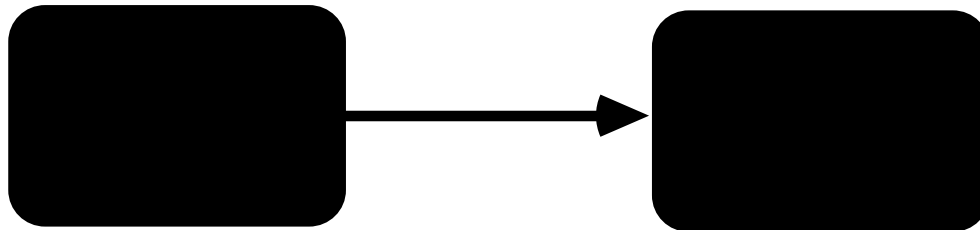

**The Bleak Outlook
for State Support of
The University of Michigan**

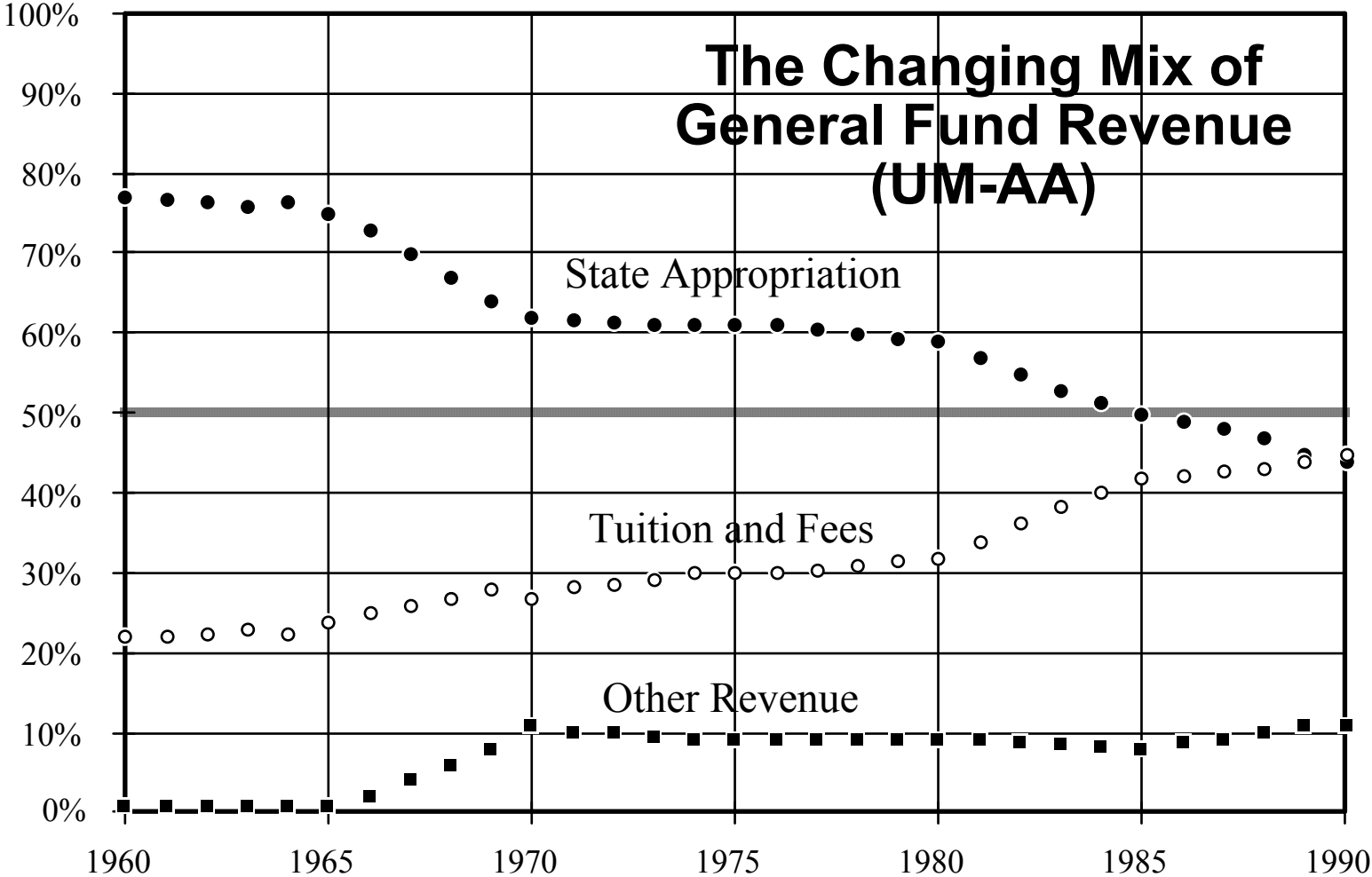
A Shift in Public Policy

The evolution of our public institutions has been shaped by *the public principle*: the public university is established and supported through general taxation to benefit society. The basic premise is that support should be by society as a whole since society gains