

Reaching for Opportunity

An Action Plan to Increase Michigan's Postsecondary
Credential Attainment



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Prepared for

Michigan Postsecondary Credential Attainment Workgroup

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About This Report

Michigan business, labor, higher education, K-12, government, philanthropy and community leaders -- all appreciate the tremendous individual and shared economic benefits from a more highly educated and highly skilled population. To realize these benefits, Michigan must continue to advance policies and practices that increase the successful attainment of needed skills, earned through a wide range of postsecondary credentials, from occupational certificates and apprenticeships to associate, bachelor, graduate and professional degrees. When we speak of increasing higher education attainment, we must mean all workworld-valued forms of postsecondary credentials. This was the same goal held by the bi-partisan Cherry Commission that in 2004 identified strategic actions to increase higher education attainment and leverage the economic impact of Michigan's higher education institutions. That very public process produced a widely supported strategic action plan, significant elements of which were subsequently implemented.

Much has been done, but much remains to be done. Now some time has passed. New issues, opportunities, players, ideas, and strategies have emerged in Michigan, or been modeled by other states. New steps toward better alignment around shared goals and strategies for increasing postsecondary education degree and credential attainment are being identified and, in some cases, advanced among Michigan stakeholders.

That is why in 2014 key leaders in higher education came together to form a Postsecondary Credential Attainment Workgroup to forge a new action plan for how Michigan can help many more citizens achieve the needed postsecondary credentials that will allow them to find a place, or create a place, in the economy of today and tomorrow.

This workgroup brought together the public and independent colleges and Universities, Business Leaders for Michigan, labor leadership, bi-partisan legislative leaders, the Michigan Department of Education, Michigan College Access Network, the Governor's office, Michigan Economic Development Corporation, Workforce Development Agency, and community and regional higher education and workforce leaders. The workgroup was facilitated by Michigan State Board of Education President John Austin, and supported with funding from The Kresge, W.K. Kellogg, and Lumina Foundations, and with research

assistance from Michigan State University, the University of Michigan and Central Michigan University.

Over several months this workgroup assessed Michigan's population changes, benchmarked Michigan's overall postsecondary education performance; and performance by region, race, gender, age and income sub-groups. It examined what other states are doing differently and better; defined a goal for postsecondary attainment for Michigan; identified strategies to meet that goal; and perhaps most importantly, committed to continue to work together after releasing this report to advance this plan of action.

The recommendations in this report are the strong consensus of the work group members, and have been reviewed by their organizations and constituencies.

In making these recommendations we focused on the economic benefits to Michigan, our citizens, and employers of better-prepared people with skills and credentials needed to compete. We want to acknowledge that the pursuit of further education has many additional and important societal, civic, and personal enrichment benefits that contribute to both an individual's and the State's quality of life, and in turn also benefit our economy.

This report is the first step towards a new round of ongoing strategic action to ensure 60% of our citizens earn needed and valuable postsecondary credentials by 2025, and to make Michigan and its citizens economically competitive with the top performing states.

Michigan Postsecondary Credential Attainment: Where We Are – Where We Must Go

Michigan citizens have long valued education as the path to economic opportunity and a better life. The State is home to the one of the first great public land grant universities (MSU) an innovation that, as it spread, put higher education within reach of working families and fueled the rise of Michigan agriculture, commerce and industry. Some of the nation's first and largest community colleges were built in Michigan, and trained workers for the technical demands of Michigan's growing industry. The first free public high school was organized in Kalamazoo in 1874; and the idea of the community school, the school as the "lighthouse" and the center of the community life was born as the community education movement in Flint.

Alongside our Great Lakes and outdoors, Michigan's people take the greatest pride in our colleges, universities and education system.¹ But for many years the blessings of the auto and industrial economy – where one could earn a good living without a postsecondary education degree—created an environment where higher education was desirable but not essential.

All that has changed in recent years. Michigan's people newly understand that if we want a good economy, if we are going to be a state of opportunity that provides good jobs and good wages once again – we must refire the engine of postsecondary education and enhanced opportunity for all our people.

Today, for Michigan's people to thrive economically and for our State to be competitive, many more of our citizens need post-high school degrees and other valuable credentials that equip them with the tools and skills not only to get a job, but to navigate a fast-changing economy and become the entrepreneurs and job creators of tomorrow.

In the Michigan economy of 2015, a high school diploma is no longer the ticket to a good job, but there are jobs available for IT specialists, engineers, nurses, programmers, technicians, scientists, welders, and skilled tradesmen and women. Michigan has to prepare more of its citizens, young and old, for these opportunities—both to meet the

¹Michigan Dream Restored Initiative, Citizen Survey, Michigan Economic Center, 2012.

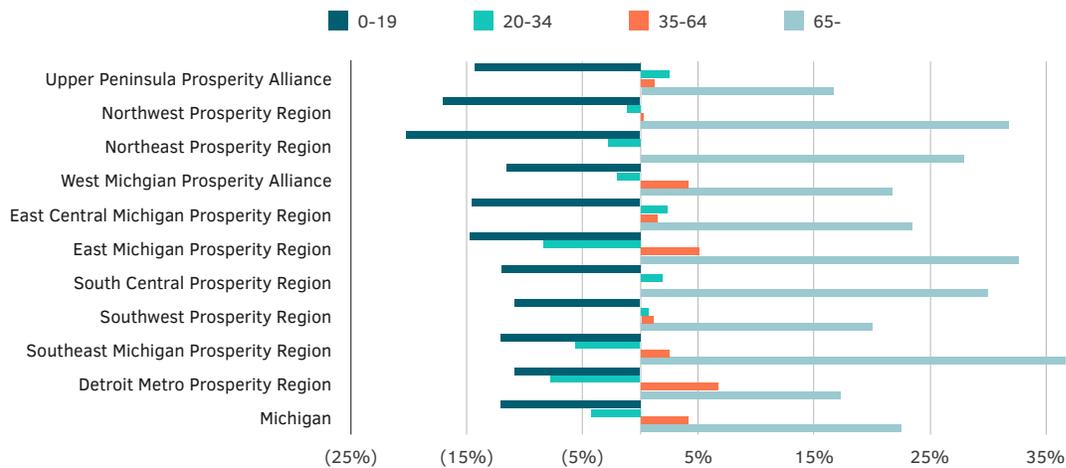
needs of employers who have good jobs available in Michigan today² and to be the job creators of tomorrow.

The states with the highest degree and certificate attainment also have the highest incomes. Today, Michigan ranks 38th in the nation in personal income, \$5,000 below the national average, and has seen real incomes fall over the last dozen years in all regions of the state.

Any strategy for improving Michigan’s economy by increasing postsecondary education attainment must take into account the changing demographics of Michigan’s population. As seen in Exhibits 1a and 1b, Michigan’s population is aging with seniors and older workers representing the largest and fastest growing population.

Exhibit 1a. Demographics - Age

Age group proportions, Michigan residents, 2013

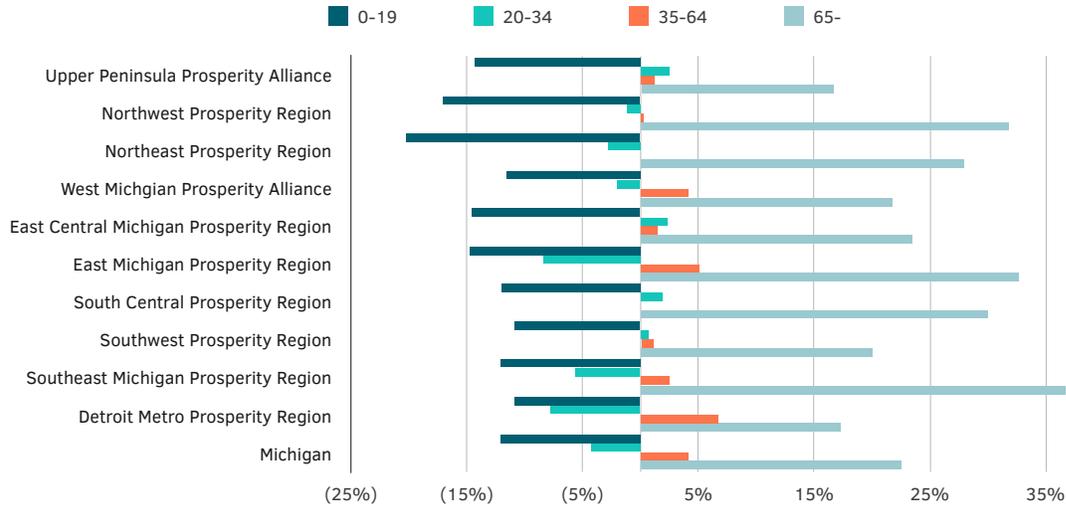


Source: U.S. Census Bureau, Annual County Resident Population Estimates

²Michigan’s Bureau of Labor Market Information estimates there are over 70,000 good jobs –largely in STEM, IT and health fields, going unfilled.

Exhibit 1b. Demographics – Age Change

Age group proportion percentage change from 2000-2013, Michigan residents

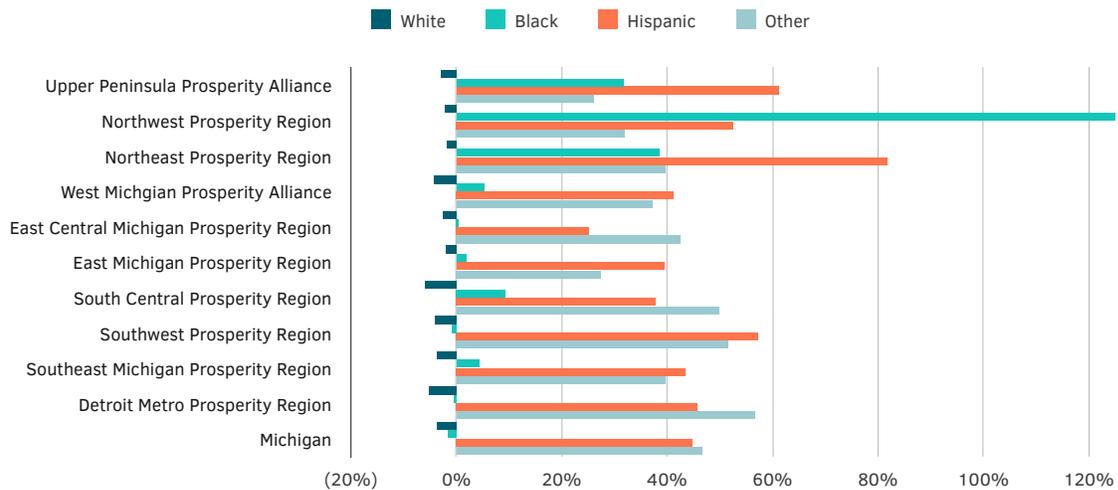


Source: U.S. Census Bureau, Annual County Resident Population Estimates

In coming years, Michigan will see relatively few young people moving through the educational pipeline, and the state is not yet attracting significant numbers of residents back to Michigan. Michigan’s population is also becoming more racially diverse, with Black, Hispanic, Asian and non-white populations growing fastest everywhere.

Exhibit 2. Demographics- Race

Percentage change in race/ ethnicity proportions from 2000-2013, Michigan residents

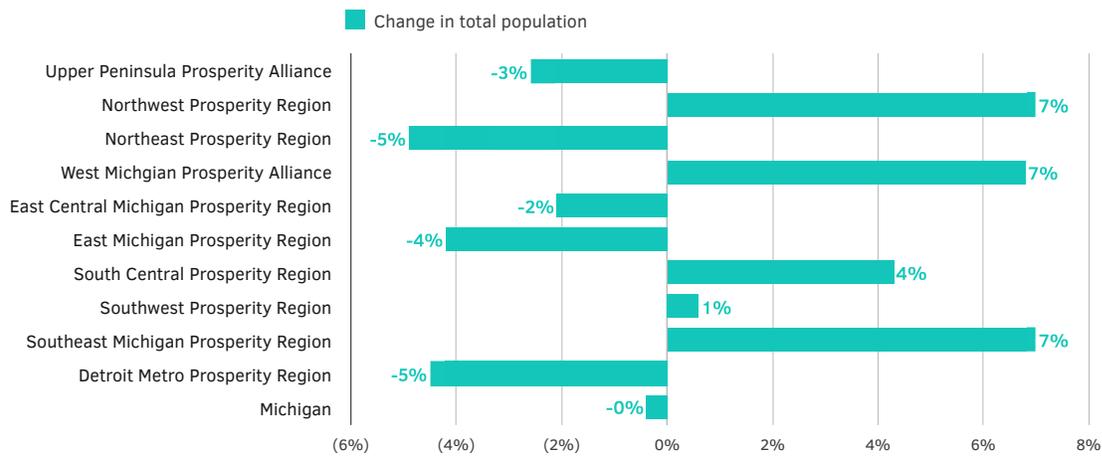


Source: U.S. Census Bureau, Annual County Resident Population Estimates

Michigan is also seeing differential population growth in different corners of the state. Parts of West Michigan, Northwest Michigan, Central and Southeast Michigan show some population growth, contrasted with sometimes small, and sometimes quite large population drops in regions elsewhere.

Exhibit 3. Population Change - Region

Percentage change in population by prosperity region, 2000-2013



Source: U.S. Census Bureau, Annual County Resident Population Estimates

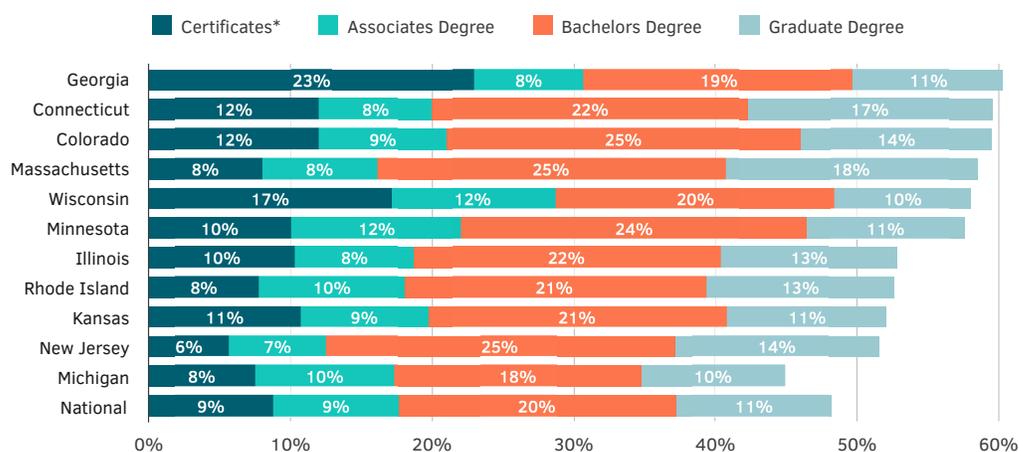
Strategies to achieve a significantly better educated population must work with these demographic realities and help all segments of our citizenry increase their attainment of a range of valuable postsecondary education credentials. We need to come together and value the job and economic benefits of traditional degrees, such as associate, bachelors, and professional degrees. We also must appreciate the power of and increase the number of Michigan citizens with other valuable post-high school credentials such as technical and occupational certificates, and apprenticeships – all of which are strongly demonstrated to help people obtain jobs and increase earnings.

