



**MEMORANDUM**

**TO:** Rep. Scott VanSingel  
and Higher Education, Community College Subcommittee Members

**FROM:** Fritz Erickson, President

**RE:** Annual Higher Education Testimony

**DATE:** February 21, 2019

Thank you for the opportunity to update you on Northern Michigan University and to share with you some of our recent successes, as well as some of our strategic planning for moving NMU to the forefront of higher education's 21<sup>st</sup> century transformation.

Northern has been one of the state's higher education institutions since 1899 and is the largest in the Upper Peninsula with about 7,900 students. Northern is a rural, comprehensive university, which is reflected in the broad scope of degree programs offered ranging from diplomas and certificates to associates, bachelors and masters to the Doctorate of Nursing Practitioner, which launched in 2014. NMU offers 177 degree programs, including 25 at the graduate level. Additionally, NMU is one of three Michigan public universities also to serve a community college role for its region and Northern has a robust menu of career-technical programs. Our breadth and depth of academic programs reflect the important role in fulfilling the educational, and subsequent economic development, needs of the Upper Peninsula and beyond – which is a vast geographical area.

Marquette County, home to Northern's campus, is the largest county geographically in the state. In fact, it is the largest east of the Mississippi River. As the largest post-secondary institution in the region, Northern is the primary provider of an educated workforce that contributes much of the infrastructure of the educational, health-related, business and social/cultural fabric of this region. In nearly every career field– from the business owner to the HVAC technician – Northern provides the U.P. workforce. While it is difficult to give exact numbers, various studies over the years have estimated that the bulk of U.P. superintendents, teachers, city managers police officers, clinical lab technicians, nurses, accountants, social workers, conservation officers and graphic designers have at least one degree from Northern. It is also estimated that about 15% of the physicians and as many as 70% of the nurses who worked for the UP Health System hospitals and clinics are NMU alumni. Currently NMU offers degree or pre-professional programs for 66 of the 75 job types (that required some degree or certification) listed in the *2026 State of Michigan Career Outlook – High Demand, High-Wage Report*, developed by Michigan's Department of Transportation, Management and Budget (DTMB). Northern is considered by many as the U.P.'s University because of the immense role it plays in developing the region's workforce talent.

However, Northern has some challenges because it is a rural, comprehensive university. Rural universities, regardless of where they are located, have issues that are very different from urban, metropolitan schools, including fewer internship and clinical sites, and a smaller pool of instructor candidates to teach courses; higher transportation costs; rapidly increasing utility costs; and we spend more on snow removal. Being Michigan's only rural comprehensive university puts Northern Michigan University in an unusual position, because we are offering the depth of programs and services that rival much larger urban schools with fewer available resources and serving a much larger geographical area with significantly less dense population.

Despite our great breadth, we are – and have been for years – the second most affordable in tuition and fees in the state. In addition, our affordable tuition includes a computer, all software, free Internet access on and off campus, and nearly 24 X 7 technical support to students. We developed this technology initiative as a way to cross the digital divide, making sure that all students had equal access to technology regardless of their financial status.

**Investing in Innovation: The vision and courage to lead transformational change.**

Our 20-year technology program, which has been recognized many times at the national and international levels, is a good example of Northern's historic creative personality. Through our 120-year history, we have had many transformative periods, but possibly none more than today. Higher education is in the midst of a major transformation and Northern intends to be one of the trendsetting universities. To do this, our campus community put a focus on bold action in the development of the university's new strategic plan, which we titled "Investing in Innovation: The vision and courage to lead transformational change." Our university community has made a commitment to become even more strategic in our goals to be a driver in innovative academic opportunities and economic development than we have ever been.

Among the exciting ideas we have already put into action is our new forensic anthropology program. This program features an outdoor forensic laboratory that will be only the eighth such facility in the world and the only cold-weather laboratory to study human decomposition. In addition to training Northern students in forensic sciences, this lab will be available to train law enforcement and search and rescue teams, as well as to provide research opportunities for scholars from around the nation and the world.

