

"If, however, the whole sheaf of suggestions is brought together into a single pattern and program the probable savings shrink to much smaller proportions. The Council finds, for instance, that though instructors A and B agree perfectly in their desire to save, they may differ rather fundamentally in ways of saving. A would save by dropping B; and B would save by dropping A. Clearly this is not a problem in simple addition. Moreover, the Council observes that some of the proposals were made without a realization of the far-reaching effects which would be involved in the change. The suggestion, for example, of reducing the three terms to two would quite certainly reduce the cost of registration and record in the long run but the probable savings for the next two or three years would be almost entirely wiped out by the increased cost of new printing and the labor involved in translation of records. And finally, some of the proposals were repeated again and again whereas the saving could be made, if at all, only once.

"A CLASSIFICATION OF THE PROPOSALS EXAMINED

"The Council was, therefore, faced with the necessity of weighing the proposals in addition to counting them. Upon examination it was discovered that the proposals fell easily into three main classes. — (a) PERSONAL SAVINGS (b) INSTITUTIONAL SAVINGS (c) FUNCTIONAL SAVINGS. We consider each of these in turn.

"(a) PERSONAL SAVINGS

"This is a class of proposals primarily involving persons. For example, the claim that A receives more than his services to the institution are worth, or that B should be discharged because he is a bachelor, we have classified as 'personal'. The number of these proposals was 24. Behind some of them there may be a private grievance or a feeling of injustice. Yet, even so, they are not to be dismissed too lightly. The feeling of injustice may be well founded and when it is well founded the social health of an institution is undermined. The small number of proposals in this class, however, is worthy of note. The Council believes that this fact is significant of a healthy and unified faculty.

"It is further worthy of remark that most of the savings already put into effect have been at the expense of persons. That vein of gold is almost exhausted. Such savings as may yet be made by taking money from the teachers should be the very last resort. We, therefore, recommend that any further reductions of salary or moves amounting to that, such as enforced leaves of absence during the regular session, be postponed until the amount of further deficit can be exactly ascertained by the Board, and that if such leaves of absence become absolutely necessary, the faculties of the respective institutions be consulted as to method.

"(b) INSTITUTIONAL SAVINGS

"By 'institutional' we mean to indicate a class of proposals to save money by economies within an institution as such. For example, the proposal to close the Normal School at Monmouth, or the proposal to eliminate duplication of courses in two or more departments at the University are in this class. There were 19 such proposals. Of this number one proposed savings at Monmouth and two proposed savings at Oregon State College. The remaining sixteen applied to our own campus at Eugene. On such evidence no one can doubt that the proposals were made in good faith. Some of the savings proposed at the University had to do with the care of buildings and grounds; some with the use of buildings. The Council is convinced that if there are any small buildings, such as the Social Science House, the History House, or the Dispensary, now occupied by people who could be accommodated in Friendly Hall, such buildings should be closed during the emergency in order to save light, heat, and service. The suggestion that class rooms or class buildings be closed does not seem to the Council to promise any saving. The number of classes is not reduced very much by the falling registration and the cost of moving and readjustment would offset any saving on heat, light, and service.

"Four suggested that surplus housing facilities be drawn upon as part compensation in the case of young and/or unmarried instructors. The Council considers this important. We, therefore, recommend that wherever there are unoccupied rooms or suites of rooms in the dormitories belonging to the different institutions they be made available for the use of faculty members as partial compensation for salary reductions.

"Eight mentioned, more or less specifically, duplication of courses in the University. The Council is convinced that duplication should be avoided but it had not sufficient data to justify specific recommendations. What seems to be a duplication in title or subject-matter may on closer scrutiny either be no duplication in fact or at least an unavoidable duplication. Nevertheless, we recommend that deans should yield at every possible point where they can avail themselves of a service course in some established part of the University.

"(c) FUNCTIONAL SAVINGS

"Of the classes of proposals mentioned above, the third and final one we call 'functional'. In this class we include suggestions involving the relative importance of different aspects of the system of higher education. The number of suggestions in this class received by the Council was 57. In our analysis of this class we have followed the divisions used by the Oregon State Board of Higher Education and published in their Biennial Report for 1931-32:

- | | |
|-------------------|-------------------|
| 1. General | 5. Research |
| 2. Administration | 6. Physical Plant |
| 3. Instruction | 7. Capital Outlay |
| 4. Extension | |

"Of these seven functional distinctions there was a unanimous agreement among those who offered suggestions that the one for which all others exist is Instruction. Let no one say that such an opinion coming from instructors is just a piece of special pleading and class prejudice, for no one who considers the matter with any candor, whether he be an instructor, or a dean, or an outsider altogether will dispute the truth that a school is founded and maintained for the purpose of teaching. We believe that this position is undebatable. It was not always entirely clear to the Council as to precisely what details of expenditure had been included under any one of these main categories. But as we were unable to break them down by further analysis we accepted them in the usual interpretation. We consider each in order.

