

Narratives in U.S. Higher Education, Michigan in Context

Governor Snyder's 2016 State Universities Summit

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Agenda

- Challenges and opportunities
- Selected issues in the national narrative in higher education
- Hope for the future regarding college affordability and student success
- Open dialogue
- Goal: Stimulate discussion



The Goal:

60% of Michigan Residents to have a Postsecondary degree or credential by 2025.

More Info at:

mitalentgoal2025.org

Reaching for Opportunity

An Action Plan to Increase Michigan's Postsecondary Credential Attainment



Good News on Educational Attainment in Michigan, Associate's degree or above:

2008: 35.7%

2014: 39.3% (+3.6%)

43.3% when including high-quality certificates

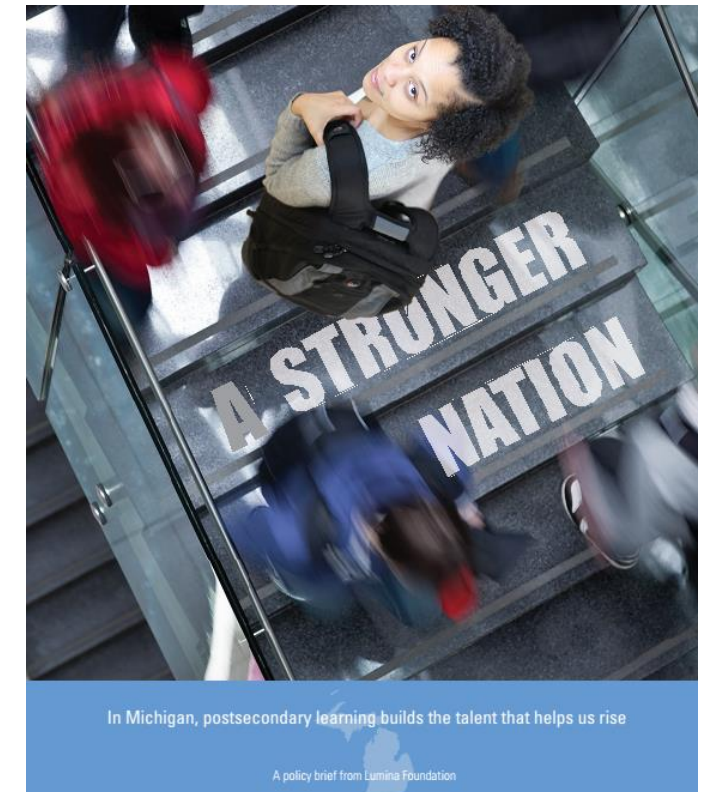


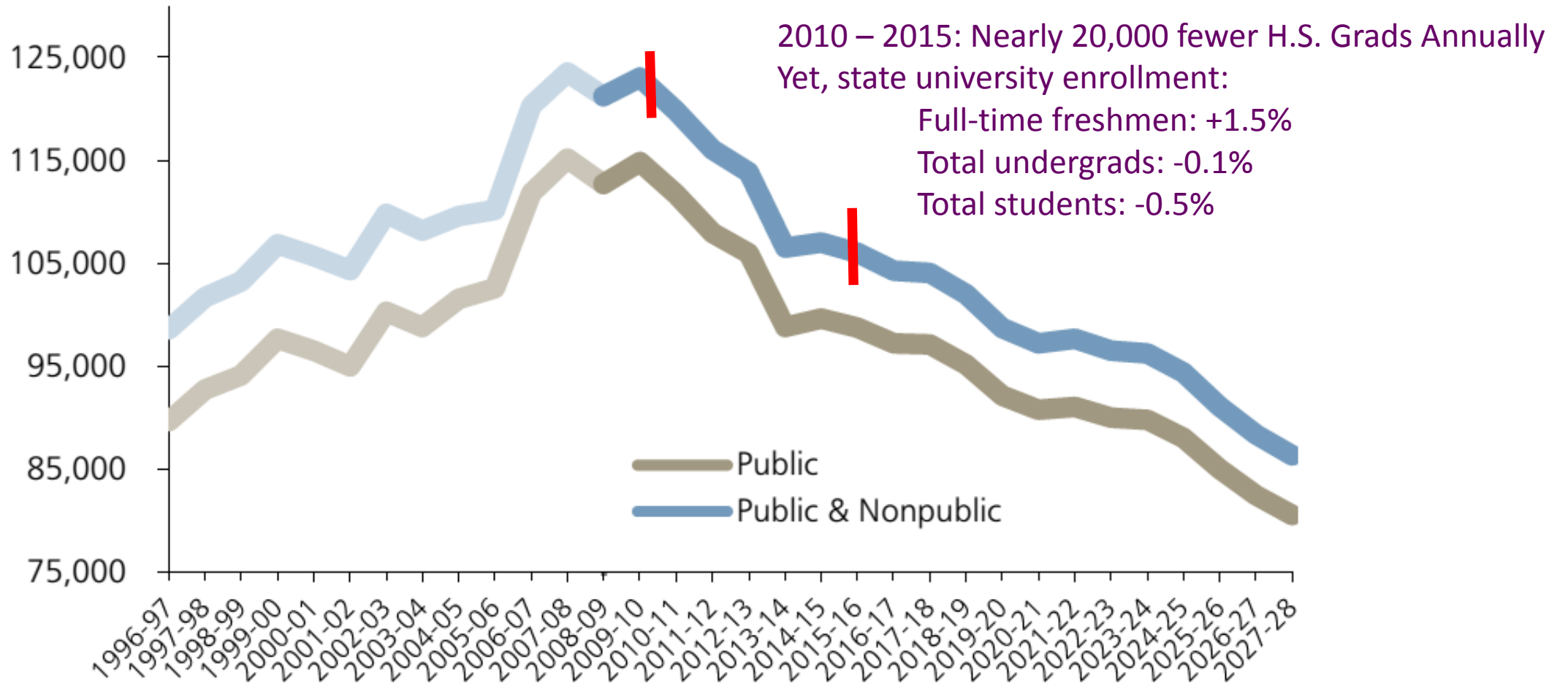
Exhibit 9: Per Capita Income, Educational Attainment in Michigan and Top 10 States

Geography	Rank	Percentage Bachelor's or Higher Degree 2013	2013 Per Capita Personal Income	Percentage Change Bachelors or Higher Degree 2006-2013	Percentage Change Per Capita Personal Income 2006-2013
United States	-	27.03%	\$44,765	2.45%	17.41%
District of Columbia	1	50.24%	\$75,329	7.47%	24.81%
Massachusetts	2	37.10%	\$57,248	2.94%	19.36%
Colorado	3	34.37%	\$46,897	3.30%	15.48%
Maryland	4	34.35%	\$53,826	2.22%	16.08%
Connecticut	5	34.23%	\$60,658	3.02%	15.51%
New Jersey	6	33.90%	\$55,386	2.78%	15.25%
Virginia	7	33.05%	\$48,838	3.18%	16.05%
Vermont	8	32.68%	\$45,483	3.34%	23.73%
New Hampshire	9	31.97%	\$51,013	2.41%	22.44%
Michigan	32	24.57%	\$39,055	2.28%	15.37%

Source: U.S. Census Bureau, 2013 American Community Survey; U.S. Census Bureau, 2006 American Community Survey; Bureau of Economic Analysis, Personal Income Summary: Personal Income, Population, Per Capita 2006-2013

