



SPECIAL EDITION

This issue of the OU is the first special edition since the paper began publishing more than a year ago. Because of the importance of the State Senate action, we felt it appropriate to supplement the normal weekly schedule of this publication. Periodically during the summer, we may issue special editions to keep the university community informed on highlights of appropriations, collective bargaining and other items. Our regular edition will be published on schedule. June 16, 1972.

THE REALITIES OF THE BUDGET DILEMMA

The State Senate approved a higher education bill Wednesday evening that slices \$433,000 from the recommended appropriation for Oakland University.

More than \$13 million was trimmed from the total bill, which provides support for the 13 state colleges and universities.

The bill now goes to the House as the Legislature rushes to complete budget work before the beginning of the new fiscal year July 1.

The Senate bill recommends an appropriation for Oakland of \$10,319,000 for the 1972-73 fiscal year, \$433,000 less than recommended by Gov. Milliken in his budget message last January.

President O'Dowd expressed strong concern about the level of funding approved by the Senate.

"Combined with the pressures of collective bargaining, the leveling-off of enrollments and continuously rising costs,

this appropriation would produce a frightening dilemma for the university," he said.

"There is no way that the quality of our programs can be maintained with these forces draining our limited resources.

"If this level of funding is approved by the House as well, we will have a very difficult time operating with a balanced budget next year. I hope there will be some adjustment before the appropriation is finalized."

Under the Senate bill, FYES (fiscal-year-equated student) production is still set at 7,500 for the coming year, despite the smaller amount of money approved by the Senate. Oakland's FYES target for the current year was 7,100.

Major differences between the Senate bill and the one recommended by the Governor are: a lowering of salary adjustments for faculty and staff, less money for student growth, elimination of a 2.5 percent

inflation allowance, and penalties for not achieving this year's enrollment target and for "under-productivity" by faculty during the current fiscal year.

The Governor had recommended a salary adjustment of 6.5 percent, but the committee lopped off \$204,000 from that part of the bill, thus providing for a salary adjustment (including fringes) of 4.45 percent.

Another \$197,000 of the total university reduction came from the reduction in support for new FYES. Rather than the \$740,000 recommended by the Governor for growth, the Senate only provided \$543,000.

The penalties for under-enrollment and under-productivity, if approved by the House, would cost the university \$209,000.

Oakland will be approximately 100 students short of the 7,100 FYES target when the fiscal year ends in two weeks, and the Senate has

	1971-72 State Appropriations ¹	Governor's Recommended Increase for 1972-73	Senate Approved Increase for 1972-73	Difference Between Governor and Senate
CMU	\$ 14,842,000	\$ 1,771,000	\$ 2,053,000	\$ 282,000
EMU	19,684,000	2,012,000	812,000	-1,200,000
FSC	10,578,000	1,307,000	1,024,000	-283,000
GVSC	4,712,000	1,975,000	1,854,000	-121,000
LSSC	2,011,000	368,000	337,000	-31,000
MSU	65,318,000	7,830,000	4,421,000	-3,409,000
MTU	9,491,000	1,150,000	970,000	-180,000
NMU	9,252,000	1,000,000	948,000	-52,000
OU	9,315,000	1,437,000	1,004,000	-433,000
SVC	2,411,000	306,000	68,000	-238,000
U-M - A.A.	72,533,000	10,185,000	5,589,000	-4,596,000
Flint	2,659,000	1,079,000	1,218,000	139,000
Dearborn	2,944,000	842,000	1,037,000	195,000
WSU	51,218,000 ²	6,754,000	4,977,000	-1,777,000
WMU	<u>24,700,000</u>	<u>2,615,000</u>	<u>1,673,000</u>	<u>-942,000</u>
Subtotal	\$301,668,000	\$40,631,000	\$27,985,000	- \$12,646,000
Ag. Exp. Sta.	5,814,000	429,000	245,000	-184,000
Coop. Ext. Sv.	<u>4,956,000</u>	<u>596,000</u>	<u>264,000</u>	<u>-332,000</u>
TOTAL	\$312,438,000	\$41,656,000	\$28,494,000	-\$13,162,000

¹ 1971-72 Budget Figures have not been adjusted for the two percent contingency reduction in force.

² This is before additional emergency grant of \$988,000 made to WSU to cover anticipated tuition hikes prohibited by the wage-price freeze.

recommended a \$131,000 deduction from the new appropriation because the target was not met.

The penalty for faculty under-productivity was set at \$78,000. A legislative provision in the 1971-72 appropriation stated that each faculty member must teach 12 credit hours, 18 contact hours, or 360 student credit hours.

Although that specific provision was struck down by a court decision later in the year, the Senate used that minimum productivity formula for trimming the budgets for state colleges and universities. Approximately 30 percent of the Oakland faculty did not meet the formula provision which the committee used.

In addition to the several major cuts, the committee added some funds for increased student financial aid and for program support.

Other universities also suffered severe cuts in the senate committee version of the 1972 appropriation (see table).