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Wayne State University
Higher Education Testimony
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Good morning. I'm pleased to be addressing you today on the subjects you requested to hear about. I've addressed most of these subjects in past testimonies, and I'm happy to revisit them.

I believe that many of you probably know that Wayne State is a premier public urban research university. In fact, we are Michigan's **only** public urban research university.

In 2015, we introduced a new five-year strategic plan that honed our mission, and clarified our vision and focus. At the heart of this strategic plan is the success of our students – **all** of our students.

We educate students at all levels – undergraduate, graduate and professional. This is the primary reason we exist. For nearly 150 years, we have provided access to an excellent education to a broad segment of Michiganders, and today, we have nearly 260,000 alumni around the world who can testify to the quality of a Wayne State degree. But while education is our primary mission, there is so much more to Wayne State.

We are a “research-intensive” university. That means we are among an elite set of universities in the Carnegie Foundation’s highest classification for research—in the top 3-4 percent.

We are a partner with Michigan State University and the University of Michigan in the University Research Corridor, which is one of the top research consortiums in the U.S. Together, our economic impact tops \$16 billion annually. The URC accounts for 94 percent of all R&D conducted at higher education institutions in the state.

And yet, despite the hugely impactful role of research as an economic driver for the state, our three research universities make up three of the four state universities that have not yet been brought back to 2011 baseline funding levels.

Wayne State, which by far is the furthest from 2011 baseline levels, leverages university assets for the benefit of our state to create an annual economic impact of \$2.5 billion in Michigan.

TechTown, Wayne State’s business incubator and accelerator, continues to have a positive impact on our local economy. In the last eight years, TechTown has served nearly 1,600 companies which created more than 1,200 jobs and leveraged in excess of \$120 million in capital.

Wayne State also is ranked in the top Carnegie classification for community engagement. We are one of very few institutions in the country to hold the top Carnegie classifications for both research and community engagement.

One very important way that Wayne State has been contributing to *student success* is through our reverse transfer agreements and partnerships with community colleges across the state.

As a matter of fact, earlier this month we learned that we were awarded the 2017 Phi Theta Kappa Transfer Honor Roll designation, the highest honor they award for transfer institutions. The award was granted because of our “exemplary programs, initiatives and benefits for community college transfers.”

Community colleges are an important option for students who are looking for quality, affordable ways to start their post-secondary education. They also serve as a critical transition step for students who don't have the academic preparation needed to succeed at a four-year college or university.

And as the workforce demand for college graduates in our state increases, it's more important than ever that we create dynamic pathways to help these students transfer as seamlessly as possible to universities where they can continue their studies. I'll touch on this more later. But for now, I want to give you some highlights of what we are doing to help students throughout Michigan transfer to Wayne State while making the most of their time, their credits and their tuition dollars:

- Wayne State has 34 signed, legal articulation agreements with seven community colleges, including Henry Ford, Macomb, Mott, Oakland, St. Clair, Schoolcraft, and Washtenaw. These agreements ensure the transfer process is as smooth and seamless as possible.
- We also have 28 transfer plans, one for every community college in Michigan, which provide specific courses that students may take that will transfer to Wayne State. Students may transfer and apply up to 64 credits toward a Wayne State degree from a community college.
- Additionally, Wayne State has eight signed Reverse Transfer agreements, and we are currently pursuing more across the state. These agreements allow students to transfer credits they earn at Wayne State back to the community college they transferred from to help them earn their associate's degree, which is a valuable credential for any student's resume.
- Wayne State operates centers on the campuses of two primary feeder community college partners, Macomb and Schoolcraft. In addition to offering degree and degree completion programs, these centers provide information, and bring advisors, financial aid staff and other personnel on-site to support students and connect with colleagues from the community colleges.
- Wayne State strongly supports the Michigan Transfer Agreement (MTA) by including it in articulation agreements and transfer plans, and highly recommends that community college transfers complete MTA before transferring.
- We created a Transfer Student Learning Community in 2016 to support transfer students, particularly during their first semester at Wayne State. The program has various components, including a Transfer Welcome at the beginning of the semester, Peer Mentors, and continuous events and engagement during the first semester.

