

Testimony (presented)
Michigan House of Representatives
Appropriations Subcommittee on Higher Education and Community Colleges

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Good morning Chairman VanSingel and members of the committee – and thank you for your service to our state.

My name is Christine Hammond and I have the privilege of serving as the President of Mid Michigan College, known to us mostly just as “Mid.”. My colleagues and I appreciate the chance to tell you about the work of community colleges in our state, especially as it relates to your work on appropriations.

Recognizing that there are a number of new members on this committee, we thought it might be helpful to provide a general overview of Michigan’s 28 community colleges. We will then describe a few highlights about our own institutions so that you can hear about

the similarities and differences between colleges and about the important work being done in our communities.

History

Public community colleges were established through the Michigan Community College Act of 1966. Grand Rapids Community College, represented today by President Pink, is the oldest among us, having started as Grand Rapids Junior College in 1914. Most community colleges were established in the mid to late 1960s, the most recent being West Shore Community College in Ludington in 1967. With facilities that date back to the 1960's it is not surprising that aging infrastructure is a significant concern for many of us.

Each of our community colleges can trace its origins to the hard work of local leaders – school superintendents, local government leaders, and community activists.

Principles and Purpose

A review of our histories reveals common motivations of these founders. They wanted to have a college close at hand – that is, one that is accessible to all residents: young people graduating from high school, incumbent workers who needed additional training, and community members who simply wanted to learn.

These founding mothers and fathers also wanted a college that would be affordable – one that would let students live at home, keep jobs in the local economy, and save money.

And last but certainly not least, they wanted a college that was alert and responsive to local needs – one that was accountable to the citizens of the district.

Those three elements – **Access, Affordability, and Accountability** – serve as the hallmarks for the work of community colleges today.

We are open-access institutions and we welcome students of all backgrounds, all ages, and all levels of college readiness. We are affordable. A student can attend Mid (or most other community colleges) for less – sometimes far less – than what she or he would pay at a public university. In general, our tuition is 25% to 35% of university rates. (For example, in-district tuition and fees at my college, Mid, this academic year are \$4744. Corresponding in-state tuition and fees at Michigan State University for this year are \$15,708.)

In addition to being accessible and affordable, we are accountable to the citizens we serve.

Community colleges are governed by publically elected boards – usually comprised of seven trustees elected at large from the College's

taxable service district. While many states have higher education systems, Michigan is one of only ten states in the nation with elected governing boards that operate independently. **Local control is very important to us** because we recognize that each community has its own culture and needs. This governmental autonomy is derived from Article VIII, Section 7 of the Michigan Constitution.

As community college leaders, we do collaborate well with each other and all of us are voluntary members of the **Michigan Community College Association (MCCA)**. Mike Hansen and Erin Schor are the faces you'll most often see and the voices you'll most often hear when we decide to act as a group.

Funding

Funding for community colleges comes from three major sources – State funds, local property tax funds, and student tuition and fees. Grants and private donations comprise a fourth and much smaller piece of the funding pie.

When the Community College Act was first passed, state funding provided over 60% of community college support. Over time, that funding level was reduced and replaced by a tri-part model – a third of funding was supposed to come from the state; a third was supposed to

come from property tax revenues; and a third was supposed to come from student tuition and fees.

Initially it was difficult for the State to collect data about the activities of community colleges and determine how to fund them. In 1982-83, the **Activities Classification Structure (ACS)** was established by state to collect and report auditable data on enrollment, instructional type, physical plant size and costs, tuition, and property tax revenues. Today, the **ACS serves as a valuable resource** for comparative information in an apples-to-apples way. For example, most community college students attend part-time. They juggle jobs and family along with their studies. Of the more than 410,000 students enrolled in Michigan's community colleges, 67% are part-time students. And, while many are pursuing certificates or degrees, some are dually enrolled in high school and college, some are taking courses for personal interest, and some are university students who try to pick up a course to save money and take advantage of our smaller class sizes. For all of these reasons, headcount may not be the best measure of institutional size. **The State equalizes enrollment by using an FYES – Fiscal Year Equate Student – number.** It is the number of total credit hours divided by 30 (and estimate of the credits a full-time student

would take in one year). For example, nearly 7000 students might earn credits at Mid in a given year but our FYES is 2274.

In 1984-85, the Gast-Mathieu's Fairness in Funding Formula was adopted by the legislature as a new approach to distributing state funds to Michigan's community colleges. The Gast-Mathieu formula calculated a dollar amount of need for each college and applied statewide averages cost factors to activities that all the colleges held in common. Over the years, the Gast-Mathieu formula was unevenly applied. In some years, the state did not have sufficient resources equal to the amount calculated by the formula. In other years, the state's allocation was given as an across the board increase, or occasionally as an infusion into the budgets of certain colleges.

There are remnants of Gast-Mathieu in today's state allocations for community colleges but we are far from its original intent. Gast Mathieu was replaced by a performance-based formula for new monies in recent years. Along with shifts in the formula, circumstances of community colleges have significantly changed over the years – communities (and the property tax revenue they produce) have waxed or waned. The same is true for enrollment. Today it can be difficult to discern the rhyme or reason of community college funding.

