



Position Paper

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Grand Valley State University Encourages State to Continue Funding Michigan Universities

While Michigan's struggling economy yields a very confining budget, there are many arguments about the specific allocation of funds to state universities. Some legislators are fighting to cut back these amounts in order to use funds for social service programs, road repairs, etc. However, others feel that the money is wisely spent investing in state universities. While each have a right to their opinion, the tax payers should know where their money is going and how their legislators are spending that money.

Background

State funding for universities began at approximately 70 percent of the total budget. The other percent came from student tuition. The going rate for Grand Valley State University twenty years ago was approximately \$170.00 per credit hour. As the years have gone by and the budget has gotten tighter, the funding has lowered to about 30 percent, forcing students to pay tuition to contribute to the other 70 percent of GVSU's current funds.

Grand Valley State University's Position

The state funding for universities has already severely decreased and many are asking that it be cut altogether. However, the funding should continue based simply on the economic condition of the state. The value that college students will add to Michigan's economy once they have graduated will be a significant return on the state's investment.

What better way to secure our state's future than to invest in the people who are going to help it grow in the future? Young professionals are reportedly earning \$23,000 more per year with a college degree than without one¹. If the state encourages young adults to pursue a college education, graduates can return the favor by living a better life, paying taxes, and finding a decent job in Michigan. With a college education, they will be able to offer more to help the state of our economy, reverse it, and jumpstart the road to a more prosperous place.

Not only will the state see a significant return on the funding after students graduate, they will also have the ability to earn revenue while students are in college. By making college more affordable for students in Michigan, they will not look out of state to earn their education.

College students have a disposable income of up to \$3000, on average², all of which will go directly to Michigan's economy if we can keep them in state to earn their degree.

Another way to boost Michigan's economy through state funding of universities is attract more out-of-state students. By continuing, and hopefully increasing, the state's funding for colleges, the out-of-state tuition rate can become competitive or cheaper than surround states' resident tuition rates. While students from Ohio, Wisconsin, Illinois, and Indiana reside here for school, they are spending money on rent, gasoline, groceries, entertainment, and more. It is hard to deny that out-of-state students will benefit our state economy.

While GVSU currently has 899 of out-of-state students³, our university is only 3.5 hours from Chicago. This metropolis in Illinois populates approximately 218,016 college-aged residents⁴ who could bring more business to the state if college rates were comparable or less expensive.

The Opposing Viewpoint

Advocates for cutting state funding of universities argue that the budget is too tight and these funds should go towards social service, road repairs, etc. While these important issues require the appropriate funds, they should not be taken away from the future of our young people. The state should find other ways to cut costs or ways to raise revenue strictly for other state needs.

Those who support cutting the funds also argue that universities should raise their own funds. While this sounds like a feasible option, the state of the current economy allows no one to possibly donate any more than they already do. How can GVSU ask for donations of those who are already spending more than they can afford to send their children to school?

The ramifications of no state funding for colleges at all is scary to imagine. Tuition rates would go sky high and it would be hard to imagine that a majority of the students enrolled currently could continue to afford it. The point of a state university means that it is available because the state supports it financially. The government cannot possible expect students to receive a degree if it is not financially possible.

A Possible Solution

Everyone has a different view of what funds should be cut and which state needs require more money. It is impossible for everyone to agree on every state funded venture. However, a possible solution for universities to receive continued funding and more in the future, would be to form a partnership between the government and the schools.

Here at GVSU, many students acquire local "clients" to work as part of their coursework. This approach could be applied to government agencies by allowing students to do work that applies to their majors. Road repair plans and labor could, in part, be done by engineering, urban planning, and natural resource management students. Entrepreneur, business, and finance students could brainstorm ways to earn money for certain ventures. The possibilities for additional help are endless. The point would not to make students an option for cheap labor. The jobs would not take away from current government employees, but serve as an additional resource to jumpstart the economy without raising taxes or cutting more important funds. Acting almost as a barter system, the partnership would allow universities to receive funds while college students would get real world experience in addition to helping the economy.

While asking for continued state funding and in the future, increases in funding, may sound self-serving for GVSU, it is not entirely the case. We have raised tuition rates in the past and can still do so, if it is completely necessary. However, there will be a decline in student enrollment directly because of the tuition hikes. GVSU would rather have a more affordable rate that encourages young people to receive a college education so that it can benefit the state of Michigan in the long run.

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