

Compete to Win: Michigan's Path to Top 10

Building a world-class community college system



Table of Contents

| | |
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| Table of Contents | 2 |
| Executive Summary | 3 |
| Why Community Colleges are Important | 5 |
| Data Deep Dive | 6 |
| More work needed | 9 |
| Case Studies: What other states do well..... | 12 |
| Closing talent gaps together..... | 15 |
| What We Can Do Next..... | 16 |

Executive Summary

Community colleges have the ability to open doors – for Michigan residents to acquire skills and credentials that help them earn higher incomes and advance in their careers, for businesses of all sizes to close talent gaps and upskill their workforce, and for our state to improve our economic competitiveness. They provide pathways to prosperity for non-traditional students and underserved populations.

When we look at states that are most competitive, many have worked hard to ensure the success of their community colleges and in turn the students, businesses, and regions they serve. While these states are embracing community colleges, driving agility and innovation in talent development, Michigan’s community colleges are struggling with some of the lowest enrollment growth and graduation rates in the nation. If Michigan doesn’t work with urgency to lift up and transform our community colleges, the state will continue to trail the rest of the country in income and job growth.

Michigan’s community colleges date back to 1914, when, at the urging of faculty at University of Michigan, Grand Rapids Junior College was founded. While initially focused on helping students transfer to 4-year institutions, the mission and scope of community colleges have expanded over the years and strengthened our state in the process. Throughout the latter half of the 20th century, a wave of community college districts formed across Michigan, providing college credentials, industry retraining, vocation certifications, continuing education, and community resources.

As competition amongst states for jobs and investments has intensified over the last few decades, and the number of knowledge-based jobs requiring post-high school training has grown, the demands on our education systems have increased. Our community colleges have struggled to meet the needs of students and employers and integrate with a state-wide economic development strategy.

While state and local leaders have worked hard to improve access and outcomes, including through the governor’s sixty-by-30 initiative and bipartisan programs like Reconnect, we’ve lacked consistent statewide support for decades. Our community colleges have fallen to the bottom of the nation in enrollment and degree completion, and our state’s educational attainment rate has dropped to 37th. Michigan also remained the only state without a statewide agency focused on community college success—though recently it took a step to change that with the announced creation of the Michigan Department of Lifelong Education, Advancement, and Potential.



It's time to change the business-as-usual mindset and help our community colleges, and those they serve, thrive.

Business Leaders for Michigan worked closely with Boston Consulting Group on a deep dive of community college data so that we could identify the gaps and develop a set of transformative recommendations as we strive to make Michigan a growing state. The recommendations tie back to Business Leaders' [2023 Holistic Economic Development Framework](#), which identifies five key focus areas for Michigan to become a leader in income and population growth tied to education and job growth.

The recommendations in this report will

- **Increase statewide supports** for community colleges and their students
 - With strong leadership, transparency and funding linked to outcomes and equity
 - With student supports that will improve graduation rates and career success
- **Expand and streamline programs** that provide tuition-free pathways to community college and transfer to 4-year institutions
- **Improve employer connections** and innovation in training
- **Strengthen our K-12 system** to provide a stronger foundation for post-high school success

At a time when the state's population is shrinking, and we are losing young talent to knowledge economy hubs, we must take immediate steps to be more competitive. Businesses and people follow opportunity. Failure to act will cost us exponentially more – through low state rankings, out migration, and employers choosing to grow elsewhere. Community colleges can become one of our greatest assets for building a more robust talent pipeline and strengthening our state's economy.

There is no other choice if we want to compete to win.

Five areas necessary for a holistic economic development strategy



Why Community Colleges are Important

Community colleges are integral to our state's success, including meeting its sixty-by-30 goal of increasing the number of working-age adults with a skill certificate or college degree from 50.5% today to 60% by 2030.



When community colleges succeed, they can:

Strengthen Local Communities and People

- Provide opportunities for communities to come together and for lifelong learning
- Be responsive to local needs

Prepare Students for College and Careers

- Provide college credit in high school, including Career Technical Education (CTE) and pre-apprenticeship programs for skilled trades
- Increase access to more affordable and equitable pathways to college credentials

Connect Job Seekers and Job Providers

- Fill local labor market talent gaps through innovative programs, including upskilling and stackable credentials
- Meet the needs of companies looking to locate to or expand in Michigan

Community Colleges By The Numbers

28 community college districts across the state

194,765 degree-seeking students enrolled in Michigan community colleges

- **89,833** over age 25

19,949 associate degrees awarded annually

6,950 certificates awarded

33,117 high school students enrolled in community college programs, including early middle colleges, an increase of 11.5% over five years

25,500 students transferred from Michigan community colleges to four-year universities (both in-state and out-of-state)

