

STATE AFFAIRS

FY 2002-03 State Budget

The state's revenue estimate in January of 2002 was overly optimistic and the state now has a severe fiscal problem. Accordingly, the Governor and legislative leadership will be required to make harder and potentially controversial decisions to balance the state's budget, as mandated in the State Constitution. As of this writing, the administration and key legislative leadership are meeting to set targets for the current fiscal year and for FY2002-03. According to the office of Representative Samuel Buzz Thomas (D-Detroit), House Democratic Leader, House Democrats are proposing a ten percent across-the-board cut in state administrative costs but are not proposing programmatic cuts at this time.

The fiscal bad news was delivered to the legislature at the state's Revenue Estimating Conference attended by Division representative on May 16. In essence, the state's earmarked tax revenues were down 6.4% from March of 2001, with a projected \$1.4 billion dollar decline in state revenue over a two-year period. With many uncertainties contained in the forecast, the House and Senate Fiscal Agencies anticipate a possible \$368 million shortfall in the current budget year and a \$325 million deficit in 2002-03. These serious fiscal difficulties mirror those currently experienced in all but a few state governments. The state has already tapped the Budget Stabilization Fund, cut many departmental budgets by Executive Order last November and made various other one-time adjustments. It is quite possible, therefore, that the state's current fiscal difficulties will result in suspension of the next round of cuts in the single business tax. Further, current budgets and those already passed for FY 2002-03 could be reduced by Executive Order at some point in the future.

The Division is working with administration and legislative leadership, Presidents Council representatives and the 15 Michigan public universities to protect the current higher education budget, as well as the FY2002-03 continuation budget signed into law by the Governor on April 1.

Given the fluidity of this situation, the Division will provide updates as soon as more concrete information becomes available.

President Reid's Senate Higher Education Subcommittee Testimony

The Division coordinated the formulation of written responses to oral questions posed by legislators during the April 10, 2002 testimony to the House Higher Education Subcommittee. These follow-up questions focused primarily on the University's administrative costs and data related to the operation of the Joe Young, Sr. Psychiatric Residency Program. Looking ahead to the next budgetary cycle, the Division established and convened a small working group of University administrators in May for the purpose of development of the University's FY 03 state budget request document due to the State Budget Department in October or early November.

Capital Outlay

On May 16, Senator John J. H. Schwarz (R-Battle Creek) introduced Senate Bill No. 1339 to increase the state's bonding cap. Senator Schwarz proposed this legislation in order to provide an opportunity for universities to have access to capital outlay funding. Currently, the bill does not have any sponsors and has been referred to the Senate Appropriations Committee. As of this writing, its passage in the legislature is dependent upon the support the bill receives from the administration, Appropriations Committee membership, key legislative leadership and the members of the Joint Capital Outlay Committee. The Division is keeping a close watch on this legislation to maximize any possible chance for a capital outlay project for the University this year.

The Higher Education Funding Tier Formula

By way of background, during the 1996-97 legislative sessions, the legislature organized the 15 Michigan public universities into five tiers with a base funding floor for each. This became part of the boilerplate language in the Higher Education Appropriations bill. Wayne State University was placed in the highest tier designed for research/doctoral institutions. During 2001, the legislature reduced the number of tiers from five to four. Currently, the funding floors are set at \$4,600, \$4,800, \$5,700 and \$9,100 per full-time equivalent student. Many universities remain dissatisfied with this method of funding because of the belief that funding dollars are capped or that they are in the incorrect tier. In responding to these universities and their constituencies, and the fact that there will be new decision makers in place in 2003, the House Higher Education Subcommittee has created a small working group, chaired by Representative Charles T. LaSata (R-St. Joseph), to consider options to the current funding tier structure. As of this writing, the working group has not established a timeline or formulized process for issuing a report or specific proposal. This issue will become increasingly complex and controversial as universities compete for the small pool of excess dollars that will be made available for higher education funding. University representatives have met and will continue to meet with Representative LaSata to discuss the formulation of alternative approaches to the funding tier structure that takes into consideration the needs and requirements of an urban university.

Term Limits

Recognizing that the state will have a new Governor and key administration in 2003, and 24 state representatives and 27 state senators are term-limited, including the entire membership of the Senate Higher Education Subcommittee, the Division is moving forward with a number of strategies aimed at reducing the severe impact of this significant turnover in Lansing. The Division sent its first E-Connections newsletter to legislators and key public officials and also delivered printed copies to legislators who are University alumni for placement in their Lansing offices during May. This publication and its new e-mail format were developed in partnership with University Advancement.

