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ABSTRACT

Ten major policy questions related to postsecondary education in Michigan are discussed. These include: the authority issue (who should be Michigan's planning and coordinating agent in matters of higher education); role and mission of the different sectors of Michigan's higher educational community; declining enrollment effects; cost-benefit question; the need for a complete community college system; Midwest Postsecondary Education Compact (should Michigan become part of it); the development of an External Degree Program; state tuition policy (uniform tuition rates for comparable public institution); funding model equity; and financial support for private sector higher educational institutions in Michigan conducted by the author in 1977 are summarized. (SPG)

Critical Issues Facing Michigan Higher Education 1978

by
Dan Angel
State Representative

During the Summer of 1977, the Michigan House Republican Caucus funded a full-time position which made this in-depth policy study possible. MICHAEL ZIMMER, a student at Michigan State University, was hired as a Project Assistant. Much of his work is reflected in this report.

Critical Issues Facing Michigan Higher Education

1978

BY

Dan Angel

State Representative
49th District

"Much remains to be done as we enter an era of declining resources and leveling of enrollments of traditional college-age students."

John W. Porter, Superintendent
of Public Instruction
State of Michigan

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Introduction

The State of Michigan has one of the outstanding postsecondary education systems in the country. It represents a human capital resource of immense value, which directly or indirectly affects the quality of life of every Michigan resident. As the state and midwest region as a whole seek solutions to thorny problems such as the projected long-term slow down in the economic growth rate, outmigration (particularly among the 18-35 age group) to the Sunbelt, and some relative loss of industrial productivity vis-a-vis other states and nations, postsecondary education represents one of the most likely reservoirs to be of assistance in the process.

But postsecondary education in Michigan is experiencing significant pressures which—if not addressed by state policy-makers in a statesmanlike manner—could severely impact the quality and nature of the system as we know it today. For example, enrollments are in the process of shifting between sectors and institutions in the system. Although we may anticipate some cushion from the movement to the nontraditional student, and from a still greater attendance of the traditional student than is presently the case, many would argue that it appears unlikely that these adjustments will fully make up for the real decline in the K-12 population at all public and private colleges and universities in the system. This, combined with the impact of rising costs of postsecondary education as compared to the consumer price index (particularly for urban based institutions, and at the graduate and professional level) suggests we can anticipate a rather sharp increase in costs per student in the late 1970's and 1980's.

State financial support and policy toward postsecondary education—or lack of a clear policy—play a very important role in determining the quality and overall direction of the system. Presently, state support for postsecondary education (public and private) totals 700 million dollars. At some institutions, state support accounts for more than two-thirds of the total budget. How much money is allocated of the total state budget, how equitably it is allocated, and toward the achievement of what goals obviously impacts every Michigan postsecondary institution—and the well-being of the communities that they are a part of.

Representative Dan Angel has outlined here ten major policy questions related to postsecondary education which the state decision-makers and citizenry need to openly discuss and address as we prepare for the next decade. Representative Angel states the policy questions, and outlines the advantages and disadvantages of the most plausible policy options available for addressing each one. Every state decision-maker and interested citizen concerned about the future of postsecondary education should read this report.

Weston H. Agor
Higher Education Consultant
Michigan Department of Education

Foreword

In early 1977, as a member of the House Colleges and Universities Committee, I conducted a statewide survey of Michigan's 95 postsecondary educational institutions.

That survey met with an 84% response and convinced me of two things: (1) Michigan is at a critical turning point concerning policies affecting higher education; and (2) There are a number of basic policy questions that need full and open public debate.

A number of trends on the horizon will have a serious impact on higher education in the 1980's: declining enrollments, the high cost of maintaining already existing programs, demands for state support of other programs, and the slowing of Michigan's rate of economic growth. These trends result in increasing concerns about the best use of financial resources. If the state and its higher educational institutions exercise the appropriate leadership now to prepare, then economic, political and social repercussions projected for the 1980's can be cushioned or accommodated.

I am not alone in my call for formation of a state plan for higher education:

—In 1974, the Governor's Commission on Higher Education pointed to the need for "developing and articulating a statement of Michigan's basic goals and purposes in postsecondary education."
—In 1976, the Michigan Efficiency Task Force report called for "a master plan for higher education."
—Earlier in 1977, the Michigan Bureau of Management Sciences of the Department of Management and Budget concluded in a report that there is "a genuine need for the development of a new State Plan."

My July, 1977 survey adds support and credence to these past efforts.

The result of that survey—alongside a perusal of national and state printed materials, interviews with leading educators and public officials, and some independent judgment—have prompted me to select for examination several major areas of policy concern.

My purpose in this booklet is to note what I consider to be the ten major policy questions that will have to be decided in the next decade to satisfy both Michigan taxpayers and scholars alike.

Higher education today encompasses one-fifth of the state's General Fund Budget. This $750 million expenditure is one deserving (if not demanding) key policy decisions.

It is my sincere hope that this document will be widely read and debated, and, in some small way, will assist in the actualization of sound state postsecondary educational policy.

DAN ANGEL
State Representative
December 1, 1977

CHAPTER ONE:

The Authority Issue

THE ISSUE:

Who should be Michigan's planning and coordinating agent in matters of higher education?

BACKGROUND:

Article VIII, Section 3 of the Michigan 1963 Constitution contains two significant statements regarding higher education:

1) The state Board of Educatio shall serve as the general planning and coordinating body for all public education including higher education, and shall advise the legislature as to the financial requirements in connection therewith."

2) The power of the boards of institutions of higher education "provided in this Constitution to supervise their respective institutions and control and direct the expenditure of the institution's funds shall not be limited by this section."

The apparent constitutional ambiguity between these two provisions has left the state Board of Education as well as the Department of Education with uncertain jurisdiction over higher education in Michigan.

A 1975 Supreme Court decision in *Regents of the University of Michigan vs. the State of Michigan* further eroded the state Board's authority, this time pertaining to programming: "The planning and coordinating function of the state Board of Education in the Constitution as it pertains to the state's universities *is advisory in nature* and the authority claimed by the Board that its prior approval is necessary to any new program or construction of a university, is not granted in the constitution."

CURRENT STATUS:

This lack of planning and programming control over higher educational institutions leaves the state Board of Education powerless to avoid duplication and in seeking coordination of new programs. No wonder, then, that questions have been raised as to the real performance ability of the Board and its effectiveness in establishing a respected leadership role. Faced with these constitutional ambiguities, the constantly increasing costs of postsecondary education, and a need for decision-making, taxpayers and educators alike are demanding clarification of the Board's future role in higher education.

POLICY ALTERNATIVES:

Three major alternatives present themselves when determining constitutional clarity.

1) Creation of an advisory body for postsecondary education.

2) Creation of a state Board of Higher Education.

3) Granting more specific constitutional powers to the existing state Board of Education.

PRO AND CON:

The concept of an advisory body working specifically on matters concerning higher education was first supported in a 1958 Legislative Study Committee. Its viability was again reaffirmed in 1974, when the concept was proposed by the Governor's Commission on Higher Education in 1974.

Such an advisory entity would purportedly function on the basis of credibility, reason, and persuasion. It would provide a unique forum for postsecondary discussions. This approach has the following advantages:

1) It enlists the support and cooperation of the three major institutional associations. the Michigan Council of State College Presidents, the Michigan Community Colleges Association, and the Association of Independent Colleges and Universities.

2) It provides for a specialization of sorts within Michigan's higher education structure.

The major disadvantages to this approach are:

1) If the advisory body was fundamentally independent of the present state Board, problems of control and cooperation are likely to develop between the agencies.

2) If the advisory committee was established under the present state Board, it might have difficulties establishing its own identity and stature.

3) The plan would require additional staff support.

