

# MICHIGAN HIGHER EDUCATION 2021 **PUBLIC POLICY** AGENDA

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





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## EXECUTIVE SUMMARY

Serving approximately 270,000 students annually, the state's 15 public universities serve 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 popularly-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.

Sound public policy and sustained fiscal support for Michigan's state universities take on even greater importance in 2021 and in the years to follow. As with all other aspects of society, our economy, and our state's educational ecosystem, the COVID-19 pandemic has had a severely detrimental impact on the state universities.

In response to the pandemic, these institutions harnessed all of their resources—physical, scientific, health and medical, and intellectual—to work with the State of Michigan in an effort to minimize the damage the disease has had and continues to have on our people, our communities, and our economy. They strived to continue delivering high-quality instruction without interruption, utilizing multiple modes to ensure that Michigan's talent pipeline, especially those in the medical and healthcare sectors, continues to be filled. The fiscal impact of the pandemic has been profound. Expenditures to ensure the health and safety of all who touch campus, reductions in enrollment, and plummeting revenues from campus auxiliary units have required tremendous sacrifice through spending reductions.

Higher education is critical for the long-term future of the State of Michigan. The goal of promoting an educated citizenry is foundational to the success of our economy now and in the coming decades. The pandemic has disrupted the lives of all in our state, including current college students and tens of thousands of high school students and adult learners eager to start or resume their higher education experience. Students from every part of our state, with differing backgrounds and opportunities, are pursuing an educational experience and gaining the tools and skills necessary to support themselves and their families and contribute to their communities. Higher education is critical for the long-term future of the State of Michigan.

# HIGHER EDUCATION STATE POLICY PRIORITIES

## COLLEGE AFFORDABILITY

### State Operating Support

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

### State Performance-based Funding

- Involve all 15 public universities in any discussions about how to systematically allocate state appropriations to the institutions if a performance-based funding formula is utilized in the future.

### State Need-based Student Financial Aid Programs

- Increase state investment in need-based student aid programs that promote access for low-income students.
- Boost, with new investment rather than redirection, the share of state financial aid directed to students attending the state's public universities.

### 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.
- Reinstitute state payments for infrastructure, technology, equipment, and maintenance at university facilities, helping these state institutions lengthen the lifespan and functional utility of the state's investment for many more years.



## 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 only done with the involvement and input of the state's universities.

### Teacher Preparation 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.

## 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, not duplication, between the two higher education sectors.

### Seamless Student Transfer

- Support voluntary efforts to refine a streamlined, simplified and transparent process by which students can ascertain 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.

## CAMPUS SAFETY

### Campus Sexual Assault

- 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.

## 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 fully fund its mandated Michigan Indian Tuition Waiver program.

### State Reporting Burdens

- Reduce unfunded state reporting activities.
- Streamline state reporting requirements to eliminate 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

- 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.

