

THE UNIVERSITY OF MICHIGAN-FLINT
Regents Communication

Approved by the Regents
December 17, 2009

SUBJECT: 2010-2011 State Appropriation Request

ACTION REQUESTED: Approval of 2010-2011 State Appropriation Request

BACKGROUND:

Although the state has not asked the University to prepare an appropriation request this year due to the current economic environment and lack of available funding, the University wants to go on record and make the state aware of our current funding needs.

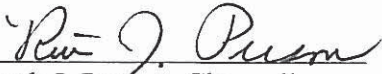
The attached proposed 2010-2011 State Appropriation Request identifies improved State financial support for the University of Michigan-Flint as our highest priority in order to keep tuition affordable for our students.

We have highlighted academic initiatives to include science/technology/engineering/mathematics initiatives and new program development.

We have communicated the impact of reduced financial support on our educational programs and services to students, faculty and staff on our campus. We have also addressed the actions we have taken to improve productivity and efficiency, and to contain costs.

We recommend that the Regents approve the proposed 2010-2011 State Appropriation Request.

Recommended by:


Ruth J. Person, Chancellor
University of Michigan-Flint

December, 2009

2010/2011 STATE APPROPRIATION REQUEST
University of Michigan-Flint

Request Summary

The University of Michigan-Flint's fifty-three years of service to the region and state represents a commitment to our mission and our community. In 2006 the University of Michigan-Flint adopted a new strategic plan built on three pillars: excellence in teaching, learning, and scholarship; student-centeredness; and engaged citizenship. As we look to the future with great hope we note that increased resources are vital to expanding educational opportunities for the citizens of our region and state. Advancing excellence in education and expanding educational opportunities are the driving goals of our 2010/2011 State Appropriation Request. In August 2008, the University of Michigan-Flint opened its first student housing facility, adding a residential component to the campus. We are seeking to expand our programs supporting Science / Technology / Mathematics / Engineering careers, including math/science education, and to increase our productive K-12 partnerships and community engagement activities. As we seek to expand, we note that we have achieved significant operational efficiencies and cost savings resulting in significant reductions in our annual operating budget during recent years. This has resulted in larger class sizes, some reduced course offerings and a diminished level of services provided to our students, faculty and staff. We have eliminated a significant number of positions in the process. Our highest priority request is for improved state financial support for the University of Michigan-Flint so that we may better serve the needs of our citizens while keeping tuition affordable.

Background

The year 2009 marked 53 years that the University of Michigan-Flint has provided excellent educational opportunities to the residents of the City of Flint, Genesee County, and the surrounding region since its founding in 1956. In addition, over the past decade the university has played a key role in helping to provide stability to the City of Flint by serving as a downtown institutional and business anchor. Since 1956, the university has graduated over 28,000 students. The great majority of these alumni (over 80 percent) have chosen to continue to live, work, and pay taxes in the State of Michigan. Based upon data, over 17,600 University of Michigan-Flint graduates reside in Genesee County and the contiguous six counties.

The university's relationship with the state goes back to the institution's inception, which over the years has become a long-term partnership, one that continues to benefit not only the traditional incoming freshman student, but individuals returning to formal education after years of living and working in what students call "the real world." These returning students include many single parents who are earning degrees while providing for their families at the same time. Over half of our students are non-traditional and part-time. Our service to this non-traditional cohort and our outreach efforts form a critical resource for our immediate community. The University of Michigan-Flint, fully conscious of its debt to the community that gave birth to it,

has redirected substantial resources toward helping the community address its pressing needs. We intend to maintain and increase our efforts in this area.

