

Michigan State University Appropriation Request Update

October 28, 2016



Appropriations Request Context

- MSU a vital engine for Michigan's economy
- Deeply engaged in Flint, Detroit, Grand Rapids
- Economic footprint of over \$5 billion
- A thriving entrepreneurial ecosystem
- Nearly \$600 million in sponsored awards
- More Michigan students than anyone in the state
- Financial aid exceeds \$640M annually
- In excess of 8,500 Pell Grant students
- STEM SCH up 40 percent over 10 years
- Over 90 percent of graduates employed/continuing education

Appropriations Request Context

- MSU operates with \$3,800 less in per student appropriations than its Big Ten peers, representing a shortfall of over \$170M in total resources
- Michigan ranks 47th of 48 reporting states for change in appropriations over ten years
- Since the Performance Funding model was implemented, MSU more adversely impacted than any institution complying with each tuition restraint provision, a loss of \$8M
- MSU doing more with less, spends \$6,300 less per student than its AAU peers, equivalent to over \$280M in resources
- Ranks among the most efficient in the Big Ten for students per employee
- Reduced greenhouse gas emissions by 25 percent since 2010



Appropriations Request

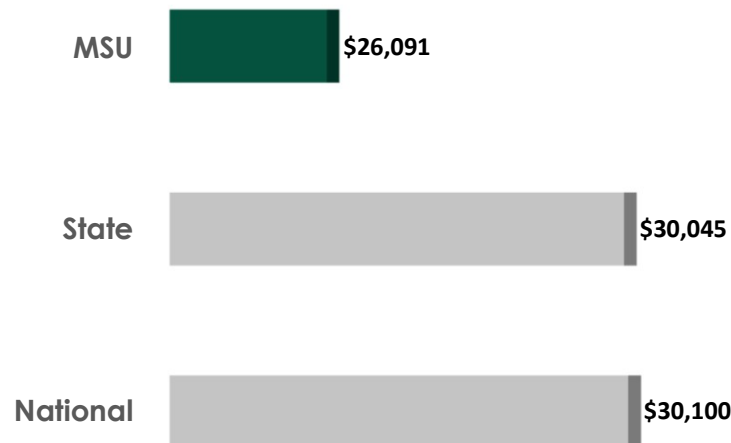
- Restore funding of complying institutions to 2011 levels before new incremental funding
- Modify performance funding model to better reflect all institutions' contribution to the state
- Add new elements/combinations of elements that include: proportion of undergraduates graduating with debt, number of Pell students, graduation rates, community engagement marker
- At minimum, inflationary increases to AgBioResearch & MSUE
- Capital outlay support for STEM teaching and learning facility



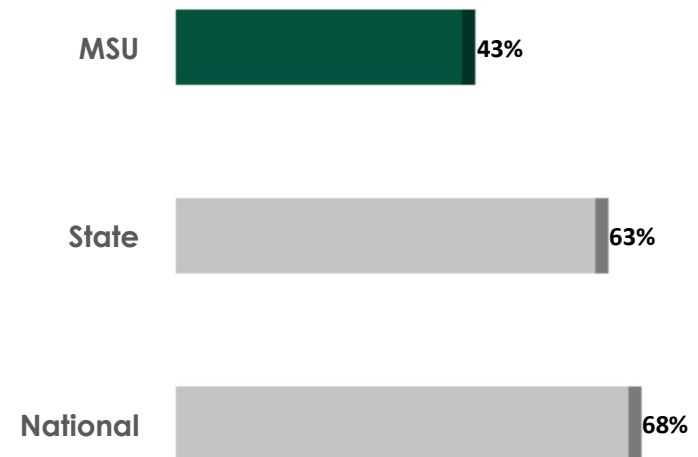
Student Debt – MSU, State, National

MSU lags both State and National averages for amount of debt and proportion with debt. For the class of 2015, the proportion of students graduating with debt and the average debt load were both lower than 2014 figures. Average debt reduced by \$31 and the proportion with debt is lower by 2%. Since 2005, the proportion of students graduating with debt has been reduced 13 percentage points from 56%.

