There is no more delicate matter to take in hand, nor more dangerous to conduct, nor more doubtful of success, than to step up as a leader in the introduction of change. For he who innovates will have for his enemies all those who are well off under the existing order of things, and only lukewarm support in those who might be better off under the new way.

Niccolo Machiavelli
Leadership Phases

Phase I: Consultation

Phase II: Positioning (Vision 2000)

Phase III: Transformation (Vision 2017)
Agenda for Past Decade

- **Academic Programs**
  - Improving quality of all programs
  - Restoring support for LS&A
  - Strengthening the basic sciences
  - Strengthening the health sciences
  - Achieving competitive faculty salaries

- **Education**
  - A recommitment to undergraduate education
  - Stressing importance of teaching
  - Professional curriculum redesign
  - Living/learning communities
  - Continuing education and distance learning
  - International education (MUCIA, etc.)
Agenda for Past Decade (continued)

- **Research**
  - Improving research climate on campus
  - Leadership in national research policy
  - Research incentive program
  - Technology transfer
  - Policy development (academic misconduct, conflict of interest)
  - Public-private sector partnerships

- **Diversity**
  - The Michigan Mandate
  - The Michigan Agenda for Women
  - Bylaw 14.06
  - Economic Diversity
  - World University themes
Agenda for Past Decade (continued)

- **Campus Life**
  - Campus safety initiatives
  - Student Rights and Responsibilities Code
  - Task Forces on Substance Abuse, Violence Against Women
  - Student living/learning environment
  - Intercollegiate Athletics

- **Financial Strength**
  - Cost containment measures
  - Asset management strategies
  - Development of alternative sources of revenue
  - Achievement of Aa1 Wall Street credit rating

- **Private Support**
  - Private Giving: $60 M/y --> $150 M/y
  - Endowment: $280 M --> $1.7 B
  - Campaign for Michigan: > $1 B
Agenda for Past Decade (continued)

n **Financial and Organizational Restructuring**
  – New budget strategies (PACE, ACUB)
  – M-Quality
  – UM Hospitals Transformation
  – Asset management programs
  – Value-Centered Management
  – Restructuring of auxiliary enterprises
  – Human Resources reorganization

n **Rebuilding the University**
  – Rebuilding of the Central Campus
  – Completion of North Campus
  – Renovation of South Campus
  – Medical Center Transformation, East Campus
  – Deferred maintenance program
  – Re-landscaping the campus
  – UM-Flint, UM Dearborn
Agenda for Past Decade (continued)

- **Information Technology**
  - "Wiring the campus"
  - NSFnet --> Internet
  - Mainframe --> Client-Server Technology
  - Student/faculty access
  - Digital library project (and “The New School”)
  - Multimedia facilities (the Media Union)

- **Strengthening the bonds with external constituencies**
  - State relations restructuring
  - Federal relations restructuring
  - Public and media relations
  - Community relations
Agenda for Past Decade (continued)

- **Transformation of the UM Medical Center**
  - Completion of RHP effort
  - UMH Transformation Plan
  - M-Care
  - Michigan Health System
  - Alliances with other health care providers

- **Intercollegiate Athletics**
  - Alignment with academic priorities
  - Policy development
  - Women’s athletics
  - Restoring financial stability
  - Rebuilding athletics facilities
  - Big Ten Conference/NCAA leadership
Agenda for Past Decade (continued)

New Initiatives (Examples)
- Media Union (ITIC)
- Institute of Humanities
- Institute of Molecular Medicine
- Center for the Study of Global Change
- Community Service/Americorps
- Flat Panel Display Center
- Tauber Manufacturing Institute
- The New School (SILS)
- Living/Learning Environments
- Davidson Institute
- New Music Laboratory
- Institute for Women and Gender Studies
- Rescomp/Angell-Haven
- Direct Lending
- RCM/VCM
- M-Quality
- Incentive compensation experiments
- Presidential Initiative Fund
- Undergraduate Initiative Fund
Agenda for Past Decade (cont)

- National Leadership (Examples)
  - Quality of academic programs
  - Quality achieved per resources expended
  - Faculty salaries (among publics)
  - Research activity
  - Financial strength (among publics)
  - Information technology environment
  - Intercollegiate athletics
  - Health care operations
Some Indicators of Progress