Like many educational institutions today, the University of Michigan-Flint is facing a myriad of challenges and, at the same time, enjoys many opportunities. A few of these challenges include:

- Maintaining affordable tuition and fees for Michigan residents
- Recruiting and retaining a diverse, highly qualified faculty and staff
- Opening additional student housing to expand undergraduate enrollment while enhancing our commuter student experience
- Increasing enrollment of minorities, international, veterans and underrepresented students
- Responding to increased accountability expectations from our students, the public, and the state and federal governments
- Increasing third-stream university revenues
- Offering high-quality course content and a breadth of experience to students that will enable them to compete successfully in today's rapidly changing global and technological society
- Prioritizing and reallocating internal university budgets
- Understanding how our enrollment is impacted by the Michigan economy
- Embracing the information age: information explosion; transferring information into knowledge; and knowledge into useful applications

During 2006 the University of Michigan-Flint finalized an extensive strategic planning process to enhance the university's ability to respond to these and several other challenges and opportunities. The planning process involved students, faculty, staff, alumni, the community, the private sector, legislators, and other members of the University of Michigan-Flint family. We have identified three strategic pillars:

- Sustain and enhance excellence in learning, teaching and scholarship
- Foster increased student-centeredness
- Build on our tradition of engaged citizenship

Our initiatives going forward will be based on these three pillars. This year the various units of the university are implementing the strategic plan, with our Division of Academic Affairs having established a new academic plan based upon the university's strategic plan.

A key element of the University of Michigan-Flint's recently adopted strategic plan to grow enrollment from 6,500 to 8,000 students is creating a residential option for students. Our first student residence hall opened successfully in August 2008 filled to capacity with approximately 300 students. Our fall 2009 enrollment increased 7.1% to 7,773 students, confirming that our strategy is working.

Impact of Cost Containment Measures

In response to declining revenues over a number of recent years, the State of Michigan implemented significant budget reductions in appropriations for higher education. State appropriations now represent about 26% of UM-Flint's General Fund budget compared with 45%-50% a few years ago. Nonetheless, tuition-generated revenue is a significant part of our budget. The reduced level of state funding support for UM-Flint is a major factor in the Board of Regents' decisions to modestly increase undergraduate tuition and fees. The University of Michigan-Flint raised tuition and fees by 6.5 % in 2009-2010. Our tuition increase was one of the lowest percentage increases among the 15 Michigan public universities.

In response to reductions in the level of state support, the University of Michigan-Flint has implemented effective cost control strategies. Following are examples of actions we have taken:

- Elimination of one of the four university vice chancellor positions
- Executive officers did not accept any salary increase in fall 2009
- Re-filling only positions deemed critical to the mission of the university
- Larger class sizes
- Reduced course offerings
- Adjusted thermostats
- Elimination of all non-essential travel
- Elimination of administrative support for groups of departments
- Less frequent custodial services
- Reduction in campus daily maintenance services
- Deferral of all but critical repairs and maintenance
- Increased reliance on part-time faculty

Aside from the cost of salaries for our faculty and staff, two of our largest expenses are healthcare and utilities. The University of Michigan recently instituted higher medical premiums for faculty and staff, which are adjusted annually. Further, the university is actively promoting exercise and healthy eating habits among its employees under the "Mhealthy" initiative, which is an effort to promote healthy living and reduce healthcare costs. Over a two-year period beginning January 1, 2010, the employees' share of healthcare insurance benefits will increase from 20% to 30%. The University will delay eligibility for employer contributions to defined contribution retirement plans to reduce costs for new employees.

We understand the state's fiscal situation remains very challenging, but we continue to believe the state should increase funding for higher education. We believe this is a key element necessary to increase the number of state residents with university degrees and attract more high-paying, knowledge-based jobs to aid in our economic recovery. More state financial support will enable us to keep tuition more affordable and also help increase the level of education in the state's workforce. We have reached the point where we are not able to sustain operations in the current mode without an increase in revenue. One area of concern is how we will fund an estimated \$36 million in deferred maintenance. Further reductions will require us to eliminate core academic programs and to consider instituting a campus-wide salary reduction program to achieve required savings. Such cuts would threaten the university's mission and diminish our

ability to recruit and retain high quality faculty and staff necessary to maintain the quality of our academic programs and provide a safe, attractive environment for our faculty, staff, and students.

Operational Review

The entire campus, including both academic and support functions, continues to participate in a full review of operations.