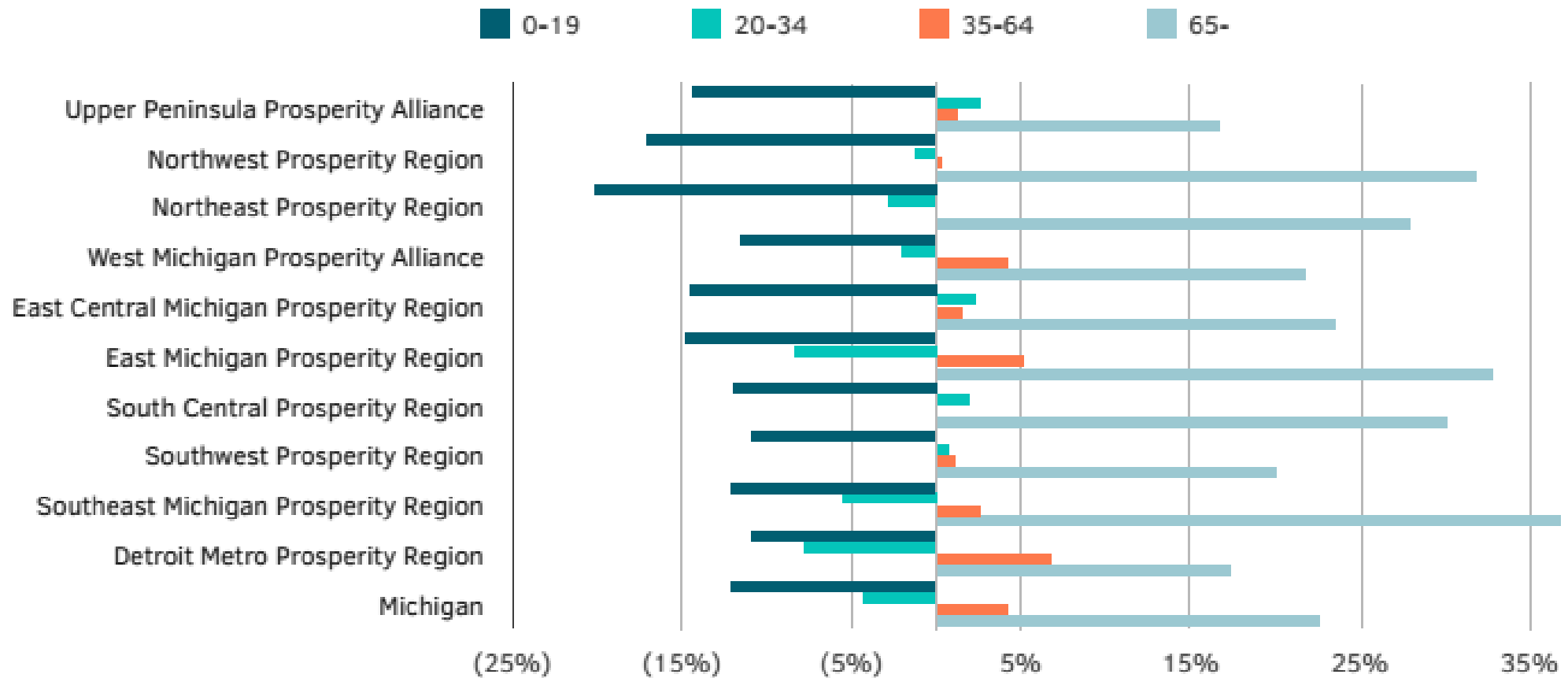
Challenge: Demographics and Migration

Production of High School Graduates in Michigan



Challenge: Demographics and Migration

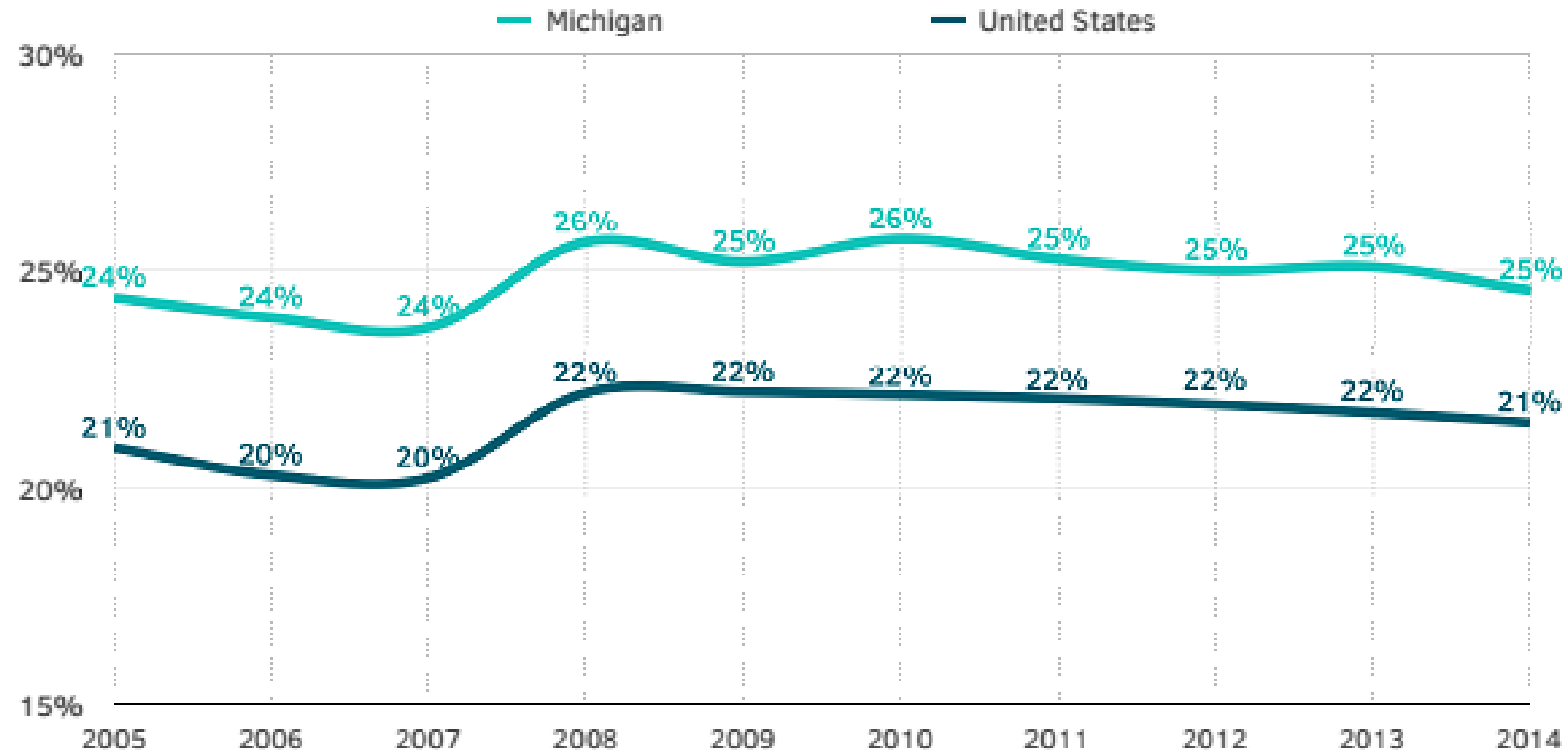
Age Group Proportions, Michigan Residents, By Prosperity Region



Source: Reaching for Opportunity / U.S. Census Bureau, Annual County Population Estimates, 2013 data.

Opportunity: Adult Non-Degree Completers

Percent of Michigan Adults, Aged 25-64, with Some College, No Degree



Opportunity: Out-of-State & International Enrollment

International Student Enrollments: Midwest Regional States

	<u>2013-14 Growth</u>	<u>National Rank</u>	<u>2014 Students</u>
Illinois	8.7%	#5	42,527
Pennsylvania	11.2%	#6	41,446
Ohio	14.4%	#8	32,498
Michigan	10.1%	#9	29,648
Indiana	8.2%	#10	26,406

Michigan higher education: A nearly \$1 billion export annually

State Investment in Higher Education

- **5th consecutive year of re-investment (appropriations)**
- **FY 2011-2016: U.S. +11.6% / MI -2.4%**
- **\$1 billion reduction in inflation-adjusted state higher education and student aid funding since 2002**
- **MI ranks 39th in per capita state fiscal support for higher ed**
- **Since 2000, 80% of tuition price increases are attributable to state funding reductions; nearly 100% when factoring in institutional financial aid (inflation-adjusted, as of FY 2014).**
 - House Fiscal Agency, December, 2013