- Rankings of academic programs
- Research support (#1 nationally)
- Faculty salaries (#1 public; #8 overall)
- Financial strength
  - Wall Street: Aa1
  - Endowment: $1.7 B
  - Campaign for Michigan: > $1 B
- Rebuilding the University ($1.5 B)
- UM Health Care System
- New Initiatives
- Diversity
  - Michigan Mandate
  - Michigan Agenda for Women
  - Bylaw 14.06
Growth in Sponsored Research Expenditures
at the University of Michigan-Ann Arbor
The University of Michigan’s Rankings in Sponsored Research Expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Overall</th>
<th>Among Publics</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY87</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>FY88</td>
<td>5</td>
<td>2</td>
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<tr>
<td>FY89</td>
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<td>2</td>
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<tr>
<td>FY90</td>
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<td>1</td>
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<td>1</td>
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<tr>
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<td>1</td>
</tr>
<tr>
<td>FY94</td>
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</table>
Average Compensation of Assistant Professors
at the University of Michigan-Ann Arbor and Peer Public Universities

<table>
<thead>
<tr>
<th>Year</th>
<th>Michigan</th>
<th>UC Berkeley</th>
<th>UCLA</th>
<th>Illinois</th>
<th>Indiana</th>
<th>Minnesota</th>
<th>North Carolina</th>
<th>Washington</th>
<th>Wisconsin</th>
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<tbody>
<tr>
<td>FY90</td>
<td>$30,000</td>
<td>$50,000</td>
<td>$65,000</td>
<td>$40,000</td>
<td>$50,000</td>
<td>$45,000</td>
<td>$40,000</td>
<td>$50,000</td>
<td>$45,000</td>
</tr>
<tr>
<td>FY91</td>
<td>$35,000</td>
<td>$55,000</td>
<td>$70,000</td>
<td>$45,000</td>
<td>$55,000</td>
<td>$50,000</td>
<td>$45,000</td>
<td>$55,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>FY92</td>
<td>$40,000</td>
<td>$60,000</td>
<td>$75,000</td>
<td>$50,000</td>
<td>$60,000</td>
<td>$55,000</td>
<td>$50,000</td>
<td>$60,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>FY93</td>
<td>$45,000</td>
<td>$65,000</td>
<td>$80,000</td>
<td>$55,000</td>
<td>$65,000</td>
<td>$60,000</td>
<td>$55,000</td>
<td>$65,000</td>
<td>$60,000</td>
</tr>
<tr>
<td>FY94</td>
<td>$50,000</td>
<td>$70,000</td>
<td>$85,000</td>
<td>$60,000</td>
<td>$70,000</td>
<td>$65,000</td>
<td>$60,000</td>
<td>$70,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>FY95</td>
<td>$55,000</td>
<td>$75,000</td>
<td>$90,000</td>
<td>$65,000</td>
<td>$75,000</td>
<td>$70,000</td>
<td>$65,000</td>
<td>$75,000</td>
<td>$70,000</td>
</tr>
</tbody>
</table>
Average Compensation of Assistant Professors at the University of Michigan-Ann Arbor and Peer Private Universities
Average Compensation of Associate Professors at the University of Michigan-Ann Arbor and Peer Public Universities
Average Compensation of Associate Professors
at the University of Michigan-Ann Arbor and Peer Private Universities
Average Compensation of Professors at the University of Michigan-Ann Arbor and Peer Public Universities

The diagram shows the average compensation of professors at the University of Michigan-Ann Arbor and peer public universities from FY90 to FY95. The compensation is plotted against fiscal years, with a range from $50,000 to $120,000. Each university is represented by a different line and color, allowing for easy comparison over time.

Key universities mentioned in the diagram include:
- Michigan
- UC Berkeley
- UCLA
- Illinois
- Indiana
- Minnesota
- North Carolina
- Washington
- Wisconsin
Average Compensation of Professors at the University of Michigan-Ann Arbor and Peer Private Universities
Resident Undergraduate Tuition
(Actual, Discounted by CPI, and Further Discounted by UM Financial Aid per Undergraduate Student)
UM Tuition Cost for a Michigan First Year Undergraduate
in Relation to Tuition at Other Top Universities 1995-96
Components of Student Financial Aid

- Scholarships/Fellowships
- Student Jobs
- Tuition Waiver
- Loans
- Staff Benefit

$0, $50,000,000, $100,000,000, $150,000,000, $200,000,000, $250,000,000
General Fund Undergraduate Financial Aid Support

Academic Year 83-84, 85-86, 87-88, 89-90, 91-92, 93-94, 95-96

GF Financial Aid Financial Aid (CPI adjusted)

