

Michigan Higher Education Public Policy Agenda

**Higher Education Policy Priorities for Strengthening the
State Universities' Ability to Serve Michigan**



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The Coordinating Board for Michigan’s 15 Public Universities

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Executive Summary

Michigan's 15 public universities serve nearly 260,000 students annually, illuminating their role as integral partners with government, business and industry, and the philanthropic and non-profit sectors to build a better Michigan. They are *public institutions* serving the *public interest*.

The high quality and global reputation of Michigan's public universities are rooted in the state's unique form of higher education governance. State constitutional autonomy granted to the universities allows the gubernatorial-appointed and statewide elected governing boards of these institutions to ensure strong accountability and stewardship of university resources and programs.

Representing the collective views of the state's public universities, the policy statements presented in this Michigan Higher Education Public Policy Agenda represent a guiding framework within which these institutions can successfully fulfill their missions while ensuring public accountability, academic quality, research excellence, and fiscal integrity. The statements are tailored to Michigan and its unique policy-setting context and are reflective of contemporary issues in the state's public policy domain. This guide to state-level higher education policy issues can serve as a resource for ensuring that Michigan's 15 public universities continue their historic achievements in shaping the state's rich legacy while fully realizing the promise of its future.

Looking forward, Michigan's public universities will continue to serve as pivotal assets in helping Michigan's economy transition to one that is powered by the highest levels of workforce talent and that is fully prepared to attract and retain the employers that will drive our state's future and ensure competitiveness on a global scale. Artificial intelligence, advanced manufacturing, mobility and the massive transition taking place in the state's automotive sector, along with healthcare delivery, and environmental sustainability are just a few of the areas in which these institutions are producing the research that creates new knowledge, new inventions, company start-ups, and jobs. They are producing tens of thousands of graduates annually who serve as a much-needed new source of entrepreneurial innovation and provide the pipeline of talent for virtually every industry and occupation imaginable.

Higher education is critical to the long-term future of the State of Michigan. Our overall economic, civic, and social prosperity is inextricably tied to the health and vitality of our 15 public universities. Communities, households, and families, down to the individual level, are all impacted in countless ways by the missions of these institutions. Ensuring strong public investment and informed public policy is vital to ensuring that our universities continue to serve the public interest and the State of Michigan to the fullest extent possible. Toward that end, this Higher Education Public Policy Agenda is intended to serve as a guiding resource.

Higher Education State Policy Priorities

College Affordability

State Operating Support

- Increase base state operating support for Michigan's public universities to improve college affordability and workforce talent.
- Promote a state higher education funding model that provides sufficient, predictable, and sustained public university operating support.

Utilization of a State Funding Formula

- Involve all 15 public universities in any discussions about how to systematically allocate state appropriations to institutions if a funding formula is utilized in the future.
- Continue adding new funding for universities to close funding gaps rather than redistributing base funding among the institutions.

State Need-based Student Financial Aid Programs

- Continue the implementation of the new Michigan Achievement Scholarship program to enhance college affordability.
- Increase the Michigan Achievement Scholarship grant award for students enrolling at a public university as a next step to expanding to a university preK-14 education system, aimed at strengthening the state's population and economic growth strategy.
- Index the Michigan Achievement Scholarship grant award to the Consumer Price Index to ensure that student purchasing power is not eroded over time.

Tuition-Setting (Tuition Caps/Tuition Price Controls)

- Eliminate the use of legislatively imposed tuition price controls, which harm Michigan's public universities' ability to maintain affordable net costs of attendance, to strategically invest in programs designed to boost student outcomes, and to make other strategic investments.
- Reinforce recognition that full authority in setting tuition policy at Michigan's public universities is best determined locally and is the constitutional responsibility of the governing boards of these institutions.

Capital Outlay and Asset Preservation

State Investment in Campus Facilities and Infrastructure

- Support a state capital outlay process that is conducted annually, is consistent and predictable, and provides the public investment needed to ensure continued world-class academic programs and applied research at Michigan's public universities.
- Remove the hard dollar caps in the state's share of funding university capital outlay projects.
- Reinstigate state payments for infrastructure, technology, equipment, and maintenance at university facilities, helping these state institutions lengthen the lifespan of the state's on-campus assets.

Student Success

Rigorous Postsecondary-aligned K-12 Education Standards

- Promote state-led collaboration among all stakeholders along Michigan's elementary, secondary, and postsecondary education continuum to ensure that academically rigorous standards are available to guide instruction for all K-12 students.
- Ensure that any changes to statewide student assessments are implemented with the involvement and input of the state's public universities.

Workforce Alignment and Professional Development

- Promote collaboration among institutions and state officials to strengthen collegiate teacher preparation and professional development programs.
- Caution against using student test scores in evaluating teachers, and teacher preparation and professional development programs.
- Continue state investment in the MI Future Educator Fellowship and MI Future Educator Stipend programs to rebuild our K-12 teaching profession pipeline.

Health Programs and Clinical Education

- Provide tax incentives and regulatory changes that create more clinical education opportunities for students.
- Align Michigan's health practitioner licensing requirements with those of surrounding states.

Collaboration versus Duplication as the Model for Michigan Public Higher Education

Community College Bachelor's Degrees

- Oppose legislation that authorizes Michigan's community colleges to offer four-year degree programs.
- Reinforce the respective and distinct missions of the state's public universities and community colleges and promote continuance of the historical model of programmatic collaboration between the two higher education sectors.

Seamless Student Transfer

- Support voluntary efforts to refine a streamlined, simplified and transparent process by which students can determine the transferability of credit-bearing courses from and among the state's community colleges and its public universities.
- With an emphasis on two- and four-year degree program alignment and the maintenance of rigorous academic standards, promote recognition that final determination on discipline-specific credit acceptance lies with university departmental faculty.
- Encourage greater awareness and utilization of reverse transfer initiatives among transfer students at the public universities to help students retroactively receive a community college-granted associate degree and for community colleges to receive recognition for their contribution to a student's education.