4) Statutory creation is in question. Attorney General Frank Kelley (in Opinion #4735 of January, 1972) voiced opposition to a similar commission. He noted that it would infringe upon the rights of the current state Board of Education. The same ruling would not be unexpected concerning this plan, resulting in the necessity of a constitutional change.

The major contributions of an advisory body might depend to a great extent upon the status and dynamism of the committee personnel.

When considering regulatory restructuring of Michigan's higher education authority, the Michigan Efficiency Task Force Recommendation of 1976 warrants careful analysis.

Under this second policy alternative, the state Board of Higher Education would be created via a constitutional change, and given regulatory rights in programming and policy. Through this regulation, the Board would hope to control duplication and streamline the programs and finances of the state's institutions.

Before adopting this plan, the following should be carefully examined:

1) A state Board of Higher Education would provide high visibility and would serve as a unique educational forum.

2) The concept would opt for efficiency as the uppermost goal of the educational system.

3) The plan has been tried with various degrees of success in California, Wisconsin, New York and other states.

4) Regulatory control in some cases can lead to overcentralization. In California, a 1973 legislative study of their system noted that centralization can lead to institutions pushing for the good of the state system rather than the good of the service area and the growth of the educational community residents.

5) The plan would probably not enjoy the support of the three institutional associations.

6) The plan would require a major constitutional revision.

A final approach would be constitutional strengthening of the existing state Board of Education. Contained in recommendation #1 of the *1977 State Board of Education Recommendations for Legislative Action*, this constitutional clarification would seek to give the state Board undisputed powers in the programming and financing areas under question. Constitutional ambiguity would be eliminated, and the state Board would have sufficient power to handle all planning and coordination responsibilities in higher education.

In general, the same arguments in favor and in opposition hold as were put forth in establishing a state Board of Higher Education. In addition, it might be observed that.

1) The plan will do little to change the present image of the state Board.

2) New powers, initiated hurriedly, will only hurt relationships within the education community.

3) The Board would retain its visibility as an education forum, but would still have to stretch its time and agenda between K-12 and higher education.

CHAPTER TWO

Role and Mission

THE ISSUE:

Should Michigan specifically define the role and mission of the different sectors of its higher educational community?

BACKGROUND:

Role and mission statements from the individual public four-year institutions and community college segments have long been gathered by the state Board of Education. These statements are used to analyze whether the colleges and universities are meeting the postsecondary educational needs of Michigan's residents, but not in any formal manner dictated by either constitution or statute.

As recently as January of 1977, the state Board of Education reviewed these role and mission statements, and two major areas of duplication were easily identifiable:

1) 11 of the 15 public baccalaureate campuses offer less than four-year programs.

2) A number of community colleges offer courses that transfer at above associate degree status.

Many states have moved to a system of defined roles for their public higher education institutions. California's 1960 Educational Code, for example, clearly articulates the scope of educational programming appropriate for the three elements of the California system. The University of California is designated as the state's primary research institution; the state colleges and universities are degree granting in design, and the community colleges function to provide all two-year programming. Furthermore, admissions are designed in such a way that only the top 13% of the incoming students are accepted by the University of California. The top 33% attend the 19 state universities and the remainder must attend one of the more than 100 community colleges, thereby guaranteeing a definite distribution of students among the institutions.

New York, Wisconsin and Florida are other states with centralized systems. By streamlining these roles and missions, each state tries to provide a more effective and efficient higher education structure.

CURRENT STATUS:

Michigan's 29 community colleges already have a basic role statement drawn up in the *Report of the Task Force to Implement Senate Bill No. 1346* published in January of 1977. In that document the community colleges present a list of nine statements defining their

scope of activities. The community colleges traditionally support a specific and delineated approach to their function, and the *1977 Michigan Higher Education Survey* showed that 42% of these schools preferred firm role statements.

The public four-year institutions have at present no documented role and mission statements. Individual institution statements have been gathered from what already appears to be distinguishable as "the research, regional and emerging colleges and universities," but no collective or formal definition has been put into law.

Planning at the higher education level will not be effective until collective role and mission statements for the community colleges, public baccalaureates, private colleges and universities are debated and defined.

POLICY ALTERNATIVES:

If these role and mission statements are to be developed, should they be formalized as a loose guideline for planning or a strict blueprint for control?

This question can best be answered by examination of three policy alternatives:

1) Individual statutory limitations, such as prohibiting four-year institutions from offering associate degrees and limiting community colleges to program courses that transfer at the junior college level.

2) Mission and role statements modeled after the California or similar state system.

3) Establishing a higher education authority whose powers are only advisory in nature.

Policy alternative number one, defining role limits of higher education by individual statements of law, is not a new idea. Senate Concurrent Resolution 112 of 1967 directed to the Boards of Governance of the public baccalaureate institutions to offer only those associate degrees that would not compete with community college offerings.

However, establishing individual statutory powers to govern the offerings in higher education should be supported only after consideration of the following points:

1) Such new laws would require considerable monitoring and staff expense.

2) It is hard to judge whether programs are competing or complementing one another.

3) Judgments by the state Board of Education could become more politically motivated.

4) Restructuring of individual school missions to fit them to the new role limits would be necessary.

5) Partial regulatory powers given to the state Board could cause confusion with the institutions concerning future intent of the Board's actions.

The second alternative, defined mission and role statements, goes well beyond the scope of a series of statutory limitations. Clear cut role statements could produce a system of well disseminated programs that combine to form an extremely efficient system. Also, there would be little duplication of high cost programs as is present in Michigan today.

Whether or not this system should be initiated in Michigan entails consideration of the following points:

1) A regulatory body similar in form to the 1976 Michigan Efficiency Task Force State Board of Higher Education would be required.

2) Considerable restructuring of some institutional programs would be necessary.

3) Less duplication would occur.

4) *The Report of the Joint Committee on the Master Plan for Higher Education* prepared by the California Legislature in 1973 notes that there is "a disturbing lack of diversity within segments with a tendency for most campuses to model themselves after a few prestigious institutions." That outcome may not be in the best interest of Michigan students.

The third major alternative is simply retaining Michigan's advisory system; that action still demands that collective role and mission definitions for the public sectors be established; however, definitions would be used in statewide planning only in an advisory manner. The plan requires the least amount of restructuring in the higher education system, but does not guarantee maximum efficiency. It should be noted that:

1) The plan works well within Michigan's advisory constitutional authority.

2) It meets with little resistance from the individual institutions, as they retain their autonomous roles.

3) Realistically, few efficiencies could be expected to accrue.

4) There is no guarantee that role statements, once defined, would be followed.

5) The 1973 California study said that a plan similar to this would "facilitate diversity, especially by putting the decision-making power much closer to persons thereby affected," but would also promote "uncontrolled institutional aspirations for upward mobility."

CHAPTER THREE

Declining Enrollment

THE ISSUE:

How should Michigan meet the challenge of projected enrollment declines?

BACKGROUND:

Due to falling birthrates and various social factors, higher education in Michigan (as well as most of the nation) will be faced with enrollment declines among the traditional college age student (18-24). The National Center for Education Statistics found that incoming freshmen enrollments were down 9% in 1976 over the previous year. The April 23, 1977 issue of *U.S. News and World Report* noted that enrollments "which had nearly tripled in twenty years are approaching a plateau."

In Michigan, the plateau has arrived. State Department of Education figures indicate a very discernible slow-down from the enrollment increases of the 1960's and early 1970's. After a rise of nearly 15% in the period between 1973-74 and 1975-76, total enrollments in the three sectors actually fell 3% in 1976-77 and are projected to increase only .7% in the 1977-78 academic year.

The Department of Education, in *Advising on Financial Requirements, Public Baccalaureate and Community Colleges*, states that "for the next several years moderate increases can be expected in total head count enrollments." The report, however, went on to warn that by 1981 "the effects of a declining birthrate and fewer high school graduates can be expected to have an impact on the size of the incoming freshman classes." That problem is only three years away.