The Division is also working in partnership with the Division of University Advancement on a comprehensive legislative marketing plan and budget for implementation in the fall. The fall campaign will focus on legislators who are expected to return to office in

January. The winter campaign will target newly elected legislators who will take office in 2003.

The Division is also coordinating plans for a gubernatorial debate on campus in October, as discussed later in this section.

Presidents Council

With the tremendous changes that will occur in Lansing following the November elections, the President, as Chair of the Presidents Council, has initiated a strategic planning process for the Council to establish its direction and key priorities for the coming year. This initiative is of paramount importance, given the state's current economic forecast for FY2003 and 2004, and the current executive director's announcement that he will retire as of December 31.

As of this writing, the Division is working with the office of the President to prepare and coordinate a half-day meeting of the Council's committee and subcommittee membership on campus June 12 and a full day strategic planning conference of the Council's 15 university presidents to be held in downtown Detroit on June 26. On June 12, the Council membership will have the opportunity to critique the Council's current program and formulate recommendations for the presidents' consideration on June 26.

Nursing Scholarship Legislation

As of this writing, the House Higher Education Subcommittee has forwarded its version of the nursing scholarship program legislation to the House Appropriations Committee for consideration. Given that monies for operation of the program have already been appropriated, it is likely that the differences between the House bill and the Senate version of the bill, introduced and sponsored by Senator Schwarz, will be resolved in conference later this spring. It is anticipated that the final version of the bill will proceed to the Governor for signature by the end of this legislative session. We continue to provide information to key legislators on the critical nursing shortage in the state and the need for this program. This legislation will provide help to University nursing students experiencing severe financial hardship, who might otherwise be forced to leave, postpone or delay their course of study.

Life Sciences (HB 5643, Career Development Budget)

With the state's continued budget difficulties, we continue to work aggressively with other public universities and the Van Andel Institute to protect the funding for the Life Sciences Corridor, as contained in HB5643. This bill was passed by the House on March 19 and passed the Senate on May 16; however, as it is part of the Department of Career Development funding legislation, the bill is expected to go to a conference committee and may be subject to adjustment. The Division's vice president attended the Life Sciences Corridor symposium on May 14, which emphasized the importance of the project to health care and biotechnological initiatives. A public relations program to highlight the benefits of this initiative is of critical importance and the Division is working

in partnership with the Life Sciences Steering Committee to educate the Lansing legislative community particularly during this time frame when budget targets and program cuts are being discussed.

Gubernatorial Debate on Campus

The Division has initiated planning for a gubernatorial debate on campus, tentatively scheduled for October 10. This exciting event is a joint project undertaken in partnership with the Division of Student Development and Campus Life and the League of Women Voters of Detroit. An initial meeting was held in May to outline the basic debate format and assign duties and responsibilities for the project. Follow-up meetings will be held during the summer.

Grassroots Outreach Initiatives

As part of the Division's strategic focus to foster grassroots support for the University in Lansing, the Division conducted an advocacy training workshop for local Alumni chapter members, as part of the Division of University Advancement's "Fit to Lead" conference held on May 18. In addition, the Division will participate in workshops with out-state alumni chapters as part of Alumni Affairs' visits to local chapters this fall. The Division has also developed a column as an ongoing feature in the alumni magazine and the first column will appear in the spring edition.

Political Action Committee

As of this writing, volunteers have been actively engaged in the planning of the Friends of Wayne State Political Action Committee spring fundraiser to be held on June 10 in the Java Coffeehouse located near the University campus. Invitations have been sent to members of the university community, friends and supporters of the University. The willingness of the individual members of the Board of Governors to be of assistance and host this activity is greatly appreciated.

LOCAL AFFAIRS

Mayor's Office and Key Administration

Serving as a resource to the new City administration, the Division coordinated the initial May meeting of the university-led task force to identify strategies to address critical City issues in the areas of health care delivery, neighborhoods, quality of work life and after-school programs for youth. As of this writing, a follow-up meeting with Ms. Christine Beatty, the mayor's chief of staff, is being planned for mid-June.

To provide an opportunity for the members of the City Council to meet with Wayne State's administration, plans are underway for the President to host a dinner for the mayor and his executive staff this fall and strengthen the Council's understanding of the University's mission, goals and key initiatives.

The Division also coordinated a meeting between President Reid, Vice President Nelson, Walt Watkins, the City's Chief Development Officer, and George Jackson, President of the Detroit Economic Growth Corporation (DEGC) to explore areas of mutual interest in economic development.

Partnerships

The Division continues to work in partnership with FOCUS:Hope to formulate a proposal for City administration to bring state legislators to the City for a coordinated tour of new development along the Woodward corridor. This will raise the University's presence in Lansing and further strengthen the University's positive relationship with City administration and FOCUS: Hope.