Another new program garnering national and international headlines is the bachelor's degree in medicinal plant chemistry, the first four-year undergraduate degree program of its kind in the U.S. It prepares students for success in the emerging industries relating to medicinal plant production, analysis and distribution and has two concentrations: entrepreneurial and bio-analytical. The latter trains students for laboratory jobs in the \$30 billion holistic and alternative health field where starting salaries are often around \$70,000.

Another initiative is our new Behavioral Education Assessment and Research (BEAR) Center, which offers services to children on the autism spectrum and their families across the U.P. that are otherwise extremely limited and in high demand. The BEAR Center also provides outstanding hands-on learning to our psychology students.

Two examples of programs that also have community impact include the Northern Promise and Invent@NMU. The Northern Promise is a cooperative effort with the U.P.'s high schools to offer concurrent enrollment, dual enrollment and Middle College. We are especially pleased with the ability to offer concurrent enrollment to U.P. high school students because we know how it both helps college-bound students with the transition from high school to university and saves students (and their families) money and time to their college degrees.

Invent@NMU is an award-winning student-run idea incubator. It has received significant attention across the state and beyond since it opened its doors in October 2014. Invent@NMU's motto is that it is the place to take an idea from the back of a napkin to market. We do this using highly talented students to assist with product and market research, product design, marketing materials and all the stages of product development. The center has considerable interdisciplinary collaboration among many academic programs, including some of the career-technical area. This gives students of different types of programs – CTE through master's degrees – excellent hands-on product development experience.

Invent@NMU has had 440 ideas walking through its doors since opening in October 2014. These ideas have come from students, faculty, and staff and from community members throughout the U.P. and beyond, including a retired miner from Negaunee who invented the Paint Brush Scrubber in his home and a Lansing resident with U.P. ties who had an idea for accessorizing commercial trucks. It is an inspiring place to work and learn. Invent@NMU works directly with the Innovate Marquette SmartZone.

### **An Innovation Technology Leader: Educational Access Network**

I already mentioned Northern's long-standing technology program, but one of our most exciting projects this year has been a technology initiative we call the Educational Access Network, or EAN, which was launched in November 2017 and has been rapidly growing since. This initiative has the potential literally to transform educational opportunities and economic development throughout the Upper Peninsula and beyond. The EAN includes Northern's Global Campus for online courses and degree programs, professional and personal development and workforce training, and the NMU LTE network, which is now extending across the Upper Peninsula.

Over the years as new technology was developed, Northern began to build a wireless network, first on campus and then off. We realized that the majority of our students did not have access to the network unless they were on campus. Thus, we set up to cover Marquette County with a wireless network that grew to about 40-square miles across the central Upper Peninsula. As we built this network, we shared access with the K-12 schools, public safety personnel, tribal communities and government agencies in the cities and townships the network covered. As our network grew, the U.P. K-12 superintendents began contacting the university to see if we could help them address the widening digital homework gap so many U.P. students faced due to limited broadband access. It became important to Northern to remove this obstacle for all U.P. students, not just at the university level but pre-school through lifelong learner.

In 2016, NMU sought and received FCC approval to expand our license to cover the 21,000 square miles of the U.P., the only university in the U.S. to receive this approval. The FCC, State of Michigan and the Michigan Economic Development Corporation (MEDC) all supported the goals of the EAN plan, which were to make a difference in the lives of P-20 students and citizens of the rural U.P. by connecting them to critical broadband for educational, personal development and economic prosperity purposes.

The expansion plan originally called for connecting 64 U.P. communities to the network in about two years. With the additional support of a \$6.5 million loan from the MEDC to help expedite the buildout, the EAN has now connected 51 communities with 30 more in development and is servicing nearly 3,5000 subscribers. When done, the EAN will include 114 connected U.P. communities or nearly double the original goal. This will be a major accomplishment for the state. If you have ever been to the U.P., you are well aware that our region has spotty wireless reception, in part because of our geographical makeup of rocks, trees, water, hills and, in part, because the less dense population is not as attractive to the private sector internet providers. It has been particularly satisfying to provide high-speed educational broadband to some of the smallest U.P. towns with extremely limited internet access. In these areas, you will find school administrators, teachers, students and community members who are truly grateful that their schoolchildren are now able to do homework using the internet while in their homes and business leaders who can do workforce training onsite and not have employees travel hundreds of miles. The U.P.-wide network also helps NMU grow its distance learning opportunities related to online degree programs and courses, personal and professional courses and business and industry training. It helps the area in retraining and workforce development.