CURRENT STATUS:

Michigan's colleges and universities, accustomed to the tremendous growth of the previous decade, must learn to cope with declining enrollments. A recent Department of Education Task Force on Enrollment Declines reported that by 1981 only 146,717 individuals in the state will be graduating from high school and only 135,000 will be entering kindergarten. Students involved in the K-12 system in that year are projected to total only 1,977,488 as opposed to 2,012,613 in 1976-77.

Respondents to *The 1977 Michigan Higher Education Survey* indicated considerable concern over enrollment decline: 31% of the public baccalaureate institutions labeled "dealing with enrollment declines" as one of the three largest problems facing the state's higher education system, and 26% of the private colleges and universities made a similar response. Clearly the state must move to take a leadership role in bringing the large higher education network to grips with this problem.

POLICY ALTERNATIVES:

Enrollment declines will impact every segment of Michigan's higher education system. One result is that the level of state funding will decline (currently it is based largely on student head count), thus leaving the individual institutions with less state support. To help cope with these declines, five policy alternatives are offered:

1) Closing of schools or termination of marginal programming to promote efficiency.

2) Regional cooperation between programs and/or facilities within a reasonable governmental or populated area.

3) Turning to the nontraditional student in larger numbers.

4) Increasing the percentage of Michigan's traditional college age students.

5) Changing to another funding base.

PRO AND CON:

The first alternative, closing of marginal operations, is the most severe. This idea has efficiency of the system as its utmost goal. Its viability should be decided on the following points:

1) It would generate efficiency as it would be aimed at eliminating high-cost centers or programs of instruction.

2) It would promote a savings to the Michigan taxpayer.

3) The plan would sacrifice access for efficiency; schools that would be closed would undoubtedly be in low population centers with little other educational opportunities available.

4) Cutting back would be politically difficult and unpopular in the area affected.

5) Cutbacks might hinder the freedom of choice of students seeking a higher education.

By promoting regional sharing of facilities and programming, the second alternative, the state could lead in the fight to head off unhealthy competition between postsecondary institutional segments. This regional approach has been used in the Kalamazoo area with much success. Nazareth College, Kalamazoo College, Kalamazoo Valley Community College and Western Michigan University already jointly plan, to some extent, for regional efficiency. Northern Michigan University has also experimented with a regional approach, although not via a specific program or consortium of institutions. Among other considerations:

1) Pooling would require the initiative of the cooperating institutions at a time when they are concerned with boosting their own individual enrollments.

2) State support would be needed to guide regional sharing and programming.

3) Quite possibly, pooling would provide a unique forum for planning and articulation of issues.

4) Although it has been successfully tried in the Kalamazoo area, it may be harder to initiate in a region with many established colleges.

The third alternative seeks to solve the enrollment problem in a totally different way. Instead of closing inefficient operations or sharing existing ones, this approach would attempt to bring in larger number of students over the age of twenty-five. It emphasizes the nontraditional student and tries to bolster enrollment figures by bringing a more diversified element into the college's student body. Through such programming as the External Degree, Adult Education, Education for Exceptional High School Students, and Senior Citizen Education, colleges and universities could at least partially make up for the losses in enrollment in the traditional college age student.

Key concerns are:

1) Creation of these new opportunities may be viewed as *either* serving the educational needs of Michigan citizens *or* the unnecessary padding of enrollments.

2) Alterations might have to be made so these new elements could fit into the funding formula.

3) The transfer value of these nontraditional student programs would have to be analyzed.

Fourth, institutions could increase their head count by working to bring in a higher percentage of the traditional college age students. (In Michigan, less than 44% of our high school students go on to college as compared to nearly 72% in California.) This might most directly be done by: increasing available aid, and/or lowering enrollment standards. Either method would allow more students in the traditional college age group to attend higher education institutions. At least three consequences might result:

1) Lower admission standards could promote college attendance by some who could not utilize it.

2) Lower standards could possibly reduce the value of a college education.

3) Lower admission standards could further inflate the job degree market.

The final alternative addresses the need to change to another funding base entirely. Currently, the State of Michigan provides a large portion of its financial support on the basis of student enrollment. In the face of enrollment declines the schools will have to maintain their high-cost programs with less funding if the base remains the same—a serious problem. This plan would:

1) Take pressure off institutions experiencing sharp enrollment declines.

2) Allow more liberally for institutional growth in a period of declining clientele.

3) Take away one of the state's primary need factors for determining appropriation support.

Whichever of the five policy alternatives (or combination of them) is selected, one area needing immediate decision is when and where new construction projects in higher education are to be relegated.

As this analysis goes to press, new college structures worth about $125 million are awaiting approval from the Michigan Legislature.

The logical question a taxpayer may well ask is, "Why are we building new structures when student numbers are projected to decline at least for the next decade?"

CHAPTER FOUR

The Cost-Benefit Question

THE ISSUE:

Is Michigan getting enough out of its higher education investment to warrant the expense?

BACKGROUND:

Higher education allocations in real dollars have grown tremendously in the last fifteen years. Postsecondary education now receives nearly 18% of the General Fund budget, ranking third behind the Department of Social Services with 35% and the K-12 School Aid budget allotment of 20%.

State support in actual dollars has risen from $176 million in fiscal 1966 to nearly $750 million for higher education in 1977-78. During that same period, financial support for the four-year and two-year colleges has grown from $164 million to $510 million and from $11 million and $110 million respectively. Private colleges have also been provided with a major increase in state support, via the degree reimbursement act of 1974. From a percentage point of view, however, the higher educational portion of the budget has actually declined from 20% in fiscal 1967 to 17.5% in fiscal '76.

CURRENT STATUS:

Critics of higher education suggest that the budget is too high when compared to the shares given to other areas of need in the state budgetary process which are economically and socially crucial to the state's future.

It is hard to refute these claims in other than illusive terms, because it is difficult to measure the precise impact of higher education, and hence to justify the state's investment. The demand made in the October 5, 1977 issue of the Battle Creek *Enquirer and News* that "education and the legislatures who fund it must take a hard look at how the money is being spent and what we are getting in return." This is a demand that must be dealt with if continued or additional public support is to be forthcoming.

POLICY ALTERNATIVES:

Michigan should examine its investment, study the returns and decide that:

1) Present levels of funding should continue.

2) Too much money is currently being allocated.

3) More dollars should be allocated for postsecondary educational support.

PRO AND CON:

The state's colleges and universities are the best (if not sole) present source in determining the state's return on its investment. Wayne State University, in mid-1973, prepared a study of its institutional impact on the Detroit metropolitan area. The findings are impressive and lend credence to the assumption that higher education monies are well spent. The study found that:

1) 3/4 of Wayne's alumni reside and work in Michigan.

2) 2/3 reside in the Detroit metropolitan area.

3) 40% of the M.D.s in the area are Wayne State University graduates.

4) 2.5% of the metropolitan area residents hold Wayne State University degrees.

5) 10% of the Detroit metropolitan area residents attend or received degrees from Wayne.

Added together these facts present a major contribution to Detroit and to the State of Michigan.

A second measure of the impact of higher education in Michigan was presented in November of 1976 by Western Michigan University Vice-President for Finance, Robert B. Wetnight. In remarks before the Kalamazoo Chamber of Commerce, Wetnight emphasized economic contributions to the community:

1) Western Michigan University annually pours nearly $8 million into the local economy.

2) An Upjohn Institute for Employment Research Report indicated that over 10% of the retail sales in Kalamazoo County area could be accounted for by Western Michigan University students and faculty.

3) Western Michigan University is the third largest employer in the county.

