

**Michigan House Appropriations
Subcommittee on Higher Education & Community Colleges**

**Oakland University Testimony on Financial Aid and Student Persistence
Presented by Dawn M. Aubry and Nancy Fetzer
Thursday, March 3, 2022**

Good Morning Chairman Frederick, Vice-Chair Johnson, Minority-Vice Chair Steckloff, and other members of the subcommittee. I am Dawn Aubry, Vice President for Enrollment Management, and I am joined by Nancy Fetzer, Interim Director of Financial Aid at Oakland University. We would like to thank you for the invitation to testify about financial aid and its impact on student persistence and extend our appreciation to each committee member for taking the time to hear us speak about this important topic.

We appreciate the opportunity to provide an overview of how Oakland University is able to help Michigan achieve its goal of increasing the number of students who complete a postsecondary certificate or degree by the year 2030.

In Fall 2021, Oakland University served a population of 17,170 students, including 13,771 undergraduate and 3,399 graduate students. Our incoming class for that term included 2,205 first year students and 1,174 transfer students.

Our strategy for reaching the state goal for college attainment involves implementing a number of programs that address, through merit scholarships and need-based grants, the fundamental issues of accessibility, affordability and student loan debt. We have worked to employ a transparent award model and to be as responsive to student needs as possible, implementing the Frontline Workers Scholarship to new transfers in the Futures for Frontliners Program, and moving to a test-optional award model for freshman beginning in 2021.

For the 2020-2021 financial aid year almost 80% of our students received federal gift aid, including the Higher Education Emergency Relief Fund (HEERF I and II) grants.

30% of all OU students received a Pell Grant award, and just over a thousand of our students received the Michigan Competitive Scholarship.

These programs, along with our institutional merit and need-based aid programs, have enabled us to keep the average loan debt for an OU student to the 4th lowest of the 15 Michigan public institutions, behind only Wayne State University, the University of Michigan-Dearborn and the University of Michigan-Ann Arbor.

In fact, OU undergraduate students graduate with one of the lowest average loan debts among the public institutions in Michigan. The national median loan debt in 2020 is \$28,000, and the State of Michigan median is \$29,837; OU is below both the national and State medians, at \$26,889. Although OU receives the lowest state appropriation per student among the 15 public universities, we provide the fourth highest amount of need and merit awards in the state, behind only the University of Michigan - Ann Arbor, Michigan State University and Wayne State University.

OU has a long-standing no-fee policy, and charges no mandatory fees to students, helping families to easily identify their all-in costs. We believe OU is the only university in the country to have this fully transparent pricing policy. However, over the last several years OU has seen a rise in the number of students demonstrating need, with 61% receiving some form of need-based aid (2021 undergraduates). In addition, OU serves a growing population of working and middle class Michigan residents, with significant increases over the last five years in First Generation and underrepresented minority student enrollment.

OU's Golden Grizzlies Tuition Guarantee helps cover the cost of tuition for qualified entering freshman students, allowing our neediest students to attend OU loan free, for four years. Through this program a total of \$1,827,891 was awarded to 647 new students in 2020-2021 alone. In an effort to reduce loan debt and increase affordability, this award helps a wide range of students above and beyond those who are Pell-eligible. We have been helping OU students with this award since 2009.

One of our more recent programs, implemented in the Winter of 2019, is the OU Transfer Grant. This grant is automatically awarded to newly admitted transfer students based on financial need and is renewable for a total of four semesters. We've awarded

\$68,000 to 81 new students and a total of \$218,000 to 247 students in the 2020-2021 academic year. OU was tied as the #1 transfer destination in the state of Michigan in 2021, enrolling 2,093 students for the year. Transfer initiatives include new transfer articulation and reverse transfer agreements, and improved transfer credit policies with Michigan community colleges. However, this small award does not fulfill the true needs of this student population, which tend to be working class adults.

OU is focused on student success and outcomes. Among the Michigan public universities, we award the second highest number of Bachelor's degrees to adult learners, those students aged 25 years and older, awarding 1,255 degrees in 2020. However, there are over 690,000 adult learners in the metro-Detroit area with some college but no degree. As a founding member of the Detroit Drives Degrees compact, we have agreed to assist adult learners in returning to school to complete their degree, which includes instituting a debt forgiveness program.

