

House Appropriations Subcommittee on Higher Education

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Building Successful Futures for Our Students: Ferris State University, the State of Michigan, and You

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Chairman VanSingel and members of the House Appropriations Subcommittee on Higher Education, thank you for taking time from your busy schedules this morning to hear from Ferris State University.

Students come to Ferris from every county in Michigan, and many are from the districts you represent and serve:

- Rep. Hoadley - 103 students
- Rep. Bollin - 139 students
- Rep. Green - 200 students
- Rep. Anthony - 272 students
- Rep. Slagh - 550 students
- Rep. Huizenga - 1,133 students
- Rep. VanSingel - 1,673 students

These students are your constituents. They are our next construction managers, designers, police officers, nurses, optometrists, pharmacists, and welders; all future leaders for Michigan. Thank you for representing their interests in Lansing.

At Ferris State University, we are fortunate to have a strong Board of Trustees, and I want to recognize each of them. These are committed citizens who have a strong interest in our state's future and who are advocates for higher education and our students. Our trustees include:

- Amna P. Seibold of East Grand Rapids - Chair
- Ana L. Ramirez-Saenz of Caledonia - Vice Chair
- Rupesh K. Srivastava of Wixom - Secretary
- Lori A. Gwizdala of Bay City
- Robert J. Hegbloom of Clarkston
- Kurt A. Hofman of Grand Rapids
- Kari L. Sederburg of East Lansing
- LaShanda R. Thomas of Grosse Point

Ferris State University - What Makes Us Unique?

Ferris State University is the only university in Michigan named after its founders, Woodbridge Nathan Ferris (two-term Michigan governor and United States senator) and his wife, Helen Gillespie Ferris. Founded by them in 1884 as the privately owned Big Rapids Industrial School, Ferris Institute became a state institution in 1950, and Ferris State College became Ferris State University in 1987.

Career-Oriented Education - The Ferris' founding philosophy of a practical, hands-on approach to education that enables students to learn practical skills for new jobs in a changing world still resonates loudly today. Our education is "where theory meets practice." This, together with individualized student attention, a committed faculty who have practical experience in their profession and our career-oriented degrees, prepares graduates who find employment and professional success in their field after graduation. Our mission statement puts this succinctly -

Ferris State University prepares students for successful careers, responsible citizenship, and lifelong learning. Through its many partnerships and its career-oriented, broad-based education, Ferris serves our rapidly changing global economy and society.

During its history, Ferris State University has consistently responded to the changing needs of the workplace and our students. In 1893 when a student asked our founder Woodbridge Ferris for help in becoming a pharmacist, Mr. Ferris procured the necessary materials and drew upon medical training he had received to instruct the student - who subsequently passed the state boards. This began our College of Pharmacy. At one time, telegraphy was the new technology. Mr. Ferris had a telegraph wire strung to Old Main, and we taught that. Color television broadcast was once the new technology, and we were at the forefront of instruction in that new medium. Seeking to support business and industry, we offer one of the few bachelor degrees in plastic injection technology and have the finest welding engineering technology degree in the country. More recently we have become a national leader in information security intelligence and digital animation and game design.

Today we are evolving with changes to our economy and world brought about by the age of the Internet and globalization. This has created new career pathways and has brought established career paths, such as manufacturing, computer information systems and healthcare into the technological and digital age.

Both traditional and new career-path options for students require a university be nimble in the way it responds to those needs by creating new programs, upgrading curriculum and facilities to not just keep pace, but to lead in this marketplace. At Ferris this is a part of our academic and institutional DNA. While some students begin college unsure of their area of study, a large number of students come to Ferris because they know exactly what they want to do. Most remain in that program from the time they are first enrolled to the time they graduate.

