

Methods of Solving Financial Problems of Universities

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Annotation: *This article shows the main problems and financial decadences of universities. And also, some effective solutions are provided.*

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1. INTRODUCTION

We know, from the history our ancestors had built numerous educational centers like universities and institutions. However, they had the same problem as we have now. It's called "problem with supplying". For thousands of years we have been trying to find the optimal method to prevent the enigma. So, day by day the results are showing them.

The following are areas where costs can be reduced, with commensurate savings to students.

Teaching loads. The average professor now teaches only two classes a semester. A Freedom-of-Information Act disclosure in 2011 reports that at the University of Texas at Austin 80 percent of all professors at UT teach only an average of 32 students per semester. This has become the standard throughout the country through an understood cartel.

Research. Regents and administrators should design some sort of metrics to determine the value of any research that requires reduced teaching loads, perhaps along the lines of: How does this research serve students? Or how does this research serve wider societal needs?

Some kind of qualifications should be placed on research with reduced teaching loads that "advances knowledge," which is a defense that is undefined, vague, and arbitrary. The present notion that "anything goes" should not be cited carte blanche for reduced teaching loads because such anarchy is rife with potential abuse. Professors, of course, are otherwise free to conduct research and publish anything they wish on their own time.

A national understood cartel now governs universities throughout the country on such kind of research. That cartel pummels any critic for even daring to bring the matter up.

Tenure. Abolish tenure for new hires, but not for those already on it, subject to attrition. Replace tenure with multi-year contracts. Tenure codifies permanent job security that for many professors enables expensive indolence with impunity. The national cartel here, too, protects this abuse.

Tuition increases are also protected by the cartel. How is it that many, if not most, universities raise tuition each year by roughly the same percentage? If all of them raise tuition, then each of them feels safe. [3]

The research also celebrates the excellent work undertaken by university estate teams in providing world class learning spaces, despite many challenges. The figures show universities gained an increasing percentage of their revenue through 'other' income, with one of the main sources of this being property deals and intellectual property rights. Within the context of major changes in funding of the sector, it has been seeking alternative sources of revenue and in the last decade, commercial partnership deals with businesses such as Ocado, Regus and Santander have been completed.

The Teaching Excellence Framework, which recently introduced a scoring model with the potential to affect government investment (dependant on the university's teaching performance), has increased this pressure, creating a more competitive market. Universities face a challenge of securing such income in order to create and sustain high quality facilities and world class institutions to attract staff and students alike from both the domestic and international markets.

Mike Clark, AUDE chair, said: "Despite a period of policy upheaval, UK universities are continuing to deliver world-class facilities and engage with communities through innovative routes. Our mandate, to attract and retain the finest students and staff

from across the UK and internationally, is more important than ever in increasingly changeable political times. Making sure we have the funds to provide these facilities is of paramount importance to the sector.”

In response to the challenge to secure a sustainable future for students, the data, gleaned from (the annual Estate Management Report), found that commercial deals, property shares, rental space and business investments are on the rise.

Estate management is continuing to add value through the different efficiencies among higher education institutions. Across the sector, the report documents examples of universities utilizing its estate in order to secure alternative funding streams outside of traditional routes. The University of Hertfordshire embarked on a strategy to boost income by securing commercial deals with businesses such as Ocado and Regus for office space, as well as commercial leases with bank Santander and the NHS which runs a GP clinic on campus. The university’s income rose to £1,477 per square meter in 2014/15, an increase of 6% from 2012/13. [1]

University desires. Derek Bok hit the nail on the head when he observed: “Universities are like riverboat gamblers and exiled royalty: their desires are never satisfied.” Their thirst for more buildings, for more student amenities and luxuries are never quenched.

Symbiosis with community colleges. One ameliorating solution to high college expenses would be for legislators to implement a plan codified in the state of Virginia. This legislature established a symbiotic relationship between residential colleges and community colleges. Students can attend community colleges for two years, fulfilling introductory requirements, and then transfer automatically without further road blocks to residential universities for courses in their majors.

The foreboding bottom line is this: “America’s universities now have more full-time employees devoted to administration than to instruction, research and service combined.”

2. CONCLUSION

The solution to administrative bloat in public universities is less a challenge to the intellect than to the political will and courage of university trustees, chancellors, presidents, and state legislators. [3]

As economist Herb Stein once observed: “What can’t go on forever, won’t.” Now is the time for legislatures to do something about rising college costs because universities won’t if they can get away with it. [4]

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