This kind of comprehensive wireless access across the entire peninsula is a game changer for education and economic development, so much so that it has been recognized at the federal level as a model for advancing high-speed broadband in rural America. I have been asked to meet several times with FCC representatives about the EAN. When completed, the EAN availability means that most of the U.P. will have reliable, affordable educational internet access. It will help to advance the collective goal to have the most educated workforce possible in the region. It also means no more nightly trips to McDonald's for the mom from rural West Ishpeming Township, whose daughter would spend three hours doing homework there because that was the closest and most affordable internet access they had before our EAN was offered.

### **Other programs that make NMU unique**

Some of the NMU degree programs to receive national or international recognition in the recent years have been multimedia/art/design, business, computer science, education, English, furniture making, nursing and public administration. Some unique aspects of Northern's academic menu include being the only university to offer five national Accrediting Agency for Clinical Laboratory Science accredited programs in the United States and one of three universities nationwide with both diagnostic molecular science and cytogenetics programs. NMU is one of only two Michigan universities to have an entrepreneurship major. It also has one of the few programs in the country for ski management. Programs that boast 90 percent placement rate or higher are business, clinical sciences, engineering technology, music education, line and power technician, and theater, as well as our pre-medical and pre-dental students for professional school admittance. Another distinctive program is Northern's Freshman Fellows, which matches incoming freshmen with faculty members for collaborative research.

In Fall 2018, Northern was named one of two (University Michigan-Flint) new cybersecurity training hubs of the Michigan Cyber Range Network. In March 2019, Northern will open its cybersecurity training hub laboratory and begin offering courses and training opportunities.

Northern has two highly acclaimed leadership programs: the Student Leader Fellowship Program (SLFP) and Superior Edge. The SLFP, which has been in existence for nearly 25 years, is a highly selective, two-year leadership experience for about 50 students each year. The Superior Edge program is open to all NMU students and each year has a fourth to a third of the student population participating in the program's four edges: citizenship, diversity awareness, leadership and real-world application of classroom theory. Northern is one of 360 colleges and universities nationwide to have the Carnegie Foundation's "community-engaged campus" designation.

Since 1985, NMU has been a U.S. Olympic training site. Various sports have trained at NMU's OTS over the decades. Currently the OTS has an elite developmental team for Greco-Roman wrestling (men) and weightlifting (men and women). Since opening, the NMU OTS has produced 82 Olympians who have earned 38 Olympic medalists in Olympic Games competition.

Northern ranks 6th among small public schools nationwide that have been designated 2019-20 Military Friendly Schools by Victory Media. It is NMU's second consecutive Top-10 ranking in the category. The designation honors the top 15 percent of colleges, universities and trade schools nationwide that provide benefits for military and veteran students. Northern has been designated a military friendly school since 2008. NMU also has achieved gold-level status from the Michigan Veterans Affairs Agency for supporting student veterans and named by *U.S. News and World Report's* as a Best College for Veterans.

### **Top 5 academic programs by enrollment**

Northern's top 5 undergraduate degree programs by enrollment in Fall 2018 were:

1. Nursing – In the 50 years NMU has offered a nursing degree, it has consistently been one of our top 3 programs by enrollment. With the addition of an online RN to BSN option in NMU's Global Campus, Northern is helping to advance nursing careers across the state and beyond and there is the expectation that the BSN nursing degree will continue to be one of the most sought-after at Northern.
2. Biology – NMU's location and access to the natural environment as an extension of the classroom helps attract students interested in the biological sciences, along with significant experiential and research opportunities for undergraduates that are often reserved for graduate students, such as brain tumor cancer or animal genetic research. Biology is consistently among Northern's top 5 most popular area of study.