Third, the importance of college research divisions to the state was made evident in a recent Michigan Technological University report. In "Ideas for Industry from Michigan Tech" many MTU discoveries were presented that could potentially affect the state's economy significantly:

THERMTECH—a Thermal Energy Storage System that promotes temperature control and energy savings.

PALLETECH—a molded wood particle shipping pallet that is high quality and inexpensive to produce.

PELLETECH—a low-temperature iron ore pelletizing process that offers a potential 30-50% energy savings.

Presently, Michigan State University is in the process of compiling a highly comprehensive impact report. In its September, 1977 preliminary report "Contributions to the

Economy of Michigan" MSU establishes its annual contribution to the Michigan economy at $800 million. One of the most interesting points of the study deals with the enhanced earning power of its graduates. The average median income increases for different segments of our society with a college education as shown below:

—34% higher for white males
—25% higher for black males
—72% higher for white females
—103% higher for black females

The average increase in earning power for MSU alumni is estimated to be $350 million.

The MSU report also documents a significant input of $133 million annually for the residents of Michigan in discoveries and improvements in areas that ranged from agriculture and health to industry and education.

While it is comforting to review these attempts at cost benefit analysis, it is unwise to conclude carte blanche that all monies spent on higher education in Michigan are being spent wisely or that more dollars are needed to assure quality education.

The Chronicle of Higher Education, on December 5, 1977, carried an article headed "Does Society Get its Money's Worth?" observing that U.S. institutions of higher education spent $14 billion for research and public service in 1976-77. Although there were some notable bits of information on educational outcome, the conclusion was that "No formula, no measuring stick, no sleight of hand, will produce the answer" to the cost-benefit question.

Certainly, there is a need for enhanced program review by the state. Different and specific methods of determining the value of programming must be developed. With pressures for money being diverted to other areas, Michigan must use this extensive program review to reduce the number of high-cost programs with little statewide or system-wide effect.

CHAPTER FIVE

The Community College Structure

THE ISSUE:

Does the state need a complete Community College system?

BACKGROUND:

The growth of Michigan's Community Colleges has been dramatic. From the founding of Grand Rapids Junior College in 1914, this sector has grown to encompass 29 schools with a total enrollment of 197,000 students.

The present system operates on what is known as a "comprehensive community college concept" which has three basic elements: (1) equal access for all persons in the community, (2) removal of geographic and economic barriers which prohibit persons from benefiting from services, and (3) reasonable opportunity for the individual to discover his or her talent at a low cost.

The "completed" community college system would be aimed at the second and third element. A "completed" districting scheme would allow every Michigan resident to be a part of a community college district. In this way students would be eligible for services without having to pay out-of-district fees that pose an economic barrier.

The total structure concept is not a new one. A recent position paper by the state Board for Public Community and Junior Colleges stated:

> "Citizens in all geographic areas within the state shall have access to community college programs and be included in an appropriate districting structure."

The state Board of Education in its 1969 *State Plan for Higher Education in Michigan* likewise concerned itself with the issue. Goal #26 of the plan states:

> "The state Board of Education believes every resident should have access to community college services. It is therefore the policy of the Board that all areas of the state be included in independent community college districts."

CURRENT STATUS:

At present, Michigan does not have a complete Community College system. If it is desirable that community colleges should be accessible to all Michigan residents as a quality, low-cost method of education, then the state must bring the system into completion. For, without this quality of access, some areas of Michigan will not have the educational diversity that others now enjoy.

Michigan's community colleges are now capable of reaching 80% of Michigan's residents. However, they do this on only 50% of the tax base. At least 30% of those attending community colleges in the state are not in areas that financially support a district; thus these students must pay the higher, out-of-district fees which seriously hinder their accessibility to a higher education.

POLICY ALTERNATIVES:

Several alternatives may be suggested to bring about economic and geographic equality of access. The following are probably the most viable:

1) Establishment of New Community College Districts

2) Branch Campusing

3) Contractual Tuition Agreements

4) Nonparticipating District Tuition Funds

5) Statutory Expansion of Existing Districts

PRO AND CON:

At first glance, the most logical answer to a question of meeting a demand is the creation of a new supply. For our purposes, we might reason, "If there is a problem of access plaguing some segments of Michigan thereby hindering residents from obtaining a higher education, simply create new community colleges." True, creation of new community college districts would maximize educational opportunity, but there are several disadvantages:

1) The percentage of those without direct access to a community college, while high, is characterized by a very dispersed population. If initiated throughout Michigan, these new districts would be either small and high cost with little economy of scale or large with geographic accessibility again becoming a problem.

2) New districts would be extremely expensive to initiate and operate.

3) They could theoretically draw students from established community colleges, causing enrollment problems for other institutions.

The second method suggested is the concept of Branch Campusing. Under this alternative, existing community colleges could operate programs in areas of great need. For instance, Grand Rapids Junior College, Muskegon Community College, and Kalamazoo Valley Community College could operate a joint campus in the Allegan-Ottawa area. Degrees and programs could be pooled and administered by the foster colleges and yet carried out closer to the community needs. Under this approach:

1) Geographic accessibility is guaranteed.

2) A degree from an established college is obtained.

3) Participating colleges stand to gain students in a period of declining enrollment.

4) The plan is one of the most efficient methods for meeting the state's unmet needs.

5) It would, however, require the individual colleges initiative and cooperation.

6) It would also require administrative expense and state funding to help the new branch campuses get off the ground.

7) Some form of tuition policy would have to be worked out in the branch campus areas, as they would still fall outside the established residency areas. Without any adjustment, students attending these branch campuses will still suffer the economic barrier of out-of-district tuition rates.

Three measures can be used either alone or in conjunction with Branch Campusing to break this economic barrier: 1) contractual tuition agreements; 2) nonparticipating district tuition funds; 3) statutory expansion of existing community college districts.

Contractual Tuition Policies are agreements between a local school district or township, and a community college whereby the school district levies a millage to pay the expenses of a community college education for the members of its community in excess of the resident tuition and fees. Participating districts are able to offer a community college education to its residents at a nearby community college for the same price as charged to students belonging to the normal community college district. This plan, part of House Bill No. 4240 of 1977, hopes to end economic barriers and inequalities. Its merits should be judged on the following considerations:

1) The plan enhances equality of access.

2) It is efficient and will present little added expense to the district other than administrative.

3) It has the advantage of a degree from an established school.

4) There is a heavy reliance upon the willingness of the community colleges and the initiative of the participating districts.

5) Some districts are very large and by setting contractual agreements with just one community college, some of the district's residents will have a tuition advantage at one community college when they are closer to another.

The difficulties of large districts in trying to set a contractual agreement that would best serve their residents could be solved by Nonparticipating Tuition Funds. Modeled after the Illinois System, this plan sets a statutory millage in school districts that are not a part of a community college district. This millage sets up a fund in the school districts out of which students wishing to attend a community college could draw. They would be allowed to draw from it the dollar total exceeding the regular in-district tuition rates in the school they choose to attend. This fund would be available for use in any of Michigan's community colleges. The following points bear consideration:

1) The plan again offers equality of economic access.

2) It would be difficult to grant this kind of statutory authority when the community colleges are clamoring for it themselves.

3) The plan, by itself, does little to alleviate geographic barriers.

4) It would require the cooperation of the community colleges.

The final alternative discussed here is the concept of Statutory Expansion of Existing Community College Districts. Under this plan the existing districts would be expanded to encompass the entire state. This is, perhaps, the most extreme of the alternatives and mandates the following considerations:

1) Millages would be hard to get in such large districts, thereby requiring universal statutory millages. Such an action would take away the resident's present right of a direct right voice in taxation.

2) Large districts, while bringing economic equality, do little to alleviate geographic barriers.

3) With extremely large districts, the residents' share of the benefits will not be equal due to the geographical problem.

