

## **Strive for 45: Invest in Student Success**

Campaign Kick-Off Speech: President Ora Hirsch Pescovitz

February 19, 2020

- There comes a time in the history of an institution of higher learning when it's time to take a stand.

For Oakland University, that moment is now.

- Today, we begin our campaign, "Strive for 45," to draw public attention to the pressing need to better fund higher education and address the fundamental inequities and negative impact of those inequities on students, public universities, and the future prospects for all of us.
- Today, as Michigan legislators consider the upcoming state budget, we believe it is essential that the values of Michigan residents be reflected in the state's spending priorities.
- Michigan created our first public university 20 years before we were a state. Higher education has always been and should always be a priority for us.
- But in the past two decades, state support for higher education has declined to the point where higher education spending in Michigan comprises only 4.2 percent of state expenditures, compared to a 50-state average of 10 percent<sup>1</sup>.

<sup>1</sup> National Association of State Budget Officers. 2019. State Expenditure Report: Fiscal Years 2017-2019.

- Michigan currently ranks 44th nationally in per-resident spending on higher education<sup>2</sup>.
- We must increase funding for higher education.
- OU students are especially impacted by both the lack of state funding and also the inequities of the funding model.
- As the lowest-funded per student university, yet one of the fastest-growing of the state's 15 public universities, Oakland University has not received the type of state support our students deserve.
- "Strive for 45" aims to achieve equity without cannibalizing the better funded universities.
- Setting the floor funding for public university students at \$4,500 should not come at the expense, nor diminish the financial condition of the state's other public universities, all of whom make important contributions to the educational, cultural and economic development of Michigan.
- Frankly, the state funding model for higher education in Michigan is broken.

It is unfair that one public university receives \$9,000 per student, while Oakland University receives \$3,000 per student, which is far below the 15-state university average of more than \$5,000<sup>3</sup>?

<sup>2</sup> Michigan spends \$195.52 per person compared to a national average of \$280.60, according to data compiled by the Center for the Study of Education Policy at Illinois State University and the State Higher Education Executive Officers.

<sup>3</sup> Oakland University, Office of Finance & Administration, fiscal year, 2019

- Over the years, the funding discrepancies have grown worse, making the annual state funding allocation more and more unfair.
- Our campaign, “Strive for 45,” sends a clarion call to legislators, the governor and Michigan’s business, civic and philanthropic leadership.
- We are calling for floor funding of \$4,500 per student as the first step in solving the problem of inequity in higher education funding.
- In addition to Oakland University, there are other institutions who will benefit from an increase in floor funding, including Grand Valley State University, University of Michigan-Flint, University of Michigan-Dearborn, and Saginaw Valley State University.
- Instead of considering funding to higher education as an expenditure, we need to recognize that higher education is an investment in our students and in our future— an investment that pays dividends as measured by the health of our citizens and the health of our economy.
- Higher education needs both more funding and a more equitable funding model.
- Over 25 years ago, the state recognized the need for K-12 floor funding and has successfully changed the model to level the playing field by providing more equitable support for K-12 students throughout the state’s school districts.  
  
Now is the time to do the same for our universities.
- It is important to note that in 1999, the Michigan legislature passed a public act that provided floor funding at \$4,500 per student for public universities.

- Two decades later, however, Oakland receives just over \$3,000 per student, the lowest among the state's public universities.

Don't you think it be reasonable to at least return to the 1999 floor funding level 20 years later?

- In order to truly understand the impact of the state's disinvestment, let's do the math:
- If funding to Oakland students would have been capped at the 1999 level with only inflationary increases, then today we would receive nearly \$7,000 per student in 2020 dollars. The same as five of our 15 public universities.

But instead the amount of state funding we receive today in real dollars is far below what we received 20 years ago.

State disinvestment in higher education comes at a time when there is a growing need for bachelor's and graduate degrees. In fact, 36 of the hottest jobs in Michigan require at least a four-year degree.

Graduates from Oakland, Grand Valley, UM-Flint, UM-Dearborn and Saginaw Valley are contributing to building the Michigan economy. In fact, more than 90 percent of OU graduates who are employed are working in Michigan.

And nationally, those who receive a college degree earn more than \$1 million more over the course of their careers compared to non-degree holders.

- The power to establish more equitable funding rests in the hands of policy makers in Lansing.
- As state legislators determine the future of higher education funding, they must understand that today's students will graduate and enter a tech-driven, fast-changing world. Unfortunately, too many students will enter their post-college world with burdensome debt.
- Legislators can make a positive difference in alleviating this student debt by establishing the \$4,500 floor funding, which will address immediate needs that directly impact students' success.
- Presently, Oakland University awards all of its current state funding to students through financial aid and scholarships. Once we receive the funding floor amount of \$4,500, we will use these funds to decrease student debt by 10 percent.