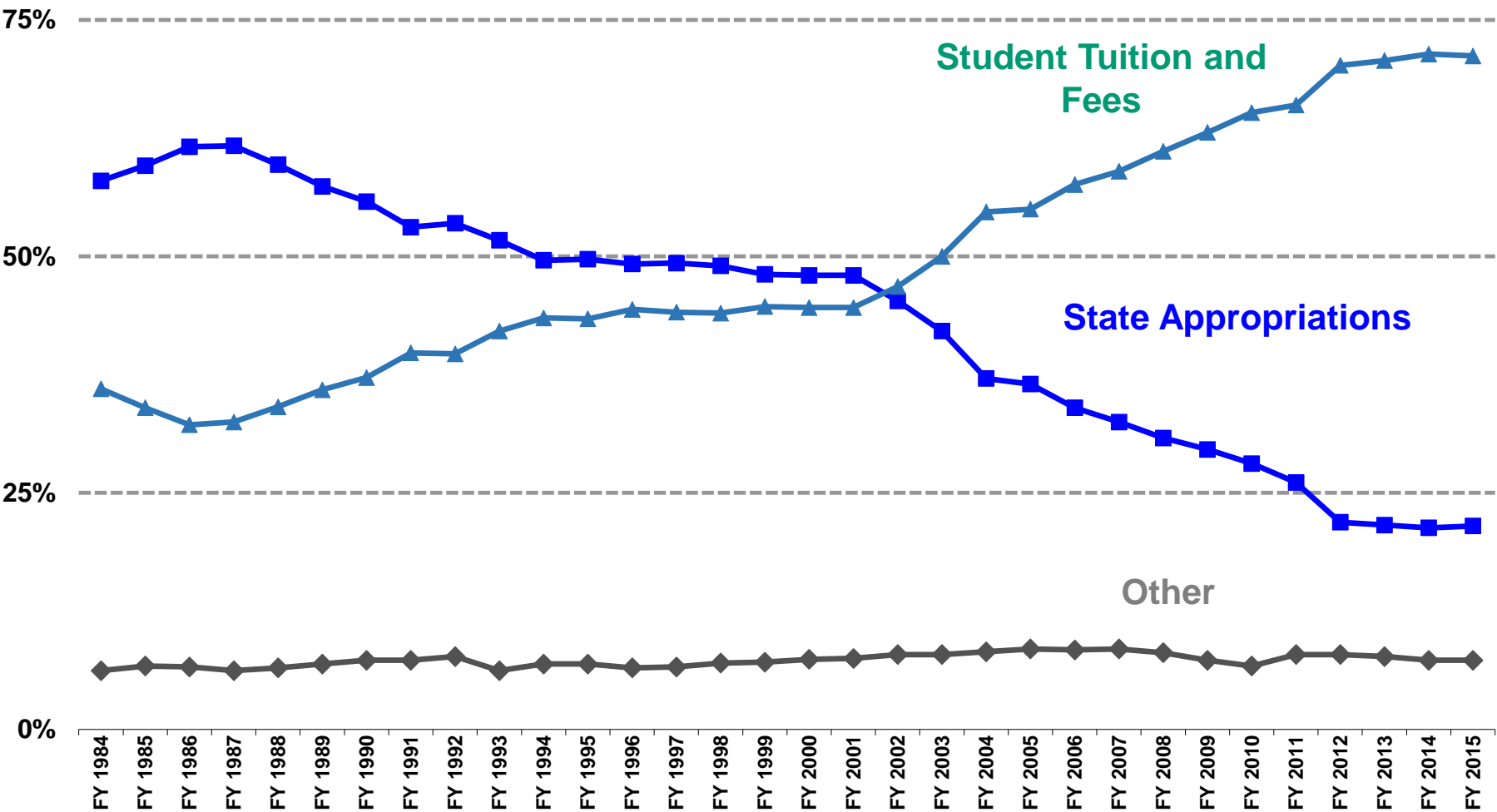


Higher Education as a State Investment Priority

STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS TOTAL COMPARED IN SELECTED BUDGET AREAS (Millions of Dollars)				
Budget Area	FY 2006-07 Year-to-Date Appropriations	FY 2016-17 Gov's Rec. Appropriations	Dollar Difference	Percent Change
Health and Human Services	\$6,253.3	\$6,679.6	\$426.3	6.8%
Corrections	1,939.7	2,015.2	75.5	3.9
K-12 School Aid	11,597.0	12,364.5	767.5	6.6
Community Colleges	247.8	399.0	151.2	61.0
Higher Education	1,607.8	1,499.6	(108.1)	(6.7)
Revenue Sharing-Constitutional	666.0	781.5	115.5	17.3
Revenue Sharing-Nonconstitutional	405.1	474.2	69.1	17.1
All Other Programs	5,212.0	6,912.6	1,700.7	32.6
Total State Spending	\$27,928.6	\$31,126.2	\$3,197.7	11.4%
Addendum:				
Medicaid Caseload	1,540,400	2,370,000	829,600	53.9%
Prison Population	51,490	44,493	(6,997)	(13.6)
K-12 Pupil Count	1,681,062	1,486,000	(195,062)	(11.6)
University Students	253,576	261,989	8,413	3.3
Community College Students	139,219	136,124	(3,095)	(2.2)
Michigan Personal Income (millions)	\$346,539.1	\$452,592.8	\$106,053.7	30.6%
Detroit Consumer Price Index	199.0	226.4	27.4	13.7%

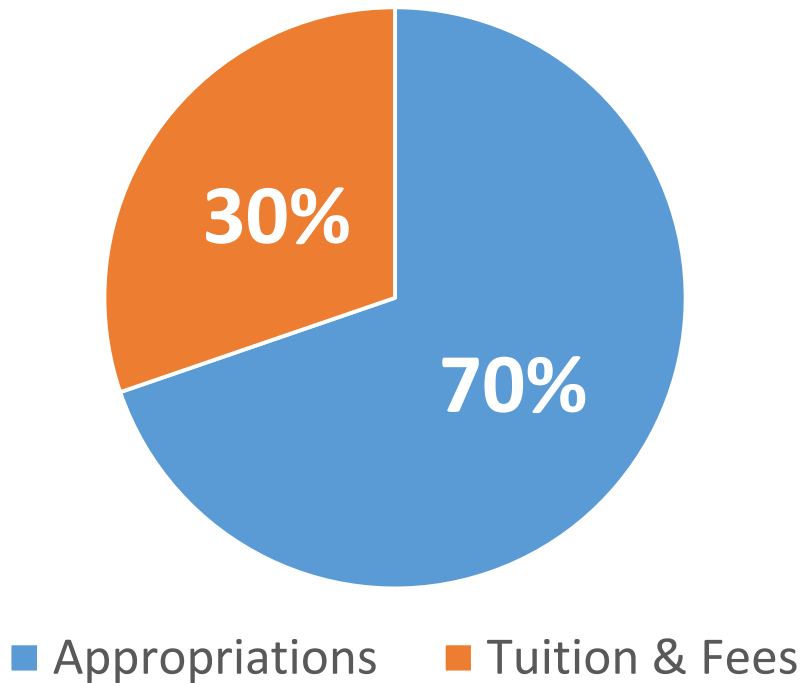
State Support and Tuition Linked

Proportion of Tuition and State Appropriations that Comprise Universities' General Funds

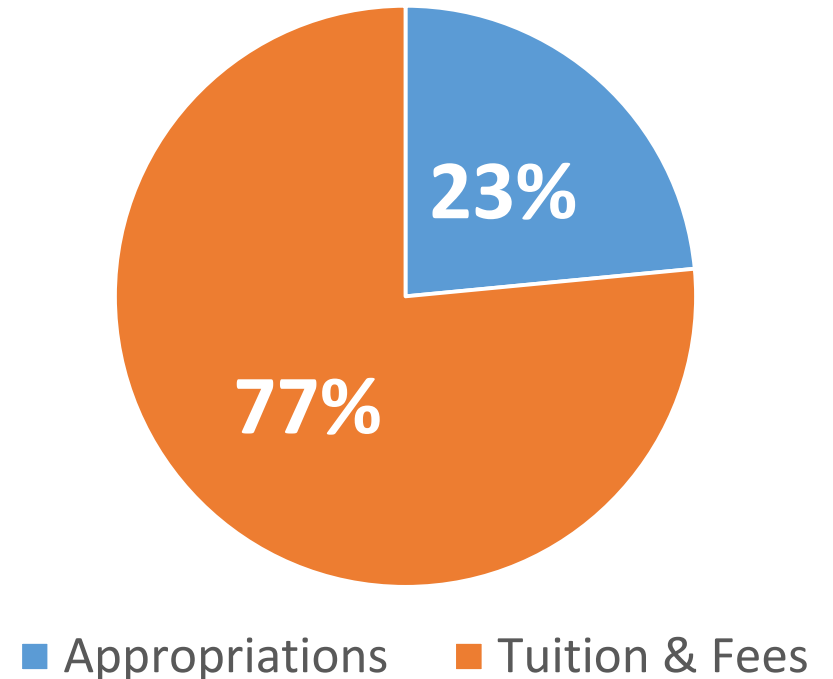


In Michigan – The State-to-Student Cost Shift in Paying for a Public University Education