"(c) 1. General

"It is difficult to say just how much of the grand total of \$636,886.00 under this caption is indispensable to instruction. Such analysis as we are able to make, however, leads us to conclude that a very great reduction in this budget is possible without injuring the central task of teaching. We find that the cost of libraries is included in this budget. The library is essential to instruction and must be maintained. There should be no further reduction in appropriation for libraries. Next to libraries in importance is probably the health service. This is a self-sustaining service and no further cutting of that item should be made. Of the remaining items, however, no effort should be spared to save every last dollar possible.

"The cost of 'Public Functions' should be reduced to the barest minimum.

"Information service should be radically curtailed. The proposed budget for the next biennium for Public Information is higher than that of any department of instruction in Social Science or Science and higher than any department in Arts and Letters excepting only English. The proposed budget for Public Information is \$5,000 more than all costs of Science on the Eugene campus. It is twice as much as the Law School budget, more than three times the entire cost of Journalism. In all, twenty-one departments and schools on the Eugene campus receive less than Public Information. In the light of the present crisis we believe that there is no justification for spending \$74,735 on informational service.

"Student Welfare Service should be drastically reduced within the limits of bare necessity. Whatever difference of opinion there may be in normal times over the merits and demerits of this function in our institutions, in these times a large proportion of the budget for Student Welfare should be sacrificed if necessary to preserve the fundamental work of instruction.

"(c) 2. Administration

"The administrative costs do not seem to the Council to be excessive. There are, however, some items which should be closely examined. It may be that savings can be made by avoidance of overlapping in administrative functions and requisitions. If two or more deans or other administrative officers have overlapping jurisdictions and budgets, the facts should be ascertained and the over-

lapping eliminated. No sham savings should be made in administration by transferring items from administration to instruction, as in the case of telephone service and the like.

"(c) 3. Instruction

CHARTS

- A. "Instruction Costs"
- B. "Instruction Costs Compared"
- C. "Comparison of Budgets of Schools and Colleges on the Basis of Minor Campus"
- D. "Distribution of Funds for Instruction"

"Savings under the head of instruction can be made only by further reduction in staff or in the per-student costs. Studies have been made and charts provided to show that the per-student costs of instruction in the schools and colleges vary within the system from \$188 to \$882. We recognize that in some fields of instruction the cost must be higher than in others. Nevertheless, any further reduction in instruction costs should be in the direction of equalizing per-student costs. As a basis for such a calculation larger units should be compared with larger units. There must be many minor inequalities in cost of instruction varying from year to year as student habits change. In equalizing costs such small variations should be disregarded in the interest of preserving a unified field of instruction; but it may well be that whole divisions of the system are costing too much in comparison with other whole divisions. While we recognize the need of a justification of courses with a small enrollment we recommend that all standard upper division and graduate courses necessary to preserve the field of learning in which they appear be continued on their present basis and efficiency even if, momentarily, the cost is slightly increased.

"(c) 4. Extension

- E. "Percentage of 29-30 Funds Remaining in 33-34 Budget"

"This category is fairly well understood and the work done in extension is widely appreciated. Wherever the extension work is a vital and organic part of the central task of instruction in any one of the major institutions we believe it should be maintained at a maximum level of efficiency. General extension teaching is five-eighths self-supporting. Since 1930 appropriations for general extension have been reduced by more than thirty per cent. If the more specialized extension work were to be reduced in like proportion, there would be a saving during the next biennium of \$268,301. We recommend that no unassigned state funds be expended during the next biennium for agricultural extension.

"The Radio Broadcasting Station should be leased for whatever it will bring, or completely abandoned in order to save its budget for the purposes of regular institutional instruction.

"(c) 5. Research

"This is an important budget and vitally connected with instruction. The amount of money available for advanced study of this character in the field of social science and the humanities has already suffered a reduction of more than 58 per cent. If other lines of research were to take a similar cut, there would be a saving for the next biennium of \$237,000. We recommend that no unassigned state funds be expended during the next biennium for agricultural research.

