Higher Education Legislative Roundtable

Get to know Michigan’s colleges & universities: Gateways to Economic Opportunity and Prosperity

Tuesday, January 24
3:00 - 5:00 PM
Heritage Hall within the Capitol Building

Hosted by:

- Michigan Association of State Universities
- Michigan Community College Association
- Michigan Independent Colleges & Universities
2023 Legislative Roundtable

Introduction to Michigan Higher Education
Current Issues and Opportunities

January 24, 2023
Daniel Hurley, Ph.D
CEO
Discussion Agenda

1. Introduction to MASU & Michigan’s public universities
2. State university governance in Michigan
3. Higher Education: Key to Michigan’s prosperity
4. Trends in state higher education funding
   • Sustaining momentum from 2022
5. Actions by Michigan’s public universities to boost student success, attainment
6. Legislative priorities for 2023
Thank you for your public service.
Thank you for your leadership.

Michigan’s higher education community looks forward to working with members and staff of the 102nd Legislature to fully harness the economic opportunities and prosperity generated by the state’s colleges and universities.
• Founded in 1952 as the Michigan Council of State College Presidents
• Name changed in 2015 to better reflect institution-wide collaboration
• MASU Board: 15 presidents and chancellors
  ◦ 13 presidents, 2 chancellors (UM-Dearborn, UM-Flint)
• 19 Standing Committees
  ◦ Most legislatively engaged: State Relations Officers
• Staff of 3 people

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

• Academic Affairs Officers
• Accreditation Liaison Officers
• Admissions Directors
• Alumni Directors
• Business Affairs Officers
• Career Services Directors
• Chief Information Officers
• Chief Librarians
• Communications Officers
• Diversity Officers

• Extended Education & Professional Development Officers
• Financial Aid Directors
• Graduate School Deans
• Institutional Research & Planning Directors
• Legal Affairs Officers
• Registrars
• State Relations Officers
• Student Affairs Officers
• Title IX Coordinators
Michigan's 15 Public Universities

- Oldest: U-M (1817)
- Youngest: SVSU (1963)
- National/International Reputation for Academic and Research Excellence
- Fall 2022 student headcount: 256,365
Michigan’s Higher Education Governance: A Decentralized Model

Public Universities Granted Constitutional Autonomy

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

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

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

Each University has an 8-Member Governing Board with staggered 8-year terms
Statewide-Elected: WSU, MSU and U-M (including for Dearborn & Flint campuses)
All Other Universities: Gubernatorially-appointed
Higher Education: Key to Michigan's Prosperity
HOT 50: Michigan's high-demand, high-wage careers

Of the 50 high-demand, high-wage occupations in Michigan through 2030, 37 require a four-year college degree or higher.

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives
Earnings and unemployment rates by educational attainment, 2021

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Median usual weekly earnings ($)</th>
<th>Unemployment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral degree</td>
<td>1,909</td>
<td>1.5</td>
</tr>
<tr>
<td>Professional degree</td>
<td>1,924</td>
<td>1.8</td>
</tr>
<tr>
<td>Master's degree</td>
<td>1,574</td>
<td>2.6</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>1,334</td>
<td>3.5</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>963</td>
<td>4.6</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>899</td>
<td>5.5</td>
</tr>
<tr>
<td>High school diploma</td>
<td>809</td>
<td>6.2</td>
</tr>
<tr>
<td>Less than a high school diploma</td>
<td>626</td>
<td>8.3</td>
</tr>
</tbody>
</table>

All workers: $1,057
Total: 4.7%

The Increasing Premium of Earning a Bachelor’s Degree

Annual Wages for Recent College Graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>High School Diploma Median Earnings</th>
<th>Bachelor’s Degree Median Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$35,257</td>
<td>$48,481</td>
</tr>
<tr>
<td>2000</td>
<td>$31,474</td>
<td>$47,211</td>
</tr>
<tr>
<td>2010</td>
<td>$31,065</td>
<td>$47,219</td>
</tr>
<tr>
<td>2021</td>
<td>$30,000</td>
<td>$52,000</td>
</tr>
</tbody>
</table>

Growing Gap

Source: Federal Reserve Bank of New York
Michigan's Educational Attainment Goal:

60% of residents to have a postsecondary credential, including a college degree or industrial certification by 2030.

- Michigan’s current educational attainment rate: 49.1% (Lumina)
- National average: 51.9%
- Michigan’s rank nationally: 32nd (four-year degree attainment)

With the inclusion of workforce certificates (beginning in 2014) and certifications (in 2018), Michigan's overall rate of educational attainment has increased by 13.3 percentage points since 2009.

Michigan’s rank in per-capita income: 35th
Trends in Higher Education State Funding
State Investment in Higher Education
-- The Longer View --

• Michigan’s rank in per capita state fiscal support for higher ed
  ○ 2001: 20th
  ○ 2022: 36th

• Two-thirds the national average in per-capita support

• State appropriations since 2011: $380 million reduction (-19%)
  (inflation-adjusted). More than $1 billion since 2002.

