

Testimony of President Thomas J. Haas
Grand Valley State University
Higher Education Appropriations Subcommittees of the House and Senate
Lansing, Michigan
March 2, 2016

Good afternoon Senator Shuitmaker, Representative McCready and the Members of your subcommittees. Thank you for the opportunity to address you today. This is the tenth time I have had the privilege of representing Grand Valley State University.

Let me begin by thanking you for the recent increases in state funding, as well as for the proposal that's on the table for FY 17. Every dollar you appropriate is a dollar we don't have to ask our students to provide.

In particular, I appreciate this time to visit with you about how we at Grand Valley add degree programs in subjects of high employer demand. Before doing so, I want you to meet the president of our student senate, Maddie Cleghorn, who would like to say a few words about how students see their relationship with the State.

Thank you very much for allowing us the time to be here and talk with you today. The question that persists in the Grand Valley community is why – despite the fact that Grand Valley ranks high in performance – we are still next to last in funding per student from the State. From the student perspective this is very hard to understand.

Thanks Maddie – she is from Grand Haven now living in Grand Rapids, majoring in political science and minoring in Spanish. In her future...she sees herself going to law school after graduation in April of 2016.

In the past fifteen years we've begun dozens of new degree programs and added capacity to existing high-demand programs. Most of these areas are in STEM-H fields – science, technology, engineering, math, and the health professions. Over 12,600 of our 25,000 students are pursuing degrees in these fields.

Grand Valley has become the state's largest producer of graduates in allied health: nursing, occupational therapy, physical therapy, physicians assistants, biomedical engineering, biomedical sciences, and dosimetry, just to mention a few. Most of these graduates have stayed in Michigan to begin their careers.

In fact, nearly 90% of all of our recent graduates are working or attending graduate school in Michigan. (Actually 83.3% are working in Michigan.) Let me remind you that we have a policy

of discounting tuition by nearly 10% for seniors on track to graduate in four years. The result? High graduation rates and low default rates. 34% of these students graduate with no debt.

Nearly all of our STEM-H programs were begun or expanded during the years when the state was cutting appropriations, terminating scholarships, and otherwise disinvesting in higher education.

At the same time Grand Valley's enrollment increased by more than 10,000 students, straining already scarce resources. And from 2004 to 2014, the number of our degrees in graduate and undergraduate programs increased from 3858 to 5271, accounting for almost 20% of the increase state-wide.

So, when it comes time to add programs, how do we decide which ones to pursue? Curriculum development begins with assessing market needs in our state. We look to the Bureau of Labor Statistics as well as national and regional trends to help with our analysis. We engage with job providers. We also consider potential costs to the institution and conduct a cost-benefit analysis because nearly all of STEM and Health programs are very expensive to deliver. And because the state hasn't been supporting new programs or counting new students we are on our own to make things work.

Reallocation of resources is the essential tactic. For years we have been systematically shifting resources away from programs with declining enrollment and into areas of high demand.

We've terminated some non-core functions and cut departmental budgets in areas that don't impact students. In the last two years alone, these actions have freed up nearly \$2.0 million that's been shifted into programs that are new or growing. To put that amount in context, it's greater than last year's increase in our state appropriation.

Because Grand Valley's overall enrollment has continued to grow, nearly every major and minor we offer has enough student interest to warrant continuation. So we have closed only a few degree programs. The more common strategy is to shift funds away from programs where student demand has lessened into programs where demand is increasing.

We make this work by attrition, by reducing the number of adjunct or temporary faculty, and by consolidating low enrollment classes – but with great care so that we maintain quality and our promise of small classes taught by distinguished faculty.

These and other management practices have placed Grand Valley at the top of the state's performance analysis. Our graduation rates as compared to our peers in the Midwest puts us at number four, and in Michigan, number one.

From our Accountability Report, the return on investment in GVSU is that taxpayers invested \$10,824 per degree, the average was \$18,414 with a high of \$30,269.

Given the content of my testimony, I, again, request that you apply your performance metrics to the base appropriation. And you add an element that counts changes in enrollment aligned with your priorities. Enrollment should count and, as you know, currently 90% of the funding for higher education is not allocated using performance metrics.

Additionally, as I look at the Governor's proposal and the appropriation of new resources (which, again are greatly appreciated), and as I analyze, it should be noted that half will be allocated on performance and half across the board. With due respect, this is like when I teach a class, will I give my students half of their grade for showing up, no matter their overall performance in subject matter?

Let me close with one more thought. I know how important it is to graduate students that are ready for 21st century jobs and, as your metrics demonstrate, we at Grand Valley do that very well.

But we must not lose sight of the importance of the liberal arts experience, which creates informed citizens necessary for a functioning democracy. Employers tell us that in addition to skill-specific training, they want innovators and entrepreneurs -- employees with critical thinking skills in communication and problem-solving, the heart and soul of the liberal arts experience. We need always to do both. Both are essential to our core purpose of public higher education. I urge you to be mindful of this in the years ahead.

Thank you.