

## **Blanchard-Tuition**

### **Have three serious problems...**

- i) Financial:
  - Effective 2% appropriation increase gave us serious problems...
  - Even with 2% internal reallocation, needed 12% to run the ship
  - A rollback to 10% would be a \$3.4 M deficit...
- ii) Ethical
  - Most of increase (\$10.5 M or almost 7% of 12%) is going right back into student financial aid... particularly into minority programs...
  - UM has a major commitment to meet the full financial need of all admitted Michigan residents, and I simply cannot do this without 12%
  - Note that in reality, rolling back really hurts the poor kids at the expense of the Bloomfield Hills crowd
- iii) Political
  - For three years, UM held the line on tuition at your request...0%, 0%, 4.3%, even though this cost us dearly, since in contrast to other institutions in the state, half of our operating budget comes from tuition.
  - And in return, for the past three years we have
    - i) been put at the bottom of the heap, 15th out of 15, in state appropriations increase
    - ii) we have been trashed by members of the state legislature over a variety of issues... race relations, nonresident enrollments, computer sales...
    - iii) further, we have yet to see the state move ahead with key capital outlay projects that were part of the deal on the second round of tuition freezes...and instead are now facing our third year in a row of a freeze on new construction starts.
  - There was enormous resistance on our campus to the first tuition freezes, and we are convinced it would be very damaging to new administration if its first official act were to cave in once again to pressure from Lansing...particularly after being kicked in the teeth in the state appropriation process this year...accompanied by a public flogging by Hood.

### **What is necessary?**

- I would really like to help you out, but if I am to do so, I will need several things in return.
- i) First, I will need the political umbrella provided by visible action on your part to redress the injustice done during the past three years by the Legislature. In particular, the annual appropriation increase to UM must come into line with those provided to MSU and WSU. To this end, we suggest the following: That you line-item veto the higher ed appropriation, saying that you simply cannot stay idly by while the Legislature once again puts Michigan's flagship institution at the bottom of the barrel. You can then instruct the Legislature to bring UM to a level equal to MSU and WSU (from 2.8% to 3.3%)--and quietly authorized the slight increase in budget target this will require.

- ii) Second, you simply have to honor the commitment you made to Harold three years ago to the East Engineering project (and, I might add, to similar projects at MSU and WSU) by authorizing a construction start. We also need you help in prying ITIC out of Shelby's office
- iii) Third, although this is minor, I seek your help in asking Frank Kelly to stop his appeal of the suit against UM on divestment. This would then allow us to move ahead immediately and sell all of our remaining stock, thereby wiping the slate clean on this issue. (Right now Perry Bullard is putting pressure on Kelly to keep the suit alive for his own purposes.)

**We really do want to help out...as we have so** many times in the past. But, without action on your part, it will be clearly impossible. I would ask you and your staff to think carefully about what you might be able to do.