And we have a lot of work to do to retake economic leadership from leading states which have more of their people educated to higher levels:

- ▶ Only 38% of working age Michiganders have an associate or higher degree, putting us below the national average of 40% in conventional degree attainment.

- ▶ Another 7.5% percent have earned certificates³ that are valuable currency in the labor market. In this category we do slightly better, ranking 29th in the nation.
- ▶ Taken together, 46% of Michigan citizens have degrees and certificates that help them navigate and succeed in the economy. As Exhibit 4 reflects, this puts Michigan well behind the top ten performing states in the share of citizens with various types of workforce-valuable postsecondary degrees and certifications, and just below the national average. (While a number of these top-performing states have very different economic and demographic profiles—several states, like Minnesota, are similar in demographic profile to Michigan.)

Exhibit 4: 2012 Educational Credential Percentage of working age population (25-64): Top 10 States and Michigan



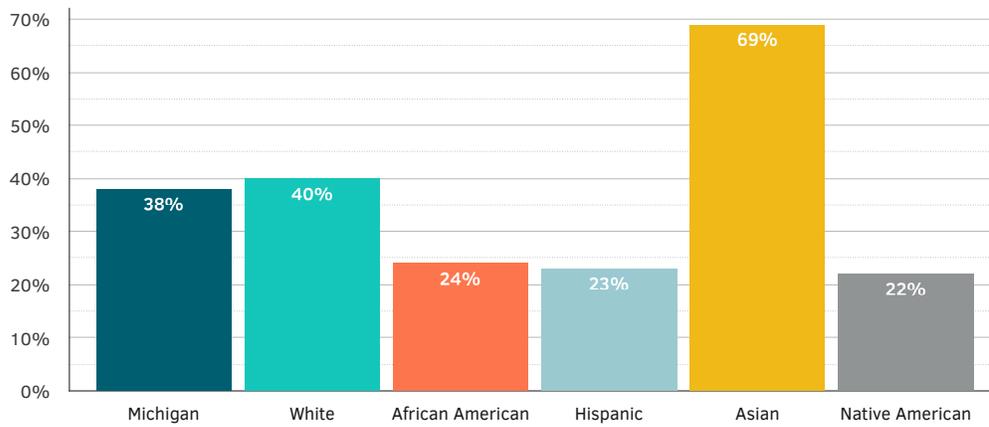
Source: U.S. Census Bureau 2012 American Community Survey

*The estimates were computed based on a 2010 report by Complete College America entitled "Certificates Count". The complete report can be found www.completecollege.org.

- ▶ Within these total figures, Michigan faces stark differences in postsecondary educational attainment among different populations. Michigan's Black, Hispanic, and Native American populations are 16-18 percentage points behind our White majority population in the share of individuals achieving a postsecondary degree.

³Certificates are occupation-specific credentials earned through a program of study at public or private postsecondary institutions. They differ from industry-based certifications, which are commonly awarded due to performance on a test (*Certificates: Gateway to Gainful Employment and College Degrees*, Center on Education and the Workforce, June 2012).

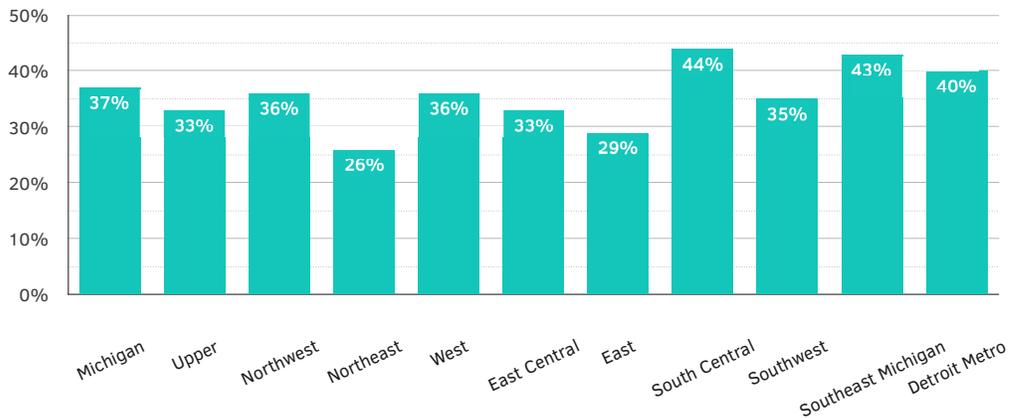
Exhibit 5. Degree-attainment (AA+) rates among Michigan residents (ages 25-64), by population group



Source: U.S. Census Bureau 2011-2013 American Community Survey

- ▶ In addition, there are dramatic differences in postsecondary education attainment among Michigan’s very different economic regions.

Exhibit 6. Degree-attainment (AA+) rates among Michigan residents (ages 25-64), by prosperity region

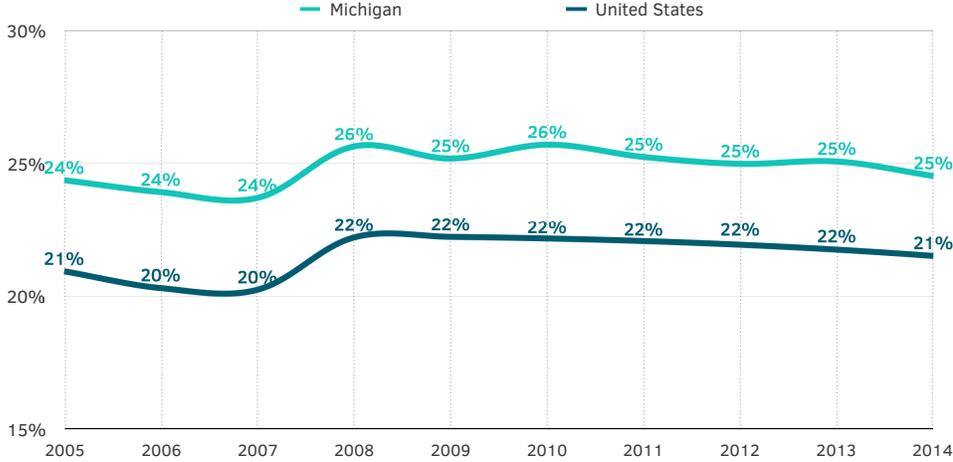


Source: U.S. Census Bureau 2011-2013 American Community Survey

These facts, coupled with very different regional employment markets and demographic trends, demand a regional focus for postsecondary education credentialing strategy and goal-setting.

Michigan faces unique challenges, given its demographics, around how it can increase its population’s credential attainment. Michigan’s workforce is getting older, and we are still losing more well-educated people than we are attracting to Michigan.⁴ Michigan also has one of the nation’s fastest declines in numbers of young adults and high school graduates,⁵ suggesting improving performance for students in the traditional education pipeline, while critical, will not get Michigan to where we need to go in terms of overall postsecondary credential attainment. Meanwhile Michigan has among the highest share, 25%, of adults already in the workforce with some college, but no degree or credential.

Exhibit 7. Percent of Michigan Adults, Aged 25-64, with Some College, No Degree



Source: 2009-2013 American Community Survey 5-Year Estimates

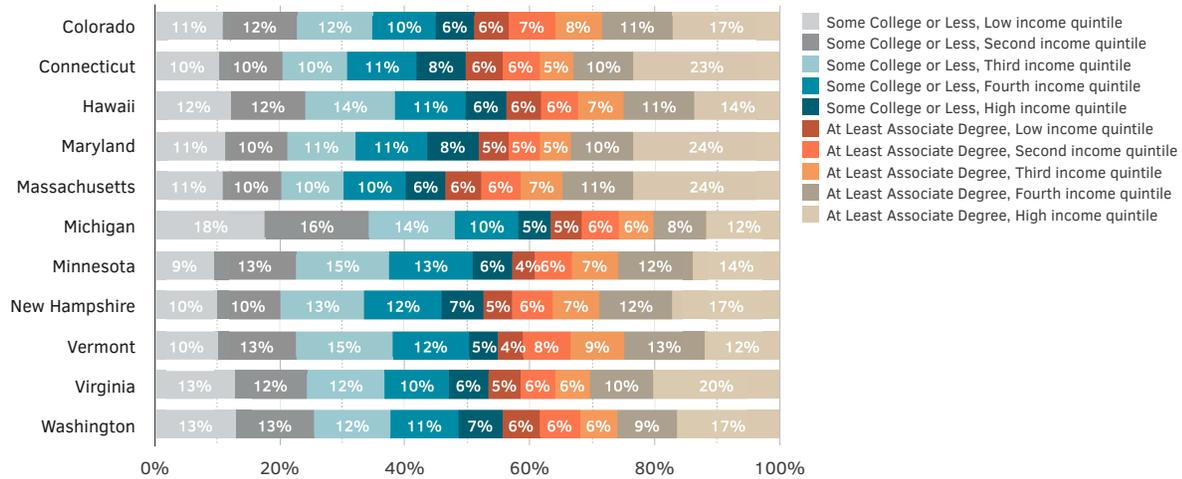
⁴The State DMB Center for Geographic information reports Michigan ranked 42nd of 50 states in net migration of people with postsecondary degrees, based recent Census data. http://www.michigan.gov/documents/cgi/cgi_census_acs12MigByEd_434760_7.xlsx

⁵Knocking at the College Door, Projections of High School Graduates, Michigan.

This large number of adults without postsecondary degrees, translates into larger shares of Michigan’s population in the lowest income brackets relative to top performing states, as seen in Exhibit 8.

Exhibit 8. Education Attainment – Income – Top 10 credential states & Michigan

Percentage of State Population with AA+ Educational Attainment Age 25-64 in National Income Quintiles



Source: 2009-2013 American Community Survey 5-Year Estimates

Absent significant in-migration of highly educated people (which explains much of the success of Colorado and other states with high levels of postsecondary attainment), Michigan simply has to educate more of its people — particularly the large number of adults already in the workforce, to higher levels — if the State is to become a national education and income leader once again.

In recent years, Michigan has taken important steps to improve these numbers and regain economic leadership, by advancing efforts that help our people follow new, education-rich paths to jobs and economic opportunity.

- ▶ Most dramatically, communities like Kalamazoo, recognizing today’s economic realities, have organized around higher education attainment as their economic development strategy. Higher education is their community identity and “brand”. Having put in place the Kalamazoo Promise college financial aid guarantee and strong student support systems, middle-class families are moving back to Kalamazoo. College-going rates have jumped from 65% to 94% among high school

graduates. A recent study by the W.E. UpJohn Institute found Promise students are also one-third more likely to graduate from college than their peers.

- ▶ Other communities, like Port Huron in St. Clair County, that have developed robust postsecondary education and college access networks aided by the highly effective Michigan College Access Network (MCAN), have seen the rates of local high school students going on to postsecondary education jump by over 50%.
- ▶ Michigan in recent years has increased its investments in the Great Start Readiness Program, providing opportunities for at-risk four year olds to access quality pre-school education, increasing participation from 16% to 21% of the population.⁶ These investments -- costing \$239 million per year—will result in increased earnings of \$1 billion more over participant lifetimes, reduced costs to society, and will generate a \$4:\$1 return on investment for Michigan taxpayers.⁷
- ▶ Stemming from the recommendations of the Cherry Commission ten years ago, Michigan’s more rigorous high school learning requirements have supported modest improvements on the ACT test for college and career readiness (19.3 in 2011 to 20.1 in 2014).
- ▶ The Michigan Center for Student Success has supported community colleges and their partners in new strategies to improve degree and credential completion rates. Fifty-two percent of students from the 2007 cohort graduated with a degree or transferred to a four-year institution by 2012, an improvement of eight points over the 44% of the 2002 cohort that had achieved a similar metric by 2007.⁸ This is quite an achievement given that these students are disproportionately the adult, minority, and low-income students historically most unlikely to complete a degree.
- ▶ Michigan community colleges, joined by Michigan’s public and private colleges and universities -- have adopted the Michigan Transfer Agreement to help streamline student transitions between postsecondary institutions—improving the odds that students will earn needed credentials, often at a much lower cost.

⁶http://nieer.org/sites/nieer/files/Michigan_2013.pdf.

⁷Tim Bartik, W.E Upjohn Institute, 2014.

⁸Governor’s Education Dashboard (<http://www.michigan.gov/midashboard/0,4624,7-256-58084---,00.html>).

- ▶ The State has built out the Michigan State Longitudinal Data System to improve our understanding of how our students are performing and fine-tune policies to do even better.
- ▶ The Administration of Governor Rick Snyder has advanced agendas to better match workforce supply and demand, connecting learners and workers with employer needs in STEM fields (where degrees and certificates awarded have increased from 20,000 to 25,000 over the past five years⁹) and in-demand occupations within the skilled trades.¹⁰

We have taken important steps forward. But clearly, we have miles still to go. That is why, as they did ten years ago in the Cherry Commission, Michigan stakeholders have come together:

- ▶ To assess our progress,
- ▶ To critically examine our postsecondary performance and how it works (or is not working) for a changing population,
- ▶ See what other states are doing better,
- ▶ Define and unite around a common agenda and the next steps to help more Michigan citizens enhance their skills and attain valuable credentials.

The challenge today is not just to support a fundamentally better educated citizenry. We have to make sure Michigan’s education system works “smarter” -- squeezing maximum performance out of the resources we have, even as we advocate for enhanced investment in higher education access and support for the institutions that can put us among the top performing states.

We have to do a better job to connect education and learning to the demands of the workplace, and the skills needed to be an entrepreneur. We must do more than increase participation in postsecondary education and training; we must support success in completing valuable degrees and certificates. To accomplish this, we have to put the right incentive structures in place to help students and adults move seamlessly and efficiently

⁹DTMB, Bureau of Labor Market Information and Strategic Initiatives, Governor’s Economic Summit 2014

¹⁰Including Talent Connection initiatives such as Career Jump Start Program and regional Career Liasons;, Michigan Advanced Technician Training Program (MAT2) benchmarked on the German Dual Education System, and more robust Michigan STEM Partnership.

through the system. We must measure performance accurately, making sure we value, and “count” in our performance expectations all workforce valuable credentials. We also have to dig deeper and identify and advance the policy changes that have the highest yield, and are cost-effective in terms of moving the needle to increase postsecondary credential attainment.

This is the time for our public and private institutions of higher education, the K-12 schools that feed them, and those who train and employ their students and graduates, to come together and work together in order to maximize the impact of our investments in the performance of our overall higher education and training system. And we must continue to work together to advance the performance of our system further and faster.

This report is an action plan for this work.

The Case for Postsecondary Credential Attainment

There is an overwhelming case to be made about the benefits to individuals in the form of more and better jobs and higher incomes, if they earn postsecondary education credentials. There is also powerful evidence linking better educated citizens and the state’s economic growth and competitiveness. Better educated people are also happier, healthier, and more engaged with their families, and in civic life.

More Michigan citizens with higher education degrees, certificates and other credentials of value make Michigan and our people more competitive.

As Exhibit 9 demonstrates, states with the highest per capita incomes and growing incomes today are strongly correlated with the highest education attainment rates.

