



House Appropriations Subcommittee on Higher Education & Community Colleges

KEY ISSUES & ANSWERS

SUBMITTED BY

**Ora Hirsch Pescovitz, M.D.
President, Oakland University**

February 28, 2019

**House Appropriations Subcommittee on
Higher Education & Community Colleges
Thursday, February 28, 2019**

Contents

Affordability, Accessibility & Incentives	2
Budget	2
Campaign (Aspire. Advance. Achieve.)	3
Community Colleges	3
Disinvestment & Tuition Restraint	3
Economic Impact	3
Endowment	4
Enrollment	4
General	4
Funding	5
Research	6
Strategic Initiatives	6
Student Success	6
Underrepresented Minorities	7
URM Enrollment Trend	7
URM 6-year graduation rate	7
Unique features of OU	8
Recognition	8
Academic programs	8

Affordability, Accessibility & Incentives

- Need awards are targeted to assist low income students. (It doesn't matter if they are first generation or not.)
- OU intentionally promotes these awards to prospective students, especially in urban and rural areas.
- **Incentives to first-generation and disadvantaged students:**
 - Oakland University was founded on the premise that everyone deserves access to an exceptional education.
 - OU has increased student financial aid awards significantly over the last ten years.
 - Since 2010, OU's financial aid has increased more than \$30 million.
 - In 2018, OU awarded more than \$43 million in institutional aid.
 - More than half of all OU student receiving financial assistance annually.
 - Need-based awards increased about \$10 million since 2010
 - In 2018, OU awarded \$16 million in need-based grants/scholarships to students in need.
 - In FY2018, OU awarded \$43.5 million institutional grants and scholarships, equals to 85% of its state Appropriation.
(Source: Academic Affairs, Feb. 2019)
- **GOLDEN GRIZZLIES TUITION GUARANTEE**
 - 100% TUITION FOR UP TO FOUR YEARS, AFTER EFC AND GIFT AID
 - Eligible incoming freshmen can attend Oakland University free for four years. That means students can focus on their degree and future — without worrying about how to pay for it. Recipients must have an expected family contribution (EFC) less than \$12,000.
- **OU TRANSFER GRANT**
 - \$2,000 for two years (\$1,000 per year)
 - Awarded to new transfer students with an estimated family contribution (EFC) of \$0, and 24 or more transferable credits. Eligible incoming transfer students who have financial need (as determined by completion of the FAFSA) and fulfill all financial aid requirements, will automatically be considered for OU need-based grants.
- **NO FEE TUITION POLICY**
 - OU aims to lower total cost to attend college by maintain no tuition related fees (include cost for registration, recreation, course).

Budget

- FY2019: \$274.9 million
- State appropriation: \$51,235,900 (2017-18)

Campaign (Aspire. Advance. Achieve.)

- Oakland University launched the public phase of “Aspire. Advance. Achieve,” in mid-November. It focuses on five key areas: student success; teaching, research and discovery; campus expansion; and, innovative programs. We’re drawing upon our community of alumni, corporate partners and friends.
- About 35 percent of \$150 million goal has been raised.

Community Colleges

- OU has articulation agreements with Kalamazoo Valley Community College, Macomb Community College, Mott Community College, Oakland Community College, Schoolcraft Community College, St. Clair Community College; and, relationships with all 28 community colleges in the state.
- The articulation agreements are often critical for community college students – for financial and academic reasons – as they pursue bachelor’s degrees.
- Approximately 40% of OU students transfer from community colleges in the state.

Disinvestment (of state funding) & Tuition Restraint

- Tuition restraint, coupled with a relatively low increase in appropriations, greatly limits our ability to meet growing student needs and inhibits our ability to initiate measures that work towards meeting components of the performance incentive structure.
- Tuition and state appropriations account for 99% of Oakland University's General Fund operating revenues. By consistently limiting the two main revenue streams, Oakland's ability to implement necessary improvements and aspirational goals are seriously limited.
- If tuition restraint continues to be imposed, the funding formula should exclude increases to debt service budgets related to Capital Outlay and other facility expansion projects from the constraint calculation.

Economic impact

- OU has a major impact on the regional economy with an economic footprint of \$800 million, according to Anderson Economic Group.
- About 97 percent of recent OU graduates who are employed are working in Michigan, including graduates in engineering, education, human services, health sciences, medicine, nursing, business, arts and sciences.