3. Multimedia, art and design – It is a visual world due to ever-changing technology. The demand for professionals who excel at graphic and visual communication will continue to rise. Consider that today even the corner gas station is expected to have a visually pleasing website and social media channels that feature photographs, interactive technology and videos. Northern's multimedia, art and design programs are nationally recognized and leverage NMU's leadership in next-generation technology and hands-on opportunities in product design.

4. Criminal justice – a historically strong program at Northern, helping to provide the majority of criminal justice professionals of the Upper Peninsula, as well as many who take positions throughout Michigan, Wisconsin and Illinois. Three factors may further boost enrollment: 1) major/minor combinations with Northern's newly established forensic anthropology program; 2) revamped curricula of NMU's loss prevention (asset management), an exploding field; and 3) new programs being considered in CJ with the recent announcement of Northern as one of the state's new Cyber Hubs.

5. Medicinal plant chemistry – In its first full year of the program, it is the fifth largest major, bringing students from around the nation to NMU. The holistic and alternative health field is an estimated \$30 billion industry in the United States (and predicted to be a \$200 billion global market by 2025) with starting salaries for laboratory chemists in the field of about \$70,000. Pairing Michigan's already large agricultural sector with fast emerging laboratories featuring holistic and alternative health products could be a new economic growth area for the state.

Demonstrating our academic breadth:

- A 2017 launched academic program that was recently recognized with a state innovation award is NMU's bachelor's degree in applied workplace leadership, an online program that enables individuals holding an associate of applied science degree from any community college to ladder to a bachelor's degree that qualified them for management positions.
- Northern has a highly regarded construction management bachelor's degree that draws both students and potential employers from throughout the nation. Southeast Michigan construction companies hire a large number of NMU graduates of this program.
- Northern began a new truck driving CDL program in the summer 2018 through its workforce development division. The program addresses the critical need for commercially licensed truck drivers in the U.P. and throughout the state and region. All five sessions last summer filled to capacity or near capacity.
- A new academic area being considered is rural studies at the graduate/doctoral level. This degree would uniquely enhance any number of undergraduate or graduate degrees already held by the students, such as business, health care, social work, criminal justice and others. It would directly supply the state with qualified professionals to lead Michigan's rural agenda.

### **Enrollment Trends: Defying Demographics**

Unlike many universities in the Great Lakes Region, Northern has enjoyed new student (first-year and transfer students) enrollment growth over the past two years among our new students (first-year and transfer). In 2017-18, the rate of growth for new students was 11.8% and this past fall was 9.9%, giving NMU a two-year increase of nearly 22% for new students. This is remarkable considering the demographic trend of the traditional-aged college student. This increase must be attributed to several factors, the most important being our focus on transformational change.

Some other enrollment trends:

- Michigan residents continue to make up about 80% of the NMU student body as has been the case for many decades. However, the percentages of students from the Upper Peninsula and Lower Peninsula have been shifting. In 2015, 58% were from the U.P. while in 2018 that rate was 51%.
- Northern's out-of-state enrollment saw significant increase between Fall 2017 and Fall 2018, growing by about 170 students (12.8%), which is helpful to both the university and the local economy, helping to mitigate the impact of the ongoing out-migration in the state and region. Academic programs in the sciences experienced the biggest increases.
- The rate for degree-seeking online students is up nearly 10% this winter semester and over the past four year has climbed 23%.
- Domestic diverse student counts have remained stable since 2015. In Fall 2018, African American and American Indian populations both declined but were replaced by a gain of 11% in the Latino population.
- International population, which has never been large at NMU, began to see double-digit decreases after 2016. For NMU, the largest declines were in students from Korea and Sweden.

Northern's transformational changes are driving interest in the university from outside the traditional U.P. borders, and subsequently the increases in non-UP and out-of-state students contributed to additional positive impact on the local economy and brings new people to the state.

