

The FY23 Michigan Budget: In Review

July 2022

In early July, the Michigan state legislature passed a budget that invests over \$2 billion in higher education for Michiganders. These investments take strides at improving college access and affordability for Michiganders but could be improved by further investments from the remaining \$7 billion that has not been allocated and defining the state's \$250 million postsecondary scholarship into an equity-driven, need-based opportunity for students.

How does this affect Michigan's Students?

Access

Financial aid plays a pivotal role in college access by putting college within reach for students and their families, particularly when it is communicated clearly and early-on. The improvements to the financial aid websites and outreach will help provide clear information on the cost and resources available.

Affordability

State investments in higher education can help limit student and family cost for tuition and fees thus, making credential attainment more affordable and or within reach. When investments from the state are well designed and generous, it further supports the coverage of the cost of attendance. Doing so also mitigates racial and equity gaps in affordability for students from low-income and or minority backgrounds across the state.

Completion

Developing well designed programs, ensuring support capacity, and increasing the coverage of financial aid programs, like eliminating the cap on credits for students who receive TIP, will allow students to fully take advantage of their educational opportunities. It may also reduce student's need to work to pay for school and living expenses and improve ongoing comprehensive support in navigating complex systems, which frees up time for the student to focus on their studies and successfully complete their programs.

What's next?

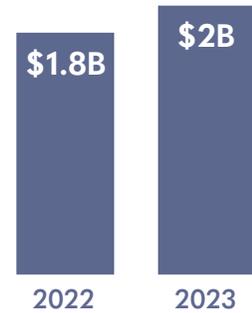
Given the major investments in this budget, legislators still have about \$7 billion remaining on the table and a \$250 million financial aid investment to be developed. This opens the opportunity for the state to design a student aid program that addresses disparities in college access and affordability, which could also support successful completion. The \$250 million financial aid investment could be used to support improvement of the state's equity and completion gaps if applied as a last dollar award but before the Pell Grant. This would be a generous incentive for students showing the highest need to manage other associated costs, such as housing, transportation, and books, that in many cases derails their ability to successfully complete programs.

UPDATES

- » Removing the annual and semester credit limit in the Tuition Incentive Program (TIP)
- » Guidelines for a state financial aid website to enhance clarity and exposure for students and families

Michigan Higher Education Budget Snapshot

Michigan Higher Education Budget, FY22-23



State Aid Program Award Increases

Michigan Comp Scholarship (MCS)

\$1,000 → \$1,500

Michigan Tuition Grant (MTG)

\$2,800 → \$3,000

\$250 M

Increase to state financial aid spending

\$56 M

Increase access to BS nursing programs

3.7%

Increase for operational funding for Michigan colleges and universities