Campus Safety

Campus Sexual Assault Prevention

- Ensure that any state legislation that seeks to address issues related to campus sexual assault complements existing or impending federal legislation and is grounded in the following principles: respect for the wishes of the victim, proactive support to students, and fairness for all involved in a given incident. Such legislation should maintain the longstanding educational nature of the university discipline system.

Guns on Campus

- Oppose state legislation that seeks to diminish or eliminate institutional authority to regulate guns on campus.

Unfunded State Mandates

Michigan Indian Tuition Waiver

- Advocate for the state to continue fully funding its mandated Michigan Indian Tuition Waiver program.

State Reporting Burdens

- Reduce unfunded state reporting mandates.
- Maintain the current streamlined state reporting requirements that eliminated wasteful duplication of efforts.
- When state policymakers are considering new reporting requirements, universities should be involved at an early stage to ensure that the desired information is not already available in other collections, is possible to collect, and data elements are clearly defined.

Academic Governance

Institutional and Faculty Expertise on Academic Matters

- Educate stakeholders on the benefits of the principles of academic freedom.
- Oppose state efforts to micromanage academic decisions regarding admissions criteria, the faculty, curriculum and instruction at public institutions.
- Oppose legislative interference with research and the academic peer-review process.

Campus Free Speech

Continue the Uninhibited Diversity of Thought, Speech, and Expression

- As enshrined in the Michigan Constitution, ensure university governing board oversight of campus free speech policies in protecting First Amendment rights.
- Oppose state legislation that seeks to place mandates on institutional campus free speech policies.

Institutional Governing Board Authority over Campus Operations

Board Oversight of Fiscal, Personnel and Operational Issues

- Promote understanding and recognition among stakeholders of the authority governing boards have over public university strategic and operational matters.

The State's Public Universities: Essential Partners in Building a Better Michigan

Michigan's 15 public universities serve a foundational role in advancing Michigan's educational, economic, civic, and social aspirations. For more than two centuries, beginning with the founding of the University of Michigan in 1817—twenty years before Michigan became a state—these institutions have been the gateway to educational opportunity and economic success for hundreds of thousands of the state's residents. Today, the state's public universities enroll more than a quarter million students annually and serve as engines of economic growth and stability for communities and regions throughout the state. Through their diverse and tailored missions, these institutions drive talent development aligned to state workforce needs, serve as major generators of research and development, and move new technology and ideas to the marketplace through business start-ups. They are known nationally and internationally for their high academic quality while also being financially accessible. They strive to ensure student success for underserved populations and those critical to boosting the state's educational attainment levels, including individuals from low-income backgrounds, first generation college students, underserved and marginalized population students, military veterans, and working adults. The state's public universities have long served as integral partners with government, business and industry, and the philanthropic and non-profit sectors to build a better Michigan. They are *public institutions* serving the *public interest*.

The Connection between College Degree Attainment and Economic Prosperity in Michigan

Throughout the U.S., focus is being placed on boosting states' college degree attainment levels, and for good reason. There is no better state strategy for increasing economic prosperity than increasing citizens' postsecondary education rates. Nationally, the 2023 median work earnings for those aged 25 to 64 with a four-year degree was \$77,636, \$22,620 more than those with a two-year degree (\$55,016) and \$30,888 more than those with a high school diploma (\$46,748).¹

In 2019, Michigan Governor Gretchen Whitmer set an ambitious goal to have 60 percent of the state's residents possess a college degree or other high-quality postsecondary credential by 2030 (currently at 50.5%). This goal has been affirmed and codified by the Michigan Legislature, and it recognizes the direct link between states' educational attainment levels and the earnings of their residents, in addition to numerous other economic, civic, and social benefits to individuals and communities of obtaining a postsecondary degree or credential.

Yet, Michigan lags considerably behind other states when it comes to college degree attainment, ranking 34th in the proportion of adults with a bachelor's degree,² and not coincidentally, also 39th in per-capita income.³ Against this backdrop, however, it is forecasted that 46 of the 50 (92%) high-demand and high-wage careers in Michigan through 2032 will require at least some level of postsecondary education, with 42 (84%) requiring a bachelor's degree or higher.⁴ In Michigan, 66 percent of good-paying jobs (those paying \$65,000 or more) go to the 35 percent of the state's residents that possess a bachelor's degree or higher, whereas the remaining 34 percent of good paying jobs go to the 65 percent with an Associate degree, skill trades certification, high school diploma, or lower.⁵ Clearly, much work lies ahead in addressing this imbalance.

Michigan's ability to survive and thrive in an increasingly interconnected global economy greatly depends on our collective ability to foster policies that increase access to the state's 15 public universities, while also maintaining academically rigorous programs that prepare students for the state's talent needs.

Context: Governance and Policy Development and Oversight among Michigan's Public Universities

State Constitutional Autonomy Granted to Michigan's Public Universities

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 funds.

Constitutional autonomy enables Michigan's public universities to be governed in a manner that allows individuals who are well versed in higher education policy issues to make governance decisions for the institutions. Constitutional autonomy was first granted to the University of Michigan in 1850. As other public universities were created and subsequent constitutions were adopted by the people of the State of Michigan, constitutional autonomy was continued as the most effective and appropriate method of governance for the state's public universities.

Constitutional autonomy is an essential component of the success of higher education in Michigan. While some states have organized their higher education institutions into a centralized, bureaucratic system, and other states have statewide governing boards of higher education, Michigan has successfully maintained the autonomy and independence of each public university. The lack of excessive state-level bureaucracy permits Michigan's public universities to be nimble and to govern more expeditiously and efficiently.

