

The background image shows a modern university building with a mix of brick and light-colored stone or concrete. A large glass-enclosed staircase or atrium is a prominent feature. Students are walking on a wide, paved path in the foreground, some carrying backpacks. The scene is set outdoors with trees and a clear sky.

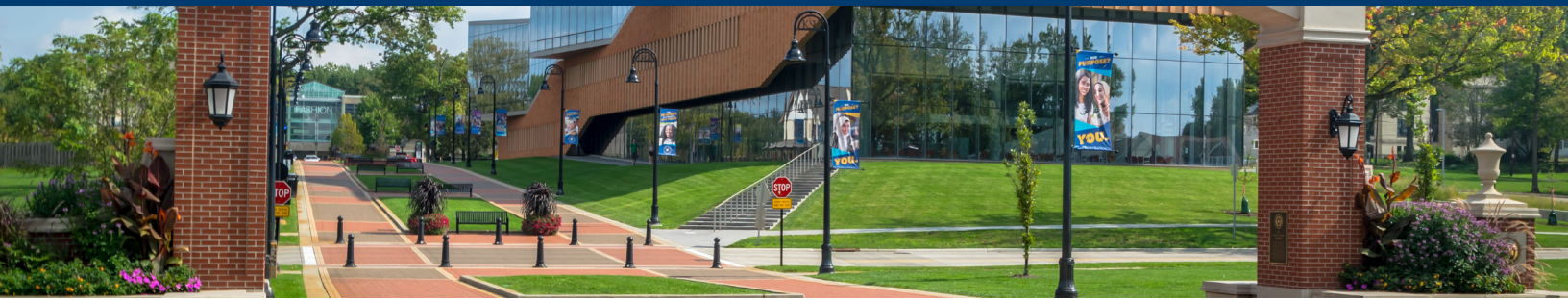
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EXECUTIVE SUMMARY

RESTORING REGIONAL PUBLIC UNIVERSITIES *for* RECOVERY *in the* GREAT LAKES

Robert Maxim
Mark Muro

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While the health and economic impacts of the COVID-19 crisis have been ubiquitous, they have affected certain places and people disproportionately. Many communities had yet to fully recover from the last recession before the onset of the current downturn. Likewise, the explosion of recent protests around the country has highlighted the many dire disparities of access for Black Americans and other non-white citizens, including access to quality higher education.

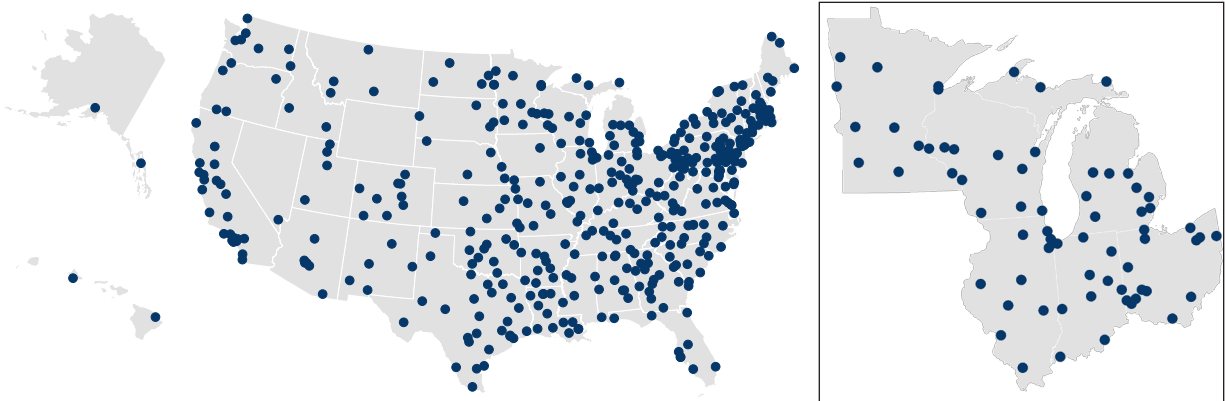
These recent events have put the nation's often-overlooked regional public universities (RPUs) in the spotlight, both as unique sites of opportunity to address these challenges as well as institutions in an increasingly precarious position to do so. RPUs are public, four-year, community-oriented universities. They are more numerous

than nationally known state flagship and public research 1 (R1) universities, and, unlike community colleges, offer a full array of four-year degrees.

