

Undergraduate Tuition Proposal for FY 2011

As Recommended by the Policy Committee and Budget Committee of the Academic Senate
By Vote of June 21, 2010

The Policy Committee and Budget Committee of the Academic Senate unanimously recommend that the University increase tuition on undergraduate students by 3% for the Fall 2010 and Winter 2011 terms, with an additional 1.4% added for the Spring/Summer term. The 3% increase could cover the University's contractual obligations and essential costs. The 1.4% increase would provide funds to enhance undergraduate education. No recommendation is made for the tuition rate for graduate students or for students in the professional schools.

The 1.4 percentage points added in the Spring/Summer term would allow the hiring of 13 additional tenured/tenure-track faculty and would allow the Library System to extend the operating hours that the undergraduate library. Funds for new faculty hiring are not needed in the Fall and Winter terms because the new faculty will not be on the University payroll until FY 2012. The plan, if adopted, would allow the University to maintain and improve the quality of undergraduate education, particularly in those units that are heavily dependent on part-time faculty to teach large enrollment courses that students must take to satisfy their general education requirements. The units receiving funds would be required to use them to hire tenured/tenure-track faculty as replacements for some of the part-time faculty members teaching large-enrollment undergraduate courses.

If adopted, the plan would constitute a modest, but important, step forward. It reflects a balance between the need for tuition restraint in these difficult economic times and the need to begin action to address a central problem confronting the University — the excessive dependance on part-time faculty to teach core undergraduate courses. The hope is that the plan will serve as a pilot project that could be expanded in future years if additional resources become available.

Budget Committee Motion: In accordance with its detailed "Undergraduate Tuition Proposal for FY 2011," the Budget Committee recommends to the Administration and the Board of Governors that the tuition increase for FY 2011 imposed on undergraduate students be limited to 3% for the Fall and Winter terms and that an additional 1.4% be imposed for the Spring/Summer term. The 1.4% increase would allow for the addition of 13 tenured/tenure-track faculty to support undergraduate education in FY 2012 by replacing part-time faculty teaching large-enrollment undergraduate courses with tenured/tenure-track faculty. It also would provide funds to extend the operating hours of the undergraduate library during FY 2011.

Adopted unanimously by the Budget Committee on June 21, 2010, and endorsed unanimously by the Policy Committee on June 21, 2010.

Technical Explanation

1. *Tuition recommendation.* Under the proposal, the tuition rate imposed on undergraduate students would increase by 3.0 percent, with an additional 1.4 percent added after the Winter term. As a result, students would pay only the 3.0% increase for the Fall and Winter terms and only those students enrolled in the Spring/Summer term would pay the additional 1.4%.

2. *Objectives of plan.* The proposed 1.4% increase in tuition beginning in the Spring/Winter term would yield a small amount of revenue for that term and would provide permanent money of \$1.76 million (net of the related financial aid) for FY 2012 and beyond. That amount would allow the hiring of 13 tenured/tenure-track faculty ($13 \times \$125,000 = \1.63 million) to replace part-time faculty now teaching undergraduate students. It also would allow for an addition of around \$140,000 to the Library system to extend operating hours at the undergraduate library. A focus of the program is to provide the undergraduate students paying additional tuition with the benefits of being taught by additional tenured/tenure-track faculty and having better access to the library. The program also advances the University's research mission by replacing some part-time faculty, who typically do not engage in research, with full-time tenured/tenure-track faculty who are expected to engage in research. Graduate programs also would be helped because many tenured/tenure-track faculty teaching undergraduate students also teach graduate students.

The Academic Senate and the Administration have recognized that this University is overly dependent on part-time faculty. Its rate of tenured/tenure-track faculty per 100 students is well below the rate of the other research universities in the State and below all but two of the fifteen public universities in the state. Reducing that dependence is important for two reasons. First, the University is likely to face increased competition for undergraduate students as the number of applicants to Michigan colleges declines sharply in the coming years. To meet that competition, the University needs to improve the quality of its undergraduate programs and to increase significantly the graduation rate of its students, now the worst of the state's public universities. Second, part-time faculty do not make significant contributions to the University's research mission, which also is facing significant challenges. An increase of tenured/tenure-track faculty in undergraduate programs would give a boost to the University's research production.

3. *Base Budget Amount.* The Administration, in its FY 2011 budget proposal, has estimated that it would need a 3.4% increase in tuition on undergraduate and graduate students to pay contractual obligations and other essential costs. This proposal assumes that a 3% tuition increase on undergraduate students would be adequate to cover the base amount properly allocated to tuition from undergraduate students. As noted above, no recommendation is made in this proposal with respect to graduate tuition or the tuition in the professional schools. Because the FY 2011 budget proposal was released so late, it has not been possible to provide a detailed analysis of that document. In any event, if additional funding for essential costs is required, the funds can come from the large unused surplus in the president's strategic initiatives fund or from other unallocated reserves.

4. *Application for Awards.* An application for an award shall be made by the dean of the school/college seeking the award. In accordance with prior practice with respect to enhancement positions, the application shall be made on behalf of a department in a departmentalized school/college. A reference to a "unit" means a department in the case of a departmentalized school or college and the school or college in the case of a non-departmentalized school/college.
5. *Criteria for making awards.* The Provost, in consultation with the President, the deans of schools/colleges with undergraduate programs, and the Academic Senate, shall organize a competition for the funds available for supporting undergraduate education. A unit receiving an award is required to use the award to reduce its dependence on part-time faculty. A unit must have some large enrollment undergraduate courses taught by part-time faculty to compete for an award.
6. *Unspent funds.* If a unit that is awarded a faculty position under this plan fails to fill that position after one year, the funds allocated for that position shall be re-allocated to a central pool and a new competition shall be conducted. The unit that failed to hire shall be allowed to compete again for that position. In appropriate cases, the Provost may extend the search period for one additional year.
7. *Departments with unfilled positions.* A unit awarded a tenured/tenure-track faculty position under this program shall be considered to have filled that position only if it also fills any previously unfilled faculty positions. For example, if a unit has an open faculty position and is awarded a faculty position under this program, it must hire two faculty members to be considered to have filled the position awarded under this program.
8. *Unspent funds.* Amounts collected during the Spring/Summer term of 2011 in excess of amounts needed to extend the hours of the undergraduate library for FY 2011 and amounts not allocated to a unit receiving an award because the unit failed to hire a tenured/tenure-track faculty member shall be available on a one-time basis for other uses. The unused amounts shall be collected in a central pool and allocated by the Provost to the Schools and Colleges for projects relating to undergraduate instruction, such as capital improvements to classrooms.
9. *Separate Accounting.* The Administration shall maintain a separate accounting for the use of all funds provided under this program and shall present annually to the Board of Governors' Budget and Finance Committee and the Academic Senate a report showing the distributions, expenditures, reduction in part-time faculty, and fund balances under this program.