Institutional Oversight by Appointed and Elected Governing Boards

All of the state's public universities are overseen by governing boards consisting of a diverse array of leaders with expertise and experience in the private and non-profit sectors. The Governor of Michigan appoints the members of the governing boards of the state's public universities, except for those at Michigan State University, the University of Michigan, and Wayne State University, who are elected via statewide elections. Appointed members are also subject to the advice and consent of the Michigan Senate. Regardless of the selection process, all governing boards have eight members serving staggered eight-year terms, with the university presidents serving as an ex-officio member of the board. Each board carries a mandate to govern, whether delegated directly from the state's residents or through the Governor.

The elected and appointed governing boards are charged with overseeing key university policy and fiscal matters involving such issues as institutional expenditures, student enrollment strategies and admissions standards, academic programs, tuition and financial aid, and capital projects. They are also responsible for upholding core principles that are integral to American higher education, such as academic freedom, academic integrity, shared governance, and freedom of speech and of expression.

Public University Collaboration with the Governor, Legislature and State Agencies

Although Michigan’s public universities have constitutional autonomy, they collaborate extensively with the Governor, state legislature, and state agencies on policy and programmatic initiatives to address a variety of opportunities, challenges, and needs facing the state. These include issues related to workforce development, economic development, K-12 education, health care, the environment, transportation and related infrastructure, and public safety, to name a few. Institutional collaboration with state government is especially concentrated on issues of state funding of university operations, state student financial aid programs, and capital outlay financing. On issues related to the core educational missions of the public universities, the institutions interface extensively with policymakers and state officials to ensure that state policy formulation is done in a matter that best serves the interests of the state and its residents.

As the coordinating board for the state’s public universities, the Michigan Association of State Universities (MASU) also interfaces extensively with the legislature, the Governor’s Office, and state agencies in fostering policy to maximize the collective value these institutions provide in serving the public interest and the state of Michigan. MASU and its 15 member universities have been particularly pleased to work with officials from the new Michigan Department of Lifelong Education, Advancement, and Potential (MiLEAP), launched in 2024.⁶

Accountability for State Resources and Public University Stewardship

Article VIII, Section 4 of the Michigan Constitution directs public universities to provide “an annual accounting of all income and expenditures by these educational institutions.” Additionally, recognizing the importance of community and public input into the university decision-making process, Section 4 requires that “formal sessions of governing boards of such institutions shall be open to the public.” Thus, the public universities continue to be accountable to and transparent with the state’s residents and their elected representatives.

Through established state law, Michigan’s public universities provide dozens of reports annually that summarize a variety of institutional inputs and outcomes. An expansive array of budgetary and policy documents, governing board meeting minutes, and other institutional records are publicly available via the universities’ websites. Thousands of pages of additional documents are provided by the universities to the media, other entities, and members of the public each year through Freedom of Information Act requests. The high volume of federal regulatory requirements, especially those required by institutional participation in federal student financial aid programs, bolster state and governing board accountability mechanisms involving public universities. Further, institutional and programmatic accreditation processes provide additional external assurance of quality, integrity, and compliance across all aspects of university operations.

Higher Education Policy Priorities for Strengthening the State Universities’ Ability to Serve Michigan

The policy recommendations discussed below represent a guiding framework within which the state’s public universities can successfully fulfill their missions while ensuring public accountability, academic quality, and fiscal sustainability. Issues presented here are commonly deliberated in state legislatures throughout the U.S. and have on occasion surfaced here in Michigan. This fifth edition of the Michigan Higher Education Public Policy Agenda is tailored to Michigan and its unique policy-

setting context and is reflective of issues that have been discussed in the state’s public policy domain in recent years. This public policy agenda is updated as warranted by evolving state needs and opportunities.

Policymakers should consider public universities integral partners in the development of higher education-related state policy. Furthermore, given the intellectual and analytical resources they house, these institutions will continue to serve as indispensable resources in informing the development and reform of other state policies and programs across the state’s public policy spectrum.

College Affordability

Sufficient and Sustained State Funding Remains the Central Policy Priority of Michigan’s Public Universities

The top policy priority of Michigan’s 15 public universities is for the state to provide sufficient, consistent, and sustained funding for institutional operations to mitigate tuition price escalation and keep college affordable for all students, especially those from low- and middle-income backgrounds. While all stakeholders play a role in financing a public college education—the federal government, states, institutions, and students and their families among them—the primary driver of higher tuition prices over the last several decades has been the state-to-student cost shift that has occurred as a result of state disinvestment in operational support to Michigan’s public universities.

Michigan ranks 41st in state higher education funding support per capita, with the state’s support for its public universities down by \$369.3 million since 2011, adjusting for inflation. Since 2002, state higher education operations funding is down over \$1.2 *billion* with inflation.⁷ In 1979, state funding accounted for 70% of Michigan public university operating revenues, with tuition dollars comprising 30%. Today, students and families provide a full 78% of institutional operating dollars. Only 22% of university base operating revenues came from the state in 2024.

Michigan admirably funds its community colleges at \$12,650 per fiscal year equated student (FYES), or 121% of the national average. In stark contrast, the state only funds its public universities at an average of \$7,211 per FYES, which is only 70% of the national average.⁸ This is not how Michigan can succeed at a time when the best paying jobs in highest demand require a bachelor’s degree or higher. A period of strong and sustained reinvestment in state operating support to Michigan’s public universities will enable these institutions to strengthen student supports and bolster workforce-aligned academic programs, leading to increased student success, degree completions, and a stronger talent pipeline in the years ahead.

Policy Actions:

- Increase state operating support for Michigan’s public universities to maintain college access and affordability.
- Promote a state higher education funding model that provides sufficient, predictable and sustained public university operating support.

Assurance that Any New Funding Method Involves all University Stakeholders

Legislation that links state higher education appropriations to select institutional or student outcome metrics, commonly known as performance-based funding (PBF), served as a university financing policy mechanism in Michigan’s higher education budget in the last gubernatorial administration.

