Funding Instructional Outreach

Funding instructional outreach has always been a challenge. In the last few years, universities have gone from receiving state support to obtaining state assistance. Is the next step "state-hosted"? Now that state support to higher education is no longer assured, the university community may see continuing education as a "cash cow," according to Rex Tueller, dean of continuing education at Utah State University. He and two other deans from land-grant universities discussed current challenges and opportunities in funding outreach.

The three institutions presented are not unique; many others share the same concerns. Continuing education is often seen as a less expensive way to achieve student full-time equivalent counts. The uncertainty of funding restricts what can be done and the need to generate student credit hours could limit the creativity of institutional outreach efforts. Furthermore, salary ties up a predominant share of outreach budgets, leaving little available for operations. Therefore, the financial picture for university outreach programs is going to change. Whatever the level of financial resources, there will never be enough, so that strategic decisions have to be made.

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Motivating Faculty

One of the greatest challenges of growing a quality instructional outreach program is getting regular faculty to see it as an opportunity rather than an imposition, said John Hudzik of Michigan State University. Faculty suspect that instructional outreach is motivated purely by the need to garner more dollars. Motivating faculty toward quality instructional outreach must be paired with reinvigorating on-campus instruction. Otherwise income does indeed become the motivation, in which case adjunct faculty could be hired instead.

To get faculty ownership, instructional outreach can not be imposed from the top or it will generate faculty resistance and hostility. The department chair must play a crucial role in shaping the debate on this issue, and there must be adequate incentives for faculty participation. Two kinds of incentives are appropriate: financial, and the possibility of accomplishing aspects of the faculty's agenda. Without financial incentives, adding workload will be a disincentive. Meanwhile, a nonfinancial incentive can result from designing instructional programs that facilitate research opportunities both for faculty and for graduate students.

The MSU Model

Michigan State University returns three-fourths of the tuition generated from credit outreach to the generating academic unit to meet operating costs, while one-fourth remains with central administration. From that three-fourths, the unit must meet all instructional costs, but can do so in any number of ways, such as hiring temporary faculty, paying faculty overload, hiring on-load faculty but providing "cookie-jar" incentives (such as technology, income for departments or for faculty), or a combination approach. The unit earns only two to three percent of the gross three-fourths as "surplus."

An important issue is obtaining quality control to counteract the "lust for surplus" (i.e., if the unit generates too much, it becomes visible and subject to predation). Quality is assured through the oversight of accrediting bodies, the use of admissions criteria, and measures of student satisfaction (adult learners complain loudly when dissatisfied, which mitigates against the use of temporaries).

The generating unit keeps all the revenue from noncredit outreach. Fees are set to cover all costs and produce some marginal surplus. Earnings vary widely depending on the activity and the market, averaging three to seven percent of the gross activity. While there is now no university "rake-off," that is being discussed.

The MSU model for outreach is financially decentralized. It has clear advantages, including the fact that existing budgets are not stretched to cover yet another obligation. This model means that outreach is not conceived as a money maker for anyone, but is rather a means to extend programs and still cover costs. In this model, when adult learners are involved, a two-way learning environment is created. Also, it extends the university beyond traditional groups served. Finally, since no single model works for all departments, decentralization allows for a variety of approaches.

Florida State University

The state legislature in Florida and the Board of Regents which governs all ten four-year institutions have mandated five basic categories for funding credit continuing education courses. Robert Simerly, dean of university outreach at Florida State University, described these state-defined categories:

1. In a sponsored credit institute (contract course), a business pays all tuition for students plus all additional expenses to cover the entire cost of the course. All expenses are paid from revenue, and thirty-five percent is charged for overhead. Tuition may be higher than regular on-campus courses but institutions do not get credit for student credit hours produced. The contract can be for any amount depending on the business and the number of students enrolled.

2. In an auxiliary-funded course, students pay tuition, all expenses are paid from revenue, and no tax-assisted funds are used. Tuition is calculated to recover all expenses and may be higher than regular on-campus courses, and may differ at various locations depending on the

amount needed to cover expenses. Again, institutions do not get credit for the hours produced.

