

House Appropriations Higher Education Subcommittee

Michigan State University

March 23, 2017



MSU - Value Proposition

MSU, one of the world's top 100 universities, serves Michigan first. While appropriations and tuition revenue continue to be constrained, MSU emphasizes:

- increasing external support through donors and grants;
- the constant pursuit of effective and efficient operations; and
- ongoing commitment to quality, inclusion and connectivity.



Academic Competitiveness

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*

10

programs ranked in the top 25 globally by U.S. News and World Report and the QS World University Rankings (London)

35

undergraduate and graduate programs/schools in the **top 25 nationwide**

Academic Programs



Nuclear Physics*
(2015 ed.)

**Supply Chain -
Graduate and
Undergraduate**
(2018 ed.)

African History*
(2018 ed.)

**Elementary Teacher
Education*** (2018
ed.)

**Secondary Teacher
Education*** (2018
ed.)

**Industrial/
Organizational
Psychology***
(2018 ed.)

**Rehabilitation
Counseling*** (2016
ed.)

Ranked
2-10

Educational Admin & Supervision*
(2018 ed.)
Higher Education Administration*
(2018 ed.)
Educational Psychology* (2018 ed.)
Curriculum & Instruction* (2018 ed.)
Education Policy* (2018 ed.)

**Production/Operations - Graduate
and Undergraduate** (2018 ed.)
Criminology* (2009 ed.)
Online Criminal Justice* (2017 ed.)
Online Education* (2017 ed.)

Ranked
11-25

Best Undergraduate Business
(2017 ed.)
Quantitative Analysis (2017 ed.)
Accounting (2017 ed.)
Marketing (2017 ed.)
Management (2017 ed.)

Finance (2017 ed.)
**International Business - Graduate
and Undergraduate** (2017 ed.)
Accounting* (2018 ed.)
Marketing* (2018 ed.)
Management* (2018 ed.)

Best Education Schools (2018 ed.)*
Special Education* (2018 ed.)
Online Business (excludes MBA)*
(2017 ed.)

**Biological/Agricultural
Engineering*** (2018 ed.)
Econometrics* (2018 ed.)
Veterinary Medicine* (2016 ed.)

* Indicates graduate program

Statewide Impact

MSU economic impact exceeds **\$5B annually**

MSU welcomes students from **82** Michigan counties

3,000

medical residents across 20 medical sites and 56 partner hospitals, providing healthcare to **70% of Michigan residents**

\$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**

1,270

jobs created by the MSU Product Center, a business development center that has also assisted in creating or expanding **455 businesses** and increased sales by **\$235M**

MSU Enrollment

50,344

total students

- 39,090 undergraduate students
- 8,711 graduate students, and;
- 2,543 graduate professional students

8,576

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

11.1%

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

82

number of counties students are from throughout Michigan

Pell Comparison – Michigan Universities

MSU enrolls the highest number of Pell students statewide and outperforms its Carnegie peer average by more than 50%

Despite high-need population, MSU debt statistics well below state and national benchmarks

<u>Institution Name</u>	<u>Pell #</u>	<u>Carnegie Avg.</u>	<u>+/- to State Avg</u>
Michigan State University	8,576	6,161	3,427
Wayne State University	8,530	6,161	3,381
Eastern Michigan University	8,047	4,550	2,898
Grand Valley State University	7,504	3,155	2,355
Western Michigan University	7,233	4,716	2,084
Central Michigan University	7,116	4,716	1,967
Oakland University	5,360	4,550	211
Ferris State University	5,355	1,850	206
University of Michigan-Ann Arbor	4,368	6,161	-781
Saginaw Valley State University	3,657	3,155	-1,492
University of Michigan-Dearborn	3,155	3,155	-1,994
Northern Michigan University	2,991	1,850	-2,158
University of Michigan-Flint	2,972	3,155	-2,177
Michigan Technological University	1,426	4,716	-3,723
Lake Superior State University	941	1,009	-4,208
State Average	5,149		

Serving Michigan First

75% of all MSU
undergrads
are Michigan
residents

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

28,799

Total resident undergraduate students, routinely admitting over 5% of the state's graduating high school seniors

Resident Enrollment– Michigan Universities

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

	FYES Counts	
	Resident Total	Resident UG
MSU	36,950	28,799
UM-AA	23,761	16,297
Grand Valley	21,102	18,549
CMU	20,220	16,869
Wayne	19,611	13,613
Western	17,532	15,137
Oakland	17,061	14,861
EMU	16,059	13,982
Ferris	11,010	9,681
SVSU	7,481	6,922
Northern	6,205	5,823
UM-F	5,941	4,781
UM-D	5,934	5,395
Michigan Tech	5,494	4,361
LSSU	1,957	1,956

