The Michigan Higher Education Landscape: Context, Issues, and Opportunities

Legislative Leadership Program

Daniel J. Hurley, Ph.D., Chief Executive Officer
December 3, 2018
- 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)
- 18 Standing Committees
  - Most legislatively engaged: State Relations Officers
- Staff of 4 people
- Mission: **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**
The Presidents and Chancellors of Michigan Public Universities

Dr. Robert Davies
President (2018)
Central Michigan University
(989) 774-3131
davie1ro@cmich.edu

Honorable John M. Engler
Interim President (2018)
Michigan State University
(517) 355-6660
prosmai@msu.edu

Dr. Mark Schlissel
President (2014)
The University of Michigan
(734) 764-6270
markscl@umich.edu

Dr. James Smith
President (2016)
Eastern Michigan University
(734) 487-2211
jmsmith@emich.edu

Dr. Richard Koubek
President (2018)
Michigan Technological University
(906) 487-2200
koubek@mtu.edu

Dr. Domenico Grasso
Chancellor (2015)
The University of Michigan – Dearborn
(313) 593-5500
grasso@umich.edu

Dr. David L. Eisler
President (2003)
Ferris State University
(231) 591-2500
eislerd@ferris.edu

Dr. Fritz Erickson
President (2014)
Northern Michigan University
(906) 227-2242
ferickso@nmu.edu

Dr. Susan Borrego
Chancellor (2014)
The University of Michigan – Flint
(810) 762-3322
sbovergo@umflint.edu

Dr. Thomas J. Haas
President (2006)
Grand Valley State University
(616) 331-2182
president@gvsu.edu

Dr. Ora Hirsch Pescovitz
President (2017)
Oakland University
(248) 370-3500
pescovitz@oakland.edu

Dr. M. Roy Wilson
President (2013)
Wayne State University
(313) 577-2230
president@wayne.edu

Dr. Rodney Hanley
President (2019)
Lake Superior State University
(906) 635-2202
hanley@lssu.edu

Dr. Donald Bachand
President (2014)
 Saginaw Valley State University
(989) 964-4041
dbachand@svsu.edu

Dr. Edward Montgomery
President (2017)
Western Michigan University
(269) 387-2151
edward.montgomery@wmich.edu
Michigan’s 15 Public Universities

- Oldest: U-M (1817)
- Youngest: SVSU (1963)
- National/International Reputation for Academic and Research Excellence
Michigan’s Higher Education Sectors

Community Colleges
Institutions: 28
Undergraduate Enrollment: 277,354
10-Year Enrollment Trend: -24%
Association Head: Mike Hansen, President

Public Universities
Institutions: 15
Undergraduate Enrollment: 225,801
Graduate Enrollment: 64,937
10-Year Enrollment Trend: +1%
Association Head: Dan Hurley, CEO

Independent Colleges & Universities
Institutions: 27 (members of MICU)
Undergraduate Enrollment: 80,772
10-Year Enrollment Trend: -31%
Association Head: Robert LeFevre, President
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
Statewide-Elected: WSU, MSU and UM (including for Dearborn & Flint campuses)
All Other Universities: Gubernatorially-appointed, 8-year terms
The Market Demand and Economic Impact of Higher Education Attainment
Michigan needs 170,000 new university graduates – and 126,000 new certificate/associate graduates

Estimated need by 2020

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Current</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>HS Diploma or less</td>
<td>35.4%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Some College, Associate or Certificate</td>
<td>34.5%</td>
<td>37.0%</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>18.7%</td>
<td>22.0%</td>
</tr>
<tr>
<td>Graduate or Professional</td>
<td>10.9%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>

Oversupply: 301,667
Undersupply: 126,521
Undersupply: 171,214
Undersupply: 4,000

Source: Georgetown Center for Education & the Workforce
HOT 50: Michigan’s high-demand, high-wage careers

Of the 50 high-demand, high-wage occupations in Michigan through 2026, 36 require a four-year college degree or higher.

Annual HOT 50 jobs requiring a four-year degree: 51,100.
Annual HOT 50 jobs not requiring a four-year degree: 30,290.