#### **First-generation and Disadvantaged Students**

Meeting the needs of all students, including first-generation students, is important to Northern. The committee asked about first-generation students at our university and I will share with you some of our efforts in that area.

Historically, about 30-40% of Northern students have always been first-generation students; our past 5-year average was 36%. However, for the Fall 2018 semester, 44% of our students self-reported as first generation, which is an 8% increase over the 5-year average. Among our first-time, full-time freshmen from Michigan this fall, 42% were first generation students. Among this fall's new students who entered NMU with conditional admittance, 60% were first generation. The Fall 2018 first-time, full-time cohort who identified as students of color, 54% reported being first generation students compared to 42% of the Caucasian students. Finally, among our Fall 2018 new students who received Pell grants, 57% reported to be first-gen compared to 35% who did not receive a Pell grant. Our 5-year average for Pell recipients who are first-generation colleges students has been 49% while our 5-year average for non-Pell recipients as first-gen is 28%. Pell Grants are federal financial aid awarded to students with the highest financial need.

Those percentages point out some obvious risk factors and challenges for first-generation and disadvantaged students. Northern's fall-to-fall retention for Cohort Year 2017 (those returning this fall from last year) was 68% for our baccalaureate students compared to our overall average of 75%. Our six-year average graduation rate for first-generation students is 46.1% compared to our overall university rate of 49.4%. Those rates increase to 49.0% and 51.9%, respectively, for eight-year graduation rates.

Our first-year to second-year retention rate last year to this year for Pell-eligible students was 69.3% for bachelor's degree-seeking students (75.1% for overall university) and 65.1% for those at the associate degree level (64.3% overall university). The six-year graduation rates for our most financially challenged students has been about 41% (increasing to 45% for 8 years) compared to the overall university rate of about 50%.

First-generation and other disadvantaged students face normal college challenges, but they also don't always have the general knowledge and experience passed on from parents and siblings who have completed a college degree. To help these students, Northern trains staff to assist with advising on academics, pointing out campus and community resources, employment opportunities, student organizations, housing and more. Prospective students and families visiting NMU can also meet with staff members to discuss if the student and family are on track for college-related activities and requirements. We also have a first-generation closet in the Dean of Students Office that houses donations from campus and community members such as bedding, toiletries, winter gear and school supplies to ensure that students in need have the basic needs for college. Northern's campus community supports the student-run NMU Food Pantry.

Northern offers a broad array of university-funded and donor-funded scholarships for students with financial need. We have staff who work with any Northern student, including first-generation students, to understand the complexities of financing one's college education. We also try to make available as much information as we can on how to manage debt. This is done through one-on-one and group financial aid sessions, as well as SkillBuilder workshops and presentations made by our Center for Economic Education and Entrepreneurship. Members of NMU's Financial Aid staff hold events to assist students in completing the Free Application for Federal Student Aid (FAFSA), as well as give presentation about financial aid at high schools across the region.

In recent years, Northern has taken a number of steps to improve retention rates, which has resulted in improved 6-year graduate and total degrees granted rates. Among the many retention efforts have been a massive overhaul of the general education requirements and program, along with a review of all academic program requirements, to help reduce the number of credits needed for students to graduate with their desired degree. Northern restructured its student advising and increased tutoring services. It created a tutoring success center in the newly opened residence hall complex, which provides on-site, evening and late-night tutoring availability. Additionally, more student tutors were hired to provide increased support in the most required English and math courses.

The work to improve Northern's retention, such as centralized advising, increased tutoring, new software that provides early at-risk indicators, has resulted in Northern achieving its highest ever first-to-third semester retention rates for the 2016 cohorts – 71.7% for all students, including associate and diploma-degree seekers; 77.6% for baccalaureate-only students. NMU's six-year baccalaureate graduation rate also increased from 47.1% for the 2006 cohort (graduating 2010-12) to 52.5% for the 2011 cohort (graduating 2015-17).

Northern's revamped financial aid model has helped drive increases across a larger segment of students and has played a role in Northern's 22% climb in new student enrollment. The new model not only enhanced awarding, but also made the process easier to understand for students and parents, and has been more attractive to Pell-eligible students.

