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

Governor Snyder’s 2016 State Universities Summit

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CEO
May 24, 2016
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

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

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**

2010 – 2015: Nearly 20,000 fewer H.S. Grads Annually

Yet, state university enrollment:
- Full-time freshmen: +1.5%
- Total undergrads: -0.1%
- Total students: -0.5%

Source: Knocking at the College Door, 2015, Western Interstate Commission for Higher Education
Challenge: Demographics and Migration

Age Group Proportions, Michigan Residents, By Prosperity Region

Opportunity: Adult Non-Degree Completers

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

Source: Reaching for Opportunity

Source: 2009-2013 American Community Survey 5-Year Estimates
Opportunity: Out-of-State & International Enrollment

### International Student Enrollments: Midwest Regional States

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

*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).
# Higher Education as a State Investment Priority

## State Funding

<table>
<thead>
<tr>
<th>Budget Area</th>
<th>FY 2006-07 Year-to-Date Appropriations</th>
<th>FY 2016-17 Gov’s Rec. Appropriations</th>
<th>Dollar Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Human Services</td>
<td>$6,253.3</td>
<td>$6,679.6</td>
<td>$426.3</td>
<td>6.8%</td>
</tr>
<tr>
<td>Corrections</td>
<td>1,939.7</td>
<td>2,015.2</td>
<td>75.5</td>
<td>3.9%</td>
</tr>
<tr>
<td>K-12 School Aid</td>
<td>11,597.0</td>
<td>12,364.5</td>
<td>767.5</td>
<td>6.6%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>247.8</td>
<td>399.0</td>
<td>151.2</td>
<td>61.0%</td>
</tr>
<tr>
<td>Higher Education</td>
<td>1,607.8</td>
<td>1,499.6</td>
<td>(108.1)</td>
<td>(6.7)%</td>
</tr>
<tr>
<td>Revenue Sharing-Constitutional</td>
<td>666.0</td>
<td>781.5</td>
<td>115.5</td>
<td>17.3%</td>
</tr>
<tr>
<td>Revenue Sharing-Nonconstitutional</td>
<td>405.1</td>
<td>474.2</td>
<td>69.1</td>
<td>17.1%</td>
</tr>
<tr>
<td>All Other Programs</td>
<td>5,212.0</td>
<td>6,912.6</td>
<td>1,700.7</td>
<td>32.6%</td>
</tr>
<tr>
<td><strong>Total State Spending</strong></td>
<td><strong>$27,928.6</strong></td>
<td><strong>$31,126.2</strong></td>
<td><strong>$3,197.7</strong></td>
<td><strong>11.4%</strong></td>
</tr>
</tbody>
</table>

### Addendum:

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2016-17</th>
<th>FY 2016-17</th>
<th>Dollar Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Caseload</td>
<td>1,540,400</td>
<td>2,370,000</td>
<td>829,600</td>
<td>53.9%</td>
</tr>
<tr>
<td>Prison Population</td>
<td>51,490</td>
<td>44,493</td>
<td>(6,997)</td>
<td>(13.6)%</td>
</tr>
<tr>
<td>K-12 Pupil Count</td>
<td>1,681,062</td>
<td>1,486,000</td>
<td>(195,062)</td>
<td>(11.6)%</td>
</tr>
<tr>
<td>University Students</td>
<td>253,576</td>
<td>261,989</td>
<td>8,413</td>
<td>3.3%</td>
</tr>
<tr>
<td>Community College Students</td>
<td>139,219</td>
<td>136,124</td>
<td>(3,095)</td>
<td>(2.2)%</td>
</tr>
<tr>
<td>Michigan Personal Income (millions)</td>
<td>$346,539.1</td>
<td>$452,592.8</td>
<td>$106,053.7</td>
<td>30.6%</td>
</tr>
<tr>
<td>Detroit Consumer Price Index</td>
<td>199.0</td>
<td>226.4</td>
<td>27.4</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

Source: Overview of Governor Snyder’s FY 2016-17 Budget, Senate Fiscal Agency, February 17, 2016
State Support and Tuition Linked

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

- Student Tuition and Fees
- State Appropriations
- Other

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

University GF Revenues - FY1979

- Appropriations: 70%
- Tuition & Fees: 30%

University GF Revenues - FY2015

- Appropriations: 23%
- Tuition & Fees: 77%

Data source: House Fiscal Agency
Higher Education Finance—
Student Tuition

State Disinvestment = Higher Tuition Prices

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

Source: The College Board, 2015 Annual Survey of Colleges
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
Higher Education Finance—
State Student Aid

State Grant Aid per Full-Time Undergraduate Student

Michigan: $225 / 31% of U.S. average

Higher Education Finance—
State Student Aid

Public Universities –
Filling the Void of State Student Aid Disinvestment

Financial Aid in Michigan
Constant 2015 dollars (CPI-U)

Institutional Financial Aid  State Financial Aid

$311,649,434  $331,819,851  $353,249,253  $352,509,143  $395,928,444  $421,411,102  $456,673,334  $505,553,371  $514,274,986  $603,938,611  $634,077,236  $664,310,650  $694,900,995  $739,115,603

$346,770,890  $271,667,915  $258,409,926  $233,551,110  $293,944,154  $282,549,578  $263,428,090  $246,862,539  $265,553,371  $278,244,288  $273,979,296  $279,296,902  $284,296,894  $289,296,894

Data source: House Fiscal Agency, MASU
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.

Source: U.S. Dept of Ed, IPEDS
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

<table>
<thead>
<tr>
<th></th>
<th>% of Students with Debt</th>
<th>Ave Debt of Graduates</th>
<th>Per Capita Debt of Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Universities-Michigan</strong></td>
<td>61%</td>
<td>$29,142</td>
<td>$17,784</td>
</tr>
<tr>
<td><strong>Public Universities-National</strong></td>
<td>60%</td>
<td>$25,902</td>
<td>$15,486</td>
</tr>
</tbody>
</table>

Source: The Institute for College Access & Success, 2013-14 data
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

Distribution of Student Debt, Actual Vs. Anecdotal Reporting

- **Actual Average**: $29,400
- **News Story Average**: $85,400

Source: Hamilton Place Strategies
Public Universities – Not Passing the Buck on to Michigan Students

Average GF Revenues per Resident Undergraduate FYES
Constant 2015 dollars using CPI-U

Average FY15 revenues are $61 less than FY02.

Data source: House Fiscal Agency
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
Institutional Fiscal Stewardship: Academic Programming

New and Discontinued Degree Programs, May 2015 through April 2016

<table>
<thead>
<tr>
<th></th>
<th>New</th>
<th>Discontinued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor’s Degrees</td>
<td>27</td>
<td>25</td>
</tr>
<tr>
<td>Master’s Degrees</td>
<td>19</td>
<td>48</td>
</tr>
<tr>
<td>Doctoral Degrees</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

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
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
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**The result?**

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

collegescorecard.ed.gov
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.
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
Hope for the Future Involving College Affordability & Student Success

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