Average Debt for Students
Graduating with Debt



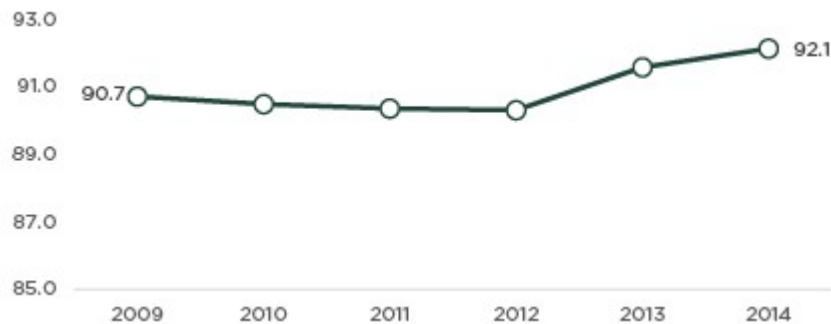
Proportion of Students
Graduating with Debt



Persistence and Graduation

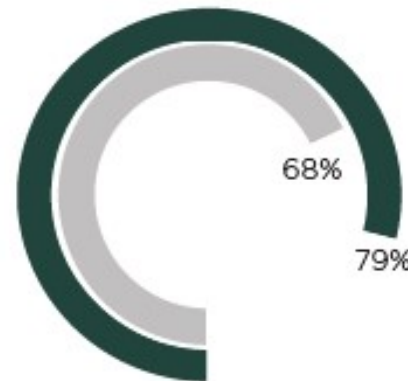
Persistence

- Between 2009 and 2014, the number of first time undergraduate students returning for their first fall semester after their original enrollment has increased.