Exhibit 9: Per Capita Income, Educational Attainment in Michigan and Top 10 States

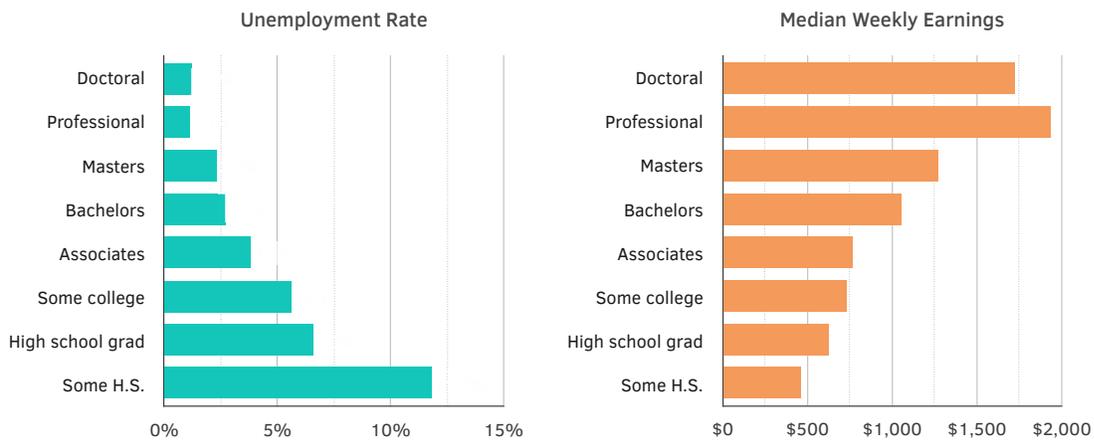
Geography	Rank	Percentage Bachelor's or Higher Degree 2013	2013 Per Capita Personal Income	Percentage Change Bachelors or Higher Degree 2006-2013	Percentage Change Per Capita Personal Income 2006-2013
United States	-	27.03%	\$44,765	2.45%	17.41%
District of Columbia	1	50.24%	\$75,329	7.47%	24.81%
Massachusetts	2	37.10%	\$57,248	2.94%	19.36%
Colorado	3	34.37%	\$46,897	3.30%	15.48%
Maryland	4	34.35%	\$53,826	2.22%	16.08%
Connecticut	5	34.23%	\$60,658	3.02%	15.51%
New Jersey	6	33.90%	\$55,386	2.78%	15.25%
Virginia	7	33.05%	\$48,838	3.18%	16.05%
Vermont	8	32.68%	\$45,483	3.34%	23.73%
New Hampshire	9	31.97%	\$51,013	2.41%	22.44%
Michigan	32	24.57%	\$39,055	2.28%	15.37%

Source: U.S. Census Bureau, 2013 American Community Survey; U.S. Census Bureau, 2006 American Community Survey; Bureau of Economic Analysis, Personal Income Summary: Personal Income, Population, Per Capita 2006-2013

Individuals with postsecondary credentials do better for themselves and their families, earn higher incomes, and are more likely to have and hold jobs.

In 2013 median weekly earnings were \$150 greater for those with an associate degree compared to those with just a high school diploma. Those with a bachelor’s degree earned over \$400 more or almost double the earnings in a year. The gap in earnings between a family of two college graduates and a family of only high school graduates has grown \$30,000 over the last dozen years, after inflation.¹¹

Exhibit 10. 2013 U.S. Unemployment Rates and Earnings by Educational Attainment Level



Source: : Calculations from 2013 March Supplement, Current Population Survey
 Note: Unemployment and earnings for workers aged 25 and older, by educational attainment; earnings for full-time wage and salary workers

Unemployment rates in 2013 were 11.8% for those with less than a high school diploma, 3.8% for those with an associate’s degree, and 2% or less among those with a professional degree.

¹¹A Simple Equation: More Education = More Income, Lawrence Katz, Harvard, 2014.

Better educated people make more with a degree or postsecondary credential, than without one, even if they are working in an occupation that does not require an advanced degree.

Why? Whether a construction worker, police officer, plumber, retail sales person, or a secretary, higher levels of education help people do higher-skilled work, get jobs with a better-paying company, and increases their likelihood of becoming entrepreneurs and opening their own businesses.¹²

Improved credential attainment helps us meet current and future employer demands and needs.

According to the 2013 report “Job Growth and Education Requirements through 2020”¹³ 70% of Michigan jobs in 2020 will require some level of education beyond high school. Even in a re-booting economy like that of Michigan today, the State estimates there are now 70,000 jobs with Michigan employers that are not matched by the right skills and credentials among workers, including 5,000 high-paying skilled trades jobs.¹⁴

Better educated and trained citizens are more likely to create new businesses and jobs.

Communities with better high school graduation and postsecondary education attainment rates are also the communities that see more entrepreneurial growth.¹⁵ Communities with higher levels of education attainment produce and attract better educated entrepreneurs,¹⁶ who in turn are more likely to hire additional workers, pay higher salaries, and start firms that have stronger survivorship rates than others opening a new business.¹⁷

¹²Even for Cashiers, College Pays Off, NYT 6/26/11.

¹³Anthony Carnevale, Center for Education and Workforce, 2013.

¹⁴Employment and Occupations ins in the Skilled Trades in Michigan, State of Michigan Bureau of Labor Market Information and Strategic Initiatives, June 2013.

¹⁵Yasuyuki Motoyama. ‘Beyond Metropolitan Startup Rates, Regional Factors Associated with Startup Growth.’, Kauffman Foundation, 2013.

¹⁶Doms, Lewis, and Robb, 2010.

¹⁷Fairlie and Robb, 2008; van der Sluis, van Praag, and Vijverberg, 2008.

Better educated people contribute to increased overall economic growth and “lifting all boats.”

Business Leaders for Michigan’s (BLM) recent study finds increasing out-of-state-enrollments at our public universities to peer averages would increase state GDP by up to \$200 million and add an additional 40,000 new jobs by 2022.¹⁸ According to a study by Tim Bartik of the W.E. Upjohn Institute, a one point increase in the percentage of postsecondary educated people lifts their wages 1.5%, and the earning of other citizens by 1.1%.¹⁹ And a one point increase in the percentage of people with post-secondary degrees and credentials increases overall economic growth over ten years by one-half percentage point.²⁰

Improving postsecondary attainment, including closing achievement gaps, delivers considerable return on investment for Michigan taxpayers.

If the average person of color, were educated to a level to achieve the same income of his or her white counterparts at any age, total Michigan earnings would increase by 7.5 percent, or \$16.2 billion, raising the state’s economic output (GDP) by \$31.2 billion.²¹

Higher levels of postsecondary education helps people become tax payers, not a cost to society.

Better educated citizens increase tax revenues for governments, and result in less taxpayer dollars spent on income support programs.

As seen in Exhibit 11, poverty rates, welfare (including public assistance of all forms), and unemployment are dramatically reduced with higher levels of educational attainment.

Thirty percent of Michigan residents with less than a high school education live in poverty, while the rate among bachelor’s degree holders is only 5%.

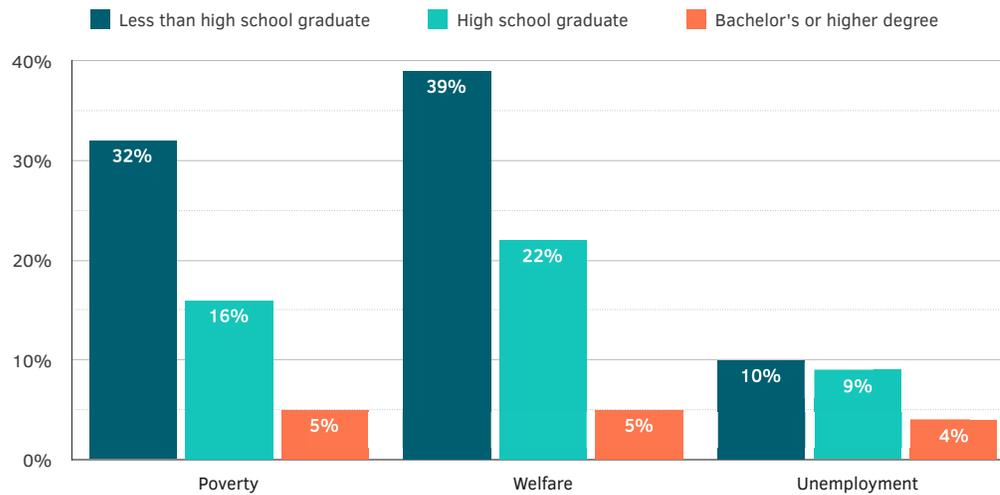
¹⁸Business Leaders for Michigan, Building a New Michigan, 2013.

¹⁹Tim Bartik, W.E. Upjohn Institute, presentation to the Cherry Commission, 2004.

²⁰Ibid.

²¹The Business Case for Racial Equity in Michigan; Altarum Institute for W.K. Kellogg Foundation, May 2015.

Exhibit 11. Poverty, Welfare, and Unemployment in Educational Attainment Groups Ages 25-64



Source: Calculations from Current Population Survey, March Supplement, 2010-2013

Postsecondary education increases community, personal, and family well-being.

Better educated citizens are more active citizens, vote more often, volunteer more, have healthier lifestyles, lower health costs, smoke less, and as parents spend more time with their children.²²

A highly educated citizenry and a commitment to higher education attainment and credentialing give Michigan a better “brand” and is a powerful economic development driver.

Perhaps most importantly, as the Kalamazoo experience has shown, if we send a clear message that we value education, and have a clear game plan to support higher education and credential attainment—Michigan can distinguish itself once again as the “Education State”. A state that is committed to ensuring higher levels of education and opportunity for all of its citizens and a state that attracts learners and well-educated people from around the country and the world. This identification makes Michigan much more attractive to families, firms, investors, and new talent.

²² Kauffman Foundation, 2013.

Setting a Clear State Vision & Goal

Clearly defined, communicated, and understood, a clear state target for postsecondary degree and credential attainment can be a galvanizing and organizing device for key policies, strategies and actions by many stakeholders to help meet the target. Twenty-six states have set such a goal, ranging from a modest goal of 37% of citizens with postsecondary credentials in 2015 (Kentucky), to an ambitious 80% by 2025 (Oregon). Look at the attention garnered, and success of Governor Haslam of Tennessee with a widely heralded “Drive to 55”²³ campaign, and its three clear and ambitious state strategies to achieve this goal, including free community college for all high school graduates.²⁴

The goal must also be properly communicated and understood. The agenda cannot be misconstrued with “college” seen exclusively as the pathway for all (meaning traditional four-year bachelor degree programs). There are many other forms of post-secondary degrees, credentials and certificates that are valued by employers, are good proxies for needed skills, and help individuals to get jobs, create jobs, and otherwise advance successfully in the economy – including (in Michigan) long-neglected, rigorous Career-Technical Education and Skilled Trades programs.

Nor should the goal discourage the pursuit of a college degree, but rather embrace and acknowledge the power and economic payoffs of these degrees. In fact, the long term economic benefits and likelihood of getting a job (and keeping a job through a recession) for those with an associate’s degree, bachelor’s degree, or Ph.D. are real, high, and getting higher!²⁵

The right goal can unify our understanding and policy agenda around the fact that Michigan needs more citizens armed with, and reaping the economic benefits of,

²³55% of citizens with a postsecondary degree by 2025, <http://driveto55.org/>.

²⁴http://www.nchems.org/c2sp/documents/BigGoalReport_Final_Sep2014_withappendices.pdf.

²⁵Americans with a four year college degree made 98% more an hour on average in 2013 than those without. That’s up from 89% five years ago, 85% a decade earlier, and 64% in the 1980s. (Economic Policy Institute analysis of Labor Department statistics.) Georgetown University Center on Education the Workforce’s report: *The College Advantage: Weathering the Economic Storm* shows positive gains in employment from ’89-’12 of 82% for bachelor’s degree holders, 42% for associates degree holders, while high school graduates experienced a 14% drop in employment.

traditional degrees such as associates, bachelor's, and professional degrees, and other valuable post-high school credentials, such as long-term occupational certificates, industry certifications, and apprenticeships.²⁶ The right goal can also serve to unify our understanding that “career” and “college” -oriented programs work as one. Good CTE programs are clearly connected to postsecondary credential, degree, and certificate programs; and allow learners to add or “stack” new certifications towards advanced credentials and degrees. Good college programs are informed by the skills needed and credentials valued by employers in their particular discipline (i.e. health care, business, education). A clear goal can also help us put in place a higher education system that allows our people to efficiently and seamlessly build and move from one valuable degree, credential, or certificate, to the next.

A clear and compelling goal also guides choices among different policy responses and shapes priorities. Michigan must look for policy changes and incentives that are the highest yield, and cost-effective in terms of achieving the goal we set. Within the overall goal, disaggregating the goal and creating sub-goals defining needed increases in attainment by race, income, age and region, can also purposefully focus policy and strategy where it can make the biggest difference.

We want to set a target that is both ambitious and attainable – a goal that aligns with the needs of tomorrow’s labor market, and makes Michigan and its citizens more competitive with the most prosperous states. A goal that helps Michigan meet the challenge recently offered by Business Leaders for Michigan to become a “Top Ten State for educated and skilled talent.”²⁷

For these reasons we recommend:

Michigan set a goal of 60% of our population achieving postsecondary degrees or credentials of value by 2025.

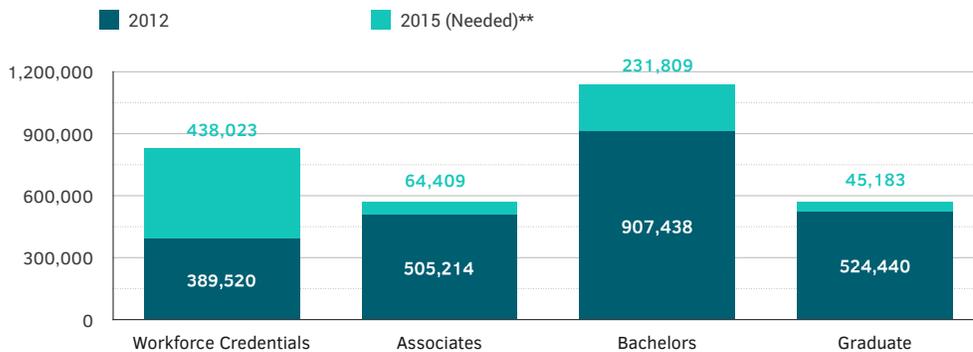
²⁶*Certificates Count: An Analysis of Sub-baccalaureate Certificates*, December 2010, Complete College America finds strong links between long-term (more than one year) certificate programs, and jobs and earnings.

²⁷*Business Leaders Insights: How Higher Education Can Help Michigan Become a Top Ten State*, Business Leaders for Michigan, February 2015.

As Exhibit 12a illustrates, reaching this target, which reflects the particular estimated numbers of certificates, occupational credential and degree-holders needed in the Michigan labor market of 2025²⁸, requires us to educate or attract to Michigan:

- ▶ 64,000 more associates degree holders,
- ▶ 231,000 bachelor’s degree earners,
- ▶ 45,000 more advanced degree holders; and,
- ▶ 439,000 more postsecondary occupational certificate or employer-valued credential holders.