It seems in essence, that the only viable solution would be developed with a combination of some of the more acceptable alternatives. It is necessary to determine which are the most viable and which will provide the greatest geographic and economic equality to Michigan residents at the lowest possible cost.

CHAPTER SIX

Midwestern State Educational Compact

THE ISSUE:

Should Michigan become part of a Midwest Postsecondary Educational Compact?

BACKGROUND:

Enrollment declines, faculty organization, and the steadily increasing costs of higher education all pose potential challenges to Michigan's postsecondary system. Interstate cooperation, as well as institutional cooperation, is one method of meeting this challenge. The Midwest is currently the only major section of the United States not contained in a formal regional compact area to promote this cooperation.

The South developed the first such compact in 1948 with the formation of the Southern Regional Education Board (SREB). The fifteen-member board seeks to provide consultant services and research facilities, serves as a clearinghouse and administrative agent, and attempts to assess higher educational needs in a multi-state area.

In 1953, thirteen western states formed the second regional education compact, the Western Interstate Commission for Higher Education (WICHE). Its objectives, similar to those of SREB, are to. increase and improve opportunities in higher education, increase the pool of specialized manpower in the member states, and advance the cultural, educational, social and economic development of the region. WICHE functions on a $7 million budget; $461,500 of that coming from member states and $6.2 million coming from contractual agreements between the states.

The third board, the New England Board of Higher Education (NEBHE), was established in 1955 and has six member states. Functions of the board are again similar: it serves as a collection, dissemination, and consultant body. Its operating funds are derived from state and federal appropriations and foundation grants.

CURRENT STATUS:

The Midwest Regional Compact has been discussed by the Education Committee of the Midwest Conference of the Council of State Governments. Numerous meetings of the Committee have produced a draft of the proposed compact, and a meeting will be held in Minnesota in early 1978 seeking further action. This plan would include twelve states and would create this "Midwest Education Board." Each state would have five representatives and would give support by a formula based on a flat rate and population ratio figures.

Major functions of the Board would include reciprocal student exchange programs, placement of contractual program chairs, production of development guides, and maintenance of a regional education inventory for the member states.

To date, only South Dakota has approved the Compact. Introduced as Senate Bill No. 291, a few minor perfecting changes were made, but none changing in intent. The Midwest Governors Conference has shown interest in the concept and support has been demonstrated by seven other states led by Governor Link of North Dakota and Governor Milliken of Michigan.

Results of the *1977 Michigan Higher Education Survey* indicate that 54% of the public four-year schools support the concept with 38% undecided and only 8% opposed. In the private sector 10% support, 8% oppose and 74% are undecided. The community colleges report 20% in favor, 12% opposed and again the majority, 52%, undecided.

POLICY ALTERNATIVES:

The State of Michigan must either find the concept of a Regional Education Compact worthwhile and helpful to the state's higher education system, or it must find the concept to be of little value to a state with as developed a system as Michigan now boasts.

PRO AND CON:

The creation of a Regional Compact could provide many benefits to Michigan's higher education system:

1) A compact would create a unique forum for political and educational leaders to discuss issues in higher education.

2) Michigan's early involvement would cement its status as an educational leader.

3) With Michigan's prestigious system, the state could expect to draw a larger number of out-of-state students than in previous years. With declining enrollments, this increase could greatly aid Michigan institutions.

4) Sharing costs of existing programs and developing areas of study could preserve present quality while allowing resources to meet future needs.

5) Leaving reciprocal agreements to the schools' initiative would place too much dependence on them for planning the future.

6) The education inventory and sharing of program seats would promote a greater degree of regional efficiency.

Critics claim that a Midwest Education Board would do little for Michigan. Indeed, some suggest it may be harmful. Their major arguments are listed below:

1) The time for cooperation has passed. The other three regional boards were created in a time of underdevelopment. The State of Michigan presently has both a well-developed private sector and a prestigious public segment.

2) The Regional Compact "area" is too large to promote genuine access for Michigan's residents to the programs that it would develop.

3) Its creation would hurt the private sector. Built into the Compact language is a heavy reliance upon the public four-year institutions.

4) Staff would be expensive.

5) The "utility" of such programs is at an inverse relationship with the stage of development in the state's education system. Michigan stands to give more than it will receive.

6) It would be wiser for the state to do it, when necessary, one program at a time.

CHAPTER SEVEN

The External Degree

THE ISSUE:

Should the state encourage the development of an External Degree Program, and, if so, what form should it take?

BACKGROUND:

An External Degree as defined by the state Board of Education in a 1977 report is:

> A degree awarded in recognition of successful completion of a college level program through learning experience obtained, in part or whole, by participation in off-campus educational, personal, professional, occupational, and/or business activities.

External Degree Programs are usually geared toward adults 25 years of age or older who are, for the most part, unable to participate in traditional full-time college programs. Emphasis is usually on the third and fourth years of college programming and aims at helping the returning student gain a degree. Such degree programs aim to alleviate the problem of access that plagues the nontraditional student.

Many states currently have some form of External Degree Program. New York was an innovator in this field. Empire State College, founded in 1971, serves as a statewide executor of all External Degree Programming. In the Empire State College report "Seeking Alternatives—1976" the college described itself as: "A single statewide institution composed of a number of functionally distinct and geographically dispersed units."

Predominant enrollment is in the 26-30 age range and in 1976 totaled approximately 3,400. Empire State College functions on a six million dollar appropriation and charges the same approximate tuition rate as other state public four-year institutions in New York.

Minnesota's creation of the Metropolitan University brought the second External Degree State System in the nation into existence. This university functions almost exclusively in the Minneapolis-St. Paul region. It shares many similarities with Empire State, but places more responsibility for learning on the individual student.

Many other states including Florida, Hawaii and Wisconsin have established some form of External Degree Program. All aim at this nontraditional student and use a variety of delivery methods ranging from independent study to courses via television and newspapers. All are similar in emphasis and curriculum, only the coordinating body poses major differences.

CURRENT STATUS:

At present, five of the thirteen public as well as a few private colleges and universities operate some form of External Degree Program in Michigan. Extension courses operate throughout the state for teacher training and in-service seminars are typical examples. It must be decided how these programs should be supervised and who should coordinate the initiation of new ones so as best to utilize the state's resources in this area.

POLICY ALTERNATIVES:

Having reached the conclusion that External Degrees are here to stay, the next question deals with possible structures at the state level.

Four key alternatives present themselves:

1) Coordination by the Michigan Council of State College Presidents.

2) A new statewide University for External Degree Programming similar to the already proposed Wolverine State University.

3) Coordination handled by the state Board of Education or the state Board of Higher Education.

4) Leave the development of this kind of programming to the schools themselves.

PRO AND CON:

The first alternative mentioned is the vesting of the coordinating role in the Michigan Council of State College Presidents. This is the final suggestion of the External Degree Feasibility Task Force. They concluded that no program could be effective without the support of the schools themselves, and the best way to get their support is to get presidential involvement early.

Other points to consider in utilizing college presidents as the coordinating body are.

1) Existing programs and administrations would be utilized.

2) There would be ready accreditation.

3) Effective planning by the presidents would facilitate regional growth.

4) An existing agency would be utilized.

5) Coordination guarantees the support of the presidents and works well within Michigan's autonomous system.

6) This method of coordination would offer low visibility.

7) There has been little experimentation with this kind of control.

8) This approach would offer only indirect public control.

The second alternative, Wolverine State University, would seek to establish a new university for the purpose of directing the External Degree Program in Michigan. This school would have no other purpose, would be funded as a totally separate institution, and would have locations centered throughout the state. Issues of concern in the Wolverine State approach are:

1) A separate structure would provide extremely high visibility.

2) It has the advantage of public control and responsibility.

