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Address to the College Community, delivered on March 11, 1982

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January 30th, 1982 marked the 100th birthday of Franklin Delano Roosevelt. Though I was 1-1/2 years old when he assumed the Presidency of the United States, his reelection four years later in November, 1936 is my first political recollection. I remember riding astride my father’s shoulders on election day, Roosevelt and Garner button pinned to my jacket. The whole town of 3,000 inhabitants, it appeared, had gathered in the village square. Nine-tenths of the population were Dutch. It seemed as if we were having Tulip Time in November. Dutch songs were sung and dancers in Dutch costumes performed in the streets. Other than birthdays that day was my first memory of a celebration, and it was all for Franklin Delano Roosevelt, President of the United States. The few Landon supporters in that heartland community were carefully subdued though a 5-1/2 year old would have no concern about that one way or another. My only awareness that opposition existed came from the fact that the father of my best kindergarten friend worked for Landon, and my friend, to the best of my memory, was the only one of my contemporaries who wore a Landon button.
When Roosevelt was elected in 1932 the country was locked in one of the worst economic depressions in its 156 year history. The new President restored hope by his spirit and his actions. The first words he spoke to the American people as their President set the tone. Roosevelt said, "I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself — nameless, unreasoning, unjustified terror which paralyzes the needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days."
By and large, the people did. His critics were vocal, and he, as President Hoover before him, elicited strong, almost pathological hatred, in a period when nerves were raw because the times threatened two human essentials - food on the table and a secure way of understanding life. But the majority of people were cheered by his optimism and his New Deal. Life looked better and what is more, when it became better the legislation put in place was to keep it from becoming so bad again.

Forty-nine years after Franklin Roosevelt took the oath of office I heard Allen Greenspan, economic advisor to Presidents, explain to a television audience that the chances for a great depression again were real. He calculated about one chance in ten as compared to one in a hundred a year or so ago. His line was similar to other economists, liberal and conservative, who were quoted. I felt like calling them to say: Come to Michigan. You will see the depression you are talking about has arrived. It’s cloaked in the rhetoric of managers, unions, educators, and politicians who are not prepared for such a development, but I think it’s here. If not, it’s just
around the corner. There is a so-called "safety net", sorely strained, that provides a bottom to suffering. That didn't exist in 1932, but that does not check the economic slide. This is what I have been reading and hearing: unemployment in the state over 16%, automobile production the lowest since 1948, economic activity in January (including orders, production and percentage of available work force employed in key industries in the Michigan, Ohio, Indiana area) at the lowest since the 1930s. What has happened to our guarantees of the good life? That is a question I want to discuss at a later time. For now we must face the economic realities, and plan accordingly, as Franklin Roosevelt said, "with a candor and a decision which the present situation . . . impels."

FINANCE

When we first confronted a weakened economy I quoted Charles Dickens' opening lines of a *Tale of Two Cities* in an address to the college community, "It was the best of times, it was the worst of times." Since then, it is true, that we have had some good developments at Grand Valley, and also economic conditions have not relieved us of difficulties. I want to describe for you what I see as the present financial difficulty.
You have heard or read that the State of Michigan expects a shortfall in tax revenues in excess of 500 million dollars during this fiscal year which ends on September 30th. In the past two weeks I have been in contact with economists, state fiscal analysts, and legislators. After supplemental appropriation bills are passed, which include more money for welfare, the deficit faced by the state is likely to be 750 million dollars, or about 16% of the state’s General Fund. One analyst claimed it could be as high as a billion dollars.

Money lenders will not make loans to the state to meet short term cash needs unless the budget is in balance.

On Wednesday evening Governor Milliken presented his plan to put the budget in balance. He had three recommendations. 1) Increase the income tax by .7 of a percent; 2) Reduce spending by over $400 million dollars; 3) Renegotiate with state employees, asking them to forego an increase in compensation.