Exhibit 12a : Gains needed for Michigan to match the Top 10 States in Credential Attainment and 60% goal



Source: U.S. Census Bureau 2012 American Community Survey

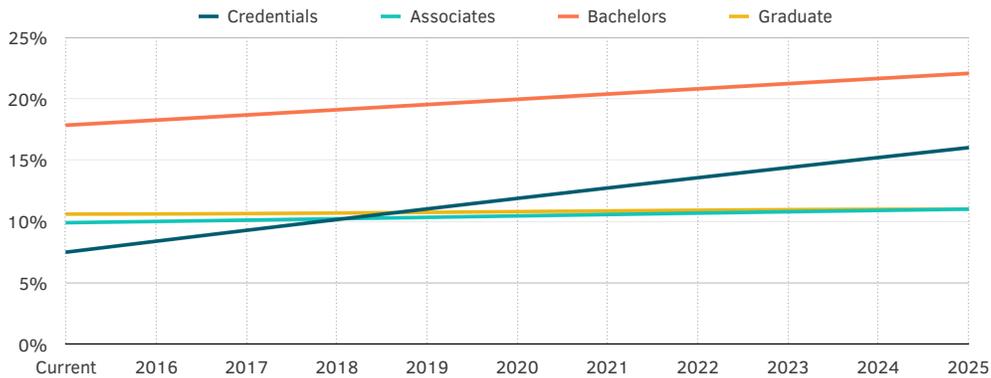
Workforce credentials here include occupational certificates and other workforce valuable sub-associates credentials (career-technical certifications, test-based industry certifications, apprenticeships).

** This goal was calculated using a report by the center for Education and the Workforce which can be found here: https://cew.georgetown.edu/wp-content/uploads/StateProjections_6.1.15_agc_v2.pdf

²⁸Estimated based on projected labor market demands described in report by the Center for Education and the Workforce. https://cew.georgetown.edu/wp-content/uploads/StateProjections_6.1.15_agc_v2.pdf. The Center estimates that 26% of jobs will demand more than a high school diploma, but less than an associate’s degree; and that within those jobs @10% will require occupational certificates, and another 16% other postsecondary occupational credentials of value to employers (apprenticeships, test-based industry certifications, etc.).

To hit 60% by 2025 we will need, as their terminal credential, 8.5% more certificate and occupational credential holders, 1.1% more associates degree earners, 4.1% more bachelor's (many of whom will earn an associates on the way), and 0.4% more graduate degree holders!

Exhibit 12b. Michigan's Postsecondary Educational Rate: Baseline & 10 Year Benchmarks to reach goal



Source: U.S. Census Bureau 2012 American Community Survey

Workforce credentials here include occupational certificates and other workforce valuable sub-associates credentials (career-technical certifications, test-based industry certifications, apprenticeships).

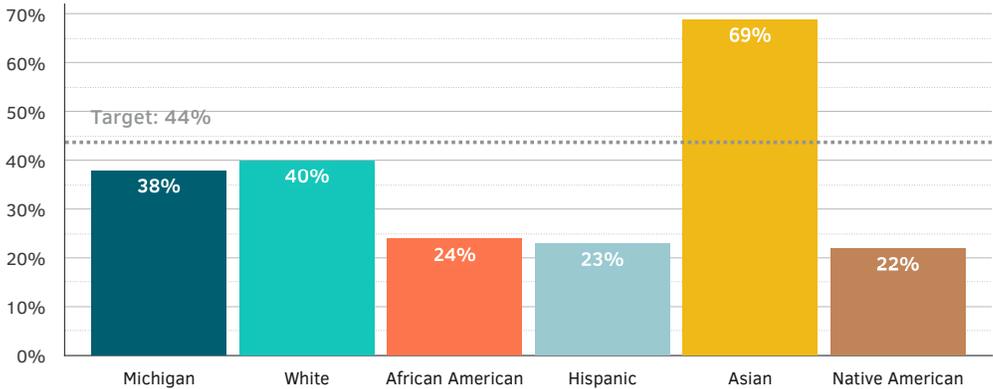
** This goal was calculated using a report by the center for Education and the Workforce which can be found here: https://cew.georgetown.edu/wp-content/uploads/StateProjections_6.1.15_agc_v2.pdf

Given the performance in postsecondary attainment among all Michigan racial and ethnic groups, hitting this target will require closing the achievement gaps among blacks, Hispanics, and Native Americans, and improving attainment among majority white Michiganders.

For example—revisiting Exhibit 13 (Conventional Postsecondary Degree Attainment by Race in Michigan) if the State’s Black, Hispanic, and Native Americans achieved the same conventional postsecondary degree attainment as Whites currently (40%), Michigan’s overall postsecondary attainment rate would rise from 38% to 40%. But Michigan must also increase postsecondary degree attainment rates to 44%, the target for all citizens including White workers if we are to be on track to meet a 60% total goal of degrees or other workforce credentials by 2025.

This goal, and the targets articulated above, should challenge Michigan policy and decision-makers to focus on how to reach this goal. Every Michigan higher education institution can identify how it can contribute to meeting the target, focusing on their own populations and performance. It should also spur action attentive to the different employer needs, demographics, and workforce opportunities in different parts of Michigan. Regional employers, higher education and workforce development organizations must come together (as some have already) and map out their own regional workforce needs and targets, and their own regional action plans to hit the mark. The goal also asks K-12 schools and Intermediate school districts to map, monitor and improve the performance of their schools in the context of the postsecondary credentialing pipelines.

Exhibit 13. Degree-attainment (AA+) rates among Michigan residents (ages 25-64), by population group



Source: U.S. Census Bureau 2011-2013 American Community Survey

In achieving this goal, Michigan will move from below the national average to the top ten, and rejoin the ranks of the best educated and most economically prosperous states.

Getting to the Goal

To reach this ambitious but attainable goal, and to build the ladder to get there, we must take candid stock of:

- ▶ the performance of our postsecondary education efforts;
- ▶ how we are doing among different populations, and in different parts of our education continuum that collectively contribute to reaching the goal;
- ▶ identify and move the key policies and enablers that can increase postsecondary credential attainment for individuals and our State.

Metrics That Matter

To meet our renewed attainment goal, we need to monitor and move some key performance metrics in our lifelong learning education system. The performance metrics identified here are important indicators of progress and success that collectively comprise a postsecondary performance information system to guide policy and practice. This report is principally dedicated to identifying and enhancing key policies and practices of the higher education and adult credentialing system, along with its connecting points to K-12 education. It must be noted, however, that a cornerstone of later postsecondary education success is a solid foundation in early childhood and K-12 education. Michigan has newly expanded investment in important pre-K education²⁹ and still has much work to do to improve poor academic preparation and skill-building in K-12 schools³⁰ in order to lay a solid foundation for postsecondary success. Michigan must continue to make a priority of

²⁹Michigan's newly expanded investment in Pre-K education means the share of four year old children that have access to high quality early childhood education has increased from 16% to 21% , putting Michigan 23rd in the nation in access to quality pre-school, but still lagging some of our Midwestern sister states.

³⁰Recent results put Michigan only 38th of 50 states in 4th grade reading and 42nd of 50 states in 4th grade math, falling well below national average. By the eighth grade Michigan is performing better, with student test scores at or above national averages.

expansion of high quality, high-yield early childhood education, and pursue reforms in K-12 education to be more in-line with the strategies and performance of the top states.³¹

This report focuses on improving Michigan performance in two key areas central to increasing postsecondary credential-earning success for more Michigan citizens:

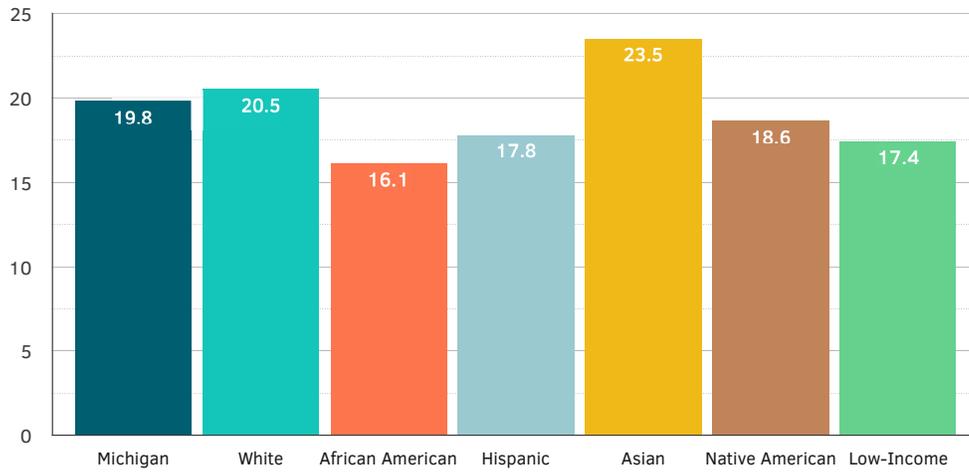
- ▶ **Postsecondary Participation:** Creating conditions that increase dramatically the numbers of Michigan youth and adults engaged with postsecondary education and credential-earning.
- ▶ **Postsecondary Completion and Success:** Dramatically increase the numbers of youth and adults that are engaged in postsecondary learning who successfully complete work-world valuable postsecondary credentials.

Postsecondary Participation

Michigan faces challenges in preparing and connecting our youth and adults to postsecondary credential earning programs. Many Michigan high school graduates, particularly Black, Hispanic, Native American and low-income are not prepared for entry into postsecondary education without the need for remedial coursework. This puts them at a disadvantage out of the gate, as there is clear evidence that those who have to take remedial or developmental education are much less likely to ultimately succeed in earning a degree or credential.

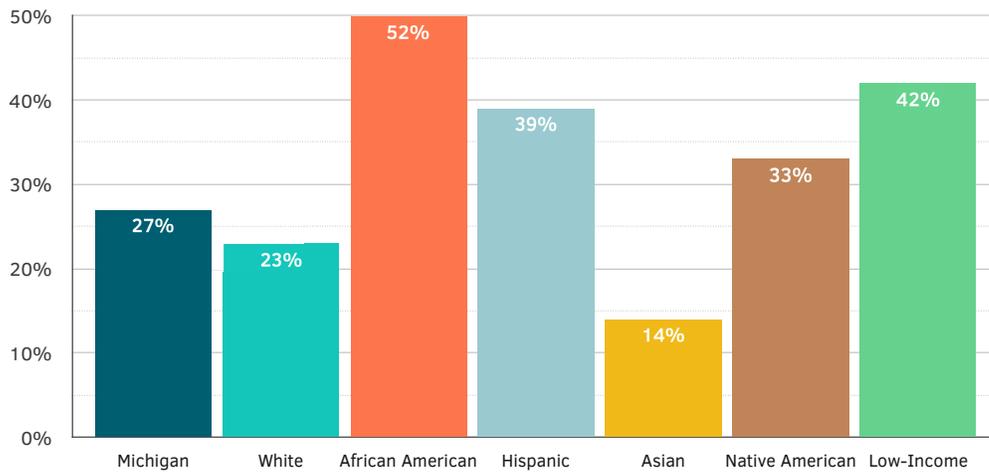
³¹See analysis of Education Trust Midwest <http://www.edtrust.org/midwest/publication/stalled-to-soaring-michigan%E2%80%99s-path-to-educational-recovery> , Michigan State Board of Education recommendations http://www.michigan.gov/documents/mde/Item_D_School_Org_Context_for_Change_FINAL__474852_7.pdf , and those of the W.E. UpJohn Institute The Road Towards K-12 Excellence in Michigan for guidance on policy priorities.

Exhibit 14. ACT Composite, by subgroup



Source: MiSchoolData.org

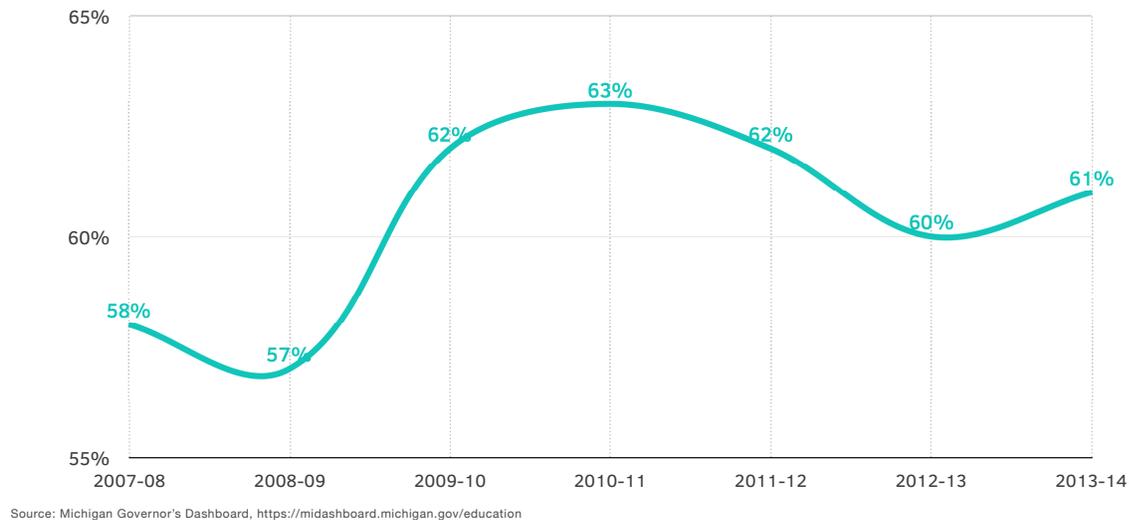
Exhibit 15. Of those enrolling in college, how many needed remediation (Class of 2013)?



Source: MiSchoolData.org

Factoring in those adults already in the labor market returning to pursue a postsecondary degree or credential (most of whom find their way to the door of one of Michigan's Community Colleges) recent estimates (2013-14) indicate 61% are in need of developmental courses, slightly higher than estimates of the national average at 58%.³²

Exhibit 16: Michigan Community College Students Who Require Developmental Courses



How is Michigan doing to connect, guide, support, and accelerate learners to postsecondary education? The State is making progress, but has more work to do on important performance metrics, including:

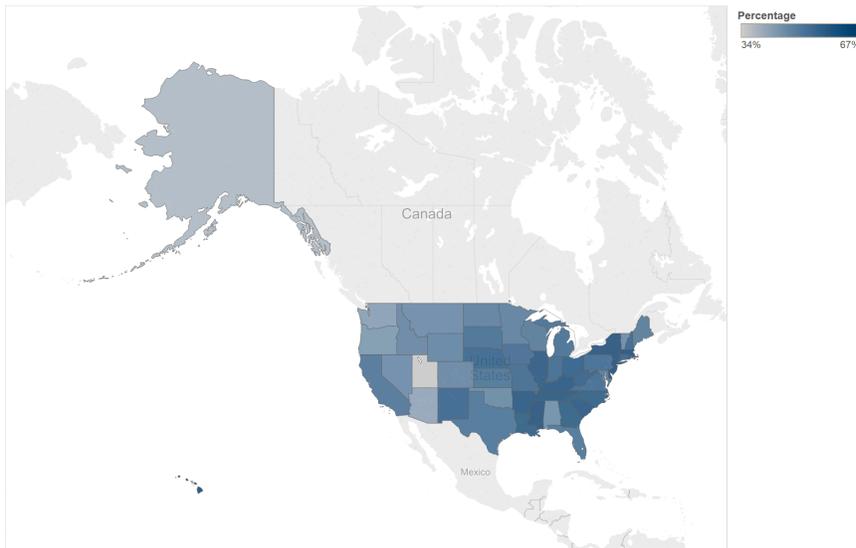
Share of students taking/completing all forms of early postsecondary credit-taking: Only 11% or 53,000³³ Michigan high school students earned any post-secondary credits while in high school. Less than 1% of eligible 9-10 graders, 7% of eligible 11th graders, and only 13% of eligible 12th graders participated at all! And great variation among regional programs and funding structures delimit opportunities for quality Career-Technical Education programs in many areas of Michigan; programs which are usually well connected to next steps in postsecondary education and technical training.