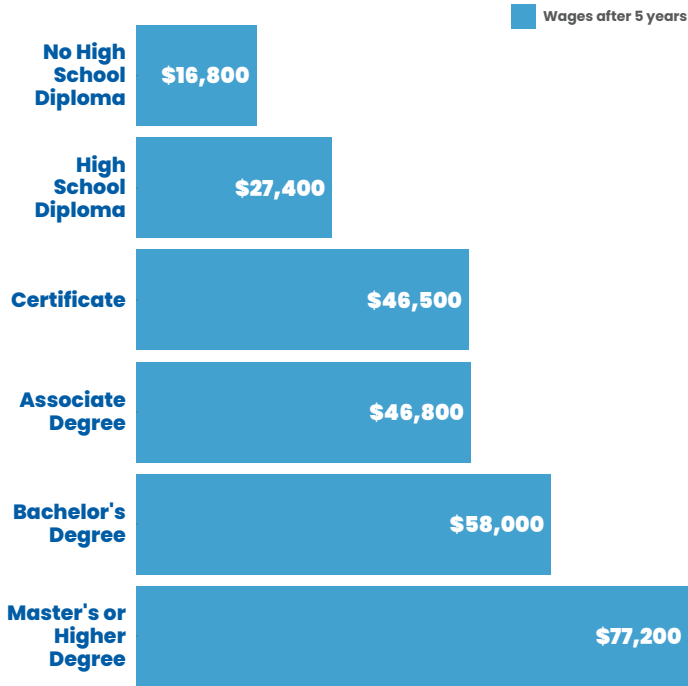
Since 2008, provided training for 32,247 new jobs for 281 Michigan employers through the Michigan New Jobs Training Program

100,000 job openings today that require a 2-year degree

Data Deep Dive

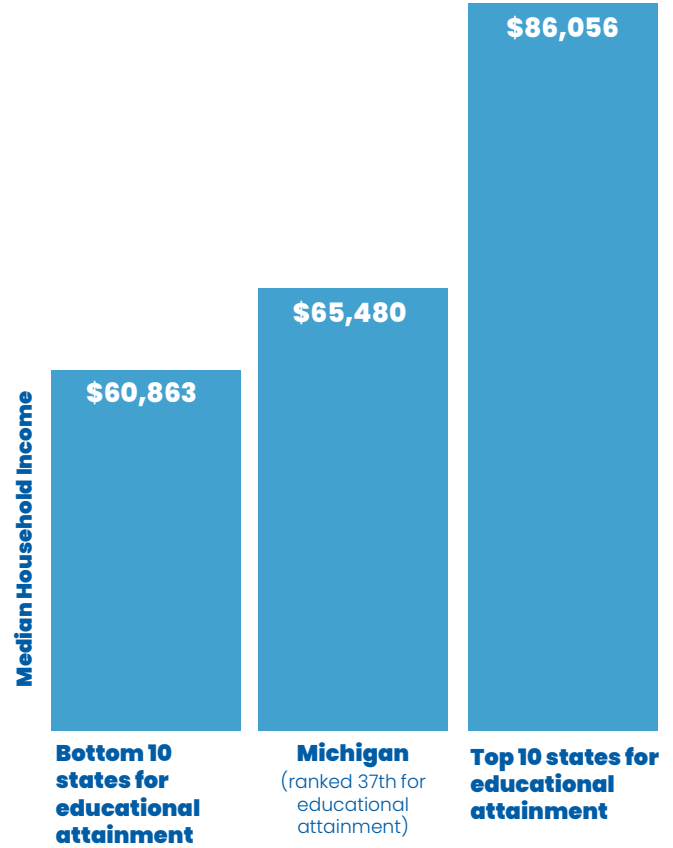
DATA DEEP DIVE

Higher education leads to higher incomes



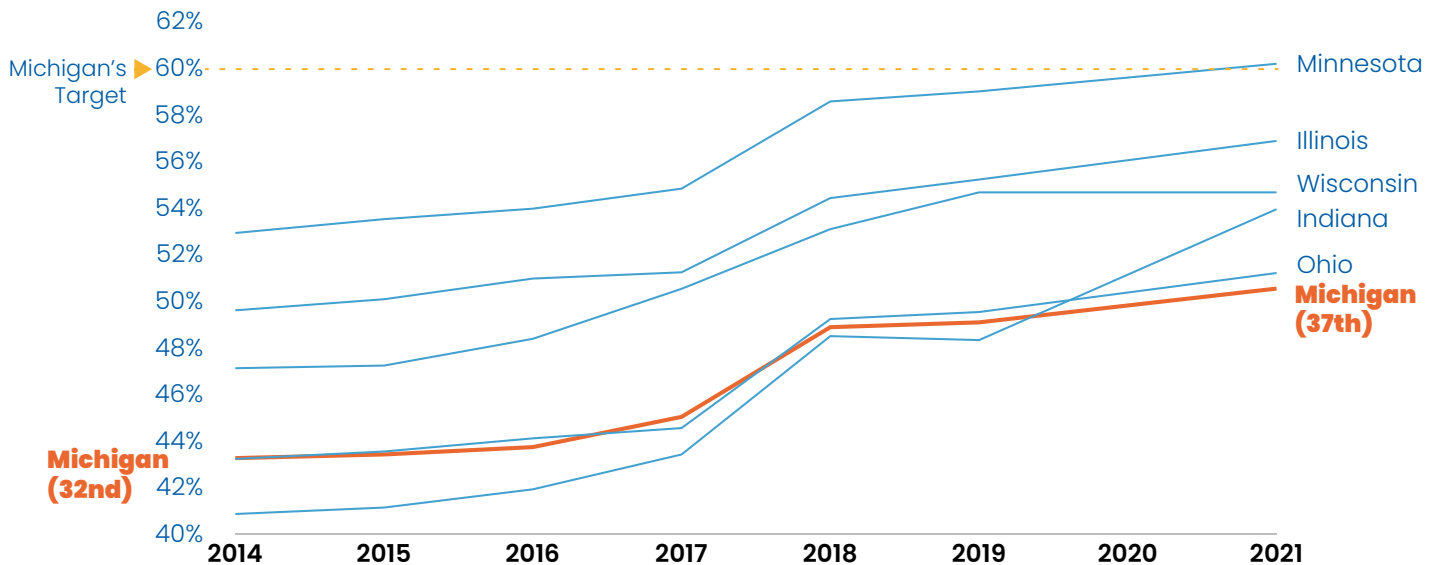
Source: MI School Data

States with higher educational attainment have higher household incomes



Michigan's educational attainment ranking: 37th nationally, last in the Midwest

(% of adults with degree or certificate)