Source: Michigan Bureau of Labor Market Information and Strategic Initiatives
College grads earn more, have greater job security.

Unemployment rates and earnings by educational attainment, 2017

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Unemployment Rate (%)</th>
<th>Median Usual Weekly Earnings ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral degree</td>
<td>1.5</td>
<td>1,743</td>
</tr>
<tr>
<td>Professional degree</td>
<td>1.5</td>
<td>1,836</td>
</tr>
<tr>
<td>Master's degree</td>
<td>2.2</td>
<td>1,401</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>2.5</td>
<td>1,173</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>3.4</td>
<td>836</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>4.0</td>
<td>774</td>
</tr>
<tr>
<td>High school diploma</td>
<td>4.6</td>
<td>712</td>
</tr>
<tr>
<td>Less than a high school diploma</td>
<td>6.5</td>
<td>520</td>
</tr>
<tr>
<td>Total</td>
<td>3.6%</td>
<td>All workers: $907</td>
</tr>
</tbody>
</table>

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
The Four-Year Degree Wage Premium Continues to Grow

Cumulative percent change in real average hourly wages, by education, 2000–2016

Note: Sample based on all workers age 18–64.
The Most Prosperous States have the most College Graduates

Income: 2016 data U.S. Bureau of Economic Analysis (BEA)
Education Attainment: 2016 data ACS 5-year average
Earnings and Job Security:

Just the tip of the iceberg in measuring total (lifetime) value of college attainment

Study by Philip Trostel, Professor of Economics and Public Policy, Margaret Chase Smith Policy Center and School of Economics, University of Maine.

Source: *The Tip of the Iceberg, Change, the Magazine of Higher Learning*, May/June 2017
A More Accurate Portrait of the Value of College Attainment

- **Lifetime Taxes Paid**
  - Federal, social security, state, property, sales

- **Public Assistance**
  - Medicaid, food stamps, school lunches, cash assistance, energy assistance, housing subsidies

- **Social Insurance**
  - Unemployment insurance, supplemental security, disability, workers’ compensation

**Philanthropic Contributions:** Not factored in, but very relevant
Net Lifetime Fiscal Impact of College Attainment

Lifetime Taxes Paid, minus Public Assistance and Social Insurance

Study by Philip Trostel, Professor of Economics and Public Policy, Margaret Chase Smith Policy Center and School of Economics, University of Maine.

College Degree vs. High School Diploma:

$355,113 more in net lifetime fiscal impact

Source: The Tip of the Iceberg, Change, the Magazine of Higher Learning May/June 2017
Summary: Lifetime Value of College Attainment

College Attainment...

- Creates higher incomes for graduates, but also for others
- Substantially reduces others’ tax burdens by creating greater tax revenues and lower government spending on public assistance and social insurance
- Leads to college graduates having lower rates of disabilities, significantly better health, and longer life expectancy
- Generates college graduates who give more to charities, and are more civically engaged in their communities and broader society

Study by Philip Trostel, Professor of Economics and Public Policy, Margaret Chase Smith Policy Center and School of Economics, University of Maine.

Source: The Tip of the Iceberg, Change, the Magazine of Higher Learning May/June 2017
College Affordability
State Funding and Tuition Prices Linked
State funding for university operating support directly lessens tuition price increases
Michigan’s rank in per capita state fiscal support for higher education has significantly decreased:
- 2001: 20th
- Today: 43rd

One-half the national average in state support per university student:
- Michigan: $5,558
- National: $10,381

State University Operating Support:

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$2.3 Billion</td>
</tr>
<tr>
<td></td>
<td>$9,511 per full-time student</td>
</tr>
<tr>
<td>2018</td>
<td>$1.4 Billion</td>
</tr>
<tr>
<td></td>
<td>$5,546 per full-time student</td>
</tr>
</tbody>
</table>

....a 42% decrease in state funding per-student (inflation-adjusted)
## STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS
**TOTAL COMPARED IN SELECTED BUDGET AREAS**