³²Attewell, Lavin, Domina, & Levey, 2006.

³³MDE Report to the Legislature, 2014 Annual Education Data Report.

Share of enrolled seniors completing FAFSA. As reflected in Exhibit 17, Michigan has made more headway increasing the numbers completing the FAFSA postsecondary financial aid qualifying form (a good marker for preparation and getting the guidance and support needed to access postsecondary education). Fifty-five percent of Michigan high school students completed the form, putting Michigan among the top half of states, and above the national average.

Exhibit 17. Share of enrolled seniors completing FAFSA

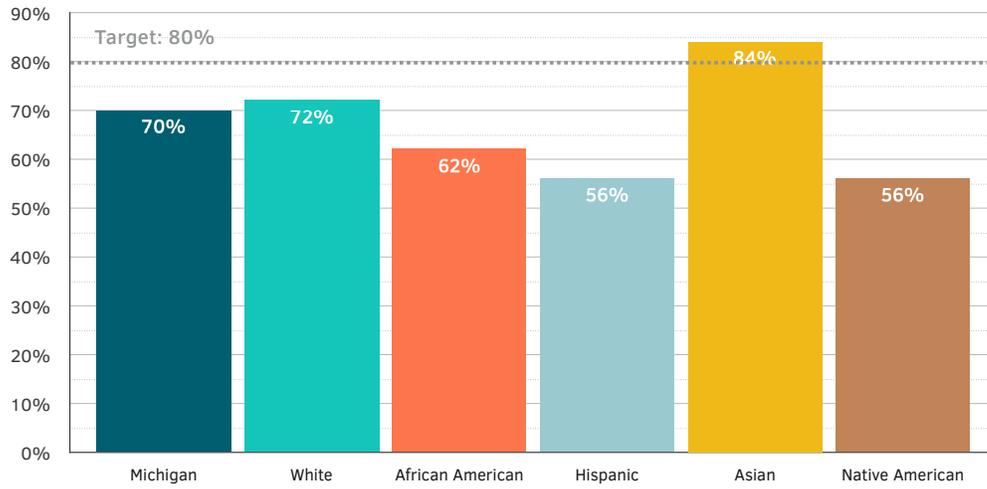


Source: This graphic is from EdCentral.org. Details on their method can be found here: <http://www.edcentral.org/filling-fafsas/>

Share of students immediately enrolling in postsecondary. Pursuing postsecondary education immediately after high school graduation improves the chances of ultimately earning a degree or credential. Sixty-nine percent of Michigan high school graduates enroll immediately in postsecondary education.

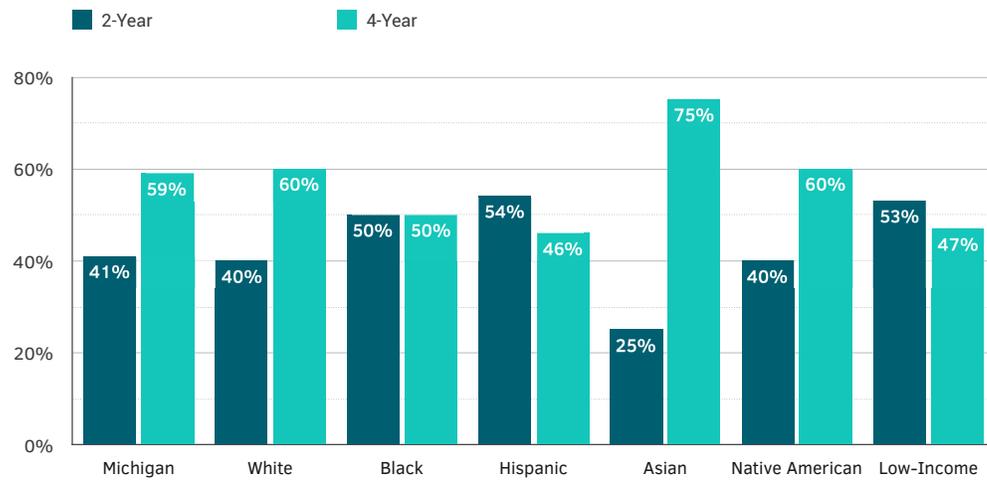
However, as seen in Exhibits 18a and 18b, there are significant gaps among racial and income groups in terms of who enrolls right away and where they enroll. Blacks, Hispanics and Low Income students are less likely to start right away, and more likely to attend two year versus four year institutions. These lower immediate enrollment rates contribute to lower postsecondary attainment rates for these populations.

Exhibit 18a. Class of 2013 College Enrollment Rates, by subgroup



Source: MiSchoolData.org

Exhibit 18b. Of those enrolling in college (Class of 2013), how many are going to a 2-year versus how many are going to a 4-year, by subgroup?



Source: MiSchoolData.org

Relative Share of adults with some postsecondary learning but no degree. Michigan ranks very high (10th in the nation) with 25% of our adult population having some experience with postsecondary learning, but not completing a degree or credential. Among the top 10 best educated states that Michigan seeks to join, Michigan has the highest percentage of adults with “some college” no degree.³⁴ This is far and away the area where the greatest numbers of Michigan citizens can be found that would, if they achieve a degree or postsecondary credential, contribute to reaching the goal for overall state postsecondary credential attainment.

Exhibit 19: 2012 Educational credential percentages of working age population (25-64) for MI top ten states (Based on % with Certificate or Above)

States	Some College (%)	Certificates only (%)	Associates only (%)	Bachelors Only (%)	Graduate Degree Only (%)	Adults with Certificate or Above (%) Est.	Associates or Above	Upper Limit
Georgia	22.2%	23.0%	7.7%	19.0%	10.6%	60.3%	37.4%	59.6%
Connecticut	18.5%	12.0%	8.0%	22.3%	17.2%	59.5%	47.5%	66.0%
Colorado	23.0%	12.0%	9.0%	25.0%	13.5%	59.4%	47.5%	70.4%
Massachusetts	17.4%	8.0%	8.1%	24.6%	17.8%	58.4%	50.5%	67.8%
Wisconsin	22.2%	17.1%	11.6%	19.7%	9.6%	58.0%	40.9%	63.1%
Minnesota	23.0%	10.0%	12.1%	24.3%	11.2%	57.7%	47.7%	70.7%
Illinois	22.0%	10.3%	8.4%	21.6%	12.5%	52.9%	42.5%	64.5%
Rhode Island	20.0%	7.8%	10.2%	21.3%	13.3%	52.6%	44.8%	64.8%
Kansas	24.9%	10.7%	9.0%	21.1%	11.2%	52.1%	41.3%	66.2%
New Jersey	18.0%	5.7%	6.8%	24.6%	14.4%	51.5%	45.8%	63.8%
Michigan	25.0%	7.5%	9.8%	17.5%	10.1%	44.9%	37.4%	62.4%
National	22.0%	8.8%	8.8%	19.6%	11.0%	48.1%	39.4%	61.4%

Source: U.S. Census Bureau 2012 American Community Survey

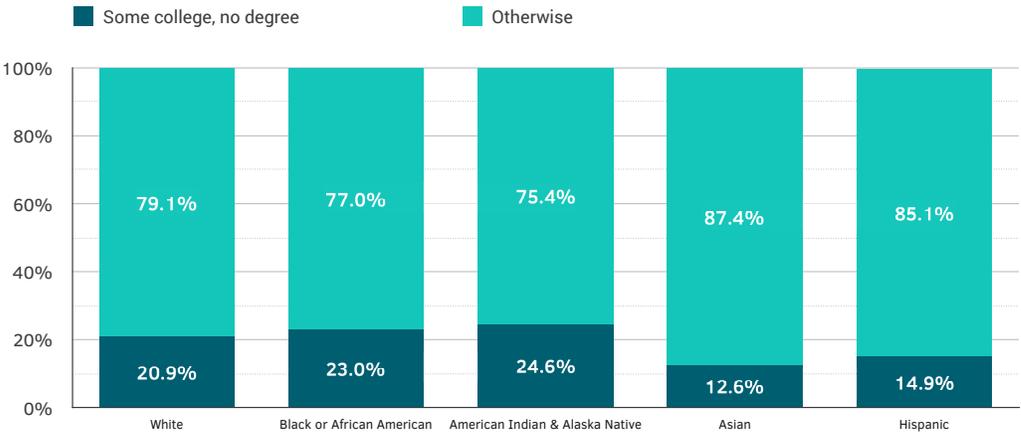
*The estimates were computed based on a 2010 report by Complete College America entitled "Certificates Count". The complete report can be found www.completecollege.org

³⁴This fact, coupled with earnings information for this population which shows very large number with low-incomes, as well as a larger share of this population with higher incomes, relative to other states – may reflect the legacy of a factory/manufacturing economy where many good jobs were available without a postsecondary credential.

As Exhibit 20 indicates, these adults in Michigan are more likely to be Native American, Black, or White.

Exhibit 20. Share of Michigan Adults Some College No Degree – By Race

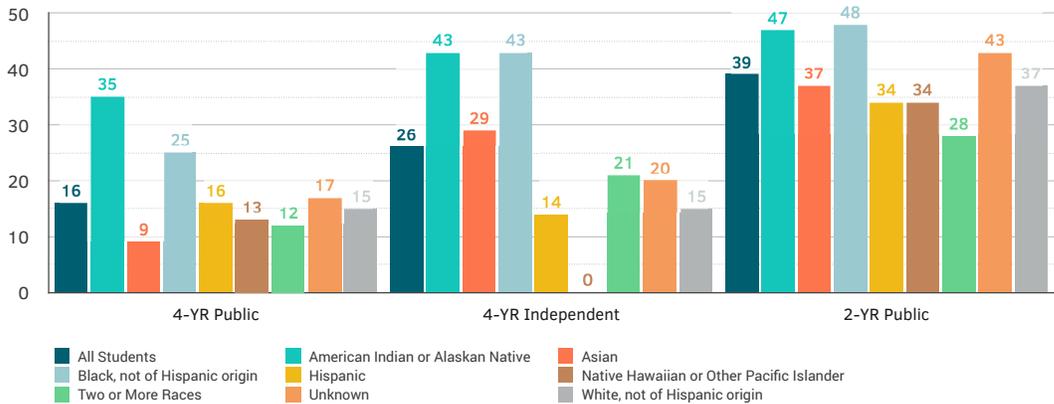
Michigan residents with some college, no degree by race/ethnicity



Source: Source: Calculations from 2011-2013 3-Year American Community Survey

Exhibit 21. Postsecondary Participation - Adults

Percentage of Students Age 25 and Older by Sector and Race/Ethnicity



Source: Michigan CEPI Adult Enrollment Data

Adult learners who are enrolled in Postsecondary. As seen in Exhibit 21 adult postsecondary participants 25 and older in Michigan are more likely to be enrolled in two year community colleges, and come from American Indian, Black and Hispanic populations (who are anywhere from 10-15% more likely to enroll or start at a two-year institution than other Michigan citizens). These populations are traditionally among the most “at-risk” of not completing a degree.

Implication of these metrics for Policy Priorities

Michigan must get more traditional age students to pursue postsecondary education and expand the number of quality early college and career-technical learning opportunities (particularly among minority and low-income populations). In addition, Michigan must engage successfully in postsecondary education the far greater number of adults already in the workforce in need of a postsecondary credential.

Policy solutions for preparation and connection to postsecondary education include providing better guidance and support to secondary students in navigating their way to postsecondary learning, and much more aggressive mapping and early intervention around post-secondary readiness in order to deliver the skills needed to avoid remediation. Michigan also must put in place policies, financial support, and incentives to help many more Michigan students participate in highly effective early college and career technical programs, while in high school.

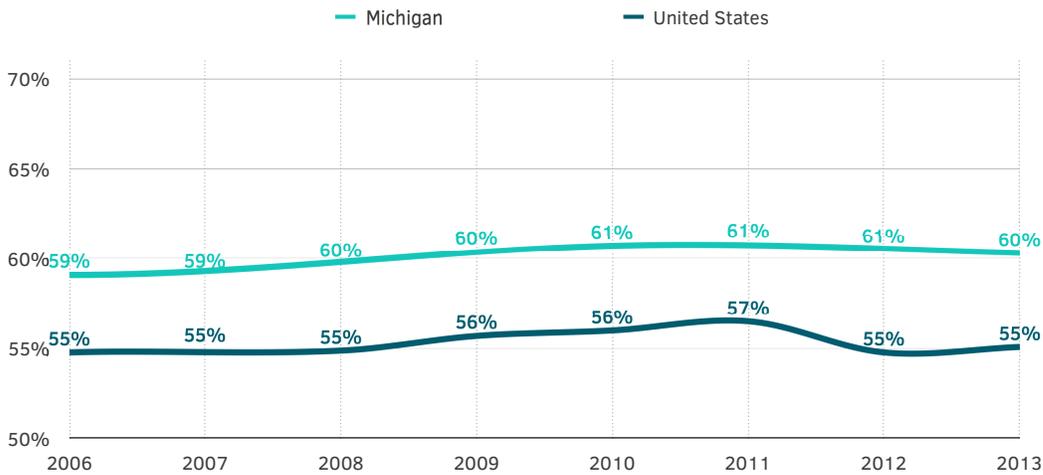
Michigan also needs effective engagement strategies for the large share of adults of all backgrounds who will benefit by returning to postsecondary education to earn credentials. The State must continue to build and maintain a robust postsecondary access support structure, including financial support, to put post-secondary education in reach for youth and adults alike, without resulting in crushing debt burdens. Michigan can also build more user-friendly information tools to help students, parents, and adult learners alike better navigate the system.

Postsecondary Completion and Success

Many youth and adults pursue postsecondary credentials and degree-earning but never make it to the finish line and the “payoff” in the form of a degree or credential that has currency in the labor market. How is Michigan doing currently on completion of credentials, and important progress measures that impact these completion rates?

Overall, our Michigan University Graduation rate is above the national average as seen in Exhibit 22.

