



Thursday, November 13, 2003

## University presidents council addresses lawmakers

By **Jeff Samoray**, OU Web Writer

As part of a new effort to inform the public of the challenges facing higher education in Michigan, the first **State of the Public Universities Address** was delivered Nov. 12 at the Michigan Historical Museum Auditorium in Lansing.

Wayne State University President Irving Reid, chairman of the **Presidents Council, State Universities of Michigan**, delivered the address. Those in attendance included council member and Oakland University President Gary Russi, the presidents of Michigan's other state universities, university governing board members, top policy makers including lawmakers, officials from Governor Jennifer Granholm's administration and top Lansing association executives. The address also was broadcast to the state university campuses. More than 30 Oakland University faculty and staff listened to the address via teleconference in Elliott Hall Auditorium.

The address outlined the changes Michigan's universities have made in the wake of major budget cuts last year and possible further reductions this year. It offered public policy alternatives aimed at ensuring Michigan's group of public higher education institutions continue their status as the finest in the nation.

Reid began the address by citing the elements that help define what Michigan's public universities mean to the state. Among the characteristics he described were the committed faculty who help our future workforce reach their potential, the economic and cultural role universities play in anchoring Michigan's "cool cities," the 288,000 current students who represent the state's future, the economic value evident in job creation and graduates' earning power, and the role universities play as the centers of intellectual, political and social leadership.

"Our universities are the gateways through which pass the men and women who promise a stronger, brighter economic future for Michigan," Reid said. "Michigan's economic future is less about manpower and more about ingenuity, creativity and the pursuit and discovery of new knowledge. And it is the application of this knowledge that will transform the quality of people's lives here and around the world. It is in our public universities that such transformations begin, are encouraged and come to fruition... There is no question that Michigan's public universities have an enviable record of providing access to higher education and preserving that access is our most important goal and primary challenge."

Reid pointed out the proportion of college degreed citizens in Michigan is more than 4 percent lower than the national average, and access to a college education in Michigan is being challenged to an unparalleled extant.

"Access is tied to affordability. And affordability is tied to the level of our state support," Reid said. "Maintaining, let alone increasing, access is being threatened by a disturbing pattern of declining state support with no sign of reversal. Over the past year, state support to Michigan universities has been cut by nearly 10 percent. These reductions largely have been in response to a steady decline in revenues available to the state, which reflect the poor condition of the economy. Our state universities are being funded at 1999 levels with no adjustments for enrollment increases or inflation."

"This trend in declining state support of our universities has led to increases in tuition. They are inversely related. Twenty-five years ago, three-fourths of our universities' general operating revenues were funded through appropriations and the remaining one-quarter through tuition. Today, state support accounts for less than one-half of general university operations. We must do all we can to halt, if not reverse, this trend. By not bringing the level of state appropriations into equilibrium with tuition dollars, we eventually will turn a Michigan public university education from a public good to a private benefit."

Reid also outlined the steps Michigan's state universities have taken to minimize the impact of reduced state support while maintaining high quality programs and facilities. Together, Michigan's 15 state universities have cut \$159 million from their budgets. One result of this effort has been the elimination of 1,500 full-time positions.

"We have employed many strategies to reduce costs," Reid said. "We have used information technology solutions to maximize efficiency, such as harnessing the World Wide Web to deliver student services faster, better and more cost-effectively. We have redesigned health care plans. We have outsourced a number of non-core activities, from bookstores to vending operations. We have streamlined administrative operations. We have mandated a new level of interdisciplinary cooperation aimed at making the

most of our resources.

"Another initiative that reflects our commitment to cost containment is the newly created State of Michigan/State Universities Purchasing Consortium. Thanks to the good work and cooperation of our State Department of Management and Budget, our universities are now leveraging their collective purchasing power to obtain discounts on printing, postage, fleet management, travel, and gas and electric utilities."

Reid followed this up by outlining the strategies state universities will take to help Michigan toward economic recovery:

- Identify and implement efficiencies and cost-saving measures wherever possible while maintaining the integrity of academic quality.
- Make every effort to ensure access to state institutions. Investment in financial aid based on student need will help keep higher education within reach of Michigan's citizens.
- Work in concert with the state to increase college attendance and completion rates.
- Capitalize on the outcomes of the Governor's University Summit on Economic Development and Collaboration, which was held earlier this fall. The summit's goal was to invigorate university-led growth in technology transfer.
- Become better at communicating the value of Michigan's state universities and tell the stories with regard to the learning, research and service that take place both on and off state university campuses.
- Work to ensure the reauthorization of the federal Higher Education Act results in sound student aid policy and ensure that this act reflects the urgent nature of ensuring college affordability by expanding federal and state grant and work study programs and by promoting "borrower friendly" loan repayment policies.

Joi Durant, a junior communications major at OU and graduate of Detroit's Mumford High School, attended the address and was cited by Reid as an example of the hundreds of Detroit Public Schools graduates who have demonstrated academic success and are now benefiting from a four-year tuition scholarship, made possible by Michigan's state universities and the Detroit Regional Chamber of Commerce.

Reid concluded his address by requesting that, though conditions may not allow for immediate increases in state support, state leaders create a multi-year strategy to achieve per-student appropriations that at least rise to the average of Great Lakes and competing states. Michigan now lags behind that standard by approximately \$1,000 per pupil.

"Among the byproducts of increased state investment in higher education will be limited tuition increases; greater access, participation and completion rates; improved infrastructure; and the maintenance of the current high level of quality in academic programming," Reid said. "Our universities are committed to joining our state leadership in returning Michigan to national economic prominence. A serious and substantial investment in higher education is critical to the state's prosperity both now and in the future."

After the address, Russi reaffirmed the council's commitment to preserving the quality and maintaining the accessibility of Michigan's public universities.

"I thought President Reid's speech was right on target," Russi said. "Michigan has one of the nation's finest public university systems, and our first priority is to maintain our ability to deliver a high-quality education to all of our students, followed closely by our need to keep their talents and energy in our great state once they graduate."

"We hope to continue to educate Michigan citizens about our growing funding crisis and to assure them that we are doing everything possible to hold down costs, while at the same time preserving the delivery of a world-class education. It's not an exaggeration to say that the future of our workforce and our state's economic health is at stake here."

The **Presidents Council, State Universities of Michigan**, based in Lansing, is a nonprofit, higher education association serving Michigan's 15 state universities. The council provides the chief executive officers an opportunity to deliberate on a wide range of topics that have potential implications for higher education.

For more information and the complete text of the first **State of the Public Universities Address**, visit the **Presidents Council** Web site. For information on measures Oakland University has taken to control costs and promote operational efficiencies, visit the OU Cost Containment Efforts Web page.

#### SUMMARY

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