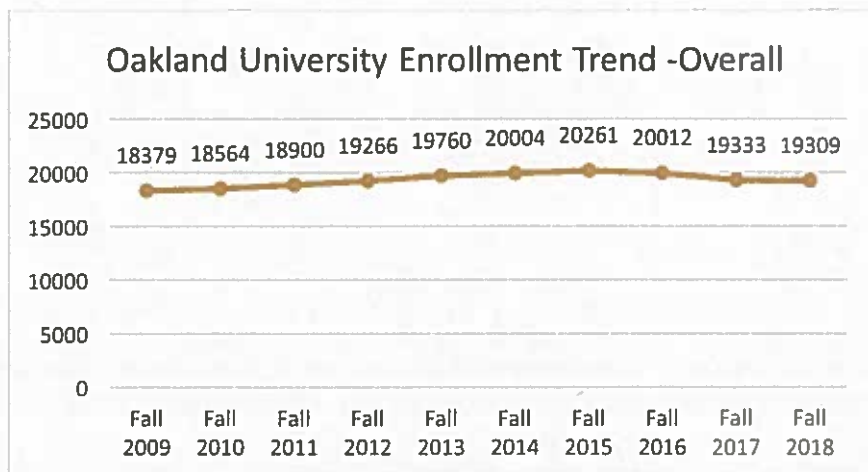
Endowment

- As of February 2019: \$102 million.
- Endowments cannot be used to lower tuition. Rather, endowments represent money or other financial assets to be invested with the aim of providing additional income for the future. Often, endowment spending is dedicated to donor-restricted purposes.

Enrollment

General

- Fall 2018 student population of 19,309 (15,799 undergraduate, 3,510 graduate)
- First-generation students (first time in any college) – 31.8 percent
- 9 percent increase in overall enrollment over the past decade
- Incoming freshmen average GPA – 3.5
- Race/Ethnicity (Caucasian - 74.5 percent; African American - 9.0 percent; Asian - 6.7 percent; Hispanic - 3.8 percent; Native American - 0.9 percent; Native Hawaiian - 0.2 percent; Other - 4.9 percent.)
- Geographic distribution: Oakland County - 40.5 percent; Macomb County - 31.0 percent; Wayne County - 6.3 percent; Genesee/Lapeer/St. Clair counties - 6.6 percent; other Michigan counties - 7.7 percent.
 - Other states - 3.1 percent
- International students: 902 (4.7 percent)



- Out of State enrollment increased significantly over the last ten years (250% increase).
- International enrollment also increased significantly (135%).
- However, Out of State and International enrollments still make up a small proportion of the total enrollment.

Funding

Performance Funding Formula

- Oakland supports an equitable and sustainable appropriation funding structure. However, the current formula does not address the longstanding inequities in funding as measured on a per FYES basis, which currently range from a high of \$8,990 to a low of \$2,957 per FYES among the 15 state universities, with Oakland being the lowest.
- Performance funding might be a method to hold universities accountable, but it was placed on an existing resource allocation system that was inequitable and unfair to several universities, especially the five youngest universities, which typically have been among the fastest growing, and are the five lowest funded institutions on a per FYES basis.

Preferable funding/possible improvements

- Oakland favors a funding structure that recognizes historical growth in undergraduate education for Michigan residents, evaluates performance against its own past performance and benchmarks, adheres to a per FYES floor funding concept, and leaves the control of tuition levels to each university Board.
- Providing adequate resources to make higher education more affordable and accessible is the most effective way for the state to partner with universities and the students we serve. The entire state benefits from a better educated population.