benefits from the institution, just as do those individuals participating in its particular educational programs.

Yet, in recent years, both state and federal government have taken actions which shift the costs of public higher education from general tax revenue to the students (and their parents) who benefit most directly from this education.



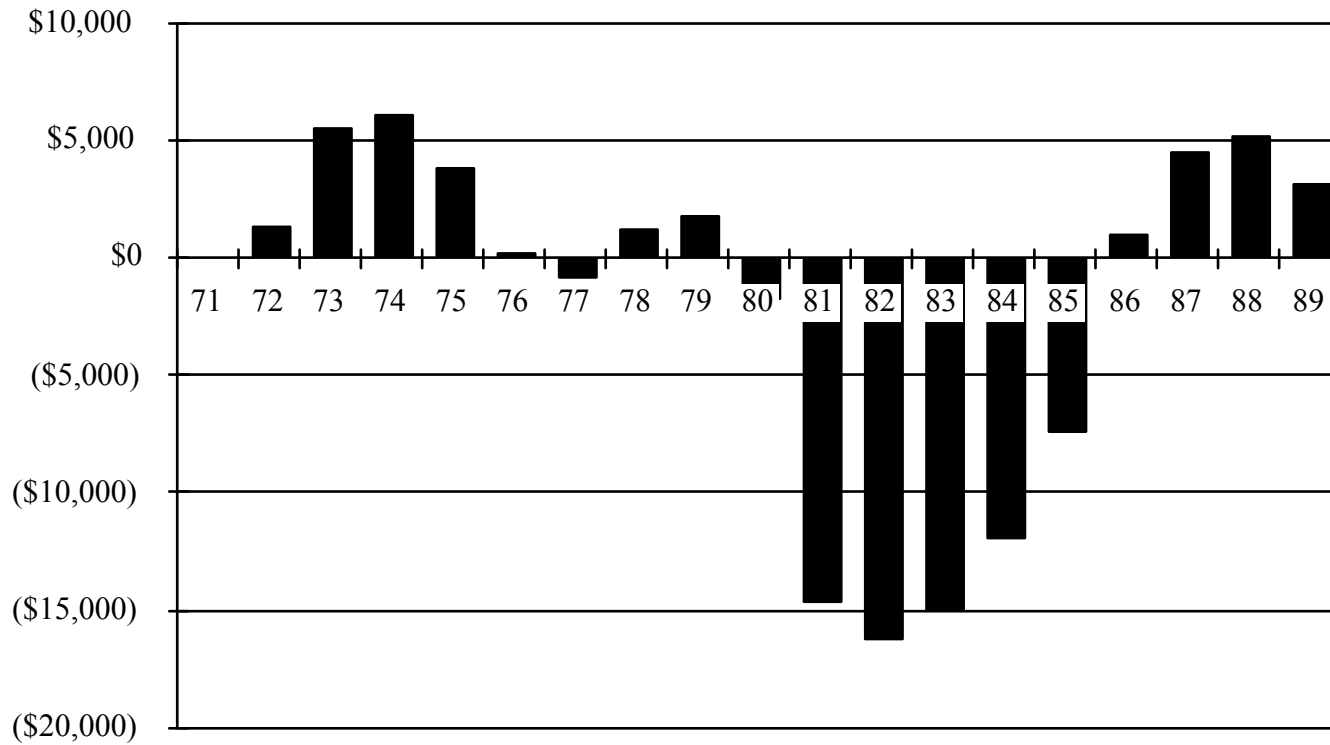
The Changing Mix of General Fund Revenue (UM-AA)