Research shows that PBF generates very little in terms of positive effects on postsecondary education institutions and can lead to unintended and undesired outcomes, such as a decrease in the production of associate degrees in favor of more certificates of lesser market value.⁹ Much of the lack of effect is due to the fact that Michigan has invested so little new money in higher education in prior years when PBF was used. If a funding formula is reinstated in the future, it should involve a collaborative effort among key stakeholders to build an incentive structure that respects and reinforces campus missions; encourages campuses to recruit, retain, and graduate low-income and nontraditional students; and remains compatible with state higher education, workforce, research, and economic goals. Above all else, all universities must have the ability to provide input on the creation of a performance funding formula.

Additionally, there are many possible ways that funding can be allocated to universities, whether using PBF or another rationale. However, one important tenet of funding is that it should be predictable and consistent. Universities conduct careful financial planning that extends out for many years to be good stewards of the public dollars and tuition payments they receive. That makes it imperative that funding allocated to a university's base budget remains in that university's base budget. Among the universities, there are vastly different amounts of state funding received per student. As policymakers work with institutional leadership to determine how funding should be allocated each year, it's important that attempts to close funding inequities are done exclusively with new dollars rather than redistributing existing base funding.

Policy Action:

- Involve all 15 public universities in any discussions about how to systematically allocate state appropriations to institutions if a funding formula is utilized in the future.
- Continue adding new funding for universities to close funding gaps rather than redistributing base funding among the institutions.

State Investment in Need-Based Student Financial Aid Programs Improves College Access

The State of Michigan's primary role in higher education is the allocation of support for its public universities and community colleges to mitigate the cost of attendance for all students. Unfortunately, the long-term trend of state disinvestment in higher education has resulted in many lower- and middle-income families confronting unmet financial need at public institutions, even after factoring in federal grants and loans. Income-targeted state grant programs are important tools in addressing the gap between family resources and public college costs. They also promote diversity and equity in our institutions, and work toward minimizing social inequality in our state.

For years, steep cuts to Michigan's state-funded student financial aid programs led to less affluent students facing higher loans to meet the costs of college, or worse, not attending a university at all. Michigan ranked last in the nation for state-funded financial aid per public university student in FY2023 (\$23), and fourth lowest for aid per all public students.¹⁰

Since 2023, however, the Michigan Achievement Scholarship (MAS) has marked a game-changing turnaround in the state's investment in student financial aid and public university affordability. This much appreciated aid program is now helping low- and middle-income students better afford a quality public university education by contributing up to \$5,500 per student – about 29% to 42% of resident undergraduate tuition at the state's public universities. Nearly three-quarters of enrolling university students are expected to be eligible for the scholarship. 33,449 state university students received the MAS this past fall, reflecting a more than 100% increase over the program's first year.

The state's FY2025 budget expanded the MAS to include the Community College Guarantee, providing free in-district tuition to all full-time community college students, aligning with the recommendations from the Governor's Growing Michigan Together Council report recommendations. To grow our state's population and economy, the council recommended an expansion of our universal preK-12 system to a preK-14 system by providing two years of free tuition at community colleges or public universities.¹¹ Taking the next step by increasing the MAS award amount for students enrolled at the universities will represent a step toward the vision cast by the Growing Michigan Together Council.

Finally, one of the biggest obstacles for students to afford college in Michigan prior to the MAS was that award amounts for previous state financial aid programs were small and rarely adjusted for inflation. The sunseting Michigan Competitive Scholarship, the main state financial aid program for university students, was only \$1,500 by the program's end. The MAS has already gone through two years of sharp inflation without an adjustment for public university students. Pegging the award amount to an inflation index would prevent this fantastic state financial aid program from diminishing its impact on college affordability.

Policy Actions:

- Continue the phased-in implementation of the Michigan Achievement Scholarship (MAS).
- Increase the MAS financial award for students enrolling at a public university as a next step to expanding to a university preK-14 education system, aimed at strengthening the state's population and economic growth strategy.
- Index the MAS to the Consumer Price Index to ensure that student purchasing power is not eroded over time.

Institutional Governing Board Responsibility for Setting Tuition Policy is Important to Ensuring College Affordability and Student Success

The governing boards and leaders of Michigan's 15 public universities believe deeply in the importance of college affordability. It is a moral and economic imperative. It is a precursor to ensuring educational opportunity and social mobility for our state's next generation. And it is critical for Michigan to achieve its goal of having 60 percent of residents possess a college degree or postsecondary certificate by 2030. The universities' collective efforts to maintain college affordability is evident in the tremendous efforts put forth to cut costs and keep the net costs of attendance lower through significant investments in student financial aid. State universities have increased spending by \$914 million in constant dollars on institutional financial aid from 1995 to 2023, a 310% increase. The institutions' achievements in containing costs is most evident in the fact that revenues per full-year equated resident undergraduate student have collectively increased only \$1,466 since 2002 in inflation-adjusted dollars.¹² That's a mere 5.7% increase above inflation over 22 years—and all the new investments in academic quality and instructional delivery, research, and student support services are included in this figure.

The tuition policy-setting authority granted in the state's constitution to institutional governing boards is a responsibility taken with great care by university trustees and institutional leaders. Careful deliberation is given in setting tuition rates, integrating myriad factors such as: the impact on students' ability to afford college prices; the ability to fund new institutional initiatives to boost student retention and degree completion rates; meeting accreditation standards and maintaining high academic quality; ensuring the ability to finance the delivery of new programs and partnerships designed to meet the

state's labor market needs; and maintaining campus infrastructure and building new, sustainable and efficient facilities, along with various other state goals and objectives.