We do not know whether the legislature will raise taxes. I do not think we should count on a tax increase in an election year. We do know the legislature will have to agree to an executive order to cut spending, and that order is likely to come within a week. What
the final figure of an executive order will be depends on the legislature's action on a tax increase. Today it is difficult to estimate how long it will take for a majority of the legislators to definitely accept or reject a tax increase.

Here are the proposals that I have heard about higher education's share of the rollback.

1) The Governor's plan includes an executive order withholding the fourth quarter appropriation (July through September) for the colleges and universities. There has been some vague promise that the money will be restored in the 1982-83 budget. That promise becomes more vague as we look toward the next fiscal year. The Governor admits that his recommendation for fiscal 82-83 is nearly 200 million dollars out of balance. Next week the Presidents of the state colleges and universities meet with the Budget Director to ascertain the most recent status of the promise. The fourth quarter payment amounts to a little over 3 million dollars for Grand Valley.

2) Some members of the legislature are asking an immediate 5%?
cut of higher education as its share of the budget balancing act. That figure is $697,000 for our college. The money would be removed, and not restored next year.

3) There is a proposal that higher education’s share of the short-fall should be 6% to 8%, and an executive order should be issued accordingly. Eight percent is $1,116,000 of our appropriation.

4) There has been some talk that an executive order for a 4% reduction ($558,000 of our appropriation) should be issued now, and, if more is needed, subtract it from the fourth quarter appropriation with the hope it will be restored in 1982-83. While those who will decide our immediate financial fate are still wrestling with the decision, we must try to figure out how we will navigate the few remaining months of our fiscal year, and chart the course for the next beginning July 1st.

Here are the factors I believe we should consider in the process:

1) An important legislator in the higher education appropriation process said colleges and universities are likely to have no more
money in 1982-83 than they have this year.

2) We are still uncertain as to what the figure for this year will be. In 1980-81 we were appropriated $12,622,000. This year we are operating on a proposed appropriation of $12,787,000 which represents a 6% cut already, but of course, does not represent the anticipated reduction.

3) We have little idea what our final appropriation for next year will be. The legislature is likely to wait until September before passing a budget for 1982-83, forcing us into our new fiscal year which begins July 1st without a final appropriation figure.

4) We should be aware that the budgets passed in the last two years have had to be reduced by executive order, and that the Governor’s present proposal for 1982-83 looks no more realistic.

5) The state is withholding 50% of our March appropriation with a promise to repay in April. Will it be repaid? In any case, our cash flow is affected. That is minor compared to the cash flow problem created if the Governor’s plan to withhold the fourth quarter appropriation is accepted. We will have to borrow and pay interest instead of invest and collect interest. That cost
to us could run $100,000 or more.

The sum of these factors does not add up to a definitive answer. One thing appears certain. When our arithmetic lesson for the rest of 1981-82 is finished, we will have studied subtraction, not addition. At the present time I propose the following course of action for fiscal planning:

1) I will ask the Provost, as Chairman of the Executive Budget Committee, working with the Governance system, to prepare three budget models for 1982-83. The first will be calculated on an appropriation figure the same as our current one. That anticipates any reduction we receive will be restored in the next fiscal year. The second model will anticipate a 5% reduction in our present appropriation with no restoration of funds next year, and the third will be based on a reduction of 8% in the appropriation with nothing restored in 1982-83. I do not anticipate that we will lose the full $3,000,000 in the next fiscal year if the Governor's plan is enacted.

If we follow this procedure, I believe we will be dealing with the top of the range, and I hope the bottom as well. Anything
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between can be quite easily adjusted to one of the models. Should the budget model be an under-estimation, I am sure we will all be pleased to deal with that contingency.

2) Since we may face an immediate executive order cutting our base budget, and a withholding of appropriated money with possible payback next year, we must find money in our present budget that can be cut from the base. For now I will ask the Provost, working with appropriate faculty and staff committees, to identify possible reductions up to 6% of the appropriation.