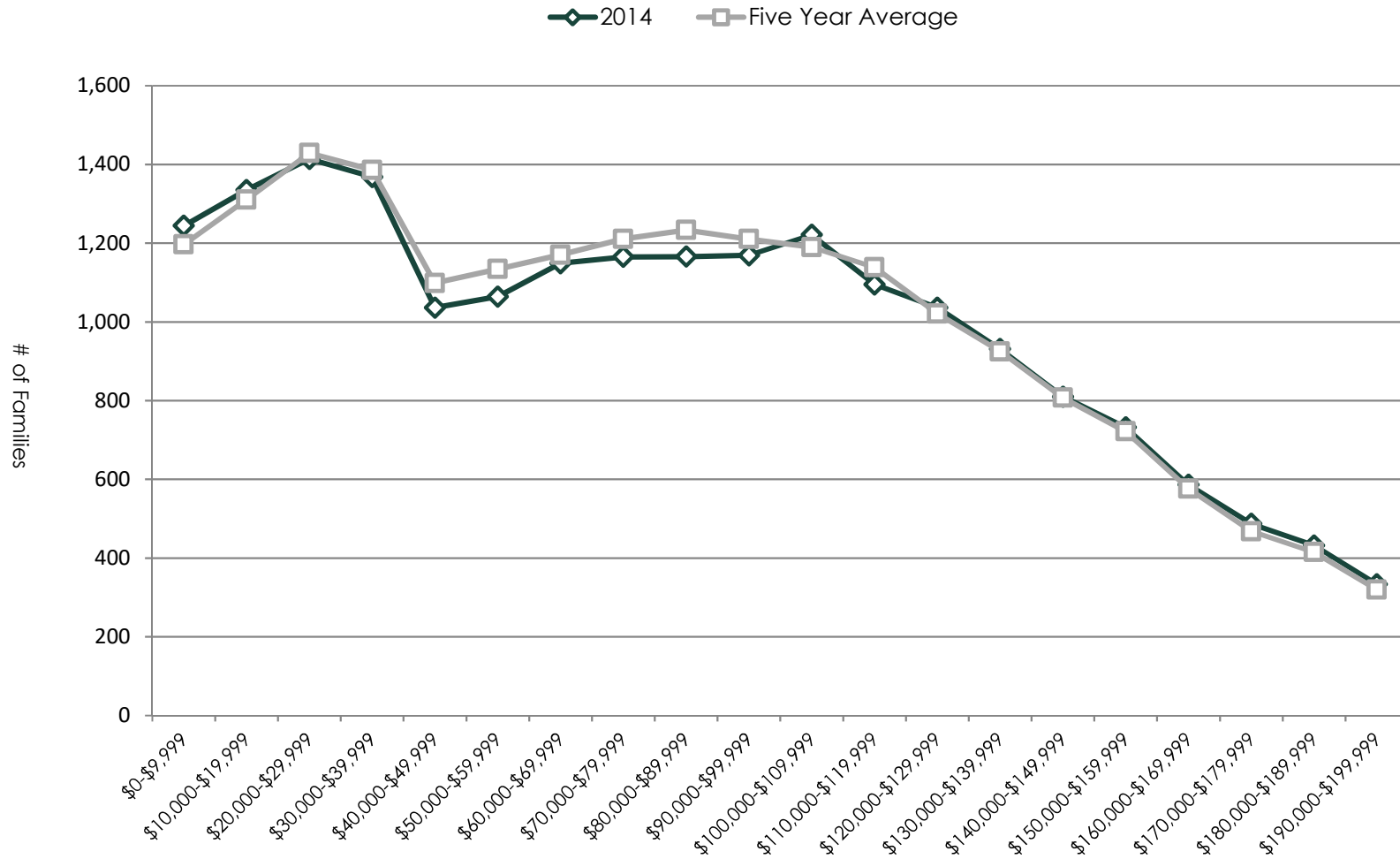
Graduation

- On average, it takes first-time undergraduates **4.2 calendar** years to earn a degree.



MSU's actual 6-year graduation rate for the 2008 cohort beat the US News & World Report predicted graduation rate by 11 percentage points.

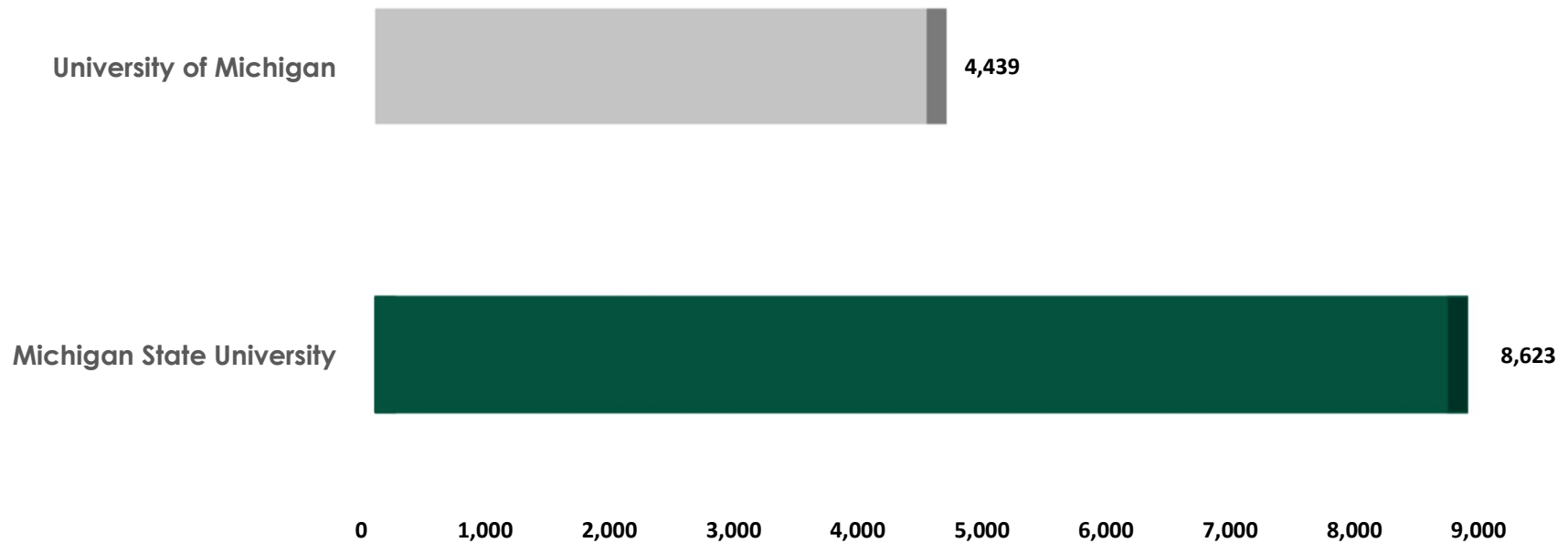
Family Income Distribution of FAFSA Filers