University GF Revenues -
FY1979



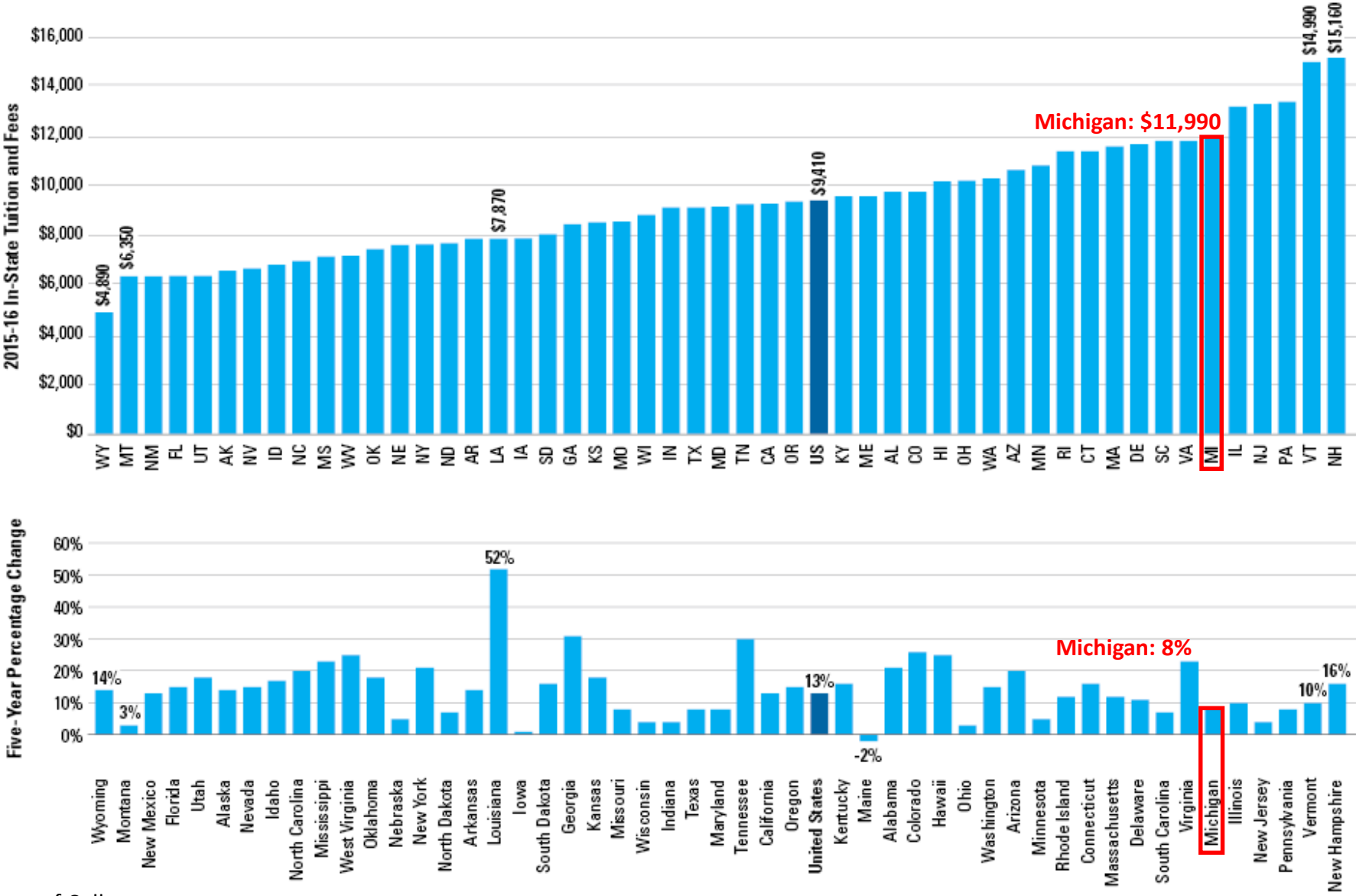
University GF Revenues -
FY2015



Higher Education Finance—
Student Tuition

State
Disinvestment =
Higher Tuition
Prices

Average 2015-16 In-State Tuition and Fees at Public Four-Year Institutions by State and Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees



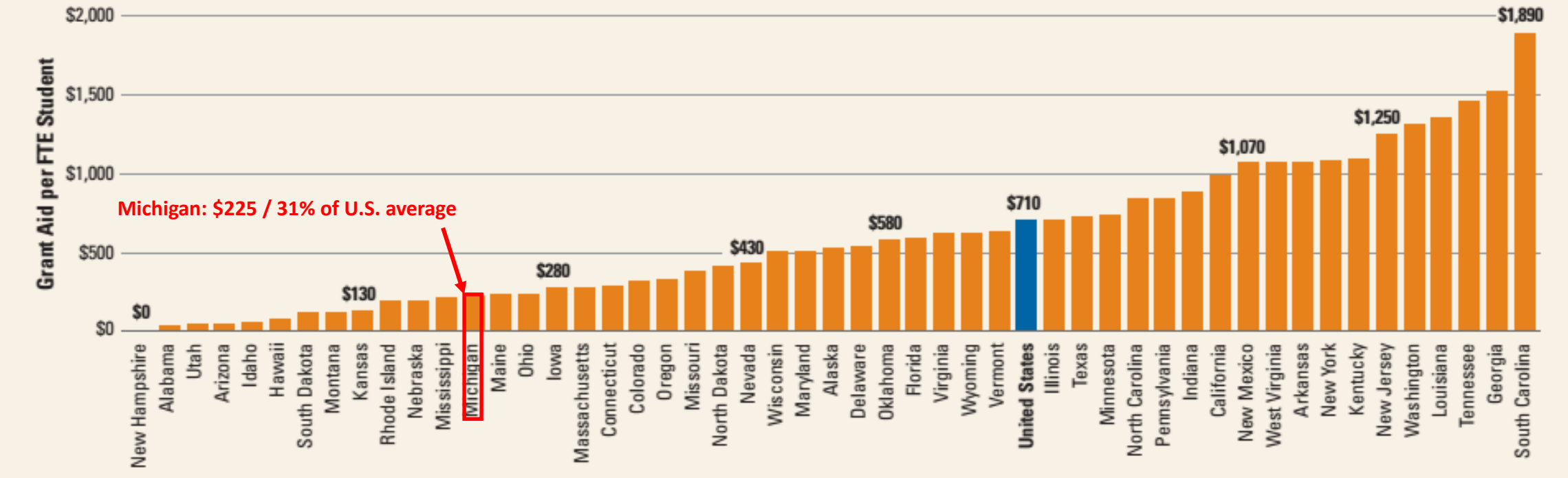
*Note: Published Prices, Not
Including all forms of Grant Aid

State Student Aid

- **MI 39th nationally in student aid investment**
- **70% reduction in state aid since 2002 (CPI adjusted)**
- **Shift in the provision of student aid from the state to institutions**