As an answer to this charge, in 2019 OU unveiled the Golden Grizzlies Graduate Program, addressing the needs of 3 distinct groups of students to help address higher education debt, remove barriers to enrollment, support degree attainment by providing micro-grants to students, and reconnect stop-out students with the university. Through this program three micro-grants were developed in order to support students who owe a prior debt to the university, those who stopped-out with no debt but without the funding to continue their studies, and those with demonstrated financial need at risk of stopping-out.

Through this program we've seen a valuable impact in re-enrollment and graduation. Since the program's inception, 337 students have participated and we have awarded degrees to 168 recipients. Although a newer initiative, OU hopes to continue to see the college attainment needle improve for this population of students in the coming years. OU currently has over 9,000 stop-outs. Increased resources would allow us to upscale our efforts to re-engage and re-enroll these students.

In fact, despite all of these efforts, in 2021 we still saw 6,625 OU students with a financial gap beyond what the federal government determined they could pay. How can the State of Michigan further support these students? By helping them to fill the financial gap so they can graduate in a timely manner, find work, buy homes, and pay taxes right

here - all serving to ultimately improve lives and Michigan's economy. For example, we know that 99% of employed OU graduates work in the state of Michigan.

In addition, reestablishing a moderate funding floor of \$4,500 for all state universities would provide support from the State of Michigan and begin to bring equity and fairness to higher education funding, while not cutting into the funding other public universities already receive. Oakland University currently receives \$3,113 per Fiscal Year Equated Student, which is significantly below the national and state averages. Additional funding can be used for:

- More need-based grants and merit scholarships
- Increased on-campus student employment
- Increased graduate assistantships
- Increased and improved campus safety and student experience, and to
- Offer more student success initiatives, support services and research opportunities

When it comes to awards provided by the State, it is important to note the Michigan Competitive Scholarship amount has changed very little over the years. In fact, the current \$1,000 award amount is less than it was 20 years ago, at \$1,300. Increasing this award from \$1,000 to between \$1,500 and \$2,000 would help to support our neediest and brightest students to make college more affordable. Additionally, most of the public institutions have noted declines of between 34 and 59 percent in the number of students being offered the Michigan Competitive Scholarship over the last 3 years. Our recommendation would be to increase this award amount, and to consider eliminating the standardized test score requirement given the national shift to a test-optional higher education environment.

Additionally, we support the Michigan College Access Network's recommendation for the expansion of the Tuition Incentive Program through elimination of the TIP Phases. Elimination of the phases would increase access for students ready to come directly to a four-year college. For example, students who are Medicaid recipients are currently unable to utilize TIP to pursue a Bachelor's degree at a four-year institution without having first attended a community college. An increased award amount would also be necessary, rather than the \$500 per semester, in order to support these low-income, Medicaid-recipient students through to graduation.

Finally, we want to express our support of MCAN's recommendations for creation of a COVID Class Scholarship for high school graduates from years 2020 thru 2022, and a Comeback to Complete Grant to help students who have stopped-out with 90 or more credits to return and finish their 4-year degrees. The extensive economic data indicate that there is a direct correlation between the most prosperous states and those with a high proportion of college graduates. College attainment translates into increased earnings, greater job opportunities, better quality of life, and substantially more tax revenues for state and local governments.

These students have great needs, and unfortunately at OU we have found that those with the highest need have graduation outcomes that underperform the general student population. Though, the retention rate for students that receive any aid from Oakland University is about 9% higher than those who receive no aid. Likewise, the retention rate for those who received need-based aid from OU is about 5% higher than those who've received no aid at all. We have an opportunity here to have a tremendously positive impact on student success, which is why it is imperative to consider these recommendations for improvements to the aid opportunities here in the State of Michigan.

The question before us is, simply: How can we work together to further create a world-class workforce, pro-business climate and thriving economy that benefits all Michigan residents? As representatives of Oakland University, we join our peers and colleagues around the state in the belief that higher education must be equitably funded, and students' financial needs for their education met, because we play a vital role in Michigan's success, promise and prosperity. As we seek to address many of the state's pressing issues, we look forward to working with you so the state of Michigan and our universities and colleges can continue to serve and support students in meeting their educational pursuits. Thank you.