Numerous studies have occurred in recent years to assess UM-Flint academic programs. These reviews have supported implementation goals established in the university's strategic plan, including creation and expansion of graduate programs for which regional demand is apparent. The studies have also led to a commitment to enhancing programs preparing students for Science/Technology/Engineering/ Mathematics (STEM) careers.

Among the significant findings of the reports was the very positive reputation of UM-Flint graduate programs within the local community as well as the need for the development of additional programs in select areas. Accordingly, during the academic years 2004-2009, the university developed 4 new graduate degree programs and concentrations. Further, we will begin to offer a post-masters Education Specialist degree in fall 2010. Other new graduate programming offered in an online format allowing us to reach ever broader audiences include a Transitional Doctor of Physical Therapy, Physical Therapy Certificates, and a Doctor of Nursing Practice. These developments and improvements resulted in continued enrollment growth of over 30% in the UM-Flint graduate programs during fall 2006, and an additional 14% in fall 2007, 4.3% in fall 2008 and 7.9% in fall 2009.

Effective July 1, 2005, the University of Michigan-Flint adopted a new budget model which provides financial incentives to increase enrollment and decentralizes responsibility for financial management decisions to major campus units. We have completed four years under this new budget system and are pleased with the overall results. During the past year, we conducted an evaluation of the new system and found strong support for continuation of the new system with some changes. Academic units now have a direct financial incentive to grow enrollment.

The University of Michigan-Flint is participating fully in the State of Michigan Higher Education Purchasing Consortium in an effort to leverage purchasing power and reduce our utility expense in the current fiscal year and beyond.

Other programs that may be reviewed to address any additional shortfall will likely include some combination of the following:

- Review of current tuition and fee levels
- Review existing academic programs and policies
- Added focus on increased third-stream revenues
- Revisit all budgets for possible additional reductions
- Aggressively pursue utility cost management initiatives
- Possible further reductions in work force

Depending on the results of our efforts to grow revenues and the level of the state funding, we will decide on the actions that must be taken to live within our available financial resources.

2010/2011 STATE APPROPRIATION REQUESTS

While we anticipate the state fiscal year 2011 budget will be very constrained, we do want to go on record with regard to some of our most critical needs.

I. Partial Restoration of Faculty Posts and Staff Positions

Budget reductions over a number of recent years have resulted in the elimination of some faculty posts and staff positions essential for the University of Michigan-Flint to successfully achieve its mission. The prior cuts in faculty and academic support staff are not sustainable over the long term. Accordingly, our highest priority request is for improved state financial support for the University of Michigan-Flint so that we can better serve the needs of our citizens while keeping tuition affordable.

II. Strengthen Academic Programs

The lifeblood of all universities is its faculty. Faculty, through a multitude of instructional methods, ranging from joint research with undergraduate students, classroom lectures, clinical laboratories, practica, independent study, small group work, chat rooms, service learning internships, to online classrooms, strive to impart knowledge, enrich the student experience, and facilitate student learning, but, most of all, prepare all students for tomorrow's challenges. To continue to do this effectively, and to meet the changing world around us, requires professional development, new structures, new partnerships, new methodologies, and new approaches. All these initiatives have a common theme: developing the University of Michigan-Flint in a way that will provide the best possible service to its students and to its community. In order to provide the best possible service, we must incrementally strengthen academic programs by expanding our use of instructional technology and by increasing faculty positions. The list begins with university-wide initiatives followed by school/college initiatives.

Science / Technology / Engineering / Mathematics (STEM) Initiatives. Recognizing the importance of increasing the number of citizens in our region and state to have successful careers in STEM-related fields, the University of Michigan-Flint is undertaking major expansion of its STEM-related programs and outreach. Although each school and college at UM-Flint has specific activities within this area, several university-wide initiatives are proposed or underway. Our College of Arts and Sciences, in cooperation with our School of Education and Human Services, is working on revising the pedagogy involved in preparing future K-12 educators to teach math and science. The university is substantially expanding its outreach activities related

to STEM activities, seeking to bring to campus thousands of K-12 students from throughout the region to experience the thrill of science with hands on activities on Super Science Fridays and at summer science camps. The university is also working closely with the University of Michigan in Ann Arbor, the University of Michigan-Dearborn, and neighboring institutions to promote STEM education. During the past year, we also began a BS program in Mechanical Engineering and launched a BS/MS program in Biochemistry.