"(c) 6. Physical Plant

"(c) 7. Capital Outlay

"On these two items we have no recommendations.

"In addition to the charts mentioned above, two others are attached, viz., (F) 'Reduced Budget 33-34', and (G) 'Comparison of 29-30 and 33-34 Budgets by Institution.'

Respectfully submitted,

ADVISORY COUNCIL

(Signed) Wayne L. Morse

H. G. Townsend

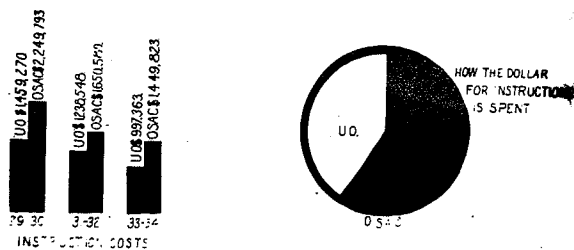
James H. Gilbert

C. V. Boyer

Henry D. Sheldon

James D. Barnett

CHART A. INSTRUCTION COSTS



Division of funds for instructional purposes.

Table I.

Biennium 1929-1930.	U. O.	\$1,459,270.00
	O. S. A. C.	2,249,793.00
Biennium 1931-1932.	U. O.	1,238,548.00
	O. S. A. C.	1,650,589.00
Biennium 1933-1934.	U. O.	997,367.00
	O. S. A. C.	1,449,823.00

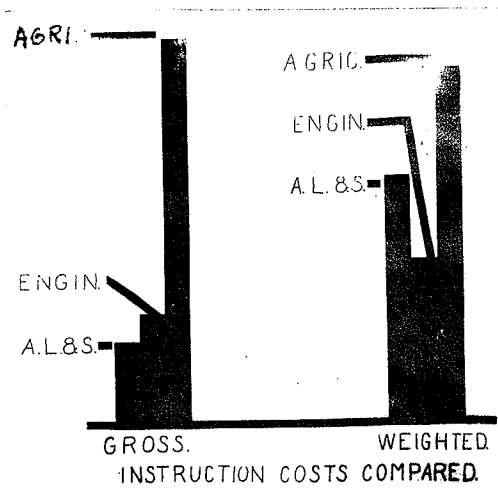
Table II. Illustration of division of every dollar spent by the state of Oregon on instructional work at Eugene and at Corvallis.

When two students matriculate simultaneously, one at the University and one at the State Agricultural College, each dollar spent on their joint instruction will be divided so that the first student's share will be 40.6 cents and the second student's share will be 59.4 cents.

To state the same facts differently, of every state dollar spent the student at Corvallis will have spent in his behalf 46.8% more than the Eugene student.

C H A R T B

INSTRUCTION COSTS COMPARED



Two bar-graphs appear on this chart. In each graph the left bar represents the old College of Literature, Science and Arts on the Eugene campus (sum of College of Arts and Letters and College of Social Sciences). The middle bar represents the College of Engineering on the Corvallis campus (sum of Chemical Engineering, Mining Engineering, and Engineering). The right bar represents Agriculture on the Corvallis campus (sum of School of Agriculture, and Farm, Orchard and Stock Maintenance). All budgetary figures are obtained from the preliminary 1933-1934 estimates.

Figures on enrollment were obtained by deriving the percentage of the total on each campus that each school or college had enrolled in the fall term, 1931, and multiplying the last fall term (1932) by such percentages. This is obviously only approximate. Another difficulty was due to the reorganization on both campi that occurred at the end of the last academic year.

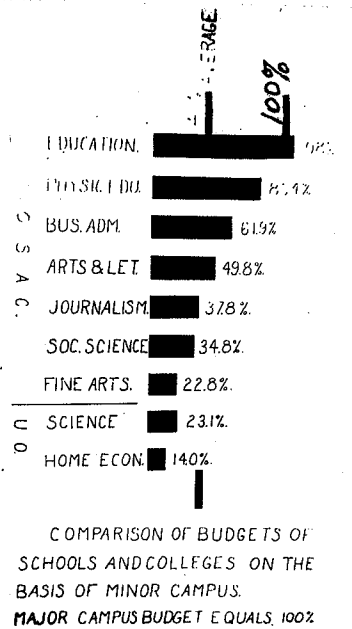
The left graph presents the relationship: semi-biennial budgetary allowance ÷ number of students estimated as given above.