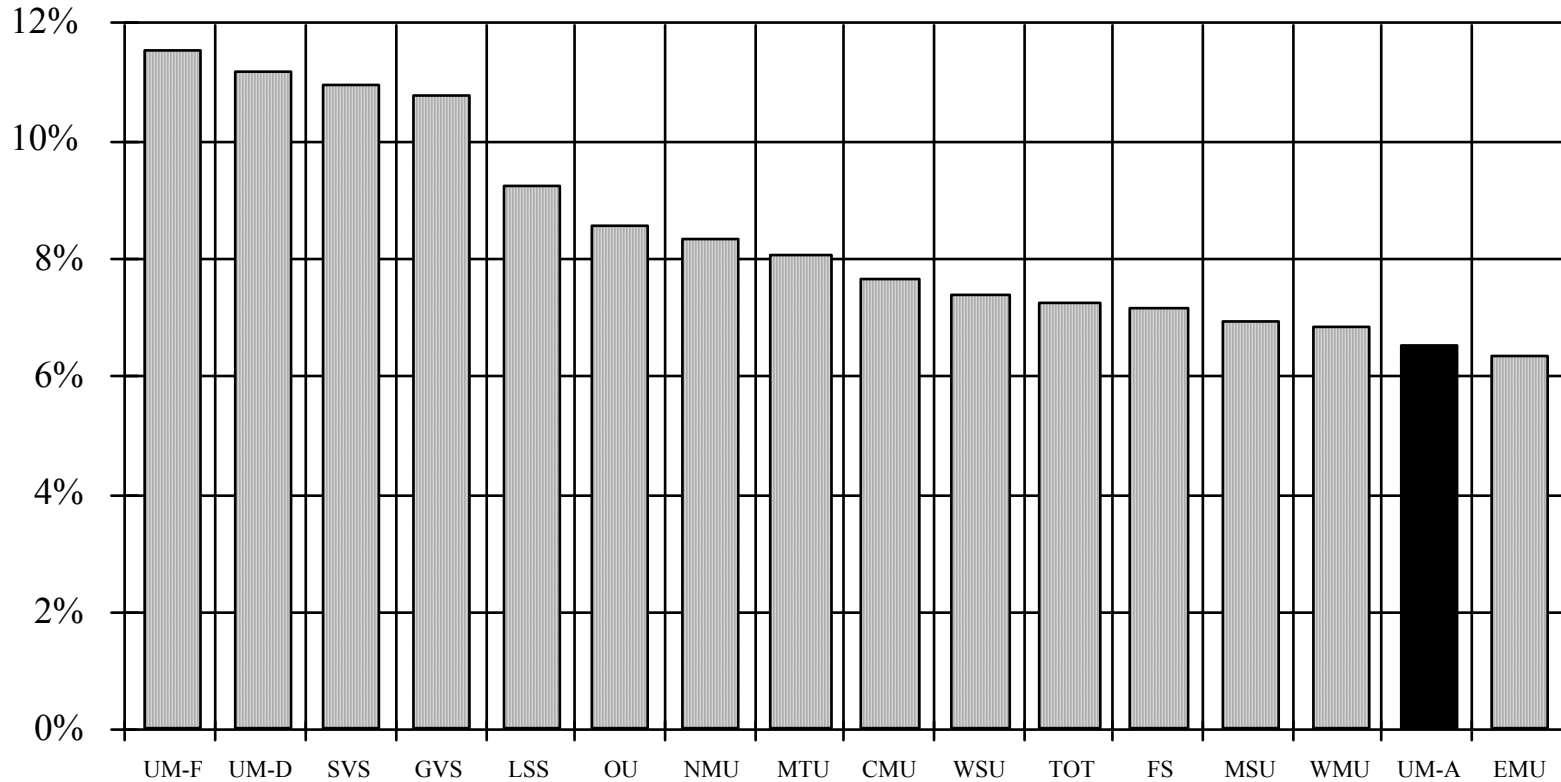
Michigan's National Rankings State Appropriation for Higher Education