$0, $10,000,000, $20,000,000, $30,000,000, $40,000,000, $50,000,000, $60,000,000, $70,000,000, $80,000,000
State Appropriations per Fiscal Year Equated Student (in actual $ and HEPI adjusted to FY69$)
Comparison of General Fund State Appropriations and All Funds Budget
General Fund State Appropriations as a Percentage of All Funds Budget
Components of All Funds Revenue
State Appropriations as a Percentage of Operating Budgets
The Changing Mix of General Fund Revenue

- State Appropriations
- Tuition and Fees
- Other Revenue
<table>
<thead>
<tr>
<th>Year</th>
<th>Gifts</th>
<th>Pledges</th>
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<tr>
<td>FY87</td>
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<td>$80,000,000</td>
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<tr>
<td>FY88</td>
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<td>$100,000,000</td>
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<td>$120,000,000</td>
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<td>FY92</td>
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<td>$180,000,000</td>
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<td>FY93</td>
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<td>$200,000,000</td>
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<td>FY94</td>
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<td>$220,000,000</td>
</tr>
<tr>
<td>FY95</td>
<td>$220,000,000</td>
<td>$240,000,000</td>
</tr>
</tbody>
</table>
Campaign Goals and Progress for Selected Major Universities
Cumulative Growth in Number of Endowed Professorial Chairs
Growth in University Endowment

Market Value

FY84 | FY86 | FY88 | FY90 | FY92 | FY94

$0 | $200,000,000 | $400,000,000 | $600,000,000 | $800,000,000 | $1,000,000,000 | $1,200,000,000 | $1,400,000,000
Growth in Dollars Under Investment Management

- FY84
- FY87
- FY90
- FY93
- 4/30/96

- $0
- $500,000,000
- $1,000,000,000
- $1,500,000,000
- $2,000,000,000
- $2,500,000,000
- $3,000,000,000
Royalty Revenue

FY84 FY85 FY86 FY87 FY88 FY89 FY90 FY91 FY92 FY93 FY94 FY95

$0 $500,000 $1,000,000 $1,500,000 $2,000,000 $2,500,000
Minority Student Enrollments

Fall Term

1983 1985 1987 1989 1991 1993 1995

Asian American
African American
Hispanic/Latino American
Native American
## Representation of Persons of Color
in the Nation, the State of Michigan and the 
University of Michigan, Ann Arbor, Fall 1995

<table>
<thead>
<tr>
<th></th>
<th>Persons of Color</th>
<th>Black</th>
<th>Hispanic/Latino</th>
<th>Native American</th>
<th>Asian</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nation</strong></td>
<td>24.80%</td>
<td>12.10%</td>
<td>9.00%</td>
<td>0.80%</td>
<td>2.90%</td>
</tr>
<tr>
<td><strong>State</strong></td>
<td>17.80%</td>
<td>13.9%</td>
<td>2.20%</td>
<td>0.60%</td>
<td>1.10%</td>
</tr>
<tr>
<td><strong>University</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Students</strong></td>
<td>24.80%</td>
<td>8.71%</td>
<td>4.58%</td>
<td>0.75%</td>
<td>10.76%</td>
</tr>
<tr>
<td>Undergraduates</td>
<td>26.00%</td>
<td>9.10%</td>
<td>4.70%</td>
<td>0.80%</td>
<td>11.40%</td>
</tr>
<tr>
<td>Graduates</td>
<td>21.60%</td>
<td>7.30%</td>
<td>8.75%</td>
<td>0.70%</td>
<td>4.80%</td>
</tr>
<tr>
<td>Professional</td>
<td>24.37%</td>
<td>9.00%</td>
<td>10.56%</td>
<td>0.61%</td>
<td>4.20%</td>
</tr>
<tr>
<td><strong>Faculty (Ten. &amp; Track)</strong></td>
<td>14.42%</td>
<td>4.98%</td>
<td>1.90%</td>
<td>0.26%</td>
<td>7.28%</td>
</tr>
<tr>
<td>Academic Administration</td>
<td>20.20%</td>
<td>19.40%</td>
<td>0.80%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Professional Non-Faculty</td>
<td>14.60%</td>
<td>6.60%</td>
<td>1.70%</td>
<td>0.50%</td>
<td>5.80%</td>
</tr>
</tbody>
</table>
Minority Student Enrollment Percentages

- 1983: 0%
- 1984: 5%
- 1985: 10%
- 1986: 15%
- 1987: 20%
- 1988: 25%
- 1989: 30%
- 1990: 35%
- 1991: 40%
- 1992: 45%
- 1993: 50%
- 1994: 55%
- 1995: 60%