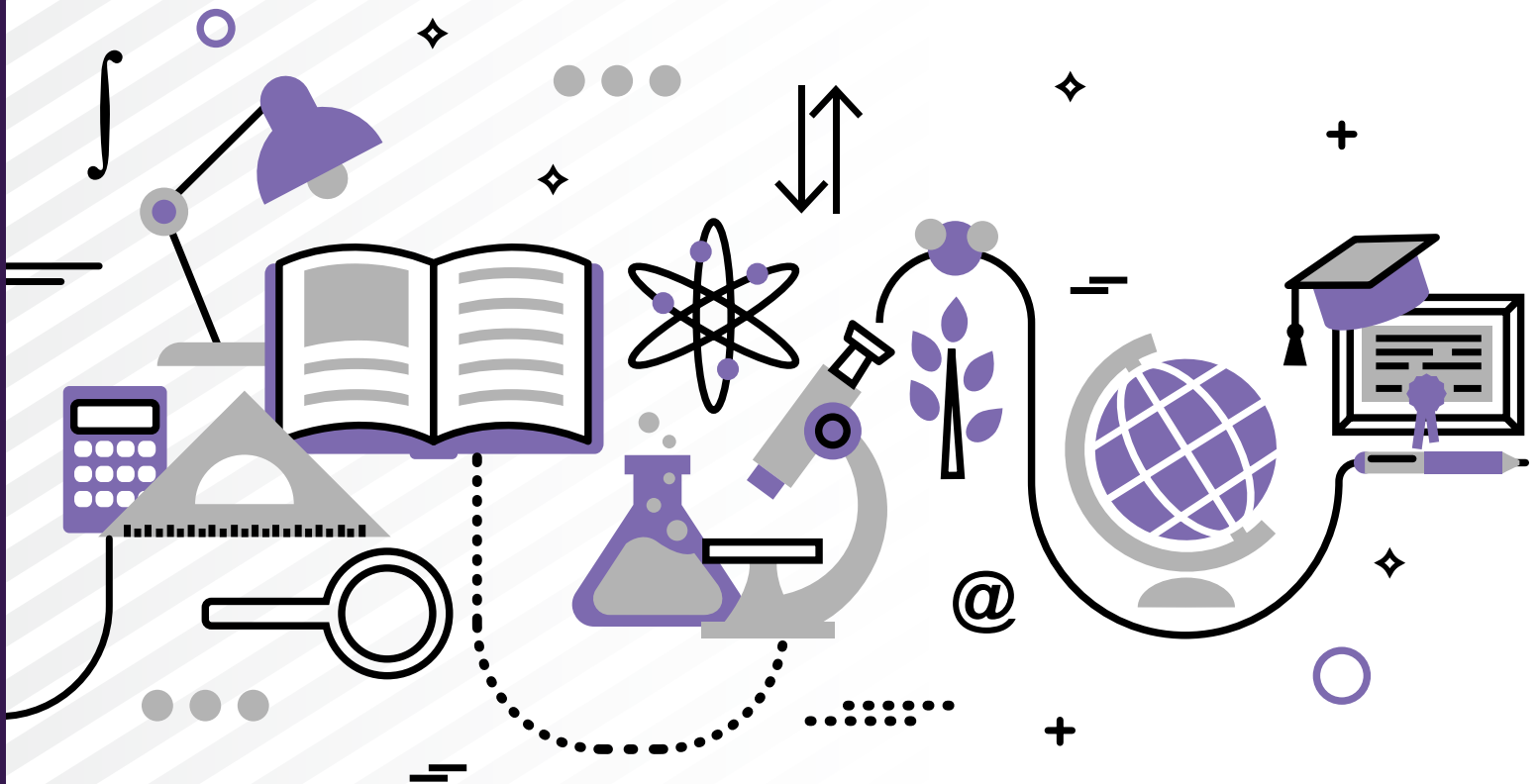
## INSTITUTIONAL GOVERNING BOARD AUTHORITY OVER CAMPUS OPERATIONS

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

- 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 270,000 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 portals for 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, minorities, 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. In Michigan, the 2019 median work earnings for those aged 25 to 64 with a four-year degree was \$54,634, \$18,362 more than those with some college or a two-year degree (\$36,272) and nearly \$23,606 more than those with a high school diploma (\$31,028).<sup>1</sup>

Yet, Michigan lags considerably behind other states when it comes to college degree attainment, ranking 33rd in the proportion of adults with a four-year degree,<sup>2</sup> and not coincidentally, also 34th in per-capita income.<sup>3</sup> Against this backdrop, however, it is forecasted that 43 of the 50 high-demand and high-wage careers in Michigan in 2028 will require at least some level of postsecondary education, with 38 requiring a bachelor's degree or higher.<sup>4</sup>

In 2019, Michigan Governor Gretchen Whitmer set an ambitious goal to have 60 percent of the state's residents possess a college degree or high-quality postsecondary certificate by 2030 (currently at 45%). 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. 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.



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## 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 fund.*

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.<sup>5</sup>

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 Gubernatorial-Appointed and Popularly-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 popular 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 popular mandate to govern, whether delegated directly from the citizens 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, 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 and Legislature

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, 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 citizens.

As the coordinating board for the state's public universities, the Michigan Association of State Universities also interfaces extensively with the legislature, the Governor's Office, and other state officials in fostering policy to maximize the collective value these institutions provide in serving the public interest and the state of Michigan.



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## 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 state’s public universities continue to be accountable to citizens and their elected representatives.