Source: Lumina Foundation, A Stronger Nation Report

Michigan community colleges trail in national rankings

DATA DEEP DIVE

| | 2021 | 2021 Rank | Change from 2020 |
|--|--------------------------------|-------------|------------------|
| 10-year enrollment growth¹ | -56% | 48th | +1 |
| 6-year completion rate | 27% | 49th | -1 |
| Some college/ no degree | 1.2 million individuals | 43rd | Same |

Source: National Center for Education Statistics – Integrated Postsecondary Education Data System, 2021 data. National Student Clearinghouse Research Center – Some College No Credential Student Outcomes
¹ 2020 fall enrollment data is shown for 2021 (most recent data available)

Equity gaps persist

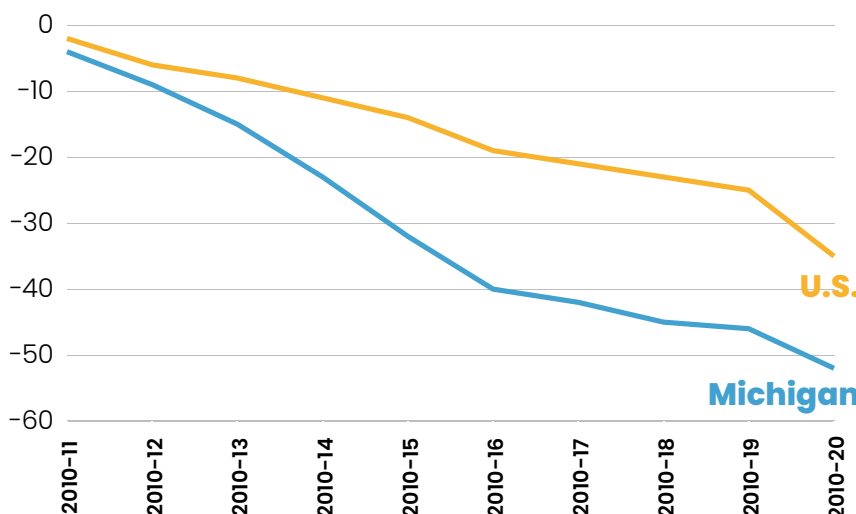
There are many barriers that students of color face, which institutions across the country have struggled to overcome.

The disparity between students of color and white students is 9 percentage points.

Michigan is the only state that does not have a state agency dedicated to supporting community colleges

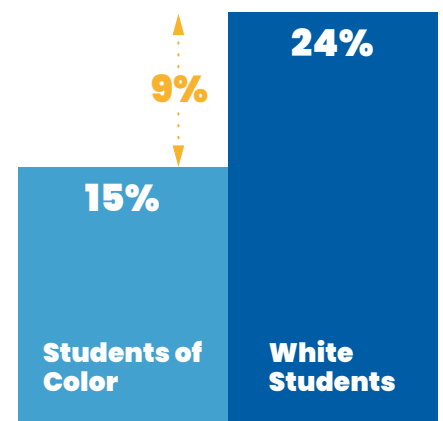
While community college enrollment has dropped nationwide, it has fallen more quickly and further in Michigan.

Michigan enrollment dropped more than 50% from 2010 to 2020



Source: National Center for Education Statistics – Integrated Postsecondary Education Data System, 2021 data