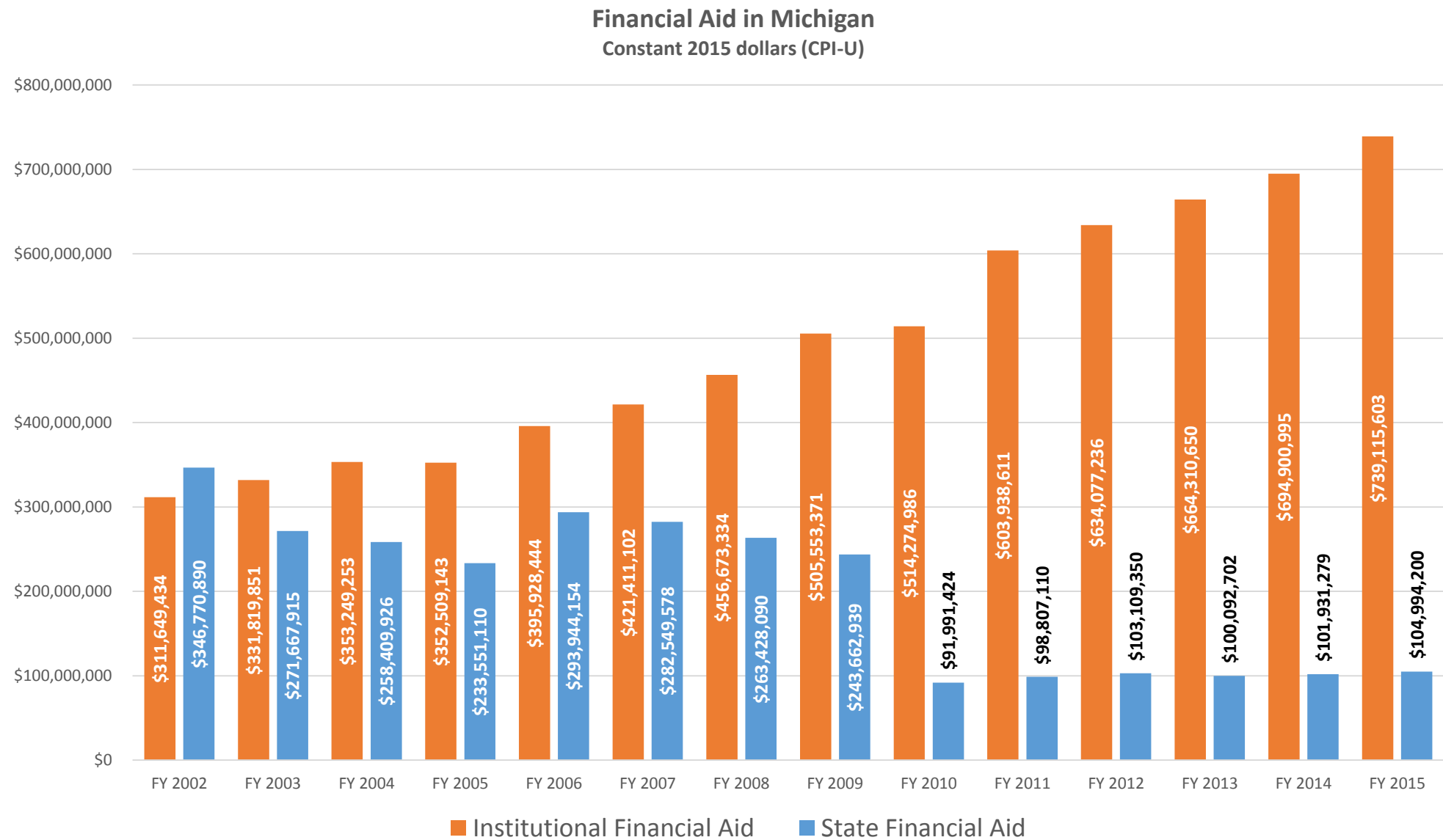


State Grant Aid per Full-Time Undergraduate Student



Source: The College Board, Trends in Student Aid, 2015; 2013-14 data.

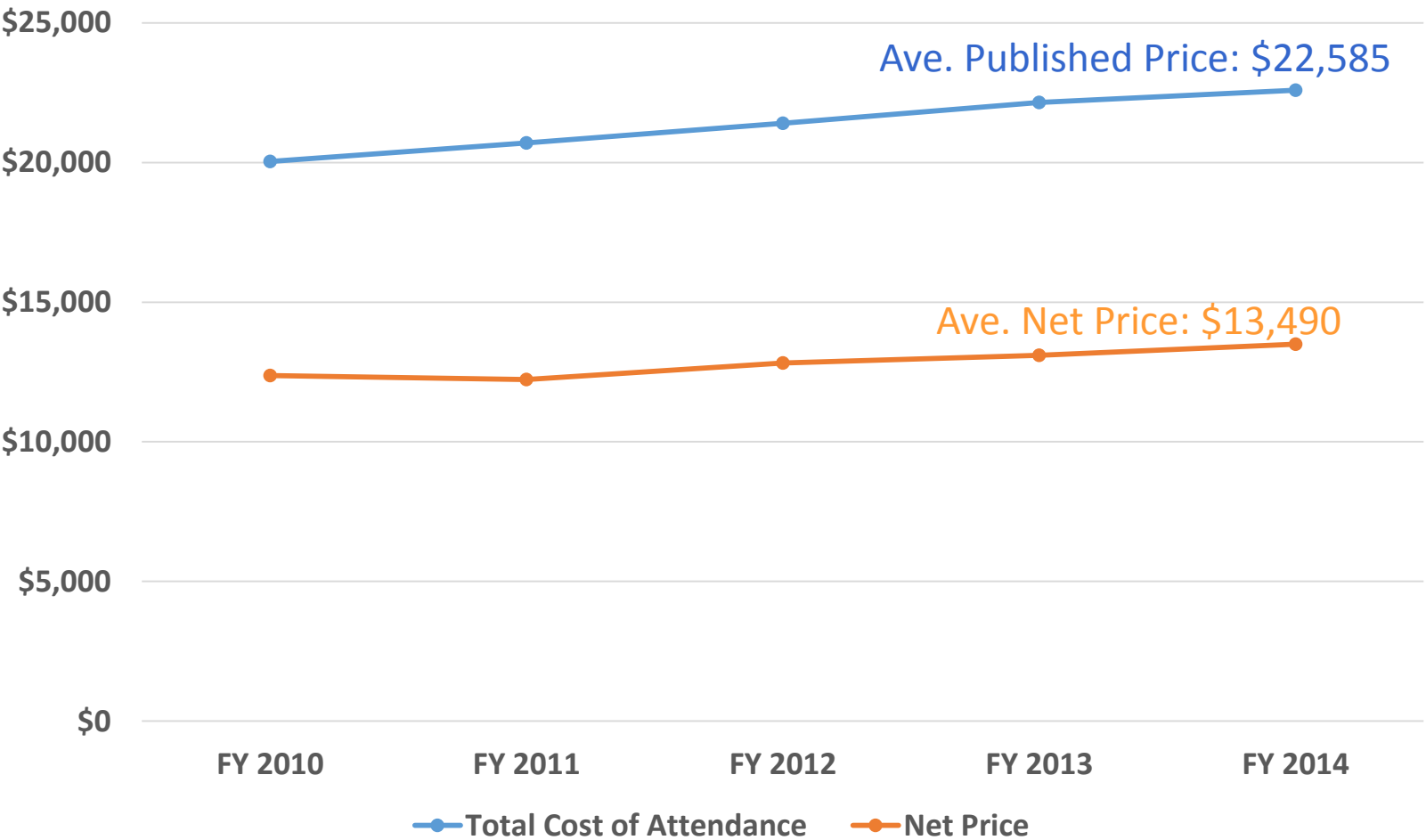
Public Universities – Filling the Void of State Student Aid Disinvestment



Sticker Price Vs. Net Price at Michigan’s Public Universities

When factoring in all forms of Grant Aid—federal, state and institutional (not including loans), the average Cost of Attendance at Michigan’s public universities is **\$13,490**

*Cost of Attendance includes tuition & fees, room & board, books & supplies, transportation.