Since 2012, the state budget for higher education has included provisions that withhold a portion of state appropriations for university operations if the institutions exceed a predetermined and artificially set increase in tuition rates or does not meet other performance funding requirements. The arrangement, known as "tuition restraint" or "tuition caps" can actually work against state and institutional objectives to keep college affordable and improve student success. The utilization of state-imposed price controls on tuition in an era of dwindling or static state appropriations hampers the ability of universities to drive resources into academic and student support areas that would in turn improve their performance on state metrics.

Other flaws associated with state-imposed caps on tuition increases include the fact that the impact on universities varies greatly based on the institutions' base dollar tuition prices, and that they punish institutions that have historically kept tuition rates lower. State funding represents less than 25 percent of general fund revenue for the majority of the state's public universities, with tuition revenues accounting for almost all the remaining three-fourths. As such, legislatively mandated price controls, if continued to be included in state budget allocations to the institutions, will further inhibit the universities' efforts to strengthen college affordability for those with financial need and to strategically invest in programs designed to increase student success outcomes. Further, the inclusion of tuition caps in the appropriations process disregards the fact that the Michigan Constitution grants full authority of public university tuition policy to these institutions' governing boards.

Policy Actions:

- Eliminate the use of legislatively imposed tuition price controls, which harm the public universities' ability to maintain affordable net costs of attendance, strategically invest in programs designed to boost student outcomes, and make other strategic investments.
- Reinforce recognition that full authority in setting tuition policy at Michigan's public universities is best determined locally and is the constitutional responsibility of the governing boards of these institutions.

Capital Outlay and Asset Preservation

State Investment in Campus Facilities is Essential to World-Class Instruction and Applied Research

High-quality academic and research facilities are vital to ensuring that Michigan's public universities remain competitive by continuing to deliver world-class education and incubating the knowledge and talent that will power tomorrow's companies. Constructing technologically and environmentally sophisticated campus facilities requires a financing partnership between the state and its public universities. A much-appreciated set of capital outlay projects was authorized in November 2023. However, in general, these investments are infrequent and have dwindled over the years. It is important to return to a dependable cycle of a few projects annually to minimize uncertainty and to avoid extended delays in asset maintenance, or the sudden tightening of construction-related labor markets due to multiple institutions planning or building at once. The state capital outlay process should be conducted annually, be predictable and consistent, and include substantial public investment.

In the lean years of the 2000s, the state limited its share toward capital outlay projects first to \$45 million and then to only \$30 million. When there is already a 25% university cost share to provide an

incentive for thriftiness, a hard dollar cap on the state share is unnecessary. Further, research labs, digital classrooms, and modern health and accessibility standards make buildings more expensive than when these caps were put in place. And finally, even if hard dollar caps were appropriate, their value has substantially eroded. \$30 million in 2008 would be equivalent to \$44.8 million today with inflation. It is time to dispose of these measures.

Finally, these important state assets need to be maintained. Universities are careful stewards of state assets, but they can only do so much maintenance and upkeep without state investment. Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) dollars have only been provided once in the last two decades. Investment in ITEMS is a prudent mechanism for the state to provide support to address unmet needs by assisting in the middle ground between the routine maintenance a university does as a caretaker of state assets and the major construction or renovations of a capital project where the State Building Authority takes the building title. It's a fantastic way to use non-recurring state revenues, even as other states dedicate annual funding to infrastructure; Ohio, for example, has provided its public institutions of higher education over \$237 million annually in direct capital funding for at least the last four years. Accordingly, the state should restore ITEMS funding in the amount of \$100 million annually, which equates to just 1.6% of the total accumulated \$6.44 billion deferred maintenance backlog among the state universities. By preventing the need for large-scale capital replacements, ITEMS dollars represent a solid investment in a proven cost avoidance strategy.

Policy Actions:

- Support a state capital outlay process that is conducted annually, is consistent and predictable, and provides the public investment needed to ensure continued world-class academics and applied research at Michigan's public universities.
- Eliminate hard dollar caps on capital outlay projects that already have a campus cost share.
- Reinststitute state payments for infrastructure, technology, equipment, and maintenance, and safety (ITEMS), helping these institutions lengthen the lifespan of the state's on-campus assets.

Student Success

Strong Alignment of K-12 and College Curriculum is Critical to Student Success

The state universities of Michigan strongly support the alignment of rigorous standards in mathematics, English language arts, science, and social studies for grades K-12. Students' academic preparedness for the rigors of college-level work is fundamental to their success in higher education. A strong high school curriculum aligned with college standards is integral to student success and should be available to all students. Part of that vital preparation includes an algebra II course, and it should not be substituted for other core requirements without sufficient input from the state universities. The Michigan Department of Education's academic standards can be viewed [here](#).

Policy Actions:

- Promote state-led collaboration among all stakeholders along Michigan's elementary, secondary, and postsecondary education continuum to ensure that academically rigorous standards are available to guide instruction for all K-12 students.
- Ensure that any changes to statewide student assessments are done with the involvement and input of the state's universities.

Workforce Alignment and Professional Development

State-Institutional Collaboration in Strengthening Teacher Preparation

As is the case in most states across the country, enrollment in undergraduate teacher preparation programs in Michigan had been declining in recent years. A combination of factors account for this, including: demographics (decreasing number of high school graduates), finances (Michigan public school districts have struggled with funding, leading to diminished hiring of new teachers), uncompetitive salaries, poor working conditions, and the stress associated with the COVID-19 pandemic. Collectively, these influences have led to a drop in interest in the teaching profession. Many students who do graduate with teaching degrees are accepting employment opportunities that are out of state, despite severe teacher shortages in many regions of the state. Further, leading professional organizations, including the American Statistical Association, have cautioned against the use of student test data in assessing teachers in the face of all these challenges.

Fortunately, bipartisan support in 2022 led to the creation of the [MI Future Educator Fellowship](#) program, which provides a \$10,000 scholarship annually for up to three years for up to 2,500 students enrolled in teacher preparation programs. The [MI Future Educator Stipend](#) was also created, providing \$9,600 in compensation to student teachers. These programs have made it more affordable for the state's young adults to enroll in an educator preparation program and to pursue a career as a K-12 teacher in Michigan.