Legend:
- Asian American
- African American
- Hispanic/Latino American
- Native American
Enrollment Percentages of African American Students
Graduation Rates of Freshman African American Cohorts Six Years after Initial Entry
Minority Undergraduate Degrees Conferred

Academic Year

Native American  Hispanic/Latino American  African American  Asian American
Minority Masters and Intermediate Degrees Conferred

Academic Year

Native American • Hispanic/Latino American • Asian American • African American
Minority Professional Degrees Conferred
Minority Ph.D. Degrees Conferred
Number of Rackham Minority Graduate Fellows

Academic Year

85-86 86-87 87-88 88-89 89-90 90-91 91-92 92-93 93-94 94-95
Number of Minority Tenured and Tenure-Track Faculty
Number of Black/African-American Faculty

![Bar chart showing the number of Black/African-American faculty from 1984 to 1995. The x-axis represents the years, and the y-axis represents the number of faculty, ranging from 0 to 140. The chart indicates a general increase in the number of faculty over the years.]
Number of Minority Senior Hires
(Executive Officers, Deans, Directors)
Percentage of Women Students
Number of Women Faculty
Number of International Students

Fall Term
The Next Agenda

People
- Recruiting outstanding students
- A recommitment to high quality undergraduate education
- Recruiting paradigm-breaking faculty
- Next generation leadership
- Human resource development

Resources
- Building private support to levels adequate to replace state support
- New methods for resource allocation and management
- Asset management
- Development of flexible resources ("venture capital")
- Rebuilding the University
- New market development
The Next Agenda (continued)

- **Culture**
  - Stimulating a sense of adventure, risk-taking
  - Establishing a sense of pride in,
    - respect for,
    - excitement about
    - and loyalty to the University of Michigan.

- **Capacity for Change**
  - Making the case for change
  - Removing barriers to change
  - Protecting the autonomy of the University
  - Sustaining the University’s commitment to diversity
  - Aligning faculty/staff incentives with institutional priorities
  - Continuing efforts to improve the quality of campus life
  - Achieving a commitment to community, tolerance, and respect
  - Developing spires of excellence
  - Restructuring organization and governance
  - High performance workplace strategies
The Next Agenda (continued)

- **Educational Transformation**
  - The University College
  - The Gateway Campus
  - Living/learning environments
  - Linkages between professional schools and UG education
  - Restructuring the PhD
  - Continuing education and “just-in-time” learning

- **Intellectual Transformation**
  - Lowering disciplinary boundaries
  - Integrative facilities
  - The New University

- **The Diverse University**
  - Articulating the case for diversity
  - The Michigan Mandate
  - The Michigan Agenda for Women
  - The World University
The Next Agenda (continued)

- **The Faculty of the Future**
- **Serving a Changing Society**
  - Further evolution of the UM Health System
  - Research applied to state and national needs
  - University enterprise zones
  - K-12 education
  - Public service
- **Preparing for the Future**
  - New generation leadership
  - Campus evolution
  - Academic outreach
  - The Cyberspace University
  - Strategic Alliances
The Magic Bullets

- The New University
- The University College
- The Diverse University
- The Virtual University
- The Creative University
- The World University
- Responsibility Center Management
- Restructuring of the UM “Corporate” Organization
- Next Generation Leadership
- The Superfund and Merit Scholarships
- Research Applied to Societal Needs
- Academic Outreach
The Bottom Line…

Today, in 1996, the University of Michigan is

…better

…stronger

...more diverse

…and more exciting

than ever before.

It ranks as not only the nation’s leading public university, but among the several finest universities in the world.
The University of the 21st Century

The leaders and best
Control of our own destiny
A broad and liberal spirit
An independent critic and servant of society
A relish for innovation and excitement

Freedom and responsibility of students and faculty

A center of critical inquiry and learning
Diverse in character, yet united in values
An uncommon education for the common man

Attracting, retaining, and sustaining outstanding people
Achieving and enhancing academic excellence
Optimizing quality, breadth, scale, excellence, and innovation
Sufficient autonomy to control our own destiny
A balanced resource portfolio adequate to support excellence
Keepin' the joint jumpin'

Values
Excellence
Leadership
Critical inquiry
Liberal learning
Diversity
Caring and concern
Community
Excitement

The Fundamentals
The State-Related University
The Divisionless University
The Cyberspace University
The Uni-di-versity
The Catholepistemiad
The New University
The University College
The World University
The University of the 21st Century