When we receive the funding floor amount of \$4,500, we will use the funding to increase graduation rates by 10 percent.

And, we will use additional state funds to enhance our research, contributing a further \$100 million impact on Oakland's already impressive \$1B economic contribution to our region.

- You know, the state's continued disinvestment in education, and the broken funding model that has been used to determine public universities' funding has simply been accepted as the status quo.
- "Strive for 45" aims to change that.

The unfair funding level to Oakland University students is an example that demonstrates the great inequity in the current system.

- Along with Grand Valley, Michigan State, University of Michigan at Ann Arbor and Dearborn, and Michigan Tech, Oakland has had positive enrollment growth for ten years, from 2009 to 2019.

Yet during Oakland's two-decade period of steady enrollment growth, revenue from state funding declined as a percent of the budget from 44 to 18 percent while revenue from tuition as a percent of budget increased from 54 to 81 percent.

- We can't help but wonder:

How can it be that a thriving university in the heart of the state's second most-populated county that has an R2 Carnegie ranking as a research university, a record of impactful community engagement, and proudly claims that more than 90 percent of its graduates remain in Michigan to build the Michigan economy receives such inadequate financial support from the state?

- Can you imagine what Oakland University will do in addition to reducing student debt and increasing graduation rates when we receive an equitable amount of state funding?
- Just imagine...With a fair amount of state funding, Oakland will have an even greater impact on working with our communities to improve the health, education and economic prosperity of the residents in our region, and further contribute to the growth of Michigan's economy.

- I really wonder what parents of college-aged students living in Oakland and Macomb counties will tell their legislators when they hear about the many possibilities and potential of the underfunded university in their backyard.

Perhaps it's time they had that conversation.

- And while we appeal for the establishment of floor funding and a more equitable funding model, we are well aware that there are no “quick fixes” to the current static funding model.
- But while there are **no quick fixes**, the first step toward finding a **funding fix** can and must begin today.
- We have identified a solution based on all public universities and legislators working together in a practical way for the benefit of all public university students.
- We can accomplish our goal of achieving equity in state funding by committing to the following:
  - 1.) Implement the \$4,500 floor funding over four years.<sup>4</sup>
  - 2.) Reach the national average for investment in state public universities for higher education, which is 10 percent, by 2030 – and start this year.
- Clearly, the “Strive for 45” campaign is inseparable from a broader public discussion about other pressing state funding needs, including the need to

<sup>4</sup> Total funding floor increase: \$64.6M. Allocations: OU - \$24.9M; GVSU -- \$27.8M; UMD -- \$5.4M; UMF -- \$3.8M; and, SVSU -- \$2.6M. So, annual increase would be \$16M to the five schools.

improve funding for healthcare, public infrastructure, and, of course, K-12 education.

- As you make up your own mind about funding for Oakland University students and our other public universities, ask yourself if your values align with the state's budgetary priorities.
- Do we want to be a state that is recognized for spending more money on the corrections budget that funds the incarceration of our residents than we spend on educating college students who are tomorrow's leaders and vital to the Michigan economy and our future prosperity?
- As a state, we can – and must – think more innovatively and have a broader and more serious discussion about our priorities, and make sure those priorities reflect our values.
- We are optimistic about the odds for our success.
- From the governor's office to the Detroit Regional Chamber to the Business Leaders for Michigan, there is great effort going into a statewide and metro-focused campaign to improve the state's postsecondary attainment level from 45 percent to 60 percent by 2030.
- At the heart of achieving that goal is a central role for higher education institutions to be fully engaged in making education more affordable, providing debt forgiveness programs, and finding ways to connect to adult learners – those 25 years old and older who would gain greater financial stability and opportunities with a college degree.

- In these efforts and more, Oakland University stands in the forefront.
- In the final analysis, “Strive for 45” calls for much-needed funding to further support our efforts to make sure we’re continuing to do all we can to help students succeed in academics...in their careers...and in their lives.
- From the UP to western, mid and southeastern Michigan, Michiganders believe ardently that education is a core value, and at the heart of Michigan’s cultural and economic transformation.
- Education is a principle that stands on the pillars of reason, fairness, diversity, the pursuit of knowledge and upon the notion that progress should and must benefit all of us.
- Among the state’s highest priorities must be a public investment in students that create better prospects for all residents, businesses – small and large – and has the support of the state’s core civic, corporate and cultural institutions.
- That investment must be in higher education.
- Imagine the possibilities if Michigan – the birthplace of the auto industry, labor movement and with a legacy of innovation – became the model for public education.
- What would that say about who we are and what we value?
- “Strive for 45” is a decisive step toward properly funding higher education and working to achieve an equitable funding model, both are essential to making Michigan all that it can be.

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