

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

November 20, 2008

SUBJECT: Annual Operating Request to the State for the University of
Michigan-Dearborn Campus for FY2010

ACTION REQUESTED: Approval of the Annual Operating Request to the State for
the University of Michigan-Dearborn Campus for FY2010

BACKGROUND: See Attached Document

Recommended by:

A handwritten signature in black ink, appearing to read 'D. Little', written over a horizontal line.

Daniel Little, Chancellor
University of Michigan-Dearborn

November 2008

The University of Michigan-Dearborn
2009-10 Budget Request

Our mission is *to deliver the academic excellence of the University of Michigan in leadership and service to metropolitan Detroit.*

This vision has given us a challenging but exciting roadmap for our work in the immediate future. To accomplish our goals of serving our region, we need to achieve four specific targets: we need to increase enrollment; we need to enhance student engagement in the classroom and in our communities; we need to enrich and broaden the academic strengths of our faculty and our curriculum; and we need to bring these advantages to bear on the needs of southeastern Michigan.

Our campus has committed to increase enrollment to approximately 12,000 students over the next decade, helping to meet the goals set forth by the Cherry Commission. Total campus enrollment is now more than 8,500. The number of incoming new students in fall 2008 exceeded 1,650, with more than 950 freshmen. Our academic quality remains in the top tier among Michigan public institutions; our entering fall 2008 class has an average GPA of 3.5 and an average ACT of 24. To provide the quality in academic programs that such students expect and deserve requires additional funding and reinvestment. We have increased our level of sponsored research from \$3.4 million awarded in FY 2006 to \$8.9 million awarded in FY2008, and we have successfully completed a capital campaign exceeding \$40 million in pledges and gifts. At the same time, our level of state support remains vital to maintain institutional excellence and to keep the cost of college education affordable for families and students in southeastern Michigan.

UM-Dearborn makes a significant contribution to the region's human capital: more than 80 percent of our alumni are in Michigan and more than two-thirds of them live in Wayne, Oakland and Macomb counties. Throughout the region wherever strong and capable leaders are needed, you will find UM-Dearborn alumni working as agents of economic and social progress in genuinely practical ways.

There are five specific areas where UM-Dearborn can apply its resources to make a difference on important regional issues. First, we can support competitive manufacturing with applied research, educational programs, and innovative technologies. Beginning in fall 2009, we expect to inaugurate two new Ph.D. programs in automotive systems engineering and information systems engineering in partial fulfillment of this commitment. Second, we can help address racial and ethnic discrimination by innovative programs both on campus and in the community. Our support for the Difficult Dialogues project and the Conversation on Race initiative are prime examples of such efforts. Third, we are a national example for research and teaching on how to tackle environmental challenges in an urban setting. The National Science Foundation's award of \$1 million over five years to support curriculum workshops in the geosciences for teachers in the metropolitan area is a testimony to our leadership in this arena. Fourth, we can work with K-12 schools and early childhood programs to enrich their curricula and the skills of their teachers. The NSF's recent award of \$900,000 to the campus to provide cutting-edge programming for Detroit high school students and their teachers to foster interest in information technology (the FI³T program) is another excellent case in point. And fifth, we can help regional leaders and elected officials in a variety of offices develop the complex skills they need to better serve their communities and southeastern

Michigan more generally. In this regard, our Institute for Local Government and emerging certificate program in Local Government Management offer outstanding opportunities for state and local public servants to acquire advanced education and practical knowledge to promote the welfare of their constituents.

These are areas where there is significant challenge in southeastern Michigan, where the University of Michigan-Dearborn has real strengths, and where there is enormous potential for long-term positive impact. By making progress on these goals, the University of Michigan-Dearborn can become a national example of a high-quality metropolitan university meeting important urban and regional needs.

To fully bring to bear our capabilities in service to southeastern Michigan, the University of Michigan-Dearborn needs significantly greater support from the state. And, while we understand the enormous economic challenges facing Michigan at this time, we believe that investment in higher education in general and in the mission of the University of Michigan-Dearborn in particular can lead to a beneficial restructuring of the Michigan economy and produce large dividends for the state in the years ahead exceeding many times over the initial financial outlay.