	<u>FY83-84</u>	<u>FY85-86</u>	<u>FY87-88</u>
Two year % increase	42nd	10th	20th
Ten year % increase	50th	43rd	35th
Appro per capita	34th	28th	20th
Appro as % of personal income	36th	32nd	31st

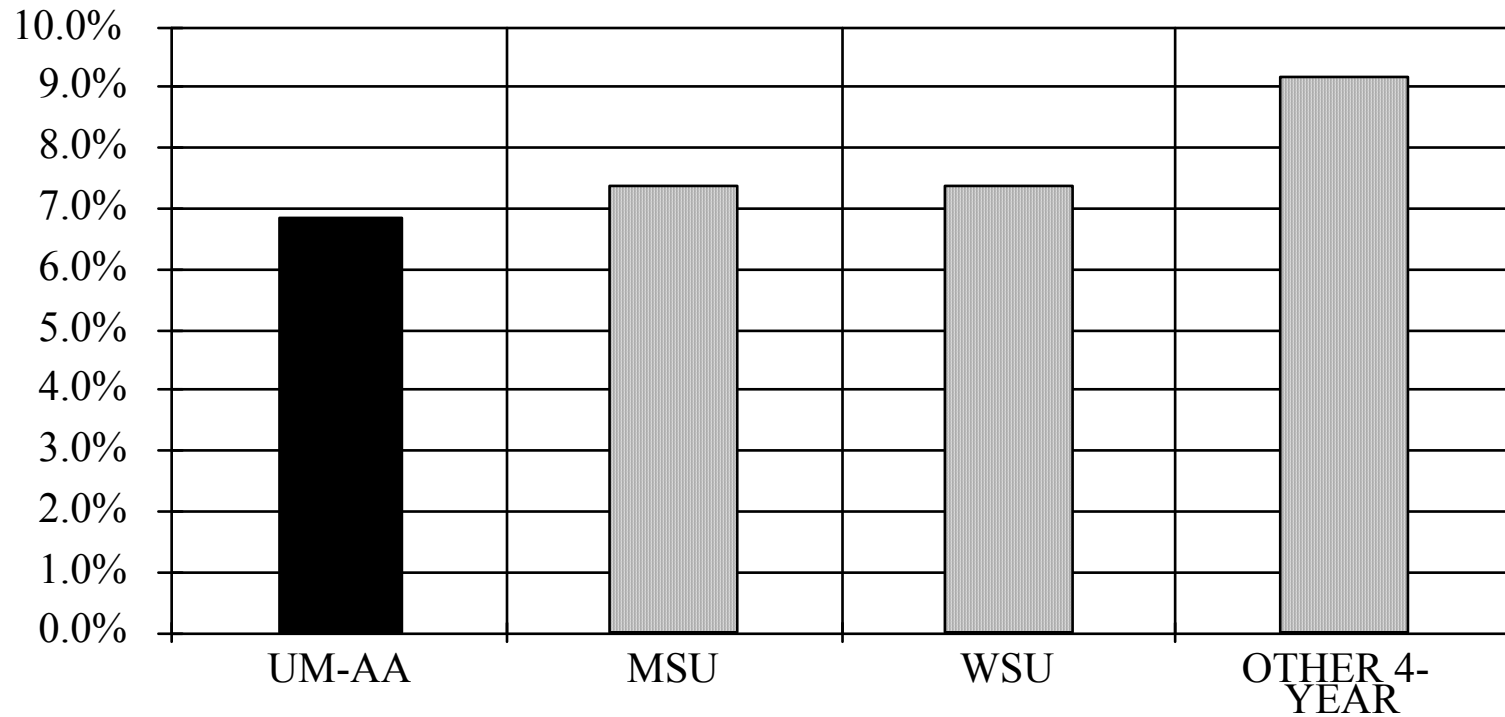
UM State Appropriations Adjusted for Inflation (000's)



