

Alumni Talk

Introduction

After serving for almost a decade as Provost, Acting President, and President, Anne and I have decided that this will be our last year as leaders of the University

The best thing about being a lame duck is that you can once more say what you really think. Not that I've pulled many punches over the years.

For many years I have given speech after speech on the changes occurring in world, in higher education, and in our University. In this letter I continue that theme of change, but in a more personal vein.

While there is no perfect time to step aside from a leadership role, Anne and I have decided that this year may be the best both for us and for the University. Through the efforts of countless members of the University, most of the goals we set in the late 1980s have now been achieved.

The University of Michigan, Circa 1996

Today, in 1996, by any measure, the University is better, stronger, more diverse, and more exciting than at any time in its history due to your efforts.

Vital Signs

1. National rankings of the quality of the University's academic programs are the highest since these evaluations began several decades ago. A close examination reveals that the academic reputations of our programs have increased more than any other university in America over the past decade. Further, when rankings across all academic programs and professional schools are considered, four institutions stand apart: Harvard, Stanford, the University of California, and the University of Michigan.

2. Detailed surveys throughout the university indicate that Michigan has been able to hold its own in competing with the best universities throughout the world for top faculty. In support of this effort to attract and retain the best, the University has increased average faculty salaries over the past decade to the point where today they rank #1 among public universities and #5 to #8 among all universities, public and private.

3. Through the remarkable efforts of our faculty, the University now ranks as the nation's leading research university, attracting more federal, state, and corporate support for our research efforts than any other university in America (last year exceeding \$400 million).

4. Despite the precipitous drop in state support over the past two decades, the University has emerged financially as one of the strongest universities in America. It is the first and only public university in history to receive an Aa1 credit rating by Wall Street--just a shade under the top rating of Aaa. Our endowment has increased six-fold to over \$1.6 billion. And thanks to the generosity of our alumni and friends, with over a year left in the Campaign for Michigan, we have already exceeded our \$1 billion goal, becoming the first public university in history to raise this amount.

5. We are making substantial progress in our efforts to restructure the financial and administrative operations of the University, including award-winning efforts in total quality management, cost containment, and decentralized financial operations. Our administrative costs rank second lowest in the nation.

6. A walk around the University reveals the remarkable transformation in our environment as we approach the completion of our massive program to rebuild, renovate, and update all of the buildings on our campuses--a \$1.5 billion effort funded primarily from non-state sources.

7. The University Medical Center has undergone a profound transformation, reducing costs, integrating services, and building alliances to place it in a clear leadership position in health care, research, and teaching.

8. We have launched some exceptional initiatives destined to have great impact on the future of the University and higher education more generally, such as the Institute of Humanities, the Media Union, the Institute of Molecular Medicine, the Davidson Institute for Emerging Economies, and the Tauber Manufacturing Institute.

9. And perhaps most important of all, through efforts such as the Michigan Mandate and the Michigan Agenda for Women, we now have the highest representation of people of color and women among our students, faculty, staff, and leadership in our history. Michigan has become known as a national leader in building the kind of diverse learning

community necessary to serve an increasingly diverse society.□

Claim:

It is clear that as we approach the 21st Century, the University of Michigan has become not only the leading public university in America, but that it is challenged by only a handful of distinguished private universities in the quality, breadth, capacity, and impact of its many programs and activities.

Throughout the higher education, people now look to us as truly “the leaders and best”.

The Challenge of Change

It is natural to take great pride in what members of the Michigan family—faculty, students, staff, alumni, and friends—have accomplished. Working together, we have indeed built a truly extraordinary university. But we have built a university for the twentieth century, and that century is rapidly coming to an end. It is now time to lead the University in new directions, to

transform ourselves to better serve a rapidly changing world.

The America of the twentieth century was a nation characterized by a homogeneous, domestic, industrialized society--an America of the past. Our students will inherit a far different nation--a highly pluralistic, knowledge-intensive, world-nation that will be the America of the twenty-first century.

Many believe that we are going through a period of change in our civilization as profound as that which occurred during the Renaissance and the Industrial Revolution--except that while these earlier transformations took centuries to occur, the transformations characterizing our times will occur in a decade or less! The 1990s are viewed as the countdown toward a new millennium; we find ourselves swept toward a new century by these incredible forces of change. However, the events of the past several years suggest that the twenty-first century is already upon us, a decade early. We live in a time of breathtaking change, at a pace that continues to accelerate.

The challenges and changes facing higher education in the 1990s are comparable in significance to two other periods of great change for American higher education: the period in the late nineteenth century, when the comprehensive public university first appeared, and the years following World War II, when the research university evolved to serve the needs of postwar America. Many are concerned about the rapidly increasing costs of quality education and research during a period of limited resources, the erosion of public trust and confidence in higher education, and the deterioration in the partnership between the research university and the federal government. However, our institutions will be affected even more profoundly by the powerful changes driving transformations in our society, including the increasing ethnic and cultural diversity of our people; the growing interdependence of nations; and the degree to which knowledge itself has become the key driving force in determining economic prosperity, national security, and social well-being.

There is an increasing sense among leaders of American higher education and on the part of our various constituencies that the 1990s will represent a period of significant change on the part of our universities if we are to respond to the challenges, opportunities, and responsibilities before us. A key element will be efforts to provide universities with the capacity to transform themselves into entirely new paradigms that are better able to serve a rapidly changing society and a profoundly changed world.

If American higher education is to respond to the challenges, opportunities, and responsibilities before us, universities must develop the capacity to transform themselves into entirely new paradigms that can serve a rapidly changing society and a changed world.

