



LAKE SUPERIOR STATE UNIVERSITY

650 W. Easterday Ave., Sault Ste Marie, MI 49783

2018 Annual Report to the Higher Education Appropriations Subcommittee



A Time of Tragedy and Triumph

The tragic death of beloved President Thomas Pleger in May rocked Lake Superior State University to the depths of its core. Yooper grit was tested as the campus and community mourned Tom's death, while at the same time, pulled together to honor his legacy by redoubling its efforts to revitalize the University. The progress achieved this year is a tribute to the foundation that Tom's charismatic leadership established.



Admissions and Retention Surge

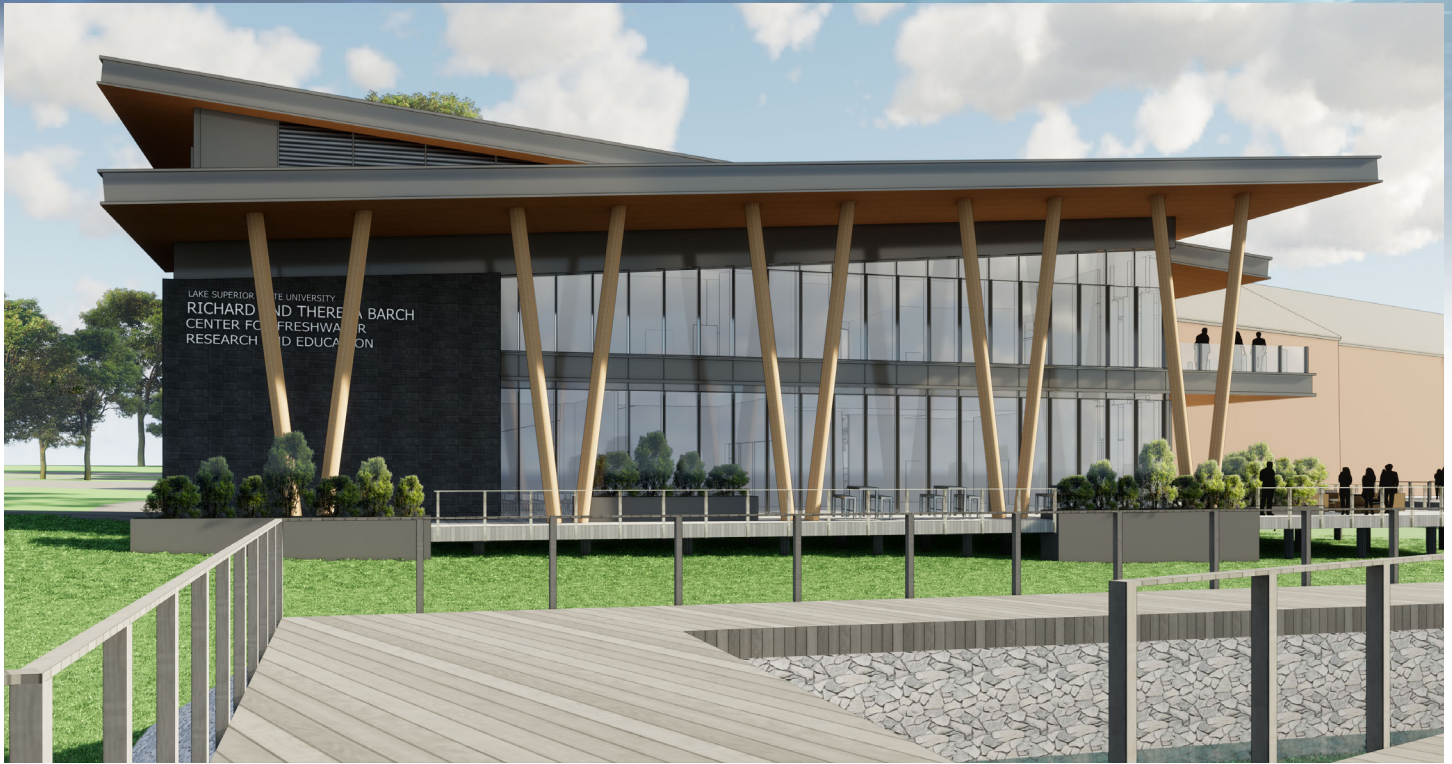
Enrollment has become Job #1 at LSSU. A total retooling of the admissions operation and marketing strategy has produced remarkable results. The February 27, 2018 daily Admissions Comparison Report showed an increase in First Time in College Admitted Applicants of 130% (2,291 versus 998). The entire campus is working together to convert these admits into enrolled students, while also working to increase retention and graduation rates.