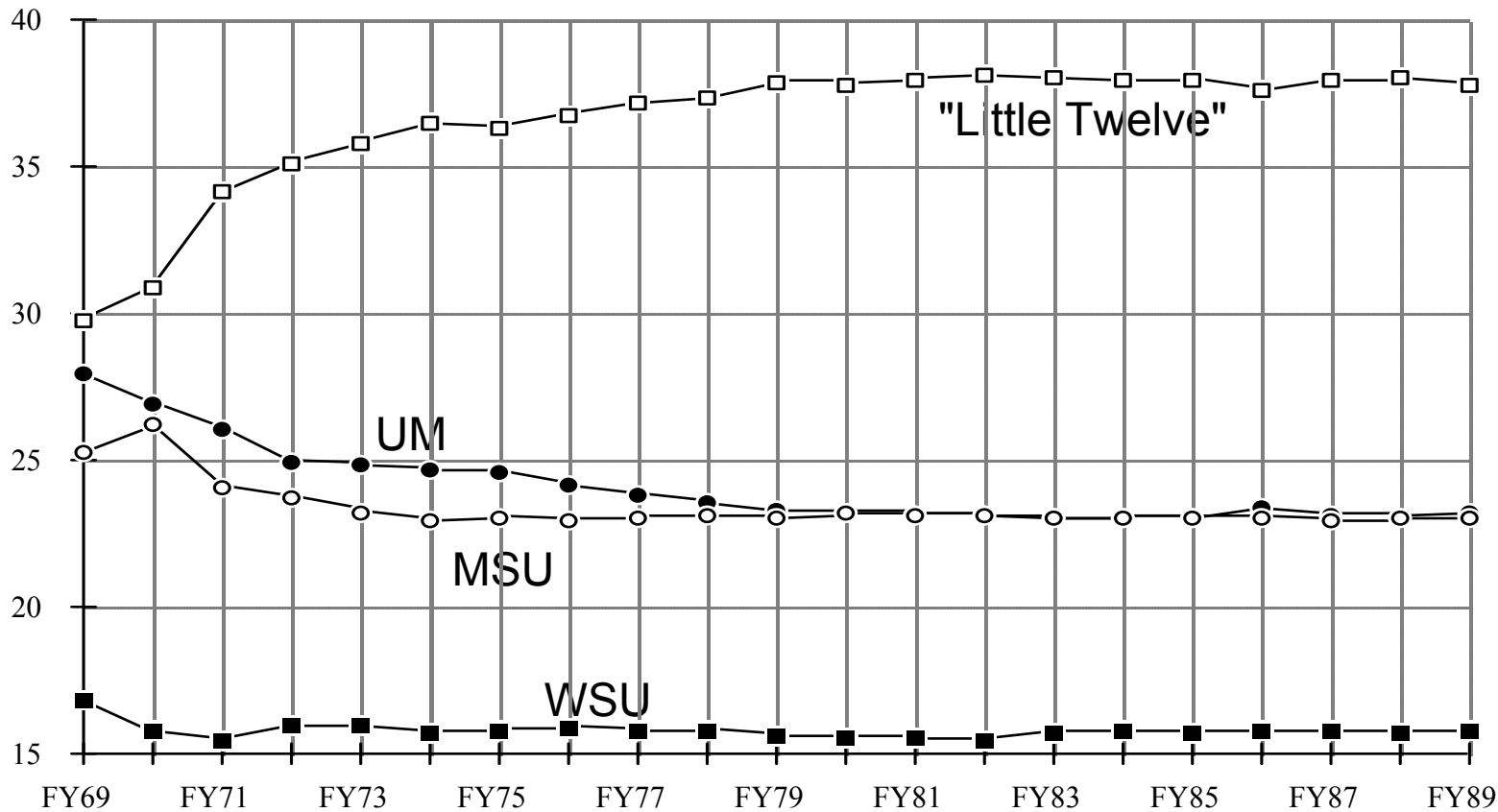
Annual Percent Growth in State Appropriations Michigan Public Universities: FY71 to FY89