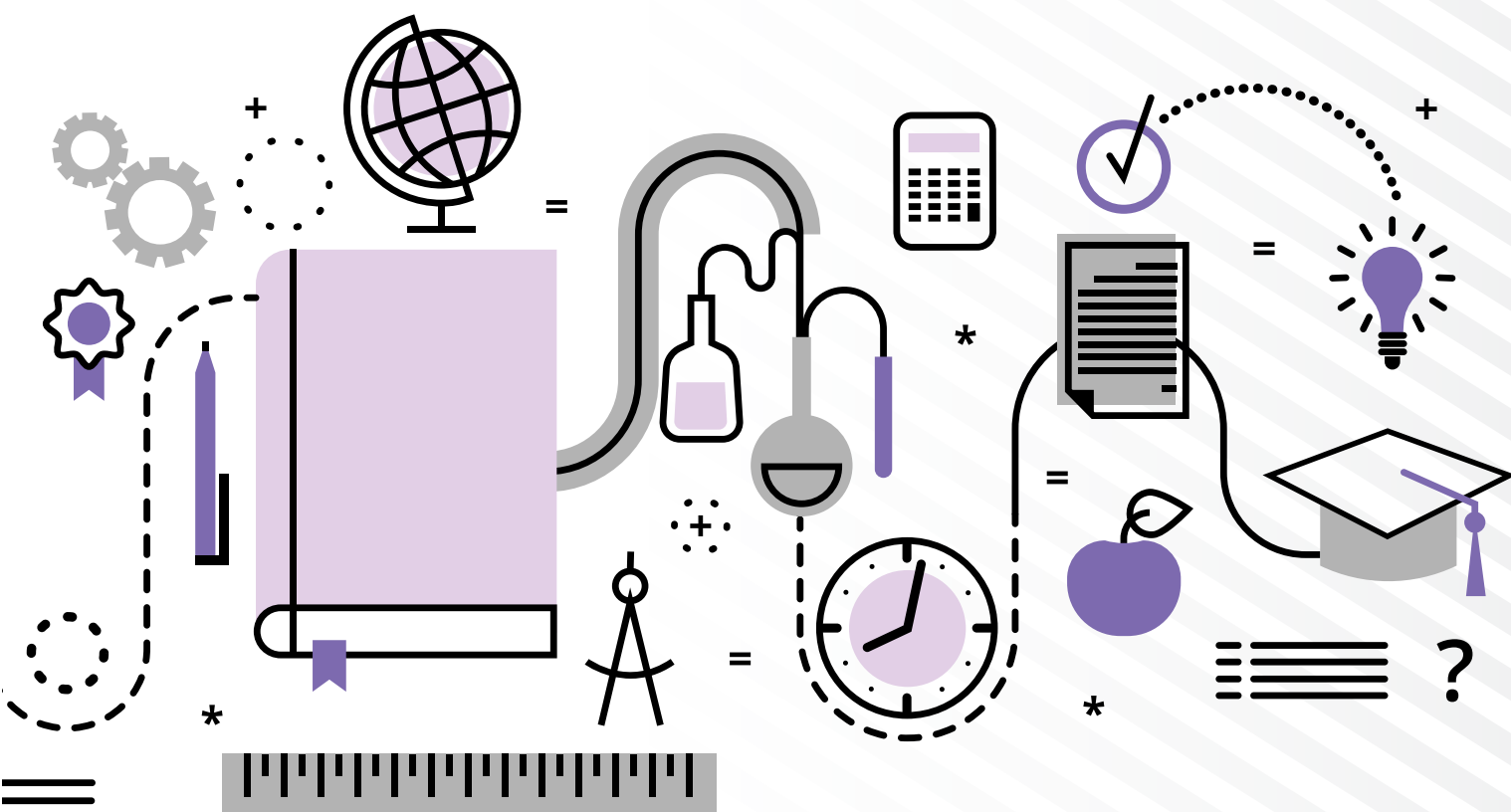
Through established state law, the state’s public universities provide dozens of reports annually that summarize a variety of institutional inputs and outcomes. An expansive array of budgetary and policy documents, governing board meeting minutes, and other institutional records are publicly available via the universities’ websites. Thousands of pages of additional documents are provided by the universities to reporters and 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 yet, institutional and programmatic accreditation processes provide additional external assurance of quality, integrity, and compliance across all aspects of university operations.