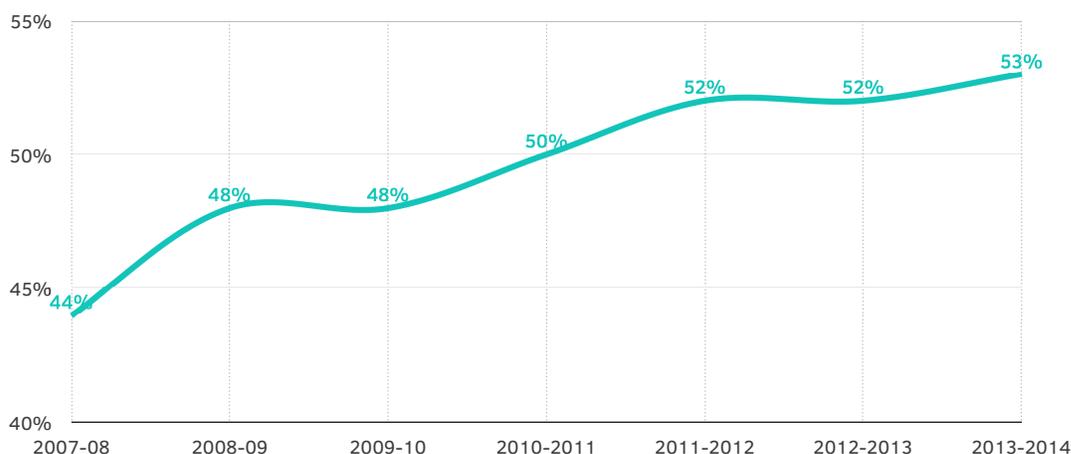
Exhibit 22. University Graduation Rate vs. National Average



Source: MI Governor's Dashboard (<https://midashboard.michigan.gov/education>)

And when Community College completion and successful transfer rate to a four year institution is assessed; these institutions are making important progress, seeing steady growth in six-year completion/graduation/transfer rates from 44% in 2007-08 to 53% in 2013-14, while serving a population that is the most difficult to support to completion of a degree or successful transfer.³⁵

Exhibit 23: Michigan Community College Completion/Graduation/Transfer Rate



Source: MI Governor's Dashboard (<https://midashboard.michigan.gov/education>)

It must be noted that rightfully focusing attention on graduation and completion rates to spur improvement must be accompanied by the ability to measure success at completing all forms of valuable postsecondary credentials as defined in this report. Michigan is currently engaged, and we support, updating state completion definitions to include occupational certificates not currently counted as successful graduation. Including in performance metrics, and counting accurately success at delivering all valuable credentials

³⁵This trend indicates that more students are successfully completing a degree, or transferring to a four year degree program within a six-year timeline. When you consider that approximately 65% of all community college students enroll part-time it is critical to look at student success rates over a longer period. (This metric uses the Community College Voluntary Framework for Accountability and not all colleges are participating in the VFA at this point). The only national comparison that currently exists is the U.S. Department of Education graduation rate which reflects the graduation rate of first-time, full-time student after three years, which for Michigan is currently only 13%. The six-year rate illustrated here takes into account full- and part-time students as well as those that transfer.

will make these performance measures both accurate, and purposeful to support reaching the state's 60% postsecondary credential attainment goal.

Digging deeper and taking into account the very different missions, and the different populations they serve -- Michigan's Community Colleges and Universities performance must be assessed differently.

Key performance indicators to follow for Michigan Community Colleges' that are related to ultimate success at helping students complete credentials include:

- ▶ Percent of students referred to developmental education who complete a gateway (i.e. college-level) course in math or English;
- ▶ Percent of credit hours successfully completed in the first term (a key indicator of future success);
- ▶ Percent of students who were retained from fall (term one) to their next academic term.

These important measures are part of the newly-developed American Association of Community College's Voluntary Framework of Accountability (VFA), (which can be viewed at the Association's website).³⁶ When fully developed, it will provide important additions to Michigan's system for tracking and improving performance of its overall learning system.

For now, we do know that, in our community colleges, alongside the successful graduation or the transfer to four year institution rates as seen in Exhibit 24, another measure useful to gage performance is success at retaining students and keeping them on a path to completion.

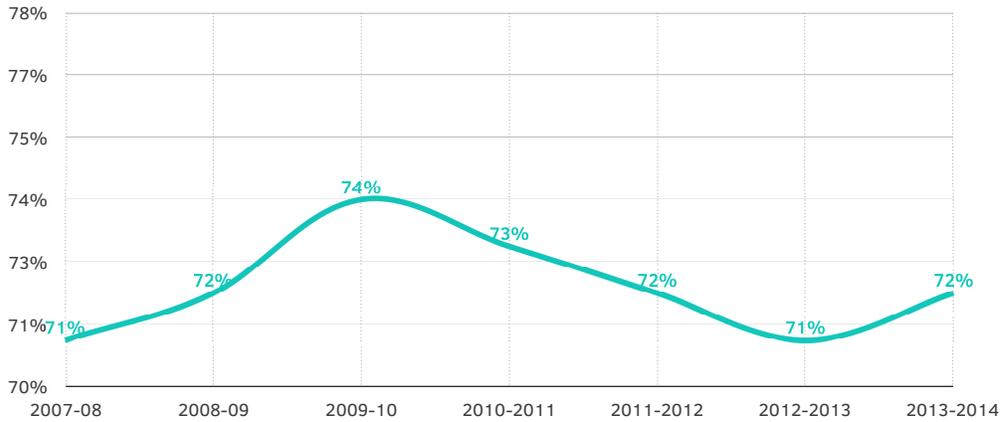
One-Year retention rates for community colleges:

The one-year retention rate for our community colleges have fallen slightly from a high of 74% in 2009-10 to 72% in 2013-14, but the most recent data indicates the retention rate has rebounded. Michigan has a higher retention rate than the national average of approximately 60%.³⁷

³⁶Voluntary Framework of Accountability: <http://vfa.aacc.nche.edu/Pages/default.aspx>.

³⁷Jaggars & Xu, 2010; Jaggars & Xu, 2011.

Exhibit 24: One-Year Community College Retention Rates



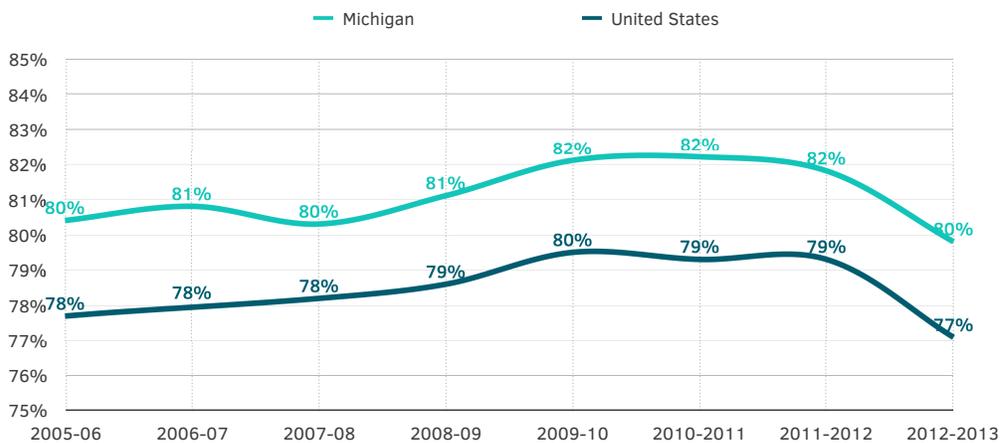
Source: MI Governor's Dashboard (<https://midashboard.michigan.gov/education>)

For Universities important performance metrics to track, that reflect completion and successful progress towards completion include:

One-Year retention rates for universities:

Michigan's one-year (freshman) retention rates for universities have climbed from 80.5% in 2005-06 to approximately 82% in 2012-13. This is higher than the national average of approximately 79%.

Exhibit 25. University One-Year Retention Rates



Source: MI Governor's Dashboard (<https://midashboard.michigan.gov/education>)

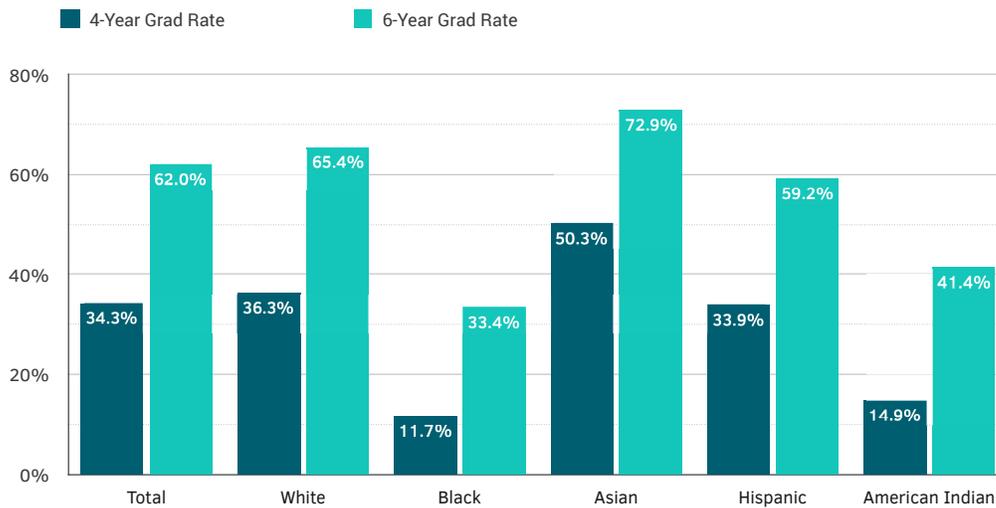
150% Completion Rates:

Like one year retention rates, Michigan's 150% completion rates (graduation in six years) have also increased from 59% in 2006-07 to 60.5% in 2012-13. This puts Michigan above the national average of approximately 55%.

Exhibit 26. University 150% Completion Rates.

However, as Exhibit 27 illustrates, within this strong overall graduation rate there are significant racial gaps in overall four year and six year graduation rates. And individual institutions' success at graduating minority populations also varies significantly.

Exhibit 27. University Graduation Rates By Race



Source: National Center for Education Statistics' Integrated Postsecondary Education Data System, 2013

University Completion/Transfer/Still Enrolled Rates:

While graduation is steadily reported, the State Longitudinal Data System still lacks a consistent measure of rates of transfer and students still enrolled after four and six years of college. However, as seen in Exhibit 28, there is a new student success metric that shows how many of these students complete/transfer/remain enrolled for each of Michigan's universities. With all universities taken into account, approximately 89.6% of students fall into one of these categories after four years, and 85.1% after six years.

Exhibit 28a. University Graduation, Transfer and Enrollment Rates

4-year Rates

	Graduation	Transfer/ Graduation	Still Enrolled	Transfer/ Enrolled	Unknown
Central Michigan University	21%	4%	46%	18%	11%
Eastern Michigan University	12%	3%	43%	22%	19%
Ferris State	23%	3%	35%	21%	18%
Grand Valley State University	33%	4%	44%	13%	7%
Lake Superior State University	20%	4%	33%	17%	26%
Lawrence Tech	16%	3%	39%	22%	20%
Michigan State University	54%	2%	31%	8%	5%
Michigan Tech	25%	2%	46%	16%	11%
Northern Michigan University	3%	1%	62%	19%	15%
Oakland University	16%	6%	43%	22%	13%
Saginaw Valley State University	9%	4%	44%	25%	80%
University of Michigan - Ann Arbor	75%	2%	18%	3%	2%
University of Michigan - Dearborn	15%	8%	50%	18%	9%
Wayne State University	10%	2%	41%	24%	23%
Western Michigan University	23%	3%	40%	19%	15%

Source: Student Achievement Measure (<http://www.studentachievementmeasure.org/>)

Exhibit 28b. University Graduation, Transfer and Enrollment Rates

6-year Rates

	Graduation	Transfer/ Graduation	Still Enrolled	Transfer/ Enrolled	Unknown
Central Michigan University	59%	11%	5%	10%	15%
Eastern Michigan University	38%	9%	11%	14%	28%
Ferris State	49%	12%	5%	8%	26%
Grand Valley State University	69%	11%	4%	6%	10%
Lake Superior State University	43%	10%	6%	13%	28%
Lawrence Tech	44%	9%	5%	15%	27%
Michigan State University	80%	6%	2%	4%	8%
Michigan Tech	64%	8%	4%	10%	14%
Northern Michigan University	48%	9%	12%	10%	21%
Oakland University	45%	15%	10%	12%	18%
Saginaw Valley State University	40%	12%	8%	15%	25%
University of Michigan - Ann Arbor	89%	3%	1%	2%	5%
University of Michigan - Dearborn	52%	17%	8%	10%	13%
Wayne State University	34%	8%	11%	17%	30%
Western Michigan University	54%	11%	6%	9%	20%

Source: Student Achievement Measure (<http://www.studentachievementmeasure.org/>)

In sum, Michigan’s Community Colleges (and arguably public universities with essentially open enrollment policies) face the challenge of supporting to successful completion or transfer, a disproportionate share of poor, minority, and working adults – who also face the greatest obstacles to complete a degree. Michigan’s universities, on balance, do a better than average job supporting their student to success, but still face the need to better support particular populations, who complete degrees at lower rates.

Implications of Metrics for Policy Priorities

Michigan must increase dramatically the share of traditional age students who complete a degree or credential. Given our demographics and migration patterns (a low attraction rate coupled with the net out-migration of educated talent, and declining numbers of K-12 students), Michigan must make a priority of engaging and improving credential attainment of our adult population, including the majority white and the large numbers of minority and low-income learners whose attainment rates lag.

To do so, Michigan must make more seamless, efficient and cost-effective the transfer and movement within the higher education system. Michigan can also create incentives in reporting and financing postsecondary education that reward and support the completion of credentials, and enhance support for the institutional networks and strategies that help all institutions colleges, universities, and Community Colleges (serving the most at-risk) support to “success” their students. Tracking the key performance metrics outlined in this report, including by race, gender, age and income, must be integrated into our state’s CEPI education and higher education performance data system to continue to guide improvements in policy and performance.

A New Policy Agenda for Postsecondary Credential Attainment in Michigan – To reach 60% by 2025

As noted, Michigan has put place and is fine-tuning a number of policies and practices that are high-yield in terms of their contributions to meeting our credential attainment goal. These include significant policy changes to enhance early childhood education, more rigorous college and career ready secondary standards, robust community support structures for increasing postsecondary access, increased attention to performance in the financing of higher education, improvement in postsecondary completion rates at institutions, and better matching labor market supply and demand in STEM and other technical occupations.

Based on the Michigan performance on the metrics above, and their implications for policy priorities moving forward, it is time for Michigan to make some major moves to further enhance and improve our talent development system.

The priorities for a new round of policy change and innovation start with setting a clear State goal for postsecondary credential attainment. Then we have to define the path to get there—the set of actions required to meet this goal and meet the challenge recently made by Business Leaders for Michigan to become a top ten state for educated and skilled talent production.

Steps that can help many more of our citizens, young and old, connect to postsecondary education, and move *through* to completion of valuable postsecondary credentials must be taken in three areas:

- ▶ **Increase Postsecondary Participation** by Michigan youth and adults.
- ▶ **Ensure Postsecondary Completion and Success:** Make the system work to ensure success in credential-earning in a timely and cost-efficient manner.
- ▶ **Put in Place Strategic Success Enablers** that provide needed performance and decision-support information, financing, and a collaborative policy-making infrastructure to support, guide, and continuously adapt Michigan’s efforts for success.

The recommendations that follow summarize these high-yield policy changes and how we can implement them to help Michigan take giant steps towards our goal of 60% of Michigan citizens with postsecondary degrees and certificates in the next ten years.

Increase Postsecondary Participation: Youth

At a time when quality college and career guidance and counseling are essential to navigate the system ahead, particularly for youth in families without a history of college attendance, Michigan's over 700-to-1 student-to-counselor ratio makes it impossible to provide quality guidance and counseling to most high-school students. Further, what is needed to be a good counselor and advisor has changed dramatically over the years, while our preparation and support for our counselors has not kept pace.

