Senate Appropriations
Higher Education Subcommittee

Michigan State University
March 15, 2018
Senate Appropriations Subcommittee on Higher Education

Michigan State University

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1. Extensive Impact Across Michigan
2. Acclaimed Academic Programs for Students
3. Serving Michigan First
4. Largest State Enrollment – Financial Aid
5. Student Success and Jobs
6. Research Portfolio
7. Cost Containment and Efficient Operations
8. Request Competitive Appropriation Support
Statewide Impact

MSU economic impact exceeds $5B annually

$100B
MSU is a critical resource through the College of Agriculture and Natural Resources, Ag-Bio Research, and the MSU Extension in the state’s $100B agribusiness economy

$750M
Federally funded Facility for Rare Isotope Beams has an estimated impact that includes 1,500 construction jobs, 1,000 permanent jobs, and total state economic impact of $4.4B

1,995
Jobs created by the MSU Product Center, a business development center that has also assisted in creating or expanding 634 businesses and increased sales by $402M

3,000
Medical residents across 20 medical sites and 56 partner hospitals, participating in providing healthcare to 70% of Michigan residents

MSU welcomes students from 83 Michigan counties
Acclaimed Academic Programs for Michigan

First

MSU has 8 academic programs ranked #1 in the country

1st best institution in the state for economic mobility for low-income students according to Bridge Magazine

12 programs ranked in the top 25 globally by U.S. News and World Report, QS World University Rankings (London), Times Higher Education World University (London), and the Academic Ranking of World Universities (Shanghai)

31 undergraduate and graduate programs/schools in the top 25 nationwide
# Acclaimed Academic Programs for Michigan First

8 programs ranked #1 nationwide and 31 graduate and undergraduate programs/schools ranked in the top 25 nationwide.

## #1
- Supply Chain**
- African History*
- Elementary Teacher Education*

## Ranked 2-10
- Educational Administration & Supervision*
- Higher Education Administration*
- Educational Psychology*
- Curriculum & Instruction*
- Education Policy*

## Ranked 11-25
- Accounting**
- Management**
- International Business**
- Marketing*
- Online Business (excludes MBA)*

- Secondary Teacher Education*
- Industrial/Organizational Psychology*
- Rehabilitation Counseling*
- Nuclear Physics*

- Production/Operations*
- Criminology* (2009)
- Online Criminal Justice* (2017)

- Best Education Schools*
- Special Education*
- Biological/Agricultural Engineering**
- Econometrics*
- Veterinary Medicine*
- Nursing*

2018 unless otherwise noted

*Indicates graduate program
**Indicates both graduate & undergraduate programs
Enrollment - Serving Michigan First
(Fiscal year equated student basis)

78% of all MSU undergrads are Michigan residents

MSU enrolls the highest number of resident students in the state, approximately 13,000 more than its nearest peer

28,749
Total resident undergraduate students, routinely admitting over 5% of the state’s graduating high school seniors
MSU enrolls more students from families making less than $20,000 than 5 years ago.

Just over half of MSU graduates leave school with no debt.

71%
Percentage of MSU students from families who are at or below the Pew Center definition of “Middle Class”

#1
Michigan institution for social mobility according to Bridge Magazine, rated a “top value” by Kiplinger’s and Money Magazine.

3.5%
Student loan default rate which is substantially lower than the national rate of 11.5%
MSU Enrollment – Serving Michigan First

50,019

 total headcount

• 38,996 undergraduate students

• 8,569 graduate students, and;

• 2,454 graduate professional students

8,824

Number of Pell students enrolled at MSU, most in the state and 3,500 more than the state average

9.9%

Percent of MSU students who are first-generation students according to the FAFSA

3,371

Number of additional students enrolled at MSU over ten years

83

Number of counties students are from throughout Michigan
Resident Enrollment– Michigan Universities
(Fiscal year equated student basis)

MSU enrolls **more resident students than its state peers**, with approximately 13,000 more resident FYES than its nearest peer.