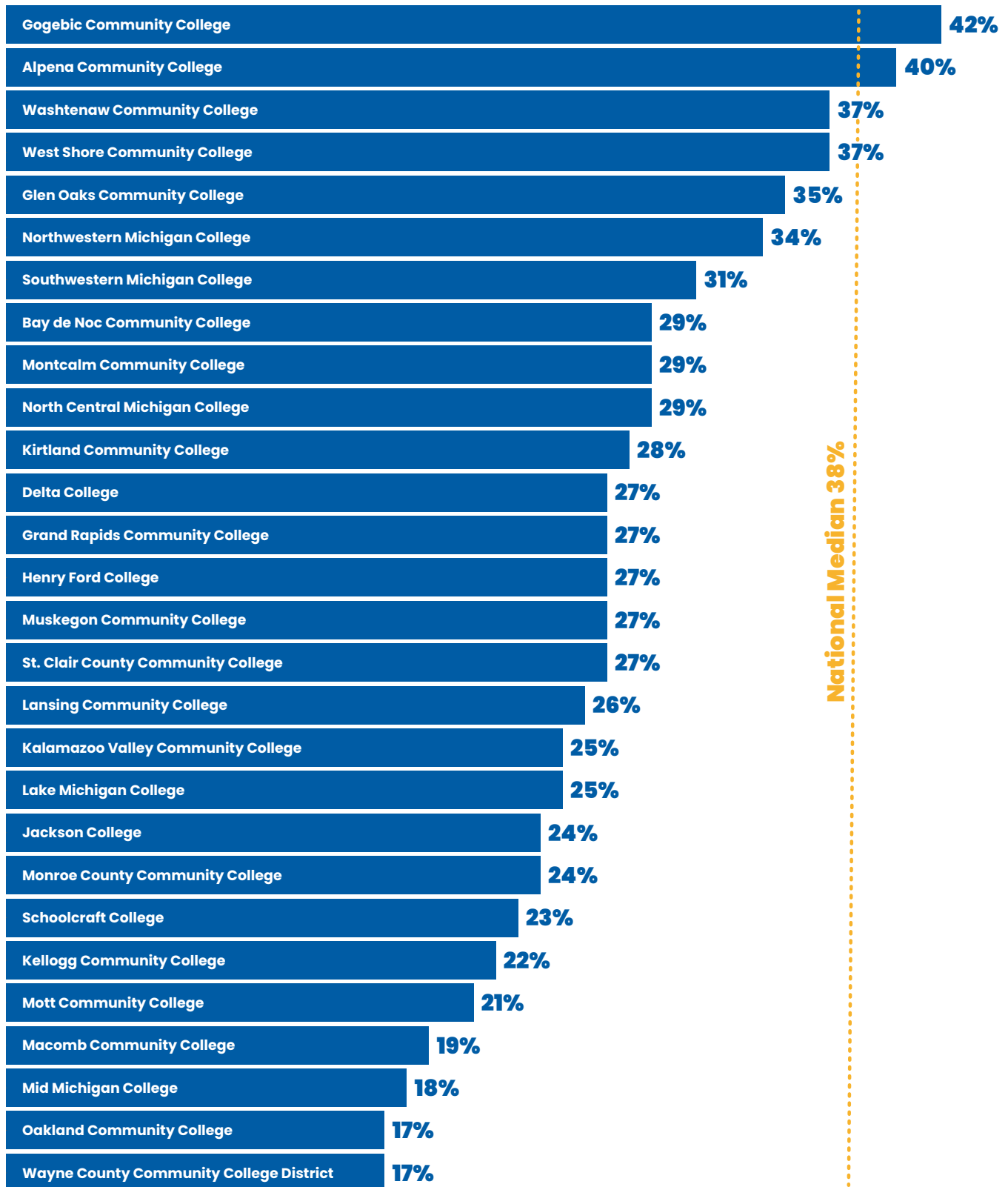
3-year graduation rate at Michigan community colleges



Source: National Center for Education Statistics, Integrated Postsecondary Education Data System, graduation rate 150% of normal time, 2018 cohort

Completion rates trail national median

DATA DEEP DIVE

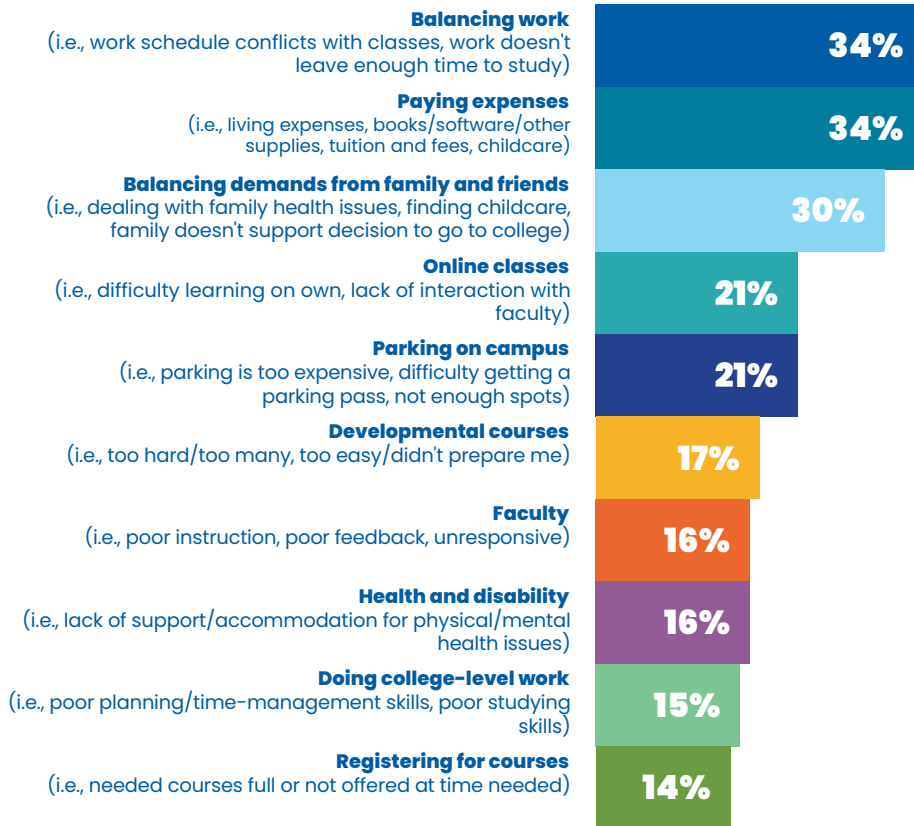


Data includes completion rates for 1st year full-time students, within six years of start (analysis by Boston Consulting Group using 2021 data of 2014 cohort)

Source: National Center for Education Statistics – Integrated Postsecondary Education Data System

More work needed

Top Ten Challenges to Student Success



Research also confirms that transportation is an issue for many students, particularly low-income students and those from rural areas.