The right graph presents the same data after each item has been divided by the Minnesota Cost Factor that pertains to that field.

This right hand graph does not contain weighting for service courses that are an important and costly item in the liberal arts college. This is a double item because it is improbable that either engineering or agriculture teaches any non major.

C H A R T C

COMPARISON OF BUDGETS OF SCHOOLS AND COLLEGES
ON THE BASIS OF MINOR CAMPUS



Ratio of expenditure on Minor Campus to expenditure on Major Campus.

The chart is based on a computation of 100% expenditure at the major campus.

O.S.A.C.	Education	108%
	Physical Education	83.4%
	Business Administration	61.9%
	Arts and Letters	49.8%
	Journalism	37.8%
	Social Science	34.8%
	Fine Arts	22.4%
U.O.	Science	23.1%
	Home Economics	14.0%
Average expenditure for both campi:		41.1%

Comment:

Note that the schools which rise far above the average of expenditure are all at the Oregon State Agricultural College. They are the schools of Education, Physical Education, and Business Administration. More money is spent on Education at Corvallis than at Eugene, despite the fact that the major work is at Eugene.

The two schools having minor work at the University of Oregon, Science and Home Economics, fall far below the average of expenditure.

C H A R T D

DISTRIBUTION OF FUNDS FOR INSTRUCTION

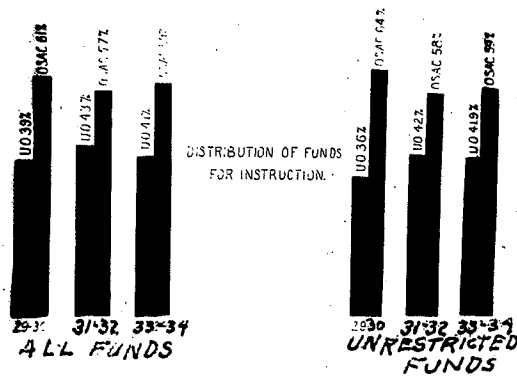


Table I.

Comparative distribution of total expenditures on instruction at the University of Oregon and at Oregon State Agricultural College by percentage.

Biennium, 1929-1930:	U.O. 39%;	O.S.A.C. 61%.
Biennium, 1931-1932:	U.O. 43%;	O.S.A.C. 57%.
Biennium 1933-1934 (est.):	U.O. 41%;	O.S.A.C. 59%.

Table II.

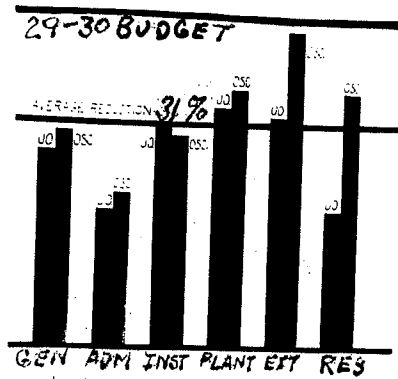
Comparative distribution of expenditures from unrestricted funds at the University of Oregon and at Oregon State Agricultural College by percentages.

Biennium 1929-1930:	U.O. \$1,140,047.00	36.2%
	O.S.A.C. 2,011,202.00	63.8%
	<u>\$3,151,249.00</u>	100.0%
Biennium 1931-1932:	U.O. 1,080,008.00	41.9%
	O.S.A.C. 1,498,879.00	58.1%
	<u>2,578,887.00</u>	100.0%
Biennium 1933-1934 (est.):	U.O. 888,535.00	40.9%
	O.S.A.C. 1,284,699.00	59.1%
	<u>\$2,173,234.00</u>	100.0%

Note: The figures given for the biennium 1933-1934 are those presented in the Biennial Report 1931-1932 (November, 1932) of the Oregon State System of Higher Education, Table VI, p.39, Roman numeral II., Arabic numeral 3; and p.40, Roman numeral III., Arabic numeral 3.

C H A R T E

PERCENTAGE OF 1929-30 FUNDS REMAINING IN 1933-34 BUDGET



Percentage reductions in 1933-1934 budget based on 1929-1930 budget as 100%.

Table:

Top line: indicates 1929-1930 total.

Second line: indicates average reduction of funds for all purposes at the University of Oregon and Oregon State Agricultural College. (31%).