3) A centralized program would guarantee equality of access in all External Degree offerings.

4) It would be extremely expensive to initiate and operate (Empire State has only 3,400 students but operates on a $6 million budget).

5) It might duplicate already existing External Degree Programming.

6) The concept could centralize Michigan's noncentralized system and would probably find trouble with accreditation bodies.

Third, coordinated External Degree offerings could be handled through the already existing state Board of Education or the proposed state Board of Higher Education. The committee would be advisory and would direct development of new programs and monitor those already existing. Although not a documented suggestion, this alternative seems viable and should be examined.

1) It would utilize existing programs.

2) It would have public control and accountability.

3) The plan would guarantee an equivalent degree and accreditation.

4) A new coordinating board at the state level would be required.

5) This approach might not have the crucial support or cooperation of the four-year schools.

6) There would be only medium visibility.

The final alternative is the maintenance of the existing system where External Degree Programming is developed when and where the schools deem necessary. Five Michigan public four-year schools currently have this programming and many more are in the planning stages. Under this plan, the schools would be left to initiate their own programs as done in the past. Points to be noted are:

1) There would be no added expense.

2) Four-year schools would retain complete autonomy.

3) Cooperation of the schools involved would be guaranteed.

4) There would be no mechanism for planning and regional growth.

5) There would be no guarantee that all segments of the state would receive this kind of programming.

CHAPTER EIGHT

State Tuition Policy

THE ISSUE:

Should Michigan initiate a statewide tuition policy with uniform tuition rates for comparable public institutions?

BACKGROUND:

To guarantee equality of access, many states have created uniform tuition rates for the different segments of their higher education system. Virginia, Florida, Illinois, and California are some who use variations of this concept.

Michigan tuition rate variances are easily noticeable. In the community college sector, the variation in full-time tuition and fees has grown tremendously in the last five years. In 1972-73, they ranged from a high of $434 annually at Northwestern Community College to a low of $400 at Lansing Community College. They have since spread to $633, again at Northwestern Community College, to $382 annually at Henry Ford Community College.

The tuition and fee spread in the public four-year sector is also high—ranging from $660 a year at Ferris State College to the University of Michigan's high of $941 at the freshman-sophomore level and $1,065 at the junior-senior level. The regional universities, which are somewhat comparable in design, currently range in price from $746 at Eastern Michigan University to $818 annually at Oakland University.

CURRENT STATUS:

Tuition variances within and between the different higher educational sectors have been exacerbated in recent years. To promote equality of access for every Michigan resident seeking a postsecondary educational experience, the range should be reduced or eliminated. With different tuition rates in sections of the state in both the community college and regional colleges and universities, as well as major and emerging colleges, the state is faced with an imbalance which should be corrected.

POLICY ALTERNATIVES:

Alternatives to promote equality of access via tuition rate range from California's system of established fees to concepts of limitations. For our purposes, the following will be considered as viable means of bringing about some form of statewide tuition policy.

1) A prohibition policy forbidding community colleges from charging tuition in excess of the state's least expensive public four-year school.

2) A tuition limitation policy where only a certain percentage of school operating funds could be raised.

3) Defined tuition rates in segments of the system.

4) Advisory tuition rates set through the appropriations formula.

PRO AND CON:

The first alternative seeks to guarantee the "low-tuition" role of the community colleges. It has been successfully used in the Florida system since 1957.

In this plan, no community college would be allowed to charge tuition and fees that totaled more than those charged by the lowest priced public four-year institution. In Michigan's case, Ferris State College currently charges the lowest rates of any of the state's public baccalaureate institutions. Its annual tuition and fees total $660. The community colleges in 1977 averaged $446, well below Ferris. Only one community college (Northwestern) was anywhere near the Ferris total. So in this case, the alternative would present little more than a policy statement, reiterating the community college role as the premier low-cost two-year institutions.

However, when nonresident fees are considered it becomes more than just a policy statement. Nonresident fees in Michigan's community college system currently average $713 ($53.00 over the Ferris total). Discussion of the feasibility of adopting the plan with nonresident as well as resident fees included entails examination of the following points:

1) A verboten policy would reinforce the low-tuition role of the community colleges.

2) It would define the community colleges as the premier associate degree institutions.

3) It would require additional support in some community colleges like Northwestern, that presently have very high nonresident fees.

4) It could be operated in conjunction with a nonparticipating resident fund.

The second alternative seeks to prohibit schools in all of the public segments from charging tuition and fees whose totals exceed a certain amount (say one-third) of the school's operating revenues. Illinois operates in this fashion with much success. In theory, the plan operates on a fair-share concept which seeks to provide a fixed percentage of cost for the student. Points that merit consideration in this plan are:

1) The fixed percentage concept would tie student fees to rises in operating costs.

2) Students would be paying their "fair-share."

3) Tuition costs in the different communities would be more relevant to the actual cost of living in those communities than if one single segment price was established.

4) The figure established is an arbitrary one that might need adjustment.

5) It would not guarantee a low tuition, simply a set percentage.

Defined tuition rates in the differing segments, modeled after California's system, is yet another possibility for a statewide tuition policy. Under this plan, the community colleges throughout the state could operate on one tuition price, as could the state's regional universities (Western Michigan University, Eastern Michigan University, Central Michigan University, Oakland University and Northern Michigan University). And, the emerging (Grand Valley State Colleges, Michigan Technological University, Ferris State College, Saginaw Valley, and Lake Superior State College), and the research institutions (Michigan State University, University of Michigan and Wayne State University), would be grouped by set prices.

Points to be considered in this arrangement are:

1) Defined tuition rates would guarantee more equality of geographic access.

2) The policy would require considerable restructuring in the appropriations formula.

3) Defined tuition rates would infringe upon the autonomous rights of the institutions to set their own tuition.

4) The policy may be too rigid for the state to handle all at once.

5) It would be extremely difficult to achieve this policy politically.

The final alternative seeks to promote reasonably similar tuition rates via the legislative appropriations process. These rates would be advisory in nature and would only be used for appropriation purposes. There is a possibility they could be enforced through persuasion and threats concerning the appropriation for the following year if the tuition rate suggested in the process is not at least loosely adhered to. This alternative offers the least control, but is probably the easiest to accomplish given the advisory nature of the current higher education structure.

Other considerations are:

1) There would be no prior control, only indirect and reactionary directives.

2) Some institutional support might be more or less than equal treatment.

3) More latitude for differential program cost would be possible.

4) It would be a very time consuming and political process for the appropriations committees unless tied to one of the earlier alternatives and strictly advisory in nature.

CHAPTER NINE

The Funding Model

THE ISSUE:

Does Michigan presently have a fair and equitable funding process?

BACKGROUND:

Tightening budgets and a drop of nearly 4% in the state's support of its public colleges and universities in the last ten years have caused many educational leaders to opt for different funding methods.

Legislative exploration of a formula funding approach began in 1973, and a special House Republican Study Committee in February of 1976 called for the creation of a funding formula which would "bring rationality and equity into our financing of higher education." In March of that same year, Senator Billy Huffman and Representative Gary Owen proposed a formula funding plan. Their model was divided into three parts: 1) foundational support; 2) cost factors derived from differences in role and mission; and 3) special grants for unique programming. Public Act 250 of 1976 called for the phase-in of this formula approach over a three-year period to begin in fiscal year 1976-77.

A task force to study the formula's effectiveness was created in May of 1976. Made up of institutional members as well as representatives of the House and Senate Fiscal Agencies and the Department of Management and Budget, the task force was divided into seven subcommittees. These subcommittees researched every facet of the formula approach and published two large printed volumes: Volume I, the *Michigan Higher Education Task Force Recommendations*, was the product of the research of these committees. Volume II, *Proposed Alternatives for Refining the Owen-Huffman Higher Education Investment Needs Model*, was published in February of 1977.

