

Higher Education Legislative Roundtable

February 13, 2019

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Discussion Agenda

- **Higher Education: Key to Michigan's prosperity**
- **Trend in higher education state funding**
- **Demographic challenges**
- **Actions by Michigan's public universities to boost student success, attainment**
- **Moving forward: Higher education priorities; state-higher education partnership**
- **Open discussion**





- **Founded in 1952 as the Michigan Council of State College Presidents**
- **Name changed in 2015 to better reflect institution-wide collaboration**
- **MASU Board: 15 presidents and chancellors**
 - **13 presidents, 2 chancellors (UM-Dearborn, UM-Flint)**
- **18 Standing Committees**
 - **Most legislatively engaged: State Relations Officers**
- **Staff of 4 people**

MASU serves as the coordinating board for Michigan's 15 public universities, providing advocacy and fostering policy to maximize the collective value these institutions provide in serving the public interest and the State of Michigan

Michigan's 15 Public Universities

- Oldest: U-M (1817)
- Youngest: SVSU (1963)
- National/International Reputation for Academic and Research Excellence



Michigan's Higher Education Governance: A Decentralized Model

Public Universities Granted Constitutional Autonomy

Under Michigan's Constitution, public universities have constitutional autonomy. Article VIII, Section 5 of Michigan's Constitution of 1963 reads:

Each board shall have general supervision of its institution and the control and direction of all expenditures from the institution's fund.

The result:

One of the most market-responsive, innovative and high-quality set of state public universities in the U.S.

Each University has an 8-Member Governing Board

Statewide-Elected: WSU, MSU and UM (including for Dearborn & Flint campuses)

All Other Universities: Gubernatorially-appointed, 8-year terms

Higher Education: Key to Michigan's Prosperity

HOT 50: Michigan's **high-demand,** **high-wage** careers

Of the 50 high-demand, high-wage occupations in Michigan through 2026, **36** require a four-year college degree or higher.

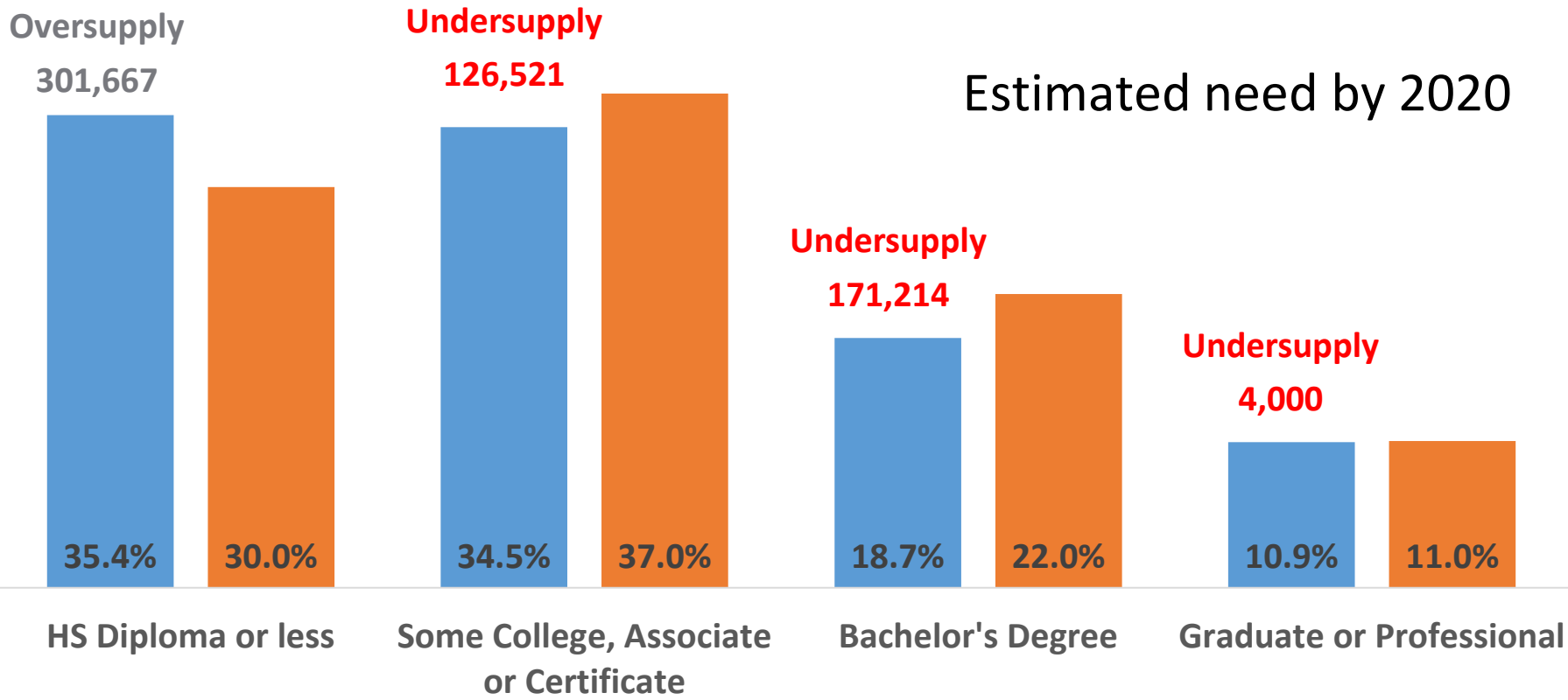
Annual HOT 50 job openings requiring a four-year degree: **51,100.**