- Bar-graphs:
1. General expenses;
 2. Administrative expenses;
 3. Instructional costs;
 4. Expense of plant and maintenance;
 5. Extension division costs;
 6. Costs of research.

Note: These bar-graphs indicate percentage and not dollar figures.

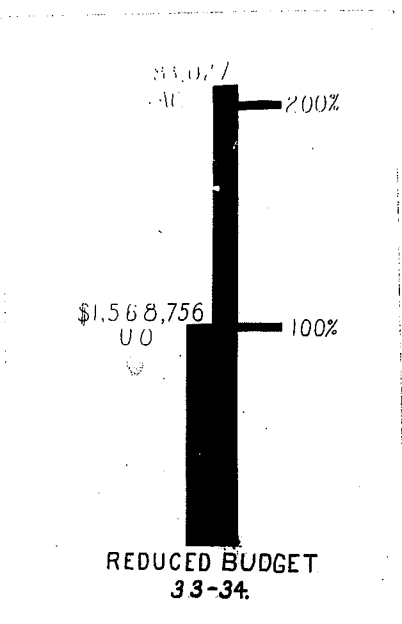
Extension work at Corvallis has been cut very little.

Research work at Eugene has suffered extremely severe curtailment in comparison with that at Corvallis.

In each item but one the work at Eugene has suffered a larger percentage cut than at Corvallis, excepting instruction. Reference to chart A, however, will show that the actual proposed expenditure for instructional purposes at Eugene is \$997,367 as contrasted with \$1,449,823 at Corvallis.

C H A R T F

REDUCED BUDGET 1933-34



DIVISION OF FUNDS

TENTATIVE BUDGET OF STATE BOARD - REDUCED BUDGET 1933-34

<u>Institution</u>	<u>State Funds</u>	<u>All Funds</u>
Oregon State College	\$ 1,871,138.00	\$ 3,283,027.00
University of Oregon	<u>1,047,483.00</u>	<u>1,568,756.00</u>
BIENNIAL EXCESS IN FAVOR O.S.C.	\$ 823,655.00	\$ 1,714,271.00
ANNUAL EXCESS IN FAVOR O.S.C.	411,827.00	857,135.00
EXCESS PER CENT FAVORING O.S.C.	78.6%	109%

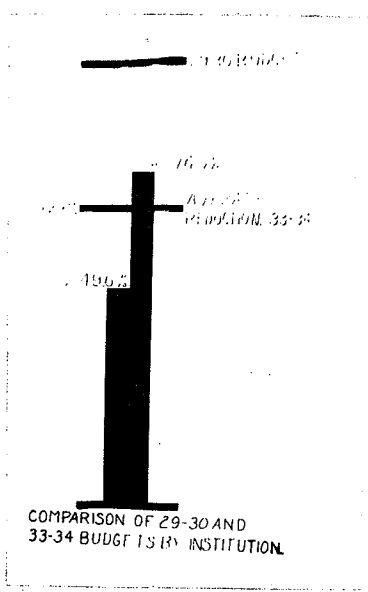
This table shows the proposed distribution of funds as shown by the reduced budget adopted by the Board in January, 1933, after certain economies had been made but before the 9-27% cut or the legislative cut of 5-30% had been applied.

Any cuts which are made in terms of percentage salary reductions will make proportionate or more than proportionate reductions in sums assigned to the Eugene campus.

Although University salaries of teachers are now higher than at Corvallis for the same rank, there are in most fields a larger proportion of men in the higher ranks at Eugene than at Corvallis. Salary reductions applied under a graduated scale will cut more deeply into the salary item in the instruction budget.

C H A R T G

COMPARISON OF 1929-30 AND 1933-34 BUDGETS BY INSTITUTION



Reductions made and pending at the University of Oregon and Oregon State Agricultural College during period 1929-1934.

Average reduction:	31.4%
University of Oregon reduction:	50.4%
Oregon State Agricultural College reduction:	24.0%

Comment:

Note the overwhelmingly disproportionate reductions at the University of Oregon as compared with those at the State Agricultural College.

It was moved by Professor Erb, seconded by a member of the faculty, and passed that the faculty approve the report of the Advisory Council and that a copy of the report be transmitted to the Chancellor and to the members of the Finance Committee of the State Board of Higher Education.

There being no further business, the meeting adjourned.

Earl M. Pallett
EARL M. PALLETT, Secretary