

The State Universities of Michigan: Delivering Value & Impact in Partnership with the State of Michigan

House Appropriations Subcommittee on
Higher Education and Community Colleges



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March 11, 2026

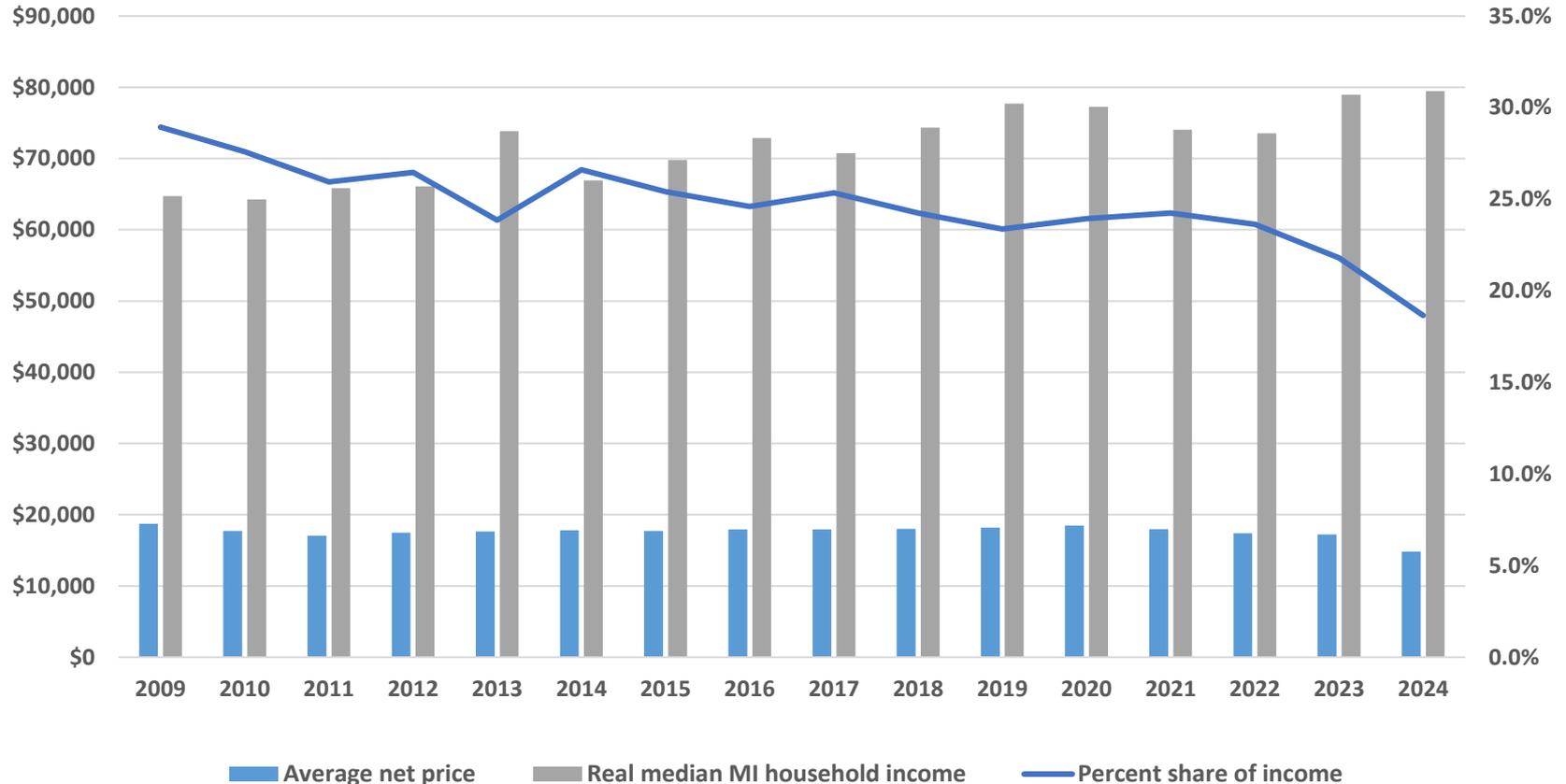
Ensuring College Affordability

- Financing a college education: Shared responsibility between institutions, states, federal government, & students/families.
- Michigan's public universities provide more than \$1 billion annually toward financial aid.
- Average net price: 47% discount.
- The cost to a family to attend a Michigan public university is proportionately lower than 15 years ago.
- Generous university free tuition programs