This paper assesses the economic and educational effects and overall well-being of regional public universities within the Great Lakes region, which consists of six Midwestern states: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. While these states have been important sources of natural resources and centers of economic activity, over the past two decades, economic trends such as globalization and automation have hollowed out their labor markets. A healthy cadre of regional public universities could help close enrollment and attainment gaps and bolster economic growth in communities across the region.

Distribution of regional public universities in the United States and the Great Lakes region

FY 2018



Source: Brookings analysis of IPEDS data

This report has five major findings:

1. The Great Lakes region has a strong concentration of regional public universities, which are important assets for fostering economic recovery.

The nation's 440 regional public universities are spread throughout 49 states, in communities of every size. The Midwest, within which Great Lakes region lies, had the country's highest concentration of RPU enrollment in 2018.

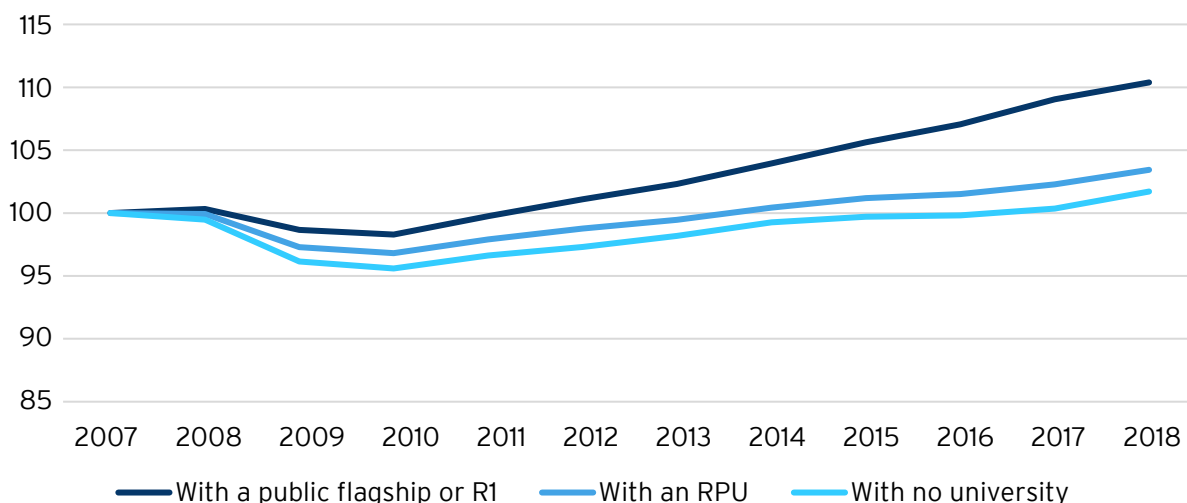
That each Great Lakes state has a significant stock of RPUs is a potentially substantial economic asset for the region, particularly its smaller communities. Universities can mitigate the impacts of economic downturns and serve

as a significant source of employment growth during periods of recovery. For example, counties in these smaller communities with a public four-year university had smaller employment losses during the Great Recession than those without a university, and saw higher aggregate employment growth during the subsequent recovery.

Likewise, counties in smaller communities with a four-year public university have a per capita income \$1,200 higher than those without a university. They also have a bachelor's degree attainment level of 25.2%, compared to an average bachelor's degree attainment level of 20.8% in counties without a university. Regional public universities also serve as significant anchor institutions and are often among the largest employers in a community.

Employment growth by county

Counties in small metropolitan, micropolitan, and non-metro areas, 2007 = 100



Note: Excludes counties in medium-sized metropolitan areas (defined as metropolitan areas with approximately 250,000 to 1 million people) and large metropolitan areas (defined as metropolitan areas with more than 1 million people)

Source: Brookings analysis of IPEDS and Bureau of Economic Analysis data

2. Great Lakes regional public universities educate more in-state and transfer students than public flagships and R1s, but enrollment is in decline.