44% of Michigan Community College campuses **do not have a bus stop or another transit option within 4.5 miles.**

Source: Civic Mapping Initiative

Source: Porter, Stephen R. and Umbach, Paul D. (2019). What challenges to success do community college students face? Raleigh, NC: Percontor, LLC.

Michigan is the only state that has no formal governing, coordinating, or support agency for community colleges

Other states are doing more to make their community colleges successful.

| State Responsibilities | Number of States: | Governing Body | Coordinating Body | Admin./Support Agency | None |
|---|-------------------|----------------|-------------------|-----------------------|------|
| | | 24 | 22 | 3 | 1 |
| Executive hiring & policies | | ● | ○ | ○ | ○ |
| Approve, award degrees & credentials/Create academic policies & programs | | ● | ○ | ○ | ○ |
| Develop master strategic plans/Measure accountability & performance for a state | | ● | ● | ○ | ○ |
| License, approve institution establishment/construction/investments | | ● | ● | ○ | ○ |
| Administer financial aid and loans/Oversee interstate compacts & reciprocity | | ● | ● | ● | ○ |
| Collection of data/analytics/reporting of outcomes | | ● | ● | ● | ○ |
| Advise, administer policy recommendations/Develop system wide policy planning | | ● | ● | ● | ○ |

| | | |
|-----------------|--------------------------------|--------------|
| ● Fully Control | ● Partially Control / Supports | ○ No Control |
|-----------------|--------------------------------|--------------|

| | | | | |
|------------------------|---|--|-------------------------------|----------|
| Example States: | California, Colorado, Georgia, Virginia | Indiana, Illinois, Kentucky, Ohio, Texas | Arizona, New Jersey, Delaware | Michigan |
|------------------------|---|--|-------------------------------|----------|

Recent Progress

Sixty-by-30 Goal

Michigan has taken important steps to improve the state’s educational attainment rate, including setting a statewide goal of having 60% of our adult population with a post-high school credential or degree by 2030, enacting programs such as Michigan Reconnect that provide tens of thousands of Michiganders tuition-free paths to a degree, and strengthening student supports and success programs.

Michigan Reconnect

[Michigan Reconnect](#), which is modeled after a Tennessee program, provides free in-district tuition at a Michigan community college to earn an associate degree or Pell-eligible skill certificate. It was enacted in 2021 with broad bipartisan support.

The program is open to Michiganders ages 25 and up who have not yet completed a college degree.

- More than 2 million individuals are eligible for Reconnect (between the ages of 25-64 who have some college/no degree, or just a high school degree)
- Starting in Fall 2023, those age 21+ will be eligible to apply, opening the program to an additional 350,000 people

Source: Michigan Department of Labor and Economic Opportunity

2022 Reconnect Reforms: Performance and Accountability

In December 2022, bipartisan bills were enacted to improve the Michigan Reconnect initiative.

These changes created:

- Incentives for adoption of best practices such as acceptance of prior credits, creation of a Michigan short-term Pell program, and increased flexibility for Michigan students who reside outside of community college districts
- Completion targets and additional student supports
- A link between performance and dollars to reward improving completion rates

Holistic approach to improving outcomes: Wayne State University

- In 2011, Wayne State University (WSU) launched a university-wide initiative to dramatically improve a low overall graduation rate and close educational disparities.
- Focus areas included expanding undergraduate academic advising, implementing high impact practices, increasing support for high need students, launching an Office of Diversity and Inclusion, and expanding non-academic support services.
- **Positive results:** WSU more than doubled its overall graduation rate from 26% in 2011 to 60.3% in 2022 and roughly tripled the graduation rates for Black, Latinx, first-generation and low-income students.

WSU was recognized as the nation’s fastest improving large public university during this time.

| Graduation Rate Gains | 2011 | 2022 |
|----------------------------------|--------------|--------------|
| Overall | 26% | 60.3% |
| Black Students | 7.6% | 39.5% |
| Hispanic/Latinx Students | 16.7% | 50.3% |
| First Generation Students | 18.4% | 57.7% |
| Low Income Students | 16.1% | 55.6% |

Source: Wayne State University

Regional progress: Oakland80

The sixty-by-30 goal inspired Oakland County Executive Dave Coulter to establish the [Oakland80](#) initiative with a goal of 80% of the county's adult residents having a post-secondary degree or certificate by 2030.

- Broad cross-section of businesses, K-12 school districts, skilled trades, and other partners support the initiative
- Career and education navigators are embedded throughout Oakland County to help individuals find paths to meaningful careers, get into and complete college or training programs, and reduce obstacles to education such as transportation or child care
- Equity focus includes working with residents of color and those who live in areas of the county with lower educational attainment rates
- **Positive results:** Countywide average for post-secondary degree attainment increased by 8 percentage points from 61% in 2019 to 69% in 2021
- **Model for other regions:** The state is working with other regions to set local goals based on what makes sense for their communities, businesses, and residents.