Innovative, Cutting-edge Degrees - Ferris offers more than 190 programs, ranging from associate to doctoral degrees. We have a strong focus on teaching, and our faculty are experts in creating new and innovative programs that fuel and support Michigan's economy. In the past decade our faculty have created many new degree programs, including -

Doctoral Degrees

Community College Leadership
Nursing Practice

Master Degrees

Healthcare Administration
Information Security and Intelligence
Public Health
Social Work

Bachelor Degrees

Actuarial Science
Allied Health Sciences
Architecture and Sustainability
Biochemistry
Computer Information Technology
Industrial Chemistry
Insurance and Risk Management
Molecular Diagnostics
Public Health
Respiratory Therapy
Spanish for the Professions
Sports Communication

Associate Degrees:

Digital Media
Natural Science
Plastics and Polymer Engineering Technology
Professional Brew Management
(Slide One)

Many of Ferris' offerings are tailored to prepare students for careers aligned with occupations experiencing a shortage of skilled workers. We are in the top 20 percent of institutions nationally in the awarding of degrees in critical skills areas, more than 1,700 annually. When one excludes Michigan State, the University of Michigan and Wayne State University, institutions many times larger than Ferris, we graduate more students in critical skills areas than any other public university in Michigan.

Simply put, we educate the graduates our state needs. Ferris State University focuses on degree programs that fuel and support economic growth for Michigan, particularly in the STEM and healthcare fields with near or at 100% job placement rates in many of our programs.

We are a national leader with recognized exemplary programs in Criminal Justice, Digital Animation and Game Design, Heating, Ventilation and Air Conditioning, Hospitality Management, Information Security and Intelligence, Nursing and related healthcare fields, Optometry, Pharmacy, Plastics, Professional Golf Management, Risk Management, Social Work and Welding. Upon graduation 96% of our students find employment or seek advanced education. As a result of our career orientation and skills our students develop through this education, upon graduation 89% of our students find employment in their field of study.

We possess the ability and execute on our promise to provide a career-oriented education. This has been our mission since our founding in 1884.

Partnered Programs - Our passion for delivering what our students need in a variety of learning formats, and through partnerships with 22 community colleges across the state, is what makes Ferris State University unique. This makes us the choice for not only traditional students, but also for working professionals who are place-bound and looking to enhance their education or change careers. Through our partnerships with community colleges, we are able to bring the opportunity of a career-oriented Ferris degree to many communities across the state. In doing so we teach at the community college campus, using their classrooms and facilities. This is cost effective for the state by not requiring additional capital investment. It is convenient for students and allows them to continue their college education in a familiar setting. Through this, we provide place-bound students the opportunity to learn in the communities in which they live and work, while at the same time earning their Ferris degree.

Commitment to Veterans - Ferris State University has a proud tradition of serving veterans, helping them successfully transition from military to civilian life. Our career-oriented education, coupled with our on-campus Veteran Resource Center and nationally recognized Veterans Association student organization, makes Ferris an excellent choice for veterans wanting to further their education and career pursuits. Currently, 320 veterans are utilizing at least one VA education benefit at Ferris State University. Because of our dedicated efforts, we have again earned a gold-level rating from the Michigan Veterans Affairs Agency for our veteran-friendly programming. Our University also has a strong and growing Army ROTC program that provides leadership and military training to students interested in leadership or a career in the Army.

Performance Metrics

Before joining Ferris State University as president in 2003, I established a national website on performance metrics, spoke throughout the country and published on this topic. As the senior university president in Michigan, I have been involved with performance metrics in Michigan from their development and implementation in 2012 through today. In preparing this response, I looked back at my testimony over this period since performance metrics were adopted in our state. In 2013, these statements were included in my testimony to the members of the House Appropriations Higher Education Subcommittee -

"For the last 15 years I have studied and written on performance-based funding efforts in higher education. The studies of effective performance-based funding approaches suggest that they should-

- *Reward institutions that excel at meeting the goals as measured*
- *Be positive and additive, not subtractive, in their funding*
- *Be consistent from year to year*
- *Contain a limited number of measures with clear data sources."*

(Slide Two)

This is the course our State has followed with performance funding. In doing so, you have avoided some of the disasters that have occurred in other states, most notably South Carolina, one of the early advocates for performance funding.