Net Price of Attendance at a Michigan Public University as a Percent of Household Income

(Constant 2024 dollars)



Between 2009 and 2024:

- Average net price has declined 21%.
- Percent share of household income has declined by 36% (from 28.9% to 18.7%)

Meeting Workforce Needs & Driving Prosperity

- MI: 39th in educational attainment
40th in per-capita income
Making progress, while simultaneously falling behind.
- MI public universities: 260,000 students enrolled;
grant 66,000 degrees annually.
- 84% of MI top 50 high-demand, high-wage jobs require a bachelor's degree or higher.
- MI public university graduate earnings: \$91,073 (25-34 years old); H.S. graduate earnings: \$46,272.
- MI public university graduate career earnings: \$2 million (net of college attendance)



Generating Billions in Economic Impact

- \$45 billion in net new economic impact annually, driven by university operations, student spending & alumni earnings.
 - Nearly 28 times the state's appropriation of \$1.7 billion
- Support 129,111 net new jobs
- 27,000 faculty and 70,000 staff
- 1.6 million living alumni generate \$15+ billion in incremental earnings.
- MI public universities: produce \$7.1 billion in state tax revenue, from income, sales and use, and transportation taxes paid by employees, students, and alumni living in Michigan.



ECONOMIC AND FISCAL

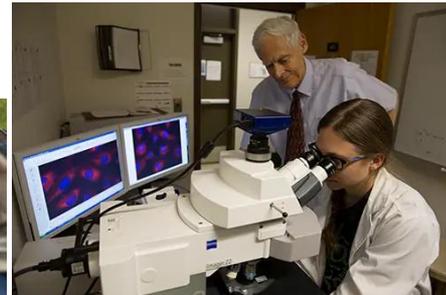
IMPACT

OF THE STATE UNIVERSITIES OF MICHIGAN

2026

Fueling Innovation, Discovery, & Investment

- MI public universities: vital connection to global research networks.
- Fueling discovery in key sectors: medicine/health care, mobility, advanced manufacturing, energy, AI, agriculture & the environment.
- MI four R1 institutions: \$3.46 in R&D expenditures (54% from federal government, 46% from industry, non-profits, state & local government, institutions).
- Outcomes: New discoveries, new jobs, new companies, new industries.



Collaborating to Serve the Public Interest

- MI public universities: Premier collaborators—K-12 schools, hospitals/health care, local and state government, employer coalitions, philanthropic organizations.
- Utilizing full slate of resources: intellectual, physical, fiscal. Summary impact: Advancing the human condition.
- Key Collaborators: Michigan community & tribal colleges
 - Enhancing the student transfer experience
 - Illustration: Statewide implementation of reverse transfer system via MiLEAP grants.



**Comments on
FY 2027 Higher
Education Budget**

State Investment in Michigan's Public Universities *--The Longer View--*

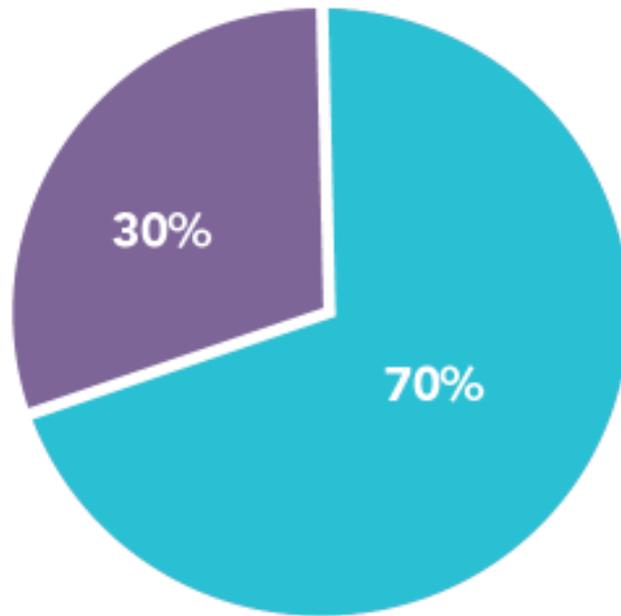
- Michigan's rank in per capita state fiscal support for higher ed
2001: 20th 2026: 42nd
28% below the national average
- State funding reductions (inflation-adjusted)
Since 2011: \$424 million
Since 2002: \$1.3 billion