Distribution represented in 2014 inflation adjusted dollars
 Families making more than \$200,000 truncated for purposes of this chart

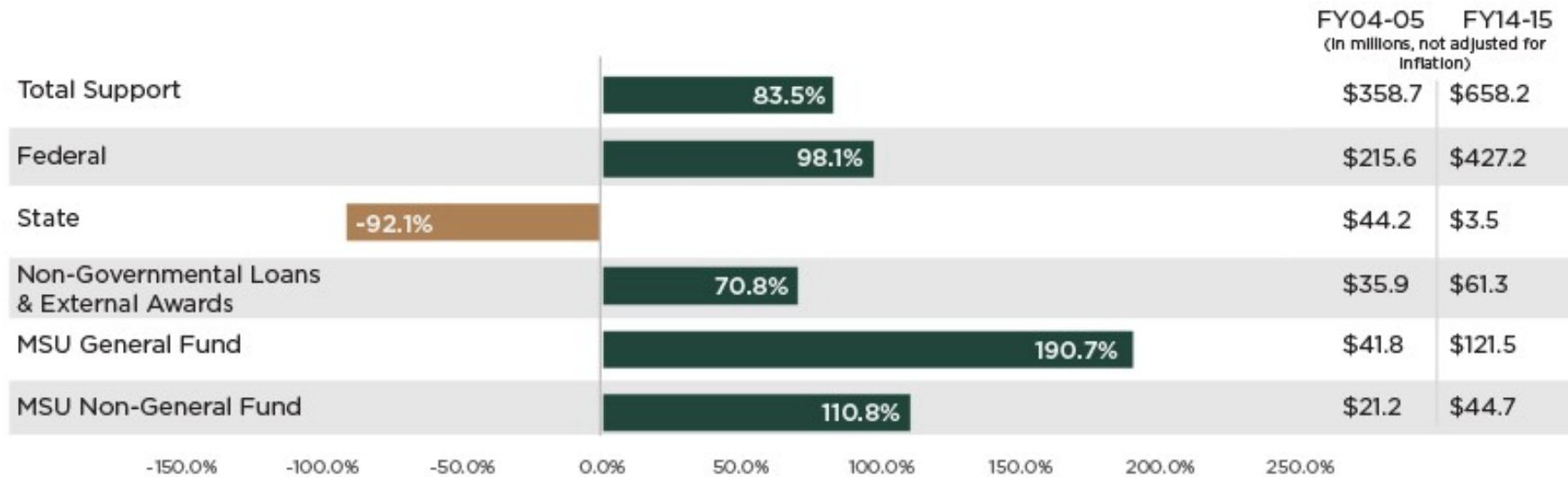
Pell Grant Students – MSU & U of M

MSU enrolls over 90 percent more Pell Grant students than U of M



Total MSU Student Assistance

(Percent Change, FY04-05 to 14-15)



State of Michigan-Per Student Appropriations

	Historical				Current
	FY13	FY14	FY15	FY16	FY17
MSU	\$5,392	\$5,431	\$5,731	\$5,825	\$5,979
U of M AA	\$6,265	\$6,371	\$6,737	\$6,846	\$7,044
Wayne	\$7,871	\$8,099	\$8,414	\$8,530	\$9,214
Avg.	\$7,068	\$7,235	\$7,575	\$7,688	\$8,129