Policy Actions

- Promote collaboration between institutions and state officials to strengthen collegiate teacher preparation and professional developments programs.
- Caution against using student test scores in evaluating teachers, and teacher preparation and professional development programs.
- Continue state investment in the MI Future Educator Fellowship and MI Future Educator Stipend programs to encourage young adults to pursue a career in the K-12 teaching profession.

Healthcare Programs and Clinical Education

The COVID-19 pandemic has taught all of us how vital health care workers are to the ongoing functioning of society. But similar to the teaching profession (see above), Michigan's hospitals and clinics are not able to stabilize the job market fast enough. With fierce competition for professionals, salaries are rising quickly, clinicians are departing for other markets, and areas of the state are being underserved. Michigan's public universities are trying to grow the pipeline of health care professionals as quickly as they can, and health profession majors have been among the most popular on campuses for many years. However, the chokepoint in producing health care professionals does not involve access to campus classrooms or laboratories, but rather, access to clinical education slots, where students engage in hands-on education and training under the guidance of a preceptor. Preceptors are working health care clinicians who are giving back to their profession by making the linkage for students between the classroom and the patient. For a variety of reasons, including growing overall demand for health care professionals, hospital productivity models, preceptors burning out during the pandemic, and competition from other out-of-state students, clinical slots are becoming increasingly difficult to arrange. Campuses are increasingly being asked to pay for access to these clinical slots, which only leads to an arms race among institutions and passes the cost on to the student. Additionally, Michigan has stricter licensing regulations for its health care workers which requires more clinical education than surrounding states. The public universities have the capacity to increase cohort sizes by hundreds of students per year to work in our hospitals, clinics, and offices – but doing so will require increased access to clinical education.

Policy Actions:

- Provide tax incentives to preceptors and regulatory changes that create more clinical education opportunities for students.
- Align Michigan's health practitioner licensing requirements with those of surrounding states.

Collaboration versus Duplication as the Model for Michigan Public Higher Education

The longstanding collaboration evident among Michigan's public universities and community colleges has been foundational to ensuring a state public postsecondary ecosystem that is cost- and operationally efficient, responsive to student-consumers and employers, and is of high academic quality. The state's public two- and four-year sectors of higher education partner extensively to meet state labor market needs and to optimize the missions and capacities that are unique to each sector and their respective institutions. In recent years, the public universities have also been closely working with independent, non-profit colleges and universities in Michigan as well.

Community College Bachelor's Degrees

The state universities and the Michigan Association of State Universities have been steadfast in their opposition to legislation that seeks to authorize the state's community colleges to offer bachelor's degrees. Allowing community colleges to offer bachelor's degrees will result in higher costs for students and taxpayers. In duplicating already-existing four-year programs available at the state's public universities, community colleges will incur costs for salary and benefits of additional faculty and support staff, as well as operating costs for administration, materials and supplies, travel, information technology, meeting accreditation requirements, and providing other support services. Capital expenses related to equipment and facilities may also be incurred. Significant increases in community college tuition prices and local taxation would result from community college bachelor degree programs. The cost of offering these programs will be covered through tuition increases, higher local millages, and requests for higher state appropriations. Lower priced tuition at community colleges hides the fact that these institutions are subsidized *twice* by taxpayers: once through local property taxes (\$696.6 million in FY2024¹³) and again through state appropriations (\$507.1 million in FY2024). Investing future state monies in a duplicative set of bachelor's degree programs would represent a remarkably inefficient use of taxpayer dollars

Allowing community colleges to offer bachelor's degrees would incur wasteful spending to address no unmet need. It would result in the creation of 31 additional public four-year degree granting institutions in Michigan, representing an enormous legislatively-directed expansion of institutional mission creep through a mass duplication of existing programs and services. In a state with a significant forecasted decline in the number of high school graduates in the decade ahead, such a profound expansion in the number of public four-year degree institutions is completely counter to prudent state fiscal policy.

State policy should seek to build upon the collaboration taking place between the state's public and independent four-year colleges and universities and its public two-year institutions, providing even more ladder degree programs and further enhancing the ease of student transfer among institutions—rather than encouraging programmatic duplication that will only serve to increase costs borne by students, families, and taxpayers. The state's public universities, through the Michigan Association of

State Universities, will continue to collaborate with our community college partners to provide new baccalaureate or degree completion programs for which there is a sufficient labor market need within a reasonable proximity of a community college district. Indeed, this collaboration is currently being demonstrated via a state-subsidized partnership among public universities and private colleges that is providing Bachelor of Science in Nursing degree completion programs on community college campuses. This type of collaboration is the way forward for all sectors to help our students succeed and to strengthen the quality of the state’s healthcare workforce.

Policy Actions:

- Oppose legislation that authorizes Michigan’s community colleges to offer four-year degree programs.
- Reinforce the respective and distinct missions of the state’s public universities and community colleges and promote continuance of the historical model of programmatic collaboration, not duplication, between the two higher education sectors.

Seamless Student Transfer

The state’s public four- and two-year institutions have a long history of continually enhancing the ease with which students can transfer credit-bearing courses among and between institutions. The Michigan Association of Collegiate Registrars and Admissions Officers (MACRAO) Transfer Agreement started in 1972 and was succeeded by the Michigan Transfer Agreement (MTA) in 2014 to provide students with 30 credits in general education in approved disciplines—equivalent to a full year of college—transferable among all public universities and community colleges statewide. Dozens of laddered two- and four-year degree programs among the state’s community colleges and public universities further serve the needs of students and employers. The state’s public universities, community colleges, and independent non-profit colleges are voluntarily partnering via a statewide Transfer Steering Committee (TSC). The TSC has provided coordination of a degree pathways initiative, which has led to the replacement of institution-to-institution articulation agreements in 10 high-enrollment majors with articulated statewide degree pathways spanning across all participating campuses. More information is available on the Michigan Transfer Network website (mitransfer.org), which provides students and academic advisors with even more information about transferring, including easy identification of course-to-course transfer credit equivalencies.

