondents provided invaluable information that sheds light on the economic and financial uncertainty state officials and public higher education leaders are grappling with at this time.

Overview of Survey Representation:

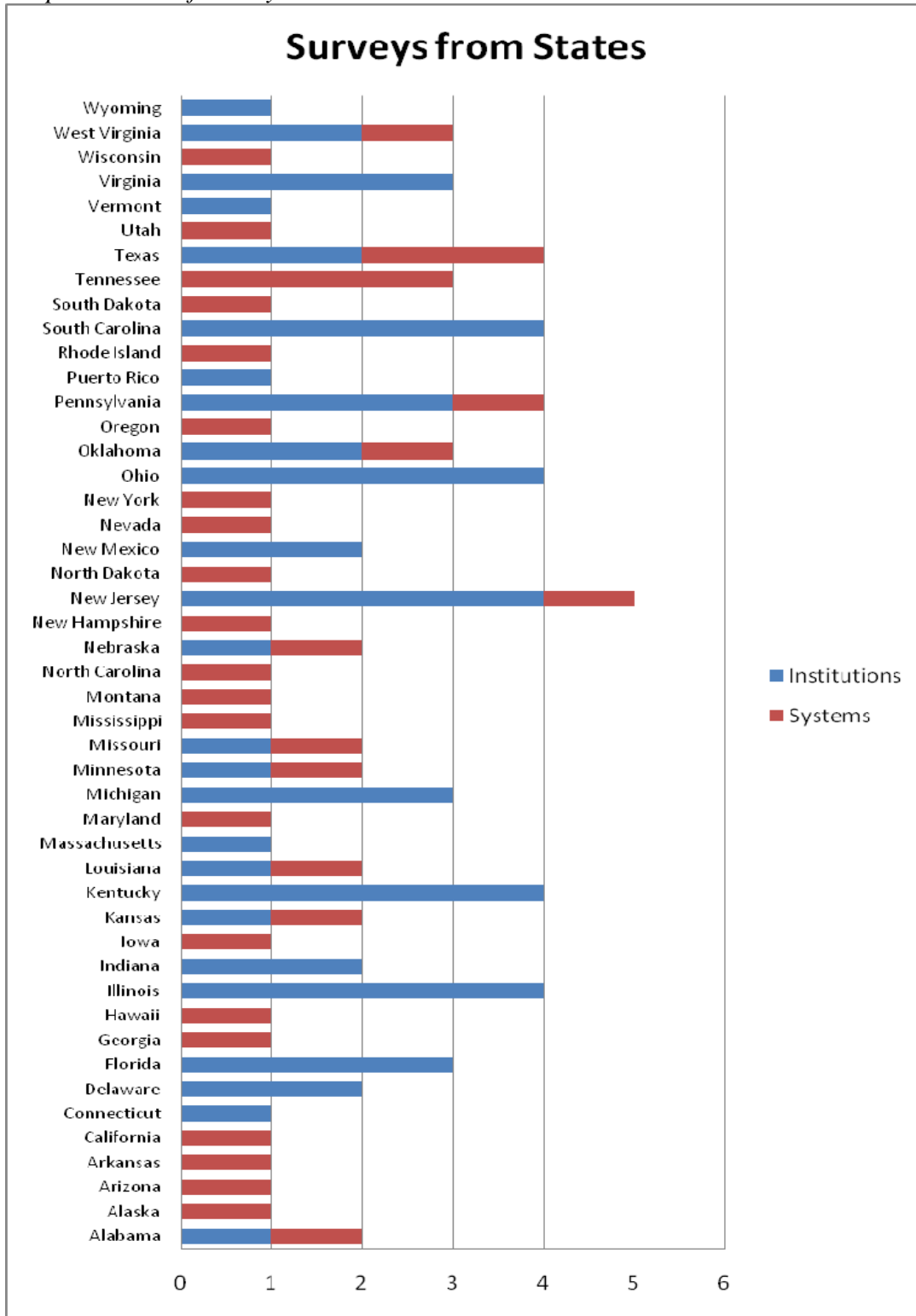
Table 1: Respondents

Total Surveys	Total States	Territory	Total States and Territories
90	46	Puerto Rico	47

To gain a better perspective of how many surveys were received from each state, refer to the graph on the following page. Graph 1 provides a breakdown of surveys received from institutions and university systems. Thirty-two responses were received from university system and statewide boards. In these states and university systems, one governing board governs all or several of the state's four-year colleges and universities. Thus, a single response from the board chair or the system chief executive covers several institutions.

With many boards and states represented, it is possible to gain a greater, more in-depth understanding of issues board chairs and executives are facing and the actions/strategies that are being implemented (or will be implemented) to address today's challenges.

Graph 1: Ratio of Surveys to States



Note: In addition to the University of Tennessee System, the Tennessee Board of Regents and Tennessee Higher Education Commission are listed as systems for the purposes of this report.

Response percents were calculated using 90 surveys for all questions except our question regarding the American Recovery and Reinvestment Act of 2009 (federal stimulus), which was incorporated in the second round of survey correspondence with boards and to which 24 responded (27 percent of all surveys received). As the federal government released more information and clarified how public higher education could benefit from these funds, we thought it appropriate to incorporate a related question for this survey.

Themes

Responses for all 90 surveys were aggregated and compared using the following themes:

- I. Economic Conditions
- II. Effects of State Budgets
- III. Effects on Institutional or System Budgets
- IV. Tuition, Aid, and Enrollment
- V. Private Support; and
- VI. Board Practices

I. Economic Conditions

To gain a better understanding of financial conditions, board chairs were asked to rate the current impact of the crisis. Clearly, this economic downturn is viewed very seriously by board chairs, executives, and other senior administrators at America’s public colleges and universities. As seen below, 62 percent indicated that the crisis is having a “substantial” impact on institutions and systems. Table 2 represents all board chairs’ perceptions.

Table 2: Perceptions on the Impact of the Economic and Fiscal Crisis

Impact	Percent
Little or None	3%
Modest	25%
Substantial	62%
Don’t known/can’t say	9%
No response	1%

The American Recovery and Reinvestment Act of 2009

A question regarding the American Recovery and Reinvestment Act of 2009 was asked mid-way through the survey process as the Stimulus Package was developed and passed. As is shown in Table 3, 11 boards say it will forestall or mitigate cuts but not prevent further reductions; 11 say the effects are unknown—too early to tell consequences as the money’s distribution by both the federal government and the states is not yet determined. Interestingly, only one board says it will have a positive effect.