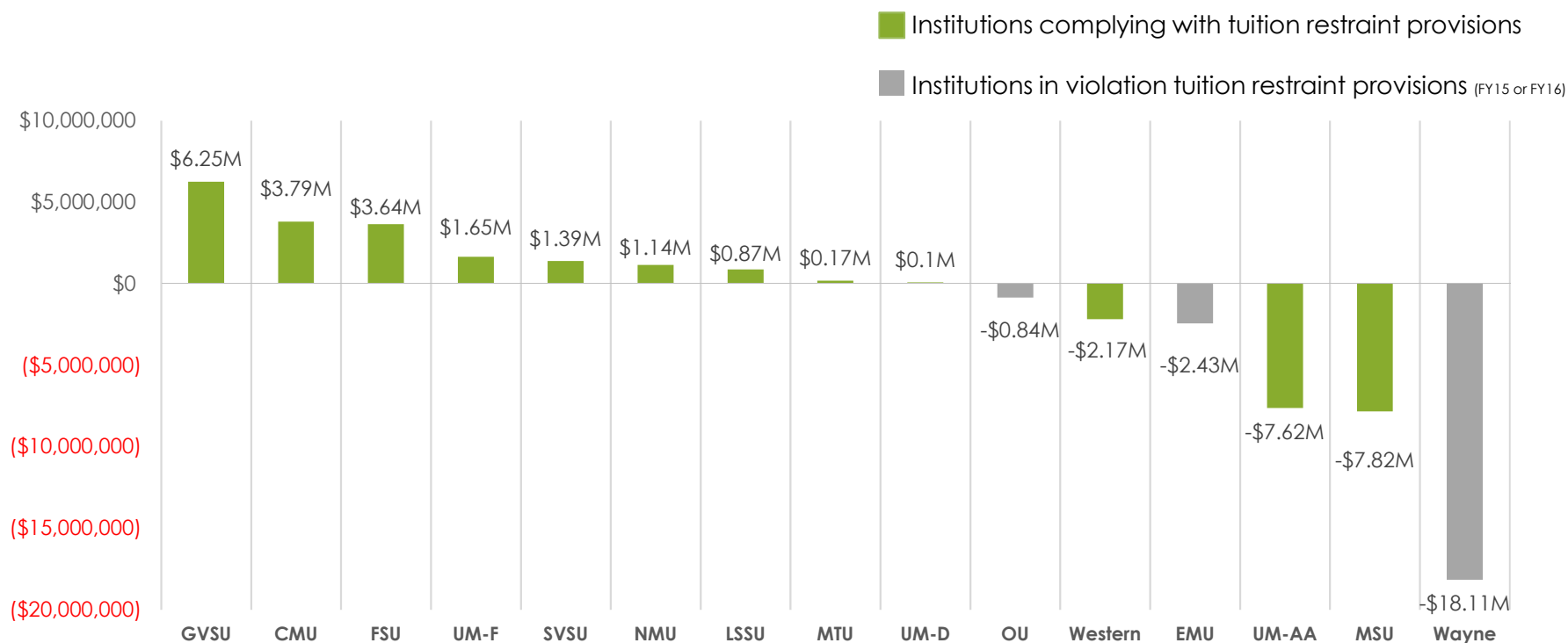
MSU +/- to

U of M AA	-\$873	-\$940	-\$1,005	-\$1,021	-\$1,065
Wayne	-\$2,479	-\$2,668	-\$2,683	-\$2,705	-\$3,235
Avg.	-\$1,676	-\$1,804	-\$1,844	-\$1,863	-\$2,150*

*Represents a loss of over \$96M in operating resources

Appropriations Support – Change since 2011

- Of the institutions complying with tuition restraint provision, MSU lags 2011 formula appropriation by more than any state peer
- Collectively, the University Research Corridor institutions comprise over 85% of lost appropriations since 2011



Recent Events

College Board “Trends” Reports

- College Board released Trends in College Pricing 2016 and Trends in Financial Aid 2016
- College Board notes Michigan as a high tuition state for public four-year institutions
- MSU average annual rates of change for inflation-adjusted tuition lag College Board national averages for both the FY97-FY07 and FY07- FY17 decades
- Michigan ranks 47th of 48 reporting states for 10 year change to appropriations
- MSU operates with approximately \$500 less in combined appropriations and tuition & fees per student than its Big Ten peers, a loss of \$22M annually
- College Board indicates financial aid growth nationally of 61 percent over ten years (2007-2017)
- Over the same period, MSU general fund financial aid has grown by more than 140 percent

Fall Enrollment Report Quarter Semester

- Enrollment's previously discussed with Board at beginning of semester
- MSU enrollment 50,344, consistent with long-term goal of optimizing enrollments and programmatic activity just below 50,000 students
- Entering class established at 7,950
- African American students total 3,340, an 8 year high
- Total students of color total 9,439, representing 21.9% of total university enrollment
- Entering class academic profile represents continued improvement over the last ten years