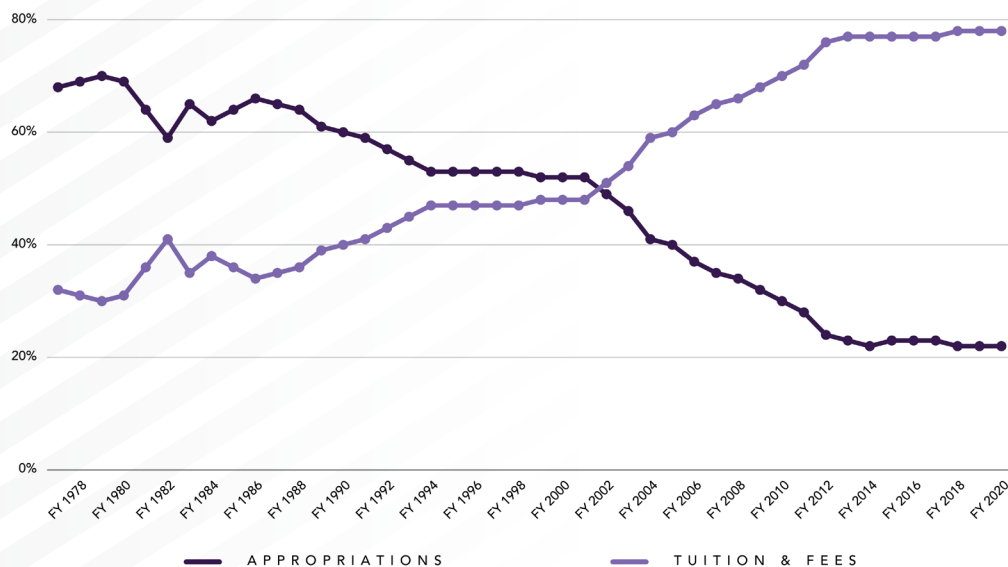
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Polymakers should consider public universities integral partners in the development of higher education-related state policy. Furthermore, given the intellectual and analytical resources they house, these institutions will continue to serve as indispensable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



## State Disinvestment Drove Tuition Growth as a Percent of Michigan Public University Operating Revenue



### 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 in order 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—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 public higher education. Modest increases in state operating support for Michigan's 15 public universities since 2013 have helped alleviate increases in tuition prices. However, the state's public universities received \$193.5 million less from the state in 2020 than they did at the start of the prior administration in 2011, adjusting for inflation. State fiscal support for all postsecondary education in Michigan on a per-capita basis is only two-thirds of the national average.<sup>7</sup>

When looking at the longer-term trend in state funding in Michigan, the stark impact on disinvestment is much more evident: a more than *one billion dollar reduction* in inflation-adjusted state higher education and student financial aid funding has occurred since 2002. In 1979, state funding accounted for 70 percent of Michigan public university operating revenues, with tuition dollars comprising 30 percent. Today, the fiscal burden has shifted dramatically to students and families, who now provide a full 78 percent of institutional operating dollars. Only 22 percent of university operating revenues came from the state in 2020.<sup>8</sup> Michigan is the second lowest state in the region for state higher education operating support per postsecondary student, and ranks a dismal 41<sup>st</sup> in the nation for state higher education spending as a share of the state budget.<sup>9</sup>