The high rates of remediation needed among young people entering postsecondary learning also means we must have strong policies and incentives to encourage postsecondary readiness, identify readiness problems earlier, and intervene more successfully. The real and perceived high cost of postsecondary education can discourage many young people and their families from considering or pursuing the option (particularly among first time college students and poor and minority students). The importance of clear, simple, financial aid, and help navigating the financial aid process cannot be overstated. The demonstrated positive impact on college attendance and ultimately credential-earning success, when robust community support and financing structures are in place (as seen in many Michigan communities) suggests the need to ensure this support endures, grows, and is there for all young learners—particularly those without strong family supports and social networks.

To reach our goal for post-secondary credential attainment, Michigan must also dramatically expand powerful strategies for integrating postsecondary credit-taking and credential earning with high school, and ensure the participation of minority and low-income students. Early college credit-taking includes programs for dual enrollment, concurrent enrollment, early and middle colleges, Advanced Placement courses, and International Baccalaureate programs.

Research on participation in these programs has shown significantly increased rates of postsecondary enrollment, persistence to the second term and year, and degree and credential attainment for participants. This is true for high-achieving students (often seen

as the target of many of these programs), but these strategies are also particularly powerful and important for at-risk, poor and minority students, and many who would not have necessarily considered attending a postsecondary program. These are the students that Michigan must engage more aggressively, and increase their postsecondary enrollment numbers, if we are to reach our goal. While Michigan requires high schools to offer dual enrollment options, and has seen a growing early/middle college effort with 22 schools and 69 programs, along with more concurrent enrollment efforts and IB programs—these initiatives still engage a relatively small share of high school learners. Due to a combination of financial, policy, and procedural impediments and disincentives, only 11% or 53,000³⁸ Michigan high school students earned any post-secondary credits while in high school. The major reason for these low numbers is the lack of a financing system that incents and rewards participation—the current system offers a “lose-lose” financial proposition to high schools and postsecondary institutions alike. If we want students to reap the benefits of these programs, we must change the financing model, and make other policy and regulatory changes to increase offerings and participation across the state.

In addition while existing CTE and pre-apprenticeship programs³⁹ do a good job of integrating high school experience with post-secondary credentialing, a recent analysis of Michigan’s secondary Career-Technical Education system notes wide variations in local financial support and program offerings hurt the opportunity to engage more students in these high-quality “in-demand” career technical programs (a key priority of the Snyder Administration).⁴⁰ As Exhibit 29 reflects, only 23,000 Michigan high school students complete a Career-Technical program each year. Michigan must also expand quality secondary Career-Technical programs that are closely aligned with postsecondary technical training programs and credentials.

³⁸MDE Report to the Legislature, 2014 Annual Education Data Report.

³⁹Including Michigan’s new MAT2 Apprentice-style Technical Training Program, modeled on German apprenticeship programs.

⁴⁰“Destroying Michigan’s Career-tech System to Save IT”, Bridge Magazine, January 13, 2015.

Exhibit 29. Michigan CTE Student Enrollment & Completion

School Year	CTE Total Enrollments (Unduplicated)	Number (%) who were concentrators at the end of the year		Number (%) who were completers at the end of the year	
2007-08	123,936	41,866	33.78%	41,866	33.78%
2008-09	130,406	53,688	41.17%	18,904	14.50%
2009-10	122,823	54,769	44.59%	21,332	17.37%
2010-11	138,631	56,874	41.03%	22,470	16.21%
2011-12	137,023	55,688	40.64%	23,119	16.87%
2012-13	132,077	53,476	40.49%	23,840	18.05%

Note: Concentrator status includes those who are reported with Completer status and Enrollees includes all students. Data represents the enrollment of students within regions, CEPD, districts, buildings and programs which may result in duplicate counts. Concentrator status after 2009 was collected in a more accurate manner and may reflect different rates.

Source: This table was created based on a report from the Michigan Office of Education Improvement and Innovation entitled Michigan Department of Education Report to the Legislature 2014.

Policy Recommendations to Increase Postsecondary Participation for Michigan Youth.

Connect more Michigan youth to postsecondary credentialing by providing better preparation, guidance and financial support; increase the number of high school students engaged in CTE, early college credit-taking, and earning postsecondary credits. Ensure enhanced guidance, preparation and financial support is focused on closing enrollment gaps among low-income and minority students. Specific policy recommendations:⁴¹

- ▶ **Include in high school accountability systems** improving college readiness, enrollment, and completion metrics.
- ▶ **Continue work to align K-12 assessments with postsecondary institution's entry/readiness requirements. Encourage voluntary local K-12/higher education partnerships** to share results from postsecondary readiness assessments with sending K-12 districts to improve programs, and administer a common assessment for determining the need for postsecondary remediation, and to support early intervention strategies in high school.

⁴¹More detail on these specific policy recommendations is included in Attachment A.

- ▶ **Expand capacity of high schools to provide high-quality college counseling and postsecondary advising for Michigan students, including a new state Michigan School Counselor Reinvestment grant program** to hire more school counselors, with the purpose of increasing the availability of counseling on college/career readiness and transitions.
- ▶ **Ensure school counselors are better prepared to provide college and career counseling** through changes in their preparation and ongoing professional development, including attention to effective counseling for poor, minority and first-time college goers.
- ▶ **Create a simplified, consolidated, enhanced need-based financial aid program** that puts Michigan among the top ten states in financial aid. This would mean that, over time, Michigan grows its state financial aid commitment to \$480 million dollars annually. A simple and effective way to share this aid would be to provide a minimum, need-based award to students at any Michigan public or independent college, university, or community college, willing to work hard and succeed at earning degrees and certificates.
- ▶ **Maintain Michigan’s effective college access infrastructure**, through continued or expanded support for the Michigan College Access Network.
- ▶ **Build a better, user-friendly public information tool and “Pure Michigan” style web presence to promote postsecondary education**, supported by high-quality student information systems to enable students and families to find institutions and programs that will best serve their needs, and determine pathways and transfer arrangements among institutions. Use system to encourage “high-road” aspirational education paths for all students.
- ▶ **Eliminate restrictive rules and eligibility requirements** regarding dual enrollment that curb participation and confuse practitioners. **Establish early/middle college and concurrent credit options in existing dual enrollment statute** with clear quality criteria, to encourage participation, diminish confusion and ensure quality learning programs.
- ▶ **Institute policy enablers that expand post-secondary early credit opportunities**, and ensure they serve high-achieving as well as underrepresented and low-income students. Changes include allowing: high achieving students to graduate early; students to apply college level courses to high school requirements;

a five year time frame for high school graduation; and inclusion of metrics in the high school accountability framework around early college participation, including traditional, minority, and at-risk students.

- ▶ **Create a financing system that supports and incents participation in early postsecondary credit-taking** among secondary and postsecondary institutions, and serves to dramatically expand student participation in Michigan.
- ▶ **Continue funding enhancements and expand geographic coverage of quality Career-Technical Education programs.**

Increase Postsecondary Participation: Adults

Michigan has, at 25%, a relatively high share of adults with some postsecondary education experience but no degree, and likely most without even a certificate to help them succeed at getting a good job.⁴² There remain extant mismatches between technically demanding good jobs and the pool of workers to fill them. Adults are far and away the largest single cohort of citizens who, if supported in achieving workforce relevant credentials, can advance Michigan's overall goal of 60% of our population with valuable degrees and credentials.

Successful engagement of adult learners in our postsecondary education and job training system faces many obstacles. Many working age adults require basic education and job skills training before being able to move to technical and credit-earning programs. That and the pressures of family and working while learning pose obstacles that must be attended to by effective programs and institutions. Financial pressures and the cost of postsecondary education can also discourage adult learners, and are exacerbated by the fact that over the past ten years, Michigan has reduced state financial aid⁴³ and eliminated several adult serving programs.⁴⁴

⁴²US Census as reported at <http://strongernation.luminafoundation.org/report/#michigan>.

⁴³Today the state provides only \$105 million in financial aid versus \$900 million of public and private institutional aid to students putting Michigan 41st in the nation, and student debt has increased 48% in the last four years alone.⁴³

⁴⁴including a work-study program, the Michigan Educational Opportunity Grant, the Adult Part-Time Grant, and the Michigan Nursing Grant.

However, as seen in Michigan and elsewhere, there are successful models to engage learners in postsecondary education that, if scaled up, can support many more adults in earning valuable certificates and credentials.

Michigan’s own Kalamazoo Promise and other Promise programs show the power of a simple post-secondary guarantee to engage learners. Tennessee’s guarantee of free community college has proven similarly powerful in motivating participation in higher education. Michigan demonstrated several years ago in its No Worker Left Behind Program that a simple, easy to understand guarantee of a free community college or a technical degree program could dramatically increase the number of adult learners who re-engage to earn an economically valuable credential. An additional advantage to these guarantee programs for adult learners, is that they can largely be paid for by braiding together existing workforce, higher education financial aid, and other funding streams.

Other effective approaches to engaging adults include intensive job and basic skill training partnership programs for the adults most disconnected from labor market, such as Earn and Learn Detroit, and Pathways to Success in Grand Rapids. Integrating adult basic education and GED programs into credit and credential earning Career Pathway programs can also improve outcomes for participants. The institutional success strategies being deployed by Michigan’s higher education institutions are another means to provide the quick basic skill-building, career path guidance, and the support that are needed and effective for many adult learners. Also Michigan’s Skilled Trades and STEM employment programs are beginning to show gains in preparing workers in much-needed technical fields.

Policy Recommendations to Increase Postsecondary Participation for Adults

*Provide a strong and simple financial guarantee for adult learners to re-engage with postsecondary credentialing; provide better guidance and user-friendly information on engaging and navigating the system; support and expand effective and integrated basic education and skilled workforce training programs.*⁴⁵

- ▶ Coordinate programs and funding from a number of workforce and credentialing programs to create a **“Michigan Promise”, a new Adult Training Scholarship that makes the equivalent of two years of community college tuition free for**

⁴⁵More detail on these specific policy recommendations is included in Attachment A.

adults willing to work hard at earning degrees and certificates in key regionally-determined occupations. This scholarship will provide up to \$5,000 dollars for workers to apply toward earning a credential or certificate in regionally determined workforce-needed occupations, linked to program progression and completion. This program will support participation in and expansion of existing employer-driven, credentialing programs such as **traditional apprenticeship programs, postsecondary CTE, Skilled Trades, and the Advanced Manufacturing Partnership.**

- ▶ **Build a better, user-friendly public information tool and “Pure Michigan” style web presence to promote postsecondary education,** supported by high-quality student information systems to enable students to find institutions and programs that will best serve their needs, and determine pathways and transfer arrangements among institutions.
- ▶ **Expand the Skill Trades Training Fund,** aiding recipients in earning industry-recognized credentials, as determined by regional talent, economic and workforce development organizations.
- ▶ **Connect existing adult basic education programs and public-private basic skill enhancement programs with credit and credential/certificate earning career path programs** at Michigan community colleges.

Ensure Postsecondary Completion and Success

For too long higher education institutions were designed for access versus success, offering learners too many choices, too little counseling and guidance, and unclear paths to a goal. Many learners get lost in a maze, waste time and money, and never finish a credential. Youth and adults alike are more likely to complete credentials of value if their path is efficient, there are clear pathways to credentials in which learners can build on prior learning, “stack” their credential earning, and expend no wasted time or money heading down educational blind alleys or accumulating excess credits.⁴⁶ Throughout their postsecondary journey, learners must be able to transfer seamlessly among higher education institutions, and be aided if they choose to reap the benefits of starting at a lower-cost institution, transferring to complete higher level programs, and in the process

⁴⁶*Time is the Enemy*, Complete College America, 2011.

reducing total cost and debt burdens. Recent research shows that it is those who do not complete a degree or credential, often racking up high debt burdens, who do not realize the real long-term economic return on investment gained by those who do complete.⁴⁷

Nationally, one-third of undergraduate students study at more than one college or university. Recent research from the National Student Clearinghouse (NSC) indicates 45% of four-year degrees nationally—and 42% in Michigan—are awarded to students with previous enrollment in a two-year institution. As we have seen minorities, poor, and adult students are much more likely to start their postsecondary education at a community college – the groups where Michigan must most dramatically increase postsecondary attainment. Research shows completion success rates improve by completing degrees and then transferring. A recent NSC report indicates that 72% of students who have their associate’s degree complete their baccalaureate degree compared to 56% with no two-year credential.

Historically, there has been limited information to understand in detail transfer patterns in Michigan. With the development of the State longitudinal data system through CEPI, we are beginning to understand student mobility between postsecondary institutions in the State. Initial data indicate that 16,887 students in 2012-13 transferred from community colleges to a four-year institution. Of these students, 10,050 transferred to one of the 15 public universities, another 3,722 went to an independent college or university, and 3,115 transferred outside of the state.⁴⁸ Community college data reported to the state Workforce Development Agency suggests that over 100,000 community college students were enrolled in programs that are oriented toward transfer.⁴⁹ These data point to a considerable gap between students’ interest in programs designed specifically for transitioning to a baccalaureate program (based on community college program enrollments) and the number of students who actually successfully transferred to a public or private university.

Other states have well-articulated course acceptance agreements, roadmaps, incentives, and structures to encourage timely credit and degree completion linked to transfer, boosting overall credential attainment rates. Michigan has taken steps forward with

⁴⁷Education for Upward Mobility, Thomas Fordham Institute, Andrew Kelly, 2014.

⁴⁸MI School Data college transfer: <https://www.mischooldata.org/CareerAndCollegeReadiness/TheTransfer.aspx>.

⁴⁹Activity Classification Structure: <http://www.michigancc.net/ccdata/enrollments/ea13/Default.aspx>.

Reverse Transfer (i.e. retroactively awarding associate’s degrees to student that transferred to a four-year university and subsequently earned the credits needed to complete the two-year degree) and Project Win-Win that reaches out to students who have attained substantial credits but no degree, awarding them an earned but unclaimed credential. Michigan also implemented the Michigan Transfer Agreement in the fall of 2014 that laid out 30 hours of general education coursework that participating institutions in the state must accept in whole upon transfer. Still, Michigan must go much further to facilitate seamless movement among its institutions if its post-secondary credential attainment goal is to be reached.

Beyond streamlining the postsecondary transfer and mobility process, there are additional challenges to overcome to deliver “success” and completion of credentials. Academically, many students, young and working adult, are not prepared for postsecondary education, which increases their likelihood of failure. Forty-one percent of low-income adult students require remedial coursework, 32% of other adults need remedial coursework, and 31% of traditional students require this type of work.⁵⁰ At Michigan community colleges, 60% of new entrants require remedial assistance.

Adult learners, a large and growing share of all learners, face additional obstacles to success. Many of these students, approximately 40%, in addition to taking classes, are working full time.⁵¹ Forty percent of adult low income students are single parents who must not only work, but care for their families,⁵² creating difficulty in not only completing work, but also in finding time in their schedule to attend class.