In my testimony I have strongly encouraged elected officials to not change the performance metrics. Continually changing the metrics makes it impossible to determine if they are having the desired effect. It is especially disappointing that not only the metrics, but the rating factors have been changed over the years. The changes have placed less value on improvement and more on maintaining the status quo. Performance funding is most effective when it is used as an incentive. Incent institutions for improvement.

Each institution can look at the performance metrics and suggest that this alteration or adjustment would be an improvement for them. In doing so, the metrics would then better represent their mission and commitment to the State. Ultimately, however, performance metrics need to reflect the policy interests of the State and be designed to incent institutions to work toward those goals, rather than tailored to specific institutions. In this respect, the current approach accomplishes this aim.

With this understanding, I offer the following observations regarding the performance metrics. The graduation percentage calculation should be based on the far more accurate CEPI measure rather than the antiquated IPEDS approach, which ignores student transfer entirely.

At Ferris, we serve a community college role for the five-county area surrounding us where there is not a community college within close proximity. The large number of associate degree programs we offer are attractive to such first-generation students. Many students continue with us to complete a bachelor's degree. As such, we enroll a large number of Pell-eligible students. We would prefer that the Pell metric be based on the number of students rather than the percentage.

As I have stressed in the past, the value of the performance funding formula lies in the metrics remaining constant and the ability to assess change over time. The logic is simple and straightforward. If the state continually changes these metrics and creates a moving, uncertain target, how will it be able to judge and assess whether this performance-based approach is working?

Ferris State University does extremely well at producing graduates who are highly sought after by business and industry. Our graduates are the benchmark by which others are judged. We offer the types of degrees that help build a better Michigan, and providing this career-oriented education has been our mission since our founding in 1884. The performance-based model recognizes the value of a hands-on education, as envisioned by our founders, and I urge you to refrain from fixing what is not broken.

Support for Higher Education in Michigan

In the weeks and months ahead as you work to develop our State's budget, it is important you be mindful of the funding decisions of the past. These decisions have not prioritized higher education, while support has increased for other areas of the budget, most notably community health, community colleges, corrections and transportation. Over the last decade the overall state budget has increased by 25.6%. During this period the budget for community colleges has increased by 36.4%, health and human services by 27.85%, and K-12 education by 17.5%. The same has not occurred for higher education, where our funding has decreased by 1.9%. As a result we have fallen far behind in the portion of our budget funded by the state. (Slide Three)

It is only with the development of the performance funding that the state provided any additional support for enrollment growth. The combined impact of past budget decisions and our growth during this period has seen the per-student funding from the State decrease even more drastically. The impact on Ferris State University has been stunning. During the years when the higher education budget was being cut, Ferris was increasing enrollment at a rate greater than that of any other public university in Michigan. This combination of increasing enrollment and declining support means we have been educating students for Michigan's future using fewer and fewer resources per-student each year.

In 2001 the state provided \$6,094 for each full-time student at our university. Had this amount only been increased by inflation and covered the increased number of students we teach, this year we would receive \$10,134 per student. Instead, this year we received \$5,002 per student, \$5,132 less than 50% of this \$10,134. Were we funded at that 2001 rate, we would have received an additional \$62 million in funding this year and our state support would have been \$112 million instead of \$50 million. (Slide Four)

There is another area where I am deeply troubled by the actions of the past. This is in the area of student financial aid, which is an additional past State funding reduction that sadly should not be forgotten. In 2009 the State vastly reduced financial aid to students. Up until 2010 there had been a proud tradition of providing State financial support for students. This amounted to a commitment of between \$235 million and \$262 million annually. In 2010 the State could not further reduce funding to higher education because of the requirements in accepting the financial stimulus package. Instead, in one year, financial aid support for our students was slashed by \$151 million to a total of \$84 million.