U of M’s non-resident undergraduate population approximates 44 percent, 16 percentage points more than MSU. If MSU mimicked U of M’s non-resident population, **MSU would operate with an additional $94M in revenue annually**.

<table>
<thead>
<tr>
<th>State University</th>
<th>Total Undergraduate</th>
<th>Total Resident Undergraduate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan State University</td>
<td>36,703</td>
<td>28,749</td>
</tr>
<tr>
<td>University of Michigan Ann Arbor</td>
<td>28,671</td>
<td>16,174</td>
</tr>
<tr>
<td>Grand Valley State University</td>
<td>20,178</td>
<td>18,756</td>
</tr>
<tr>
<td>Central Michigan University</td>
<td>16,842</td>
<td>16,505</td>
</tr>
<tr>
<td>Western Michigan University</td>
<td>16,272</td>
<td>14,744</td>
</tr>
<tr>
<td>Oakland University</td>
<td>15,216</td>
<td>14,804</td>
</tr>
<tr>
<td>Eastern Michigan University</td>
<td>14,419</td>
<td>13,807</td>
</tr>
<tr>
<td>Wayne State University</td>
<td>14,375</td>
<td>13,746</td>
</tr>
<tr>
<td>Ferris State University</td>
<td>10,229</td>
<td>9,398</td>
</tr>
<tr>
<td>Saginaw Valley State University</td>
<td>7,341</td>
<td>6,654</td>
</tr>
<tr>
<td>Northern Michigan University</td>
<td>6,534</td>
<td>5,531</td>
</tr>
<tr>
<td>University of Michigan Dearborn</td>
<td>5,861</td>
<td>5,503</td>
</tr>
<tr>
<td>Michigan Tech. University</td>
<td>5,577</td>
<td>4,394</td>
</tr>
<tr>
<td>University of Michigan Flint</td>
<td>5,062</td>
<td>4,686</td>
</tr>
<tr>
<td>Lake Superior State University</td>
<td>1,929</td>
<td>1,919</td>
</tr>
</tbody>
</table>

Source: HEIDI
By any measure, MSU enrolls more students than any state institution.
Fall 2017 Undergraduate Student Snapshot

The entering class consists of 8,108 students. (includes first time Summer undergraduates)

- **In-State Enrollment**
  - 72.3% are from Michigan
  - 71.5% of applicants were admitted (Admit Ratio)
  - 31.2% of those admitted enrolled for the first time in Fall 2017 (Yield)

- **Students of Color**
  - Nearly 1 in every 4 domestic students are students of color

- **Pell Grant**
  - 20.7% receive a Pell Grant

- **First Generation (FAFSA)**
  - 9.9% are first generation students

Undergraduate Overview

There are a total of 45,947 students (FYES), 79.9% are undergraduates. Between 2007 and 2017, undergraduate enrollment increased 6.7%.

- **2007**
  - 34,398

- **2017**
  - 36,703

- **$16,684**
  - Average In-State Net Price (2016-17)

- **90.8%**
  - Full-time undergraduates

- **23.0%**
  - Domestic undergraduate students of color

- **9.6%**
  - Honors College
Financial Aid

MSU administers over $695M in annual financial aid

167%
10 year growth in MSU general fund financial aid, exceeds $145M annually

-91.8%
Ten year loss in state financial aid support, now under $4M annually

63%
Percent of MSU undergraduates receive some form of financial aid
Student Success and Outcomes

STEM credit hours increased 44% over last fifteen years

Freshman probation rate at its lowest levels in over a decade

Neighborhoods
A campus-based, wrap around student success network that includes support for academic and personal success

Student Success Teams
Professionals in each Neighborhood that conduct group-level and individual reviews to identify students for personalized outreach and interventions

$37M
in additional costs for STEM credit hour increase when compared to non-STEM costs
Student Success and Outcomes

More than **92%** of our graduates rate their education as good or excellent

Of students in the 2011 entering class:

- **85%** have graduated from MSU or another institution within 6 years
- **6%** are still enrolled in a higher education institution

Within nine months of graduation:

- **92%** of our students are either employed or enrolled in a graduate program
Research Portfolio

