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Dear Chair LaSata, Vice Chair Irwin, Chair Frederick, and Vice Chair Steckloff,

We appreciate your leadership and applaud your proposed investments in higher education. The new investments in the FY23 budget are especially timely given the statewide enrollment declines, especially among students from low-income communities and recent high school graduates. These declines have been compounded by the state's higher tuition and fees at its public 4-year institutions and lower investment in financial aid compared with other Midwestern states.

To ensure the state invests its taxpayer dollars in the communities that have been most impacted by the pandemic and move the state closer to reaching 60% of its working age population with a skills certificate or degree by 2030, we write to encourage the legislature adopt and expand the House's modification of the Tuition Incentive Program (TIP) fee cap.

HB5785 raises the TIP mandatory fee cap from \$250 per semester to \$450 per semester, making college more affordable for many of Michigan's lowest income students. Currently, students who receive TIP pay an average of \$598 in mandatory fees, and many face substantially higher additional fees. Excess contact hour fees and lab fees, for example, are not currently covered by the TIP program and can add hundreds to thousands of dollars to a student's bill. Skilled training programs, like nursing, are more likely to charge higher than average fees that are not covered by TIP. This lack of coverage may deter low-income students from enrolling in these programs despite the fact that they prepare students for in-demand jobs and offer high wages upon graduation.

We recommend expanding fee coverage to all fees charged as a condition of enrollment and coursework completion by an eligible institution. Expanding coverage of fees will allow students to use their TIP awards to alleviate the costs of more expensive programs and help the state encourage students to enroll in programs critical to the state's workforce needs.

In short, we encourage the Michigan legislature to (1) retain the expansion of the TIP fee cap to \$450 per semester and expand coverage to all fees in the House budget and (2) include the expansion of the TIP fee cap to \$450 per semester and expand coverage to all fees in the Senate budget by adopting the following: ***Sec. 256. (5) (b) The department shall apply a \$450.00 semester reimbursement maximum on community college mandatory, academic, and other fees charged as a condition of enrollment or completing coursework per student.***

Thank you for your consideration.