The Fall to Spring Semester retention rate, 94.4%, was the highest in LSSU's history; up 3.5% from last year and up 2.6% from the previous historic high. Improving 3.5% when the retention rate was already above 90% is an outstanding accomplishment. The enrollment management strategy, comprised of enhanced recruitment and retention, is projecting an enrollment of 2,500 in 2022 and 3,000 by 2025.

LSSU ADMISSIONS COMPARISON REPORT

APPL TYPE	Fall 2018 As of 2/27/2018				Fall 2017 As of 2/27/2017				Fall 2016 As of 2/27/2016					
	FTIC	TRANS	READM	TOTAL	FTIC	TRANS	READM	TOTAL	ETOTA	FTIC	TRANS	READM	TOTAL	ETOTA
APPLICATIONS	2964	232	18	3214	1396	217	20	1633	2029	1664	223	21	1908	2389
ADMITS	2291	98	15	2404	998	116	11	1125	1057	1097	111	17	1225	1406

Center for Freshwater Research and Education (CFRE)



Fundraising and planning for CFRE accelerated this year. The \$11.8 million Capital Outlay project requires a \$2,950,000 match from LSSU. Fundraising gifts and pledges for CFRE and the Hatchery reached \$2,837,000 as of February 28, 2018. This success inspired the final visioning and planning session to develop a dynamic design that expands the original CFRE from 16,000 to 17,500 square feet. Locating CFRE in Sault Ste. Marie's Alford Waterfront Park will create a unique recreational and fishing venue for citizens and tourists. The impact of CFRE on the Eastern U.P. will be significant in terms of enhancing LSSU's academic reputation and enrollment, expanding quality research and the vitality of fish populations, creating innovative education and outreach to teach K-12 students about the Great Lakes, and serving as an economic driver for the area.



Over 40% of the Michigan Department of Natural Resources employees are Lake State grads and 70% of MDNR employees working in fishery-related positions are LSSU alumni.

