



Senator Kim LaSata
 P.O. Box 30036
 Lansing, MI 48909-7536

Senator Jeff Irwin
 P.O. Box 30036
 Lansing, MI 48909

Representative Mark Huizenga
 P.O. Box 30014
 Lansing, MI 48909

Representative Felicia Brabec
 P.O. Box 30014
 Lansing, MI 48909-7514

August 16, 2021

Dear Chair LaSata, Vice Chair Irwin, Chair Huizenga, and Vice Chair Brabec,

We appreciate your leadership on higher education and the important steps you have taken recently to address the deleterious impact the pandemic has had on the educational prospects of low-income

students. Between extending the lifetime limits on state financial aid for students impacted by COVID, providing transparent information about the net price of college for all students, and streamlining and increasing access to financial aid, your leadership has made a profound difference for students.

As you know, enrollment at institutions of higher education between the fall of 2019 and fall 2020 fell by 9 percent overall and by 20 percent in community colleges, which disproportionately serve low-income students and those who are the first in their families to go to college. This dip could have longstanding ramifications for state and local economies as well as on the lifetime earnings of the students impacted. The enrollment decline also exacerbates the gap between the amount of federal financial aid Michiganders could receive and the amount coming to the state. In 2019 alone, Michigan students left over \$100 million in unused federal funds on the table.

In order to continue the progress you have begun and keep college within reach for low-income students, we write to recommend several discrete financial aid policy changes. Under your leadership, these changes will help the students who most need assistance to get back on track to attain a college degree:

- **Upgrade the higher education data system.** The pandemic revealed the need to upgrade the higher education data system so that the state is not reliant on external vendors to track key metrics and leading indicators of college enrollment, such as FAFSA completion rates by high school. The Center for Educational Performance and Income (CEPI), in partnership with the Michigan Department of Treasury, would benefit from a one-time, limited investment in modernizing the higher education data system, which would yield efficiencies down the line. Improvements would enable college counselors, educational institutions, policymakers, and researchers to better support students in applying for financial aid and to identify and track the impact of taxpayer-funded state postsecondary investments.
- **Create a temporary scholarship program to enable low-income students impacted by COVID to go to college tuition-free.** Creation of a new scholarship program for low-income students who go to college in Michigan and whose high school and/or college years were impacted by the pandemic would be the clearest way to help those students who have suffered most get back on track to go to and through college. We recommend that the state create a first dollar \$3,000, sector-neutral, annual scholarship with no merit component (e.g., SAT or GPA qualifying score) for students who qualify for a federal Pell grant and go to college in Michigan, regardless of immigration status.
- **Align the Tuition Incentive Program (TIP) with other state scholarship programs by:**
 - *Modifying the age restriction for eligible students.* To maintain eligibility, TIP students must access their funds within four years of high school graduation and use them within ten years of their initial enrollment. Students who are eligible for the Michigan Tuition Grant (MTG) and Michigan Competitive Scholarship (MCS) in contrast can use their awards up to ten years after their eligibility is determined. (MCS students whose eligibility was determined during the 2020-2021 academic year may use their awards up to eleven years). As the most targeted state financial aid program, TIP should not have more stringent requirements than MTG or MCS.
 - *Enforce statutory payment of mandatory fees.* Since at least 2013, coverage of mandatory fees has been capped at \$250 per semester. The average TIP-eligible student faces an additional \$266 a year in mandatory fees and excess contact hours and course fees can more than double a student's tuition bill. By covering all

mandatory fees, as written in statute, Michigan would take a vital step towards making college more affordable for vulnerable students.

- *Running a pilot program that would make Phase I sector neutral.* Currently students may only use a TIP Phase I grant in an associate's degree program, which tracks the lowest income students into community college. While community colleges are often the best choice for students, we recommend that the state offer a wider range of options by administering a one-year pilot program to allow eligible students to use their award at a four-year institution if they choose while studying usage patterns to see if this option changes enrollment patterns.
- **Provide incentive grants to institutions to relieve institutional debt for low-income students who have been out of school for two years.** Across the country and in Michigan, institutions have been experimenting with relieving small amounts of institutional debt, such as on-campus parking tickets or transcript fees, that prevent students from graduating or re-enrolling. We recommend the state create a new incentive grant to encourage more schools to provide debt relief for students who have been out of school for two years or more and are poised to return and graduate.

The COVID-19 pandemic disrupted the educations of students from low-income households much more substantially than others. Targeted, one-time investments can help impacted students get back on track while promoting long-term economic stability and growth.

Thank you for your consideration.