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## Budget Dust

By Kenneth C. Green - June 2000

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Seasons change; each one has its own special rituals, even on college campuses.

Spring brings sunlight and spring break. During the spring months, faculty and administrators develop curriculum plans and course schedules for the coming academic year. Spring marks the college admissions rituals -- thick letters laden with multicolored forms for successful applicants, thin letters offering "best wishes for your college experience elsewhere" for the many whom the admissions director knows "would have done well here but who will, I am certain, experience success at another institution."

The spring weeks also mark the escalating campus preparation for graduation ceremonies, concurrent with the job searches of graduating students. Additionally, spring usually marks the closing weeks of the faculty recruitment cycle. All this, of course, in addition to the continuing campus activities that involve research, advising, scholarship and instruction.

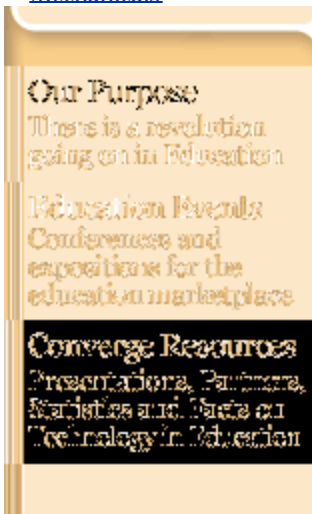
Below the public sightline, the spring months also bring the final pass at the budget. It's the time when wish lists -- past and future -- evolve into the hard numbers that become departmental budgets for the coming academic year. At some institutions, the budget review imposes accountability upon deans and departments for last year's pro-mises about enrollment targets.

To this list of events and rituals, we should also include finding, hiding, protecting and then spending the "budget dust."

Budget dust? Ah, yes, the budget dust game is one of the less-discussed but decidedly major springtime rituals on college and university campuses. The concept may seem odd, but many faculty and administrators are very familiar with the game, and are very skillful players in the contest.

Here's how the game is played: Sometime around February or March, someone in a unit or department begins to make some year-end spending projections. It is not uncommon for these late-winter spending projections to reveal the potential for unspent money -- occasionally this can be lots of unspent money.

Unspent money, of course, is a very serious problem. How can a



unit head, department chair or dean go into a new round of budget discussions with a new wish list if she or he has not spent all the money that was so necessary for the current academic year? Imagine how you would respond when the provost or chief financial officer at your school or college confronts you with the following statement: "As I recall, you literally begged us for more money during the budget discussions last year. But you failed to spend the money that you said was so desperately needed for this year. So please tell us why you feel compelled to ask for still more money for next year." It is an uncomfortable, rhetorical question that is common to many budget presentations.

Of course, budget dust really is an important factor in budget negotiations -- and also in balancing the campus budget as the June 30th fiscal year end approaches. At each step up the organizational ladder, department chairs, deans, vice presidents, chief financial officers, presidents and trustees implicitly depend on budget dust. The un-spent money, transferred from one unit to another, may provide new books for the library, new furniture for classrooms, new paint for offices -- new stuff for someone, some group or something on campus. Or, the unspent money hiding in department accounts may make the difference between a balanced and deficit budget at the end of the fiscal year.

Indeed, the year-end budget dust game typically involves hiding this money from the individual and office above you in the organizational chart: The department chair attempts to hide it from the dean, the dean from the vice president, etc. The budget dust game also leads to the summer feeding frenzy on campus: the mad dash to spend the year-end (budget dust) money in June (phase 1), coupled with the arrival of new money at the beginning of the fiscal year in July (phase 2).

It is a public secret that budget dust has been a critical source of technology funds across all levels and sectors of higher education. The year-end money is often spent on a wide range of "last-minute" technology products, including computers for new campus labs and faculty offices, for software, for network servers and facility renovation. Moreover, the quiet negotiations across departments and with vendors about creative ways to spend the budget dust is almost always interesting: department chairs who quietly trade year-end money in June for new money in July; vendors who rush to book orders in the closing months of the fiscal year; and department chairs and deans who make valiant efforts to protect the year-end money from the efforts of financial officers and provosts to sweep the budget dust from departmental accounts early in June.

On the technology side, the real problem with budget dust is not that we have it; rather, the real problem is that we are so dependent upon it. Budget dust -- year-end money -- has always been an important, if unacknowledged, source of significant money for technology spending. It often covers part of the distance between

the formal technology budget and the real, unfunded need for technology resources. For individual academic departments, budget dust also provides a modicum of autonomy regarding access to, or choices about, technology resources. For example: departmental site license for a specific software product that supports instruction or research; or new computers, printers or scanners that would not be provided by central computing services.

The budget dust issue also highlights the financial challenges that technology presents to educational institutions. Without question, schools and colleges spend escalating sums each year on information technology. And without question, whatever sums are allocated for IT, it is rarely adequate to address real needs.

Finally, budget dust reminds us that technology funding suffers from three major problems. First, there is the common budget practice of incremental funding: "We'll just add another 3 or 5 percent to last year's budget. Second, data from the Campus Computing Project [www.campuscomputing.net](http://www.campuscomputing.net) and other sources document the absence of real strategic and financial plans for information technology. Finally, there is the tendency of state agencies to view technology as a "one-time" capital expenditure (like a new building) as opposed to a continuing operating cost (like personnel or financial aid budgets).

The solution is not just more money. Rather, the long-term solution to the budget dust challenge requires a new understanding across all levels and sectors of the educational community about strategic and financial planning for information technology.

The oft-repeated mantra of the Internet economy is that "the Internet changes everything." Certainly one of many Internet lessons we must learn quickly -- as individuals and as organizations -- is that the Internet changes the way schools and colleges (and the government agencies that provide money) should allocate funds for technology. The old budget models are badly broken; we need new budget models that reflect the new challenges and opportunities of education in the Internet era.



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