

State funds in doubt as U-M regents adopt 'uncertain' budget

University of Michigan regents last week approved the Ann Arbor campus' general fund budget of \$262,378,811 for the university's 1981-82 fiscal year, which began July 1.

The formal adoption of the budget was postponed until this month, because of the uncertainty about the probable level of state funding. "We see no likelihood that the uncertainty will be further clarified soon, and consequently no advantage in delaying," said E.E. Frye, vice-president for academic affairs.

"There is some risk associated with adopting a budget of this magnitude under the circumstances. However, we believe this budget reflects the best posture that we can take to meet the needs of the university and preserve its quality."

The general fund budget, which relies on student fees and state appropriations, pays for, among other things, teaching, research, library services, student aid and operation and maintenance of physical properties. The approved general fund budget

is in its "summary" form — that is, the budget details will be submitted to the regents later.

The 1981-82 general fund budget projects a revenue increase of \$16,347,987, including an 18-percent increase in tuition revenue, an 8-percent increase in indirect cost reimbursement, a 2.7-percent increase in state appropriation — plus \$10,354,023 (savings generated by the base budget reductions) available for allocation.

Frye explained that, although the state Legislature approved an appropriation increase of 12.1 percent for the Ann Arbor campus in 1981-82, the university is projecting an effective increase of only 2.7 percent.

However, Frye cautioned, "There is still considerable uncertainty about the actual level of state funding that we may receive during the remainder of 1981-82."

"Our assessment leads us to believe that, in addition to the impending reduction of our 1980-81 ap-

propriation, it is possible that a mid-year rescission on the 1981-82 appropriation may be necessary. Therefore, contingency plans would immediately be put into place sufficient to cover the possible shortfall.

"It is our earnest hope that these precautionary measures can be relaxed as the state's fiscal situation becomes clarified."

Frye added, "In light of these circumstances, we are proposing a budget that is conservative when seen in the light of our urgent need to have a competitive salary program and the many other academic needs that have already been deferred too long, due to last year's budget difficulty."

In addition to the general fund budget, the U-M regents approved the Ann Arbor campus' designated-fund budget, expendable restricted fund budget, and auxiliary activities fund budget for 1981-82 in their summary form. The four budgets make up the university's total operating budget.

Saks Fifth Avenue



Viewpoint: Evening Separates. Flattering, Formal Attire in Silk Crepe de Chine.

Here, designed by Christian Dior, is an ensemble of modern elegance, demonstrating a keen perception of form and a clear understanding of simplicity. The print for both the jacket and pants is a dramatic spaced floral on a swirl background in rich tones of taupe, wine and brown. The buttonless jacket has puffed shoulders and a smooth,

slim shawl collar, \$230. The pants are full through the leg, tapered to button at the ankle, \$170. And the brown camisole has the extra advantage of switching off with other things you already own, \$48. All in silk crepe de Chine for sizes 4 to 14. In Collection Sportswear—where we are all the things you are.

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