

**Michigan House Appropriations
Subcommittee on Higher Education**

**Testimony Before the
House Appropriations Subcommittee on Higher Education
State Capitol Building - Lansing, Michigan
Thursday, March 9, 2017**

PRESIDENT HYND'S REMARKS

Good morning Chair LaSata and other members of the subcommittee.

My name is George Hynd and I am president of Oakland University, the 8th largest of the 15 public universities in Michigan.

The University was founded in 1957 when the late Alfred and Matilda Dodge Wilson donated their 1400-acre estate and \$2 million to Michigan State University to begin a new college in Oakland County.

Originally named Michigan State University-Oakland, its name was changed to Oakland University in 1963. In 1970, the Michigan Legislature granted Oakland its autonomy.

The University is based in Oakland County, which is the 2nd largest of Michigan's 83 counties and straddles two State House, State Senate and congressional districts.

Representatives Michael Webber and Tim Greimel and Senators Jim Marleau and Marty Knollenberg represent us at the state level.

Our United States House Congressional Representatives are Mike Bishop and Dave Trott.

Over the last 10 years, Oakland has been the fastest-growing public university in Michigan. It is now a major metropolitan university serving a large region, which I will share more about shortly.

The Carnegie Foundation for the Advancement of Teaching categorizes OU as a doctoral degree granting university with moderate research activity.

I will add that we have in recent years focused a great deal of attention and energy on expanding our research endeavors.

Our students come to Oakland to take advantage of 132 bachelor's and 138 graduate and certificate programs, and they benefit from a highly accomplished faculty.

We strive to maintain low class sizes and are proud to note that 93 percent of our full-time faculty members hold the highest available degrees in their fields.

The University is comprised of our College of Arts and Sciences, a rapidly growing Honors College, and six professional schools offering the wide array of in-demand programs I mentioned a moment ago.

I am also proud to mention hear that U.S. News and World Report ranks our graduate Nurse Anesthesiology program as the 18th best in the nation, and our undergraduate physical therapy program among the top 150 in the nation.

Meanwhile, Forbes Magazine ranks Oakland as the 4th best public university in Michigan, and 9th best among all 45 four-year degree institutions in the state.

Oakland University expands the benefit of its academic reach through a total of 68 academic credit transfer articulation agreements with community a total of 8 community colleges throughout our region.

We also manage reverse credit transfer agreements with 6 of those 8.

Our partnerships with community colleges represent a significant institutional priority, as 41 percent of Oakland students come to us from community colleges.

The University's total enrollment as of fall 2016 stands at just over 20,000 students.

This has come as the result of an enrollment growth rate of 15 and half percent over the last decade.

As we grow the number of students who call Oakland home, we are also welcoming increasingly accomplished students. The average high school GPA of incoming freshmen is 3.4, and their average ACT score is 23.6.

We estimate that more than a third of all OU students are first-generation college students, and we calculate that 39 percent receive some form of student financial aid.

An important point to make about Oakland students is that nearly three quarters of them stay in Michigan to help expand and enhance our state economy after graduation.

As our University has grown, we like other institutions across the state and nation have seen state resources to support the quality of education decline.

This chart illustrates that since 1972, the burden of paying for college has been more than upended. Where students paid 26% of the cost 35 years ago, they pay 81% of the cost now.

We must commend the governor and the State Legislature for working consistently since 2012 to support higher student accessibility to a high-quality college education.

This support is absolutely essential to building a highly educated and highly competitive workforce in Michigan.

Oakland University strongly urges the state to continue this trend, particularly in light of the fact that only this year did we return to a funding level comparable to what we saw prior to an alarming funding cut in 2011.

It is also worth noting that we have not yet returned to the funding level Oakland received in 2009.

Cognizant of the cost burden that our students face, we at OU have long prioritized providing student financial aid as a means of expanding student accessibility to the academic programs we offer.

As this chart indicates, the University now offers nearly as much in institutional financial aid as it receives in total state appropriations – more than \$40 million, in fact.

We have been able to accomplish this despite the fact that Oakland is the lowest funded public university in the state of Michigan on a per-student basis.