Adult college success center launched



The Michigan Center for Adult College Success, based at [TalentFirst](#) in Grand Rapids, was created to increase adult talent enrollment and completion rates in degree and certificate programs.

- It is modeled after successful programs in other states to identify and share best practices for increasing adult enrollment and completion, including awarding 75% of grant funds to institutions to implement best practices and pilot new programs aimed at increased credential completion
- The center received bipartisan support in the Fiscal Year 2023 budget, with \$9.2 million appropriated



Boosting completion and job connections through public-private partnerships

Seven Southeast Michigan community colleges are collaborating with The Ballmer Group, Ralph C. Wilson Jr. Foundation, and [Detroit Regional Chamber](#), through the Detroit Drives Degrees Community College Collaborative (D3C3) to boost access to higher education and completion rates to help meet employer talent needs.

- Their goal is to ensure people have equitable educational opportunities and graduate with high-value credentials or degrees that lead to good-paying, in-demand jobs. The colleges are taking significant steps to improve outcomes:
 - Developing plans to improve technology to produce better data to support students
 - Adding advisers and career navigators to provide access to community college earlier by building stronger relationships with K-12 school districts
 - Offering more dual enrollment and high-quality career and technical education programs
 - Working with employers to build and share curricula in the region's high-demand career pathways
- Community colleges include: Henry Ford, Macomb, Monroe, Oakland, Schoolcraft, Washtenaw, and Wayne County Community College District

Case Studies: What other states do well

Supporting Student Success: City University of New York (CUNY) Accelerated Study in Associate Programs (ASAP)

History:

- **3-year graduation rates were at 22%** and students cited significant barriers to completion. So CUNY set an ambitious goal of **50% 3-year completion**
- **In 2007, CUNY first received \$6.5 million to pilot ASAP**, with the objective of enabling low-income New Yorkers to achieve degrees and increase earning power

Design:

- **Intensive barrier removal and supports**
- **Covers remaining tuition/fees** not covered by financial aid in addition to transportation and textbooks

Full-Time Degree Pathways with Structure & Incentives

- **Required full-time enrollment**, rapid completion of developmental coursework
- **Offered consolidated, transparent scheduling**, reserved seats

Comprehensive, Compulsory Support & Community

- **Required sessions with adviser** (academic and career)
- **Assigned compulsory tutoring** if grades drop to maintain eligibility

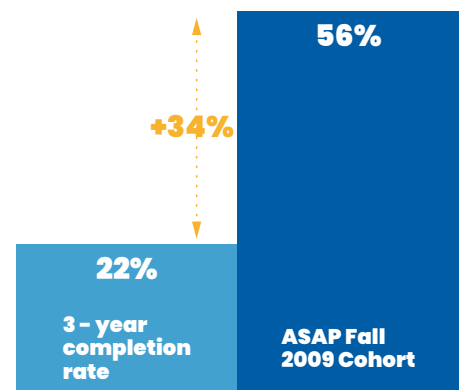
Outcomes:

Enabled the ASAP program to grow from ~1,100 in 2007 to a cumulative 70,000 students over the past 15 years

- **3-year graduation rate improved +34**



Completion rate comparison



Using Data Analytics to Close Gaps: Georgia State University

History:

- In 2003, Georgia State University (GSU) began developing a strategy to combat low completion rates, particularly among underserved populations
- Resources for student advising were limited and case-loads were staggering; GSU's ratio was 700:1 students per adviser

Design:

Data driven risk assessment

- GSU analyzed 2.5 million grades and 140,000 students over 10 years
- Found 800 "marker courses" that predict if a student can progress in their field

Proactive, interventional advising

- Hired 42 more academic advisers, reducing caseload to 300:1

Targeted solutions that combat barriers to completion

Panther Retention Grants

- Analyzed students who needed financial aid and provided grants proactively for as little as \$300 to help cover costs

GPS Advising

- Early-warning system with 700+ red flags that enabled advisers to proactively engage

Outcomes:

GSU succeeded in closing equity gaps for Latinos and African Americans while nearly doubling completion rates

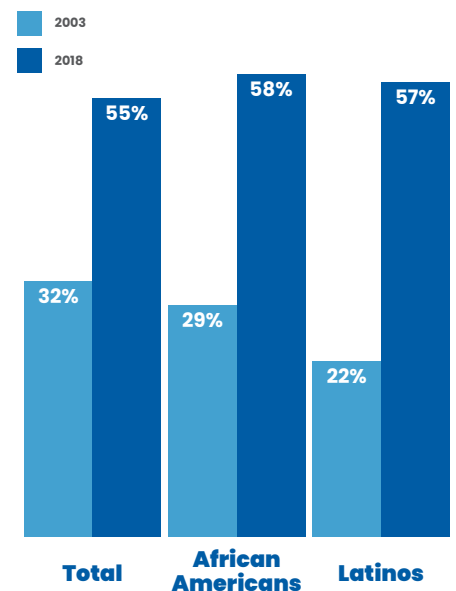
- **Boosted overall completion**
- **Closed equity gaps**

GSU created the National Institute for Student Success (NISS) to help community colleges identify and resolve institutional barriers to equity and completion via data-driven interventions

- **They have applied this at colleges across the country and seen similar results**



Graduation Rate



Source: Complete Georgia - 6-year graduation rates among first-time, first-year freshmen in 2003 and 2018.