Ongoing efforts to further enhance seamless student transfer among Michigan’s public universities and community colleges should be done on a voluntary basis and in a collaborative manner. The state’s student transfer process should respect institutional departmental discretion in determining the alignment and rigor associated with courses completed at other postsecondary education providers. Final determination of the transferability of discipline-specific courses to the state’s public universities must remain the responsibility of university departmental faculty who are best positioned to ascertain the credit worthiness of courses completed at other institutions.

Additionally, new energy is flowing into the activity of reverse transfer, whereby students who transfer from a community college to a four-year institution can transfer those latter credits back to the community college and subsequently receive an associate degree. The receipt of an associate degree through reverse transfer generates a win-win-win outcome. First and foremost, it allows the student to receive the associate degree they have earned, ensuring they have the credential while enroute to their intended eventual receipt of a bachelor’s degree. Second, it allows community colleges to have an associate degree completion recorded in their outcomes, recognizing their role in the student’s educational journey. And finally, it allows a student to enroll at a public university when they are ready

to transfer. This may help students enter their desired academic program earlier, keeping regimented or sequential programs open to them..

Policy Actions:

- Support voluntary efforts to refine a streamlined, simplified and transparent process by which students can determine the transferability of credit-bearing courses from and among the state’s community colleges and its public universities.
- Promote recognition that—with an emphasis on two- and four-year degree program alignment and the maintenance of rigorous academic standards—final determination of discipline-specific credit acceptance lies with university departmental faculty.
- Encourage greater awareness and utilization of reverse transfer initiatives among transfer students at the public universities to help students retroactively receive a community college-granted associate degree and for community colleges to receive recognition for their contribution to a student’s education.

Campus Safety

Providing a safe environment for students, employees, and visitors at Michigan’s public university campuses is of utmost importance to institutional leaders and governing board members. As an issue of top priority, accountability for establishing institutional policies for promoting campus safety belongs with university officials and governing boards. Two policy issues related to campus safety have been extensively debated in state legislatures in recent years; campus sexual assault and weapons on campus.

Campus Sexual Assault Prevention

Michigan’s state universities seek to create an environment that is open, safe, and respectful for all students. These institutions have put forth considerable effort to strengthen already strong existing policies and protocols for educating students about issues of sexual assault with the aim of improved prevention, and when such instances do occur, facilitating rigorous and timely investigation and adjudication. Any state legislation that seeks to address issues related to campus sexual assault should be grounded in the following principles: respect for the wishes of the victim, proactive support to students, and fairness for all who are involved in a given incident. In addition, such legislation should maintain the longstanding educational nature of the university disciplinary system and not create a chilling effect on reporting.

Policy Action:

- Ensure that any state legislation that seeks to address issues related to campus sexual assault complements existing or impending federal legislation and is grounded in the following principles: respect for the wishes of the victim, proactive support to students, and fairness for all involved in a given incident. In addition, such legislation should maintain the longstanding educational nature of the university discipline system and not create a chilling effect on reporting.

Guns on Campus

In state legislatures throughout the U.S. as well as here in Michigan, attempts have been made by state lawmakers to strip institutional leaders and public university governing boards of their authority to regulate weapons on campus. Public university campuses are among the safest environments in American society, in part due to the absence of guns. Nearly every higher education and law

enforcement stakeholder group has steadfastly opposed legislation that allows individuals to carry guns on campus. In addition, the autonomy of university governing boards to regulate their campuses, including firearm policy, has repeatedly been upheld by the Michigan courts, most recently in the decisive decision in *Wade v. University of Michigan* (2007). However, as federal jurisprudence continues to evolve, state universities will continue working with policymakers to make our campuses as safe as possible, especially as federal courts have consistently recognized campuses to be unique places with special obligations and rights.

Policy Action:

- Oppose state legislation that seeks to diminish or eliminate institutional authority to regulate guns on campus.

Unfunded State Mandates

Michigan Indian Tuition Waiver Program

The state universities of Michigan are fully supportive of partnering with state government to enhance college access for economically disadvantaged populations. One such population is Native Americans. Recognizing this, the Michigan Indian Tuition Waiver (MITW) program was enacted in the 1970s, pursuant to a 1934 executive agreement the state of Michigan entered into with the federal government to provide free public education for Native students. The MITW provides Michigan residents who are at least one-quarter Native American blood quantum and are enrolled members of a United States tribe free tuition at all of the state's 15 public universities and 28 community colleges. For decades, the State of Michigan did not honor its obligations to fund these students, leaving universities and community colleges to absorb large losses from enrolling these students who do not pay tuition. Thankfully, for several years now, lawmakers have wisely made adjustments in the baseline budget adjustments to allow for full reimbursement to universities for actual MITW costs incurred. Because the costs will rise each year as tuition and enrollment change, sustained annual support remains crucial for continued success.

Policy Action:

- Advocate for the state to continue fully funding its mandated Michigan Indian Tuition Waiver program.

State Reporting Burdens

As public institutions, Michigan's state universities are accountable to citizens and policymakers. Transparency is important to demonstrate the universities' efficient and judicious use of tuition and tax dollars. Part of this transparency is accomplished through state reporting to the Michigan Legislature and the Executive Branch. However, reports do not write themselves. Every report takes time to produce, and that time is spent by university employees.

In many cases, the information being sought through mandated state reports is already publicly available. Public universities report massive annual datasets on financial, academic, enrollment, human resources, and other areas to the U.S. Department of Education (the "IPEDS" dataset) and the Michigan Department of Technology, Management and Budget (the "HEIDI" and "STARR" datasets). Alignment between and with the two datasets reduces duplication of efforts, and eliminating competing reports and definitions also makes it easier for all stakeholders to examine public university activities.