In addition, the U.S. Department of Education recently released processes for how states should apply and/or plan to receive portions of state stabilization funds that may be eligible to them. A handful of governors have announced that they will reject possible federal stimulus monies. Perhaps not knowing how states will receive this funding and in particular, how it will be infused into higher education, led 46 percent to indicate that the effects [of the stabilization funds] are unknown or unsure.

Table 3: Initial Thoughts on the Fund’s Impact

American Recovery and Reinvestment Act of 2009	Response Percent	Percent of States
Will help to forestall or mitigate immediate cuts but not prevent reductions that must be made in the upcoming fiscal year(s)	46%	5%
Will have a significant, positive effect by retaining essential services, programs, and personnel for the foreseeable future	4%	4%
Will have little or no effect on our bottom line, positively or negatively	4%	4%
Effects are unsure or unknown	46%	5%

Qualitative survey responses also highlighted the uncertainty of how the state stabilization funds will be implemented and, as a result, what operations and programs will benefit. Some comments include:

- *“While we are in regular conversations with our governor, no final decisions have yet been made regarding allocation of the stimulus funds.”*
- *“Our governor has roughly [allocated] \$30 million to help with student aid grants and some to assist with state fringe benefits for colleges.”*
- *“We hope to use these funds for vital one-time expenditures—like deferred maintenance.”*

Conversely, some officials remain skeptical of the short-term relief these funds are meant to generate:

- *“By providing time to make program adjustments, the stimulus act gives us a ‘glide path’ to prepare for falling state revenues.”*
- *“At best, the stimulus funds will forestall cuts. Reductions appear to be inevitable for future fiscal years.”*
- *“It appears as if funds will be very limited and utilized to reduce capital debt and related fees.”*

II. Effects of State Budgets

Most public institutions receive the majority of their funding from state appropriations, and annual or biennial trends in state budgets are critically important. As signs that state governments were undergoing difficulty prior to the current fiscal year, 38 respondents from 20 states report that their current fiscal year 2009 budget was reduced from fiscal year 2008 levels. Facing an average 6.4 percent budget reduction, many already felt the strain of the economic conditions—well before and prior to mid-year cuts. The states in which responding institutions and systems reside are: Alabama, Arizona, Connecticut, Delaware, Florida, Illinois, Kentucky, Minnesota, New Jersey, New Mexico, Nevada, New York, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Utah, Virginia, and Wisconsin.

Table 4: Changes from fiscal year 2008

Prior to mid-year cuts, was this year's state budget reduced from fiscal year 2008?	Average Percentages	Number of Boards	Number of States
42% said Yes	6.4% reduction	38	20
58% said No	1.7% increase	52	33

A further sign of the declining conditions is witnessed in the question regarding mid-year budget cuts, seen in Table 5. Fifty-nine institutions and systems, 66 percent of respondents, report a mid-year cut in appropriations. The average cut among the 59 respondents is 5.3 percent. Sixteen of these 59 institutions and systems also experienced a cut at the beginning of the fiscal year, as reported above in question three. The states in which responding systems and institutions reside are: Alabama, Arizona, Connecticut, Florida, Illinois, Kentucky, Minnesota, New Jersey, New Mexico, New York, Ohio, Rhode Island, South Carolina, Tennessee, Utah, and Virginia.

Table 5: Mid-year cuts in fiscal year 2009 budgets

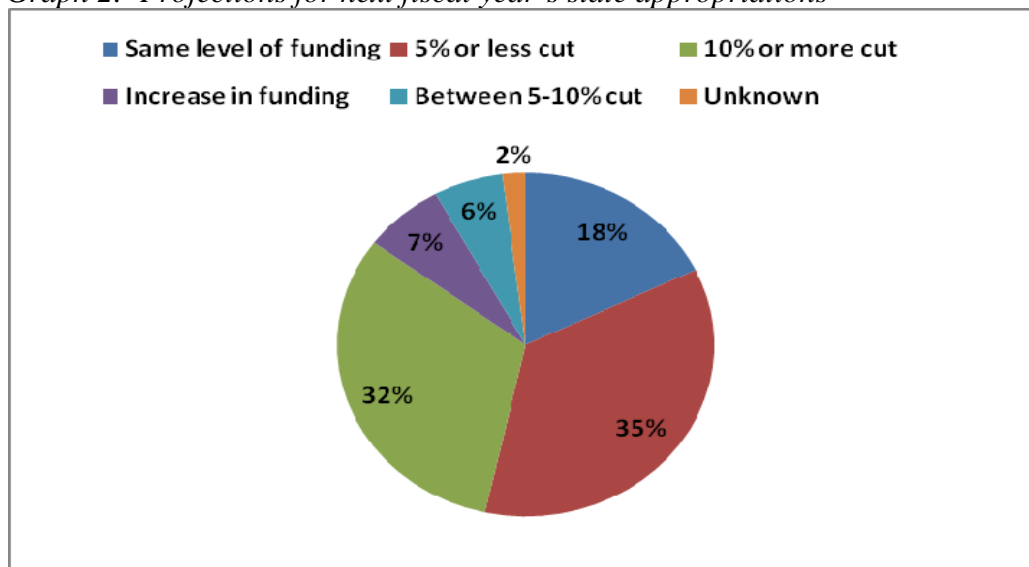
Have you experienced a mid-year cut in the state budget this fiscal year?	Response Percent	Number of Boards	Number of States
Yes	66%	59	33
No	34%	31	19

Legislative sessions were well underway at the time of the survey and most chairs and administrators provided their best projections for their institution or university system budget for fiscal year 2010 (or the next biennium). Seventy-three percent of respondents indicate that boards will face funding cuts in next fiscal year’s state appropriations. These cuts range from 5 to 10 percent, as demonstrated in Table 6. Thirty-two institutions and systems in 21 states will experience cuts of 5 percent or less. Increasing the level of fiscal concern, 29 boards in 19 states expect cuts of 10 percent or more.