Prior to the COVID-19 pandemic, a combination of stagnant population growth, a healthy economy, and increasing tuition had led to declining enrollment at Great Lakes regional public universities. Great Lakes RPU enrollment reached its high point in 2011, with enrollment of over 971,000 students, but has fallen by over 10% since. This decline in enrollment has had significant negative impacts on RPUs in the region, reducing tuition revenue at a time when Great Lakes states have disinvested in schools, and generating a growing financial crisis for these schools.

Great Lakes public flagships and R1s, on the other hand, have seen a 1.4% increase in enrollment since 2011. This has been driven by increased out-of-state and international student enrollment. From 2006 to 2016, the share of in-state, first-time freshmen enrolled at Great Lakes flagships and R1s declined 9.5 percentage points, from 76.6% to 67.1%. During that same period, in-state enrollment for RPUs declined just 3.9 percentage points, from 88.2% to 84.3%.

In addition to supporting in-state students, RPUs also serve as a pathway for students who transfer into a four-year education. In 2017, transfer students accounted for 7.6% of all undergraduates at Great Lakes regional public universities, compared to 5% of undergraduates at flagship and public R1 universities in the region.

3. Great Lakes regional public universities help close university attainment and completion gaps for underrepresented students.

A significant share of students from underrepresented groups enroll at regional

public universities. Overall, about 62% of students attending a public four-year university in the Great Lakes region are enrolled in a regional public university. However, that share is significantly higher for certain groups. For example, 71% of Black students and nearly three-quarters of Native American students that are enrolled at a public university in the Great Lakes region are enrolled at an RPU. And because such a high share of public university students attends RPUs in the region, RPUs also enroll 59% of Latino or Hispanic students attending a public four-year university, as well as 61% of students that identify as two or more races.

Regional public universities also serve as an important source of educational equity for low-income students. Part of this is a result of cost. RPUs have lower tuition and overall costs than flagships and R1 universities. Great Lakes RPUs also enroll a higher proportion of Pell Grant students than public flagships and R1s.

RPUs award a greater share of their degrees to certain underrepresented groups—including Black students—than do public flagships and R1s. For example, RPUs award 2.4% more of their degrees to Black students than do flagships and R1s, and a slightly higher percentage of their degrees to Native American students. This is in large part because they admit a greater share of students from these underrepresented groups.

4. Business, health professions, and education are the most common fields of study at Great Lakes regional public universities.

Among graduates of Great Lakes regional public universities, the three most common majors are in business, health-related professions, and education. This reflects the historical roles that many of these schools play as teaching colleges, as well as the role they currently play in filling local positions that are in critical demand, such as nursing.

Among the fields with majors that are disproportionately awarded at RPUs relative to flagships and public R1s are health professions, education, and security-related fields such as law enforcement and firefighting. Here, one can see the distinct roles that regional public universities play in filling positions that are in demand in nearly every community.

5. Even before COVID-19, stagnant revenue had created fiscal challenges for Great Lakes regional public universities, leaving them vulnerable to the current downturn.

Great Lakes regional public universities have faced fiscal challenges in recent years, brought on by declining appropriations and stagnant enrollment. On a per-student level, Great Lakes RPUs saw essentially no inflation-adjusted revenue growth from 2011 through 2016. It has only been since 2017 that real revenue growth has finally picked up at schools across the region,