The idea of an even distribution of financial responsibility between the individual student, the local community, and the state has long-since been abandoned by the State. On average, funding for the 28 community colleges comes 20% from the state, 35% from local property taxes, and 43% from students and their families. Colleges seek grants, alternative revenue streams, and private donations to make up the remaining 2-3%.

But the funding pattern varies widely. For example, at Mid Michigan College, we serve rural Clare and Gladwin counties – two of the poorest counties in the state. Only 9% of our revenue comes from property taxes; 19% comes from the State, and 72% comes from student tuition and fees. Note that this 72% comes from some of the poorest students in our state. In contrast, a community college that has 50 fewer FYES (Fiscally Equated Students) than Mid and is situated in a more affluent urban area, receives 50% more (over \$2M more) in state funding.

The disparities in levels of funding were further exacerbated by the distribution of personal property tax exemption monies. There is hope that the corrections to the formula made in the past year will at least provide a clearer rationale for the amounts awarded.

Now, let me be clear - none of us want to snipe at the good fortune of our colleagues; and we are very good at stretching a nickel at Mid; and we take great pride in serving a rural area. **But we fear that the funding inequities are mounting and they put students at colleges like Mid at a substantial disadvantage.**

Rural Community Colleges

As college leaders, we are all concerned about the state's support of higher education. This morning I would like speak on behalf of those colleges that, like Mid, serve rural areas.

More than 98% of the land mass in Michigan is considered rural by the US Census Bureau. **More than 64% of the population lives in communities with fewer than 50,000 people.** Many of these rural areas face significant socio-economic challenges. Much of the land may be off the property tax rolls because it is designated as state, national, or tribal preserves. As many of you know from your own campaigns and districts, making connections in a sparsely populated large area can be challenging and expensive.

Yet I am sure that we would all agree that the citizens in those areas should have access to post-secondary education that is affordable and of high quality. The citizens of our rural communities are likely to

make important decisions about how precious natural resources of our state are preserved and managed. It is in the Michigan's best interest – in all of our best interests -- to be sure that these citizens can think critically, use scientific data, write and speak well, and engage effectively with a wide range of ideas.

Community College Distribution

You may be surprised to learn that, unlike Wisconsin, Indiana, and many of our neighbors in the Midwest, **not every region of Michigan is part of a community college district.** On the last page of my testimony, I have provided a map that shows in white the areas that are not yet included. To be sure, students from these areas can travel to other community colleges and pay out-of-district rates but the extra effort that they need to make -- increased tuition and extra travel costs – is worth remembering when we think about post-secondary opportunities for all.

Dual Enrollment and K-12 Partnerships

I have spent some of our time this morning identifying some of the funding challenges that are relevant for the Appropriations Committee. But I also want to shine the spotlight on some of the great work that is being done. In particular, many of you are aware of the

dual enrollment and early college options available to students in our Michigan high schools. Industrious students who take advantage of dual enrollment options can earn their complete Associate's degree along with their high school diploma. They move forward understanding the demands of collegiate study and they enter debt free. The money that they (and their families) save removes some of the sting from those first university tuition payments. I always encourage those students to invest some of that money by taking internships, study abroad, service-learning, or technical training that complements a traditional college major. Over 30,000 students are taking advantage of this opportunity.

At Mid, we currently have 9 high school or RESD partners and enroll nearly 1200 students. They earn credits that can be applied to the Michigan Transfer Agreement as well as technical courses in areas such as Welding, CAD/Drafting, Advanced Integrated Manufacturing and Criminal Justice. Mid pays careful attention to the quality of this instruction – we are the first public community college in Michigan to be accredited by NACEP – the National Association for Concurrent Enrollment Programs. We track the success of our graduates and know that those who begin with dual enrollment persist and complete their

programs at rates higher than the general population of college students.

Partnerships with our K-12 colleagues are an important dimension of the work of community colleges. The Clare-Gladwin RESD is located right on Mid's Harrison campus and its students study in our technical programs and practice their culinary training in our cafeteria. Through our strong collaboration, we were able propose a new automotive program that was awarded one of the recent Marshall Grant from the state. Thank you for that support.

Open Educational Resources

Students who come to Mid have an additional cost-savings advantage. Recognizing that the cost of textbooks can be \$1,500 - \$2,000/year, Mid faculty began using and creating **Open Educational Resources**. Materials are developed and offered electronically. Students can choose to print or use them digitally. We were early adopters of this effort, beginning in 2016. This fall 116 course sections utilized OER and saved students \$283,900.

In closing, I will say that I spent much of my career in higher education – public and private colleges and universities with a couple of law schools thrown in for good measure. I chose to work in community

colleges because I believe this where the interesting and important questions are for our society. Being a community college president is privilege because it gives all of us the chance to make a difference in the lives of our students and our communities. Access, affordability, and accountability are educational values that will serve the citizens of our state well.

Once again, thank you for the opportunity to be with you today. I stand ready to answer any questions you might have. Please know that you are always welcome at Mid.

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