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.)

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.)

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**

- **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 welcomes students from 82 Michigan counties**
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

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

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.

Source: IPEDS FY15
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.

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

Source: HEIDI
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**

- **75.5%** are in-state students
- **22.2%** of domestic students are students of color
- **21.7%** are Pell Grant recipients
- **11.1%** 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%.

- **2006**
  - 35,834 students

- **2016**
  - 39,090 students

- **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.

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).

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

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

<table>
<thead>
<tr>
<th>170%</th>
<th>10 year growth in MSU general fund financial aid, exceeds $133M annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>-92.2%</td>
<td>Ten year loss in state financial aid support, under $4M annually</td>
</tr>
<tr>
<td>59%</td>
<td>Percent of MSU undergraduates receive some form of financial aid</td>
</tr>
</tbody>
</table>
### Total MSU Student Assistance Percent Change, FY2005-06 to 2015-16

<table>
<thead>
<tr>
<th>Source</th>
<th>FY05-06</th>
<th>FY15-16</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Support</td>
<td>$405.6</td>
<td>$681.5</td>
<td>68.0%</td>
</tr>
<tr>
<td>Federal</td>
<td>$236.2</td>
<td>$463.8</td>
<td>96.4%</td>
</tr>
<tr>
<td>State</td>
<td>$47.6</td>
<td>$3.7</td>
<td>-92.2%</td>
</tr>
<tr>
<td>Non-Governmental Loans &amp; External Awards</td>
<td>$37.4</td>
<td>$30.5</td>
<td>-18.4%</td>
</tr>
<tr>
<td>MSU General Fund</td>
<td>$49.6</td>
<td>$133.9</td>
<td>170.0%</td>
</tr>
<tr>
<td>MSU Non-General Fund</td>
<td>$34.8</td>
<td>$49.5</td>
<td>42.2%</td>
</tr>
</tbody>
</table>
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

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

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