Transfer students are a vital component of our student population, and our focus on their success is paying off. Every year, almost 50 percent of our new undergraduate students are transfers. Wayne State welcomed 2,410 new transfers in 2015-16 alone. In fact, for the fall of 2016, Wayne State had the largest number of new transfer student enrollments among Michigan public universities. Community college student retention for the fall 2015 cohort increased 4 percent from the previous year – from 74.5 percent to 78.5 percent. And 47 percent of the graduates at the winter 2016 commencement started at WSU as transfers.

Thanks to our transfer initiatives, Wayne State is greatly improving the quality and quantity of the state's educated workforce, while helping students advance their career goals in a timely and cost-effective matter.

Yet, regardless of these positive outcomes from our high-quality transfer programs, community college students don't count toward our graduation rate in the state's performance funding formula. I'll talk more in depth about the formula later, but I want to point out now that it is hardly incentivizing positive outcomes as it relates to community college students.

Wayne State has been the school of choice for an increasingly large and talented pool of students. Our Honors College, which was founded in 2008, is home to our top performing students, and its incoming freshmen class size has grown steadily over the years. This year's class was 527—an increase of 64 percent from 2008. These students averaged a 3.84 GPA and an ACT score of 28.

And while we are proud to be a destination for some of Michigan's most impressive students, we also will continue to be a place of opportunity. This includes students who are the first in their families to attend college.

Information provided by the Free Application for Federal Student Aid (FAFSA) shows that 38.4 percent of Wayne State students who completed the form identified as first-generation college attendees.

These first-generation college students often take longer to graduate. Why? Many work. Their family contributions are much smaller on average, which means they need jobs to make ends meet, or help their families. Some first-generation students arrive less prepared academically, and it takes time to adjust to the rigors of university expectations.

For these reasons and more, first-generation college students face their own set of unique challenges when they arrive at Wayne State, and we have many initiatives in place to address these needs. Rather than go through these, I've provided you a handout that describes a sampling of such programs.

But it goes beyond helping students. When students from disadvantaged backgrounds succeed, society as a whole benefits. Our economy benefits. Everyone in the state benefits. It must be considered as a critical societal mission, but we are not, as a society, doing very well at accomplishing it.

In fact, the demands placed on our universities, and the reward system fueled by external rankings, have unintended consequences. Too many of our universities — especially our top-ranked universities — are inaccessible to students from lower socio-economic backgrounds. Many universities, rather than take a risk, or invest precious funding — or hurt their rankings — don't accept these students. This hurts students, but it also hurts society.

The social mobility made possible by higher education is the key to a thriving middle class and a democratic society. If that mobility is offered to some, and not others, we create two societies, with disparate incomes and vastly different opportunities.

We have all heard the discussions and debates regarding income disparity. But there is another disparity that exacerbates the income gap. Right now, the disparity in baccalaureate degree attainment by family income is increasing at an alarming rate.

A report from the University of Pennsylvania and the Pell Institute for Study of Opportunity in Higher Education demonstrates that in 1970, students from families in the bottom income quartile had a degree completion rate of about 6 percent by age 24, while the top income quartile attained degrees at about 40 percent. By 2013, the bottom quartile had risen to 9 percent, yet the top quartile rate had risen to 77 percent. The gap is widening. This is morally unacceptable. And economically dangerous.

Right here in Michigan, the Lumina Foundation predicts a staggering “degree gap” by 2025, estimating the need for an additional 928,506 degrees to meet workforce demands.

And a report from the Business Leaders for Michigan entitled, “How Higher Education Can Help Michigan Become a Top Ten State,” indicates that 70 percent of Michigan jobs will require education beyond high school, and 44 percent will require at least a 2-year degree. The same report notes that Michigan's talent pool will be smaller in the future, with approximately 100,000 fewer 18-to-24-year-olds by 2025.

To meet the demand for college-educated workers, we need to provide access to education for *all* of Michigan's potential graduates, including transfer students, as well as those students who are at-risk, such as first-generation college students. This has the double benefit of increasing our educated workforce and helping students from Michigan become productive citizens.

The BLM report specifically addresses this and calls out the need to “continue to increase at-risk student enrollment and graduation rates.” A greater percentage of these students are served by Wayne State.