We must unshackle the constraints that prevent our institutions from responding to the needs of a rapidly changing society, remove unnecessary processes and administrative structures, question existing premises and arrangements, and challenge, excite, and embolden members of our

university communities to embark on this great adventure. Our challenge is to provide an environment in which such change is regarded not as threatening but rather as an exhilarating opportunity to engage in learning, in all its many forms, to better serve our world.

Particular Challenges

Let me cite those that have had the greatest impact on my job as UM President:

1. Deteriorating social foundations: In a period of intense change, all of us, and especially our children, need the security of strong families and communities. Yet these foundations continue to erode and we see the effects in our classrooms and dorms as well as in all the youth who fall by the wayside, their mindpower gone to waste..

2. Social Divisions: Nothing is more corrosive of our way of life than the growing divisions in our society – race ethnicity, class, age, religion. These are taking an increasing toll on our ability to study, work and live together and to take part in productive civil discourse.

3. Populism: We also may be experiencing the same forces of populism that rise from time to time to challenge many other aspects of our society--a widespread distrust of expertise, excellence, and privilege (the Forrest Gump syndrome). Dr. William Hubbard, former CEO of Upjohn, used to point to one of the great character flaws of the Midwest as "our extraordinary intolerance of extreme excellence."

Unfortunately, many universities, faculty, university administrators have made themselves easy targets by their arrogance and elitism.

4. Commitment to excellence: Americans are addicted to a pernicious vice. especially in hard times. Too often we are suspicious of, even hostile to, excellence/high achievement, particularly intellectual achievement. We settle for the lowest common denominator rather than honoring and supporting achievement You would think that the one lesson we should have learned during the 1980s--in Michigan of all places--is the importance of quality in

everything we do, in everything we buy, sell, and produce.

We see these character flaws as well when it comes to key investments in our people, such as education and worker training. We seem hell-bent on insisting on bargain-basement prices, even if it means bargain-basement quality in the performance of our institutions or products and services. A few years back...in an earlier administration... I actually had a state official (in the previous administration) say to me that quality was a luxury that students had no right to expect from a public university. If they wanted quality, they could pay the extra price to go to a private university. Worth noting is the guy who said this had gone to Harvard. I suppose this was his version of "let them eat cake."

5. Strategic Investment in the Future : We also need to take a harder look at state spending policy generally, to ask the important question: What is the role of state government and how should resources be allocated? For decades Michigan was fabulously wealthy. We developed a culture

of expensive practices and expectations: employee benefits, health care, social services, litigation. Yet today, as Michigan's economy attempts to adjust to the brave, new world of a knowledge-driven society, it still attempts to support a Cadillac appetite on a Ford income.

While we have improved significantly, we are still not investing our resources strategically. We are tending to deploy them to pay for past sins (corrections, social services, entitlements) or sustain and perpetuate the past (tax abatements) rather than investing in the future by creating new knowledge, new skills, and new jobs.

I cope with this every day, as I've watched state funding dwindle from 75% of UM's budget to some 10% today. Our sister universities have suffered equally.

Our state once ranked among the national leaders in its support of higher education. During the 1970s and 1980s, Michigan fell to the bottom third of the states. In the early 1990s we moved up slightly--rather other states such as California plummeted past us as they struggled with economic crises of

their own. More recently, these other states are moving back up, restoring their support of their universities, while Michigan is once again falling.

Ironically, During that same period, state support of our prison system has exploded and will pass the total dollars invested in higher education in the next year or so. WSU President, David Adamany, notes that 10 years ago we had 15 public universities and 8 prisons. Today we still have 15 universities...but 35 prisons.

Put another way, this year the state will spend \$1.4 billion for the education of 250,000 college students, and essentially the same amount (\$1.4 billion) for the incarceration of 40,000 inmates

6. Politics: Not only do our universities need the state's financial support. The quality and strength of Michigan's universities is built on the Constitutional foundation of independence from the pressures of the political realm. Our status as a separate branch of government is unique. I believe it is what has allowed our institutions to excel.

In recent months my colleagues in higher education and I have been dismayed by the intrusion of political considerations into the admissions policies of the University of California – our only equal among public institutions. This sets a frightening precedent.

Further, the special interest politics characterizing our times, with their slash and burn tactics, sometimes focus on higher education. In the past, these institutions so critical to our future were buffered from such attack politics both by their governing boards and the media. Today, however, these groups now serve to focus and magnify political attacks on our campuses rather than shielding us from them...

Those state education systems where politics rule rapidly become mediocre systems. I trust Michigan citizens will be alert to and oppose any efforts to compromise the indispensable independence that protects education from the ebb and flow of political passion.

Concluding Remarks

It was almost 30 years ago when my wife, Anne, and I put our furniture and our VW on the moving van in Pasadena, California, packed up our kids---who had never seen snow, much less Michigan...and moved to Ann Arbor, arriving in a blizzard! It has seemed like every five years, just like clockwork, we get another call from California, inviting us to return. But, we long ago realized that we are now Michiganders. We have spent all of our careers...and most of our lives...working on behalf of your university, the University of Michigan, and we are maize and blue to the level of our DNA.

During this past decade, Anne and I have tried to give something back to my adopted state and to the UM . We are stepping aside from the presidency of the University of Michigan, leaving you as citizens of the state with a University that is better, strong, more diverse, and more exciting than at any time in its history.

The extent to which I have succeeded is thanks to you, citizens and leaders, and to the University's extraordinary faculty and

staff who carry on Michigan's historic commitment to excellence in public higher education.

Although I am leaving the Presidency, you can count on me to continue working to help our state and the UM prosper. I expect to be very active in coming years putting the UM's strengths to work for you to build a better future for Michigan.