The past seven years have witnessed substantial reductions in UM-Dearborn's level of state support. For example, our state allocation is still lower by 8.9 percent, or \$2.5 million, than what we received in FY2002, even taking into account the 1 percent increase in the appropriation approved by the legislature for FY2009. These reductions have had real effects on our ability to deliver the kinds of educational programming that our region deserves. Specifically, they have impaired our ability to explore and launch new programs in fields like health care that our students, and the people of Michigan,

want and need. Health care is the fastest growing field of employment in southeastern Michigan, and experts predict a 10 percent growth in jobs in this sector in the next several years. Since most of our graduates remain in Michigan, we believe that adding health programs on our campus can help meet the needs both of our students and of the healthcare sector for qualified employees.

We are also struggling to meet the need for qualified faculty members in areas like the biological sciences, criminal justice studies, and psychology where we are growing and expect further growth. Our budget request for FY2010 aims to address these issues by providing funding to add new faculty lines and to enhance and support new program development and research in science, mathematics and allied fields. Together with new health-related programs, these initiatives will not only permit us to sustain enrollment growth but to cultivate the professional talent to lead Michigan's economic future.

Finally, we propose to add a significant infusion of support for need-based financial aid into the FY2010 budget. We believe that access to higher education is a crucial form of opportunity for struggling families in Michigan, and we seek to increase the campus's ability to offer adequate financial aid packages for low- and middle-income students and families. These funds also will permit UM-Dearborn to provide some financial assistance for returning students making the transition from manufacturing jobs to other careers, as well as for some of the 150,000 prospective students in the Detroit metropolitan area aged 25-34 who have some college education but no degree.

Program areas requiring additional state support

Enhancing financial aid to increase access for students: \$1 million

Access to higher education is the most important factor in enhancing opportunities in a person's life and career. Average lifetime earnings are 1.73 times higher for those who obtain a bachelor's degree. The cost of attendance, however, is a real barrier to access for students from low- and middle-income families. Many of our students fall in this income range, and university resources for financial aid are still far too limited. UM-Dearborn seeks to significantly increase the level of support it is able to provide for financial aid to students. To do so, we propose an increase of \$1 million in institutional funding for financial aid in the coming year's budget. This will be a significant increase in our current budget and will be a significant step in assuring access to all students who wish to attend UM-Dearborn.

New faculty members and enhanced programs and research: \$1.6 million

In recent years, we have added physical capacity to our campus through the state's capital outlay process that will support growth in enrollment without incurring significant infrastructure costs, except for costs directly related to instruction. We are committed to robust enrollment growth over the next decade in response to regional needs and in response to the challenge presented by the Cherry Commission. For Michigan to prosper, we need to increase the number of college graduates in the state. The University of Michigan-Dearborn is poised to help accomplish that goal.

We need to increase our instructional capacity to meet demand by recruiting new faculty members in several fields that are experiencing significant enrollment growth: for example, psychology, criminal justice, biology, special education, accounting and finance. In the last five years, the number of biology majors has doubled to 402, while in the same period, criminal justice has quadrupled to 207 majors. Our goal is to do the best possible job of serving the educational needs of our students by attracting the most highly qualified faculty and by designing programs that best serve their educational and career goals. With current projections calling for enrollment growth of 3 percent per year over the next decade, increases in faculty are needed to help us meet our students' expectations and requirements, to reduce our reliance on part-time instructors in such critical areas as mathematics and composition, and to preserve small class sizes and the close relationships among faculty and students that are a hallmark of the UM-Dearborn education.

New faculty members will add to our capacity to provide a sound foundation in the liberal arts and sciences and in the professional disciplines in areas that will contribute to our campus's metropolitan impact: enhancing research capacity on issues of global competition and the restructuring of the economy; advancing understanding of and respect for racial and ethnic differences in the world; improving our understanding of the environment, of humankind's affect on it, and of the impact policy decisions have on it; and meeting the needs of early-childhood and K-12 teachers for stronger programs in science, mathematics and special education.

Currently, the University has programs in health policy studies and health psychology, but needs to meet the community demand for additional graduates in the

healthcare professions. In the coming year the campus will be involved in a key initiative to establish a RN-to-BSN degree-completion program in partnership with Oakwood Healthcare System and Henry Ford Community College; we also will explore the creation of a master's degree program in physician assistant studies. The start-up cost of these programs is significant, and funds will be needed both for faculty and equipment. And while our partnerships will help reduce some of the costs associated with providing practicum experiences and hiring clinical faculty, the required investment will remain substantial.