Annual HOT 50 job openings not requiring degree: **30,290.**

Source: [Michigan Bureau of Labor Market Information and Strategic Initiatives](#)



Michigan needs 175,000 new university grads – and 126,000 new certificate/associate grads



■ Current ■ Projected

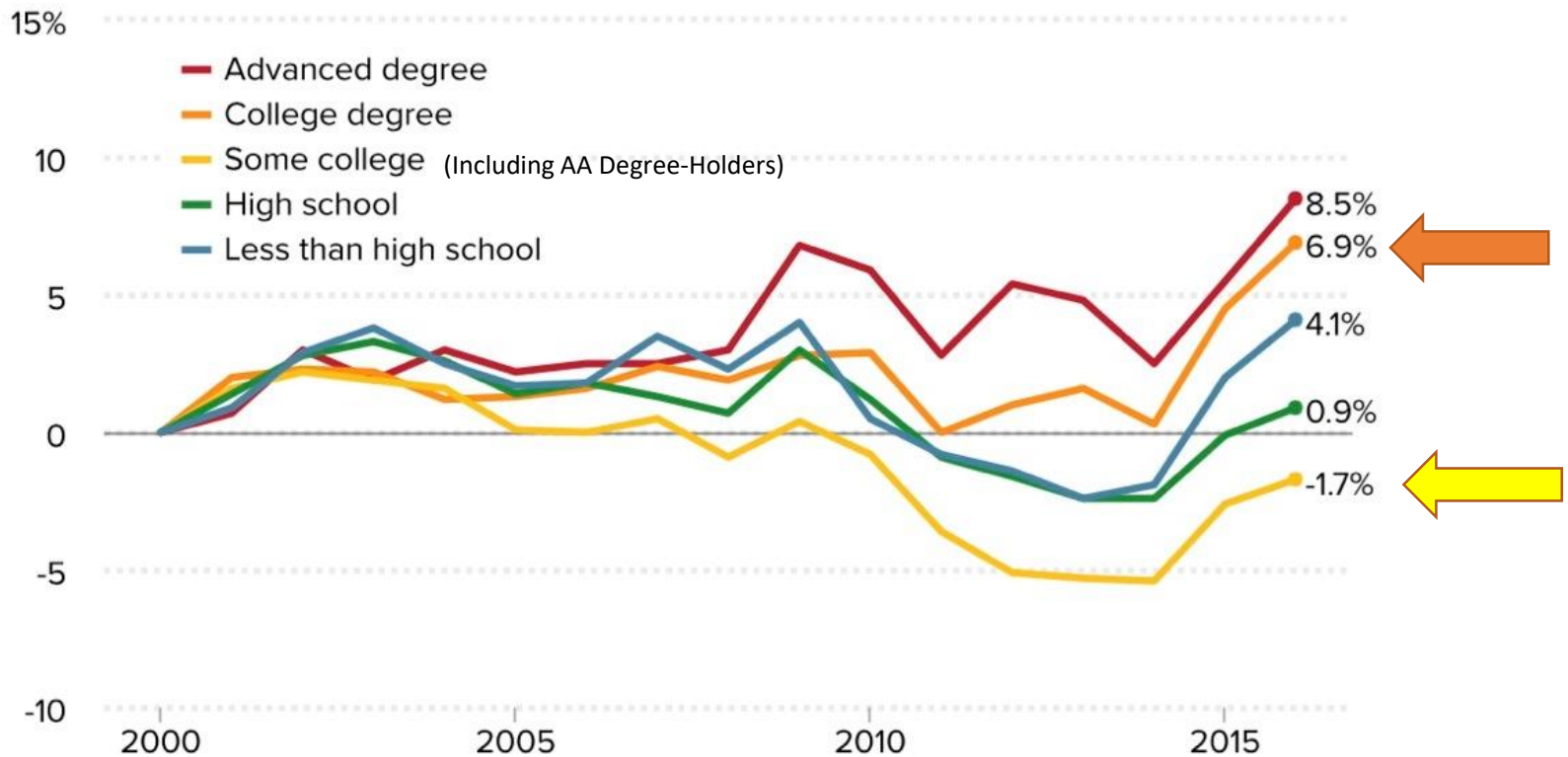


Source: Georgetown Center for Education & the Workforce

