

THE UNIVERSITY OF MICHIGAN
SENATE ASSEMBLY

Minutes of Meeting, January 16, 1978

ATTENDANCE Present: Members Angus, Aupperle, Barnett, P. Jones, M. Brown, Butler, Caldwell, B. Cohen, Cooper, Corpron, Crichton, Saxonhouse, Dingle, Whitmore, Elving, Fowler, Gay, Gordon, J. Harris, R. Harris, Heers, Hildebrandt, Hungerman, Kaplan, Kish, Leary, Lindberg, Livermore, Merte, Millard, Naylor, Porter, Portman, Romani, Schanck, Shannon, Wight, Simonds, Sinsheimer, Trojan, Votaw, West, White, Schulze, Lehmann

Absent: Members Bornstein, D. Brown, R. Browne, Uttal, Christensen, P. Cohen, Coon, A. Edwards, O. Edwards, Fekety, Gelehrter, Gray, Gedney, L. Jones, Juvinal, Morley, Penner, Proctor, Rabkin, Stross, Tilly, Tonsor, Winans, Zorn

Guest: Gary Owen, State Representative, Chairman, Subcommittee on Higher Education Appropriations

CALL TO ORDER The meeting was called to order at 3:15 p.m.

MINUTES The minutes of the December 19, 1977 meeting were approved without correction. Professor Aupperle asked for more information on the SACUA discussion of computer policy in the University. He was promised additional information next month.

ANNOUNCEMENTS

1. Assembly members were asked to respond to any or all of the five questions concerning the future of the Michigan Union as reported in the University Record.
2. The issue of Assembly procedures in the appointment of faculty to University and Assembly Committees has been referred to the Rules Committee.
3. A symposium exploring the meaning for the University community of the new copyright law will be held in the afternoon and evening of February 13. The symposium will be conducted by attorneys who represent the University in copyright matters.

ELECTION OF NOMINATING COMMITTEE The Assembly elected the following members: from SACUA, Professors Kaplan and Lehmann; from the Assembly, Professors R. Browne, Hildebrandt, Lindberg, L. Jones.

REMARKS BY STATE REPRESENTATIVE GARY OWEN Representative Owen's subject was the budget process. He began by emphasizing its difficulty. The three requirements for making a good budget are control of information on which revenue projections are made, elimination of politics, and accurate reflection of the state's needs. None

of these is easy to come by, all being subject to manipulation. Nevertheless, the budget process is where the game is played, where one's real political philosophy is determined. Democrats are supposed to be big-spenders and Republicans fiscal conservatives, but the budget process belies these stereotypes. The aim for all is to meet the state's needs, but it must be done within the limits of revenues. The first step is therefore to negotiate the revenue projection. The recent news of legislative surprise at the announcement by the Budget Director of a large surplus illustrates a breakdown in such negotiations that will not go unchallenged. After revenue projections are made, the next step is to decide what portion goes where. This, too, is negotiated before appropriations are made.

At each step the budget process is extremely political. It is not scientific and it can be very competitive. The development by the legislature of its own staff on the budget has been very important. It has made possible an independent analysis of the Governor's budget recommendations. Representative Owen then analyzed certain tax features in the Governor's recent State of the State message.

He observed finally that in good times Michigan is a good place to live, but in bad times all is changed. Since 1972 the state budget has been dominated by a series of executive orders for cutbacks. In one three week period the estimated budget deficit went from 100 to 375 million dollars. We had to shift to a 15-month fiscal year to justify minimum expenditures. Recently the improvement in the economy and the need for a good credit rating have got us moving back to a 12-month year. We are now able to float a 450 million dollar capital expenditure bond issue, which will help this University build a new hospital.

Representative Owen then called for questions from the Assembly. Professor Kish asked what considerations other than the amount of the total budget for higher education determine the portion given to any single university. Owen replied that the considerations are political. He expected that the University would receive 9 or 9-1/4 percent next year. True equity, he claimed, comes when the legislature distributes the money. He reported that he had just met with President Fleming and talked about a number of issues, including the serious one of declining enrollment, not only here, but across the state. There has been a history of poor planning in the state. The growth in institutions of higher learning in the state in the 1960's was practically unrestrained, and he is critical of continued growth. Should we build a new classroom building at UM-Dearborn, for example, when we are closing one at Wayne State? How to get the best use from the educational dollar is the key issue. He has asked President Fleming to exert leadership in the state on this issue.