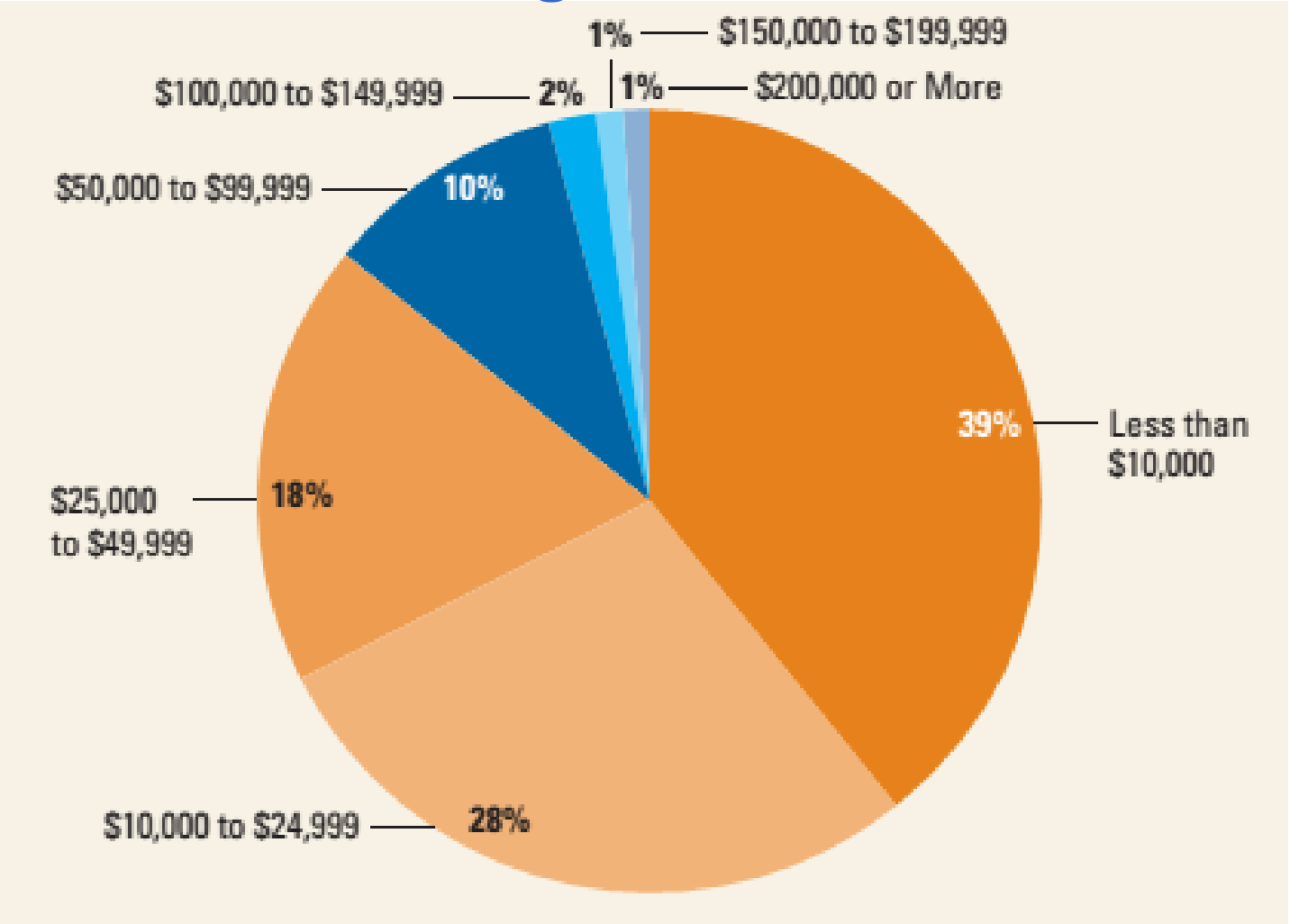


Student Debt

- Student debt – It's an issue – but not a crisis
- Great Recession – enrollment boom, more borrowing
- In Michigan – nearly 40% of public university grads leave with NO student debt

	% of Students with Debt	Ave Debt of Graduates	Per Capita Debt of Graduates
Public Universities-Michigan	61%	\$29,142	\$17,784
Public Universities-National	60%	\$25,902	\$15,486

Distribution of Outstanding Education Debt by Average Balance



Source: The College Board, Trends in Student Aid, 2015; 2014 data.

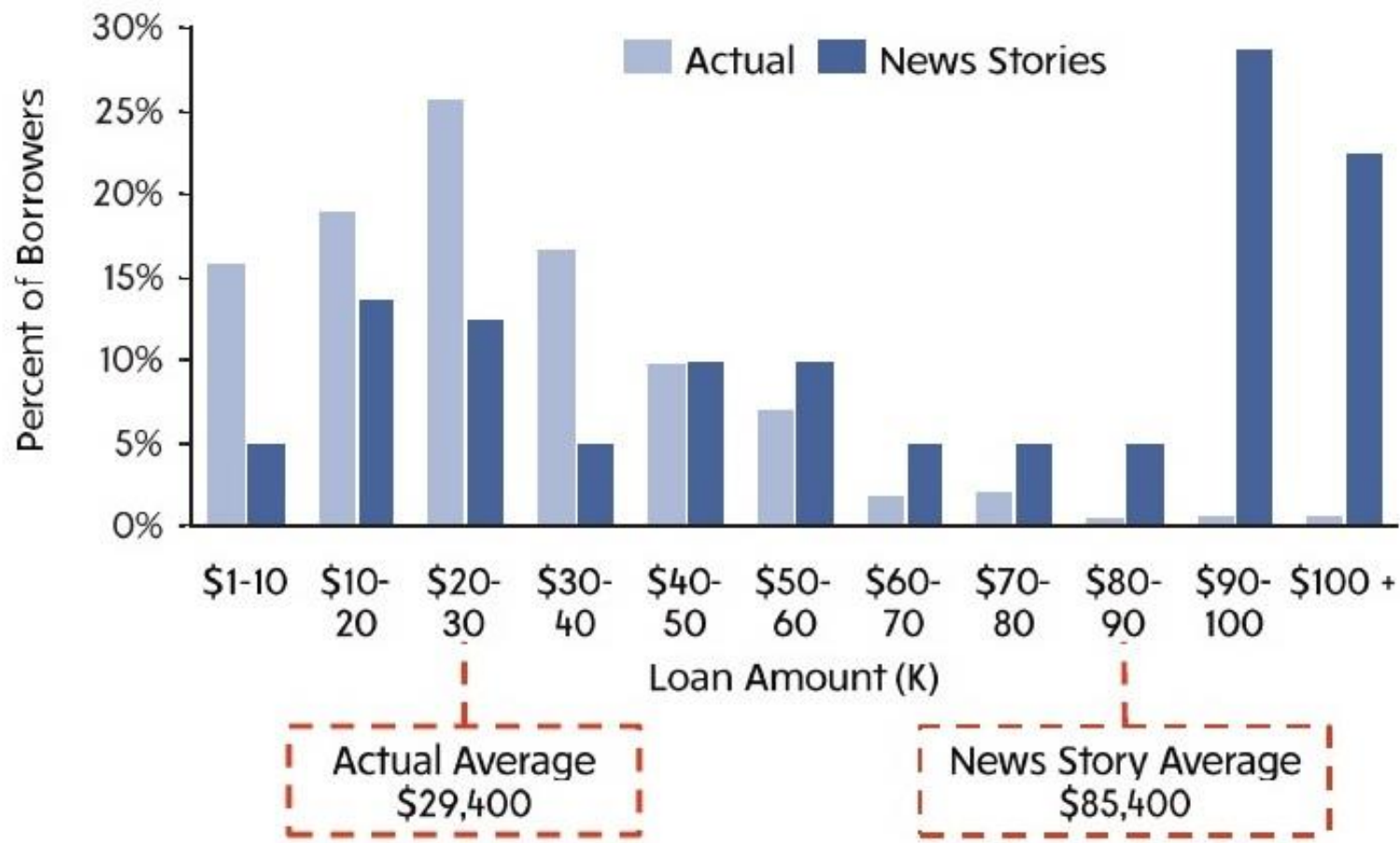
Student Debt Paradox: Smaller the Loan, Higher Likelihood of Loan Default