At the same time a movement to replace state funds with federal Temporary Assistance to Needy Families (TANF) funds was begun. I would encourage you to remain vigilant of this and the potential pitfalls of a strategy that uses federal funds for this on what I believe is very weak rationale. Today student aid is at \$140 million, but only \$16 million of these dollars are State funds. It would be catastrophic for our students if these federal funds were removed. (Slide Five)

My hope in presenting this material from the past is that I can plant a seed that you will act upon this year and for additional years into the future. You need not only to work to restore support to our institutions, but also this much needed aid for our students. This is a case in which the State of Michigan, as a result of short-sighted decisions from the past, has stepped away from its responsibilities to college students and placed too much of the burden for affordability on the backs of public universities.

Enrollment Trends/International and Out of State Students

For Fall 2018 the total enrollment for Ferris State University was 13,250 students. At Ferris, our strategic goal is to stabilize student enrollment at these levels. Student recruitment and retention are areas of special focus and these efforts are yielding results. Fall 2018 we welcomed more new students to our university than for Fall semester 2017. Much work remains, but our total enrollment in five years will be similar to the present.

There are multiple reasons behind this decline in enrollment. First is a significant decline in the number of Michigan high school graduates – 15% between 2008 and 2018. Second is a significant decline in community college enrollment, which has decreased by one third. This has especially impacted the enrollment in our programs on community college sites. Third, is the number of college credits students earn while in high school. This is a positive development, as our freshmen students now graduate in four or five years. But this also decreases the time they are on our campuses and our enrollment.

We are working hard to increase the number of out-of-state students who enroll at Ferris State University. We typically see most students coming to Ferris who live within a 250-mile radius, which allows us to recruit students from Illinois, Indiana and Ohio. Our out-of-state enrollment has been increasing due to our concentrated recruitment efforts. One area of interest for us are transfer students and building relationships with community colleges in others states.

Through partnership with 20 high schools, four early-college programs, three career centers and one community agency, Ferris has concurrently enrolled a record 936 high school students this past fall, via FerrisNow. Beyond its many statewide partnerships, critical institutional collaboration with the Center for Latin@ Studies and the Charter Schools Office has contributed to the spirit of partnership that has helped grow the program. This past fall also features 3,213 credit hours for FerrisNow students – the highest for high school students in any term.

We have also seen a significant decline in the number of international students coming to Ferris State University, particularly from Saudi Arabia, which was our largest group of international students. This is due to a combination of factors, most notably the Saudi government scaling back scholarship programs that fund overseas education, and our own country's immigration stance and travel bans. We are committed to increasing our international student population, our number of international partners and study abroad programs. We believe these experiences are vitally important to our students as we prepare them for a truly global economy, and they are certainly one of our aspirations as we strive to become a global institution.

First-generation and Economically Disadvantaged Students/Tuition Incentive Program (TIP)

Because of Ferris State University's unique history of providing opportunity, we are a top choice for first-generation and economically challenged students. At Ferris, we believe helping these students is at the core of our mission. Ferris is uniquely positioned to help lower-income students be successful in earning a career-oriented degree, and finding employment, and we have a track record of effectively doing so.

As president, I cannot stress enough the importance of Tuition Incentive Program (TIP) funding in helping economically challenged students. TIP is a state financial aid program funded through the federal TANF program. Students in grades 6 through 12 who are Michigan Medicaid-eligible for 24 months in a 36-consecutive-month period can qualify for TIP. TIP provides an incentive to students to complete high school and go on to college by pledging to pay their tuition and fees for an associate degree or certificate programs (Phase I), as well as up to \$2,000 toward a bachelor degree (Phase II).

Because Ferris State University offers strong associate degree programs, we attract many TIP-eligible students. Our unique history of providing opportunity attracts exactly the kind of students the TIP program is meant to help. And, at Ferris, we believe helping these students is at the core of our mission. Indeed, we have a track record of effectively doing so.

Ferris is uniquely positioned to help these lower-income students be successful in earning a career-oriented degree and finding employment. They first earn their associate degree and many continue on to earn a bachelor's degree. In doing so, we help them escape the endless cycle of economic poverty. In the past six years TIP students have earned 1,720 degrees at Ferris. Our TIP students graduate with work-ready degrees - over 85% in high demand careers. No other institution in the state has this record of success. (Slide Six)

Net Price For first-generation and economically challenged students, college affordability is critical. Net price is a federal statistic each college and university is required to place on its website. It is an all-inclusive cost for college, including tuition, fees, room and board, books, travel, and incidentals minus the average award of financial aid. At Ferris we include a calculator on our website so students can calculate this without personal identification.