Return on Public Investment in a College-Educated Workforce

The Four-Year Degree Wage Premium Continues to Grow

Cumulative percent change in real average hourly wages, by education, 2000–2016

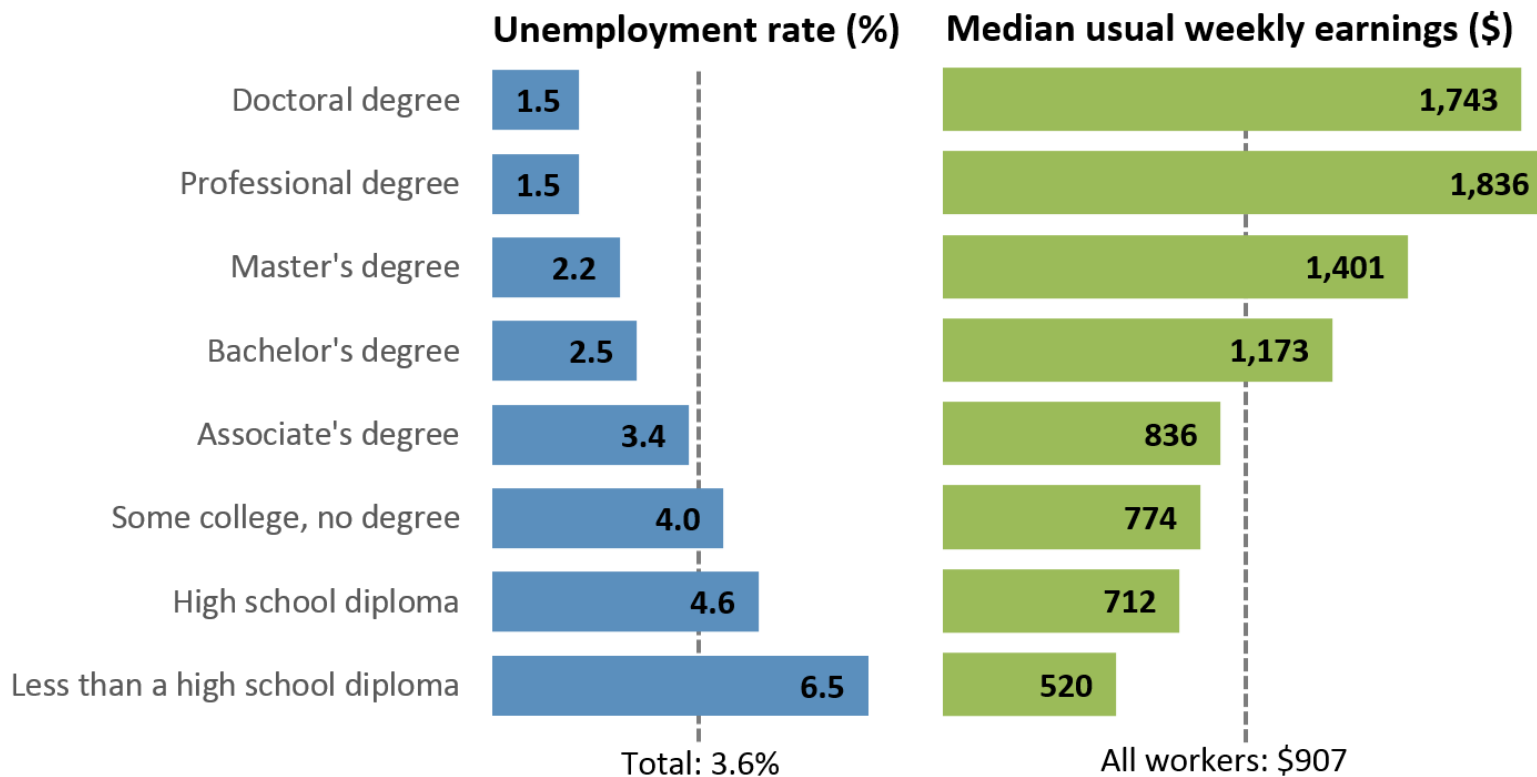


Note: Sample based on all workers age 18–64.

Data: EPI Current Population Survey / Analysis: Michigan Future, Inc.