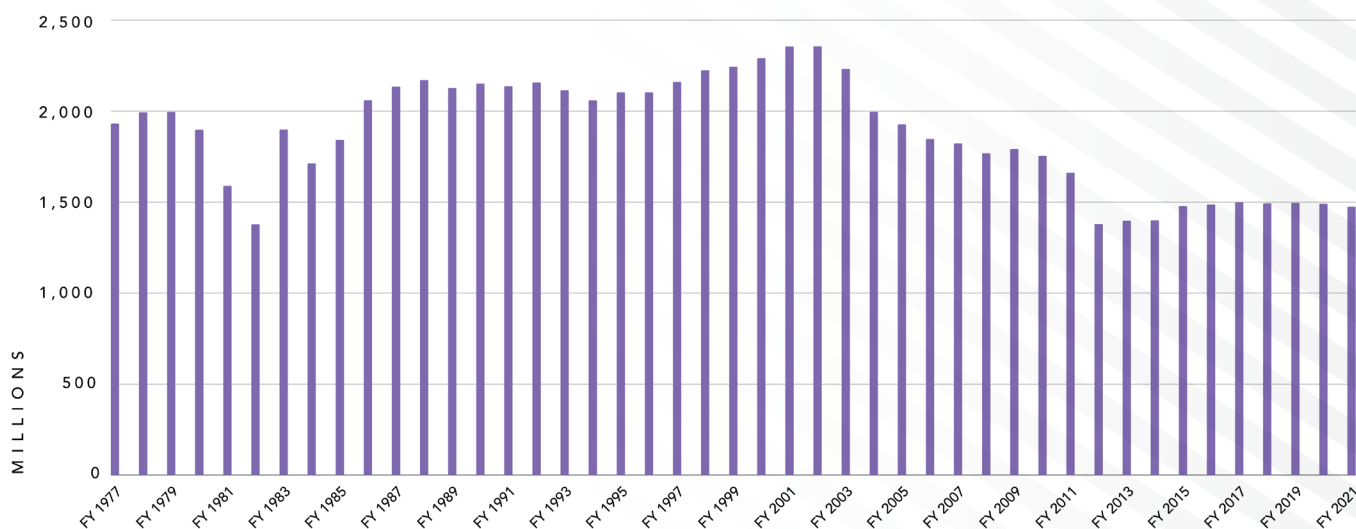
This year, the COVID-19 pandemic overshadows every aspect of state funding. Our survey of Chief Business Officers reveals that the universities expect between \$1.07B and \$1.27B in pandemic-related costs and revenue losses for FY2021. Staff have been laid off, salaries and benefits have been cut, auxiliary units (housing, dining, conference services, etc.) scaled back or shuttered, and refunds paid out to students. Stocks of supplies and protective equipment were redirected from research labs and turned over to healthcare workers. Extensive COVID-19 testing has been provided to students, faculty and staff. Outlays have been made for classroom retrofitting to ensure adequate social distancing. Enrollment is uncertain due to student concerns about missing the “college experience” and a greatly reduced ability for institutions to obtain student contact information for recruiting purposes due to a huge reduction in the number of students who completed standardized tests. In sum, this is unquestionably the toughest environment for higher education, whether in Michigan or nationally, in half a century. State support is more vital now than ever before to maintain the public universities’ ability to provide high quality education at an affordable price and *in a safe manner*.

#### 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.

### Michigan Public University Operations Appropriations

*Adjusted to FY2021 dollars, CPI-U*



## Ensuring that Performance-based Funding Systems Involve all University Stakeholders

Legislation that links state higher education appropriations to select institutional or student outcomes, 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 many more certificates.<sup>10</sup> Much of the lack of effect is due to the fact that Michigan has invested so little new money in higher education in recent years. If use of a funding formula is resurrected 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.

### *Policy Action:*

- Involve all 15 public universities in any discussions about how to systematically allocate state appropriations to institutions if a performance-based funding formula is utilized in the future.

## State Investment in Need-Based Student 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 in order 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. Regrettably, despite tremendous investments by the public universities in the provision of institutional need-based grants, steep cuts made to Michigan's student financial aid programs have diminished the ability for lower-income families to afford a college education. State financial aid appropriations for university students peaked in 2002 at \$262 million and are less than half of that today. Adjusting for inflation, this is a 62 percent reduction in direct support for the state's students who are trying to establish solid economic futures. Analysis by the National Association of State Student Grant and Aid Programs shows that Michigan ranked 35th in the nation in 2018 for grant aid per student at a paltry \$327, compared to a national figure of \$885.<sup>11</sup> Worse, Michigan ranked 39th in the nation for grant aid per capita, coming in at only one-third the national figure of \$36.<sup>12</sup>

State student financial aid programs were originally designed to assist low-income students, but many states have shifted to emphasize academic merit over financial need. The critical policy difference between the two types of aid is that need-based aid, if properly devised, actually increases the number of students who can participate in higher education because they would otherwise be unable to afford college costs. Academic merit-based aid, in contrast, lessens out-of-pocket costs for students who likely would have participated in college anyway. In terms of net output, therefore, merit-based state student grant aid programs are a less efficient use of scarce state resources than need-based aid. They are also invariably regressive in that they benefit students from wealthier backgrounds at the expense of those from lower-income households. Need-based institutional financial aid further enhances college affordability for thousands of students attending the state's public universities and is a major university expense since the state has disinvested in financial aid over many years. Recent state pilot programs have used one-time funding to provide free tuition for selected populations at the state's community colleges without accounting for financial need. These new investments are laudable, but moving forward, all new investments in financial aid should be sustainable and accessible to students enrolled at the state public universities.