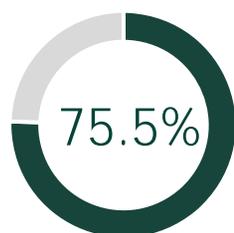
Fall 2016 Undergraduate Student Snapshot

37,480
Applications received

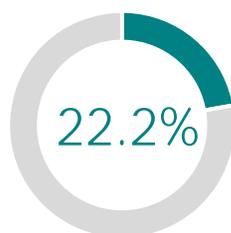
24,641
66% of applicants were admitted (Admit Ratio)

7,911
32% of those admitted who enrolled for the first time in Fall 2016 (Yield)

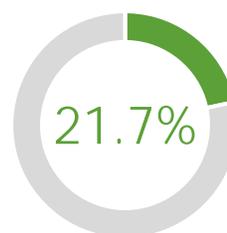
All Undergraduates



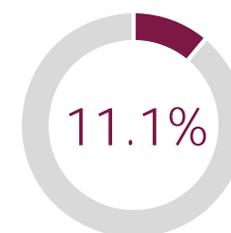
are in-state students



of domestic students are students of color

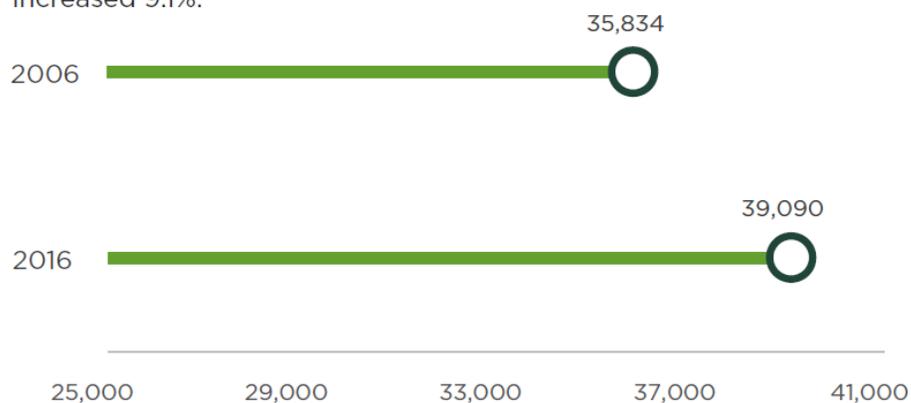


are Pell Grant recipients



are first generation students (according to the FAFSA)

There are a total of 50,344 total students, 77.6% are undergraduates. Between 2006 and 2016, undergraduate enrollment increased 9.1%.



Average In-State Net Price (2015-16): \$14,970



Domestic undergraduate students of color: 22.2%



Full-time undergraduates: 90.7%



Honor's College: 9.4%

Middle Class

MSU enrolls **more students** from families making less than \$20,000 than 5 years ago

More than half 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"