In recent years, a set of institutional success strategies have been developed and implemented that demonstrate the ability to improve student success, as seen in the increase of 8% over five years in Michigan community college students graduating with a degree or successful transfer to a four-year institution. These success strategies include guided pathways, which move students more quickly to programs of study with meta-majors in topics like business and health, and integrated student supports. Other strategies include much clearer roadmaps and guidance to success and completion, including since winter 2013, 342 students who have earned credentials through Michigan

⁵⁰*Challenges of Returning Adult Learners and Strategies for Change*, Tyler Guennett, MSU for work group.

⁵¹Working Poor Families Project, <http://www.workingpoorfamilies.org/>.

⁵²AASCU – Addressing The Needs of Adult Learners, 2006.

Pathways to Credentials, designed to create better career pathway programs helping low-skilled adults address basic-skill needs and earn “stackable” credentials as they progress to credit-bearing courses.

Additional demonstrated high-impact success strategies such as accelerated or fast-track developmental education, student success courses, supplemental instruction, structured group learning experiences, enhanced advising, and goal setting and planning; among others—have been implemented by institutions in Michigan and across the country. As the experience of leading institutions such as Arizona State, Georgia Tech, and City Colleges of Chicago, and the success of Michigan’s own community colleges in raising completion rates by 8% over the past five years demonstrates, these proven practices pay high-return, particularly for adults, minorities, and other learners historically less successful in earning credentials. These practices need robust institutional support, strategic investment (that can pay a significant return), and a policy environment and support structure that foster implementation at scale.

Policy Recommendations to Ensure Completion and Success⁵³

Make the higher education system work to ensure success and credential-earning by improving postsecondary articulation; transfer; and mobility; including better information tools to support navigation, making movement to and through postsecondary education more efficient, less costly, and more likely to result in successful credential-earning. Put in place robust institutional completion and “success” strategies, and integrate “siloed” resources to ensure all postsecondary “learners” become postsecondary credential “earners”, and to close attainment gaps by race, gender, and income; as well as improving the attainment rates for all learners.

- ▶ **Develop, fund, and support a “student-friendly” statewide transfer data functionality – as part of a “Pure Michigan” style web presence to promote postsecondary education, providing information about transferability, acceptance of courses and credits among and between institutions.⁵⁴**

⁵³More detail on these policy recommendations is included in Attachment A.

⁵⁴This is the same recommendation offered in support of the Participation increases: “Build a better, user-friendly public information tool supported by high-quality student information systems, to enable students and families to find the institutions and programs that will best serve their needs.”

- ▶ **Further streamline the transfer of credits, programs, and credentials** by: extending the MTA to transitions among all institutions; establishing a more seamless transfer of the associate’s degree and creating transfer pathways as 37 other states have done (which will work to aid poor and minority learners to higher attainment levels); establishing “meta-majors” to provide clear and achievable programmatic pathways; and creating a clearer process for identifying/standardizing course equivalencies.
- ▶ **Promote strategies that reconnect with adults with some college, but no degree**, such as Reverse Transfer and Project Win-Win.
- ▶ **Encourage institutions to implement and communicate outcomes generated by high yield practices** through transparent reporting and accountability systems.
- ▶ **Provide strategic investments and incentives for high-yield institutional success strategies** including a new **Completion Innovation State Grant Competition**, a State grant competition that encourages and rewards institutions implementing robust success strategies.
- ▶ **Create and support Statewide structures that help institutions deploy success strategies. Maintain the Michigan Center for Student Success**, which supports Michigan’s community colleges in organizing and implementing student success strategies, and links them to effective state and national models and practice. **Organize a corollary effort among the state’s 15 public universities under the leadership of the Michigan Association of State Universities** to help support these institutions in implementing high-yield success strategies that help them close their achievement gaps.
- ▶ **Identify and integrate underutilized State cross-agency resources that can support elements of student success strategies**, including TANF, social services, and other sources that might be bundled and integrated to support success strategies, such as counseling and advising, dealing with day-to-day financial issues and crisis, transportation etc.⁵⁵

⁵⁵There are a number of national initiatives, helping states organize available resources that could be facilitated by the higher education success networks, including Benefits Access for College Completion and the Working Family Success Network.

Strategic Success Enablers

The high-yield strategies and policies recommended in this report to improve postsecondary participation and completion, must then be supported by the key information, financing, and collaborative policy-making infrastructures that help deliver a “smarter”, higher-performing system. Michigan must:

- ▶ **Improve Performance Information to Guide System.** Michigan must track the right performance metrics and use these metrics to guide ongoing policy and decision-making, and system improvement.
- ▶ **Invest Strategically.** Michigan needs a more strategic postsecondary financing system that supports affordable access, competitive institutions, seamless movement, and strategic high-yield programs and infrastructures that contribute to the completion of credentials.
- ▶ **Drive Postsecondary Performance with an ongoing Public-Private Stakeholder Guiding Group.** The recently created Michigan Higher Education Partnership Council, under BLM’s leadership, can be such a valuable forum to promote needed public policy change, implement changes, and guide the system and its improvement on an ongoing basis.

Improve Performance Information to Guide System

Michigan has enhanced its State Longitudinal Data System and individual data tracking from K-12 to include performance of key aspects of postsecondary education. There is also growing effort on the part of the Snyder Administration to integrate information across programs and silos, to better understand the needs and impacts of programs on citizens. There are a number of enhancements to this work that can be made to implement the recommendations in this report, and to improve our understanding of how our learners are doing, the effectiveness of the system, and as a guide to inform and improve policy making and overall system performance.

Policy Recommendations to Enhance Michigan’s Data and Performance Information System⁵⁶

⁵⁶Detail of the Recommendations can be found in Attachment A.

In order to help Michigan institutions and policy makers better align programming and improve overall performance, a number of important additions to our current performance information system are recommended, as well as new uses for this data to help track and reach regional, institutional, and statewide attainment goals.

- ▶ **Incorporate early college credit taking data, and career and college readiness metrics.** Track and report high school graduates that: Score 3,4, 5 on an AP exam; 4,5,6, 7 on IB exam; earn at least three transcribed college credit hours (dual credit); or MDE-approved industry certification.
- ▶ **Track and report additional metrics for gauging progress toward and performance in achieving postsecondary degrees and certificates, as called for in this report,** including: the share of enrolled high school seniors completing FAFSA, and for all public and independent institutions, the share of adults participating in postsecondary.
- ▶ **Update completion measures to include all valuable postsecondary workforce credentials and add additional Michigan Community College performance metrics:** percent of students referred to developmental education who complete gateway courses; percent of credit hours successfully completed in the first term; percent of students who were retained from fall (term one) to their next academic term; percent of students who complete a certificate or degree, or transferred after two years and six years.
- ▶ **Update completion measures to include all valuable postsecondary workforce credentials and add additional Colleges and University metrics:** first-year retention rates; six-year completion rates; and new Student Achievement Measures that track the percent of students who complete a degree, transfer, or are still enrolled.
- ▶ **Connect this data to secondary schools,** in order to link later credential-earning performance with the educational preparatory system.
- ▶ **Integrate workforce wage record data and employment labor market outcomes to the system.** Extend system so full information linking secondary and postsecondary institutions with degrees/certificates and occupation, and with employment status and earnings is made available to inform and guide policy making.

- ▶ **Package data, and support institutional and regional economic and workforce development partners** for use in defining their own goals, targets, and policy approaches, including disaggregated data by region, race, age, and income.

Invest Strategically

Michigan has begun to reinvest in higher education and has developed performance-based funding elements for both universities and community colleges that encourage attention and actions around key performance drivers. Still, Michigan's higher education financing could benefit from a more coherent strategy. Michigan needs a framework and a more strategic approach that puts higher education in reach of more Michigan citizens; encourages higher education to work smarter; fosters alignment and collaboration among Michigan's higher education institutions to achieve better performance and outcomes, and makes the strategic investment called for in this report to support the achievement of a state goal of seeing more citizens earn credentials and degrees of value.

A more strategic Michigan higher education financing "system" will:

- ▶ **Provide stronger financial aid that supports individual access to higher education**, for both youth and adults, without compounding tuition costs and debt levels. Business Leaders for Michigan's recent report calls for actions to make Michigan a Top Ten state for higher education access and affordability. Today, Michigan is 41st in the nation in financial aid for students, and student debt has increased 48% in the last four years alone.⁵⁷ The state appropriates only \$105 million in financial aid while public and independent colleges and universities provide \$900 million of institutional financial aid to students. This fact combined with reduced state investment in higher education during the recession has seen university tuition rates double -- Michigan is 6th in nation for highest tuition rates, and has the 7th highest average student debt. Given the decline in real incomes for most all Michiganders and the challenges poor, minority, and other students have in affording postsecondary education, enhanced financial aid is central to improving overall attainment numbers.

⁵⁷*Business Leaders Insights: How Higher Education Can Help Michigan Become a Top Ten State*, Business Leaders for Michigan, February 2015.

- ▶ **Continue recent budget priority and increased financial commitment for Michigan’s higher educational institutions** to perform their critical mission(s), and be competitive with higher education institutions in other states. Michigan is 43rd in the nation for cost-adjusted total educational appropriations (i.e., to community colleges, universities, and public financial aid) per FTE in FY2014. That equates to \$1,787 per student below the national average.⁵⁸ Within the last ten years (FY2007 to FY2016), public university appropriations have fallen \$72.6 million in nominal dollars, or \$319.1 million in real dollars, or 20%. The state has provided four straight years of direct university operations increases, but the most recent year’s increase (FY2016) was only 1.5%, a less than inflationary increase. Nine universities are still below the nominal state appropriations they received prior to the reductions of FY2012. Today State funding accounts for an average of 21% of each university’s operations funding, leaving the balance to be covered by tuition and fees.

Community College funding has also been diminished. These institutions on balance have fewer resources today to serve a larger number of at-risk students than ten years ago. Community college revenues from state appropriations have fallen from 33% to 19% since 2000, and state aid per full-time equivalent student is just over \$2,000, down from a peak of \$3,350 in 2001. In 2014-15, the appropriations for community colleges did increase by 3%, or \$8.9 million dollars. When including state operations payments and payments for retirement liabilities, community colleges appropriations are up almost 30% compared to FY2011. Still, diminished resources over the years have led to very significant growth in the share of adjunct versus full-time faculty, adjunct faculty who are less able — due to their difficult employment circumstances (low wages, working multiple jobs, no office space, nor time for engaging students) —to support learners (particularly at-risk learners) as they would like, contributing to increased student attrition and reduced completion rates.⁵⁹

⁵⁸SHEEO reporting as provided by Michigan Association of State Universities.

⁵⁹Eagan & Jaeger, Ehanberg & Zang, cited in *Adjunct Faculty in Community Colleges: Issues and Implications*, 2009, Ferris State University.

Make the small but strategic Investments in support of policies and practices that leverage big postsecondary attainment gains.

This report recommends a series of modest, but high-yield investments in postsecondary attainment -- from better guidance, to an enhanced performance information system -- that can help our system work more powerfully and efficiently for learner and taxpayer alike.

Financing Policy Recommendations⁶⁰

- ▶ Create a simplified, consolidated, enhanced need-based financial aid program that puts Michigan among the top ten states in financial aid. This would mean, over time that Michigan increases its state financial aid commitment to \$480 million dollars annually. A simple and effective way to share this aid would be to provide a minimum, need-based award to students at any Michigan public or independent college, university or community college, willing to work hard and succeed at earning degrees and certificates. This would complement a new Michigan “Promise”: Adult Training Scholarship for adult learners, financed from existing workforce and related funding streams.
- ▶ Continue annual increases in university and community college institutional funding towards making Michigan higher education funding competitive again with leading states.
- ▶ Make strategic and modest state investments in a more effective, efficient and “smarter” higher education system by developing the policy enablers and new infrastructures called for in this report. These high yield programs include:⁶¹
 - Michigan School Counselor Reinvestment Program,
 - Michigan College Access Network (MCAN) support,
 - “Pure Michigan” Postsecondary Education Promotion and Information Tool, Web-Presence, and Transfer Portal,
 - Enhanced funding for Early Postsecondary Credit Earning models and Career-Technical Education programs,

⁶⁰Detail of the Recommendations can be found in Attachment A.

⁶¹Details of these policy proposals are found in the recommendations and Attachment A.

- Completion Innovation State Grant Competition,
- Extensions to the State Longitudinal Data System.

Create a Public-Private Stakeholder Guiding Group

Michigan’s autonomously governed public universities, community colleges and private colleges and universities collectively represent a tremendous state resource. These institutions have been the source of tremendous creativity and innovation, and have served as pathways to economic opportunity for generations of Michigan citizens.

And while these institutions’ autonomy brings many strengths — including the ability to quickly respond to learner’s needs and local and statewide challenges — a decentralized system can make it difficult to advance collective State priorities in higher education. As is evident in this report, the State of Michigan has tremendous economic stake in achieving a shared goal of helping 60% of our citizens achieve necessary postsecondary credentials. Many of the core strategies recommended in this report call for new levels of partnership and collaboration among our higher education institutions in furthering this common goal. Further, the newly re-elected Snyder Administration has made it a priority to organize effective workforce responses to the needs of Michigan employers at the State and regional levels, and a priority to prepare the talent needed to propel Michigan to economic leadership in the 21st century, as it once dominated the 20th Century.

The authors of this report are not recommending changes in the governance or structure of higher education in Michigan. We do, however, believe the ongoing, systematic improvement of the performance of postsecondary education requires more than episodic calls to action by key stakeholders. That is why we applaud the recent creation, under the leadership of Business Leaders for Michigan, of the Michigan Higher Education Partnership Council as a durable, voluntary public-private partnership of key stakeholders to accelerate collaboration and improve the performance of our state’s higher education system.⁶²

⁶²Business Leaders for Michigan called for the creation of such an effort in their report *Business Leaders Insights: How Higher Education Can Help Michigan Become a Top Ten State*, Business Leaders for Michigan, February 2015.

Policy Recommendation: Encourage the Michigan Higher Education Partnership Council to Drive Progress Towards Michigan's Credential Attainment Goal

To improve the overall performance of our higher education and related workforce efforts, maximize the impact of public investments in these institutions, better serve the citizens who finance and attend them, and ensure the support for the necessary strategic investments in higher education called for in this report, the stakeholders who came together to forge this plan, are eager to support an ongoing public-private collaborative effort to improve postsecondary education attainment.

The recently created Michigan Higher Education Partnership Council is a promising voluntary partnership of business, government and college/university leaders aimed at boosting the economic contributions of Michigan's higher education sector. It announced several objectives consonant with this report; including defining Michigan's future talent needs and helping the state's colleges and universities address them. The Partnership Council can be an important forum to continuously advance policies and practices that support improved postsecondary education attainment, and assist Michigan to reach a goal for postsecondary credential attainment that puts it among the top performing states. We encourage the Council to engage and work with additional higher education stakeholders to advance, advocate, and support the goal and recommendations of this report, and to continuously develop and collaborate in additional policies, programs, and partnerships that increase postsecondary credential attainment in Michigan.

Conclusion

The road to a more vital Michigan economy and greater economic opportunity for all Michigan citizens is built through higher skills and more of our people succeeding at earning valuable postsecondary credentials. By implementing the recommendations in this report, including the maintenance of an ongoing effort to guide Michigan's progress, the State and its people can jump to the front ranks of economic success and put precious taxpayer dollars to work more efficiently and effectively.