College grads earn **more**, have greater job **security**

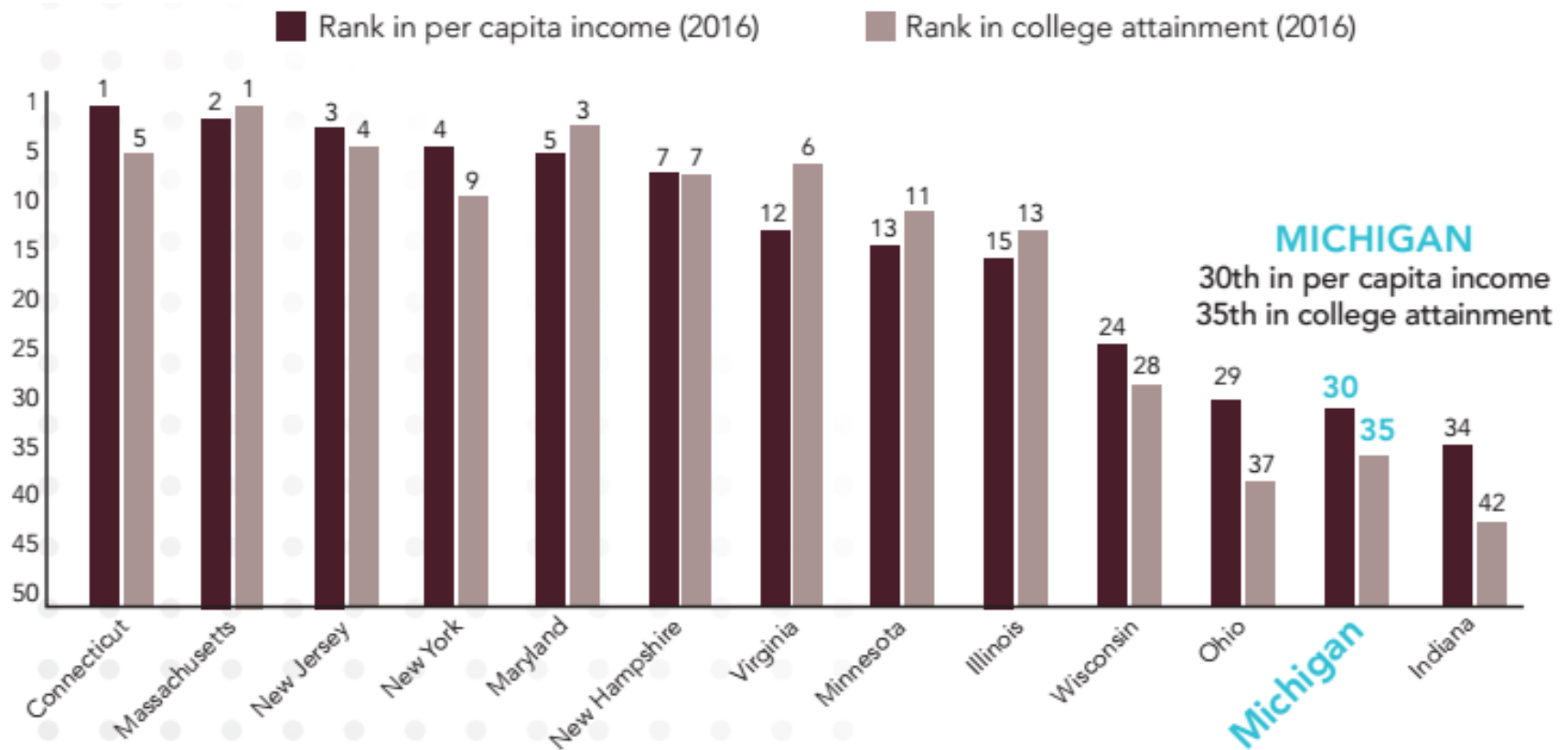
Unemployment rates and earnings by educational attainment, 2017



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

The Same Holds True for States Collectively: The Most Prosperous States have the most College Graduates



Income: 2016 data U.S. Bureau of Economic Analysis (BEA)
Education Attainment: 2016 data ACS 5-year average

