4-27-2009

Senate Higher Education Appropriations Hearing Testimony

John M. Dunn
Western Michigan University, john.dunn@wmich.edu

Follow this and additional works at: https://scholarworks.wmich.edu/dunn
Part of the Higher Education Commons

WMU ScholarWorks Citation
https://scholarworks.wmich.edu/dunn/285

This Speech is brought to you for free and open access by the Office of the President at ScholarWorks at WMU. It has been accepted for inclusion in WMU President John Dunn by an authorized administrator of ScholarWorks at WMU. For more information, please contact maira.bundza@wmich.edu.
Senate Higher Education Appropriations Hearing Testimony
John M. Dunn, President
April 27, 2009
Central Michigan University

Introduction

• Good morning to Chairman Stamas and members of the committee.

• Thank you to President Rao and Central Michigan University for hosting us today.

• I wish President Rao the best in his new endeavors – although I will miss him as a fellow Michigan colleague I know he will excel at his new home and university.

Let me tell you a little about WMU – I like to brag

• WMU is classified by the Carnegie Foundation as a High Research university along with Michigan Tech, of fewer than 200 such universities in the nation

• One of only 100 public universities to be granted a charter for the prestigious Phi Beta Kappa society

• WMU has a strong history of our faculty earning Fulbright Scholars honors. Among Michigan's research universities, only the University of Michigan, with five, has more faculty members named Fulbright Scholars this year. WMU and Wayne State University have three each and Michigan State University has two.
• We are a research university, but different in scope and purpose than MSU, UM, or WSU – our research is about moving discovery into the world [use as example/prop the printed circuits from Margaret Joyce]

We are taking some very positive steps at WMU that have significant pay-offs for Michigan
• Western Edge
• Sieta Scholars
• Veterans
• Medical school
• Community college partnerships
• Sustainability efforts

Michigan is at a defining moment, today -
• Unfortunately, this state has been stalled at a crossroads for the past several years – we need to move on – the world is passing us by NOW – our students can’t wait

• What you do is more than just put together a budget, you are defining Michigan’s future and setting the course for what we will achieve tomorrow

• We know the issue is jobs – of transforming ourselves from a low knowledge industry base to one that is information based, one that
involves the life sciences and advanced technologies, and is highly entrepreneurial

- The jobs that Michigan needs to take our economy forward require a highly educated workforce – the baccalaureate degree is the new high school diploma. It can’t be a privilege to have a college degree it should be the expectation – but it requires our collective commitment and investment

- Public universities are enrolling 20,000 more students today than 4 years ago and we are granting more baccalaureate degree every year – that’s good news – the public universities have stepped up to our responsibilities – we need you to work with us

- The connection between states with economies that are economic engines is directly linked to the proportion of their population over 25 that have a college degree – It can’t be said any more plainly: higher education is core to an economy that can compete and prosper

- I am proud of the role WMU plays in developing the workforce we need - Over 80% of our graduates stay in Michigan when they graduate

- Given this, the question is Why does Michigan seem hell bent on being at the bottom of list of states that invest in higher education?

Governor’s and House budget recommendation:
• Although the federal stimulus money that is coming to Michigan mandates that the state must maintain funding for K-12 and higher education at current year levels, it would appear to be a moot issue.

• The recommendation from the Governor and the House is for a 3% budget cut to our base regardless of the stimulus funding. I can only say that at this time in the state’s history it is wrong headed. To continue the disinvestment in higher education that has been the course for the past decade is a promise that this state’s economy will not join the 21st century.

• Let’s do a comparison:
  o From 2001 to the present, state funding for K-12 education has increased from $6,000 per student to $7,316 a student, about a 22% increase keeping up with general inflation, good but more really needs to be done.
  o Now let’s look at higher education, over the same time period, 2001 to the present, per student funding for higher education has gone from $6,689 per student to $5,705 per student, a reduction of 17%! That is disinvestment. It is about deliberately walking away investing in a highly educated workforce.

• Every budget balances the need to pay for past sins and the need to make investments in the future – This budget, and the trend of the last decade, does not accomplish that balance.
• A tuition freeze in nonsensical – It hurts those it is intended to help - It will have the effect of diminishing our ability to self fund need based student financial aid – it directly affects quality and short changes the students on campus now – It doesn’t make us more affordable

• We have all made, and continue to make investments on our campuses to fund student need based financial aid – basically a redirection of student tuition and fees and state funding to help the neediest of our students and make sure our doors are open to them – It is our policy and will remain our policy that we will increase our funding of student financial aid at the same rate we increase tuition.

• A tuition freeze treats all universities the same – We’re not – were diverse in our offerings, our capabilities, our students, and how we are financed.
  o Chart on per student funding disparities
  o Chart on tuition rates
  o Chart on total revenue per student
  o Chart on mix of revenues

• While calling for a tuition freeze the Governor’s budget reduces state funding for need based student financial aid by 17% and increases merit based financial aid by 74% - We know that a good number of those receiving merit based financial aid from the state have family incomes that don’t justify financial aid and aren’t at risk of not having access to higher education
- where is the sense in this? I support the House action that restored financial aid funding at current year levels and eliminated the consolidation of all financial aid programs.

- I would also like to thank Chairwoman Bauer for restoring funding for the King-Chavez-Parks programs – a plan that is directed at those students and families who are having trouble even finding the front door to higher education. Elimination of this program, as recommended by the Governor, would be detrimental.

- Let me switch to another issue, the Michigan Public School Employees Retirement System (MPSERS).

- There are 7 universities that have legacy costs in this system for some of our employees and we have no control over the costs – you do

- We will be obligated to return to the state this year a check for approximately $3.1 million for the unfunded obligations of this retirement system – obligations created not by us, but by the legislature increasing the scope of benefits for retirees under this system – we won’t know what next year’s obligation will be until after the state’s fiscal year begins in October, which is 3 months into our fiscal year

The state needs to reestablish the partnership with higher education if there is any hope of meeting the challenges of a new economy in Michigan.