Table 6: Projections for next fiscal year’s (2010) state appropriations

Projections: Next fiscal year's state appropriations	Same level of funding	5% or less cut	Between 5-10% cut	10% or more cut	Increase in funding	Unknown
Number of States	11	21	5	19	6	1
Percent of Respondents	18%	35%	6%	32%	7%	2%

Graph 2: Projections for next fiscal year’s state appropriations



“Misery Index,” – Three Fold: As signs that state governments were undergoing difficulty prior to the current year, 38 board respondents report that their current fiscal year 2009 budget was reduced from fiscal year 2008 levels. Deteriorating economic conditions and declining revenue led 27 boards in 14 states to report that not only was their current fiscal year 2009 budget reduced from fiscal year 2008, but that they experienced mid-year cuts for this fiscal year. These 27 institutions and systems went on to indicate that they will continue to experience cuts in next fiscal year’s appropriations. With three consecutive series of budget reductions and cuts, the economic and fiscal crisis is having a particularly profound impact on public higher education in the following states: Alabama, Arizona, Connecticut, Florida, Kentucky, Minnesota, New Jersey, New Mexico, New York, Ohio, South Carolina, Tennessee, Utah, and Virginia.

III. Effects on Institution and System Budgets

As demonstrated in Table 6 below, the precise level of reductions in institutional and university system budgets (due to reductions prior to and/or during the current fiscal year) are as follows: five (6 percent) reported reductions in their operating budgets of 11 to 15 percent; 21 (23 percent) report reductions of 6 to 10 percent; the largest number, 44 (49 percent), report cuts of 5 percent or less. Thus, 71 (79 percent) of responding institutions and systems are reporting reductions of some level in their 2008-09 operating budgets.

Increased tuition levels are cushioning the state reductions to the operating budgets, as in-state average tuition for full-time undergraduates increased dramatically across the board from 2002 to 2006. Increases include 29.8 percent at research institutions; 29 percent in the masters sector; and 18.1 percent in the community college sector. With increased tuition levels, 2006 net tuition served as 19 percent of total revenues at public research institutions; 29 percent in the masters sector; and 21 percent in community colleges.ⁱⁱⁱ

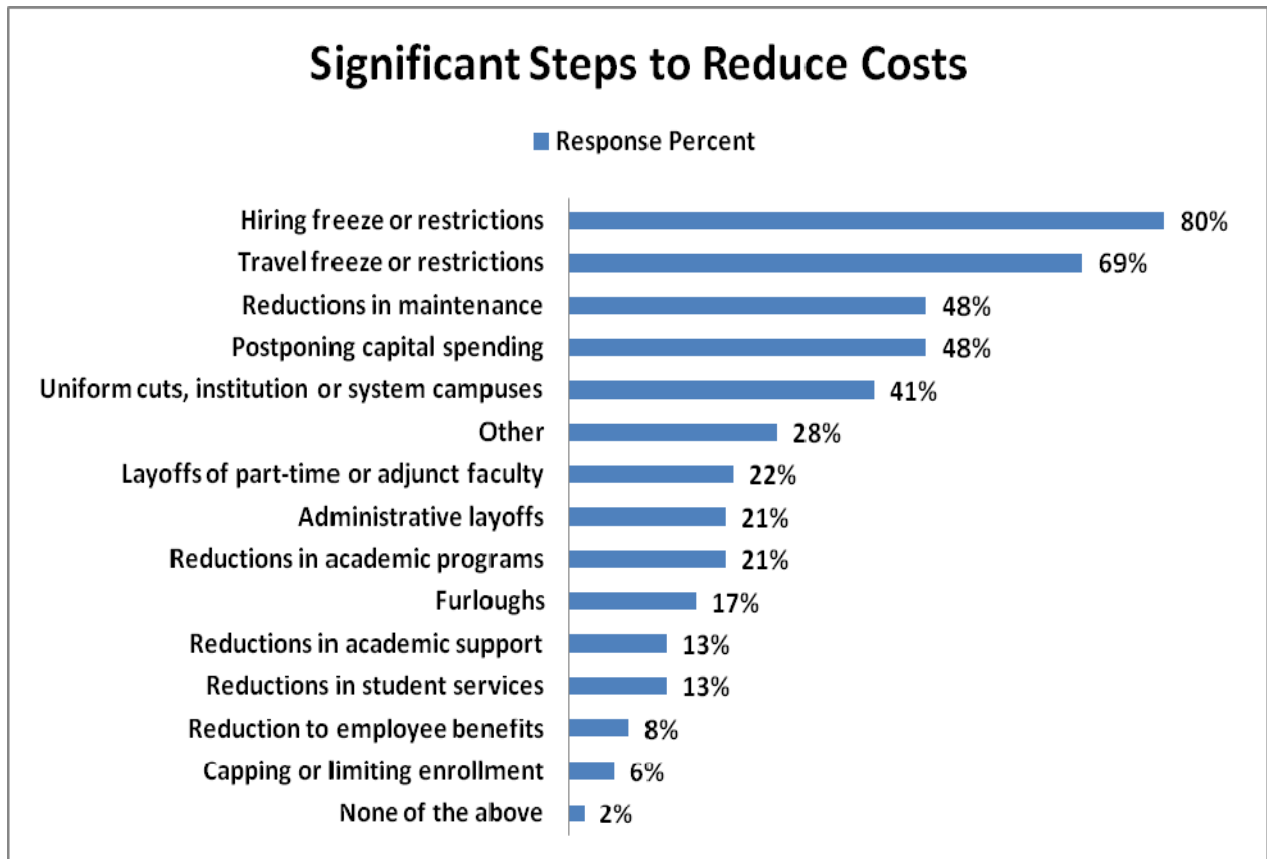
Table 6: Changes to this year’s (academic year 2008-09) institutional or system operating budget

What changes will be made to this year's budget?	No cuts	5% or less cut	6-10% cut	11-15% cut	16-20% cut	Budget increase	Too early to tell
Percent of Respondents	17%	49%	23%	6%	1%	3%	1%

Significant Steps to Reduce Costs

The necessary and immediate steps that institutions and systems are taking are cost reductions to reduce immediate spending. When asked what the five most significant steps being taken or considered in the current institutional or system budgets (or that have been proposed by campus leaders within the system), responses indicate the following: 37 respondents (41 percent) report uniform cuts across the board; 72 (80 percent) report hiring freezes or restrictions; 43 (48 percent) rank the same on reductions in maintenance and the postponing of capital spending; 20 (22 percent) are implementing layoffs of part-time or adjunct faculty; 19 (21 percent) rank the same for implementing administrative layoffs and reductions in academic programs; 12 (13 percent) reductions in academic support; and 15 (17 percent) are implementing furloughs.