CURRENT STATUS:

Presently, twenty-five of the fifty states operate on some form of formula apparatus. Michigan's new process has been lauded by educational leaders throughout the state. However, it is not without flaws. The question here is whether or not the current method's benefits outweigh the flaws.

POLICY ALTERNATIVES:

In discussing the funding process in Michigan, three alternatives present themselves:

1) Assume the new funding process has not been as effective as was hoped and move back to the system that Michigan previously used.

2) Find that the funding process is now sound and should be continued as is

3) Decide that the funding system is essentially sound, but requires some modification.

PRO AND CON:

Prior to the implementation of the new funding model, higher education in the state functioned on rather a sporadic appropriation formula. Operated through an appropriation subcommittee, statewide funding was hammered out annually with little continuity. The process had the following inherent flaws:

1) It was subject to great political pressure.

2) There was little similarity in the funding of comparable programs.

3) Institutions with similar missions and roles did not receive equal treatment.

4) Institutions with legislators who served on the appropriations committee did unusually well.

The initiation of the funding model in Michigan was met with a great deal of institutional support. When asked for a response to the plan, President Harold Able of Central Michigan University best characterized the institution's view by stating that "The overall good that can come from moving to a formula appropriations system outweighs our objections."

The question arises, however, has the formula been perfected? Certainly, a few more years of evaluation will be necessary but, in general, most feel that it has been going in the right direction.

This past year's funding experiences did point out at least one problem. The funding process was disrupted by what Senate Subcommittee Chairman Billy Huffman claimed was "$4.5 million in purely political appropriations." The goal of the formula approach was to make funding less political and, to some extent, the goal has not been completely met.

While institutional leaders applaud formula efforts, they still find disagreement with some points in the approach. For instance, in *Proposed Alternatives for Refining the Owen-Huffman Higher Education Investment Needs Model*, the following disgruntlements were listed:

1) 77% of the thirteen public four-year schools indicated trouble with the institutional complexity factor and most argued that if the formula was truly equitable, this factor would not be necessary and should be dropped.

2) 46% of the four-year schools disagreed with the formula's peer groupings and think they need revision.

3) A number of the colleges and universities also find themselves troubled by the course level designations and the community service factors.

The question as to whether Michigan has a fair or equitable funding mechanism warrants thorough evaluation. Is the present funding system a good one? A more important question, however, in light of the political "tacking-on" and the guarded institutional criticisms is, "Could the state do more to make the system the most objective appropriations process possible?"

CHAPTER TEN

Coordination with Private Institutions

THE ISSUE:

To what degree should Michigan provide financial support for private sector higher education institutions?

BACKGROUND:

Although Michigan's 1963 Constitution (Article VIII, Section 2) specifically forbids state support for "any private, denominational, or other nonpublic, pre-elementary, elementary, or secondary school," that document is silent concerning the state assistance for postsecondary independent institutions.

As a result of that nonrestrictive language, several programs of assistance to private higher educational institutions have been established:

1) The State Competitive Scholarship Program (1964).

2) The State Tuition Program (1966). This program is exclusively for students attending private institutions.

3) Dentistry grants for nonpublic schools (1969).

4) Creation of a Higher Education Facility Authority to provide tax-exempt bonding authority for loans to independent colleges for construction and refinancing (1969).

5) A program to provide Grants to Nonpublic Schools of Law (1972).

6) A Degree Reimbursement Program of grants to nonpublic colleges and universities for each Associate, Bachelor, and Master Degree granted to a Michigan resident (1974).

CURRENT STATUS:

Today, fifty-three of Michigan's ninety-five higher educational institutions are private, and 12% of our nearly 500,000 college students are attending these independent colleges and universities.

POLICY ALTERNATIVES:

In 1977-78 the State of Michigan has provided $660 million for the operating support of its 29 two-year and 13 four-year institutions. This amount does not include Scholarship Dollars, Capital Outlay, or State Guaranteed Loans.

As the total state funding for higher education nears the $750 million mark, three future policy alternatives present themselves:

1) Present program and dollar support is sufficient and should not be increased.

2) Present program and dollar support is insufficient and should be increased.

3) Present program and dollar support should be expanded, but not in a vacuum. At least some coordination with state planning should accompany the monetary infusion.

PRO AND CON:

Policy alternative #1 notes that several programs already exist to help the private sector higher education institutions and that such support has risen from only a small part of one program amounting to $224,000 in 1964-65 to several direct programs providing state support of some $22 million in 1977-78.

Proponents of this alternative say, "Enough is enough." They base their arguments on the following logic:

1) The state's first responsibility is adequate support of its own institutions. Right now, the public colleges and universities in the state feel that they are underfunded some $225 million compared to their funding in 1973-74.

2) Additional support for private sector institutions will decrease the traditional independence of such institutions.

3) Less autonomy will further result in a reduction of quality in the private sector.

4) Michigan's aid to private sector higher education is already generous when compared to other states.

In general, it costs the same amount of dollars to educate a student at either a private or state-owned institution. The major difference is not the dollar amount needed, but how the dollars are provided. As a result of major state support for its own institutions, student tuition fees are much lower in public institutions than at the private colleges and universities.

The second policy alternative not only recognizes the fact that students pay much more to attend a private college or university, but contends further that students from middle-class families are forced to attend public institutions, because their parents cannot afford to send them to private schools. Since the student's freedom of choice is impaired, some

feel that the state should provide more dollars to those wishing to attend a private college or university.

Apparently this feeling has significant support in the Michigan Legislature. In November of 1977, the House of Representatives passed House Bill No. 5548 by an 82 to 17 vote. This legislation creates a new tuition differential grant program that would add $9 million in state aid to private institutions during the first year and more than double that amount by the fourth year of the program. If the tuition differential grant program were adopted in 1978, it would boost total state support for private higher education from the present $23 million to more than $46 million in 1982.

Proponents of this action articulate the following reasons for increased state support to private institutions:

1) Freedom of choice would be maximized or at the very least continued.

2) Such a program would help private institutions face the financial squeeze of the next several years.

3) Financial support for private institutions might save the state taxpayers money. Nationally, the public sector saves $5 billion per year (the cost for all of these students to be educated at public institutions).

Policy alternative number three recognizes the need for state support of independent colleges and universities and that more assistance may be forthcoming—at a price. Basically, it is a statement of the need for better coordination of the public and private sectors of higher education. One very fine 1976 study by the Education Commission of the States "Statewide Planning and Private Higher Education," points out that some degree of private college and university participation in statewide planning is taking place in forty-five states. Undoubtedly, the Federal Education Amendments of 1972, establishing 1202 Commissions is one reason for this high participation figure. But the figure is somewhat misleading. Prior to the adoption of that federal legislation, the private sector participation consisted mostly of identification of independent problems, and even now, most participation in the planning process involves purely voluntary cooperation between the two sectors.

Although more than half the states now coordinate such areas as identification of immediate and long-range postsecondary need, consideration of changing economic conditions, projected enrollments, program offerings, and appraisal of needs, Michigan does not. The state Board of Education provides a mechanism for coordination, and sharing resources is encouraged, but there is no mandated or formal structure providing legal responsibility for direction and coordination of all of the state's postsecondary educational resources. If Michigan is to move toward a New York State style of coordination, it will be done based on the following rationale:

1) Coordinated planning would save the taxpayers dollars.

2) Such efforts would avoid wasteful competition.

3) The federally mandated 1202 Commissions have already mandated Michigan to coordinate the entire higher educational structure.

The real question here may be one of degree. The Carnegie Council on Policy Studies in Higher Education recently recommended more state support for private colleges and universities, but "not so much that it would jeopardize the future of public institutions of higher education." That December, 1977 recommendation also advised all fifty states to "include private institutions in statewide planning and coordination."