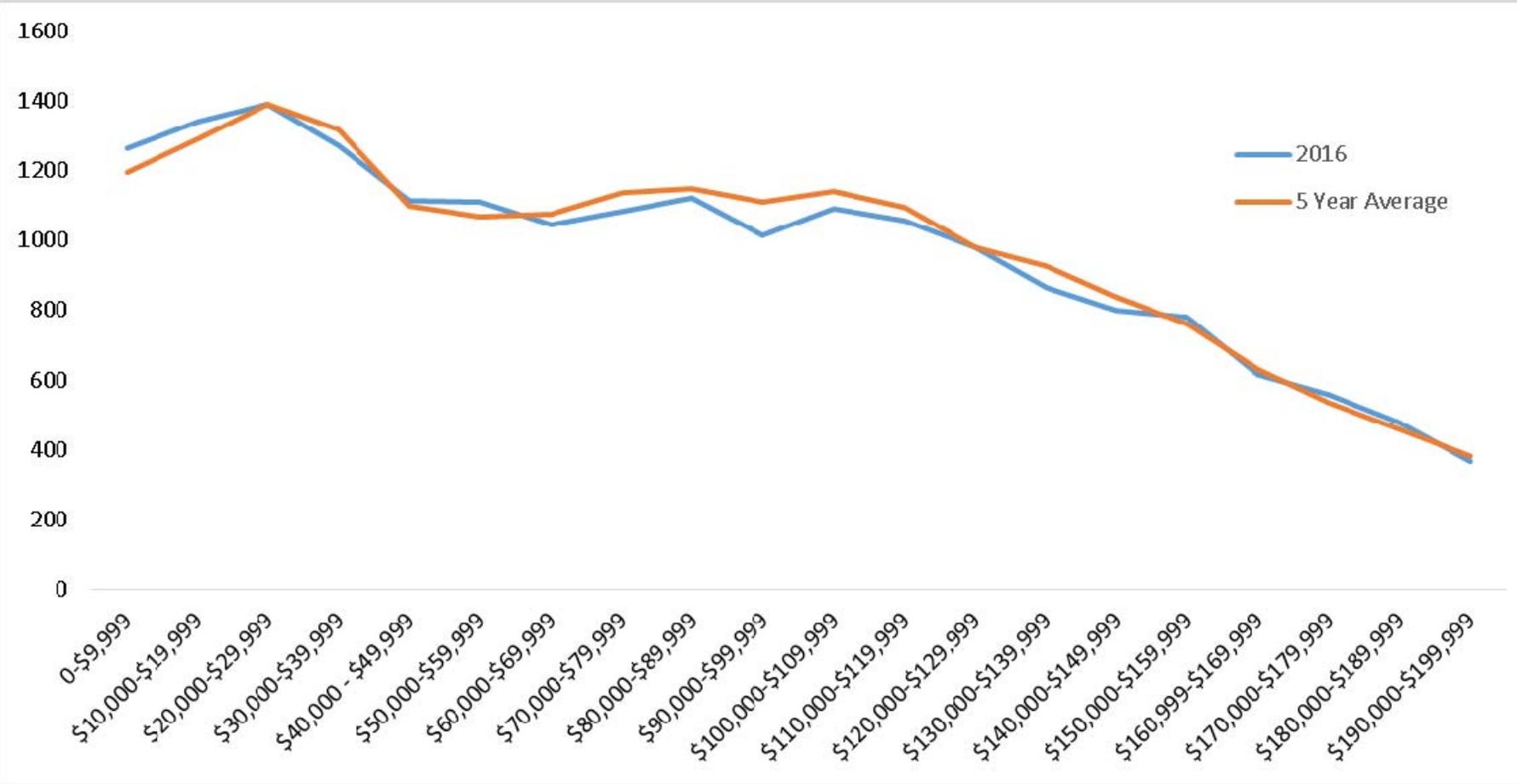
57%

Percent of MSU graduates completing undergraduate degree debt free, 20 percentage points better than the state average

3.6%

student loan default rate which is **substantially lower** than the national rate of 11.8%

Socio-Economic Status of Class Stable In Face of National Economic Challenges

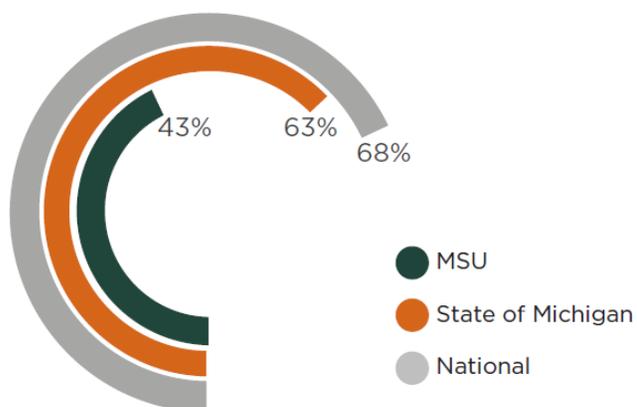


Data presented in 2016 dollars
Families earning more than \$200,000 truncated for purposes of this analysis

Financial Aid

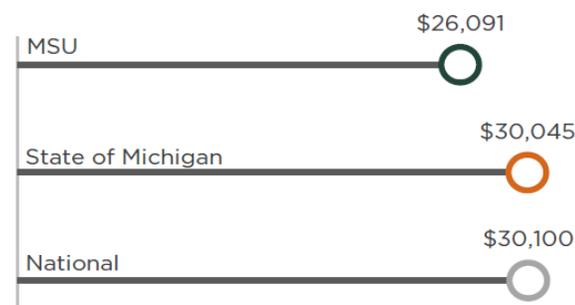
Student Debt & Repayment

Fewer MSU students graduate with debt compared to the state and national average.



Source: 2014-15, 43% reduced by 13 percentage points over 10 years.

Of students graduating with debt, the average amount of 2015 MSU graduates is **lower** than the state & national average.



3.6%

of MSU students default on their student loans. This rate has been **declining** since a high of 5.9% in 2012-13 and is **significantly lower** than the **national average** of 11.8% in 2012-13 (the most recent year data are available).

