```
Senate Testimony
```

Last testimony as president

Gratitude for recommendation

Some specific points:

Support 5% effort

Support 4% across the board

Support floors

Support the effort to recognize the specific missions of various institutions, including graduate intensive institutions

Capital Outlay

Express gratitude

Michigan has been quite unique among states

...very sporadic

...difficult to plan

...really need capital budgeting system

Note challenges of UMAA

...oldest campus

...UG education (LS&A) most at risk

...with state's help, we have made progress

...appreciate \$63 M...but

note a bit of inequity here

...UMAA is largest campus in state...

...UMAA and MSU

...really need additional \$16 M for Haven/Mason

...bring us to \$79 M, roughly at level of MSU's \$80 M

What can we do in response?

Wise and effective use of valuable state resources...

Indicators

UM TQM effort

Lowest administrative costs in AAU

Statewide outreach

\$8 M of lapse funding

...use to begin to build a virtual university

...statewide community service

...state policy institute

But another theme...

Landgrant university of the 21st Century

Themes

To serve--perhaps the most unique theme of higher education in America. For the bonds between a university and society are particularly strong in this country. Historically our institutions

have been responsible to and shaped by the communities that founded them. They draw their agenda from these communities

Perhaps this is nowhere more apparent than in our State of Michigan and with its institutions.

For example, the founding principle of this institution can be found

in those familiar words from the Northwest Ordinance chiseled

on Angell Hall, "Religion, morality, and knowledge being necessary to good government and the happiness of mankind,

schools and the means of education shall forever be encouraged."

And perhaps it was appropriate that Michigan, a state with seemingly

infinite resources of fur, timber, iron, and copper-

-a state with boundless confidence in the future

--should play such a leadership role in developing the models of higher education which would later serve all of America.

For while the University of Michigan was not the first of the state universities, it nevertheless is commonly regarded as the model of the true public university, responsible and responsive to the needs of the people who founded it and supported it, even as it sought to achieve quality equal to that of the most distinguished private institutions.

So too, our sister institution to the west, Michigan State University, is commonly regarded as the driving force behind the Morrill Act.

It has become the prototype of the great land grant university that has

served America so well.

And our sister institution to the east, Wayne State University, has provided an important model of the urban university, seeking to serve the needs of one of our nation's great cities.

The State of Michigan, through these institutions and others which have arisen since, has provided a model of how higher education serves society through the triad mission of teaching, research, and public service.

These institutions grew up with our state, responding to the changing needs and aspirations of its people:

- i) first, as Michigan expanded to the frontier;
- ii) then as it evolved through the industrial revolution to become the manufacturing capital of the world;
- iii) as the population of our state surged following the war years;
- iv) and most recently, as Michigan has sought to strengthen and diversify its economic base.

Yet the strength of our state, its capacity to build and sustain such extraordinary institutions, lies not in looking to the past.

Rather it lies in our state's ability to look to the future, in its willingness

to take the actions and make the investments in the present that would yield prosperity and well-being for its people in the future.

Speculation

It seems clear that a shift is now occurring in public attitudes toward research universities.

For the past half-century, the Bush paradigm characterizing the government-university research partnership has been one built upon the concept of relatively unconstrained patronage.

That is, the government would provide faculty with the resources

to do the research they felt was important, in the hopes

that at some future point, this research would benefit society. Since the quality of the faculty, the programs, and the institution was felt to be the best determinant of long term impact, academic

excellence and prestige were valued.

Yet, today the public seems reluctant to make such a long term investment. Rather, it seems interested in seeking short term services from universities, of high quality, to be sure, but with cost

as a consideration. In a sense, it seeks low-cost, quality services rather than prestige

Perhaps rather than moving ahead to a new paradigm, we are in reality returning to the paradigm that dominated the early half of the 20th century...the "land-grant university" model.

In fact, perhaps what is needed is to create a contemporary land grant university paradigm.

When the Morrill Act was adopted in 1962, it was aimed at establishing programs in agriculture, mining, and the mechanic arts--the forerunner of today's schools of engineering.