3. In the additional fee course — type D, tax-assisted funds are used for instruction, and go to the continuing education division. Additional fees may be charged to cover faculty travel, marketing, etc. The on-campus tuition rate is returned to the general fund, but continuing education collects the tuition, pays the Board of Regents the equivalent of the undergraduate tuition, and retains the rest. Colleges do get credit for the hours produced.

4. Co-listed courses are courses that are listed for continuing education and for on-campus credit. They are covered by tax-assisted funds for instruction, and a certain number of seats in the course are reserved for nontraditional students. Tuition goes into the general fund, and colleges get credit for the hours produced.

5. Locally sponsored tax-assisted evening courses are on-campus degree courses, with tax-assisted funds. Teaching is generally on overload (a formula, based on a percentage of salary), tuition is returned to the general fund, and colleges get credit for hours produced. In this case, departments approve the instructors.

Not clearly defined within these five categories, and an increasingly important issue for the future, is how to figure a costing structure for distance education courses, since different fees cannot be charged from location to location.

Utah State University

At Utah State, continuing education credit courses are budget-related, according to Tueller. FTE credit goes to the departments and enrollment dollars come from tuition, a formula recognized by the state legislature. The university may not charge more tuition for off-campus courses but can charge delivery fees, which the continuing education unit keeps. The problem is that, as enrollments have increased, expenses have increased to obtain the new facilities required, whereas the increased tuition revenue has gone to the provost for distribution, putting stress on the financial resources of continuing education. Several solutions have been recommended, including capping enrollment, which the provost will not accept. The likely answer will be development of some margin of tuition dollars to be returned to continuing education. Noncredit revenues generated do belong to continuing education, the major source of funding currently.

Utah State reorganized University Extension in 1970, so that the vice president for continuing education/Cooperative Extension works with a liaison in each college. This new structure has helped to get more departments involved. However, the new structure was not funded and, with Extension facing federal cutbacks, the vital question is whether colleges and departments will continue to support this venture when the funding source is no longer there. Nor is electronic distance education a panacea to save dollars. Utah State has used three different systems and has found them all to be very expensive.

Discussion Session

A very lively discussion featured questions on incentives for faculty, the use of overload pay, hiring of adjunct faculty, and legislative pressure to redefine faculty workload. Simerly maintained that “legislatures manage universities by anecdote.!" Another issue is the use of tuition versus fees. Employers do not pay for fees, only tuition, but tuition bears no relationship to the cost of a given program. One of the newest issues in light of diminishing funding for extension is the question of whether fees should be charged for Cooperative Extension noncredit courses.

From Rutgers comes a compromise model between the no pay and overload pay for regular faculty or hiring of adjuncts. They look at noncredit teaching as “internal consulting,” that is, as part of twenty percent or one day per week that they are allotted for consulting, so that faculty may receive pay for teaching such courses. Other members of the audience wondered why faculty would be interested in teaching noncredit courses at lesser pay, if the best can get high fees for consulting? The model also does not deal with off-campus credit courses. Market forces, including the high fees available for high-status faculty to consult or to give conference presentations, may be driving the university increasingly toward a noncredit certificate model.

A significant debate occurred over the use of young faculty members. Some challenged the MSU model because it appears to still “protect its young assets, " suggesting that outreach is not integrally involved with teaching and research but is still being treated separately. MSU admits that promotion and tenure issues remain related to the predominant research model; nonetheless, the university is inculcating in young faculty a value for outreach, so that they are involved in their first year. Nonetheless, the department feels an obligation to get them tenured. Integration results from how a given act relates to the entire mission, not from the use of either junior or senior faculty members for the model. And outreach instruction at MSU is valued, or given the same credit, as on-campus instruction, and requires the same documentation of quality.

As a final irony, land-grant universities tout an outreach mission and yet charge extra fees for outreach instruction. In the end, issues of funding outreach still conflict with the strong commitment to equity and access.