3) I will ask all college governance bodies to make plans to function this summer in case they are called upon. As I have indicated, the likelihood that we will know what our budget will be or whether or not we will be in financial emergency by the close of the present semester is uncertain. We must be ready to take the necessary actions when we do know.

Next month, with the work I have outlined completed, we will take another look at where we stand and report to the college community on the financial status of the state and Grand Valley.
During that period I intend to make known that I support the Governor’s call for a tax increase. I hope you will share my view, but I know it is a controversial one. Governor Milliken has said, “We have cut the fat away long ago. We are now cutting into the bone and the marrow of the bone.” To stop this cutting and keep from further damage, we need a transfusion to pump support into the institutions and people this state needs to find its way toward economic prosperity once again. This does not mean that I have given up my views that we need property tax reform, that welfare and unemployment programs should pay benefits averaged with neighboring states, and that government in our state should not return to the size it was a few years ago. The income tax route appears to me to be the most equitable route to go to save what must be saved in Michigan.

Several weeks ago I asked for suggestions to help us meet the crisis. I have received serious, generous ones from several faculty and staff. They are all worth considering. As a result of one of them we will have a four day week for summer school and for some staff. A professor suggested that those who teach in the summer school agree to delay salary payment until after October 1st if our fourth quarter
appropriation is withheld, and in that way assist the colleges’
cash flow. I welcome faculty reaction to that suggestion. Please
pass along to me or other appropriate individuals suggestions you may
have.

STUDENT AID

Let’s turn now to some good news. We have been examining our
student aid accounts, both those holding federal funds and those
supplied by our general fund. With the financial battering that so
many institutions, organizations, and accounts are taking these days,
they look better than most. We will be able to meet our obligations to
students now enrolled as they plan to continue their studies at Grand
Valley. For prospective students who are considering our fine
institution, I urge those who need and qualify for financial aid to
inquire. They should not be disappointed. Grand Valley has one of the
finest student aid programs in the state. We work at it. In addition
to scholarships that recognize academic ability, activities grants, and
grants based on need, we have one of the most extensive student
internship and work programs in the state.

The academic quality of Grand Valley is good, the cost to attend
is moderate, and the financial assistance for students who are academically qualified and need it is available. That makes GVSC worthy of any serious students' consideration.

CONSOLIDATION

To keep faith with our quest for the best academic quality possible with the resources that are available to us, I asked the Executive Committee of the All Colleges Academic Senate to address the subject of duplication at Grand Valley. The assignment was given to the Curriculum Committee of the Senate. The work of such a committee does not remain confidential so I know many on campus are aware of what they have done. Their report and recommendation are ready, and the time for deliberate open consideration in the appropriate governance bodies is here.

I am not unaware that there are some who have been asking about my view of the Curriculum Committee's work. I am aware also that there are those who think my memorandum about duplication was motivated by a desire to change the institution once again and work ill to some people. To the first I say I am ready to talk. To the second I say I regret having to make changes again. Faced with a financial crisis in the state, we are unable to expand colleges and attract potential enrollment along the lines we desire. In that situation I believed
it was my responsibility to ask all of us to look at the problem of duplication.

As we embark upon a period of discussion, debate and finally a time of decision, I stand before you as "the gang of one" to present my views of the report and how we should proceed.

1): We should be ready to submit our decision to the Board of Control by the April 30th meeting. I will ask the Provost, working with the Deans and Faculty leaders, to draw up a schedule and a time table for the decision-making process to be implemented in the Fall of 1983.

2): When Grand Valley was conceived, the original plan called for a federation of colleges. I have always supported the concept. That is why I am reluctant to agree with the Curriculum Committee's recommendation that we consolidate along the lines of four academic divisions, but I do agree for the following reasons:

a): The present financial condition in Michigan, and the projected situation for the rest of the decade, will not permit us to maintain or expand all the colleges as we
should to meet student needs at acceptable program quality levels.

b) The committee has identified duplication in the different colleges. Where that is the case, the joining of Faculty into one department can strengthen the academic program.

c) Though we will lose the good aspects of individuality and esprit in the separate colleges, there are gains to be made by combination as well. Individuals and the institution will be better served by one general education program, containing the current instructional approaches of all of the colleges, one personnel policy, and a simplified governance structure.