Simulation Center for Nursing and Healthcare Programs



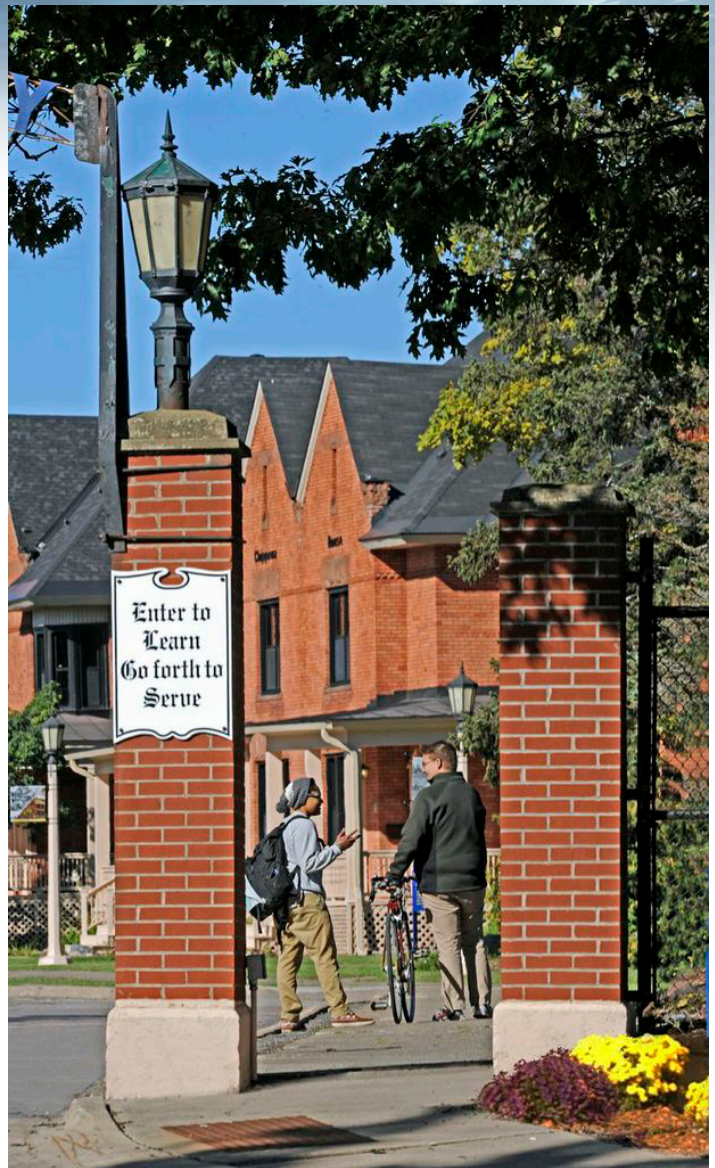
A four-year dream of establishing a state-of-the-art simulation center was realized in February. War Memorial Hospital (WMH) committed \$500,000 to transform the first floor of an existing building on campus into a sim center that overlooks the International Bridge. Collaboration between LSSU and WMH will create opportunities to expand our nursing program and develop new healthcare programs of study. The partnership will enable the two institutions to utilize other facilities on campus to sponsor large conferences drawing medical professionals from Canada, the U.S.A. and beyond, generating new revenue streams for both LSSU and WMH. The sim center expands capacity for teaching, thereby increasing enrollment in the LSSU nursing program by over 30%.

The WMH/LSSU Simulation Center will truly be international in scope, serving nursing and healthcare professionals on both sides of the International Bridge.



Academic Strategic Direction

In response to Governor Snyder’s address to the Public University Summit in September, LSSU reaffirmed its roots as a career-oriented and hands on educational experience. The attached opinion piece in The Detroit News highlights Lake State’s commitment to prepare our graduates for the jobs of today and tomorrow. Building on our national reputation in robotics, fishery and wildlife management, criminal justice and fire science, the strategic direction creates collaboration and teamwork among programs. Responsive to the Governor’s new Marshall Plan for Talent, LSSU is expanding associate and certificate programs and inculcating a spirit of synergy between programs like criminal justice and fisheries and wildlife management, computer science and forensic chemistry, engineering and fire science. The result will be innovative career-oriented programs preparing LSSU graduates for the jobs of tomorrow.



LSSU MISSION STATEMENT

<i>We equip our graduates with the knowledge, practical skills and inner strength to craft a life of meaningful employment, personal fulfillment, and generosity of self, all while enhancing the quality of life of the Upper Great Lakes region.</i>										
College of Innovation and Solutions		College of Science and the Environment		College of Health and Behavior		College of Criminal Justice and Emergency Responders		College of Education and Liberal Arts		
School of Engineering and Technology	Lukenda School of Business	School of Science & Medicine	School of Natural Resources & Environment	School of Nursing	School of Kinesiology and Behavioral Sciences	School of Criminal Justice, Fire Science and Emergency Services		School of Arts & Letters	School of Education	School General Studies and Liberal Arts

Infrastructure – Asset Preservation

Like each of the other 14 public universities, and many municipalities in our state, LSSU is working to address a number of asset preservation projects that accumulated over the past 20 years, due in a large part to a decline of state support. Through the master planning process, and our six-year Capital Improvement Plan, LSSU has identified a number of critical infrastructure projects totaling \$2.5 million over the course of six years.

