

A SERIES: MSU'S BUDGET PRESSURES, PART 3 OF 3

Budget cuts will take toll on MSU



KATIE RAUSCH/THE STATE NEWS

Mitch Fabus, manager of the MSU Muck Soils Research Farm, opens a gate along the road between the main barn and the research fields of the farm in Laingsburg. With the economic crisis affecting MSU's budget, the muck farm and other MSU research farms are looking at possible cutbacks or even closing.

By Kayla Habermehl and Justin Harris

THE STATE NEWS

Editor's note: This story is the third in a three-part series on MSU's budget pressures.

When Gov. Jennifer Granholm proposed a \$9.1 million cut to MSU's funding in February, MSU President Lou Anna K. Simon said there would be cutbacks. To compensate for the lack of state funding, she said it would take an almost 9 percent tuition increase or more than 700 faculty and staff layoffs.

Although she assured neither extreme would come to fruition, university officials have begun to brace for cuts in next year's academic budget. This year's budget is \$1.1 billion.

Provost Kim Wilcox instructed deans of the university's 17 degree-granting colleges to prepare for a 10 percent cut during the next three years — a 4 percent in 2009-10, a 4 percent in 2010-11 and a final 2 percent in 2011-12. There is no solid figure for how much money this would save the university, but the cuts are meant to reflect anticipated

changes in the economy.

"If you listen to any economist, any prognosticator, they'll tell you we're going to be cut about 10 percent over the next couple years," Wilcox said. "Now, we could wait until the Legislature took some action or until the government made a mid-year cut and then try to be reactive to that, but we know we're going to be reduced by 10 percent over the next two or three years."

Although the state hasn't approved its final budget, and isn't required to until Oct. 1 when its fiscal

"These are real reductions. ... It's going to have a lot of effects (on) a lot of places around the university."

R. James Kirkpatrick, College of Natural Science dean

year begins, MSU has started the process of finalizing its budget for the next fiscal year, which begins July 1.

Cutting back

As part of the budget process, every college is supposed to return 1 percent of its operating budget to the provost's office to be reallocated throughout the university. Wilcox said this process will be especially important in the coming years when money is not abundant.

He said programs and colleges that continue to innovate and stay on the cutting edge will receive more of this allocation, and programs that aren't keeping up with the pace of the university will be phased out. Simon likened this process to managing an orchard. As funds become more limited,

she said the university will have to focus on programs that are relevant to current times.

"You've got to continue to plant trees that bear fruit in the future or you end up not having an orchard when you're finished," she said. "At some point in time ... you have to decide that some parts of the orchard, some types of fruit or trees, you can't do. Not because you can't do them well, but because you can't invest in them in a way that they're really going to do well in the future. Those are the toughest decisions."

The first sign of academic cutbacks came in mid-February when the College of Music's music therapy program was put on hold with the proposal of an admissions moratorium, causing an outcry from around the world.

Although students and facul-

More online...

To hear an audio clip of Provost Kim Wilcox, go to statenews.com.

ty continue to protest the program's apparent demise, Wilcox said similar moratoria and program cuts are likely during the next three years.

"I just can't believe that over the next three years we won't see more," he said. "We will likely see some next year."

Simon said students enrolled in programs that are discontinued still will be able to graduate in a reasonable time period. No other program cuts have been announced, but Simon and Wilcox agree the cuts are a reality of the university's future.

A crippling effect

Not all of the cuts are coming from within the university.

The MSU Extension and the Michigan Agricultural Experiment Stations, or MAES, both potentially face fatal fund-

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UNIVERSITY

\$10M donation to MSU adds to mysterious trend of anonymous giving

By Jacob Carpenter

THE STATE NEWS

MSU students are expected to have access to \$7 million in new scholarship funds and financial aid after the university received an anonymous \$20 million donation, the largest anonymous donation for student scholarships in MSU history, the university announced Thursday.

MSU officials received the donation from an anonymous donor through an unnamed financial institution, which confirmed the funds came from legal sources.

"This is really extraordinary because with our pattern of giving, we are very Michigan dependent, and this is really a shot in the arm for the institution," MSU President Lou Anna K. Simon said.

The remaining \$3 million will be used for general university operations.

Simon said the \$7 million for scholarships and financial aid will help balance the financial aid budget. MSU gave almost \$90 million in financial aid during the 2007-08 year. Data for 2008-09 is not yet available.

The donation almost eclipses the average of about \$13 million given annually for finan-

cial aid by private donors.

"Most of the scholarship contracts that we see are less than \$100,000," said Val Meyers, associate director of the Office of Financial Aid. "Most folks donate and start an endowment with considerably less money."

Universities typically know the identity of anonymous donors but do not release their names. In this case,

university officials do not know the donor's identity.

The record donation could be part of a nationwide mystery involving about a dozen universities that have received an estimated \$68.5 million. None of the universities know the source of the donation. MSU's \$10 million donation appears to be the largest of the

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