Incentivizing Strategic Outcomes: the Texas Commission on Commu- nity College Finance (TxCCCF)

History:

- The Texas Commission on Community College Finance was created in 2021 to make recommendations for funding community colleges to bolster Texas' workforce by:
 - ensuring a foundational level of funding for instruction and operations; and
 - providing funding based on student outcomes and to enhance the role of community colleges in workforce training and preparation.

Program Design:

- Beginning in 2024-2025, community college districts will receive state funding as follows:
 - A base level of funding for operations and instruction
 - A performance level of funding based on outcomes
- The performance portion constitutes the majority of state funding provided.

Outcomes:

Ongoing



Closing talent gaps together

Michigan’s community colleges, with support from the state, the business community, K-12 schools, and the philanthropic community, can become one of Michigan’s greatest tools to be competitive on the national and global stage. Their role in opening up opportunities for Michiganders to prosper and the state’s economy to thrive is clear. Together, let’s galvanize our support so our community colleges can be at the forefront of innovative education and training.

Sixty-by-30 Initiative

In Gov. Gretchen Whitmer’s first State of the State address in 2019, she created a statewide goal of 60% of Michigan adults having a post-secondary education credential by 2030.

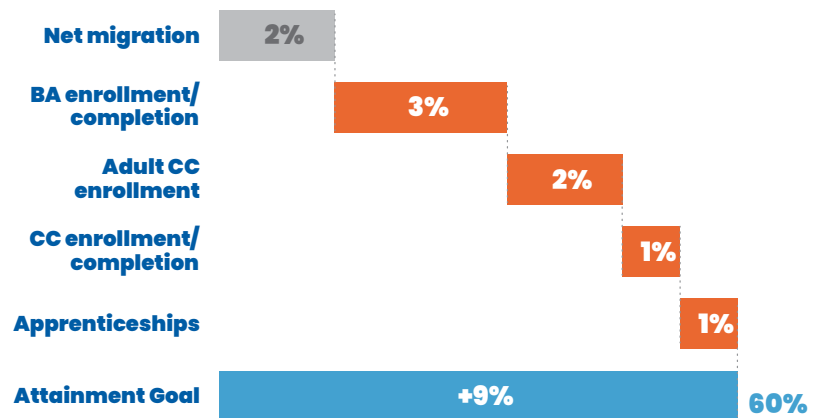
Where we started (2019): **44% attainment**

Where we are today (2023): **50.5% attainment**

Where we are going (2030): **60% goal** (9 point gap to reaching 60%)

Community college can influence 7% of the 9% needed to reach attainment goal

Improvements in the categories below would help us reach the 60% attainment goal



Source: Department of Labor and Economic Opportunity, MI New Economy Plan

If Michigan community colleges were to:

- **Increase enrollment by 26%**
- **Increase the statewide completion rate** by 12 points for all degree-seeking students (part-time & full-time)
- **Help 10%** of the some college/no degree population complete their degree

It would result in:

- **7,000 more first-time students** enrolled each year
- **19,000 more graduates receiving degrees each year**
- **120,000 individuals** with some college/no degree graduating each year
- **\$7,500 in additional average income** for those with an associate degree compared to those with a high school diploma



What We Can Do Next

To help our residents earn higher incomes, improve our economic competitiveness and grow our state, it's critical that we help community colleges succeed in enrollment growth, completion, job placement, and innovation.

Immediate steps

Improving Enrollment, Completion and Transfer, and Employment Outcomes

Statewide

Increase state supports

- **Create a state agency focused on community college success**
 - Charge the agency with identifying opportunities and barriers at Michigan's community colleges, driving collaboration and adoption of best practices, and improving linkages to employers and 4-year universities
 - Michigan is the only one of 50 states without a statewide body designed to help community colleges coordinate, reach goals, and help the state compete for jobs and investment
- **Appoint a Leader** to oversee the agency who reports directly to the governor
 - Resource for success: Provide funding annually for both the sufficient administration of the agency and student and college supports (detailed below)
- **Ensure data collection and transparency:** Invest in a best-in-class longitudinal data system that provides real time information on outcomes, ties post-secondary outcomes with wage and employment, and publishes an annual dashboard for the state and each institution receiving state aid
- **Define credentials of value** (share metrics on average wage and average employment of certificates/degrees)
- **Link state funding to outcomes and equity:** Reform current performance funding model to drive completion and best practices and provide equity funding to institutions serving higher-need students - model after recently adopted performance funding model in Texas
- **Recognize growth:** Support local community colleges that are providing innovative solutions for students and realizing results

Transformational change

Michigan still has systemic issues that require transformational change. There are areas not touched in this report that could make Michigan a leader:

Address community college deserts as one in five Michiganders does not have access to a local community college

Provide a path for all high school students to earn a tuition-free two-year college degree, credential or certificate with a 13th year