Request: \$500,000

Serving our Student Veterans. Our campus has seen a dramatic increase in enrollment during the last year with the addition of the campus' first residence hall. There was a 45% increase in first year students in 2008. Veterans are a vital part of our strategic enrollment plan. As we grow, we want to be certain that we are increasing access to and success in postsecondary programs for military veterans and their families

We are in need of funding to hire a full-time director for the Resource Center as well as a half-time administrative staff. The funding would be needed for the first three years until we build up the enrollment level of student veterans and then use the tuition income to fund the Resource Center long term. Estimated funding need is about \$400,000.

Request: \$400,000

College of Arts and Sciences

The College of Arts and Sciences (CAS) wishes to strengthen core academic programs, which are in the midst of strong enrollment growth. In addition, because most CAS graduates remain in the area, the college wishes to identify new initiatives that will serve our regional population into the future. We believe that opportunities rest in the development of new graduate programs, which is the area in which the University has experienced the strongest growth in recent years.

Specific area requests include:

Engineering is in considerable demand among incoming students and is of statewide and nationwide importance. From Fall 2008 to Fall 2009 enrollment increased over 100%. As a result, this program needs faculty resources to strengthen the undergraduate major and accommodate vastly increased demand. We are reviewing the current curriculum and our goal is to expand it with a computer engineering track. To serve a newly developed computer engineering track requires additional faculty and up-to-date equipment. We have also developed a concentration in Mechanical Engineering and are working towards a goal of ABET accreditation for our Engineering Programs.

The College has added masters programs in English (MA) and a combined BS/MS in Chemistry and Biochemistry. Our existing Masters of Liberal Studies has developed a new track in Theatre and Community. With Theatre taking the lead, we have also developed an interdisciplinary

Masters in Arts Administration. A doctorate in clinical psychology (PsyD) is in development. To offer our students the best possible instruction and options, we need to add faculty to help deliver instruction in these exciting new programs. The addition of a PsyD program would meet the growing demand for clinicians and strengthen UM-Flint's relationship with area clinics and hospitals. Communication and the visual arts remain strong majors within the college. In 2008, the College approved a new degree track in journalism, and we seek to add faculty in all three program areas.

Request: \$840,000 (Several faculty posts and program funds)

School of Education and Human Services

The School of Education and Human Services (SEHS), the university's newest academic unit, was established in 1998 and houses the departments of Education, Social Work, and Early Childhood. The SEHS provides baccalaureate degrees in education and social work, state teacher certification for elementary/early childhood education majors in the School as well as certification for secondary education majors from the College of Arts and Sciences. The Education Department offers a Master of Arts with specializations in literacy, early childhood, technology, and special education. Currently, more than 25% of the UM-Flint's annual graduating classes earn either a social work or an education degree/certification.

While undergraduate enrollment in elementary education is currently experiencing a decline, the graduate degree programs are experiencing enrollment growth. Of particular note is the substantial growth in the Special Education specialization. Since its creation, the Special Education specialist has steadily increased in demand. In order to adequately serve the increasing enrollment and to ensure this steady gain, a new faculty post is requested.

The Social Work Department is currently experiencing an enrollment increase. As social work seeks renewal of its CSWE accreditation, it has implemented significant changes in its program offerings with, most notably, a change in their degree from a B.S. to that of a B.S.W. to more accurately align its degree and students to reflect market changes. The recent loss of two social work faculty members, one retirement and one deceased, has placed enormous strain on the remaining three faculty members. In order to maintain its current growth and to ensure sustained advancement, the addition of a faculty member is requested.

As the SEHS responds systematically and strategically to fluctuating enrollment at the undergraduate level and increasing enrollment at the graduate level, providing the resources needed to support its growth and the successful, sustained implementation of vital new programs is essential. In addition to the requested faculty and staff posts, a modest budget for marketing, travel, and recruitment efforts is requested.

