



Getting Real with Funding Realities

John S. Camp, CIO, Wayne State University
Chairperson, Merit Network Board of Directors

Funding Reality

“STATE SHORTFALLS PROJECTED
THROUGHOUT THE DECADE”

(The National Center for Public Policy
in Higher Education, February 2003)

Funding Reality

"All 50 states will face budget deficits by 2013 and will not be able to support spending increases, causing state appropriations for higher education to suffer."

(The Chronicle of Higher Education, February 28, 2006)

Funding Reality

“Inflation for higher education will increase 5 percent in 2006—the largest increase since 2002”

(The Chronicle of Higher Education,
June 1, 2006)

Funding Reality

“Many colleges experienced a spike in utilities costs in 2006. The increase in that category was 27.1 percent over the price increase for 2005...”

(The Chronicle of Higher Education,
June 1, 2006)

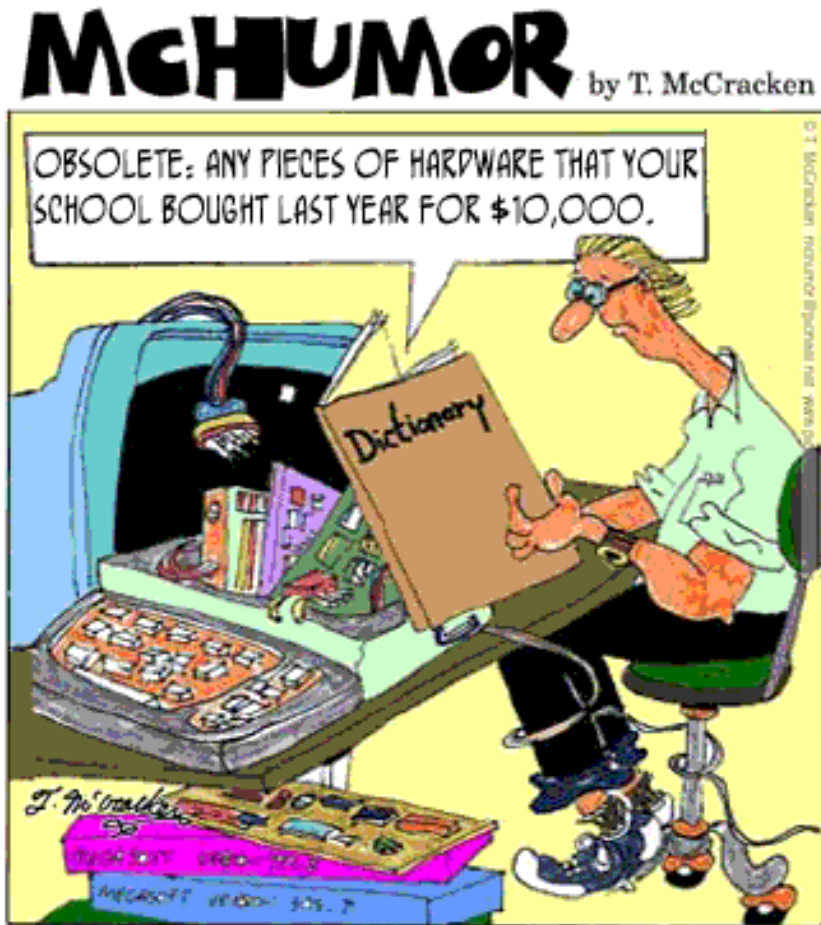
IT Realities

Top-Five Current IT Issues, 2006

1. Security and Identity Management
2. Funding IT (including scheduled replacement!!)
3. Administrative/ERP/Information Systems
4. Disaster Recovery/Business Continuity
5. Faculty Development, Support, and Training

(Dewey and DeBlois, EDUCAUSE Review, May/June 2006)

IT Reality



IT Funding Realities

For *most* educational institutions:

- Budgets have decreased, remained constant, or risen but not by much
- IT costs are increasing substantially
- Other costs (e.g., utilities) are increasing, too, and compete with IT for available dollars
- We must “get real” in dealing with these realities

IT Funding Reality



The Big Question

What can educational IT leaders do during times of flat or diminishing budgets when the annual costs for resources and services are increasing and there are competing demands (e.g., escalating costs for utilities) for scarce resources?

The Answer: Get Real (aka Face Reality)

- Reduce costs and reallocate savings
 - Minimize redundant efforts
 - Consolidate services
 - Renegotiate contracts
 - **Form consortia to share costs AND improve services**

So, ...

“Can collaboration rescue imperiled IT Budgets?”

(Martin Ringle, same title, EDUCAUSE Review, November/December 2004)

Consortia & Collaborations

“Collaboration becomes especially seductive to contemplate whenever costs are high and expertise is scarce. Information technology would appear to be a perfect case in point.”

(Diane Balestri, *EDUCAUSE Review*, vol. 35, no. 5 September/October 2000)

Consortia & Collaborations

“Colleges Rely on Consortia, Contractors, and Ingenuity to Cut Costs ... 39 percent were planning to reduce information technology costs by using consortia or shared purchases.”

(The Chronicle of Higher Education, January 27, 2006)

Consortia & Collaborations: Examples in Michigan

- Merit Network, Inc.
- DALNET and other library consortia
- MiCTA and other IT purchasing consortia
- ISDs, RESAs* and RESDs
- Others??

“RESA exists to serve our diverse educational community through leadership **and collaboration** to achieve excellence in teaching and learning for all.”

Consortia & Collaborations: *Some Opportunities*

- Contributing fiber to help Merit build advanced educational networking in Michigan
- Consortia software licensing agreements
- Consortia ASP service (e.g., running a shared online course management system)
- Application testing service for institutions running the same suite of information systems

Breakout Activities

- Form groups of 6—8 individuals from similar institutions
- List pressing IT challenges/needs for which consortia solutions may be appropriate
- Rank order lists and discuss/propose solutions for the top two or three most pressing challenges/needs
- Report results
- Form follow-up working groups