Percent of borrowers who have ever defaulted, by school-leaving loan balance

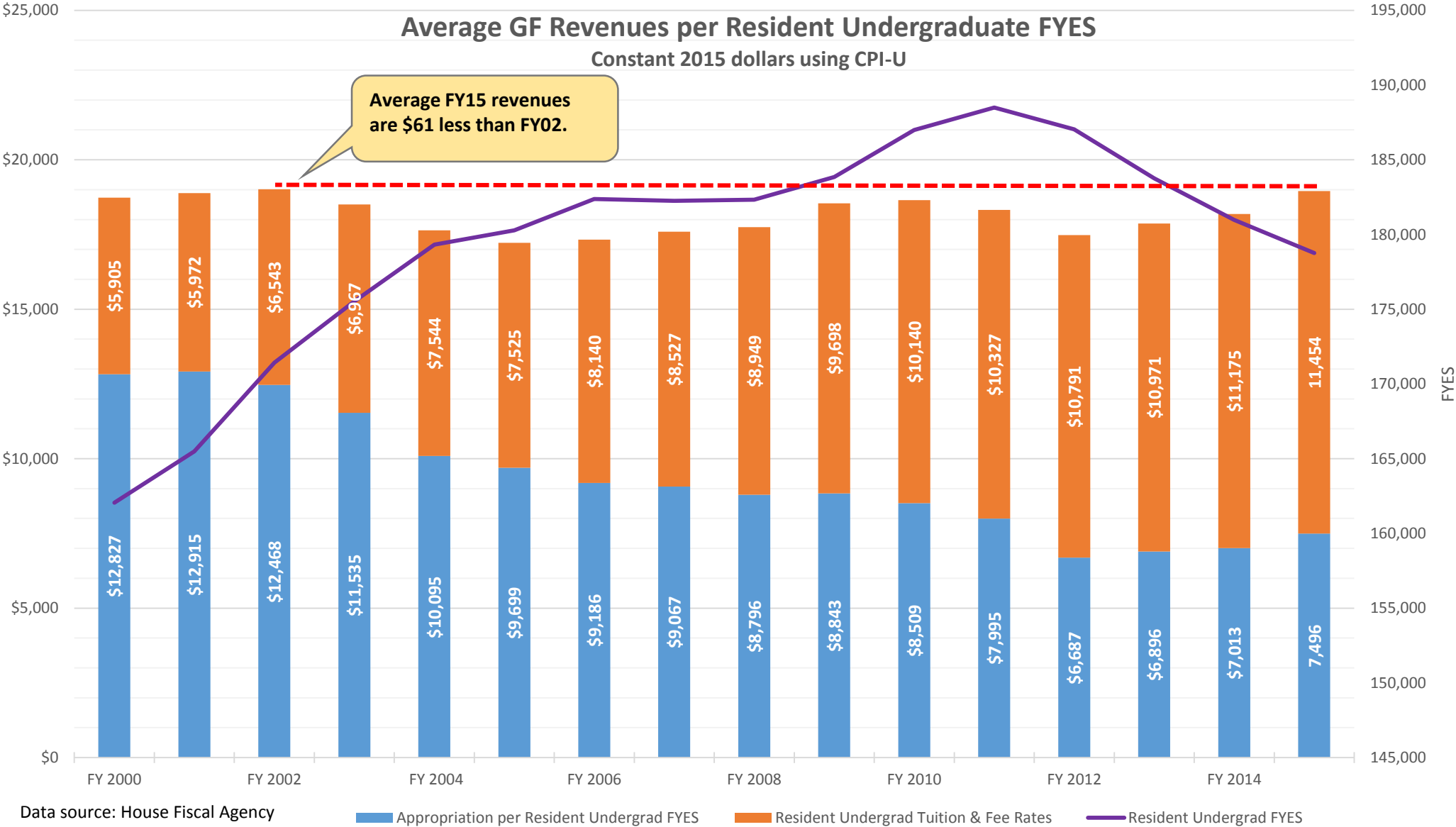


Source: Vox.com, Libby Nelson.
Data from New York Fed
Consumer Credit Panel/Equifax.
2014 Q4 data.

Distribution of Student Debt, Actual Vs. Anecdotal Reporting



Public Universities – Not Passing the Buck on to Michigan Students



Institutional Fiscal Stewardship at the State Universities of Michigan

- **Group purchasing**
 - MI Coalition on Health
 - MI Universities Self-Insurance Corporation
 - Midwest Higher Education Compact
- **Organizational realignments, consolidations**
- **Efforts to boost student success**
 - Increased retention, degree completion, reducing time-to-degree

MICHIGAN UNIVERSITIES
COALITION ON HEALTH



Institutional Fiscal Stewardship: Academic Programming

New and Discontinued Degree Programs, May 2015 through April 2016

	New	Discontinued
Bachelor's Degrees	27	25
Master's Degrees	19	48
Doctoral Degrees	10	11

*In the past year at Michigan's 15 public universities, **28** more academic programs were eliminated than were created.*

Graduation Rates

- **Positive trend, but still room for improvement**
- **Inadequacy of Federal Graduation Rate data**
- **All MI State Universities participating in Student Achievement Measure**
- **Forthcoming: MI CEPI Graduation Rate**
 - **Includes part-time students**
 - **Includes transfers-in and transfers-out**
 - **Better data, much better graduation rate**



Accountability

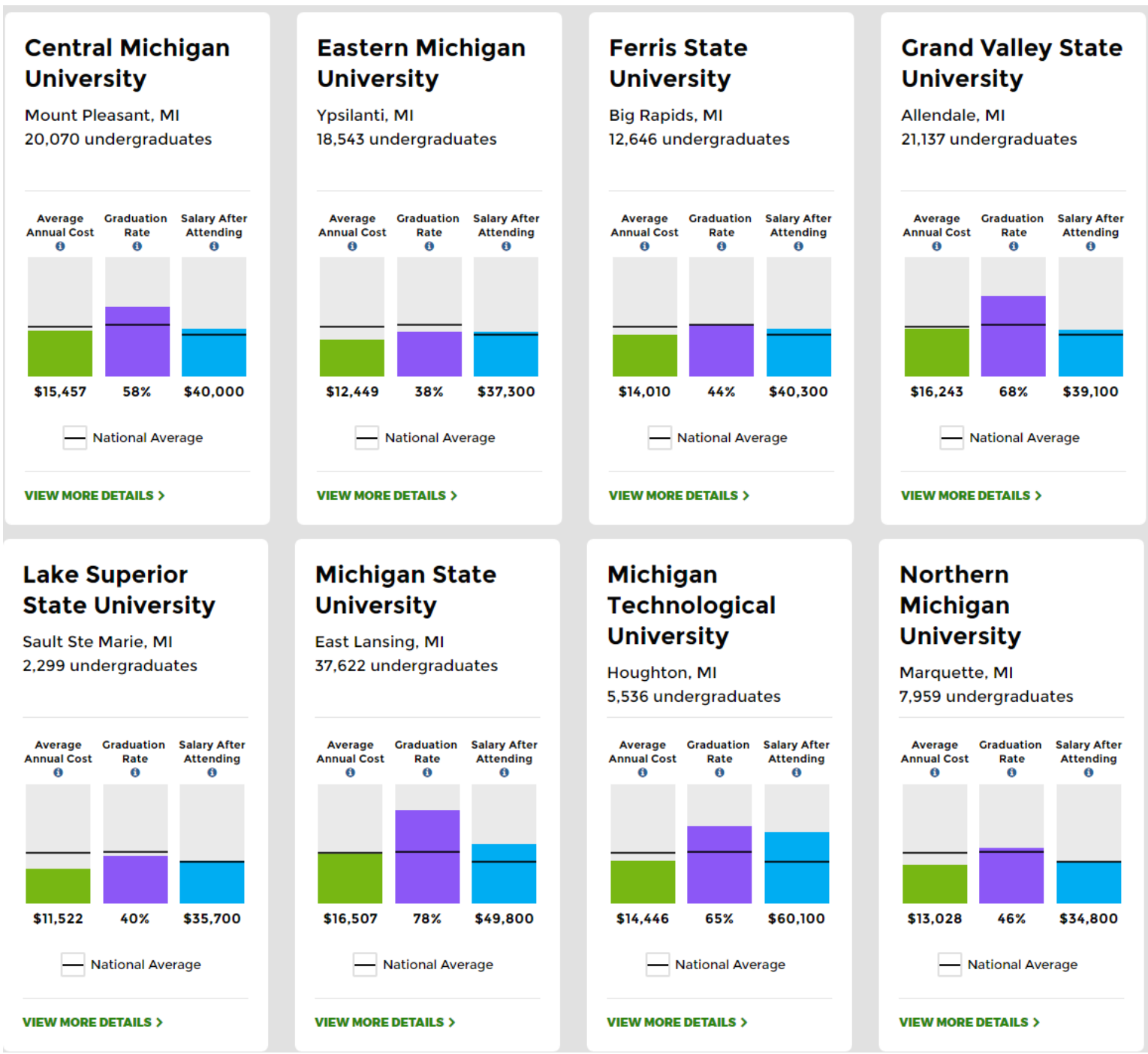


The Obama Administration unveiled a new College Scorecard in 2015.