The most acute and critical of those problems is a full replacement and upgrade of our campus electrical grid. The grid which powers our campus is quickly approaching the end of its useful life. The LSSU campus receives power via two separate high-voltage power lines: Line One

and Line Two. Both lines were installed nearly 50 years ago. Last year, the campus experienced several power outages which resulted in approximately \$200,000 worth of damage, a loss of three academic days, and an estimated \$120,000 in lost revenue.

Line One was partially replaced in 2005. Last year \$300,000 in funding was allocated for replacement of the remainder of that line. The replacement is scheduled to take place in May of this year. The remaining line, Line Two, is in dire need of replacement as well. Replacement of Line Two is essential, **therefore Lake Superior State University requests an additional \$300,000 from the State to replace Line-Two.**



Tuition Incentive Program (TIP)

The single greatest concern at Lake Superior State University and the single greatest potential negative impact on enrollment is the change in funding for the Tuition Incentive Program (TIP).

The Tuition Incentive Program was established to pay full tuition for Medicaid-eligible high school graduates at a community college or one of four public universities whose mission and location includes serving as a community college – Ferris State University, Lake Superior State University, Northern Michigan University and Michigan Technological University. However, the Governor's 2018-2019 Budget Proposal contains change in the funding from the actual tuition to the following wording:

(b) For persons enrolled at a Michigan community college, the department shall pay the current in-district tuition and mandatory fees. For persons residing in an area that is not included in any community college district, the out-of-district tuition rate may be authorized.

(c) *For fiscal year 2017-2018 2018-2019, for persons enrolled at a Michigan public university, the department shall pay lower division resident tuition and mandatory fees for the current year. Beginning in fiscal year 2018-2019, for persons enrolled at a Michigan public university, the department shall pay mandatory fees for the current year and a per-credit payment that does not exceed 3 times the average community college in-district per-credit tuition rate as reported on August 1 for the immediately preceding academic year.*

LSSU TIP students come from isolated rural areas throughout the state, the vast majority from outside our district. To reduce funding for

these students to \$330 per credit hour seriously disadvantages the Upper Peninsula to the point that these neediest of the needy will simply be unable to attend.

LSSU's 2018-19 \$485/credit hour tuition means that \$155/hour is unfunded. At the minimum of 12 credit hours per semester, our TIP students will be required to pay \$3,720 per year, money that their families do not have. Not only is this an equity issue for the U.P. and a significant change in the intent of the program, the additional financial burden will result in talented students not attending college, remaining in dead end situations in impoverished small Michigan towns. Moreover, the students who attend LSSU profit from being in the residence halls, where they strive to succeed and are away from family situations that impede their learning. LSSU already provides financial aid to cover the cost of living on campus, which is not required by community colleges.

The most equitable solution is to eliminate the clause "beginning in FY 2018-19, payments for individuals enrolled in public universities shall be limited to mandatory fees and a per credit payment that does not exceed 3 times the average community college in-district per credit tuition rate for the previous year" from the Higher Education Appropriations budget. This action maintains the initial rationale and purpose for TIP.