Request: \$560,000 (Three faculty posts \$300,000; Assistant Director of Field Placement \$75,000; Domestic and International Recruitment and Enrollment Coordinator \$65,000; 1 Early Childhood Education staff position \$45,000; recruitment, field placement travel, and marketing funds \$75,000)

School of Health Professions and Studies

The School of Health Professions and Studies (SHPS) offers three clinical doctoral degrees – a transitional Doctor of Physical Therapy (tDPT) for practicing physical therapists, an entry level Doctor of Physical Therapy (DPT,) and a Doctor of Nursing Practice (DNP). Other programs offered include a transitional degree in nursing, undergraduate degrees in health care administration, health education, health sciences, medical technology, radiation therapy, and nursing, and graduate degrees in anesthesia, health education, and nursing through the departments of Physical Therapy, Nursing, and Health Sciences and Administration. SHPS is dedicated to providing the highest standard of education in the health professions by consistently upgrading its programs of study to emphasize teaching, scholarship, practice, and service.

In order to achieve these goals and advance its mission SHPS, requests: budget support for the acquisition of an electronic medical records system and staff for the Urban Health and Wellness Center (UHWC), support for space and equipment to develop a state-of-the-art multidisciplinary Simulation Lab, support for the development of new programs to meet Michigan's needs for educators in health-related programs, and to continue our emphasis on promotion and understanding of health care for the underserved.

To support the UHWC's ongoing efforts, SHPS needs funds to cover the salaries and fringe benefits for a director of operations, an administrative assistant, a medical assistant, and a receptionist. (Staff positions \$180,000); SHPS also needs funds for the UHWC to obtain an electronic medical records system. (Electronic medical records system, hardware and server upgrades to support it, and training estimated cost \$180,000 – 200,000)

Simulation labs are an integral part of health professions' education. The educational benefits of skill practice through simulation of clinical experience are well documented in nursing and other health professions' education literature. In the past decade clinical simulation has seen a proliferation of high technology classrooms utilizing life-like patient simulators transforming the way that nursing, nurse anesthetist, and other health professions skills are taught. The role of the simulation lab is to replicate a clinical and home setting and allow the learner the opportunity to apply theory and practice in a non-threatening environment while eliminating the serious risks inherent in practicing health care skills on live patients. The first step in developing a simulation lab is to acquire space to house it and then acquire the equipment needed and the staff to run it. We are requesting \$2,000,000 to acquire space, make necessary modifications to the space, and acquire equipment for a state-of-the-art simulation lab. (\$2,000,000 for the Simulation Lab)

Request \$2,580,000 (\$380,000 for UHWC; \$2,000,000 for the Simulation Lab, \$150,000 for development of new programs for educators in health-related programs, and \$50,000 for grant support).

School of Management

The School of Management (SOM) is one of four major academic units at UM-Flint. As a business school, it offers academic programs leading to a BBA degree with several concentrations as well as three minors. Traditionally the MBA program has offered a generalist degree. However, the SOM is now offering MBA degrees with concentrations in Accounting, Finance, Marketing, Health Care, Management and Lean Manufacturing, with other concentrations in the development stage. The school serves over 900 BBA students, 180 MBA students, and numerous students who elect business courses to complement studies in other areas.

Over the past year, the school has continued its aggressive marketing efforts with a 50% increase in its marketing budget. Efforts have focused primarily on the MBA programs. Between the 2004 and 2005 academic years, the school experienced a 12% increase in graduate enrollment. The 2006 academic year brought an enrollment increase of another 11%, resulting in a two-year increase of 25%. In 2007 substantial budget cuts to our MBA marketing efforts resulted in a leveling out of our enrollment. This reduced our ability to provide the information to Michigan residents regarding opportunities for graduate education, especially among non-traditional and working students. This past year we restored part of our marketing budget and MBA enrollment increased by 4%. We are requesting \$50,000 for marketing. In addition, we must recognize that our BBA online program serves the non-traditional student and substantially provides an opportunity for them to complete their college degree. Our NetPlus! MBA also uses an online component. In both cases our technology is falling behind. Cyber classrooms are the current technology that students demand and we cannot provide. We are requesting \$100,000 for two cyber classrooms.

