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.

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

More Info at:
mitalentgoal2025.org
### 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

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

Source: Reaching for Opportunity
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 Finance—State Funding

### Higher Education as a State Investment Priority

<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:**

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<table>
<thead>
<tr>
<th></th>
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</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><strong>Michigan Personal Income (millions)</strong></td>
<td><strong>$346,539.1</strong></td>
<td><strong>$452,592.8</strong></td>
<td><strong>$106,053.7</strong></td>
<td><strong>30.6%</strong></td>
</tr>
<tr>
<td><strong>Detroit Consumer Price Index</strong></td>
<td><strong>199.0</strong></td>
<td><strong>226.4</strong></td>
<td><strong>27.4</strong></td>
<td><strong>13.7%</strong></td>
</tr>
</tbody>
</table>

Source: Overview of Governor Snyder’s FY 2016-17 Budget, Senate Fiscal Agency, February 17, 2016
Higher Education Finance—

**State Funding**

# State Support and Tuition Linked

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

![Graph showing the proportion of tuition and state appropriations that comprise universities' general funds from FY 1984 to FY 2015. The graph indicates a trend where student tuition and fees have increased, while state appropriations have decreased. Other sources remain relatively stable.](source: House Fiscal Agency, 2015)
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
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
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)

Data source: House Fiscal Agency, MASU
Higher Education Finance—
Average Net Cost of Attendance

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>% 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>
</tr>
<tr>
<td><strong>Public Universities-National</strong></td>
<td>60%</td>
<td>$25,902</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

Higher Education Finance—
Student Debt

Distribution of Student Debt, Actual Vs. Anecdotal Reporting

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.

Institutional Spending

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
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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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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