

From the Chancellor's Desktop

July 18, 2004

Dear Colleagues,

At their monthly meeting last Thursday, the U-M Regents approved our budget for the next fiscal year, including tuition and fee rates. Major features of the new budget include a modest salary program, significant increases in health care benefits costs, and new faculty lines to support areas with increasing enrollment.

In my remarks to the Regents, I noted that the last two years' reductions in our state appropriation have taken a lot of flexibility out of the system, limiting many of our options. Still, our budget proposal reflected three guiding principles that characterize some of the most distinctive features of the UM-Dearborn campus community: first, that despite reduced resources, we would not allow the quality of our educational program to suffer; second, that we remain committed to providing access for students through increased financial aid; and third, that we must continue to create and nurture a campus climate work environment that is equitable and humane.

As in prior years, there has been significant input from faculty, staff and students to help us formulate this budget. The process began in January when departments submitted their recommendations for additional funding to address the highest level of priorities to their senior officers. This spring, the senior officers discussed these recommendations with the University Budget Committee. The Budget Committee prepared additional recommendations, which were considered and incorporated into the final draft of the budget. (Detailed budget information is posted on the Budget Coordination Office Web site at <http://www.umd.umich.edu/univ/bus/budgcoor/>.)

As with previous budgets, we continue to focus on the highest priorities of the campus, those that support our instructional mission. New faculty lines, salary increases, mandatory benefit cost increases and infrastructure for instructional buildings received most of this year's allocation of new resources. We expect to be able to take some small steps towards addressing issues of salary compression for faculty and staff during the coming year if we are successful in meeting our enrollment goals for the fall.

Increasing enrollment has been key to our capacity to cushion the impact of state budget reductions in the last year. The new budget includes revenue both from the enrollment growth that we've experienced this year and from projected enrollment growth next year. The well-being of our campus depends on meeting the ambitious goals we've set for enrollment, and I appreciate the efforts that are being made across campus to help us reach more students who could benefit from a UM-Dearborn education.

While we examine this year's budget, it might be appropriate to review some of the progress we have made since 2001 in focusing our resources on the campus's instructional mission. In the past three years, our annual expenditures for instructional

purposes have increased steadily as a percentage of total expenditures. As a result, we have improved our comparative standing and now rank fifth among Michigan's public universities in terms of instructional expenditures as a fraction of total budget.

I believe that our faculty represent the strength of our instructional programs, and our budget decisions reflect that belief. During the past three years we have added 20 faculty lines to support new programs and to address enrollment growth in particular areas. We have also added at least ten staff lines in the past three years to address the work load issues created by continuing enrollment growth. In this year's budget, we have continued to address the need for more faculty, and have added four new faculty lines.

As we close out this budget process, I want to assure you that we are continuing to assess the needs of the campus from the standpoint of our instructional mission and other high priorities. The strength of this campus is the faculty and staff who make the day-to-day operations of this campus a success. I believe that the long-term success of UM-Dearborn will be built on the dedication and talent found in the people who make up the university and in the commitment of the faculty and staff to support the achievement of our students. The past two years have been challenging as we have faced two significant reductions in our state appropriation. During that difficult period, we have succeeded in avoiding any layoffs of faculty or staff and we remain committed to do whatever we can to maintain this goal.

We expect our budget challenges to continue for the next few years. However, based on our experience during these difficult times, I am confident we can work together to continue the progress we have made and meet the ambitious goals we have established for ourselves in the years to come.

Respectfully,
Daniel Little