3) I do not see the proposed change as a closing of some colleges and the saving of others. Faculty members will group themselves according to disciplines, into departments and schools, and where tenure and/or seniority come into play, everyone holds Grand Valley credentials. The names Seidman and Kirkhof must remain, and I see the least change in the makeup of the division that will be comprised of what is now Seidman College. Though there
are less binding commitments to the name William James, I would like to examine whether or not it can be appropriately used in a new structure.

4) The Curriculum Committee looked at four organizational models. Because they have recommended the four division model, I think it is desirable that we concentrate on that one for the next several weeks, measuring and testing our academic goals and our proposed and existing policies by it. Put the model to the test and see if it will accommodate what we want to achieve. Our colleges have unique characteristics. Which of them are worth preserving, and how should they be incorporated into a new system? General Education requirements, governance, personnel, and grading policies should be ready when a change takes place. Most of all, how do we phase in a new organization with the least disruption to all of us, particularly students? I will ask the Provost and the ECS to establish the procedure for us to use to evaluate the model, develop the necessary policies, and phase it all into place.
5) When we finish this phase of restructure, let us be as sure as it is possible for us to be that we have reshaped ourselves in such a way that if we become smaller, no major change will be required, and if we grow our expansion can be accommodated.

6) The primary reason for the recommendation as I see it is to utilize our present human and financial resources to improve academic programs and expand opportunities for students within those programs. Though the Curriculum Committee’s plan may be better suited to maintain programs with fewer faculty and staff than our present one, positions will be determined more by state appropriations and enrollment than by structure.

7) Though we want to reduce expenditures in administration by the proposed restructure, we must be careful not to over-centralize. There should be strong leadership at divisional and school levels with the appropriate credentials to carry it out.

8) We must be careful to protect the integrity of schools and departments to determine their own curriculum requirements in the major and minor fields, and be the most influential element in the evaluation of their peers.
9) Changes like those proposed by the Curriculum Committee do not come about with unabated harmony. A sizable problem will be the perception of students. Though there are no plans to eliminate academic programs, and, current students, for the most part, will have the same kind of classes and professors familiar to them, they are likely to feel a loss. All of us develop loyalties to structures and the people who give life to them. When they are rearranged we feel rearranged, and we are not sure we like it. I want to reassure students that nothing is going to close—change, yes, but your program will be offered and there will be no loss of credit in the transition. I want to remind faculty and staff that their attitudes as we enter this period of discussion are crucial to the students’ attitudes.

Many faculty, students and staff will be working on the formulation of policy and structure in the coming weeks. Legitimate questions and concerns will arise as we proceed toward consolidation. There will be an opportunity for everyone to make his or her views known in the appropriate forum.

We must push steadily toward completion of our plans. We must
make sure that the consolidation plan will serve us in even leaner
times should they be forced upon the institution, and in a future
period of growth and plenty which, too, will come to this place.
We do not want to go through this again.

We must get on with the job because out of necessity we will
reduce costs. More importantly, we will mobilize our resources to
do improved academic work because we can no longer sustain the
duplication in our system even though it has attractive features.
The sooner a plan is adopted and the phase-in agreed upon, we can
pour our energies whole-heartedly into the teaching, research, and
those activities that support them. We need to do that. It is our
raison d'etre.

What I liked about Franklin Roosevelt's spirit is that he did
not surrender to adversity. He challenged it with determination,
self-confidence, resourcefulness and even jauntiness. He never lost
his generosity, nor his concern for people as he made tough decisions,
and pushed his colleagues to make them also. The nation endured
under severe stress. He prevailed for a time. In our time, in this
small place, our college will endure.

THANK YOU.