

## Government Relations Advisory Committee (GRAC) Agenda

October 13, 2020

1:00 - 2:30 pm

1-2 p.m. with Vice-President Wilbanks

**Zoom**

*In attendance:*

Marisa Conte, University Library

Vincent Glud, ITS

Justin Hodge, School of Social Work

Andrea Lewis, Government Relations (Staff)

Daniil Manaekov, LSA

John Mansfield, Engineering

Renee Nguyen, ISR

Jacob Pearlman, Michigan Law

Michael Rein, Government Relations, Community Relations Director (Guest)

Alexandra Rivera, UM Library, Chair

Michael (Mike) Thompson, Michigan Medicine

Cynthia Wilbanks, Vice President for Government Relations

*Absent:*

MaryJo Banasik, Director, Faculty Senate Office

Morgan Beeler, SEAS

Anna Ceballos, General Studies

Kara Charbarneau, Michigan Medicine

Erin Kahle, Nursing

Kentaro Toyama, SACUA Liaison

### **Welcome and Introductions**

### **Budget Update and Discussion**

Handouts: FY 2020-21 EDUCATION OMNIBUS BUDGET - (Summary of Conference Report) and SCHOOL OMNIBUS BILL - PA-0165 (Public Act 165)

VP Wilbanks provided a budget update. COVID brought the university's FY21 state budget process to a halt, and there were very few indications about when discussions with the legislature would resume. With a July 1 start to the university's FY, it became apparent that the university budget would be passed without the finality of the level of state support. Meanwhile, the state was facing a revenue gap in the General Fund (GF) with a potential drop of \$3 billion in state revenue. Some bounce-back was expected for revenues; however, there were larger issues related to unemployment and costs of confronting the pandemic in many sectors of the economy.

Fast forward to summer, the General Fund dollars that the university receives from the state on a monthly basis were reduced by approximately 15%; and an equivalent amount of fund from the CARES Act were

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allocated to the universities, but came with restrictions in how they could be used (i.e. cannot be used to backfill budgets). The university was bracing for possible further allocation reductions, but, in the end, was fortunate not to be subjected to further reductions.

After Labor Day, the Governor and leaders of the House and Senate engaged in an accelerated process, with little significant input from others in the legislature, to pass a budget maintaining flat funding for the universities from FY 20 to FY 21. This was a sigh of relief, but not without caution of a more constrained fiscal environment for the FY 22 budget which will surely be more challenging. The revenue picture shows modest improvements – does not appear to be as dire – but there is concern of a second wave of the pandemic that might add to existing pressures and strain.

When the Board of Regents approved the university budget back in June, they were mindful that uncertainties would persist into the next school and fiscal year.

VP Wilbanks referred the committee to the handouts. She also noted that the budget included additional boilerplate reporting requirements related to the university's pandemic response.

The federal budget process has been more typical with appropriations being passed piecemeal. The proposals related to the pandemic (e.g. CARES Act 1, 2, and potentially 3) have consumed federal attention. Stimulus checks and PPP programs for small and medium size business were the top priorities for Congress until the end of June. Since then, additional advocates have come out to support a third stimulus, however a breakdown in negotiations has occurred between the Administration, House and Senate. Prospects of a third stimulus package are dimming and may rest on the election in three weeks, but it's hard to say how that will fair.

Committee member Manaekov shared his insight regarding the budget. He stated he's not optimistic there will be any financial stimulus before the election, but something may happen after the election depending on if there's single party control.

Committee member Nguyen asked if the slight increase in tuition will be used for reserves or to cover operating costs?

VP Wilbanks stated that there's no simple description. In the spring, cost containment measures were announced in an attempt to mitigate against unknown continuing risk with what the university would be doing in the fall. Uncertainties included whether the semester would be in-person, the level of enrollment and if international students would be able to access the university, etc. The cost containment strategy was part of a larger effort to provide additional liquidity to support on-going functions. Almost all construction and capital projects not substantially underway were also halted. The university's costs continue to rise so even the slight increase in tuition helps to support those costs.

The Winter semester is also an unknown. It's possible to anticipate the same tuition, but we're still grappling with circumstances that may change the current hybrid plan for the Winter semester. Further efforts to contain costs could continue, including travel being greatly reduced, hiring freezes, and other measures.

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### **EO Impact on University Relations/Engagement**

There have been a very robust number of Executive Orders (EOs) from the Governor that provided guidance on public health risk mitigation strategies and to create safe interactions. These measures are now being challenged by the Supreme Court's ruling that the Governor's executive powers had gone too far. This was unexpected so now efforts are underway to identify ways to manage existing issues related to public health and mitigation strategies. Michigan Department of Health and Human Services and county officials have issued orders that largely mirror the Governor's EOs. There will likely be legislative proposals to replace these EOs, but the timing is unclear. There are several Public Health faculty advising state legislators who want to know more about the public health data informing the EOs.

Committee member Mansfield asked if there was any feel for why a public health concern became so partisan and why people are not considering the improvements in COVID case numbers in Michigan.

VP Wilbanks stated that even before the pandemic the divisions in the country have been of great concern; divisions exist along the lines of personal freedom, those who feel they have been left behind, whose economic freedom is at risk, issues related to social and economic inequity, and racial injustice. The pandemic has called into question decision making and decision makers. The public health officials focus on data and science, with a goal to provide the state with the best information at the time to be as successful as possible. The politicization has been sharper in recent months because the fatigue of the pandemic and experiences have been different across the state. The pandemic has heightened and deepened what we've experienced for many years.

Committee member Manaekov commented that we are able to work remotely, but many people are not able to do so and their perspectives differs.

Committee member Nguyen asked how the vote of no confidence in President Schlissel might have an impact on how the university handles the spring semester.

VP Wilbanks replied that a tremendous amount of consultation was going on involving all levels and amongst university leaders across the country, with robust discussions that involved our public health experts who were advising the state response. There was no one-size approach amongst universities and colleges, and many were announcing plans before such plans were developed. She refrained from making predictions of the next academic year and instead focuses on the present. Part of the work following the votes is to engage more, such as with the COVID weekly updates.

### **UM Interaction with the Community During COVID**

The community relationship (city and university) and interactions have been very important; we remain heavily engaged with community stakeholders.

Michael Rein provided some information regarding the city/university collaboration. Early on the decision was made to be proactive with city and local businesses (e.g. Chamber of Commerce, Destination Ann Arbor) and community groups. It was important to be sensitive to the university's economic impact on the region. Since the spring, these groups have continued to meet, including local

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leaders in government, nonprofit, etc. The relationships are sound and no one is afraid to reach out. The university has also been meeting with state, city and county officials every two weeks.

In a sign of true community partnership, the Bank of Ann Arbor gave up their billboards for a period of months to share the Mask Up Ann Arbor messages. There has also been joint promotion between the city and university to re-enforce messages which began in April. The shared tagline is Maize and Blue and A2. The satellite city clerk's office at UMMA and brand-new drop box on North Campus are also indicative of the city/university relationship – to assist in the process of voter registration and voting between now and the election.

### **Comments**

Get a flu shot

Don't forget to vote

**NEXT MEETING:** Tuesday, Nov. 10, 1p – 2p with Vice President Wilbanks