Education spending priorities are now seriously out of whack

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Phil Power

Regardless of the upcoming University of Michigan-Ohio State football game, or even the deer season now under way, the favorite sport in Lansing for the rest of the year will be ox-goring.

The state is facing a $500 million budget deficit for the current fiscal year and is staring at a $1 billion-plus deficit for the coming fiscal year. State government is prohibited from running a deficit, so budget cuts are almost certain. The big question is which budgets will get cut and whose oxen will get gored.

One traditional target is the $1.8 billion the state spends on higher education at our 15 public universities. For legislators looking for a quick fix, university budgets make tempting targets. After all, universities can't match the lobbying muscle flexed by the labor unions or big corporations or the trial lawyers. And what's a couple hundred million out of a $1.8 billion budget anyway?

Quite a lot, it turns out. The University Investment Commission, a 31-member group of heavy hitters representing businesses, unions, hospitals, media and so forth — including, let the record show, yours truly — last week issued a thorough and well-reasoned report. It didn't make much of a stir in the news media, but it made a bunch of important points:

- Michigan spends an average of $5,795 per student at our public universities. This is hardly generous; it's about $1,000 less than neighboring and other competitive states spend on their college students.
- Over the past 30 years, state appropriations to universities have plummeted from around 75 percent of their general fund expenses to just over half, while tuition fees have increased from around 25 percent to nearly half. When state support for universities goes down, tuition goes up.
- A Michigan Economic Development Corporation study shows an enormous payoff for the state's investment in higher education: The $1.5 billion appropriated in 1999 produced an economic impact of $39 billion.
- Despite the big payback in money for higher education, only 23 percent of Michigan adults have a college degree, below the national average of 25 percent and way below competitive states like California or Washington. The MEDC also says that lack of college graduates in the labor force is our biggest obstacle to a growing economy.

The commission urged the state and the universities to forge a new compact. Over the long run, the state should increase support for public universities to competitive levels, while the universities should be held accountable for increases in their expenses. The commission urged an annual "education summit" at which state government and university leaders would hash out a long-term strategy to improve our ability to invest in the intellectual capital and human skills of our people.

This won't be easy. There are around 270,000 Michigan residents studying at our universities. Increasing state support by $1,000 would cost $270 million, which is simply not in the cards in the near future.

But the commission's report hammers home two vital connections that both outgoing Gov. John Engler and incoming Gov. Jennifer Granholm and their legislative colleagues would do well to bear in mind.

First, there's a direct link between state support and college tuition. Cut state support and tuitions go up; increase state support and tuition increases go down.

Families complaining about tuition increases may not like it, but this is an economic fact of life. It's like the "pay me now or pay me later" ad on TV; the costs of higher education have to be met, either by the families of college students or by the state. (And, please note, the economic payoff is far, far better than any other investment I can think of.)

Second, the sad fact that while taxpayers are spending $1.8 billion on honing our best and brightest kids in college, we are also spending just about the same amount to warehouse the 50,000 or so felons now doing time in prisons. Nobody is urging we dump a bunch of violent criminals back into our communities, but to spend more than $30,000 per year per inmate versus $5,795 per college student is a compelling sign that our spending priorities are seriously out of whack.

Phil Power is the chairman of the board of the company that owns this newspaper. He would be pleased to get your reactions to this column either at (734) 953-2047 or at ppower@homecomm.net.

Watching '8 Mile' in Chicago raises troubling questions

Chicago has all the urban problems that Detroit has, including a worse murder rate in recent years.

Hugh Gallagher

Last week I was sitting in a theater in downtown Chicago watching "8 Mile," a movie about Detroit.

Curtis Hanson's film starring metro Detroit rapper Eminem has won generally rave reviews. Despite a cliché structure, miming "Rocky," "Saturday Night Fever" and other poor boy makes good movies, "8 Mile" deserves its laurels for its tough as nails photography of the city, its sensitive approach to racial and, particularly, class tensions and its uniformly good acting.

Eminem is the real deal who has simultaneously deeply offended everyone and become a major star. He is one of a small handful of rappers who address complex issues, emotions and motivations. Eminem creates characters who are reflections of the best and worst in his own battered psyche. His self-reflective rants ring true, no matter how painful. And even he knows the dangerous power words can have, as in his stunning song "Stan," about a fan who takes Eminem's violent fantasies a step too far.

His natural, emotionally checked performance perfectly captures a young man stunned by life's constant setbacks.

But seeing this movie in Chicago raises those old troubling questions about the big city on the river and that symbolic road that separates, in the words of recent political ads, "us" from "them."

Chicago has all the urban problems that Detroit has, including a worse murder rate in recent years. It has immense poverty, deteriorating neighborhoods and suburban areas where people live in fear of everything associated with the city.

But Chicago also has a beautiful, commercially vibrant downtown, numerous middle-class residential neighborhoods and thousands of people living downtown. From the Loop, which resembles Detroit up to the 1960s, to the fabulous shops, restaurants, hotels, offices and apartments along Michigan Avenue, to the jazz clubs on Rush and Clark streets, Chicago is a city alive, energetic and filled with thousands of people all day and night.

Detroit has boarded-up buildings in every part of town. Its commercial areas are for neighborhood shopping only and many of those stores are barred and ill-kempt. People do not walk down Woodward, which is a ghost town at the heart of the city. People drive in to baseball, hockey and football games and, usually, quickly drive out.

The art museum and the Fisher Theatre are also places that people drive to and leave. To get to the art museum, you often have to drive by boarded buildings.

But you know all this. You know that middle class white residents, major retailers, major businesses and, finally, middle class black residents abandoned the city. You know that the "central city" isn't central to anything or anyone. Residents of the city do not frequent what's left of the downtown. Suburbanites have found other, safer, more attractive venues except for those times when they come, grudgingly, to a sports event. Some young people venture down to some music venues, often seeking out the "dangerous" vibe of the city.

It's good to remember that Detroit was never Chicago, Toronto or New York. Even in its best days it was a brawling town. But it did have a viable retail and office district, a theater district, first-class restaurants and hotels.

We may never see a revival.

For many years the late Detroit Mayor Coleman Young was criticized for trying to build the riverfront at the expense of the city's deteriorating residential and local shopping areas.

In the end the decisions made for the riverfront were wrong. The Renaissance Center was a derivative glass fortress that turned its back on the city. No serious effort was made to keep Woodward and Grand Circus alive.

But the idea of building the downtown and then using that tax revenue to build the neighborhoods was the right idea, poorly executed.

Now resistance to mass transit, lifestyles revolving around bland shopping malls, dispersed entertainment venues and deep racial divisions have probably killed any hope for a central city and even less hope for revival of the city's residential areas.

In "8 Mile," the filmmakers have picked up on the symbolism of the baseline road that separates the city from its northern suburbs. But it also makes a point that not everyone who lives north of Eight Mile is wealthy, educated or comfortable.

As people continue to divide and separate by race and class, we become more insulated. We move farther and farther and farther out, hoping to leave turmoil behind. But we also leave behind a lot of the energy, diversity, creativity and the special rush that urban living represents.

We've lost a lot.

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