Graph 3: Significant steps to reduce costs



Creative Strategies Developed by Boards to Reduce Costs

Necessary and immediate steps may get institutions and university systems through this fiscal year and the next, particularly if federal stimulus dollars can help mitigate the depth of cuts. Beyond these immediate steps, when asked to describe their most creative and innovative strategy(ies) or action(s), boards and administrators report proposing or implementing several. Data demonstrates that 51 (57 percent) boards surveyed have developed—or are working on developing—creative strategies to deal with the economy and fiscal crisis as it relates to future needs and priorities of their universities and university systems.

On the statewide/system level:

Evaluating how best to share services and possible academic programs was a common theme. Some comments include:

- *“Considering shared services between institutions with continued focus on efficiencies across all areas.”*
- *“[A] program viability study at each college to rate programs—least viable to most viable—will be used if necessary to decide academic program cuts”*
- *“Multi-institutional purchasing; institutional consolidation; block tuition; shared academic programs.”*

On the institution level:

More often than not, boards and executive leaders indicate that they are trying to manage broad cuts so as not to eliminate whole departments or functions. Although many institutions and systems are making across-the-board cuts, at least initially, additional cuts appear to be targeted and not across the board. Some comments include:

- *“Work[ing] with state officials to ensure maximum flexibility for the institution; manage reductions as broadly as possible by leveraging the strength of the entire institution.”*
- *“Looking at targeted cuts instead of across the board.”*
- *“Vertical cuts in lieu of across-the-board cuts.”*

Committees and workgroups:

Developing special ad hoc committee(s), scheduling joint committee meetings, and exploring ways to influence state tax policy seem to be some of the popular strategies among board leaders. Some comments include:

- *“Created a committee of top economic experts from the universities to evaluate state tax structure for looking at ways to enhance and stabilize revenue streams.”*
- *“Created an ‘Effectiveness and Efficiency Workgroup’ of the board charged with creating a system that would maintain a high level of quality while becoming more effective and efficient. This process has provided large savings opportunities throughout its existence and continues to reduce costs today.”*

Curriculum:

A wide-range of approaches are being implemented in this area, from proposals to lessen general education requirements, to creating a three-year bachelors degree, to incorporating greater technologies, course redesign, and online instruction, some responses include:

- *“In an effort to further reduce reliance of state support, the college increased enrollments by expanding and refreshing its course and degree program offerings to target new market segments for military and corporate partners.”*
- *“Three-year bachelor’s degree (under review.)”*
- *“Initiating an alternative college degree program for non-traditional students to increase revenue.”*

Employment Approaches:

As demonstrated in Graph 3, 80 percent of boards surveyed are currently implementing hiring freezes. Hence, it is interesting to observe the following strategies two boards use to aid hiring and employee workload issues, while considering cost and benefit analyses.

- *“Considering our strategic goals, hiring in the areas that are critical and implementing a hiring ‘chill’ as opposed to a hiring freeze. A freeze would be detrimental in the long-term.”*
- *“Matching up open positions with people who are in positions that can be eliminated. This in an internal, informal process.”*

Long-term Initiatives:**Environmental Sustainability**

Boards are also interested in environmental ways to save money through cost containment and sustainable resources.

- *“Renewable energy system; Going Green.”*
- *“Energy saving and recycling programs.”*
- *“The college’s closed-loop geothermal heating and cooling system (the first of its kind saves hundreds of thousands of dollars in utility costs annually); installed aquifer thermal energy storage (ATES) system to reduce energy consumption for cooling of academic space—providing future savings on costs.”*

Information Technology

One board is working to implement long-term information technology initiatives. This was somewhat surprising as a number of boards indicate they are looking at better ways to implement online instruction to reduce costs.

Fully 39 boards, or 43 percent of respondents, indicate that they do not have strategies to share at this time or that it is too early to determine. Boards and administrators may still be working through what short-term and long-term creative strategies they can use to forge ahead. Given

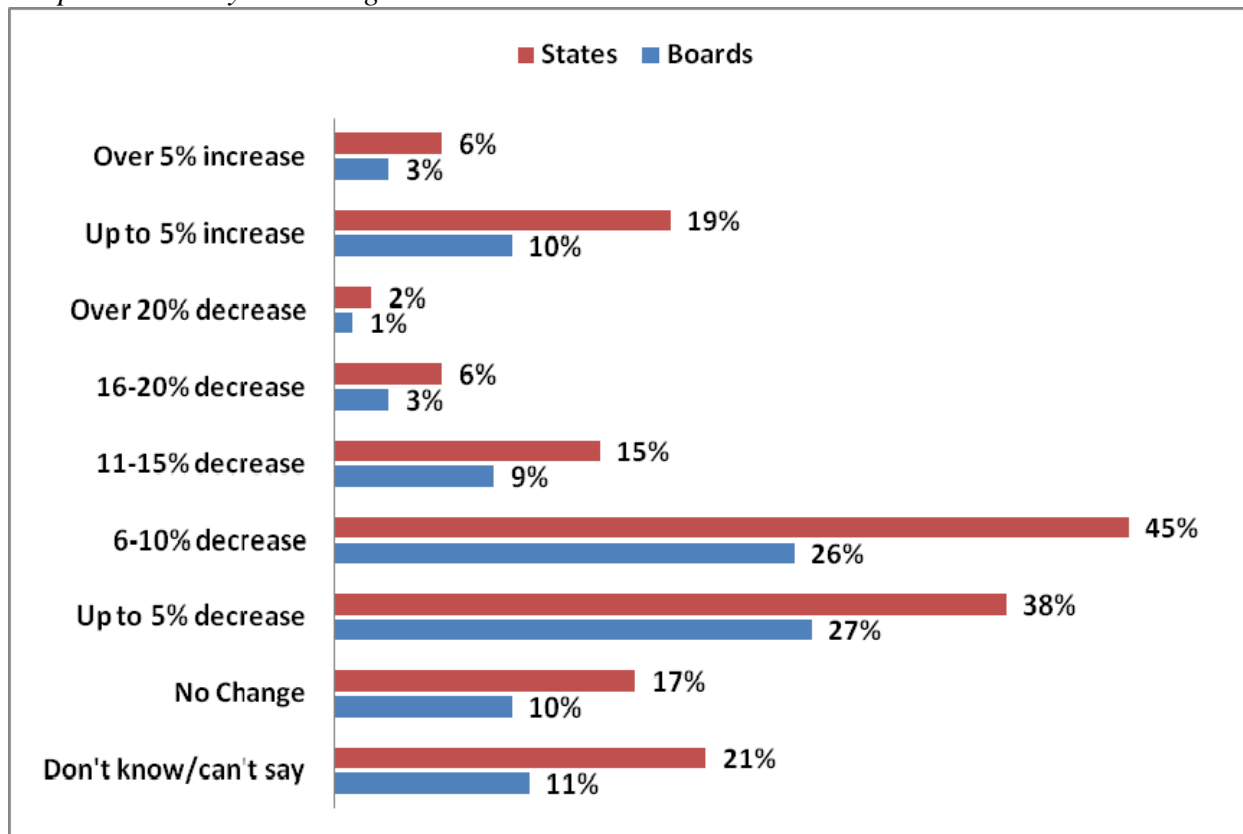
time, more boards will likely develop their own specific strategies and approaches to maintain a balance in meeting the needs of the state, the public, and the financial interests of institutions.

