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Mackinac: Report: Revamp higher ed to attract talent

By Andrew Dietderich

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Talent rules.

That's the conclusion of **Michigan Future Inc.** report called "A New Agenda for a New Michigan" scheduled for release June 5.

To attract and keep talent in Michigan, the Ann Arbor think tank recommends a new approach to higher education that includes:

- All state funding for higher education would be paid directly to students in the form of a voucher or foundation grant that could be used toward tuition at public universities, community colleges and, possibly, private institutions.
- Incentives to keep graduates in the state by forgiving student loans in exchange for working in Michigan for three to five years after graduation.
- Giving public higher education institutions more autonomy over curriculum, facilities, tuition rates and recruiting the best and brightest students from across the country, not just in Michigan.
- Creating a substantial pool of funds that could be used as a 20 percent match for federal research funds.

The report is based on more than 20 meetings with 200 top decision-makers in the state during the course of a year, starting in spring 2005. Funding was provided by the **Charles Stewart Mott Foundation**, **Frey Foundation** and the **Hudson-Weber Foundation**.

The report found that Michigan needs to recruit and retain more talent in order to compete effectively with other states and nations.

“What we’re doing is not working,” said Lou Glazer, president and CEO of Michigan Future. “What we need is the kind of big change we’re talking about here.”

Glazer said the purpose of the report isn’t to change state laws but to get some sort of discussion started on the role of education in bettering the state’s economic doldrums.

“Unfortunately, after decades of building a world-class higher education system, Michigan has been underinvesting in our universities and community colleges for years. Over the past five years, state funding for higher education has been cut by 11.5 percent. Policy makers have consistently ranked higher education as a lower priority than tax cuts, K-12 education, prisons and health care,” the report says.

Perhaps most dramatic of the recommendations is the formation of a single fund that would take the place of all state funding for higher education and provide students with a voucher/foundation grant.

All students — graduate and undergraduate, from Michigan and other states — would qualify. Money could be used at all public community colleges and universities and possibly campus-based private universities and colleges.

The money initially would be in loan form but could become a grant if graduates stay and work in Michigan after college for between three and five years.

Under the current system, colleges and universities battle mostly through lobbying for a piece of the state funding pie allocated to higher education. In 2003, the amount received by public schools ranged from about \$3,900 a student at **Saginaw Valley State University** to more than \$13,000 per instate student at the **University of Michigan**.

The idea under the proposed system would be that schools would have to offer lower costs and higher quality to entice students to attend their schools, effectively improving education in the state.

Michael Boulus, executive director of the **Presidents Council, State Universities of Michigan**, said the report is important in that it highlights the need to put more attention on state schools as part of a key ingredient in fixing the economy.

However, he said, it’s too early to talk about such radical changes.

“Look, our funding has been cut for five years. If you’re going to talk about funding our universities, we need more to work with, not less. Once more money starts being invested in higher education we can start to talk about ways to bridge

disparities.”

Jack McHugh, legislative analyst at the Midland-based **Mackinac Center for Public Policy**, said naming education as the top priority in fixing the economy is backward.

“If the business climate creates opportunities for entrepreneurs and other businesses to come to Michigan, you don’t need to bribe college students to stay. They’ll line up for jobs,” McHugh said.

“It makes no sense to bribe them to stay if economic variables are not conducive to job creation. Get the business climate straightened out and education will take care of itself,” he said.

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