Professor B. Cohen asked what faculty might do to assist. Owen was not encouraging. It is difficult to lobby because only 17 legislators have 4-year colleges within their districts, and they already support higher education. He praised the effort of AAUP to establish a permanent liaison, if only for its use in increasing information. His basic worry is that education will become unavailable to many for economic reasons.

Professor Kaplan asked for his comments on formula-funding. Owen said that the formula has been useful in the gathering of information, which has led to a better allocation of dollars. It is not meant to be cast in stone. It would never work that way. The recognition of variables among institutions is fundamental.

Professor Votaw asked how many legislators shared Owen's commitment to provide a college education without regard to the economic status of the student. Owen replied that probably every legislator feels that way, but not all are willing to translate their feelings into action. He claimed that higher education is one area in which the states have historically done their job well. Nevertheless, higher education does not rank very high on the list of priorities of most legislators.

Professor B. Cohen noted that in the last decade the University has been subjected to ever-increasing regulations issued by both state and federal government, but has not been adequately compensated to meet these regulations. What can be done? Representative Owen identified this as a hot political issue. Is the high cost of meeting regulations justified by the benefits that flow? The public demand for protections and benefits is not identical with its willingness to pay.

Professor Hildebrandt cited one criticism of formula-funding as its tendency to level all institutions. What protection, he asked, has the University from this tendency? Representative Owen said that the leveling process would be good if all institutions could be thereby improved. But that is unrealistic. He asserted that the formula was never designed to change the role and mission of any institution. There is no wish to do so. He said that the total system is underfunded, and that The University of Michigan has done relatively well over the last decade.

Professor Gordon noted that a firm connection has been established between expansion of research and expansion of the economy. If the state seeks to improve its economy, wouldn't it make sense to give greater support to research? Representative Owen agreed that it would help diversify industry, that higher education has suffered disproportionately in the last three or four years because of the fortunes

of the auto industry. He blamed the federal government for much of the decline in research dollars.

Professor Elving asked if there were sufficient sympathy in the legislature to restore The University of Michigan to its former distinction. Owen doubted the possibility. Over the last 20 years, he said, the University has suffered from the dilution of the educational dollar. The rapid growth in other institutions (including the establishment of UM-Dearborn and UM-Flint) has been detrimental to its well-being.

Professor Kish asked how the problem of declining enrollment was to be managed over the next ten years. Owen thought that problem would be difficult to deal with in the legislature. Nobody wants the college in his district to close. He favored the development of a long-range planning committee to gather information and make recommendations. He hoped President Fleming would be a leader in this effort.

Professor Livermore asked if there were any intention of allocating students. Representative Owen thought that would be very difficult. Dilution of the educational dollar is the central problem.

Professor Lehmann thanked Representative Owen for his remarks and his great generosity in answering the Assembly's questions.

OLD BUSINESS

Professor Kish brought up the Michigan union and the apparent failure of the faculty club. Professor Lehmann described the variety of questions posed about the Union's future--the faculty club being only one. He encouraged members to consult their colleagues and respond to SACUA so that an overview of faculty opinion might be represented to President Fleming. Professor Elving recalled the old faculty club, which, while crummy as a facility, was terribly effective in bringing faculty from different disciplines together. He thought SACUA should concern itself with restoring this sense of community through a good faculty club. Professor Barnett, a UM graduate, recalled that upon graduation, students were regularly given lifetime membership in the Union. He wondered if the changes contemplated would protect these rights.

Professor Naylor asked about the status of the Assembly resolution of December 19, 1977 to establish a tuition pool for GSRA's. Lehmann replied that Vice-President Overberger has written sympathetically to SACUA and that the Research Policies Committee was monitoring the situation.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Adjournment came at 4:45 p.m.