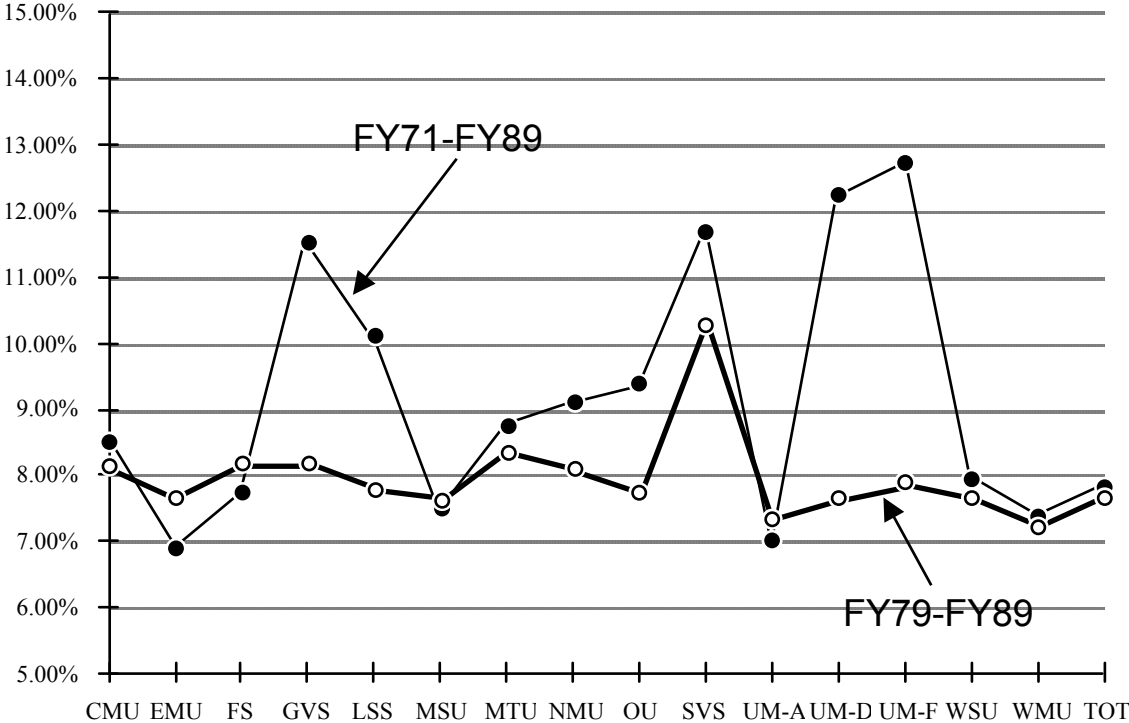
Annual Percent Growth in State Appropriations for the Big Three: FY69 to FY89