Although the state's funding formula is not based on a per-student calculation, I think it is telling that we receive nearly \$6,000 less per student than the highest-funded institution, and nearly \$2,200 less than the state average for appropriations.

Oakland is among the state's 5 most recently founded public universities – and also among the fastest growing – which share this funding dilemma.

Hypothetically speaking, if Oakland were to receive the state average appropriate on a per-student basis, our current \$263.5 million budget would rise by \$37.8 million, or more than 14%.

That funding could be utilized to significantly increase the quality of our students' education and college experience.

The chart we are looking at now ranks state universities in terms of total operating revenue, which is comprised primarily of tuition – denoted by the darker portion of the bars – and state appropriations – denoted by the lighter portion.

I should note here that Oakland University is the only public institution in the state, and likely the nation, that does not charge fees in addition to tuition. As such, the data used here reflects the “all-in price” of attendance at each institution.

Adding tuition and appropriations, you can see that Oakland ranks 11th in terms of total resources.

We are pleased that Governor Snyder has proposed providing OU the second highest percentage increase in state appropriations for FY2018.

We appreciate that this is the result of consistent improvements made in several of the performance funding metrics.

Because our funding base is so low, however, OU's proposed increase actually ranks 9th in the state when it comes to actual dollars.

What this indicates is that Oakland University will continue to face a number of formidable funding challenges moving forward.

You can see here that while we have been the fastest growing university over the last decade, we also are home to the:

- Second highest number of students per faculty member
- Third lowest general fund expenditures per student
- Sixth lowest number of staff per 1,000 students
- Lowest general fund building square footage per student

We recognize that the momentum of history is difficult to change, which leaves us with the stark reality that relative to our peers, Oakland remains underfunded and under-resourced.

I believe this is particularly true in light of the beneficial impact our University has in southeastern Michigan and across the state.

I want to assure you that the historical challenges facing OU have not left us idly lamenting our circumstances.

We have worked tirelessly for more than a decade to make Oakland one of the leanest operating public universities in Michigan.

As this table indicates, we have cut roughly \$49 million from our general operating budget through both permanent and one-time cost savings.

Just a few examples of cost-cutting measures include:

- energy conservation;
- employee fringe benefit management;

- early retirement offerings;
- hiring and pay freezes, and position elimination;
- renegotiated vendor contracts, and refinanced debt.

As you might imagine, we have some ideas regarding how the state can also help us provide students an outstanding college education while reducing the cost burden they must shoulder to receive it.

We favor adjustments to the state higher education funding formula that:

- recognize growth in undergraduate enrollment;
- evaluate an institution's performance against its own past performance and benchmarks;
- adhere to a per-FYES floor funding minimum;
- leave the control of tuition rates with University Boards, and;
- exclude debt service related to State Capital Outlay and other facility expansion projects.

You might ask how such changes will benefit Michigan students and, ultimately, the state as a whole.

The bottom line is that Oakland University is striving to support highly educated, highly competitive students who can leave our campus to create a professionally and personally rewarding lifestyle that contributes considerably to the vitality of our state economy and overall quality of life.

We believe we are currently putting our graduates in a good position to find success.

Just 35% of OU graduates leave school with student loan debt. On average, their loan burden is about \$25,000. These graduates can manage to launch independent lifestyles with the promise of great returns on their and the state's investment.

We believe that increasing the investment we place in their futures can only enrich the dividends returned in the future.

Michigan can look forward to a brighter future if we continue to double down on strategies proven to bolster economic growth and prosperity.

Creating highly educated, highly competitive workforce that is well prepared to contribute to and benefit from a global marketplace must be a major part of those strategies.

As president of Oakland University, I can assure you that we are ready and able to prepare our students to lead our region and the state forward.

All we ask for is your support.

We strongly advocate changes that will allow higher education to regain its spot as the state's number one general fund budget priority.

Through proactive investment, we can ultimately ramp down our state corrections expenditures, for example, which have surpassed education investments every year since 2004.

I am sure you will agree that we can do better.

With that, I am happy to respond to any questions or comments.