That we were successful is obvious.

The vast natural resources of our country produced immense wealth for some and a higher standard of living for most.

The agricultural experiment stations and cooperative programs were enormously successful.

In the last century our universities, particularly land grant institutions,

created and applied knowledge, and provided human resources needed to address critical national problems.

A land grant university for the next century could be designed to develop the most important resource for our future --not our natural resources,

but rather our human resources, as its top priority.

The field stations and cooperative extension programs

could be directed to the needs and the development of the people.

While traditional professional fields would continue to have major educational and service roles and responsibilities, increasingly, new interdisciplinary fields should be developed to provide the necessary knowledge and associated problemsolving

services in the land grant tratdition.

UM as new land-grant university

Focus on human rather than natural resources

Examples

For example, UM is putting together an aggressive plan to develop a "virtual" educational network that would build electronic learning communities and lifelong partnerships with Michigan citizens.

Our goal is to make Michigan residents among the best-educated and best-trained workers in the world, throughout their lives.

Moreover, through this electronic outreach effort, we aim to insure that Michigan will become one of the leading states in the production and distribution of knowledge.

There are two key aspects of this effort:

- i) To create a lifelong learning partnership between Michigan's universities and their graduates, which encourages them to remain in the state after receiving a degree, to remain a member of this partnership, and to upgrade their skills continually
- ii) To use this community of learners as a strategic asset to creat business opportunities that allow Michigan's knowledge industry to thrive outside the state, by taking advantage of the enormous potential resources of the global market.

This effort will span the full range of educational needs

K-14...

Undergraduate and graduate students (ages 17 - 30) Established professions (ages 26 - 60)

Late career professionals and retirees

We are so committed to this new role of service, that we intend to dedicate a portion of the recently release lapse funds to launch this effort, under the leadership of Doug Van Houweling It is but one example of the great impact the University can have on Michigan's future...

MSU analogy

Note \$50 M below the line

Yet...agriculture is only 3% of state's economy

Perhaps it is time to similarly recognize the service missions of our other great institutions...UM and WSU...and provide them as well with direct support for these activities...

Some Final Observations

In conclusion, I would like to direct my final remarks to the people of the State of Michigan.

For over one hundred and seventy years there has been an unusually strong bond between the people of this state and your university, the University of Michigan.

Generation after generation of Michigan citizens have reaffirmed the commitment to building and sustaining an institution capable of providing to their sons and daughters an education equal to the best in the nation

Your ancestors sought an institution capable of attracting to their state the most outstanding scholars, scientists, engineers, doctors, lawyers, teachers, and other professionals so essential to prosperity and well-being.

They recognized the need for an institution capable of creating
--through its teaching, research, and scholarship--the new
knowledge
and human capacities necessary to economic growth and
development

and to the fuller realization of the human potential.

And they sought an institution that could address, through a myriad of public service activities, the many challenges facing our state and our nation.

This sustained public investment and confidence in the University over the decades, has enabled it to serve the state in all of these ways and more.

Through this unique partnership, the University in its activities and education,

research, and public service has served Michigan and its citizens well.

Today our state faces serious challenges that will call once again on the vast resources of this institution:

the challenge of pluralism, the challenge of participation in a global community, the challenge of the Age of Knowledge that is our future, and, of course, the challenge of change itself.

Indeed, at perhaps no previous time in our state's history has there been a greater dependence upon this University, for the people it educates, the knowledge it produces, and the services it provides.

It is true, indeed, that the University of Michigan belongs to the people of Michigan.

It is your university.

But it is also a university built and sustained through the commitments and sacrifices of your ancestors.

And it is a university that must be preserved and strengthened through your commitments today if it is to serve your descendants tomorrow.

Through this unique partnership, between a people and their University, we face together a future of challenge and responsibility, a future of opportunity and excitement, a future in which the University of Michigan is deeply committed to serving the State of Michigan,

and by serving our state,

serving our nation and the world.