Institution and System Budget Projections

When projecting the academic year 2009-10 compared to the budget of the current year, chairs and administrators report the following: 59 institutions and systems (65 percent) report that they will be forced to decrease their budgets and another nine (10 percent) are planning no change. The largest number and percentage, 24 (27 percent) see decreases of up to 5 percent; eight see decreases of between 11 and 15 percent; and four report decreases of 16 percent or more. Again, these forced declines in budgets are on top of system and institutional budgets that have already been reduced and can total in the thousands and millions of dollars for institutions, depending on the overall size of their budgets. (Refer to Graph 5 below).

In addition, 12 boards predict an increase, and 10 reported that it is too early to tell.

Graph 5: Changes in institutional or system budgets for the academic year 2009-10, when compared to this year's budget



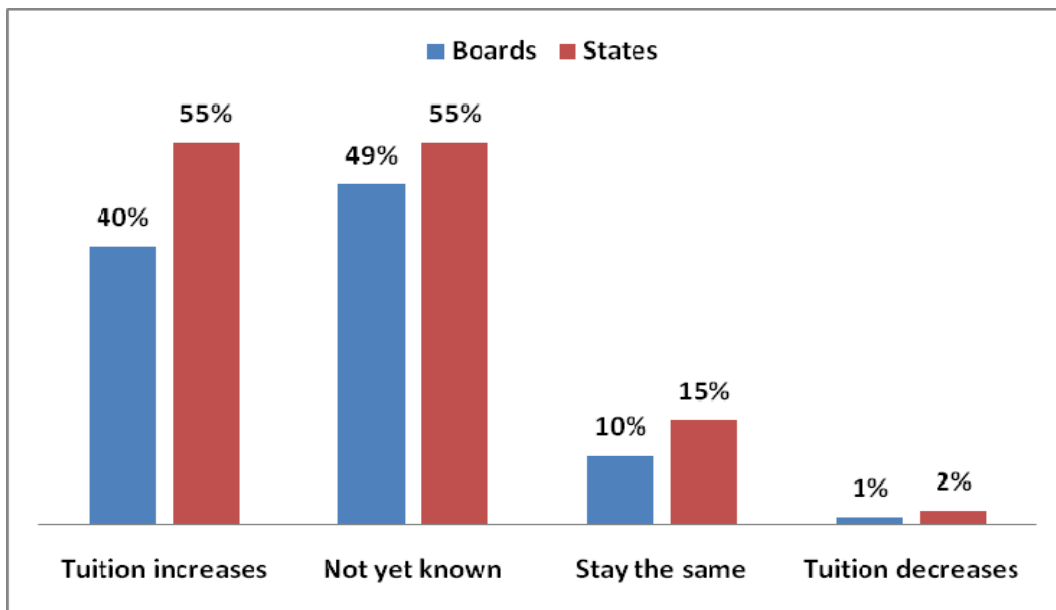
IV. Tuition, Aid, and Enrollment

The late Hal Hovey called tuition the “balance wheel” in institutional budgets. When asked whether tuition would increase, decrease or stay the same, most boards indicate tuition increases, many others suggest it is too soon to tell. Graph 6 below reflects changes regarding how undergraduate tuition will change for the next academic year—compared with the current year. Thirty-six boards (40 percent) and 26 states (55 percent) are planning on tuition increases (averaging 6.65 percent). It is important to note that the 6.65 average percent increase in projections could be exceeded.

The following six states project the highest tuition increases for the next academic year: Florida (15 percent), Hawaii (12 percent), Connecticut (10 percent), Utah (10 percent), and Rhode Island and Virginia project 8-10 percent increases.

In a March alert to states and public higher education, *The Challenge to States*, the National Center for Public Policy and Higher Education advocates that tuition increases should not simply be implemented to off-set shortfalls in state appropriations, especially during economic downturns. Whether governing boards and states will, or are able to, heed this call remains to be seen. If history is any guide, most will raise tuition reluctantly as they also reduce operating costs.ⁱⁱ

Graph 6: Average undergraduate tuition changes for next academic year (2009-10)