Viewed over the period from 2009-2017, our efforts to keep college affordable for students at Ferris State University are readily apparent. During this period the net price, the actual amount students pay for their education has declined for students in all income bands!

- Students from families earning less \$30,000 pay 36% less
- Students from families earning between \$30,000-\$48,000 pay 28% less
- Students from families earning between \$48,000-\$75,000 pay 19.8%
- Students from families earning between \$75,000-\$110,000 pay 5.3%

During this period the average net price for Ferris State University has declined by 9.7%. In comparison, the average for Michigan Public Universities during this period is an increase of 9.2%. (Slide Seven)

Taken together, these figures paint a picture of a university that values its tradition of providing opportunity to students, especially those in need. Ours is a tradition of instruction that is career-focused, employing faculty members who are experts in their fields to teach in small classroom settings rather than overseeing large lecture sections. This is the approach in which students learn best. Through this we educate students from across Michigan for jobs in Michigan.

Allow me to share one such example with you of how important TIP funding is for our students and the difference a Ferris education can make. (Slide Eight)

After graduating from high school, Miranda was ready to attend college. However, she was not sure she could afford the tuition, room and board, and books. Her parents encouraged her to apply, as her brother found success after graduating from Ferris. Interested in a STEM career, Miranda enrolled at Ferris.

She qualified for TIP funding and the state assured her she would receive this. However, because the budget passed in 2017 capped the amount any institution could receive in TIP funding at \$8.5 million, Miranda did not receive the TIP funding she was promised her last year of school. Even though she had received TIP support the previous year, there were no funds left for Miranda when she completed her paperwork.

Imagine the impact on any student, especially one from an economically challenged family, when they discover they have an \$8,000 bill and no means to pay it. Our Financial Aid office dug as deep as they could to help this young student, and her community helped also. Miranda made the sacrifices to stay in school to get her degree. She worked two part-time jobs, in addition to going to school full-time. During the week, she traveled back and forth home to work in the high school gymnasium in the evenings, and during the weekend, she worked at a healthcare center there.

It literally would break your heart to hear this young woman's story. In order to afford her last year at Ferris, Miranda had to give up everything she could not afford - access to the campus health services, our recreation facilities and more. The one thing she knew was important to her future was the living environment on campus. She feared as a commuter that she would not complete her degree. She was determined she would live on campus. To live on campus she gave up her meal plan.

"I was devastated when I found out I would not receive TIP funding," Miranda said. "I didn't think I had any other options, and living on campus was important to me. I already had a lot of loans, but I wasn't going to give up. Most of the kids I knew who left school didn't return ... I didn't want to do that." This past May, Miranda earned her associate degree and she continues to do well today.

Miranda is an example of how funding decisions made at the state level impact our students, creating obstacles they should not need to face. In helping Miranda we were fortunate that she was from Baldwin. Even though Lake County is among the poorest in our state, the rural Baldwin community is one of the state's exemplary Promise Zones, and the Baldwin Promise is a source of great pride to this area and to our state.

When you consider funding for our students please remember Miranda and her story. At Ferris we serve more TIP students than any other university in Michigan. These students come to Ferris because of the degrees we offer that prepare them for great careers and because of the success of students in our TIP program. We know we can help TIP students break the cycle of poverty and become successful, productive citizens. Just like Miranda, our students need and deserve this support. Thank you for helping them build a new future.

We are grateful for the important role you have in promoting higher education and the difference a university degree makes for our students. With your help we can build great futures for our students in their professional careers and for their lives as active, concerned citizens. I invite you to come to Ferris State University, take a tour and see first-hand the education we provide. On behalf of each of our more than 13,000 students and more than 125,000 alumni, thank you so very much.