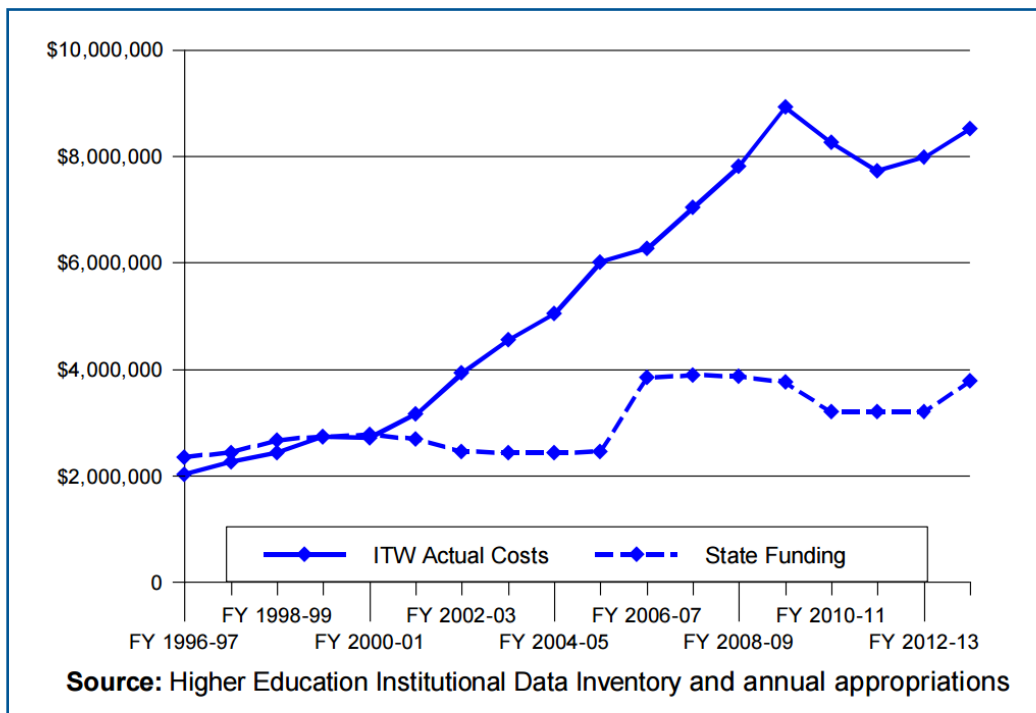
On behalf of the approximately 250 LSSU TIP students preparing to be the talent pool our state needs, we thank you for restoring the TIP funding to its original intent.

Michigan Indian Tuition Waiver (MITW)

Public Act 174 of 1976 provides for free tuition for North American Indians who are residents of Michigan and attend Michigan public community colleges, public universities, and certain Federal tribally controlled community colleges. In the fiscal year (FY) 2017-18 higher education budget, an additional \$300,000 was appropriated to partially offset the difference between state appropriations and actual costs of the tuition waiver. This was the second appropriation of additional funds for the tuition waiver since FY 2007-08. As the chart below illustrates, state funding for the program has not kept pace with the costs incurred by each University.

Lake Superior State University has a higher per capita enrollment of Native American students than any other Michigan University. The shortfall in funding equates to approximately 2.5% of our total state appropriation, which in turn creates a shortfall of 118% per Full Year Equated Student. This creates a substantial financial burden for not only the institution, but for the students who must make up the difference with increased tuition. On behalf of LSSU's Native students, who account for almost 10% of the student body, we urge you to continue adding additional resources to support their quest to achieve an associate or bachelor's degree and become part of the talent pool that is "pure Michigan."

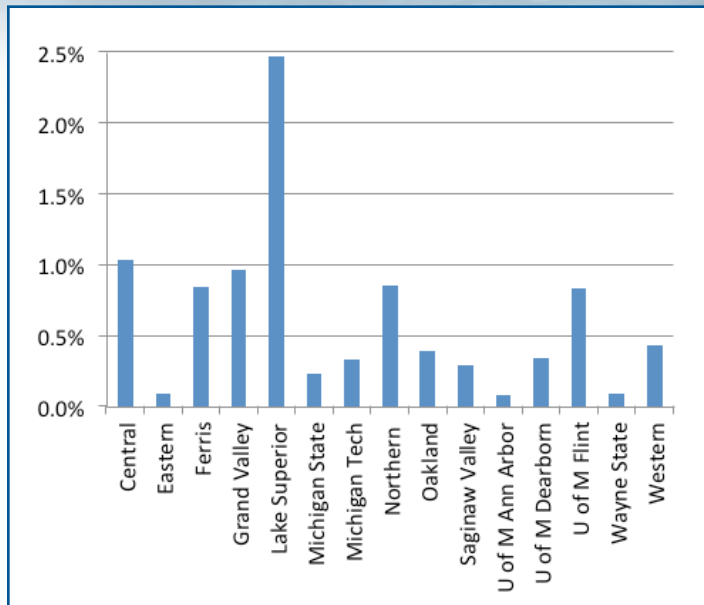
COST OF MICHIGAN INDIAN TUITION WAIVER FOR PUBLIC UNIVERSITIES



Michigan Indian Tuition Waiver (MITW)