### **Strategic Planning: New and pressing factors**

Northern's strategic planning efforts has the university thinking and acting differently. Some of the first steps taken in our efforts were to align our core values with revised mission and vision statements and develop a strategic plan usable for daily decision-making that features four focus areas and four strategic outcomes.

This year, our strategic planning work includes development a new campus master plan, the last one being done in 2008, and completing phase two of a Strategic Resource Allocation (SRA) project that involves reviewing the return on investment to the university for all academic and support programs (more than 600 of them). The NMU Board of Trustees was presented with a report in December 2018 with an outline of the recommended initiatives, many of which are transformational in scope. They propose significant restructuring of the traditional academic experience to emphasize training students to have multiple skill sets and for educational experiences to be shorter in nature and more interdisciplinary. We are looking intently at how to better use micro-credentialing, learning hubs, hybrid programs and technology to make learning more fluid, seamless, accessible and designed for a lifelong learner.

Our campus is discussing how best and most affordably, we can help develop multi-skilled graduates:

- biologist who knows how to fix her disabled Land Rover out in the field
- mechanical engineer who has studied human-centered design as well as business
- environmental scientist who has graphic art expertise that can help him explain to the public complicated scientific issues
- CNC technician who is strong in public speaking so she can communicate manufacturing design opportunities to inventors and investors.

We are exploring how to remodel the academic experience to prepare our graduates to work in multiple career fields over their lifetime, as well as to bring multiple skill sets to the table in any given position they hold, making them highly valued employees. Exploration of transformational change is happening across Northern's campus – in academic areas, student support services, and in operational departments.

We feel Northern is at the forefront of the transformation higher education is being forced to undergo in light of the current and changing demographics, advancing technology, new forms of educational distribution and shifting expectations of students and their families regarding the collegiate experience and their investment in a college degree.

In particular, K-12 enrollment declines are a part of nearly every conversation that Northern decision-makers have. We understand that our programs, facilities and staffing have to have more flexibility built into the infrastructure to better accommodate enrollment increases, like what Northern has been experiencing the past two years, and significant decreases, such as what is demographically projected for the Upper Midwest and nationally through at least 2029. To highlight flexibility, we are asking questions such as:

- How do we build facilities that can be easily changed from their initial use as demographics and campus needs change?
- How can we retain world-class faculty at the desired student-to-faculty ratios while allowing for what may be short-term growth followed by possible longer-term decline?
- Are there new financial support models to assist students in financing their college education?
- How do we secure and/or reallocate resources so we can continue to implement innovative academic programs to attract a broader range of students?
- Are there innovative ways to provide access to students for educational opportunities?
- What are the new opportunities related to business and industry retraining, personal skills enhancement and general lifelong learning needed to a successful 21<sup>st</sup> century global citizen and workforce participant?

Change is not easy for universities, but Northern is driving successful change. In doing so, NMU has the opportunity to serve as a role model for a new type of premier rural university.

### **The funding formula**

When considering formula funding, Northern is most concerned that it continue to provide base funding to address operational and inflationary costs in combination to whatever performance metrics are chosen to measure success and continuous improvement.

Not part of the formula but critically important to Northern is if tuition restraint remains part of the state funding process, that a hard dollar cap remains in the higher education bill in addition to a percentage cap. A percentage-only cap is a huge disadvantage to low-tuition institutions such as Northern and a big advantage to high-tuition schools. A percentage-only cap creates an ever-widening gap between high and low-tuition institutions and ensures that low-tuition universities will struggle to have funding to invest in infrastructure improvements and innovative programs and services.



Diligent effort to control costs and explore continuous improvement opportunities have helped maintain Northern's operational and instruction expenses below state averages, allowing NMU to remain a highly efficient and lean organization. Total operating costs have increased only 4.97% and general fund operations 4.33% over the past five years, which represents for both a less than 1% annual rise in costs.