The introduction of our International Business concentration in the BBA this year represents the SOM's focus on excellence in this area and a field that we expect to achieve wide spread recognition. We believe that this focus certainly represents an important area for the 21st Century economy, not only for our students but in terms of the impact we can provide for our regional economy. Our international efforts also include an MBA concentration, study abroad courses, numerous international agreements with foreign universities, a large international population in our school, and substantial scholarly research. To achieve our full potential in this area and to be recognized as a leader in the field, we are requesting \$100,000 in seed money to further develop study abroad opportunities, research, and international relations with foreign universities.

Request: \$615,000 (new faculty \$230,000; BBA Online sections \$20,000; Pacific Rim travel \$30,000; increased marketing \$50,000; entrepreneurship leadership seed money \$85,000; two cyber classrooms \$100,000; international business excellence seed money \$100,000)

III. Expand Informational and Instructional Technology and Learning

Enrollment managers from all sizes and types of institutions are working against critical performance imperatives. Whether the goals are to enroll more students, more precisely shape the composition of incoming classes or increase retention and graduation rates, the pressure to

measurably improve enrollment outcomes is intensifying. Successfully meeting these goals involves a complex web of interactions that begin with navigating prospective students toward the institution, then guiding students toward successful graduation, all the while cultivating loyal bonds that support life-long alumni ties. The University of Michigan – Flint would like to implement an Enrollment Management/Retention software package to assist us with these goals. Such a tool would allow the campus as a whole to efficiently manage all communications and thereby our relationships with our constituents, be they students, alumni, potential donors, prospects, faculty, et cetera.

Our student, faculty, and staff reliance on presentation equipment has shown exceptional growth the last 5 years; their ever demanding use of classroom mediation suggests replacement of outdated smart-cart technologies is necessary. The Crestron Media Manager system provides the benefits of advanced technologies in the classroom by using ceiling mounted projectors, DVD/VCRs, document cameras, laptop connections, and computers with applications such as PowerPoint and Excel. The system's ease of use is unparalleled with the ability to control the AV equipment and screens from an intuitive touch panel encompassed into a stationary cart. A significant portion of the legacy equipment currently in place is aging rapidly and lacks newer features for usability, control and manageability.

Request: \$815,840 (Enrollment Management/Retention Tool \$300,000, Core Switch Upgrade \$70,000, Crestron Media Manager Technology \$398,660, SSL VPN \$27,680 and Tripwire \$19,500)

IV. Enhance Community Engagement and Outreach

A nationally recognized leader in university-community partnerships, the University has established University Outreach, a unit that consists of the Center for Applied Environmental Research, the Center for Civic Engagement, LAUNCH (programs focused on student entrepreneurship and local and regional economic development), and the American Democracy Project. University Outreach supports and coordinates engagement efforts of faculty, students, staff, and alumni. These efforts have resulted in significant long-term partnerships that are effective and mutually beneficial. The University of Michigan-Flint is committed to building and advancing campus and community partnerships. This is demonstrated by the projects and programs initiated, funded, promoted and supported by our University Outreach unit which is celebrating its 15th Anniversary in 2009.

The University of Michigan-Flint meets the hallmark of an engaged institution through community-based research and teaching: student involvement through community-based learning and service; interdisciplinary and collaborative work; and community partnerships for defining, participating in, and evaluating community-based research and outreach.

University Outreach facilitates the university's response to community needs, supporting and enabling faculty and student initiatives that lead to civic engagement, the development of informed and active citizenship, and enhanced learning for both the community and university.

University Outreach is nearly 70% funded by external funds (grants, gifts, and sponsorships). In order to be sustainable, it is critical that a faculty member be released to work in Outreach and that the existing directors and managers have a small base salary in which to leverage additional funding for outreach and engagement programming across the campus.

Request: \$150,000 to ensure minimum staffing for this area and provide basic programming to keep advancing this work.

Total All Requests \$ 6,460,840