A More Accurate Portrait of the Value of College Attainment



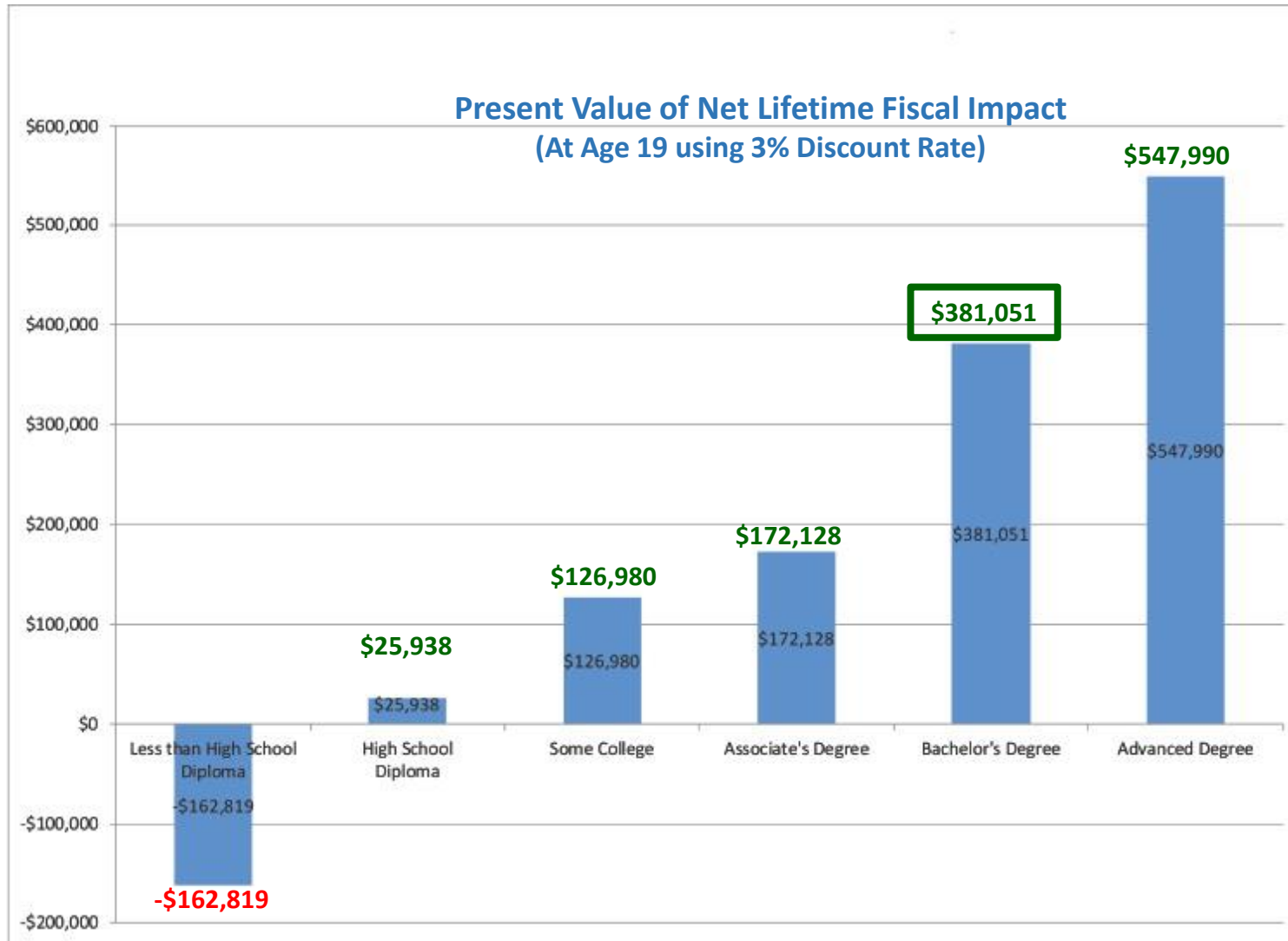
When it comes to college attainment, increased earnings and job security are just the tip of the iceberg!

Factoring In:

- **Lifetime Taxes Paid**
 - Federal, social security, state, property, sales
- **Public Assistance**
 - Medicaid, food stamps, school lunches, cash assistance, energy assistance, housing subsidies
- **Social Insurance**
 - Unemployment insurance, supplemental security, disability, workers' compensation

Net Lifetime Fiscal Impact of College Attainment

Lifetime Taxes Paid, minus Public Assistance and Social Insurance



College Degree vs. High School Diploma:

\$355,113 more in net lifetime fiscal impact

Source:
The Tip of the Iceberg, Change, the Magazine of Higher Learning
May/June 2017

In Sum: Increased college attainment generates greater tax revenues and reduces the need for government spending on public assistance and social insurance.