**(millions of dollars)**

<table>
<thead>
<tr>
<th>Budget Area</th>
<th>FY 2008-09 Year-to-Date Appropriations</th>
<th>FY 2018-19 Initial Appropriations</th>
<th>Dollar Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Human Services</td>
<td>$5,445.1</td>
<td>$6,958.9</td>
<td>$1,513.8</td>
<td>27.8%</td>
</tr>
<tr>
<td>Corrections</td>
<td>1,832.5</td>
<td>2,002.8</td>
<td>170.3</td>
<td>9.3%</td>
</tr>
<tr>
<td>K-12 School Aid</td>
<td>11,097.8</td>
<td>13,040.7</td>
<td>1,942.9</td>
<td>17.5%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>299.4</td>
<td>408.2</td>
<td>108.9</td>
<td>36.4%</td>
</tr>
<tr>
<td><strong>Higher Education</strong></td>
<td>1,576.2</td>
<td>1,546.2</td>
<td>(30.0)</td>
<td>(1.9%)</td>
</tr>
<tr>
<td>Revenue Sharing-Constitutional</td>
<td>649.1</td>
<td>835.3</td>
<td>186.2</td>
<td>28.7%</td>
</tr>
<tr>
<td>Revenue Sharing-Statutory</td>
<td>391.0</td>
<td>479.1</td>
<td>88.1</td>
<td>22.5%</td>
</tr>
<tr>
<td>All Other Programs</td>
<td>5,018.8</td>
<td>7,786.9</td>
<td>2,768.1</td>
<td>55.2%</td>
</tr>
<tr>
<td><strong>Total State Spending</strong></td>
<td><strong>$26,309.9</strong></td>
<td><strong>$33,058.2</strong></td>
<td><strong>$6,748.3</strong></td>
<td><strong>25.6%</strong></td>
</tr>
</tbody>
</table>

### Addendum:

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2008-09</th>
<th>FY 2018-19</th>
<th>Difference</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Caseload</td>
<td>1,708,157</td>
<td>2,490,000</td>
<td>781,843</td>
<td>45.8%</td>
</tr>
<tr>
<td>Prison Population</td>
<td>48,010</td>
<td>38,815</td>
<td>(9,195)</td>
<td>(19.2%)</td>
</tr>
<tr>
<td>K-12 Pupil Count</td>
<td>1,619,744</td>
<td>1,480,000</td>
<td>(139,744)</td>
<td>(8.6%)</td>
</tr>
<tr>
<td>University Students</td>
<td>257,148</td>
<td>259,711</td>
<td>2,563</td>
<td>1.0%</td>
</tr>
<tr>
<td>Community College Students</td>
<td>157,225</td>
<td>124,868</td>
<td>(32,357)</td>
<td>(20.6%)</td>
</tr>
<tr>
<td>Michigan Personal Income (millions)</td>
<td>$339,681.2</td>
<td>$487,577.0</td>
<td>$147,895.8</td>
<td>43.5%</td>
</tr>
<tr>
<td>Detroit Consumer Price Index</td>
<td>202.8</td>
<td>235.4</td>
<td>32.6</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

Source: SFA, State Budget Overview, October 1, 2018
The State-to-Student Cost Shift in Paying for a Public University Education
Other Challenges & Opportunities
Challenges—Michigan Higher Education

Meeting the demand for talent, given the dynamics of:
• College affordability
• Demographic trends
• College participation rates
• College readiness
• International enrollment
• Responding to labor marketplace turbulence: automation, artificial intelligence
Opportunities

• Tapping Michiganders’ high education aspirations
  • Poll: 84% expect their children to earn 4-year degree or higher
• Working with state lawmakers on bold state funding initiatives – to improve college affordability
• Increasing college preparedness (K-12 standards, advising)
• Further improving college retention and degree completion
• Net-migration advantage in national higher ed marketplace
• Optimizing seamless student transfer among institutions
• Innovation in programming, institutional collaboration
The State Universities’ First-Ever Statewide Enrollment Marketing Campaign

GetMiDegree.org

- Help in completing the Free Application for Federal Student Aid (FAFSA)
- Links to key university links on university websites
- Student testimonials
- Other resources
Please Call on us as a Resource

Dan Hurley, CEO
dhurley@masu.org