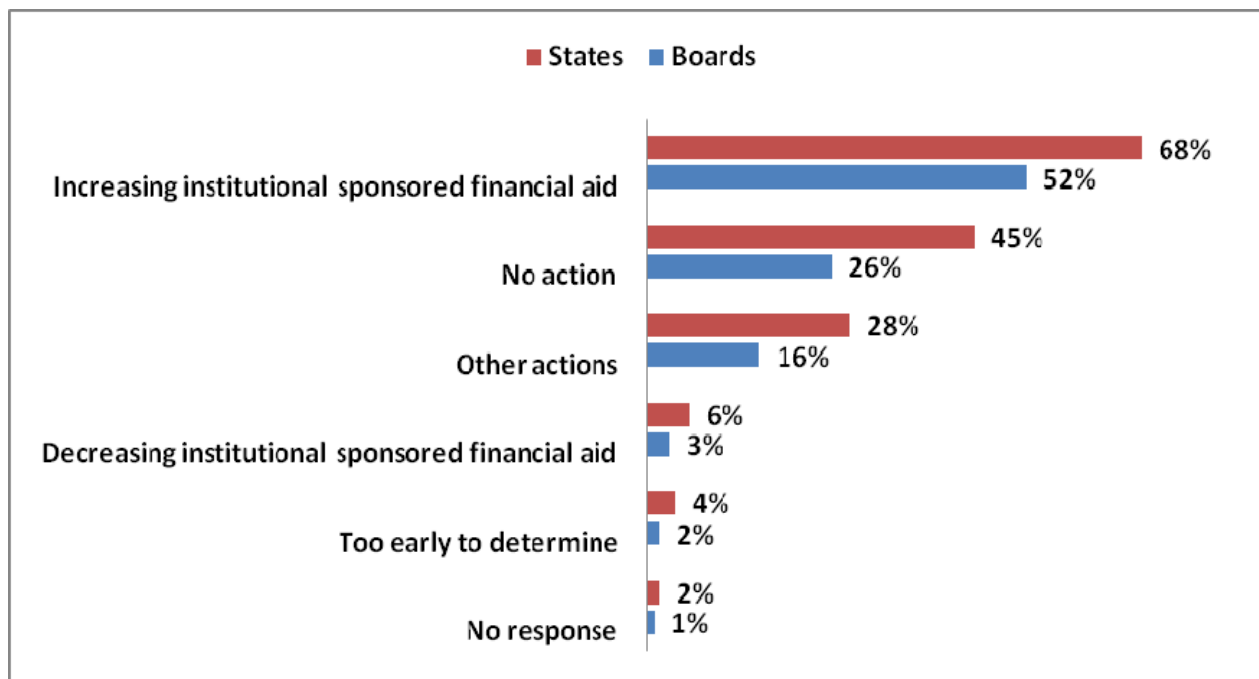


The largest number of respondents, 44 (49 percent), report that a decision regarding tuition levels is not yet known. Some of these institutions are likely in states where the effect of federal stimulus money is expected to offset all or a portion of any increases. Other results demonstrate that one board plans on tuition decreases and nine boards (10 percent) in seven states say tuition levels will remain the same.

Institutional Financial Assistance

A significant number of institutions and systems are trying to offset tuition increases by increasing the amount of institutional student aid, which will complement state and federal aid. A majority, 47 boards (52 percent) in 32 states, report that they are increasing institutional sponsored financial aid. As demonstrated in Graph 7, another 26 percent of boards surveyed responded that they will take no action regarding student financial assistance while another 16 percent are looking into other actions to address internal student aid. This area is a topic of major importance as students continue to rely on institutional resources to help pay tuition and fees.

Graph 7: Board actions regarding institutional financial assistance



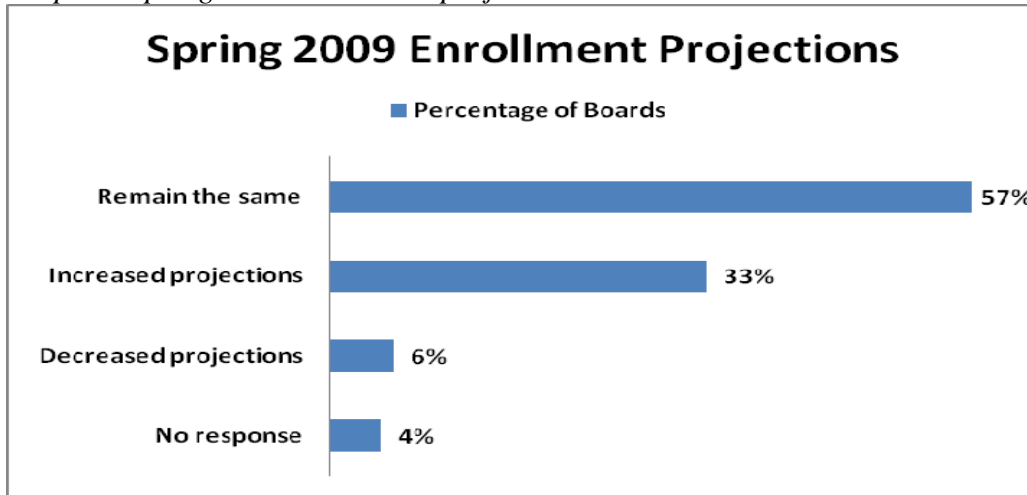
As survey responses indicate, board chairs and executives are taking actions to help make college affordable. Although system boards deferred to institutions indicating that financial aid is done on the institutional level, the majority of institutional boards confirmed that they were working with enrolled students to meet financial aid needs.

Enrollment Projections

Recessions often lead to enrollment pressures at public institutions, as students seek lower priced institutions and the unemployed seek job re-training or the opportunity to complete a degree. When asked about enrollment projections for the spring semester of 2009, 39 percent of

respondents revised their enrollment projections. A significant number, 30 (one third of respondents) increased projections, indicating that these institutions and systems are experiencing mid-year, spring semester transfer increases. Only five (6 percent) decreased their projections. Graph 8 (below) demonstrates an overview of spring 2009 enrollment projections.