State-to-Student Cost Shift in Paying for a Michigan Public University Education

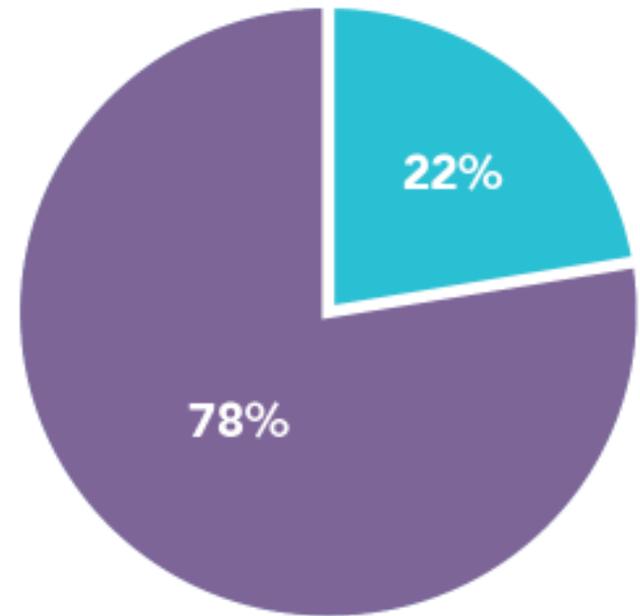
University General Fund Revenues

FY1979



University General Fund Revenues

FY2025

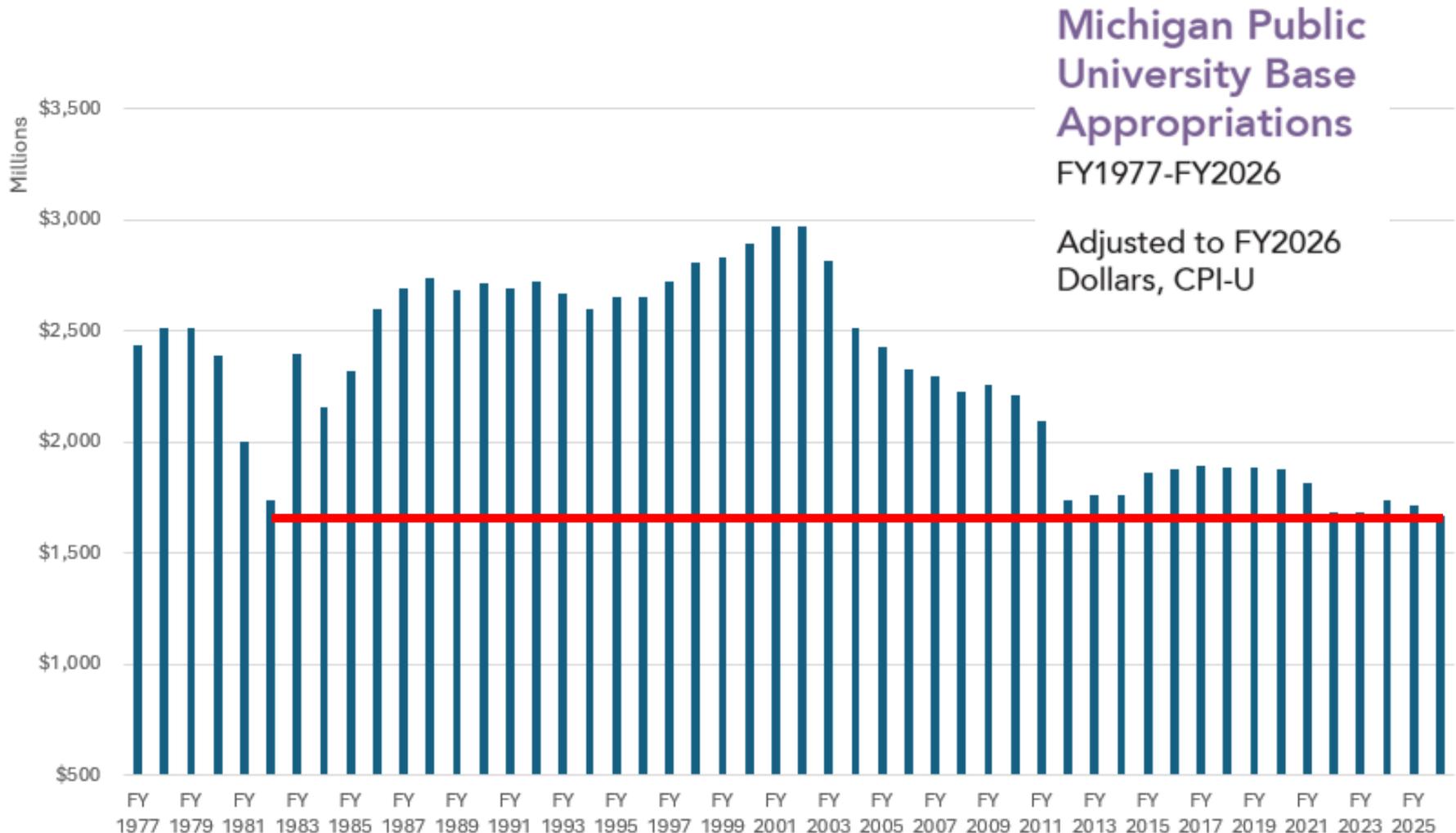


State Vs. Family
Share Of Higher
Ed Expenses
FY1979 VS. FY2025

Family Share

State Share

Michigan Public University Base Appropriations FY 1977-2025



FY 2027 Executive Budget Recommendation

Flat university operating dollars; 3% one time \$

- With inflation, amounts to a cut; one-time funding does not allow universities to move forward, make ongoing investments or realize long term plans.

State Financial Aid Investments

- Strategic framework:
\$232M for Michigan Achievement Scholarship Postsecondary Scholarship Fund conversion to a restricted reserve fund; Utilization of SAF dollars
- Related: Support codification of the MAS in statute

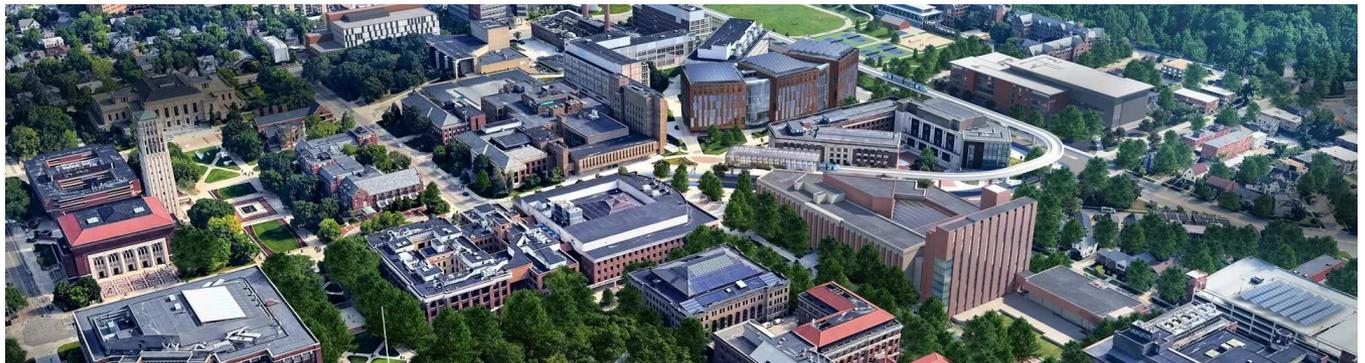
FY 2027 Executive Budget Recommendation

Campus infrastructure funding

- \$26.7M in funding proposed
- \$6.5 billion in current deferred maintenance needed for public asset preservation

Capital Outlay

- No projects recommended for planning authorization.
- Needed: Predictability, consistency, process reforms.



School Aid Fund Utilization in Support of Higher Education

- **Constitutional and Consistent with Voter Intent**

Article IX, Section 11:

*There shall be established a state school aid fund which shall be used exclusively for aid to school districts, **higher education**, and school employees' retirement systems, as provided by law.*

- **SAF/GF Funding Relationship: Two-way Street**

CRC Michigan estimate: **\$750 million** of GF resources this year effectively baked into to various SAF “hold harmless” provisions; up to **\$900M in FY 2027**.



- **SAF Support for Higher Ed is Longstanding and Bipartisan**

Gubernatorial administrations have allocated SAF \$ for the past 16 years.

School Aid Fund Utilization in Support of Higher Ed

- **Michigan's Education System is a Continuum**

State's educational ecosystem is interconnected; prudent to investing SAF dollars to enhance college affordability, educational attainment, workforce development, economic competitiveness.

- **Smart Strategy in a Constrained Budget Environment**

SAF is growing, GF is not. \$800M GF funding gap projected. Utilization of SAF dollars provides lawmakers with more flexibility regarding GF dollars.



Michigan's Future is in College