#### *Policy Actions:*

- Increase state investment in need-based student aid programs that promote access for low-income students.
- Boost, with new investment rather than redirection, the share of state financial aid directed to students attending the state's public universities.

### **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 \$821.5 million in constant dollars on institutional financial aid from 1995 to 2020, a 326 percent increase. Put another way, universities have had to well more than double the percentage of their total general fund expenditures spent on financial aid from six percent to over 15 percent to make up for what the state used to provide in student financial aid.<sup>13</sup> 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 \$1,813 since 2002 in inflation-adjusted dollars.<sup>14</sup> That's a mere 8.8 percent increase above inflation over 18 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, 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 tuition caps, 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 Michigan's 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. Capital outlay investments, unfortunately, tend lately to be in a feast-or-famine cycle. Although only two university projects were authorized between 2010 and 2015, the state then began authorizing projects at the end of the prior administration. Since then, project advancement has been slowed again, partially due to pandemic-related financial concerns. 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 at once.

Also important is the need for state investment in existing infrastructure on public university campuses in order to maximize the lifespan of these important state assets. The state has not provided infrastructure, technology, equipment, and maintenance (ITEM) grants since 2000, shifting one more cost burden from the state to the universities. Ultimately, a portion of students' tuition dollars end up paying for critical campus asset preservation needs; monies that would be better utilized for direct instruction. From both a statewide and institutional planning perspective, the state capital outlay process should be conducted annually, be predictable and consistent, and include significant public investment in campus facilities on a regular basis. Transparency and clarity on the process by which prospective campus projects are assessed by state officials and recommended for funding approval is also integral to a sound state capital outlay program.

#### *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.
- Reinstitute state payments for infrastructure, technology, equipment, and maintenance for university facilities and infrastructure, helping these institutions lengthen the lifespan and functional utility of the state's previous investments in campus assets for many more years.



## STUDENT SUCCESS

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

The state universities of Michigan strongly endorse the Michigan Academic Standards, which include the alignment of rigorous standards in mathematics, English language arts, science, and social studies for grades K-12. The public universities supported the Michigan Department of Education's refinement of these standards. 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.

#### *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 only done with the involvement and input of the state's universities.

## TEACHER PREPARATION AND PROFESSIONAL DEVELOPMENT

### State-Institutional Collaboration in Strengthening Teacher Preparation

As in most states across the country, enrollment in undergraduate teacher preparation programs in Michigan has 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), and criticism of public schools and the teaching profession in the media and among some policymakers. 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 reported teacher shortages in many regions of the state. The educational policy environment in the state may well lead to continued challenges in teacher preparation. Further, leading professional organizations, including the American Statistical Association, have cautioned against the use of such student test data in assessing teachers.

#### *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.



## 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.

### Community College Bachelor's Degrees

The state universities and the Michigan Association of State Universities have been steadfast in their opposition to the offering of bachelor degree programs by the state's community colleges. 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. What appears on the surface to be lower priced tuition at community colleges hides the fact that these institutions are subsidized twice by taxpayers: once through local property taxes (\$554.6 million in 2019<sup>15</sup>) and again through state appropriations (\$425.7 million in 2021). The state has disinvested hundreds of millions of dollars in support of its public colleges and universities during the past decades; investing future state monies in a duplicative set of programs is a remarkably inefficient use of taxpayer-provided state revenues.

Allowing community colleges to offer bachelor's degrees will incur wasteful spending to address no unmet need. It will result in the creation of 28 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 near nation-leading 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 tremendous 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.

*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.



State policy should seek to build upon the tremendous 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.



## 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 a 30 credit hour block in approved disciplines—equivalent to a full year of college—transferable among all public universities and community colleges statewide. Dozens of ladder two- and four-year degree programs among the state's community colleges and public universities further serve the needs of students and employers. In 2020, there were 1,530 different partnerships, including off-site bachelor's degree programs and articulation agreements, among the community colleges and four-year institutions.<sup>16</sup> 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. The committee also oversaw the replacement of the Michigan Transfer Network website, which provides students and academic advisors with even more information about transferring, including easy identification of course-to-course transfer credit equivalencies.<sup>17</sup>

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.

### *Policy Actions:*

- Support voluntary efforts to refine a streamlined, simplified and transparent process by which students can ascertain 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.

## 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

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.