To this end, the state universities and MASU are very appreciative of the overhaul of the boilerplate language reflected in the FY2024 state budget. Under the leadership of the State Budget Office, many duplicative or unused reports were either eliminated or streamlined, saving the universities administrative costs, and in turn saving money for students. Attention now turns to ensuring that this common sense and efficient budget language remains intact and to prevent a return to the prior bloated reporting burden.

Policy Actions:

- Reduce unfunded state reporting activities.
- Maintain the current streamlined state reporting requirements that eliminated wasteful duplication of efforts.
- When state policymakers are considering new reporting requirements, universities should be involved at an early stage to ensure that the desired information is possible to collect and data elements are clearly defined.

Academic Governance

Institutional and Faculty Expertise on Academic Matters

As public institutions, the state universities of Michigan respect and understand the public’s right to exercise oversight and demand accountability from them in exchange for their support. In the interest of preserving the integrity of the credentials granted by public institutions, however, it is critical that state policymakers allow the state’s public universities to exercise their best judgment on academic matters. Universities are places of inquiry, debate, and free thought. Artificial constraints on these ideals strike at the very heart of American higher education. Legislative interference with academic freedom, curriculum, and other aspects of instructional delivery would inevitably undermine public institutions and diminish the value and credibility of their credentials.

Policy Actions:

- Educate stakeholders on the benefits of the principles of academic freedom.
- Oppose state efforts to micromanage academic decisions regarding admissions criteria, the faculty, curriculum, and instruction at public institutions.
- Oppose legislative interference with research and the academic peer-review process.

Campus Free Speech

Continue the Uninhibited Diversity of Thought, Speech, and Expression

Fundamental to the mission of all public universities is a commitment to open discussion and the free exchange of ideas. Each year, thousands of guest speaking engagements and demonstrations collectively take place at Michigan’s public universities; almost all of which are without incident. This commitment to free speech and free expression is complemented by an obligation to enable access to safe, secure, and sustainable venues for speech, teaching, learning, research, employment, housing, and service at the state university campuses. All of these institutions—in policy and in practice—allow for, and protect, the rights of free speech without regard to viewpoint.

Michigan’s public universities—like all public bodies in Michigan—use the reasonable “time, place, and manner” discretion afforded by the both the United States Constitution and Michigan Constitution to maintain reasonable order on their properties, and in their services, events, and programs, while simultaneously fostering robust dialogue and promoting civic engagement. Much like there are

parameters regarding speech and expression at the United States and Michigan Capitol buildings, similar considerations of time, place, and manner are utilized on college campuses to protect the interests of those seeking the opportunity to learn.

Michigan’s Constitution confers upon the state university governing boards the exclusive power to supervise and control their institutions. This governance model has produced a setting on college campuses that works well in allowing for the free expression of speech while at the same time providing appropriate access to a high-quality, safe, and secure learning environment.

Policy Actions:

- As enshrined in the Michigan Constitution, ensure university governing board oversight of campus free speech policies in protecting First Amendment rights.
- Oppose state legislation that seeks to place mandates on institutional campus free speech policies.

Institutional Governing Board Authority over Campus Operations

Board Oversight of Fiscal, Personnel, and Operational Issues is Essential

Article VIII, Section 5 of the Michigan Constitution of 1963 affirms that the governing boards of the state universities of Michigan “have general supervision of its institution and the control and direction of all expenditures from the institution’s funds.” More than 150 years of jurisprudence has consistently upheld governing board authority over the entire university enterprise. This campus autonomy is a foundational aspect of governance among Michigan’s public universities and is essential to ensuring effective oversight and informed decision-making involving operational and strategic matters at these institutions. Issues involving expenditures, facilities planning, personnel, zoning, and public-private partnerships are under the authority of institutional governing boards.

Policy Action:

- Promote understanding and recognition among stakeholders of the authority governing boards have over public university strategic and operational matters.

¹ Earnings and unemployment rates by educational attainment, 2023. U.S. Bureau of Labor Statistics, Current Population Survey. [View](#).

² Educational Attainment, Annual: Bachelor’s Degree or Higher by State, 2023. Federal Reserve Bank of St. Louis. [View](#).

³ Per Capita Person Income by State, 2023, Federal Reserve Bank of St. Louis. [View](#).

⁴ Michigan’s Hot 50 Job Outlook through 2032. State of Michigan, Bureau of Labor Market Information and Strategic Initiatives. [View](#).

⁵ 2024 State of Education and Talent Report, Detroit Regional Chamber. Data produced by Don Grimes from the University of Michigan, and Bureau of Labor Statistics, U.S. Census Bureau. [View](#).

⁶ Executive Order 2023-6: Michigan Department of Lifelong Education, Advancement, and Potential; Executive Reorganization. Office of Governor Gretchen Whitmer. [View](#).

⁷ Fiscal Year 2023 State Higher Education Finance Report, State Higher Education Executive Officers. <https://shef.sheeo.org>.

⁸ Ibid.

⁹ Hillman, Nicholas W.; Hicklin Fryar, Alisa; and Crespin-Trujillo (2017), Evaluating the Impact of Performance Funding in Ohio and Tennessee. American Educational Research Journal.

¹⁰ Ibid.

¹¹ Growing Michigan Together Report. Recommendation to expand to universal PreK-14 education system on page 39.

<https://growingmichigan.org/wp-content/uploads/2023-12-14-GMTC-Final-Report-2.pdf>

¹² Source: *ibid*. Methodology uses state appropriations per resident undergraduate FYES plus the state average resident undergraduate tuition and fee rates.

¹³ Source: Michigan Community College Data Inventory Report, Center for Educational Performance and Information. [View](#).