



Governor Gretchen Whitmer
 P.O. Box 30013
 Lansing, Michigan 48909

January 6, 2022

Dear Governor Whitmer,

We appreciate your leadership on higher education and, in particular, your work to put college within reach for older students and those who served our communities during the pandemic. We write as a group of higher education, business, philanthropic, and advocacy organizations committed to making higher education accessible and affordable for all of Michigan’s students and families. As you know, the state’s economic recovery and long-term prosperity depends on having a skilled and educated workforce.

Statewide, enrollment at institutions of higher education declined by about 8% since before COVID. Exacerbating this is the lack of alignment between state financial aid programs, making them more difficult for students to access and maintain. Decades of financial aid research show it is essential for helping students enroll in, afford, and complete college and the most effective financial aid programs are predictable, dependable, and streamlined.

To help Michigan's students access and succeed in higher education, the state should remove unnecessary differences between financial aid programs and make targeted investments to allow the state to improve program effectiveness by:

- **Lifting the Tuition Incentive Program (TIP) fee cap.** Due to a cap of \$250 on fees imposed by the Michigan Department of Treasury, the average TIP recipient is paying \$266 a year out of pocket in fees even though program purports to fully cover tuition and fees. Many students, particularly those studying in technical fields, are paying thousands more in fees because they are not defined as "mandatory fees" under the Department's current definition. Removing the fee cap would increase affordability for Michigan's neediest students and access to programs with higher earnings potential.
- **Modifying the age restrictions in the TIP program.** We applaud the administration's commitment to expanding financial aid opportunities to adult students. However, TIP, the best targeted financial aid program, requires students to use the award within four years of high school graduation which renders adults ineligible for its benefits. Age restrictions have the adverse effect of limiting financial aid options for adult students and historically underrepresented students.
- **Aligning reporting requirements for state financial aid programs by upgrading the higher education data system.** Currently, Michigan Reconnect is the only long-term state financial aid program which requires the Treasury Department to report on the usage and outcome data of the program. The state should require the Treasury to conduct the same annual review of all other state financial aid programs and make them available to the public. To build capacity for these reports, the state should also make a one-time, targeted investment of \$10 million in the Center for Educational Performance and Income (CEPI) and Michigan Department of Treasury to modernize the higher education data system. This would yield efficiencies down the line, enable stakeholders to better support students, and analyze the impact of taxpayer-funded state postsecondary investments.
- **Fund comprehensive approaches to student success.** Comprehensive approaches to student success combine frequent and proactive advising with full-time enrollment, concurrent support for developmental or remedial needs, additional financial aid, and other forms of support. These programs rely on real-time data to guide decisions. Such approaches, like CUNY ASAP, Detroit Promise Path, and corequisite remediation, can dramatically improve student outcomes.

Michigan's economy and higher education system were disrupted by the pandemic. Aligning Michigan's financial aid programs through these small changes and targeted investments would make them more efficient and effective for everyone, setting the state up for a strong long-term economic recovery.

Thank you for your consideration.