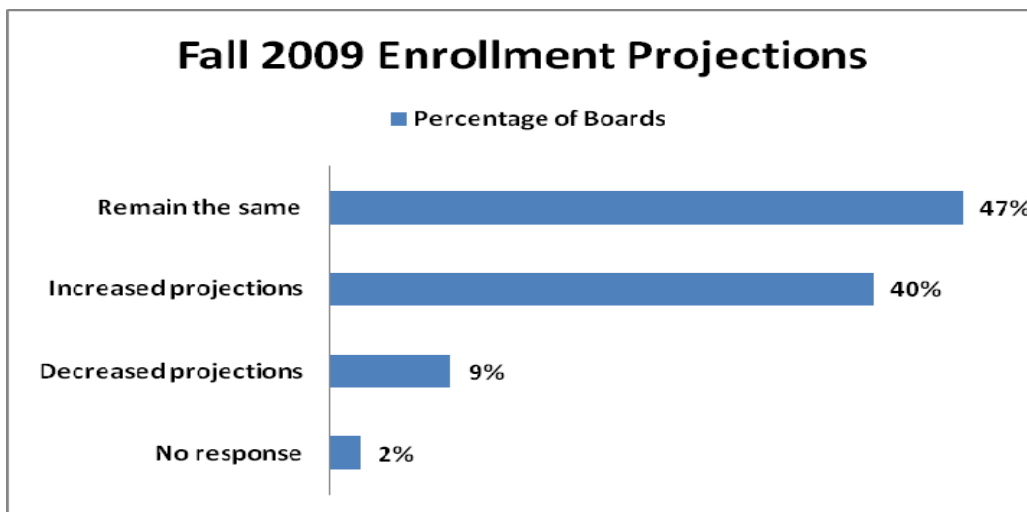
Graph 8: Spring 2009 enrollment projections



Similar to the spring projections, for the fall semester of 2009, 49 percent of boards and executives revised their enrollment projections with 40 percent of boards increasing projections while 9 percent project a decrease. (Refer to Graph 9).

The majority of boards and executives surveyed retain current enrollment projections for spring and fall 2009. However, as shown in Graphs 8 and 9, the trend is that projections will continue to increase rather than remain the same. There is a 7 percent increase in enrollment projections from spring 2009 to fall 2009.

Graph 9: Fall 2009 enrollment projections



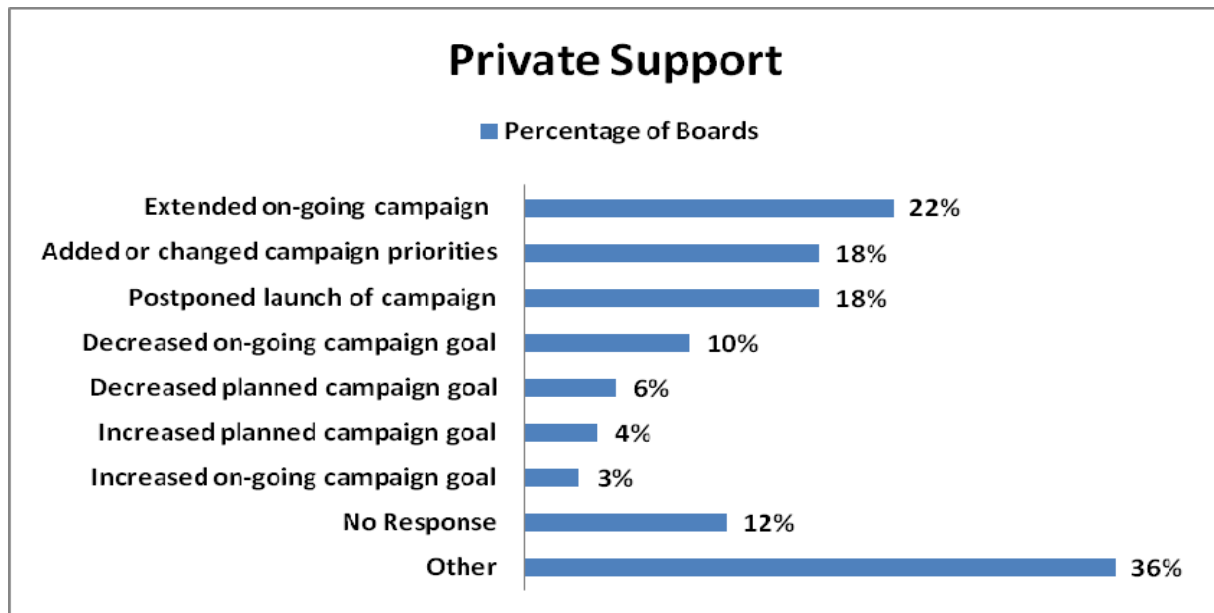
V. Private Support

Private support is essential to advancing institutional capacity. Not surprisingly, the downturn is having effects on private giving. When asked how the current crisis is affecting ongoing or planned fund-raising, 16 institutions and systems (18 percent) rank the same for postponing the launch of a campaign and adding or changing campaign priorities; and 20 (22 percent) are extending current campaigns. Nine responding institutions and systems (10 percent) are decreasing their on-going campaign goals. Only seven institutions (4 percent) are increasing campaign goals or planned giving. While it may be difficult for these institutions to meet their respective goals in light of the economic climate, two boards indicated that they are trying to raise more funds from private support to use for student scholarships and awards.

Thirty-six percent of boards are using a variety of other practices and strategies to manage private support initiatives. Some of these include:

- “Flat fund-raising—[we are] not engaged in a campaign right now.”
- “Re-evaluating scheduled kick-off campaigns [campaign goals may change].”
- “Lower[ing] ongoing fund-raising goals due to decreased development funding.”
- “Goals unchanged, but annual giving declined.”