Strengthen Student Supports to Drive Completion

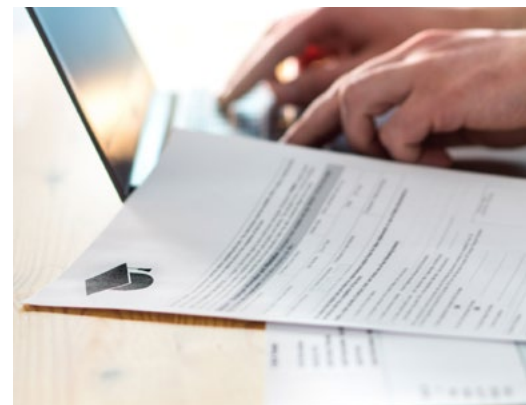
- **Implement Pilots:** Create a completion goal and fund completion pilots using City University of New York Accelerated Study in Associates Program (ASAP) and Georgia State University data-driven risk assessment and intervention models in Michigan's community colleges
- **Create a Completion Resource Network:** Connect students to state and local resources (MiBridges, SNAP E&T, Michigan Works!, etc.) and provide funding for at-risk students to cover unexpected life events (transportation, childcare, healthcare, housing, unemployment)
- **First Dollar:** Allow economically disadvantaged students to receive "first-dollar" state financial aid, thereby stretching their Pell grant dollars to cover non-tuition costs of attendance like rent, food, transportation, and childcare
- **Strengthen Academic Advising:** Fund additional counseling and advising geared towards completion with degrees of value

Expand and Strengthen Reconnect Program

- **Permanently Expand Reconnect:** Provide eligibility and marketing to those age 21 and older (for those who are Michigan residents without an associate degree)
- **Provide Flexibility** for the state to support tuition and wrap-around services with Reconnect funds
- **Transparency and Accountability:** Strengthen data and performance tracking and continue to link Reconnect funding to best-in-class completion rates

Streamline 4-Year College Admissions and Credit Transfer Process

- **Automatically grant admission** and third-year status at a 4-year university to community college students who receive an associate degree with a satisfactory GPA and entrance requirements, such as Henry Ford College's "Henry Ford Learn4ward" program with Wayne State University and University of Michigan-Dearborn
- **Create a credit transfer system** to assure transfer of general education credits from community colleges to 4-year universities
- **Stack Credentials:** Create seamless pathways for stackable associate degrees, credits, and certifications toward a bachelor's degree



Expand Connections to Employers

- **Design and implement the Michigan Fast Start program**, a community college-powered program that supports economic development talent needs. Supports training and placement of Michiganders in new and growing businesses (similar to Louisiana's Fast Start and Detroit at Work)
- **Employer Design:** Incentivize quick-to-market and innovative employer-designed programs that directly lead to credential attainment and jobs
 - Include work-to-earn programs that provide on-the-job experience and supports while an individual is working toward their credential/degree (such as Corewell Health's relationship with Montcalm Community College)

Encourage employers to provide students the promise of a job contingent on academic performance

At individual community colleges

Make Completion and Placement a Top Priority

- **Empower community college leadership** to set clear goals, drive systems change, implement additional tracking, and improve outcomes (completion, connection to employers, incomes)
 - The most successful colleges have taken a top-to-bottom restructuring to prioritize student success and completion, with all staff, regardless of their position, working to support student success
- **Eliminate non-credit bearing course work for students seeking a degree** (continue transition to a co-requisite model)
- **Establish automatic degree conferral** (remove degree application process for those who successfully complete sufficient credits)
 - There are thousands of current and former students that have earned enough credit for a degree but have not had one awarded
- **Expand academic and career advising** that will:
 - Use data analytics to identify students at risk of failure and proactively provide interventions
 - Guide individuals to in-demand careers and associated degree pathways
 - Improve connections to local employers and community
 - Provide flexible resources or solutions to overcome life events that would otherwise endanger graduation



Foundation for Success

Prepare students for a post-high school education and careers

- **Implement the Launch Michigan Framework for holistic K-12 reform**
 - Today our K-12 system ranks 40th in the nation, adding additional burdens to students and our community college system. Enacting systemic change in K-12, which assures a High School diploma represents a world-class education, will improve our community colleges' success as well.
- **Require FAFSA applications for all high school graduates**
 - Eight states now require high school seniors to complete the free application for federal student aid. Only 54% of students filled out a FAFSA application in 2022, which results in billions in tuition support left on the table each year.
- **Ensure every district provides high school students dual enrollment and credit earning options with community colleges**
 - Greatly expand early college programs (13th year that ends with associate degree or apprenticeship pathway), including countywide pilots
 - Drive collaboration between high school/community college Career Technical Education (CTE) programming that leads to college credit or an industry recognized credential
 - Ensure that state CTE administration and funding, including Perkins and other federal funding, are aligned and in the same department
- **Enhance high school counseling services** that help drive the connection to post-secondary education, including a goal of a student-counselor ratio of 250:1 for high schools in Michigan
 - Support alternative certification for counselors to build counselor workforce pipeline



About Business Leaders for Michigan

Business Leaders for Michigan, the state's business roundtable, is dedicated to making Michigan a Top 10 state for jobs, education, widely shared prosperity and a healthy economy. Our work is guided by the [Compete to Win Plan](#), a comprehensive strategy for how government, community, education and business leaders can improve Michigan's economic growth. The organization is composed exclusively of the executive leaders of Michigan's largest companies and universities. Our members drive 40% of the state's economy, generate over \$1 trillion in annual revenue, employ more than 540,000 people in Michigan, and educate more than half of all Michigan public university students.

Please follow us on Facebook and LinkedIn to stay up to date on how Michigan can compete to win.

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