Trends in Higher Education State Funding

Higher Education: The only area of state disinvestment during the past decade

STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS TOTAL COMPARED IN SELECTED BUDGET AREAS (millions of dollars)				
Budget Area	FY 2008-09 Year-to-Date Appropriations	FY 2018-19 Initial Appropriations	Dollar Difference	Percent Change
Health and Human Services	\$5,445.1	\$6,958.9	\$1,513.8	27.8%
Corrections	1,832.5	2,002.8	170.3	9.3%
K-12 School Aid	11,097.8	13,040.7	1,942.9	17.5%
Community Colleges	299.4	408.2	108.9	36.4%
Higher Education	1,576.2	1,546.2	(30.0)	(1.9%)
Revenue Sharing-Constitutional	649.1	835.3	186.2	28.7%
Revenue Sharing-Statutory	391.0	479.1	88.1	22.5%
All Other Programs	5,018.8	7,786.9	2,768.1	55.2%
Total State Spending	\$26,309.9	\$33,058.2	\$6,748.3	25.6%
Addendum:				
Medicaid Caseload	1,708,157	2,490,000	781,843	45.8%
Prison Population	48,010	38,815	(9,195)	(19.2%)
K-12 Pupil Count	1,619,744	1,480,000	(139,744)	(8.6%)
University Students	257,148	259,711	2,563	1.0%
Community College Students	157,225	124,868	(32,357)	(20.6%)
Michigan Personal Income (millions)	\$339,681.2	\$487,577.0	\$147,895.8	43.5%
Detroit Consumer Price Index	202.8	235.4	32.6	16.1%

State Investment in Higher Education

--*The Longer View*--

- Michigan's rank in per capita state fiscal support for higher ed
2001: 20th Today: 43rd
- One-half the national average in per-capita support
- State appropriations since 2011: \$165 million *reduction*
(inflation-adjusted)

State University Operating Support

(inflation-adjusted)