In another area, we have used university resources to launch a very successful initiative called *iLabs* ("innovation labs") which conducts research on a wide variety of economic and policy issues, ranging from measuring the economic impact of Detroit Wayne County Metropolitan and Willow Run airports to helping Ford Motor Company refine their proposals for worker buy-outs. Since starting this project on a shoestring in our School of Management, it has emerged into a valuable and active enterprise, and it is clear that we need a permanent faculty director in order to take advantage of the opportunities to provide this very constructive service to our region.

Expanding programs for early-childhood and K-12 teachers: \$300,000

As research continues to accumulate to show the importance of early-childhood education to long-term student achievement, UM-Dearborn remains one of the leaders in preparing teachers for careers in early-childhood education in the state of Michigan. Faculty in our School of Education focus considerable attention on early-childhood education, both in preparing students for careers in the field and in conducting ground-

breaking research on developing capacities among young children. UM-Dearborn's Early Childhood Education Center is a critical element of our teacher preparation program. In fact, the ECEC is among only 10 percent of American childcare facilities accredited by the National Association for the Education of Young Children. Now located in a new structure on the grounds of nearby Oakwood Hospital, the ECEC is partnering with Oakwood Healthcare System's Program for Exceptional Families to foster excellence in pediatric rehabilitation services and early-childhood education.

We are also deeply involved in enhancing the skills of teachers in the K-12 system, both in bachelor's degree programs and at the master's degree level. Professors in our School of Education have worked with faculty members in our Department of Natural Sciences to reform curricula and develop new teaching methods that have the potential to transform the way science is taught throughout K-12 schools. In addition, faculty members in our mathematics department have become national leaders through focused work in the Detroit and Southfield public schools in developing effective methods for teaching math in middle schools; their efforts have already begun to have a positive impact on MEAP scores across the city and three-county area. Both of these areas, science and math, will be key to preparing Michigan's children to compete in a global economy. With additional support from the state, we will be able to expand these programs and broaden their impact on schools and children across Michigan.

Building regional leadership capacity: \$100,000

As the problems local governments are asked to solve become more complex, those serving as elected officials need better preparation and continuing education

delivered in a non-partisan and timely manner. Similarly, we must suitably educate the next generation of policy makers and political leaders by providing relevant coursework, appropriate internship opportunities in local government and community agencies, and meaningful research experiences in areas of political science and public affairs. We believe that UM-Dearborn is uniquely suited to perform these tasks.

The Institute for Local Government (IFLG) is an initiative launched at UM-Dearborn in 2003 to offer a variety of programs to help develop stronger civic leadership in the region. Among other programs, the IFLG has offered a series to help new school board members understand their responsibilities, which has attracted members from more than half of the 80-plus school districts in the metropolitan region. The Institute also has developed similar programs for new village and city council members and a program to help municipal leaders address the issue of hate crimes in their communities. Since its founding, the IFLG has had a very positive impact on the communities in our region, and it has drawn significant support from public officials and from private organizations.

But the IFLG is only one of several efforts we are making to reach out to local policy makers and enhance their leadership skills. Faculty members in public policy, public administration, and urban and regional studies are working to develop a common agenda and to expand specialized coursework for government administrators and managers. One promising initiative that will soon be launched is a certificate program in Local Government Management that will be offered in a fully online mode to reach government employees throughout the state, as well as the entire mid-west region.

Another approach involves coordination of public affairs programming with our Civic Engagement Project (see below) to support student participation in civic leadership

activities with the goal of preparing the next generation for successful careers as government and community servants. With \$100,000 in base funding, we will be able to sustain these programs and build on them, keeping our promise to serve the leadership needs of our region.

Civic Engagement and Metropolitan Research: \$200,000

Our communities cry out for students to participate in projects that can have an impact upon the lives of those in dire economic and social circumstances in southeastern Michigan. To address this need, we have launched a Civic Engagement Project to educate both faculty and students through active engagement in service-learning projects. This program draws participants from all four academic units on campus to promote one of UM-Dearborn's significant strengths – experiential learning. To date, more than a dozen faculty members have received specialized training on how to integrate service learning in a seamless and meaningful fashion into their courses, and numerous community-related, volunteer projects have been completed by Dearborn students and faculty members spanning disciplines as diverse as environmental science, marketing, and computer engineering. But the program needs adequate funds to broaden its role and increase faculty and student participation in activities that harness our energies to solve problems and to meet community needs in southeastern Michigan.