Financial Aid

MSU
administers
over **\$680M** in
annual
financial aid

170%

10 year growth in MSU general fund financial aid,
exceeds \$133M annually

-92.2%

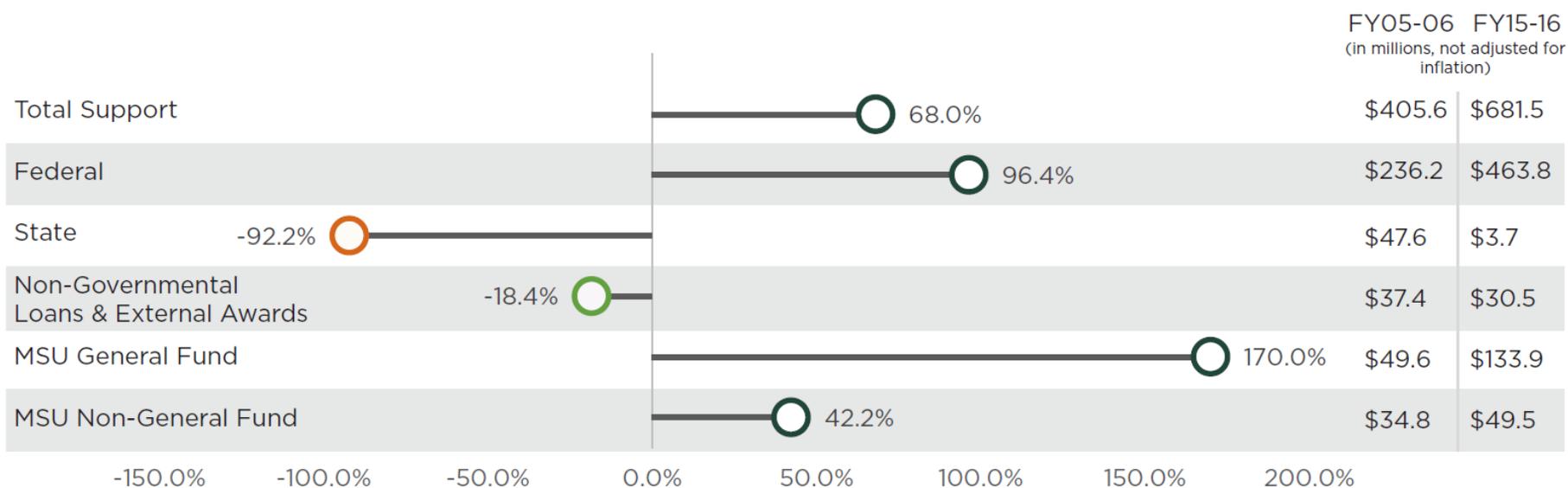
Ten year loss in state financial aid support, under
\$4M annually

59%

Percent of MSU undergraduates receive some form
of financial aid

Financial Aid

Total MSU Student Assistance Percent Change, FY2005-06 to 2015-16



Student Success and Outcomes

STEM credit hours **increased 37%** over last ten years

Freshman probation rate at its **lowest level** 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

\$30M

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 2010 entering class:

- **82%** have graduated from MSU or another institution within 6 years
- **10%** 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**

Combination of DOE/NSF funding **best in Big Ten**

50%

Increase in sponsored programs over ten years

35th

National rank for Federal research and development expenditures annually, an increase of 5 places over 3 years

4th

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

\$293,000

Average per faculty sponsored program activity, an increase of 50% over ten years

Cost Containment & Efficient Operations

MSU operates with **\$6,395 less** per student than AAU peer median

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

\$55M

Ten year total of reallocations through efficiency incentive pool

\$40M

Total savings since FY09 due to conservation and plant efficiency efforts

8

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

4.21

Number of students per employee, second most efficient in the Big Ten

Cost Containment & Efficient Operations

\$68M over 3 years in additional resources due to improved cash management practices

\$200M in total cost reductions and avoidance over the last ten years

1973

MSU eliminates defined benefit retirement program, initiates defined contribution, remaining liability funded as opposed to numerous governmental entities grappling with unfunded legacy liabilities

2005

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

2010

MSU eliminated funded post-retirement healthcare for new employees

State Appropriations

The state of Michigan ranks **45th** of 49 states for 10 year change in appropriations

Per student appropriations approximate **1991 levels**

\$200M

Amount of lost buying power when adjusting 1991 per student appropriations for inflation

14th

Of 15 Michigan institutions in appropriations recovery since 2011, last among institutions complying with tuition restraint provisions

\$91M

Amount current total MSU appropriations lag State research peer per-student basis

Looking Forward

FY18 and Beyond

MSU enrolls more Michigan students and more Pell grant recipients than any state peer while providing internationally recognized programs.

In recognition of the approximately 37,000 resident students enrolled at MSU, we request that any new incremental funding for higher education be awarded first to institutions who have complied with tuition restraint provisions and remain below 2011 funding levels before being allocated through the funding formula.

Current formula composition results in complying research intensive institutions lagging other state peers in rate of recovery. We request that this discrepancy be addressed through adjustments to the funding model over time.