

The School Aid Fund & Higher Education

A Constitutional Obligation | Strategic, and Fiscally Responsible

The Constitution directs the School Aid Fund (SAF) to support higher education.

Michigan's Constitution (Article IX, Section 11) created the SAF to support higher education and K-12 schools. This language dates back to 1963 and was retained under Proposal A in 1994.

The SAF-General Fund relationship is balanced, not a one-way transfer.

While SAF dollars support universities and community colleges, General Fund (GF) dollars simultaneously protect and supplement the SAF through tax policy adjustments and reimbursements totaling hundreds of millions annually. This is a reciprocal fiscal relationship, not a "raid" on K-12 funding.

SAF support for higher education is longstanding, structural and bipartisan.

SAF dollars have supported community colleges since FY2010 and public universities since FY2012. Already, 100% of community college funding and more than one-third of university funding comes from the SAF – decisions made under both Republican and Democratic leadership.

Michigan's education system is a continuum from K-12 to college to career.

The Constitution recognizes that K-12 schools, community colleges and public universities are part of a single educational pipeline. Investing SAF dollars throughout this continuum strengthens workforce development, improves college affordability, increases degree attainment, and enhances Michigan's economic competitiveness.

Strategic use of SAF dollars protects students and the state budget.

With significant General Fund pressures projected for FY2027, responsibly using SAF dollars for its original intent to support higher education helps maintain balanced budgets, protect K-12 funding, preserve higher education affordability, and avoid tax increases.

State investment in public universities delivers strong economic returns.

Michigan's 15 public universities generate nearly \$45 billion in annual net economic activity (a 28x return on the state's annual investment), support more than 129,000 jobs, and generate over \$7 billion in annual tax revenue.

