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# Higher Education Funding and the 1977 Legislature

John D. Williams  
The University of North Dakota

It is well known that salary levels for University of North Dakota faculty are far below both the United States average and the regional average, and slightly below the average for institutions in the lowest 20% (See Table I).

Table I

(1) UND AND THE NATIONAL MARKET FOR FACULTY, 1975-76

RANK	UND AVERAGE	U.S.A. BOTTOM 20%	UND % DIFFERENCE	U.S.A. AVERAGE	UND % DIFFERENCE
Prof	20,422	21,596	-5.7	24,150	-18.3
Assoc	16,533	17,015	-2.9	18,010	- 8.9
Asst	13,861	13,923	-0.4	14,690	- 6.0
Instr	11,035	10,761	+2.5	11,510	- 4.3

Includes public institutions which offer the doctor's degree and which confer an annual average of 15 or more doctorates in at least three nonrelated fields.

(2) UND AND THE REGIONAL MARKET FOR FACULTY, 1975-76

RANK	UND AVERAGE	REGIONAL AVERAGE	UND # DIFFERENCE
Prof	20,422	22,353	-9.5
Assoc	16,533	17,345	-4.9
Asst	13,861	14,417	-4.0
Instr	11,035	11,726	-6.3

The universities included in this comparison are: Colorado State, Kansas State, Montana State, New Mexico State, North Dakota State, Oregon State, South Dakota State, Texas A & M, Arizona, Colorado, Idaho, Kansas, Montana, Nevada-Las Vegas, Nevada-Reno, New Mexico, North Dakota, Oregon, South Dakota, Utah, Wyoming, Utah State, and Washington State.

Taken from FACT SHEET: UND Faculty, 1974-76, prepared for North Dakota Senate Appropriations Committee, January 11, 1977.

Though UND has indicated that its goal is to meet the regional average (Jacobson, 1973), budget levels for the present biennium clearly do not allow for any movement toward that goal. It is more likely that UND will lag even further behind.

Two years ago, this author documented the relatively low proportion of state income spent on education (Williams, 1975). A fair reflection on decisions made for the present biennium does not change that conclusion.

Rather than focus on the outcome of the legislative session in terms of dollars appropriated, as was done in the earlier study, or individual salary levels, this paper takes a look at the steps which led to those results. Table II shows the University of North Dakota budget as it passed through various stages.

Table II

UND 1977-79 LEGISLATIVE REQUEST AT A GLANCE

	<u>By Function</u> (in millions)		
	UND	GOV.	SENATE
Instructional	\$27.15	\$25.81	\$25.76
Administrative	4.95	4.27	4.25
Research	2.42	2.32	2.31
Libraries	3.16	2.43	2.40
Physical Plant	9.31	8.15	8.12
Plant Improvements	3.20	2.21	2.21
Total	<u>\$50.19</u>	<u>\$45.19</u>	<u>\$45.05</u>
Less Income	10.41	10.65	10.41
Appropriation	<u>\$39.78</u>	<u>\$34.54</u>	<u>\$34.64</u>
	<u>By Object</u> (in millions)		
Salaries & Wages	\$34.34	\$32.78	\$32.78
Fees & Services	4.15	3.80	3.75
Supplies & Materials	5.35	4.54	4.47
Computer Network	.26	.26	.26
Equipment	1.47	1.40	1.40
Title IX	.18	.18	.18
Plant Improvements	3.25	2.21	2.21
Total	<u>\$49.01</u>	<u>\$45.19</u>	<u>\$45.05</u>
Less Income	10.41	10.65	10.41
Appropriation	<u>\$38.60</u>	<u>\$34.54</u>	<u>\$34.64</u>

Taken from the UND University Letter, March 11, 1977. Figures under UND-By Function are UND's request to the Board of Higher Education. The somewhat lower figures under UND-By Object represent UND's request to the Senate committee after Board action. (See also Note 1).

Let us look at the process by which the final funding was arrived at.