Research

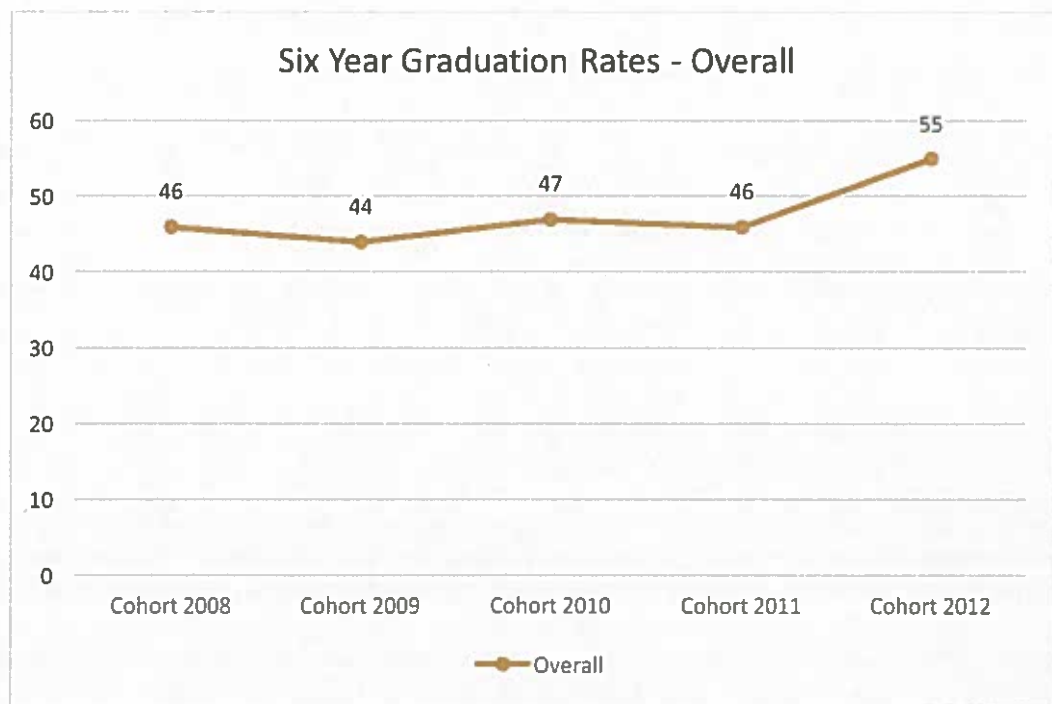
- Total Awards: Approx. \$10 million (FY2018)
- Research space - 109,502 sq. ft.
- Noted research and scholarship centers:
 - Automotive Tribology Center
 - Center for Autism
 - Center for Biomedical Research
 - Center for Robotics and Advanced Automation
 - Center for Social and Behavioral Research
 - Clean Energy Research Center
 - Eye Research Institute
 - Institute for Stem Cell and Regenerative Medicine
 - Ken Morris Center for the Study of Labor

Strategic Initiatives

- Student Success
- Teaching, scholarship and research
- Community engagement
- Diversity, Equity and Inclusion

Student Success

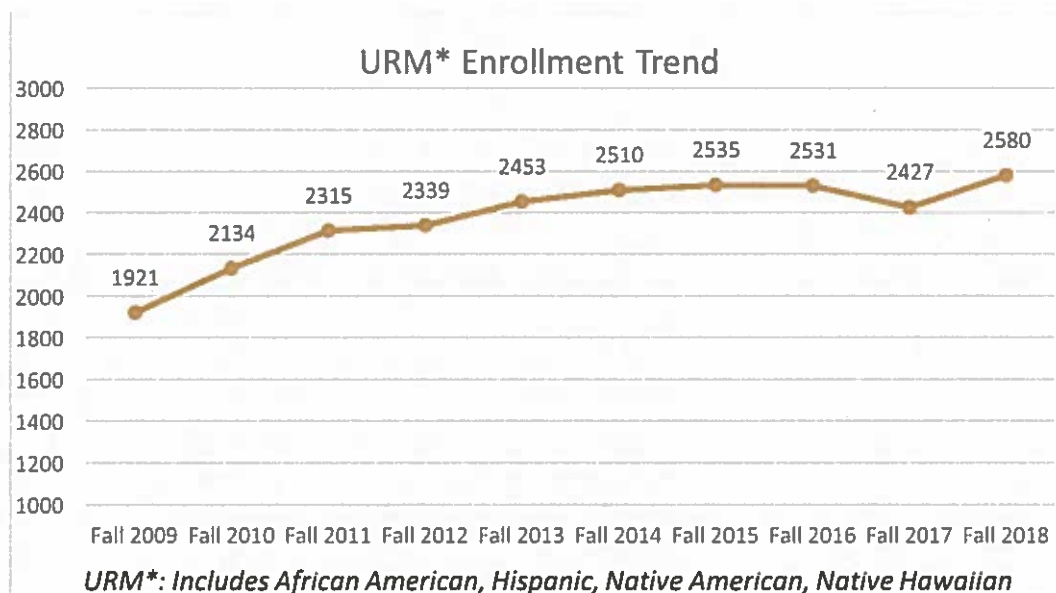
- Fostering student success through a robust teaching and learning environment and comprehensive student services is Oakland University's first strategic goal.
- Oakland University graduation rates have seen a steady rise in recent years and is on track for its student success goals.
- Six-year graduation rate reached an all-time high of 55% last year for cohort 2012.
- Last year's 9% improvement of the 6-year graduation rate was also the highest jump on record.