• Current per-student funding:
  ○ Community colleges: $10,348
  ○ Public universities: $5,993
  ○ (Was $9,511 per full-time student in 2002; 37% decline.)
The State-to-Student Cost Shift in Paying for a Michigan Public University Education

University GF Revenues - FY1979
- Appropriations: 30%
- Tuition & Fees: 70%

University GF Revenues - FY2022
- Appropriations: 78%
- Tuition & Fees: 22%
State Financial Aid

- Prior to FY 2023: MI ranked 36th in state financial aid per student, $363 (and 41st in grant aid per capita)
  - When not including federal dollars, was 50th

- 2002: $439 million state investment; 66% less than in 2022
Increased State Investment = Increased College Affordability

“The data make clear that state-level disinvestments in postsecondary education have played a prominent role in driving this decrease in college affordability, especially for those seeking a bachelor’s degree.”

“Reversing the trend in college affordability at public institutions will require greater public investments in higher education.”

Source: Citizens’ Research Council report, Out of Reach: Examining the Price of Higher Education in Michigan, January 10, 2023. Available at ccrmich.org
2022: A Historic Year in Michigan Higher Education Funding

- Institutional operations support: 5% increase collectively
- $300M pay down of 7 universities in MI Public School Employees’ Retirement System (MPSERS) (CMU, EMU, FSU, LSSU, MTU, NMU, WMU)
- $17.7M increase in “floor” funding: GVSU, OU, SVSU, UM-F, UM-D (goal to get universities to minimum $4,500 per FYES over 3 years)

And...
Michigan Achievement Scholarship

The State of Michigan's new flagship postsecondary financial aid program is a glance.

- Public universities: Up to $5,500 per student per year
- Independent colleges & universities: Up to $4,000 per student per year
- Community/tribal colleges: Up to $2,750 per student per year

8 out of 10 new college students who enroll in Michigan will be eligible.

- Eligibility Requirements:
  - File a FAFSA
  - Have a $25k or lower Estimated Family Contribution (EFC)
  - Earn a high school diploma or certificate of completion by 2021 or later
  - Enroll full-time at an eligible Michigan institution within 15 months of completing high school

- 65% of eligible students will be able to attend college tuition-free

Minimum Award: Last Dollar Award
(Paid after other financial aid is applied)

- 4-year Public: $2,500 -> $3,000
- 4-year Independent: $1,000 -> $3,000
- Community/tribal: $1,750 -> $1,000

For more details on the biggest investment in Michigan financial aid in over a decade, download resources including slides from a recent webinar, social media graphics and example text, an FAQ document, and several handouts.

Learn more at miachievement.org

The Michigan Department of Treasury is not affiliated with Native American Scholarship. For more information, visit miachievement.org or call 833-482-6688.
NEW Michigan Achievement Scholarship

- 93% of community colleges students qualify
- 74% public university students qualify
- 79% independent/private college students qualify

Even more will qualify if more students fill out a FAFSA

- 55% of bachelor’s degree seeking undergrads in MI take an average of $7,000 a year in loans
- The $5,500 grant for public university students will offset much of this loan need
NEW State Investment in Teacher Education Pipeline

- MI Future Educator Fellowship: $10,000 grant for up to 3 years (with residency requirement)
- Student Teacher Stipend: $9,600/year
Confronting the Challenges

Actions being taken by Michigan's Public Universities
Michigan: A Graying State

• MI: A top state in forecasted decline in high school graduates
• Need to boost college enrollment among traditionally underrepresented groups
  ○ Low-income, first generation, minorities, rural, working adults
• Need to close achievement gaps

Michigan High School Graduates:
2008: 123,576
2023: 106,020
2031: 99,950
2037: 95,100

Source: Western Interstate Commission for Higher Education
https://knocking.wiche.edu/state-profiles/
Meeting the Challenges: Boosting Student Success

- Marketing to increase college participation
- Increasing student retention, degree completion
- Increasing affordability for low-income students
  - Institutional financial aid
  - 2002: $377 million
  - 2022: $1.1 billion
- Reaching out to working adults, non-degree completers, stopped-out students
- Recruiting out-of-state, international students

The Goal: Increase college enrollment and educational attainment of Michigan’s population – despite stark demographic challenges
Meeting the Challenges: Efficiencies and Innovation

• Creating new, market-responsive programs; eliminating under-enrolled programs
• Implementing operating efficiencies, cost-savings
• Partnering with all stakeholders, especially community colleges.

Michigan Universities Self-Insurance Corporation

Michigan Universities Coalition on Health
Public University Legislative Priorities 2023
State University Priorities

• Legislative Priorities—Increased State Support
  ◦ Institutional operating dollars
  ◦ State financial aid
  ◦ Sustained capital outlay investments
    ▪ Related: Deferred maintenance monies (one-time $ to make campus upgrades)

The result?
• Increased college affordability, academic quality, and student success!

Let’s keep the momentum going!
Stay in Touch, Stay in the Know!

MASU newsletters

Published every Friday

Published the First of Every Month
Legislative Reception

You are cordially invited to attend the Michigan Association of State Universities Legislative Reception

Wednesday, February 22, 2023
5:00 PM - 7:00 PM

Dykema
201 Townsend Street, Suite 900
Lansing, Michigan 48933

To RSVP, please email Teasha Johnson at trjohnson@dykema.com
Michigan's Future is in College