According to the recent ECAR report “IT Funding in Higher Education,” nearly two-thirds of all campuses are facing budget cuts of some form or another. The study incorporated the results of surveys of higher education CIOs and CFOs, who were asked about their strategies for raising revenues and reducing costs in order to deal with these budget challenges. The number-one strategy cited (64%) for increasing revenues was seeking grants. This was followed by fundraising, increasing student fees, developing corporate partnerships, expanding the use of charge-back systems, providing services to external entities, and raising revenues from tech transfer of products in the external marketplace.

My response is a resounding “Get real!” The increased competition for the few grants available make the number-one strategy unrealistic. Likewise, fundraising at most campuses is a zero-sum game that merely redistributes a relatively constant amount of philanthropic dollars. Increasing student fees can also be a zero-sum game: the pressure to keep tuition down may restrict the ability to raise fees for a specific set of services. Corporate partnerships may be viable for a small set of campuses, where there is a perceived technical or marketing advantage, but this is not a useful strategy for the vast majority of colleges and universities. The same kinds of limiting factors apply to all the other strategies identified. Although each specific campus should explore these new revenue-enhancing strategies, it seems unrealistic to expect new revenue sources to help solve the dilemmas facing most campuses today.

For cost-reduction strategies, the survey respondents listed joining consortia and making shared purchases as the number-one method being considered (56%). This was followed by minimizing the technologies that are supported, making across-the-board cuts, implementing shared technologies, using open source, cutting renewal and replacement of equipment, reducing service levels, using external software development, limiting duplicate IT organizations on campus, freezing salaries, outsourcing elements of IT, and laying off staff. Even though the EDUCAUSE Core Data Service reports that 42 percent of campuses outsource at least some elements of their IT services, this is clearly an unpopular strategy. The survey CIOs and CFOs chose “It has historically not been done at the institution” as the number-one reason (41%) for not pursuing outsourcing. Smaller campuses were more likely to use outsourcing as a cost-management strategy than larger campuses, probably because they were more pressed for resources.

Look at the various elements of our campuses that are not scaling, such as security, user support, library acquisitions, and network support. Those halcyon days in which we had enough staff to do all of these things, at the level we would like to—in the traditional, self-contained campus mode—are over. The only solution to budget challenges—and the only means for competitive survival—is collaboration. Campuses must find collaborative means to leverage expertise, reduce costs, and serve a broader audience more effectively. And indeed, the top cost-reduction strategy cited in the survey was participating in consortia and making shared purchases. Yet even this strategy generally maintains full institutional control and is based on voluntary participation. Higher education needs to begin to more aggressively investigate collaborative methods that are based on formal business arrangements, with higher education supporting itself in leveraged efforts that allow the economies of scale to reduce costs for many campuses. This means that colleges and universities need to outsource to some new not-for-profit entity that is based in higher education, or to other higher education institutions—similar to the arrangement among Cabrini and Neumann Colleges and Drexel University (see “Transforming Higher Education Technology Services and Support,” EQ, no. 3, 2002). More scalable models need to be explored and established in order to leverage the strength of the broad higher education community.

The times and the conditions call for new models and innovative means for facilitating collaboration, allowing the higher education enterprise to support itself. We in the higher education community need to “get over” our traditions, our histories, and our many excuses for why we should try to replicate each other’s resources. Achieving this goal of collaboration requires that simple and easy-to-access service entities be created, to compensate these collectives for services rendered and to allow these collectives to morph themselves into entities that can provide services in wider and wider spheres. EDUCAUSE is currently exploring the viability of piloting the establishment of such an entity. Only through these collaborative efforts will higher education be able to provide the services needed by faculty, students, and staff on our college and university campuses.

Brian L. Hawkins is President of EDUCAUSE.