Graph 10: Effects of the current crisis on ongoing or planned campaigns

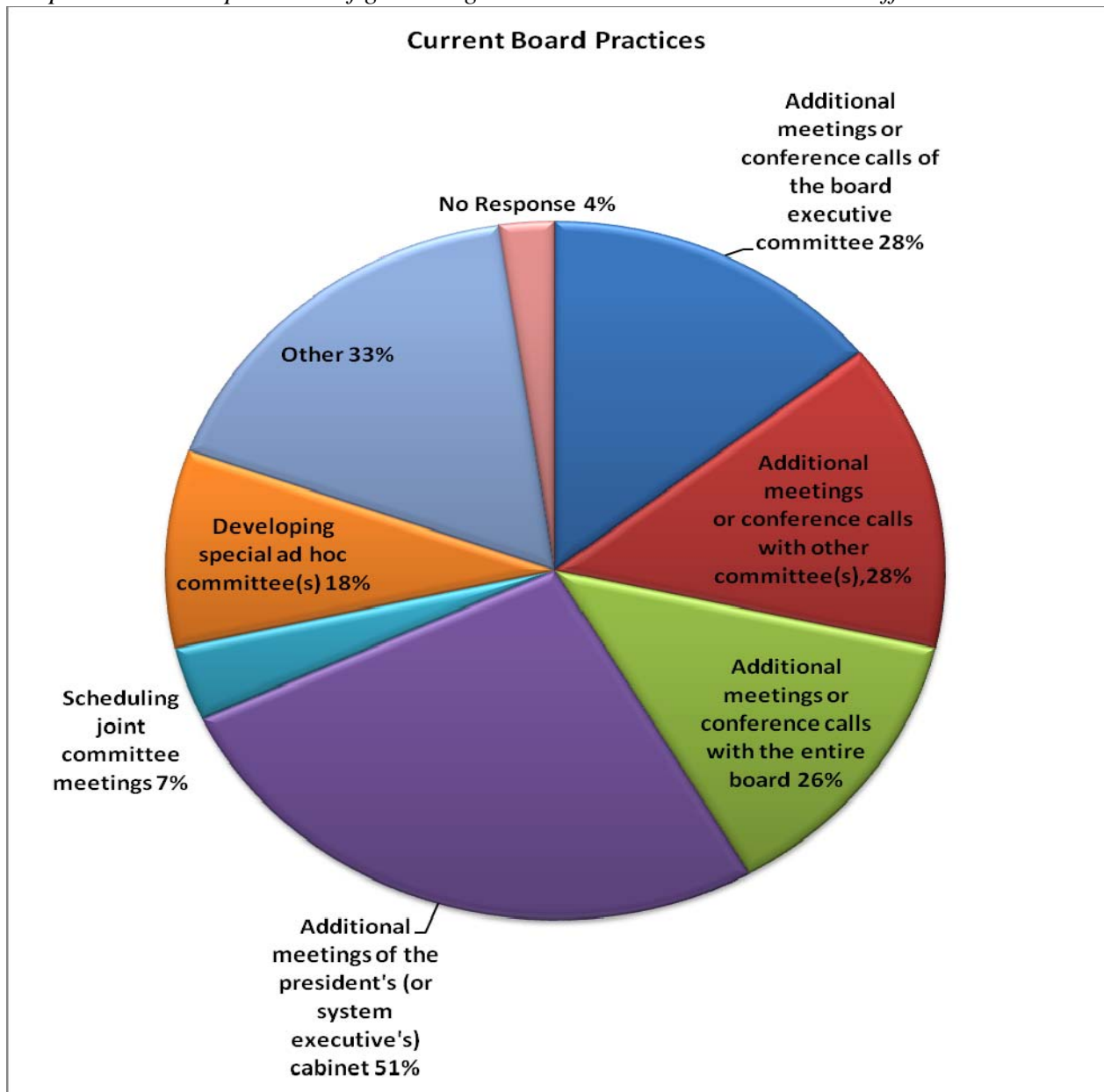


Note: The percentages are greater than 100 percent as respondents were asked to check all that apply.

VI. Board Practices

Governing boards and senior administrators are working extra hours to address the current crisis. Engaging in measures to deal with these circumstances, over one-half of board chairs and executives (51 percent) indicate that they are engaging in additional meetings of the president's (or system executive's) cabinet. Twenty-eight percent of boards report communicating more regularly with board executive committees and an equal percentage report holding additional meetings or conference calls with other board committees. Twenty-three (26 percent) are holding additional meetings or conference calls with the entire board. A combined 22 boards (25 percent) are developing special ad hoc committees or scheduling joint committee meetings.

Graph 11: Current practices of governing boards and senior administration officials



A significant number—30 boards (33 percent)—indicate that they are taking other actions. Practices range from on-going dialogue with elected officials to board education on fiduciary responsibilities.

Other actions include:

On the system level:

- *“Discussions with the governor and legislators.”*
- *“Additional meetings between the board president and the institution heads.”*
- *“Town hall meetings on campuses; regular written communication from system president to various stakeholders.”*
- *“Creation of a committee of top economic experts from the universities to evaluate state tax structure for looking at ways to enhance and stabilize revenue streams.”*

On the institutional level:

- *“Budget workshops and increased budget briefings.”*
- *“Greater oversight of institutional plans; strategic plans and objectives as a metric.”*
- *“More frequent communications from administration to board.”*
- *“Expanding sustainability task force to address cost containment.”*

Public boards may engage in various practices and take different approaches when responding to the needs and interests of their institutions and systems, but they all continue to be concerned with the same themes, trends, and issues that are radiating throughout public higher education and other sectors.

ⁱ Center for Budget and Policy Priorities (CBPP). *State Budget Troubles Worsen*. March 13, 2009.

ⁱⁱ National Center for Public Policy in Higher Education (NCPPE). *The Challenge to States: Preserving College Access and Affordability in a Time of Crisis*, March, 2009.

ⁱⁱⁱ The Delta Cost Project. *Trends in College Spending, Where does money come from, where does it go?* 2009.

For more than 80 years, **The Association of Governing Boards of Universities and Colleges** has had one mission: to strengthen and protect this country’s unique form of institutional governance through its research, services, and advocacy. Serving more than 1,260 member boards, 1,900 campuses, and 38,000 individuals, AGB is the only national organization providing university and college presidents, board chairs, trustees, and board professionals of both public and private institutions with resources that enhance their effectiveness. In accordance with its mission, AGB has developed programs and services that strengthen the partnership between the president and governing board; provide guidance to regents and trustees; identify issues that affect tomorrow’s decision making; and foster cooperation among all constituencies in higher education.

The mission of the **Richard T. Ingram Center for Public Trusteeship and Governance** is to strengthen the relationship between state government and public higher education by enhancing the effectiveness of citizen governing and foundation boards and their trustee members. We accomplish this by forging partnerships with state government and higher education associations, conducting policy analysis and research, and working directly with AGB-member boards and chief executives. The Center is dedicated to helping all stakeholders improve the governance and trusteeship of public colleges and universities and their related foundations. In addition, the Center is committed to advancing enlightened public policy that contributes to healthy higher education institutions, both public and independent.

To achieve this mission, the Ingram Center for Public Trusteeship and Governance:

- Provides consulting services and short-term action research directed at governance and policy challenges, including engagements solicited through RFPs;
- Facilitates policy dialogues among the state’s political leaders, the business community, and academic leaders;
- Provides statewide and regional trustee education and board development programs;
- Offers programs and services to enhance the performance of public college and university foundation boards; and
- Advances a reform agenda for citizen trusteeship including strategies for merit selection of board members.

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