

Public universities court patrons as state funds shrink

by Robert Becker
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Chicago Tribune

It doesn't take long to figure out who funded the sleek new College of Business building at Northern Illinois University. Just inside the front door of the \$20 million hall there's an entire wall dedicated to the people who made it happen, NIU alum Dennis Barsema and his wife, Stacey.

The giant photos of the smiling Barsemas send a message that resonates like never before with cash-strapped public university administrators.

More than a fancy new academic building on the DeKalb campus, Barsema Hall symbolizes the new fiscal reality that has gripped public universities across the country: To retain prized faculty members, jump-start new programs and fund student aid, public colleges can't rely solely on state legislatures anymore.

Accordingly, schools ranging in size and prestige from NIU to the University of Texas are aggressively fundraising like their private counterparts. And even many community colleges feel obligated to pursue private cash.

"The only way that the public (universities) are going to be competitive with the privates is if we increase endowment," said University of Illinois President James Stukel, whose university experienced salary freezes and an \$89 million cut in state funding last year.

Stukel and his fellow officers of public institutions around the country gathered this week in Chicago to discuss the role of private funding and other issues at the annual meeting of the National Association of State Universities and Land-Grant Colleges.

Historically, Ivy League or top private schools claimed the bulk of the billion-dollar endowments and major capital campaigns. But the academic billionaires club now includes top public universities such as the University of Michigan, the University of Virginia, the University of California at Berkeley and the U. of I., which just completed a \$1.5 billion campaign.

According to statistics collected by the Council for Aid to Education, 10 of the top 20 schools in private-giving in 2001 were public universities, with Indiana University ranked seventh with more than \$300 million in gifts. Five other Big Ten schools, including the University of Wisconsin, Michigan and Ohio State University, are also on the list.

Since 1997, private-giving to large public research institutions is up 62 percent, to \$7.8 billion, according to council statistics.

"The trend is all in that direction for us, and we're not anywhere unique here," said Paul Courant, provost and vice president for academic affairs at Michigan.

In 1980 the state contributed roughly half of the operating funds for public universities in Illinois. Today, many state schools see just about a third of their funds coming from the state.

Given that decline, it is no wonder officials see private-giving as a crucial new source of support.

"The driving force behind state institutions' fundraising efforts has been a desire to cultivate revenue sources that will not be subject to the annual vagaries of the state appropriations process," said David Bass, an official with the Council for Advancement and Support of Education in Washington.

State universities can turn to tuition to help defray the loss of state dollars but also have a mission to keep tuition within reach for poor and minority students. But public university officials argue that it's getting increasingly tough to compete with private university faculty salaries and programs while holding the line on tuition.

The U. of I.'s Stukel said top private schools pay faculty as much as 20 percent higher than state schools.

But private dollars can help public schools close the gap "which allows you to be competitive with anybody," Stukel said.

The U. of I.'s fundraising efforts, for example, have netted the Urbana-Champaign campus nearly 200 endowed chairs and professorships in the last decade.

Michigan was among the first public schools to vigorously pursue private funding as state dollars became more scarce.

Now with a \$4 billion endowment, school officials say private giving makes a major difference in everything from program quality to student aid.

Private money, said Courant, "allows us to be one of the nation's best universities, which if we didn't have that source would be very hard to be."

As state universities step up their private fundraising efforts, some in academia worry about the trend. Will universities become beholden to the interests of the private sec-

tor? Will this pursuit of expanded programs and prestige further drive up tuitions as well, making the publics more elite and less accessible to minorities and the poor?

"We are still very much a public institution," said Michigan's Courant. "We're just a public institution with a diverse set of revenue streams."

University officials, however, note that fundraising is getting harder as there are more competitors for donor dollars.

"Everybody has a billion-dollar campaign," said Mark Yudof, chancellor of the University of Texas system. "Everybody is getting better at it ... and it's harder to push that button so hard."

But that doesn't stop university officials from trying.

NIU President John Peters, who came to DeKalb 2 1/2 years ago, said that while the university expects to continue relying on state dollars to fund its programs, there's no doubt private dollars have become a bigger part of the mix.

In the past, Peters said NIU wasn't savvy about approaching alumni to donate funds. Even after Barsema built a successful Silicon Valley technology company, Redback Networks, he wasn't seriously courted until about two years ago.

Fundraising successes help to convince Peters that he's on the right path. As he breezes through his campus, pointing out renovations under way, he looks the part of the master promoter and fundraiser he was hired to be.

"NIU is at a crossroads," said Peters, who spends close to 60 percent of his time fundraising, in Chicago, Springfield, Ill., and Washington.

"We have to work hard to get our message out; we've got a big story to tell."

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