

# Des Moines Register

## Iowa's universities are under-managed, not 'bloated'

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The July 28 column "It's time to streamline top-heavy universities" alleges that schools rely too heavily on tuition to fund unnecessarily burgeoning administrative overhead. The data cited in the piece present old news; trends between 1980 and 2005 hardly provide a current picture. The critics quoted in the essay have displayed political bias in recent work. Author Randy Evans oversimplifies the complex realities universities have faced for decades.

### Biased sources

Todd Zywicki is a professor in the law and economics programs at George Mason University whose Mercatus Institute is a noted home for "free market" views with sponsorship from the Koch brothers. He is also a fellow of the Cato Institute, commenting that the Institute "believe(s) in free markets, limited government, individual liberty," when he was appointed.

David Randall, a member of the National Association of Scholars, recently reviewed summer reading lists distributed by colleges and universities, concluding critically that the lists "perennially promote progressive politics." The association has long been known for its explicitly conservative views, qualifying its support for academic freedom by promoting "virtuous citizenship."

### Data on research university revenues

Evans cites very old data points from the National Center for Education Statistics' IPEDS database, and then cherry-picks a few Iowa examples to suggest that they represent administrative bloat. A deeper look at the national data shows how pressed universities' finances really have become.

IPEDS data from 280 public research universities such as Iowa State and the University of Iowa show steady declines in state funding over the past decade. In 2009, one-third (33%) of their revenue came from state appropriations. By 2018-2019, state appropriations accounted for 26% of their revenue. Over the same period, government grants and contracts, which crucially provide both direct support for research and indirect support for infrastructure, declined from 25% of all revenue to 20%. Tuition increased from 30% of revenue to 33% of revenue — hardly a commensurate replacement for the revenue that went missing in the interim as states and federal government pulled back their support by wider margins.

Both UI (down from 25% of all revenues to 12%) and Iowa State (down from 36% to 23%) suffered greater percentage declines in state appropriations than their national peers. The University of Iowa's tuition was 23% of all revenue in 2009, and increased only to 24% in 2018-19. Iowa State's tuition was also 23% of all revenue in 2009, but increased to 35% in 2018-19. (Most likely this was due to a big increase in enrollment at ISU, while UI held the line.)

## **Data on university expenditures**

Here is where cherry-picked and old data mislead badly. Instruction accounted for 35% of all expenditures at research universities in 2009 and 40% in 2018-2019. ISU and UI both increased the proportion of their expenditures on instruction at about the same rate.

Evans implies that administrative expenditures are out of control, but that is not true nationally or at Iowa's universities. In fact, Iowa's universities are under-invested, if anything, in several important functions compared with their peers. Nationally, "Academic Support" (libraries, computers, labs, advising, all important to the quality of education) increased from 9% of expenditures to 11%. ISU increased its expenditures from 13% to 23%, a laudable commitment to quality (perhaps diluted by its large enrollment), while UI increased its from 11% to 14%.

"Student Support" (residence life, activities, financial aid, health services, counseling), providing for essential services on a heavily residential campus, increased from just 6% to 8% of all expenditures nationally. ISU spent only 4% of its outlays on student services in 2009 and 2018-19, less than its peers and without increasing the proportion while increasing its enrollment — a sign of serious underinvestment. UI spent only 3% of its total on student services in 2018-19 and 2% in 2009, much less than its peers.

"Institutional Support" (facilities, general administration, financial administration, fund-raising) increased from 9% of all expenditures to 11% among research universities nationally. Iowa's universities only spent about 5%-6% on institutional support in both 2009 and 2018-19 — holding the line and spending less than their peers.

External pressure for accountability now requires specialized attention to affirmative action, student rights and privacy, environmental regulation, workplace health and safety, and more complex rules for accreditation and student financial aid. Universities are subject to all the regulatory demands facing business and agriculture, and more. Yet Iowa's universities have kept their administrative overhead low to the point of under-investment.

Evans alleges "bloat," but the data from 20 or 25 years ago surely do not apply today. Cherry-picking from biased sources and selected examples would get him a bad grade in my book. I hope I've set the record straight.