#### *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.

### 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).

#### *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 (ITW) 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 ITW provides Michigan residents who are at least one-quarter Native American and are certified 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, current leadership in the Michigan Legislature has become a champion of supporting these students and the institutions and should be commended for their support. Because the costs will rise each year as tuition and enrollment change, sustained annual support will be crucial for continued success.

#### *Policy Action:*

- Advocate for the state to fully fund 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 that 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. As more reports are required by state government, more staff time and financial resources are diverted from the primary task of supporting the core activities of teaching and learning. MASU surveyed the state universities to estimate how many resources were going toward fulfilling state reporting obligations, finding that almost 10,500 hours went into complying with reporting requirements in academic year 2017-18. Such staff time is estimated to have cost \$430,000 and is likely an underestimate of the true burden, as by FY 2021, the state higher education budget had swelled to include 23 different required reports or datasets with hundreds of data elements to be submitted to the state. A new cost impact study will be conducted after the disruption to campus operations caused by the COVID-19 pandemic subsides.



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 and the Michigan Department of Technology, Management and Budget. 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.

*Policy Actions:*

- Reduce unfunded state reporting activities.
- Streamline state reporting requirements to eliminate 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.



Universities are places of inquiry, debate, and free thought. Artificial constraints on these ideals strike at the very heart of American higher education.





## 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 and Michigan Constitutions 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.

# MICHIGAN'S 15 PU



# PUBLIC UNIVERSITIES

FERRIS STATE  
UNIVERSITY



**Michigan Tech**



**NORTHERN MICHIGAN  
UNIVERSITY**





<sup>1</sup>U.S. Census Bureau, 2019 American Community Survey. Data compiled by Michigan Future, Inc.

<sup>2</sup>Educational Attainment, Annual: Bachelor's Degree or Higher by State, 2019. Federal Reserve Bank of St. Louis.

<sup>3</sup>U.S. Census Bureau, 2019 American Community Survey. Data compiled by Michigan Future, Inc.

<sup>4</sup>Michigan's Hot 50 – Tomorrow's High-Demand High-Wage Careers (2020). State of Michigan, Bureau of Labor Market Information and Strategic Initiatives.

<sup>5</sup>Background on Michigan Constitutional autonomy and institutional governing board oversight adopted from Michigan's Higher Education System: A Guide for State Policymakers (2003), sponsored by Ferris State University and prepared by Public Sector Consultants, and made available to all Michigan universities. Viewable at: [http://www.masu.org/portals/0/docs/fsu\\_hguide2.pdf](http://www.masu.org/portals/0/docs/fsu_hguide2.pdf).

<sup>6</sup>The Public Policy Agenda of the American Association of State Colleges and Universities can be viewed at [aascu.org/policy/PPA](http://aascu.org/policy/PPA).

<sup>7</sup>Source: Illinois State University Grapevine. Table 4: State Fiscal Support for Higher Education per \$1,000 of Personal Income and Per Capita, FY20.

<sup>8</sup>Source: Data from Michigan Higher Education Institutional Data Inventory (HEIDI) and House Fiscal Agency.

<sup>9</sup>Source: The Century Foundation, Michigan's College Affordability in a Regional Context. (2019)

<sup>10</sup>Hillman, Nicholas W.; Hicklin Fryar, Alisa; and Crespín-Trujillo (2017), Evaluating the Impact of Performance Funding in Ohio and Tennessee. American Educational Research Journal.

<sup>11</sup>Source: 49th Annual Survey Report on State-Sponsored Student Financial Aid, 2017-2018, National Association of State Student Grant and Aid Programs (NASSGAP). Viewable at [nassgap.org](http://nassgap.org).

<sup>12</sup>Ibid.

<sup>13</sup>Source: Data from HEIDI and House Fiscal Agency.

<sup>14</sup>Source: *ibid*. Methodology uses state appropriations per resident undergraduate FYES plus the state average resident undergraduate tuition and fee rates.

<sup>15</sup>Source: Michigan Community College Data Inventory Report, Center for Educational Performance and Information. Available: <https://mischooldata.org/postsecondary-data-inventory/>

<sup>16</sup>Report to the Michigan Legislature Pursuant to Secs. 210f & 265c of P.A. 62 of 2019, Jan. 31, 2020.

<sup>17</sup>See [mitransfer.org](http://mitransfer.org).



The Michigan Association of State Universities 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.



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