As I hope you see, Wayne State is a unique asset to Michigan for a combination of reasons: we are comprehensive, accessible, urban, diverse, engaged in the community, highly ranked in research, and full of faculty who are leaders in their fields and focused on student success. We have a unique and important mission that serves students and the state.

Unfortunately, our mission is penalized by the state's performance funding formula. I hesitate to call it a "performance" formula, because it's not actually concerned with performance, but rather with institutional characteristics over which we have little control.

We are glad to see that the governor's fiscal year 2018 budget proposal continues to reinvest in higher education, but it's very disappointing that for the sixth consecutive year, Wayne State will receive the lowest percent increase in state funding. This is based on Michigan's performance metrics formula, but by any important measure – enrollment, graduation rates, research, economic impact – Wayne State's performance is either near the top or improving. The formula is flawed, and this hurts the university, our students and our state.

The current methodology uses Carnegie's classification to compare Wayne State with other universities that have the highest level of research. Since the classification was not designed for such purposes, this results in nonsensical comparisons with universities that bear no resemblance to us. With this formula, Wayne State would actually receive more performance funding if it did less research, which would benefit neither the university nor the state.

As we've argued before, Michigan's performance metrics model should be better aligned with the state's strategic priorities concerning workforce needs and economic development. For example, graduate degrees should be included in the "critical degrees" metric and research should be given more weight. As I mentioned earlier, community college transfer students should be included in our graduation rates.

Our physicians are meeting medical needs across the state. About 30 percent of physicians practicing across Michigan received all or part of their medical training at Wayne State. That means you have a one-in-three chance of receiving care from a Wayne State-trained physician every time you go to the doctor's office.

Every year, approximately 15 Wayne State medical students are placed for rural rotations around Michigan where they learn first-hand, the challenges and joys of rural family medicine practice. Many of these students go on to establish practices in underserved rural communities in the state. The chances are virtually **100 percent** that a Wayne State-trained physician serves in each of your home districts.

And despite these sizeable contributions to health care in all corners of our state, medical degrees aren't given any value in the state's metrics. From a performance funding perspective, it's as if our medical students don't even exist.

All of these aspects—transfer students, graduate degrees, medical degrees, research—are critical to Michigan's success, yet all are undervalued, or not valued at all.

Most importantly, each university's performance should be evaluated in relation to the other Michigan public universities, as well as in comparison to its own historical performance.

While we strongly support accountability and the use of performance metrics, we believe they should incentivize desirable outcomes and take into account each school's unique mission. Wayne

State should be rewarded – not punished – for performing extensive research while also educating under-represented, first-generation and other at-risk students.

One more comment I feel I must make. I have heard from the governor and others that they may be supportive of changing the metrics but that the MPUs should get together and come to an agreement on what those changes should be. Frankly, that is unrealistic and is an unreasonable expectation. The MPU presidents/chancellors are a fairly collegial group. We should not be put in a position of directly, or even indirectly, attacking each other to gain advantage for ourselves. I, for one, will not do that, ever.

Assessing the current metrics and improving upon them to align with state priorities for the benefit of the state must be an imperative of our state leadership.

I would like to close today by sharing with you a report that was published by *The New York Times* about two months ago. This interactive report ranks more than 2,000 U.S. colleges and universities as engines of social mobility. In particular, the study reveals how well universities take students from lower-income families and propel them into the upper part of the wealth distribution.

When compared to the other Michigan public universities, Wayne State was by far, number one at mobility, coming in at 11.3 percent. (For comparison's sake, the mobility rate for the other MPUs ranges from 5.6 percent to 10.5 percent.) The report also reveals that Wayne State accepted a higher share of students from the bottom 20 percent than any other MPU, and at the same time had a higher share of students who moved up two or more quintiles than any other MPU. Even when you stack up Wayne State against our peers nationally, we fare extremely favorably.

Wayne State University is delivering on its promise of improved opportunity and a better life for a broad spectrum of Michigan's students – including many of Michigan's best, as well as many of its most socioeconomically disadvantaged. This is important for Michigan, and we hope to have your support. Thank you for your attention. I would be happy to take any questions you may have.