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## WSU president: State funding formula stresses college



[David Jesse](#), Detroit Free Press 4:36 p.m. EST February 22, 2015

**Michigan's performance funding system penalizes the university for doing heavy research while having a more open enrollment policy, he says**



M. Roy Wilson is the president of Wayne State University in Detroit.(Photo: Kimberly P. Mitchell, Detroit Free Press)Buy Photo

Michigan's performance funding system for the state's universities penalizes Wayne State University for doing heavy research while having a more open enrollment policy, its president told the Free Press.

That's leading to financial stress at the Midtown Detroit university and could mean more big tuition hikes for students.

"It's not right," WSU President M. Roy Wilson said in an exclusive Free Press interview. "If we were to do less research, we could get very high funding. If we were to be more selective in who we enroll, we could get more funding."

Wilson will use an appearance before the Michigan Senate higher education appropriations subcommittee this afternoon to detail the ways Wayne State is being hurt by the funding formula.

"Research is such an economic driver for the state," Wilson said. "Why should we be penalized for that?"

"Part of our mission is to have the door a little wider open than many other institutions. We shouldn't be penalized for that. It's not just morally right, but for economic reasons, we need to focus on these kids. We need to have more college-educated workers in our workforce.

Since Michigan implemented performance-based funding in 2012, Wayne State has received the smallest increase by percentage each year. This year, Wayne State would get a 0.6% increase under budget plans announced earlier this month by Michigan Gov. Rick Snyder. No other university would receive less than 1.7%. Grand Valley State University would get a 4% increase.

"This is not a sustainable pattern for us. So far, we've been able to absorb it. We've made cuts. We have 50 faculty who have accepted an early-retirement incentive, (but) we're at a point where we can't keep doing that."

He's not alone in questioning the funding formula.

A recent report by HCM Strategists looked at performance funding systems across the nation and lumped Michigan's in a category they call "rudimentary." They also knocked Michigan's system for not prioritizing underrepresented students.

That's not true, said Dave Murray, spokesman for Snyder.

"Gov. Snyder focused in performance funding in Michigan in an effort to help all students have access to — and complete — a college education," he said in an e-mail to the Free Press. "The measures were created after wide consultation and have been subject to annual review and modification."

Michael Boulus, executive director of the Presidents Council, State Universities of Michigan, agreed.

"Michigan has rightly moved carefully toward using performance funding incentives," he said in an e-mail to the Free Press. "We think Gov. Snyder and the Legislature are taking a prudent approach in this area. We are working with them to help increase the incentives to address underrepresented students, and expect to see some progress in that area."

That includes adding in the percentage of students getting Pell Grants, which are income-based, to the formula.

While Wilson likes that move, he says it's not enough, because the backbone of the system is flawed.

The funding system is based on comparing Michigan universities to their peers, using the Carnegie classification system. That system relies on research levels done by faculty, not enrollment and mission.

That places the University of Michigan, Michigan State University and Wayne State University in the highest category. It also measures Wayne State against places like Harvard.

But Wayne State's peers are urban research universities like the University of Cincinnati or Temple University. Wilson said those schools also take in different students than a lot of the highest research universities.

"Taking high-risk kids and helping them get through — that's what we're known for. It's not just morally right, it helps the economy. We are going to need more college graduates in our state and our nation's economy."

Taking those students in means Wayne State has a lower six-year graduation rate than other universities in that same classification. They also need more resources to graduate, he said.

Wilson supports performance-based funding, but says it needs to be carefully studied and tweaked.

He isn't the only one who sees a problem with Michigan's system.

Oakland University political science professor Douglas Carr has studied performance funding systems across the nation. He says Michigan's doesn't take into account "the preparedness of the students." If given a blank slate, he'd group universities by admissions selectivity.

"It can be a useful tool for divvying up funding, but there's no evidence it drives up graduation rates for four-year colleges," Carr said.

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### **University increases**

Gov. Rick Snyder's budget proposal calls for an average increase to universities of 2%. However, the actual increase each university will receive is dependent on how they do in a performance funding formula. Here's the percent increase for each university.

**Central Michigan University:** 3%

**Eastern Michigan University:** 2%

**Ferris State University: 3%**

**Grand Valley State University: 4%**

**Lake Superior State University: 2%**

**Michigan State University: 1.9%**

**Michigan Technological University: 2.1%**

**Northern Michigan University: 2.1%**

**Oakland University: 3.4%**

**Saginaw Valley State University: 1.8%**

**University of Michigan - Ann Arbor: 1.9%**

**University of Michigan - Dearborn: 1.7%**

**University of Michigan - Flint: 2.5%**

**Wayne State University: 0.6%**

**Western Michigan University: 1.8%**