The Division worked in partnership with the School of Business Administration to develop summer internship positions in City and Wayne County governmental offices as part of the acclaimed E-Commerce Summer Camp program which will be conducted over a ten-week period this summer.

RESEARCH AND TECHNOLOGY PARK

Detroit City Council/Mayor's Office

On Friday, May 17, 2002, by unanimous agreement, the Detroit City Council voted its support for Wayne State University's Research and Technology Park by approving tax increment financing (TIF) zone status for the Research and Technology Park. Beginning in 2003, the Research and Technology Park will be able to capture tax dollars that are earmarked for support of the Park. TIF zone tax dollars could result in up to \$12 million in financing for the Park over the next 12 years. This significant victory is a culmination of months of presentations and meetings with the Council, and a great deal of hard work by a multitude of University and community representatives, including strong backing from the Mayor's office.

An additional key accomplishment was secured on Friday, May 17, 2002. Mayor Kwame Kilpatrick presented his plan for use of casino funds before the Detroit City Council. Included in the mayor's plan is \$5 million to provide funding to support minority businesses located in the Research and Technology Park, which is located within the Woodward Technology "SmartZone" Corridor. While the plan is still under negotiation, we are pleased to have the mayor's support in such a significant way.

Research and Technology Park Board

The board met on April 3, 2002. After a status update from the Division and its executive consultant on Park activities, the office of University Advancement presented a fundraising plan to cover build-out and two years of operations. The Hannah Group and Duce Simmons Associates, project architects, presented an overview of the initial

planning for the building and displayed related schematics of the exterior and all five floors. In governance related matters, an executive committee was approved.

Research and Technology Park Operations

Technology Park team members have been working closely with the architects to value engineer the building and define scopes of work. The Research and Technology Park executive committee met on May 17 to determine the course of action for build-out of Tech One, the first of the Tech Park buildings.

The Michigan Economic Development Corporation (MEDC) distributed the SmartZone business accelerator request for proposals on April 26. Three pilot sites will be chosen out of six competing to receive \$300,000 per year for two years. Applications are due June 28, 2002. Detroit is in a good position to be considered positively as one of the pilot sites.

SmartZone Conference

The first annual Michigan SmartZones Conference was held on May 1 and 2 in Grand Rapids. Fourteen Tech Park board members and stakeholders participated in presentations given by national speakers on tech park incubator development. At the conference, attendees also learned how the Wayne State Technology Park fits with the other SmartZones in the state and the direction the MEDC is taking in future SmartZone endeavors.

Research and Technology Park Funding

Work continues on securing funding for the project. Discussions are underway with local private foundations and federal funding sources are being explored. Both prospects appear promising.

CIVIC AND COMMUNITY AFFAIRS

Diversity Recognition and Celebrations

With support from the Division of Student Development and Campus Life, the Division continues to work with student organizations and campus academic units to plan activities celebrating heritage and culture. Diversity proclamations in conjunction with other student activities celebrating ethnic/cultural diversity will resume in the fall. In the meantime, having sponsored a successful proclamation for the celebration of Women's History Month on March 1 and a successful Holocaust and Armenian Genocide conference on April 10, the Division is continuing with its plans for a gay, lesbian, bisexual and transgender conference in October, 2002.

Neighborhood / Community Outreach

- **Tri-Centennial Village Partnership with Habitat for Humanity/Core City Neighborhoods/Wayne State University**

In February, the University joined key civic, community and business leaders to launch the Tri-Centennial Village Project, a partnership agreement with Habitat for Humanity, Core City Neighborhoods and Wayne State University. Intended as a model for the rebirth of Detroit's neighborhoods, the project represents a holistic approach to improving the physical conditions as well as the social conditions of distressed areas in the City. The School of Social Work continues to direct the academic involvement in this project and has worked with Division representatives, to establish a committee that has met to discuss the first phase of this project. Committee discussions are also focused on ways to engage the Wayne State student chapter of Habitat. The University's involvement in this major initiative will raise campus visibility in the broader community and strengthen its support for the city's neighborhoods.

- **Neighborhood Activities**

The Division's community affairs outreach has aggressively expanded to include the establishment of a visible presence in the neighborhoods surrounding Wayne State University. The Director of Community Affairs regularly attends Citizens District Council meetings as well as other neighborhood coalition/precinct meetings. Maintaining a presence with key neighborhood constituent groups and developing a community outreach plan are major initiatives that were implemented in 2001 and will continue throughout 2002. The increased presence in the neighborhoods continues to generate inquiries regarding available Wayne State resources from neighborhood coalitions to the Office of Community Affairs resulting in referrals to appropriate academic units.