The result?

Michigan's public universities cost below average and return a higher salary compared to national peers.

collegescorecard.ed.gov



Accountability

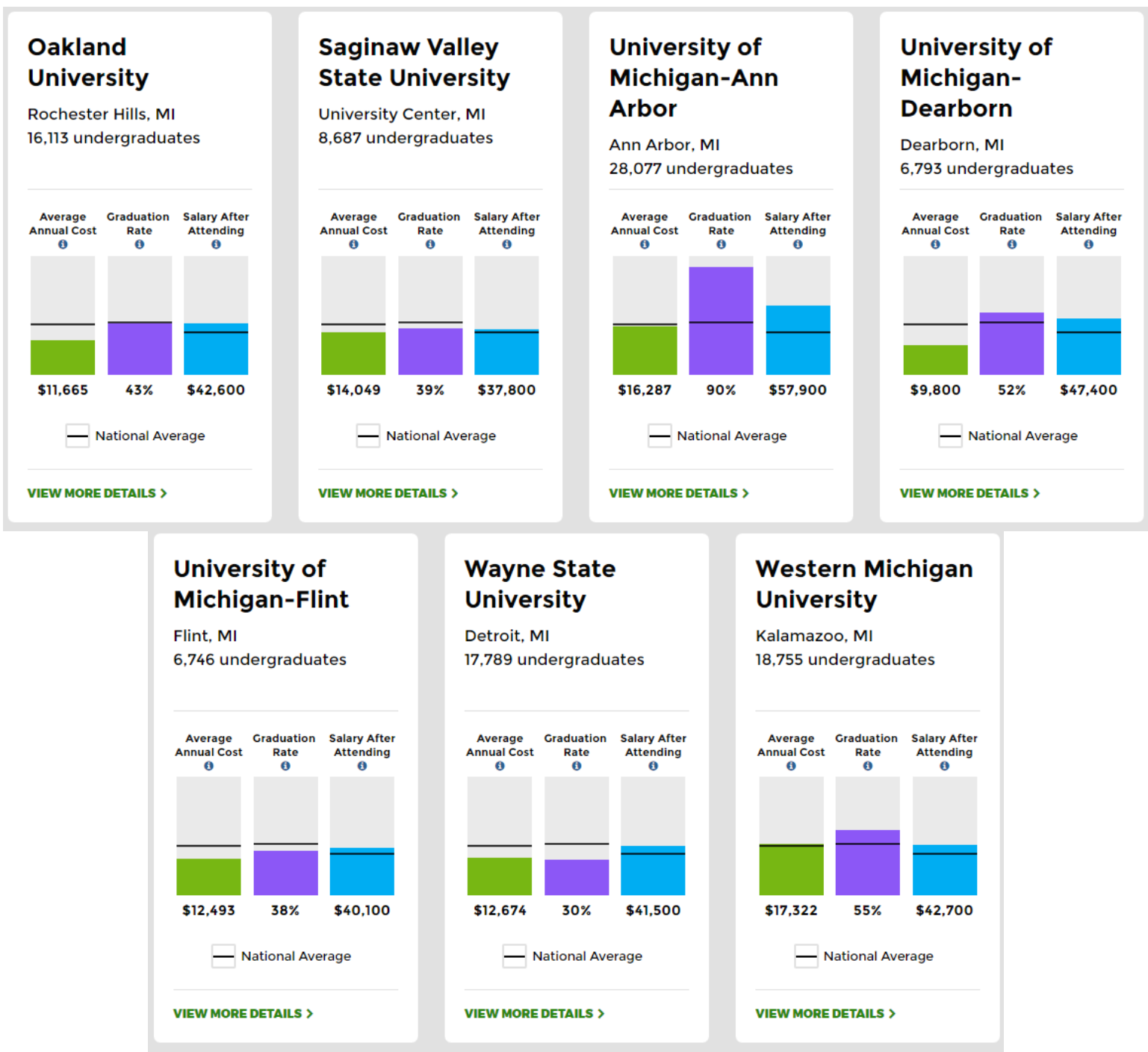


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Collaborating to Advance Student Success

- Career and College Readiness Standards*
- Credit When It's Due (Reverse Transfer)
- Coalition of Michigan Veterans Educators*
- Detroit Promise Scholarship Program
- Liberal Education & America's Promise
- Math Pathways to Completion Initiative*
- Michigan Career Pathways Steering Committee*
- Michigan Gateways to Completion Project
- Michigan Transfer Agreement*
- Michigan Transfer Steering Committee*
- Michigan Transfer Network*
- MHEC Commission on Military Credit*
- Implementation of Reaching for Opportunity Report Recommendations

Asterisks indicate initiatives that the Michigan Association of State Universities (MASU) and Michigan Community College Association (MCCA) are jointly involved in.



Credit Transfer

- **MACRAO Agreement – Since 1972, transferrable block of general education credits**
- **Michigan Transfer Agreement**
 - **Transfer of 30-credit hour block – all state universities participating**
- **Next Up: Creation of Statewide Transfer Steering Committee**
 - **Focus: High-enrollment transfer pathways**
 - **Replacement/Upgrade of Michigan Transfer Network (online resource)**

STEM vs. Liberal Arts: The False Dichotomy

- **Narrative: Increasing utilitarian view of higher education**
- **Broad learning is fundamental to democracy**
- **Liberal education should be integrated into all disciplines**
- **Success in contemporary, global society requires understanding of big picture, complexity, ethical/civic responsibility**
- **Employers want BOTH broad & specific skills/knowledge**
- **Clear connections between students' majors and broader learning (relevance) — project- and problem-based learning**
- **What drives students? Their interest & aptitude, not paycheck.**



*Association
of American
Colleges and
Universities*

Liberal Education & America's Promise (LEAP)

- MI one of 14 states taking part in national public advocacy and campus action initiative
- Importance of liberal arts to individual students and nation dependent on economic creativity and democratic vitality
- Focus on essential learning outcomes (& assessments)
- High-impact educational practices



LEAP



Hope for the Future Involving College Affordability & Student Success

- Increasing college *preparation* = increasing *participation*
- Sophistication in student retention strategies
- Innovation in instructional delivery
- Edupreneurialism
- Pre-college credit (dual enrollment, AP, early college)
- Federal-State College Affordability Partnership

AMERICAN ACADEMY
OF ARTS & SCIENCES

Public Research Universities

Recommitting to Lincoln's Vision:
An Educational Compact for the 21st Century



A Publication of The Lincoln Project: Excellence and Access in Public Higher Education

AASCU American Association
of State Colleges and
Universities
Delivering America's Promise

creating a new COMPACT

Between States and Public Higher Education



A Report by the AASCU Task Force on Making Public Higher Education a State Priority

AASCU American Association
of State Colleges and
Universities
Delivering America's Promise

A Proposed Federal Matching Program to Stop the Privatization of Public Higher Education

By Daniel J. Hurley, Thomas L. Harnisch and Barmak Nassirian

PolicyMatters

A Higher Education Policy Brief ■ January 2014



Local, State & Global Impact



- Innovation & Entrepreneurialism
- Research & Development
- Environmental Sustainability
- Health Care
- K-12 Outreach
- Public Safety
- Civic Engagement & Education
- Student Service and Outreach
- Culture and Placemaking
- Faculty Perspective and Expertise
- Flint Water Crisis
- Global Outreach

Dialogue

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