Nothing focuses the attention of colleges and universities on true priorities like an economic crisis. When plummeting state appropriations, student fees, endowment income, and other sources threaten an institution, how does it distinguish between “must-haves” and “nice-to-haves”? When powerful constituencies like parents and students, legislators, the faculty, and alumni demand that their concerns be addressed, what chance does information technology have?

At Bowdoin College, I saw this challenge from two perspectives: as a CFO in nominal charge of the budget process and as the senior officer with oversight of IT. When I became the president at Guilford College, where IT was managed by the CFO and an academic dean, I transferred this shared arrangement—never my preferred organization for coordination and accountability—to a single report to me.

IT has also been a recurring theme in the management education sessions I have taught at the Harvard Institutes for Higher Education since 1983. In the early years, most participants did not own a computer, and the Internet had not been invented.

From my perspective, in an economic downturn, both IT and the institution are best served when the following conditions are present:

- The institution uses a strategic plan to decide the relative importance of IT and other functions. How vital is IT to institutional success? A strategic plan lowers the crisis-management aspects of a tight budget and allows reductions and reallocations to occur purposefully.

An IT-specific plan in the absence of an institutional strategic plan seldom protects IT resources. To maintain enrollment, IT may even be viewed as providing a competitive advantage that is crucial for student recruitment and retention and may be given extra funding. A wireless campus, online student registration and bill paying, and a virtual community for social networking appeal to a growing segment of undergraduates. Remote access to databases has forced more than a few libraries to offer plush chairs and even Starbucks coffee to lure students back to the reading rooms and stacks.

- The institution focuses assessments of its cost-effectiveness on curriculum and student learning outcomes, in which IT has great potential. Outcomes evaluation is essential for a “brand promise”—or, how students will be transformed by graduating from College A or University B. It is also a sine qua non for reaffirmation of accreditation in most regions. Colleges and universities can view the instructional opportunities of IT on three levels. Level I involves the use of productivity tools like Microsoft Word and Excel for research and writing. Level II centers on how we teach and use technology to allow asynchronous learning at the student’s own pace and often outside the traditional classroom. Level III concentrates on changing what we teach. In accounting, for example, technology has allowed a shift away from rote memorization of debits and credits to a greater focus on what the numbers mean and how to act on them. Most institutions do very well with Level I, are improving with Level II, and struggle with Level III.

- The institution evaluates different ways to provide programs and services, including in IT. Economics often focus attention on the costs of doing business. Measuring and controlling college and university costs can be as important to a balanced budget as securing new revenue. Doing so is also significant to families and the media. Institutions should consider outsourcing opportunities (remembering at all times that the function can be outsourced but that institutional involvement and oversight cannot), should renegotiate with technology and service providers, and should eliminate meaningless steps in processes. In fact, process redesign is essential for any real cost savings with technology; it makes no sense to install a new student records system if the registrar continues to use paper forms to enroll students. Ohio State University redesigned its core statistics by reducing time in class and substituting a variety of online components relevant to specific majors. Campus officials estimated that the change reduced the cost of offering the course by 31 percent and opened up 150 new slots.

In Colorado, the Governor’s Office of Information Technology consolidated the executive branch’s individual cell phone plans and claimed annual savings of approximately $600,000.

- The institution is aware that the financial effects of spending on IT may be different from the effects of spending in other programs and services. IT, buildings and grounds, and other departments that buy equipment and erect long-term physical assets spread their costs over the years of useful life via depreciation.
This has a slight effect on the financial statements and budget for any one year while still depleting cash rapidly. For example, a computer system purchased for $100,000 with five years of useful life would have $20,000 in depreciation capitalized and added to the budget and financial statements each year. However, as soon as the system is purchased, $100,000 in cash is disbursed and is no longer available to pay bills.

The institution thinks creatively about fund-raising. The rule of thumb is that unrestricted gifts are best because they can be used for anything. Restricted gifts are welcomed if they support the institution’s mission. A liberal arts college generally would not accept a restricted gift to open a medical school. There are other options, however. An unrestricted gift can be used for a specific project so that the donor can see results. At Guilford College, we applied two unrestricted gifts to expanding the wireless network, and we kept the donors informed on how we were using their money. At Bowdoin College, we worked with a donor to identify the “college’s greatest need,” which led to an $18 million endowment for IT. Another idea is to take a large project and divide it into more fundable segments, for example, installing wireless in a residence hall or on the quad. When it comes to IT, most of the donors, faculty, and fund-raisers need to be educated about the possibilities and about how much a new system, equipment, and software will improve specific aspects of education.

The institution builds long-term relationships rather than waiting for a budget crisis. Administrative departments have to show faculty, students, and others how much their services matter in order to turn these members of the campus community into allies in tough times. University art museums need to be more oriented to academic support and community needs. IT departments should contact specific departments, courses, and faculty members and explore new linkages. Why does IT matter? Inviting faculty to “play” with new software in an open lab—adjacent to the help desk—can show the possibilities and importance of IT, especially to more senior faculty. Administrative systems can also facilitate strategic decision-making in the business office through sophisticated modeling of alternative financial scenarios. However, as the historian Daniel J. Boorstin warned: “Technology is so much fun but we can drown in our technology. The fog of information can drive out knowledge.” At Guilford, a very successful student-outreach program is Café Bauman (IT is located in Bauman Hall), with facilities open all night during final exams. The program offers not only computers and printers but also social space and refreshments. Students tell me that the pizza is a special favorite.

The institution knows the importance of communication and transparency. Fiscal problems bring uncertainty and anxiety that are made worse if information is not readily available and reliable. The campus home page and website can relay news about economic circumstances, campus responses, and future expectations. Pages devoted to financial analysis and the strategic plan are useful. This serves not only employees and students but also trustees, alumni, legislators, parents, and others off campus. A community bulletin board or chat room allows people to vent as well as get reassurance. At Guilford College, we have found the “parent pipeline” to be a good source of concerns even if often overstated. Feedback—acquired from tools like SurveyMonkey.com—can be used to improve proposed actions to deal with the crisis. Another tactic is the “zoning ordinance” approach, in which draft policies and expected budget cuts are posted on the web—usually in a password-protected space—for comment over a specified time period before being finalized.

The annual EDUCAUSE Current Issues Survey has perennially identified funding as the first or second most-significant strategic issue in IT. With the current economic downturn, “Funding IT” is again the number-one issue in the just-released 2009 survey. In considering this issue, IT leaders may want to ask the following critical questions:

- Do key members of the institution understand the strategic value of IT to enhance teaching, learning, research, and service?
- Have institutional leaders specified expectations for IT availability, currency, and performance?
- Which IT projects should be reconsidered or deferred, and which are essential for enrollment and competitive advantage?

Economic crises are always hard to understand and to survive. Still, they offer opportunities. Reforms and improvements that would be impossible to implement during prosperous times suddenly become feasible when budgets are under stress. This is as true in IT as it is in every other facet of college and university operations. A focus on true priorities can lead not only to understanding but also to survival.

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