Similarly, due to our unique location, we have an opportunity to serve our region by developing a Metropolitan Research Center that can perform timely research to aid in developing solutions to challenges and problems in southeastern Michigan. The success of *iLabs* research on regional issues has made us aware of a hunger for targeted research

on the challenges facing southeastern Michigan. And the University's deep and long-standing engagement with community leaders, policy shapers, and academic social researchers who can serve as project directors, advisory board members and consultants provides us access to the kinds of expertise that will guarantee its success. Through civic engagement and metropolitan research, we can focus the talents and skills of our faculty and students on issues and opportunities for service, learning and growth that will benefit both the participants, the people of our region, and those in other parts of the state.

Research and information technology infrastructure: \$500,000

The University of Michigan-Dearborn enrolls a very high proportion of students in the natural sciences and engineering, more than any other public institution in the state except for Michigan Technological University. We need to ensure that our students have access to laboratory facilities and instrumentation that is sophisticated and technologically advanced if we are to prepare them for careers in a world that expects nothing less. Newly hired faculty members require adequate start-up funds to equip their laboratories with instrumentation to remain productive in their fields, to attract extramural funds, and to properly train their students in the use and application of equipment commonly found in industrial and government research facilities. While we have added significant new buildings to our campus in recent years with the help of the state through the capital outlay process, we have struggled to equip those buildings properly.

We need to invest more on an annual basis in technologies that support instruction and collaborative research. Many of our classrooms must be updated and equipped with

modern digital equipment to make proper and effective use of new instructional pedagogies. Moreover, we must enhance our capacity to produce and deliver more and better online programming for our current and prospective students, particularly at the graduate level where the availability of online degrees is crucial to recruiting and retaining students who work outside the immediate metropolitan area or who may be transferred out of the area for job-related reasons. Michigan's economic prosperity will clearly depend on a technologically proficient workforce, and enhancing support for modern scientific inquiry is an investment in the future.

Request:

Enhanced support for financial aid	\$1,000,000
New faculty and costs of enhancing programs and research in science, mathematics, and engineering and to develop health programs	1,600,000
Early childhood, K-12 programs	300,000
Building regional leadership capacity	100,000
Civic Engagement and Metropolitan Research	200,000
Research and instructional technology infrastructure	500,000
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Total	\$3,700,000

University of Michigan – Dearborn
Cost Containment Measures – Annual Savings

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
General Fund Budget Reallocation	\$1,017,000 ¹	\$952,000 ¹	--	--	--	--	--
Reduced Mailing Costs Due to Internet Communications	--	85,000	--	\$20,000	--	\$10,000	--
Restructuring Employees Health Care Premiums and Benefits	--	75,000	--	--	--	--	TBD
Fieldhouse and Recreation – Staffing Efficiencies	--	--	--	45,000	--	--	--
Institutional Advancement – Staffing Reduction and Increased Use of Electronic Publishing	--	--	\$55,000	50,000	--	--	--
Scheduling Adjustments to Campus Transportation Service	--	--	20,000	11,000	--	--	--
Henry Ford Estate – Reduction of Operating Hours and Staffing	--	--	130,000	--	--	30,000	--
Financial Aid Office – Flexible Scheduling and Less Overtime	--	--	--	--	--	10,000	--
Decommissioning of Campus Building (CASL Annex)	--	180,000	--	--	--	--	--
Facilities Management – Strategic Supplier Program	--	--	--	--	\$10,000	--	--
Energy Conservation Measures	--	30,000	117,000	72,000	21,000	20,000	\$90,000
Changes Related to Instructional Program Delivery:							
School of Management	--	--	85,000	45,000	--	--	--
College of Arts, Sciences, and Letters	--	--	153,000	--	--	--	--
School of Education	--	--	19,000	--	--	--	--
Insurance Savings – Lower Claims Experience (Worker’s Comp.)	--	--	--	--	163,000	--	--
Reduced Bank Transaction Fees – Credit Card Payments	--	--	40,000	--	--	350,000	--
Total	<u>\$1,017,000</u>	<u>\$1,322,000</u>	<u>\$619,000</u>	<u>\$243,000</u>	<u>\$194,000</u>	<u>\$420,000</u>	<u>\$ TBD</u>

¹ Through the campus budget reallocation process, many cost containment measures were implemented to achieve savings of \$1,969,000 over a two-year period. They include: travel budget reduction; negotiation of lower campus-wide phone costs; reduction by attrition of non-faculty positions, and use of digital photograph format for publications.