First, at the university level, funding for the 1977-79 biennium was based upon the following reasoning: The allocations for salary increases for 1975-77 were inadequate to keep pace with inflation. Each year of the biennium had a 5% allocation for salary increases. The estimate of loss for the two year period was 4%. The projection of inflation for the 1977-79 biennium is 7% per year. Thus, the UND recommendation included a 4% "inflation catchup," with a 7% increase for each year of the 1977-79 biennium. This recommendation was rejected when the Governor's budget was prepared. In explaining the rejection of the 4% inflation catchup, Dale Moug, the Budget Analyst for the State of North Dakota, stated, "Well, what turned that faculty salary committee around is that the average increase in higher education was not 5%; it was substantially greater than that. In fact, at this institution (UND) -- average wide now, and that's all I can deal with -- the first year of the biennium it was 9.6% and the second year it was 8.4%" (Moug, 1976; also see Note 2).

Faculty were, for the most part, stunned by this remark. However, in the narrow sense of looking at state spending rather than looking at individual salary levels, the figure is correct. That is, state spending was up 9.6% and 8.4% respectively for the two years of the biennium. The spending was up due to hiring new personnel and higher than average increases in salaries for classified personnel. However, UND still does not pay its faculty the authorized mean amount. For 1976-77, the authorized mean salary was \$17,784. The actual mean salary for all instructional personnel was \$17,724; for full-time faculty only, the mean salary was \$17,510 (Martin, 1977). Nor does UND anticipate paying its faculty the authorized figure for the next biennium; the UND administration had sought and secured acceptance by the state board of its so-called "flexibility" plan; up to 10% of the instructional personnel budget could be transferred to a non-tenured track lecturer-type position. In all likelihood considerably more than 10% of the faculty

positions (i.e., real people) would be included in this latter category. If a lecturer taught full time and were paid \$12,000 and the authorized mean salary were \$18,500, then this lecturer would count as  $\frac{12000}{18500}$  or .649 of a person.

#### LEGISLATIVE RHETORIC -- A SIGN OF THINGS TO COME?

As the higher education budgets moved through the legislature, there were a number of vocal demands for massive budget cutting in the higher education sector; surprisingly, the budget cutting efforts were heralded by the Democrats. On February 3, a Democratic caucus of both House and Senate members suggested cutting \$7 million from higher education in the form of new buildings, program duplication, administrators and support staff. One suggestion included eliminating 111 faculty positions and increasing the student-faculty ratio; this suggestion was not incorporated into the caucus position. A scathing attack on the number of administrative personnel was made by Dan Rylance, a Representative from Grand Forks, "There are more administrators in higher education than you will need for the next 2,000 years" (Carwell, 1977, p.2).

Two weeks later, a Fargo Forum headline read "Senate takes hard line against colleges." The accompanying article described the debate on the higher education budget. A great deal of concern was expressed about the anticipated drop in higher education enrollment beginning in 1980 or 1981; enrollments are projected to dip more than 20% before the end of the century, under the assumption of a stabilized population. In passing the budgets for individual colleges, a surprising number of Senate votes were cast against several schools' budgets. The most opposition was focused on Valley City State College (passing 33-16) and Mayville State College (34-15). UND's budget was approved 41-9 and North Dakota State University's was approved 47-2. As indicated in Table II, the Senate-approved version of UND's budget was slightly higher than that proposed by the

Governor. Furthermore, an additional \$6 million dollars was allocated for buying new boilers at UND, North Dakota State University, North Dakota State School of Science and Valley City State College. Overall, the Senate action raised the higher education budget from \$145.87 million to \$155 million (Carwell, 1977).

The House of Representatives cut \$180,000 from both universities' budgets for equity funding for Title IX (concerning women) but, after all the changes, increased higher education allocations to \$156 million. (Fargo Forum, p. 18, March 22, 1977).