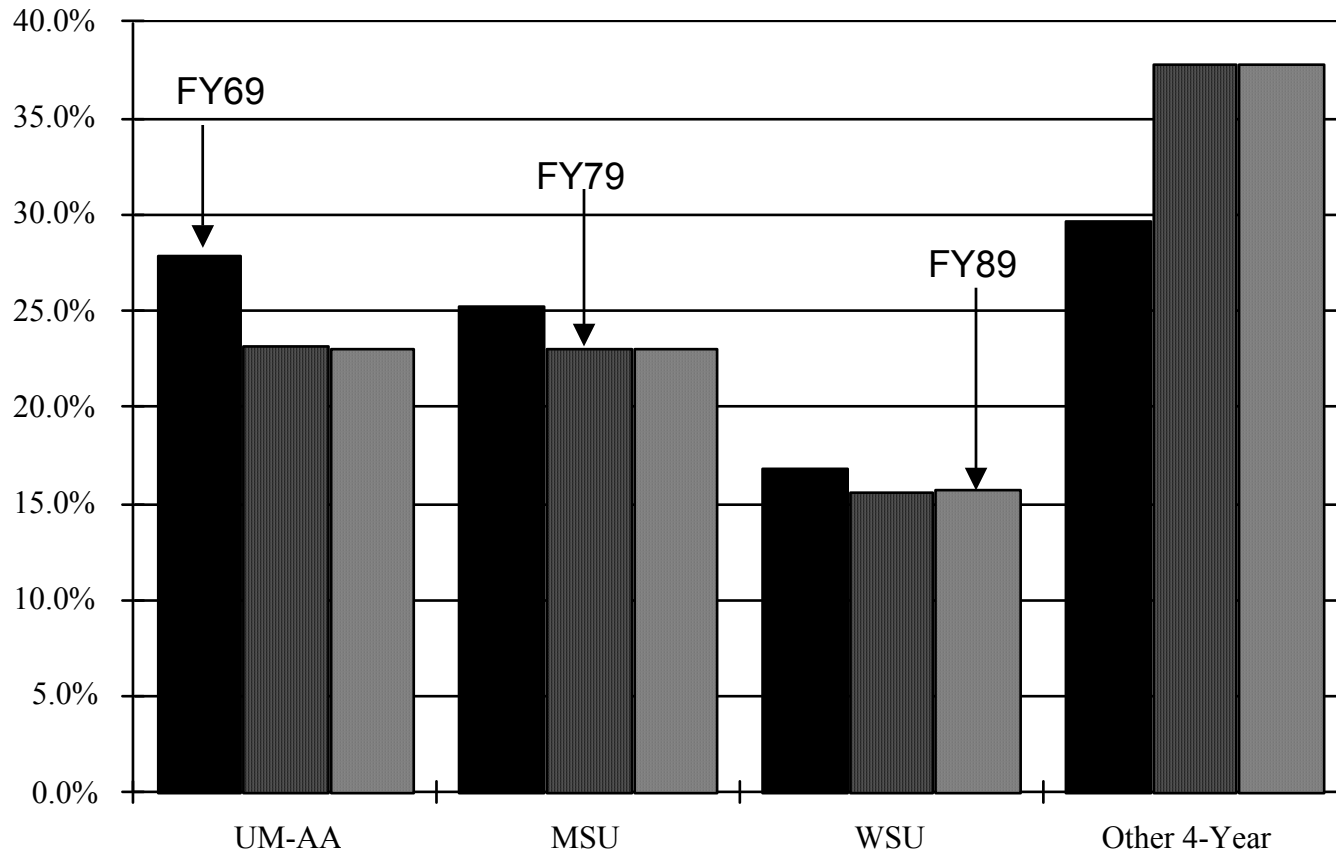
Share of Total State Appropriations



Annual Percent Growth in State Appropriations Michigan Public Universities



Share of Total State Appropriations to Big Three Universities: FY69, FY79, FY89



**Ranking of the University of Michigan - Ann Arbor
Annual % Increase in State Appropriation
In Relation to the 15 Michigan Public Universities**

FY81	10th
FY82	9th
FY83	11th
FY84	4th
FY85	13th
FY85	2nd (w REF...15th w/o REF)
FY87	15th
FY88	15th
FY89	15th
FY90	15th