On April 20, 2002, the Division, in partnership with the Athletic Department, sponsored a Motor City Makeover Day for the Wayne State campus. This effort was in response to Mayor Kilpatrick's initiative to clean Detroit's neighborhoods. More than 60 Wayne State student athletes joined members of the Mid-Town Alliance, a neighborhood coalition, to clean areas around the Wayne State campus. The Division provided lunch for everyone.

- **Maintaining a Presence with Key Neighborhood Constituent Groups**

With the recent change in city administration, the Division has begun establishing relationships with the new Office of the Neighborhood City Hall and with the newly elected members of the Citizens District Councils. In addition to a presentation at the Citizens District Council Retreat in February, the Division hosted a staff meeting of Detroit's Office of Neighborhood City Halls in March. On Saturday, May 11, 2002, the Division hosted an all day retreat at the Student Center Building for representatives of Detroit's fifteen Citizen's District Councils. Vice President Nelson welcomed over 100 people who planned to spend the day on the Wayne State campus discussing city policies and their impact on Detroit's neighborhoods. The

administrative offices of the Citizens District Councils and the Neighborhood City Halls represent critical components to Wayne State's efforts to strengthen relationships in Detroit's neighborhoods. The Division will continue to explore collaborative initiatives that will provide support for the neighborhood and visibility for the campus.

- **Community Outreach Plan**

In our continuing outreach to local neighborhoods and efforts to sustain a Wayne State presence with other key community constituents, the Division has developed a broad community outreach plan that calls for a series of meetings with various constituents from community/civic/government organizations and key members of Detroit's ethnic communities. The objective is to familiarize community constituents with programs and new initiatives at Wayne State University and identify ways that respective relationships can be strengthened. The focus of the meetings in 2002 is Wayne State's Strategic Plan and the Campus Master Plan.

On May 15, 2002 the Vice President presented highlights of the Strategic Plan to key leaders of the Jewish community. Her presentation was accompanied by a presentation of the Campus Master Plan by Assistant Vice President Jim Sears. Then on May 16, 2002 Community Affairs Director Carol Wells discussed highlights of the Strategic Plan with key leaders of the Native American community. Both meetings provided an opportunity for discussion about the future direction of Wayne State as well as an opportunity to strengthen relationships with major community constituents. Future dates are scheduled for the Division to present the plan to community boards and committees, including the New Center Council, the University Cultural Center Association, and key leaders in the Latino and Arab-American communities.

- **Baptist Pastors Council**

Efforts to strengthen campus relationships with members of the faith-based community continue. The Division has held a series of meetings with Wayne State's senior administrators and senior leadership of the Baptist Pastors Council to familiarize the Council with Wayne State's urban mission and various programmatic initiatives. On March 28, the Division of Student Development and Campus Life and the Division of Governmental and Community Affairs met with members of the Baptist Council for a presentation of Wayne State University's student recruitment, enrollment and financial aid strategies. The Division has met with representatives from other Wayne State divisions to discuss future meeting dates with the Council to discuss specific topics of interest.

- **Meeting with the Arab-American Community**

In an effort to strengthen the relationship between Wayne State and the Arab-American community, Vice President Faye Nelson and Carol Wells met with representatives of Arab-American community to discuss strategies that will provide opportunities for ongoing

dialogue. A senior administration team has been organized and planning is underway for a reception/dinner meeting scheduled for June 12, where key leaders of the Arab-American community will meet with President Reid and Wayne State senior representatives to discuss current University initiatives and partnerships with the Arab-American community.

New Detroit Cultural Exchange Network Concert

On April 19, 2002, the Division, through the efforts of the Office of Community Affairs, facilitated a New Detroit concert as part of their Concert of Colors series. Featuring musicians from South Africa, other sponsors for the concert were ACCESS, Black Family Development, Charles H. Wright Museum of African American History and Operation Get Down. After opening remarks from Shirley Stancato of New Detroit and Ismael Ahmad of ACCESS, the musicians performed for an audience of over 400. This successful event was significant in that it provided an opportunity for the Wayne State campus to expand our outreach into the community by supporting the efforts of several major community organizations.

American Red Cross

The Office of Community Affairs has worked with the administrative offices of the American Red Cross to coordinate bi-annual campus-wide blood drives at Wayne State. In addition to working with Student Development and Campus Life and other offices on campus to establish a coordinated campus wide effort with this initiative, Carol Wells joins Vice President Nelson in strong support of the American Red Cross. The Vice President serves as a member of the Red Cross Board; Carol Wells now represents the University on the American Red Cross African American Leadership Conference Committee, a coalition of major faith-based institutions and community organizations whose focus is to more fully engage the minority community in recruiting minority donors.