

College Affordability

Sufficient and Sustained State Funding Remains the Central Policy Priority of Michigan's Public Universities

The top policy priority of Michigan's 15 public universities is for the state to provide sufficient, consistent, and sustained funding for institutional operations in order to mitigate tuition price escalation and keep college affordable for all students, especially those from low- and middle-income backgrounds. While all stakeholders play a role in financing a public college education—the federal government, states, institutions, and students—the primary driver of higher tuition prices over the last several decades has been the state-to-student cost shift that has occurred as a result of state disinvestment in public higher education. Modest increases in state operating support for Michigan's 15 public universities since 2013 have helped alleviate increases in tuition prices. However, as of 2018, the state's public universities receive \$158 million less from the state than in 2011, adjusting for inflation. State fiscal support for all postsecondary education in Michigan on a per-capita basis is 28 percent lower than the national average.ⁱ

When looking at the longer term trend in state funding in Michigan, the stark impact on disinvestment is much more evident: a more than *one billion dollar reduction* in inflation-adjusted state higher education and student financial aid funding has occurred since 2002. In 1979, state funding accounted for 70 percent of Michigan public university operating revenues, with tuition dollars comprising 30 percent. Today, the fiscal burden has shifted dramatically to students and families, who now provide a full 77 percent of institutional operating dollars. Only 23 percent of university operating revenues came from the state in 2016.ⁱⁱ

Policy Actions:

- Increase state operating support for Michigan's public universities to maintain college access and affordability.
- Promote a state higher education funding model that provides sufficient, predictable and sustained public university operating support.

ⁱ Source: Illinois State University Grapevine. Table 4: State Fiscal Support for Higher Education per \$1,000 of Personal Income and Per Capita, FY17.

ⁱⁱ Source: Data from Michigan Higher Education Institutional Data Inventory (HEIDI) and House Fiscal Agency.