REPRESENTATIVE DAN ANGEL'S

The 1977 Higher Education Survey

QUESTION #1: *WHAT DO YOU FEEL ARE THE THREE LARGEST PROBLEMS IN YOUR INSTITUTION TODAY?*

ANSWERS:

THE 4-YEAR PUBLIC COLLEGES AND UNIVERSITIES:

54% Need for capital for building and building upkeep
38% Inequitable funding
23% Meeting the costs brought through inflation

THE COMMUNITY COLLEGES:

48% Need for a change in the funding formula
48% Cost of government mandated programs
28% Infringements on time (paperwork)
24% Meeting the costs brought through inflation
24% Need for capital for building and building upkeep

THE PRIVATE COLLEGES:

56% Meeting the costs brought through inflation
36% Dealing with tuition disparaties
15% Cost of government-mandated programs
15% Inability of middle-income families to finance higher education

QUESTION #2: *WHAT DO YOU FEEL ARE THE THREE LARGEST PROBLEMS IN OUR STATE'S EDUCATION SYSTEM?*

ANSWERS:

THE 4-YEAR PUBLIC COLLEGES AND UNIVERSITIES:

69% Underfunding
38% Need for a statewide plan in higher education
31% Dealing with enrollment declines
23% Local autonomy
15% Labor difficulties

THE COMMUNITY COLLEGES:

48% Lack of clearly defined roles
48% Underfunding
36% Labor difficulties
32% Poor coordination and the resulting duplication
28% Not understood by the Legislature
20% Local autonomy

THE PRIVATE COLLEGES:

46% Poor coordination and the resulting duplication
36% Underfunding
26% Dealing with enrollment declines
23% Poor cooperation and the resulting competition between the three segments

QUESTION #3: *WHAT DO YOU FEEL ARE THE THREE LARGEST PROBLEMS IN MODES OF INSTRUCTION/STRUCTURES/ETC. IN EDUCATION TODAY AS A WHOLE?*

ANSWERS:

THE 4-YEAR PUBLIC COLLEGES AND UNIVERSITIES:

38% Poor high school preparation
31% Need to maintain relevancy
23% Too impersonal
23% Need for evaluation methods

THE COMMUNITY COLLEGES:

36% Too traditional
36% Need to maintain relevancy

THE PRIVATE COLLEGES:

31% Poor high school preparation
21% Too impersonal

QUESTION #4: *DO YOU SUPPORT THE CONCEPT OF A REGIONAL COMPACT OF THE MIDWEST FOR HIGHER EDUCATION?*

	4-YEARS	COMMUNITIES	PRIVATES
YES	54%	20%	10%
NO	8%	12%	8%
UNDECIDED	38%	52%	74%
NO OPINION	—	16%	8%

QUESTION #5: *DO YOU SUPPORT THE CREATION OF A STATE BOARD OF HIGHER EDUCATION OR AN ADVISORY COMMISSION ON HIGHER EDUCATION?*

	4-YEARS	COMMUNITIES	PRIVATES
YES	31%	48%	50%
ONLY STATE BOARD	—	12%	2%
ONLY COMMISSION	46%	12%	2%
NO	8%	4%	13%
UNDECIDED	15%	8%	26%
NO OPINION	—	16%	7%

RESPONDING INSTITUTIONS

PUBLIC COLLEGES: 100%

THOSE RESPONDING	THOSE NOT
Central Michigan University	
Eastern Michigan University	
Ferris State College	
Grand Valley State Colleges	
Lake Superior State College	
Michigan State University	
Michigan Technological University	
Northern Michigan University	
Oakland University	
Saginaw Valley State College	
University of Michigan	
Wayne State University	
Western Michigan University	

THE COMMUNITY COLLEGES: 90%

THOSE RESPONDING	THOSE NOT
Alpena Community College	Muskegon Community College
Bay De Noc Community College	Oakland Community College
C. S. Mott Community College	Schoolcraft Community College
Delta Community College	
Glenn Oaks Community College	
Gogebic Community College	
Grand Rapids Junior College	
Henry Ford Community College	
Highland Park Community College	
Jackson Community College	
Kalamazoo Valley Community College	
Kellogg Community College	
Kirtland Community College	
Lake Michigan College	
Lansing Community College	
Macomb County Community College	
Mid Michigan Community College	
Monroe County Community College	
Montcalm Community College	
North Central Michigan College	
Northwestern Michigan College	
St. Clair Community College	
Southwestern Michigan College	
Washtenaw Community College	
Wayne County Community College	
West Shore Community College	

THE PRIVATE COLLEGES: 76%

THOSE RESPONDING
Adrian College
Albion College
Alma College
Andrews University
Aquinas College
Baker Junior College of Business
Calvin College
Cleary College
College of Art and Design
Cooley Law School
Davenport College of Business
Duns Scotus College
Faithway Baptist College
General Motors Institute
Grace Bible College
Grand Rapids Bible College
Great Lakes Bible College
Hillsdale College
Hope College
John Wesley College
Jordan College
Kalamazoo College
Lawrence Institute of Technology
Madonna College
Mercy College of Detroit
Merrill-Palmer Institute
Michigan Christian Junior College
Muskegon Business College
Nazareth College
Northwood Institute
Olivet College
Reformed Bible College
St. Mary's College
Shaw College at Detroit
Sienna Heights College
Suomi College
University of Detroit
Walsh College
Western Theological Seminary

THOSE NOT
Concordia College
Cranbrook Academy
Detroit College of Business
Detroit College of Law
Detroit Institute of Technology
Lewis College of Business
Marygrove College
Midrasha College
Sacred Heart Seminary
St. John's Provincial Seminary
Spring Arbor College
Yashivath Beth Yehodah

TOTAL REPORTING IN ALL SEGMENTS: 84%

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DAN ANGEL

Representative Dan Angel is a native of Detroit and a biographer of Michigan Governors GEORGE ROMNEY and BILL MILLIKEN.

In 1969 Angel served as Special Assistant to U.S. Senator ROBERT P. GRIFFIN in Washington, D.C. Returning to Michigan in 1970, he was appointed to the Michigan Higher Assistance Authority by Governor Milliken, and Albion College appointed him Director of a $400,000 W. K. Kellogg Foundation "Experiments in Relevance" Grant.

Listed in WHO'S WHO IN AMERICAN POLITICS and WHO'S WHO IN AMERICAN EDUCATION, he has been the frequent speaker for statewide groups and has appeared on numerous TV programs in Michigan and other states.

Representative Angel worked his way through college by buffing metal moldings. After earning his B.S. (Education) from Wayne State University in 1961, he received a Ford Foundation Fellowship and was awarded his M.A. (Education) in 1963. In 1965, he obtained his Ph.D. in Communications from Purdue University. Representative Angel was Director of Adult and Continuing Education at Albion College when elected to Michigan's 77th Legislature in 1972.

During his freshman term, he succeeded in revamping the Public School Retirement System, bringing about the most basic changes in more than two decades. A leader in dealing with Michigan's Medical Malpractice crunch in 1975, Representative Angel called for a package of major reforms before most Michigan citizens realized there was a problem. He is co-sponsor of 12 new laws assuring availability of health care to all Michigan citizens. In 1976, he successfully sponsored the most extensive consumer rights insurance legislation in Michigan history.

Governor Milliken also appointed him as an advisor to the Commission on Electrical Power Alternatives (an effort to head off continually escalating energy costs).

In 1977, he has been a leader in the area of product liability, energy, retirement reform and higher education.

Angel presently serves as Vice-Chairman of two standing legislative committees: Economic Development and Insurance. He is also a member of the Committee on Colleges and Universities.

Angel, 38, is married to the former Patricia Ann Schuster of Dearborn and has one son, Scott, age 4.