

Reality Notes 1.0

Premise:

- On a 30 year time frame, the concept of a comprehensive public state university doesn't make much sense.
- It will be difficult to justify the level of public support necessary to sustain these institutions in the face of higher priority needs during a time of slowly rising (or perhaps even falling) income.
- Projection: State appro as % of non-auxiliary funds:
 - 1980: 30%
 - 1990: 25%
 - 1995: 20%
 - 2000: 15%
 - 2005: 10%
 - 2010: 5%

Consequence:

- The University can only maintain its quality by taking a series of actions to serve a far broader market than the state alone.
- Hence, the single most important characteristic of the University during the 1990s will be its capacity to control its own destiny.
- During the 1990s, the University will have to make the transition from:
 - public ---> independent

Threats:

- Public perception by residents of state that they "own" the University of Michigan-- even if they don't want to support it.
- Populist views that "what is good enough for Eastern/Northern/Western/Central Michigan" is good enough for UM.
- Populist views of state media...who view UM as elitist and arrogant...
- Efforts to win votes over UM-bashing.
- Efforts of Legislature to:
 - ...constrain tuition
 - ...constrain nonresident enrollments
 - ...dictate programs and focus
 - ...dictate admissions policies
- Attitude of Regents that they are first and foremost "protectors of the public interest" rather than "trustees of the University"
- Even if the Regents view their primary role as looking out after the state's interests, this would amount to only about 12% of the total activity of the University (\$270 worth). Yet they exercise control over all of the University, thereby disenfranchising those that contribute the remaining 85%...
 - ...federal government, alumni, parents,...
- One-dimension views of the University...
 - ...e.g., undergraduate education or public service
 - ...rather than recognize multidimensional role
 - ...research, health care, economic development, cultural impact, social impact,...
- "What have you done for me lately?" attitude
- Blue-collar mentality..."Extraordinary intolerance

of extreme excellence", which feels actually threatened by quality.
Possibility of a 1994 upset by Democrats, and a return to an administration hostile to higher education.

Actions:

Public Perceptions

Get the state to understand that for \$275 M per year they buy a part (less than 15%) of the University...but certainly not all of it. In fact, they are a quite minor shareholder.

Persuade public (and particularly the media) that the UM is vital to the state in a far more multidimensional way

...health care

...economic development

...pride (intercollegiate athletics)

...professionals (doctors, lawyers, engineers)

...social mobility

in addition to their conventional view of us as primarily teachers of undergraduates.

The UM is an important national and world resource, and state government (and the tax payer) provides a "small subvention" to keep one foot...and much of its focus...in the state.

Perhaps we should take much more of a "you get what you pay for" approach, in which we determine real costs of all university services (e.g., UG education, professional education, services) and then tell the state it can buy whatever it wishes. (This would make a very interesting appropriations hearing presentation.)

Need to shift public perception of University as consumer of state resources to generator of state resources.

Regents

Need to build a governing board that is far more supportive of the University's broadening constituencies (state --> national --> world) and less engaged as watchdogs of the state's interests

Idea: Build a Michigan Foundation to handle all private fund-raising, endowment management, perhaps even some component of R&D... In a sense, we would confine the Regents to authority only over the state appropriation, and then set up another board far more reflective of the constituencies contributing the remaining funding of the University (alumni, parents, students, federal agencies, corporations,...)

Advantages:

- i) This would shelter some of UM autonomy in a Foundation with a "board of trustees" rather than regents.
- ii) Foundation Board would be a training ground for regents
- iii) Note: UM and OSU are the only universities in Big Ten w/o foundations.
- iv) Note: Alumni could set up such a foundation even without Regent support.

Broader Support

Leaders of state

- ...Business Roundtable
- ...Citizens Council
- ...Key media

Colleges and universities

- ...PCSUM
- ...Independent colleges

Public/Legal Stands

We need to get a better understanding of just what legal steps would have to occur to move to a Cornell or Penn type of model. What are the constitutional issues?

We need to carefully pick the battleground where we will fight the autonomy issue...

- ...set a goal, a proactive plan
- ...set a timetable

This must be an battlefield that we are certain to win on...both in a legal and a public sense so that we can reestablish a precedent for other issues later.

Must be very carefully not to fight on middle class issues...

- ...tuition
- ...nonresident enrollments

Instead, we need to pick an area in which the defense of our autonomy will appeal to the middle class

- ...e.g., soaking the rich so that middle class kids pay less
- ...medical center issues

Could we do better polling to identify key issues?

Political Issues

Clearly the present Republican administration will support our efforts to achieve greater autonomy. Could we take the more difficult actions in the next couple of years with Republicans and then keep the Democrats neutralized with a middle class political agenda?

How do we play the present 4R/4D Regents split?

How can we utilize the Michigan Congressional delegation on such issues?