It is our belief that a metric should be put into place to reimburse universities for MITW costs as a percentage of total University budget rather than a flat level for each institution. By doing so the state will be providing true equity to its universities for administering the promises made to Native American students.

SHORTFALL % OF STATE APPROPRIATION FOR PUBLIC UNIVERSITIES



IMPACT OF MICHIGAN INDIAN TUITION WAIVER AT LAKE SUPERIOR STATE UNIVERSITY

	FY 2011-12 FYES	FY 2011-12 Appropriation	FY 2012-13 Actual Cost	State MITW Funding Base	FY 2011-12 Shortfall	Percentage of Approps.	Shortfall per FYES (rounded)	2014-15 Distribution	Allocated Percent of shortfall
Central	22,510	68,108,900	1,074,198	250,122	824,076	1.21%	\$ 37.00	86,200	10.46%
Eastern	18,434	64,619,100	270,064	141,754	128,310	0.20%	\$ 7.00	13,400	10.44%
Ferris State	12,217	41,324,300	666,908	173,697	493,211	1.19%	\$ 40.00	51,500	10.44%
Gran Valley	22,347	52,677,400	922,249	239,314	682,935	1.30%	\$ 31.00	71,300	10.44%
Lake Superior	2,418	10,789,500	674,201	389,631	284,570	2.64%	\$ 118.00	29,700	10.44%
Michigan State	44,738	241,120,800	979,750	431,727	548,023	0.23%	\$ 12.00	57,300	10.46%
Michigan Tech	6,378	40,733,600	271,276	92,816	178,460	0.44%	\$ 28.00	18,600	10.42%
Northern	8,568	38,367,400	730,616	336,867	393,749	1.03%	\$ 46.00	41,100	10.44%
Oakland	16,319	43,145,000	209,926	85,569	124,357	0.29%	\$ 8.00	13,000	10.45%
Saginaw Valley	9,190	23,561,500	113,278	55,994	57,284	0.24%	\$ 6.00	6,000	10.47%
UM-Ann Arbor	42,918	268,803,300	746,449	489,969	256,480	0.10%	\$ 6.00	26,800	10.45%
UM-Dearborn	6,669	21,016,300	151,802	68,738	83,064	0.40%	\$ 12.00	8,700	10.47%
UM-Flint	6,733	17,762,400	224,012	64,688	159,324	0.90%	\$ 24.00	16,600	10.42%
Wayne State	23,873	182,036,900	458,854	225,304	233,550	0.13%	\$ 10.00	24,400	10.45%
Western	21,603	93,168,300	484,231	145,669	338,562	0.36%	\$ 16.00	35,400	10.46%
TOTAL	264,915	1,207,234,700	7,977,814	3,191,859	4,785,955		\$ 401.00	500,000	156.71%

LSSU is impacted to a much greater extent than other State universities:
 The FY12 shortfall was 2.64% of our FY12 State appropriations - more than twice the impact of any other university.
 The FY12 shortfall divided by the FY12 FYES was about \$118.
 - adjusted for the 106 MITW eligible students, some of which were part-time, for an estimated 73 FYES from the total FYES, this calculates to **\$121.00** that is born by non-MITW eligible students either in the form of increased tuition or reduced services.
 The LSSU Michigan American Tuition Waiver cost is expected to exceed \$1 million in FY15 - resulting in over \$500,000 shortfall.
 The FY15 estimated shortfall is more than the State funded for all universities in FY15, of which LSSU received \$29,700.



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