2002

\$2.3 Billion

\$9,511 per full-time student

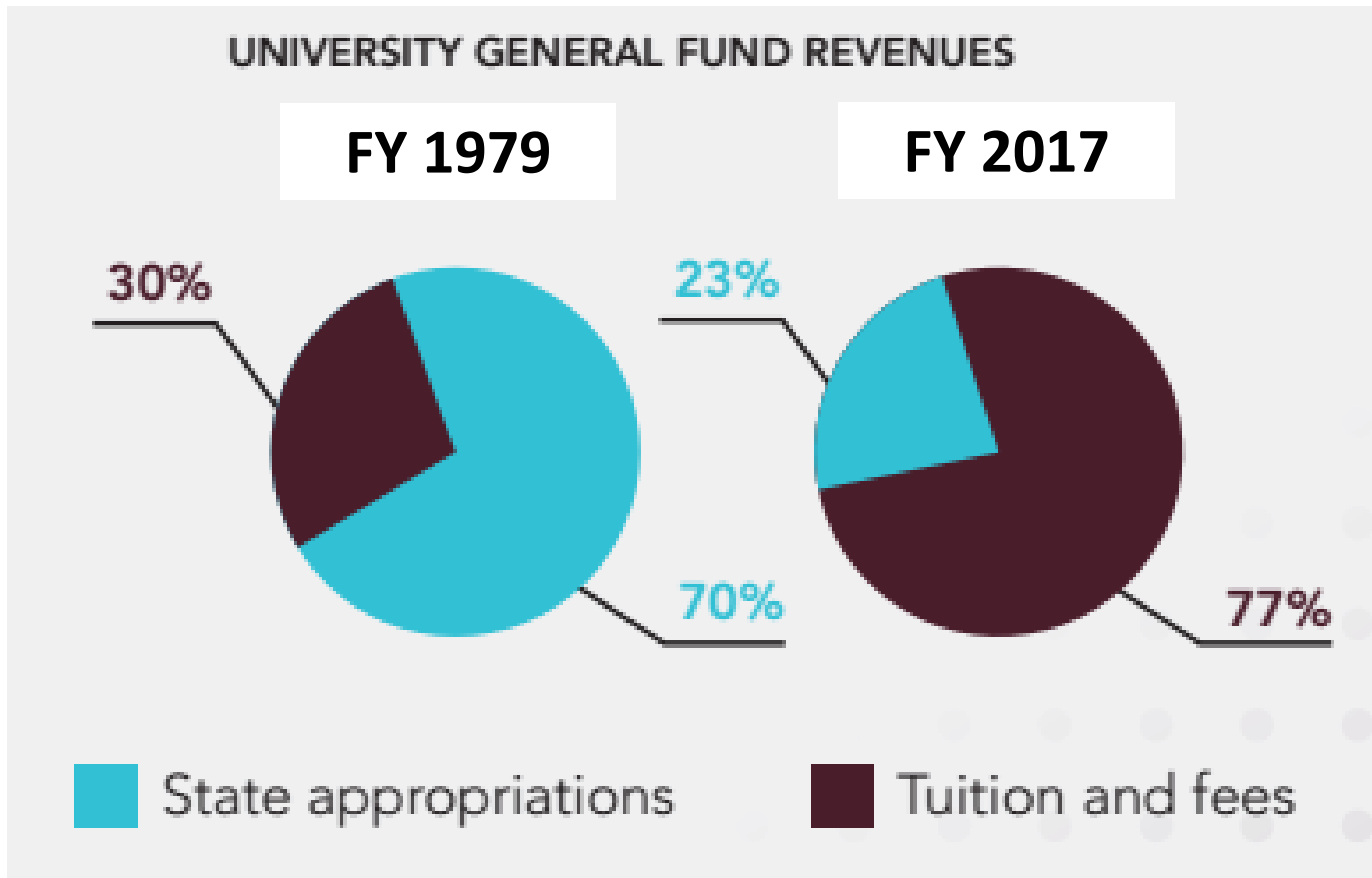
2018

\$1.4 Billion

\$5,546 per full-time student

....a **42%** decrease in state funding per-student

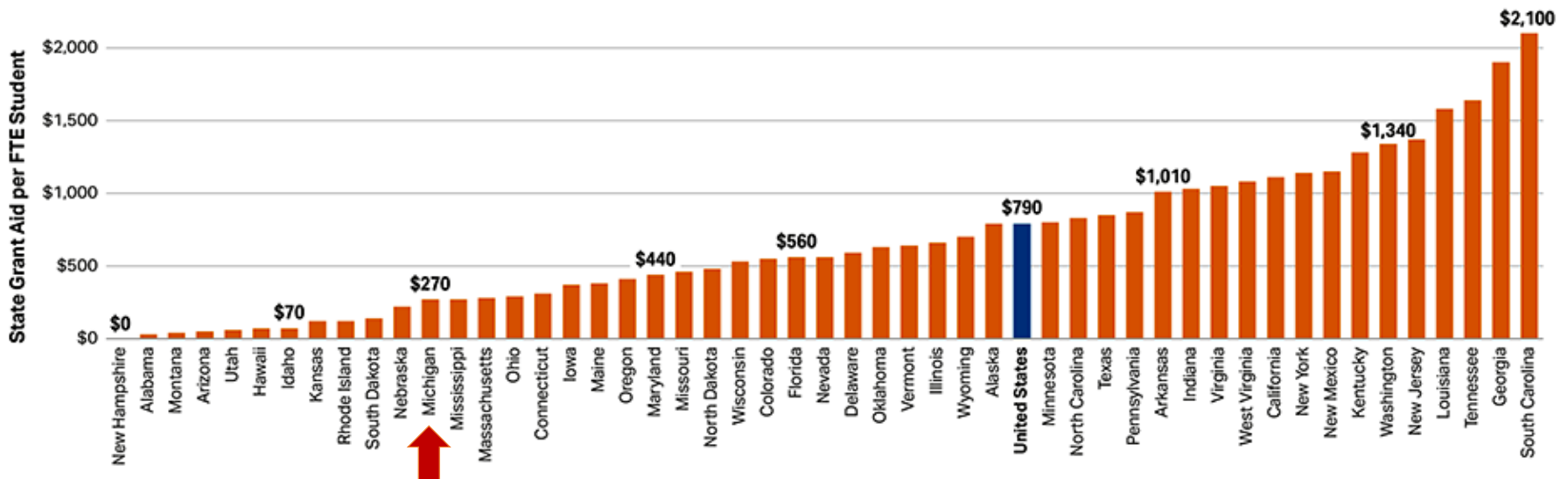
The State-to-Student Cost Shift in Paying for a Michigan Public University Education



State Financial Aid

- MI: Ranks 38th in state financial aid per student, \$266
 - 9th among 12 Midwestern states
- 2002: \$262 million state investment; today 63% less

State Grant Aid per Undergraduate Student by State, 2015-16



Michigan's Demographic Challenges

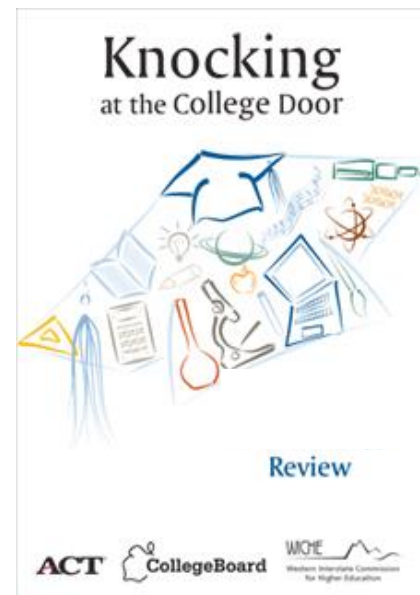
Michigan: A Graying State

- **MI: The #3 state – in forecasted decline in high school graduates**
- **Need to boost college enrollment among traditionally underrepresented groups**
 - **Low-income, first generation, minorities**
- **Need to close achievement gaps**

The Michigan Forecast:

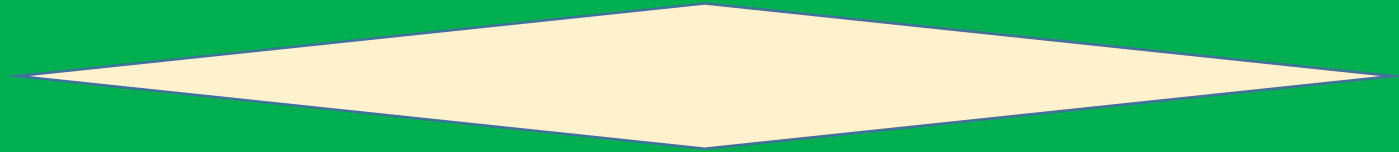
By 2031, 15,833 fewer high school graduates annually compared to today

2032: gradual turnaround begins



Source: Western Interstate Commission for Higher Education
<https://knocking.wiche.edu/state-profiles/>

Confronting the Challenges



**Actions being taken by
Michigan's Public
Universities**

Meeting the Challenges: Boosting Student Success

- Marketing to increase college participation
- Increasing student retention, degree completion
- Increasing affordability for low-income students
 - Institutional financial aid
2002: \$322 million Today: \$926 million
- Reaching out to working adults, non-degree completers
- Recruiting out-of-state, international students

The Goal: Increase educational attainment of Michigan's population – despite stark demographic challenges

Meeting the Challenges: Efficiencies and Innovation

- **Creating new, market-responsive programs; eliminating under-enrolled programs**
- **Implementing operating efficiencies, cost-savings**
- **Partnering with all stakeholders, especially community colleges. In 2017-2018:**
 - **764 articulation/transfer agreements in place**
 - **9,720 students enrolled in 4-year programs on community college campuses**
 - **2,523 bachelors degrees conferred**
 - **New Michigan Transfer Network website and statewide transfer pathways coming**



**Statewide
Enrollment
Marketing
Campaign**

Poll Results Overview

How Parents View Higher Education

When it comes to your oldest child, what is the highest level of education do you think they will achieve?

83.4%

47.9%

A four-year college degree

27.2%

A masters' degree

8.3%

A doctorate

5.9%

An associates' degree

2.4%

A skilled trades certificate

4.1%

High school diploma

1.2%

Will not graduate from high school

Poll Results Overview

All respondents: What do you think is the biggest barrier to someone getting a college degree?

- **70.0%: Cost**
- **5.5%: Future debts/loans**

A DEGREE
CAN MAKE THE →
DIFFERENCE
BETWEEN GETTING BY
AND GOING BEYOND.

Your child can go to a Michigan public university and make a better life.

Scholarships and financial aid cut the full price at Michigan's public universities by an average of 40%. Learn more at GetMiDegree.org.



An Initiative of the Michigan Association of State Universities

Central Michigan University • Eastern Michigan University • Ferris State University • Grand Valley State University • Lake Superior State University
Michigan State University • Michigan Technological University • Northern Michigan University • Oakland University • Saginaw Valley State University
University of Michigan • University of Michigan – Dearborn • University of Michigan – Flint • Wayne State University • Western Michigan University

Make the Difference

Aspirational, not financial driven

**Points out potential of savings
(40% avg. cost discount)**

Drive to web site

GetMiDegree.org

- **More info on college going**
- **Admission/Application pages**
- **FAFSA (access to scholarships/financial aid)**



MASU Marketing Campaign Analytics: 9/10-2018 – 1/31/2018

- **Digital Impressions: 26,208,979**
- **Radio & Cable Impressions: 3,360,000**
- **Video Completions: 2,219,191**
- **Website Views: 116,391**

GetMIDegree.org



**Moving Forward:
A State—Higher
Education
Partnership**

**New Administration.
New Legislators.
*New Opportunities!***



**Goal: Enhance understanding of vital importance
of higher education to state prosperity
- And the role state investment plays in college
affordability and boosting educational attainment**

More State Investment = Greater College Affordability

It's a matter of economic, civic and social prosperity for Michigan

State University Priorities

Legislative Priorities—Increased State Support

1) Institutional operating dollars

- Monitor status of School Aid Fund support for higher education

2) State financial aid

3) Sustained capital outlay investments

The result?

Increased *college affordability*,

academic quality, and *student success*!



State University Priorities

- **Proposal: Major state reinvestment in the *Michigan Competitive Scholarship***
 - Available to *all* students
 - New eligibility criteria to increase eligibility—while maintaining accountability
 - \$50M annually for 8 years – MI top 10 state



*Also to consider: Gov. Whitmer
proposal –
MI Opportunity Scholarship*

Michigan's Future is in College