The ensuing House-Senate conferences held to iron out differences between the bills passed by the separate bodies saw a partial refunding of Title IX (but not including \$90,000 in state funds for UND and NDSU); the total state appropriation was \$155.69 million, with \$34.55 million earmarked for UND. The only difference between the final form of the appropriation and the Senate-approved appropriation was the deletion of the \$90,000 for Title IX funds. Thus, the action of the state legislature could be seen as increasing higher education appropriations almost \$10 million above the Governor's recommendation (from \$145.87 million to \$155.69 million). Over half the increase was made to improve boiler plants at the two universities so that cost effectiveness in energy use might be improved.

#### EXTERNAL FORCES COMPLICATE MATTERS

Two major issues that complicated the budgeting process in higher education were Title IX and also a recent court decision on charging out of state tuition. The Title IX issue (equality of treatment regardless of sex or minority status) does not affect the budgeting process directly, but given the lack of flexibility in budgeting, implementation of Title IX could undermine the university's autonomy in hiring of new faculty. In the event of a vacancy in a faculty position, the university would apparently have to spend more money on advertising to ensure that women and

minority status individuals have access to the information regarding the availability of the position; apparently the standard means of advertising is insufficient for this. The test of "fairness" is, "Does the job applicant pool reflect at least the proportion of women and minority status individuals who would be deemed minimally qualified for the position?" Once the applicant pool is made, the university might be denied the opportunity to hire the individual seen to be most qualified were that person a non-minority male: "Clifford said. . . that all applicants with the necessary qualifications, and not only the person with the highest qualifications, should be considered for jobs. He said in some cases that may mean a department will be required to hire a woman [or a minority status person] over a more highly qualified applicant in order to implement affirmative action." (Grand Forks Herald, p. 10A, March 27, 1977). The Affirmative Action Officer would be allowed to intervene in the hiring process to ensure compliance.

Apparently no aspect of university life is immune from the dictates of Title IX and affirmative action. Decisions regarding promotion, tenure and salary increases would also come under the purview of Title IX. It would appear that the position of Affirmative Action Officer might become the single most sensitive post on a university or college campus. In regard to budgeting, the more flexibility available would allow a university to attend to both its traditional directions and also the needs of implementing Title IX. Given the lack of flexibility, Title IX concerns might well override the universities' independence in governing themselves. In regard to the University of North Dakota, only \$90,000 is earmarked for use in implementing Title IX over the next two years. It could be anticipated that this figure will fall considerably short of the funds necessary to implement Title IX without considerable disruption of the usual decision-making processes.

The second area of concern, and an area that has a direct effect on budgeting, is a recent court decision that any students over the age of 18 who declare



that North Dakota is their state of residence (regardless of where their parents live) can not be charged the higher out of state tuition (Valentine, 1977). In that the state legislature chose to omit any additional funding to help make up the budget deficits caused by this decision, the most likely outcome is that tuition will be increased for all students (probably in the neighborhood of \$1 per semester credit hour).

#### WHERE DOES THE BUCK STOP?

Those who are concerned about the relative level of state support for higher education in general in North Dakota and faculty salaries in particular, might ask "Who is responsible?" The state legislature can rightly point out that the net effect of its deliberations is that expenditures for higher education were increased; faculty salaries remained at the level shown in the Governor's recommendations. The Governor's budget recommendations cut the statewide salary recommendations from the scheduled 4% "inflation catch-up" plus 7% annual increase during the biennium. If the goal of moving UND salaries to the midpoint of the regional average had been of concern, then even the level proposed by the statewide salary committee would have been insufficient. Presumably faculty have some input into that committee's recommendations, although the extent of faculty input is probably quite limited. Perhaps the members of the 1977 state legislature could rightly claim that they are the least culpable responsible group regarding the low level of higher education salaries in North Dakota.

Note 1. Though it is not clear from Table II, individual salaries per se were little changed in the various budgets. The differing budget totals for salaries primarily reflect the total number of faculty funded by each budget.

Note 2. In his oral presentation, Moug inadvertently interchanged the two figures; he gave the increases as 8.4% and 9.6% respectively rather than 9.6% and 8.4%.

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