Underrepresented Minorities (URM)

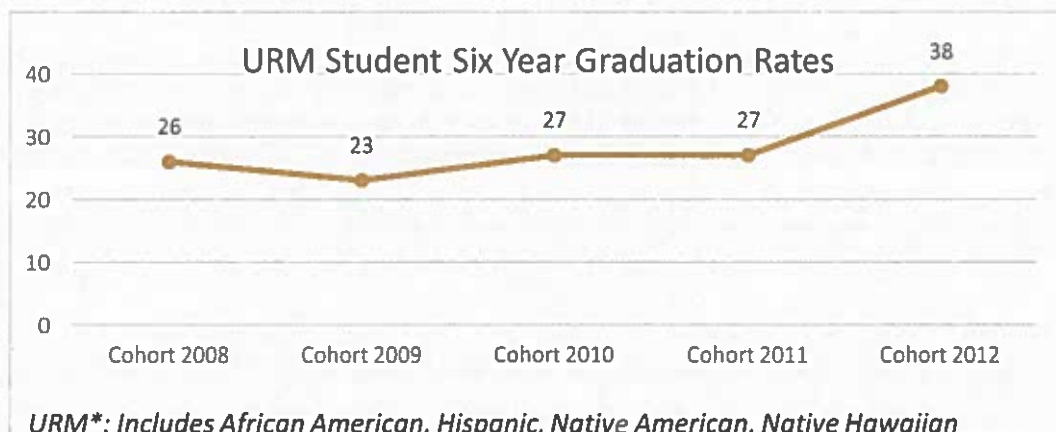
Enrollment Trend

- URM (African American, Hispanic, Native American, Native Hawaiian) enrollment at Oakland University has increased significantly (34.3%) over the last ten years, from 1921 (Fall 2009) to 2580 (Fall 2018).
- Fall 2018, URM accounts for 13.4% of overall enrollment, a 0.8% increase from previous years.



URM Student 6-Year Graduation Rates

- URM students 6-year graduation rates have been steadily rising in recent years.
- Last year's URM 6-year graduation rate also reached an all-time high of 38%
- Comparing with the overall 9% improvement, URM group improved 11% last year.



Unique features of OU

Recognition

- Classified as a doctoral research, high activity university by the Carnegie Foundation for the Advancement of Teaching.
- Rank as R2 level by Carnegie, which elevates OU's reputation and is expected to help attract federal and foundation grants along with joint ventures with private industry.
- Oakland's business school is one of only 186 business schools of 16,000 worldwide to earn AACSB international accreditation for both business and accounting programs.
- Oakland University William Beaumont School of Medicine (OUWB) holds full accreditation from the Liaison Committee on Medical Education. The school has an exceptional match track record; there were 8,500 applicants for 125 freshman open slots.
- Ranked 11th in the country for the percentage of women tenured/tenure-track faculty in engineering by the American Society for Engineering Education. (2015)
- Nurse Anesthesia program is ranked 18th out of 115 U.S. graduate programs in nursing-anesthesia, according to U.S. News & World Report. (2016)

Academic programs

- 142 bachelor's degree programs, and 138 doctoral, master's degree and certificate programs
- Transforming health care education
 - The OUWB admitted its charter class in fall 2011 and now maintains a total enrollment of 494 students.
- The Human Health Building opened in fall 2012 to house the schools of Nursing and Health Sciences, and offers modern laboratories, research facilities and clinical spaces.
 - The 172,000-square-foot building has an energy-efficient and sustainable design that makes it the first higher education building in Michigan to be certified LEED Platinum.