MSU sponsored programs approximate $600M annually

50%
Increase in sponsored programs over ten years

36th
National rank for Federal research and development expenditures annually, an increase of 4 places over 3 years

3rd
In the Big Ten for rate of change in sponsored expenditures over four years

Combination of DOE/NSF funding best in Big Ten
Cost Containment & Efficient Operations

MSU operates with **less** per student than AAU peer median

Over the last 7 years, MSU has avoided over **$50M in costs** due to improved purchasing agreements

$51M
Ten year total of reallocations through efficiency incentive pool

$40M
Total savings since FY09 due to conservation and plant efficiency efforts

7
Number of times over ten years MSU healthcare cost increases below national indices

3.9
Number of students per employee, second most efficient in the Big Ten
MSU eliminates defined benefit retirement program, initiates defined contribution, remaining liability funded as opposed to numerous governmental entities grappling with unfunded legacy liabilities.

MSU eliminates funded post-retirement healthcare for dependents of new employees.

MSU eliminated funded post-retirement healthcare for new employees.

$68M over 5 years in additional resources due to improved cash management practices.

$200M in total cost reductions and avoidance over the last ten years.
The state of Michigan ranks 40th of 50 states for ten-year change in appropriations.

Per student appropriations approximate 1991 levels.

- **$239M**
  Amount of lost buying power when adjusting 1991 per student appropriations for inflation.

- **$80M**
  Amount current total MSU appropriations lag State research peer per-student basis.

- **14th**
  Of 15 Michigan institutions in appropriations rate of change since 2011.

- **$342M**
  Additional available for program and financial aid support if state appropriations ten-year rate of change approximated national average.
Performance Funding Formula

Current performance model includes six metrics

Pro-Rated Metrics
a) FY11 appropriation
b) Critical skills undergraduate awards allocation
c) R&D expenditures allocation

Scored Metrics
d) 6 year graduation rate
e) Institutional support expense as a percentage of total expense
f) Percentage of students receiving a Pell grant

• Propose to modify existing formula to include acknowledgment of the differentially high cost of graduate education
Appropriations Recovery Since 2011

MSU last amongst institutions complying with tuition restraint provision in percentage appropriations change since 2011

MSU funding at the state median would result in an additional $14.2M in funding for student programming and financial aid

Indicates institutions that did not comply with tuition restraint provision in one or more years
MSU currently lags the average appropriations per student of U of M and Wayne State by approximately $1,725 per student – represents approximately $80M in additional resources.
Looking Forward

FY19 and Beyond

State Investment in Higher Education

• Increase higher education funding commensurately with national peers. A competitive workforce is essential to the success of Michigan’s economy. To assure a competitive workforce annual higher education increments cannot be permitted to remain at the bottom 20 percent of the states for an extended period.

If funded at the median level of annual increases provided in the U.S., Michigan four-year institutions would receive an additional $266 million and of that total MSU would receive $48 million. Such an investment in Michigan State would allow us to reduce undergraduate tuition by 8 percent or increase financial aid by one third or to fund program needs currently addressed through reductions.
Looking Forward

Fix inequities embedded in existing funding formulas

- Address long standing disparities in support per student provided to U of M and WSU, as compared with MSU. Funding at the same per student level as Wayne State and the University of Michigan would provide MSU with an additional $80 million annually.

<table>
<thead>
<tr>
<th>Appropriation Per Student</th>
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<tbody>
<tr>
<td>Wayne State University</td>
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<tr>
<td>Michigan Tech. University</td>
</tr>
<tr>
<td>Lake Superior State University</td>
</tr>
<tr>
<td>University of Michigan Ann Arbor</td>
</tr>
<tr>
<td>Northern Michigan University</td>
</tr>
<tr>
<td>Michigan State University</td>
</tr>
</tbody>
</table>

- Note that appropriation per student support at MSU is exceeded by MTU, LSSU and NMU as well as WSU and U of M.

- Funding at the U of M – WSU average would allow MSU to reduce undergraduate tuition by 13 percent or increase financial aid by more than half or invest significantly in student success, out-reach and research initiatives.