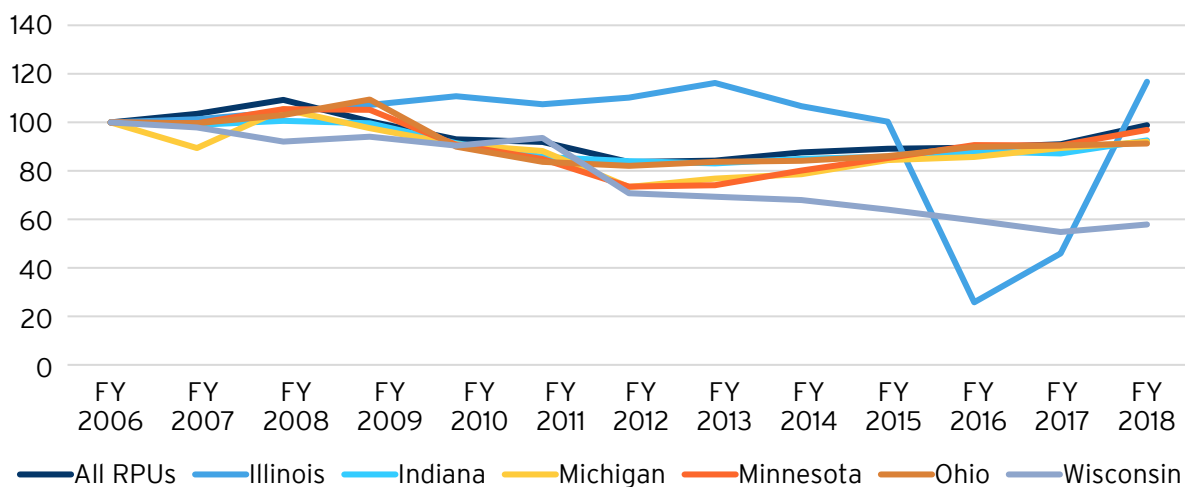
growing by over 4% per year in both 2017 and 2018. However, given anticipated hits to state budgets from the COVID-19 downturn, public higher education is likely to face unprecedented fiscal headwinds in the coming months.

This revenue stagnation has been driven by a combination of declining state appropriations and sluggish tuition growth. Per-student appropriations at Great Lakes regional public universities have declined by nearly 8% since 2006. In fact, not a single Great Lakes state saw real growth in per-student appropriations from 2006 to 2017.

While flagships and public R1s have raised their tuition to historically high levels to compensate for the decline in per-student appropriations, increases in tuition and other revenues at Great Lakes RPUs have been limited by demographic pressure, university mission, and state policy. This has left RPUs with thin financial margins and forced them to cut back on community-focused investments in areas such as research and public service.

Change over time in per-student appropriations

Regional public universities, real 2012 dollars; FY 2006 = 100



Note: 65 Great Lakes RPUs reported finance data every year from 2006 to 2018; 394 RPUs nationwide reported finance data every year from 2006 to 2018.

Source: Brookings analysis of IPEDS data

Additional financial strain will affect not only the schools themselves, but also the broader Great Lakes regional economy, particularly if RPUs are forced to further reduce support for placemaking, research, and public service. This

provides a policy imperative not only to rectify the funding situation that these schools face, but also to make further, more robust investments in regional public universities.

Implications for policy

In response to these trends and the ongoing economic turmoil, policymakers must reevaluate higher education funding structures to improve the financial situation of RPUs. They should take the following steps to do so:

Restore essential financial support for regional public universities

- Create an emergency federal fund to protect appropriations for public universities
- Provide dedicated funding to support students with additional educational needs

Bolster regional public universities' place-sensitive missions

- Create a new land-grant-style program for regional public universities
- Modernize the extension missions of land-grant universities
- Rapidly scale up federal and state research funding to regional public universities
- Develop university-based anchor strategies to foster growth and redevelopment

Encourage greater enrollment by nontraditional students

- Provide a new federal funding stream to help universities recruit adults to reenroll
- Make high-demand fields and fields of critical community need more accessible to working professionals
- Support liberal arts fields and link them more clearly to the labor market
- Incorporate a "career exploration" approach
- Support direct collaboration between industry and universities
- Fund paid experiential learning programs to help students get labor market experience

Improve data quality for regional public universities and students

- Create a federally backed student unit record system or, in the absence of federal action, create an interstate Great Lakes student unit record system

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For more information

Robert Maxim

Research Associate
Metropolitan Policy Program at Brookings
rmaxim@brookings.edu

Mark Muro

Senior Fellow
Metropolitan Policy Program at Brookings
mmuro@brookings.edu

B | Metropolitan Policy Program at BROOKINGS

1775 Massachusetts Avenue, NW
Washington, D.C. 20036-2188
telephone 202.797.6139
fax 202.797.2965
brookings.edu/metro