While Northern supports being compared to peer institutions in the formula funding and does not have concerns about the current formula criteria, two suggestions for formula consideration would be geographical factors and unfunded state mandates. For instance, consider that Northern is 44% higher in heating days per year than the Department of Energy's regional average and our area has two to three times the snowfall of Lower Michigan universities. State mandates such as the Indian Tuition Waiver and MSPERS add additional and unevenly distributed financial burdens to institutions. In the case of MSPERS, only seven of Michigan's 15 public universities share the burden of cost of this unfunded state mandate. The formula itself does not take into account that for Northern, an average of 11% of NMU's appropriations is still required each year to cover MSPERS costs. That is why the state's work to provide some relief to the seven MSPERS universities starting in 2017 has been so appreciated, as it will help to lessen the impact in escalation of future costs.

One other formula suggestion would be an incentive for successfully graduating higher risk students. Northern prides itself on accepting and graduating students of all academic levels. However, this means some of our less college-prepared students come in at a higher risk of not graduating or taking longer to secure their degree. Universities who graduate the diamond-in-the-rough students should be recognized for that accomplishment. For the state to meet its goals of increasing the number of citizens with college degrees, consideration should be given for increasing enrollment and graduating at-risk, currently-not-attending, adult and retraining student populations. Most high-achieving high school graduates are already attending and graduating from college. Factors recognizing that high-risk and non-traditional students cost more time and money to graduate is one way to consider how state funding could help the universities help the state meet its goal for degree-holding citizens.

Not directly related to the formula but part of the funding process is boilerplate changes. We support important issues being addressed in boilerplate, but boilerplate changes can be financially cumbersome. They can bring with them unexpected and, sometimes, unintentional costs. They often require people and/or technology to facilitate. This is not to say that important issues should not be addressed in the funding requirements, but rather to remind policymakers that creating reports, increasing training, seeking external reviews all take resources. We hope legislators are conscious of requiring only those reports and external reviews key to strong and strategic decision-making that tangibly benefits the citizens of Michigan and the students and employees of Michigan's 15 universities.

Lastly, the fact that the current funding formula does not use a cookie-cutter methodology is very important. A one-size fits all approach guarantees winners and losers in funding because the 15 institutions are different in many important ways. Northern is not the same as the University of Michigan nor any other institution in the state and shouldn't be. A cookie-cutter approach to formula funding could negatively affect small and medium-sized institutions in particular due to the economies of scale. That is why NMU has been very appreciative of the state's approach in measuring success by peer institutions. The peer tiers recognize that Michigan universities have different missions and serve different student populations with unique student challenges, and that they have different regional and geographical conditions that play a role in an institution's financial needs.

## **Conclusion**

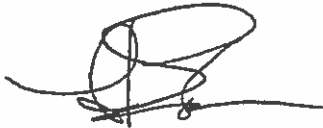
Before I close, I need to thank the Legislature again for the capital outlay funding our Career-Tech and Engineering Technology Facility. This project will create a more dynamic learning environment for our career-tech and engineering students, as well as our general student population and our community. This is a facility that will have far-reaching impact, and we are excited to get started on the detailed planning and design.

Thank you for allowing me this opportunity to share with you some of Northern's most recent accomplishments. I am completing my fifth year as Northern's president and I continue to be impressed with our university's high-quality programs, faculty, staff and students. Our new strategic plan demonstrates the campus community's innovative thinking and I am excited about the initiatives we are undertaking.

Northern is committed to being a leader in high-quality educational opportunities that make completing post-secondary degrees and certificates as easy and as affordable as possible. We are also committed to being a leader in economic growth in the Upper Peninsula, the Great Lakes region and Michigan. Our university looks forward to continuing to contribute to the state's future.

We appreciate your continued support of Northern Michigan University. I invite you to visit Northern soon. It would be my honor to introduce you to our campus and the general Marquette community.

Sincerely,

A handwritten signature in black ink, appearing to read "Fritz J. Erickson". The signature is stylized with a large, looped initial "F" and "E".

Dr. Fritz J Erickson, President  
Northern Michigan University