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## Michigan state funding support short-changes public university students

*New report reveals state ranks 40<sup>th</sup> in per student support, and last in financial aid*

Michigan's state support for its public universities on a per-student basis ranks 40<sup>th</sup> in the nation, far below the national average, and the state ranks last nationally in state financial aid for students, according to a new national State Higher Education Finance report, produced by the State Higher Education Executive Officers association.

This latest [report](#) shows Michigan public universities received \$4,946 per full-time equated (FTE) student in FY2020, \$3,446 per student less than the national average of \$8,392 per FTE student at public 4-year universities. That is 59% of the national average.

According to the report, Michigan is last in the nation for state funding of financial aid per FTE student as of 2020. Michigan allocated just \$15 in state-funded financial aid per full time public university student last year. Nationally, states spent \$1,021 per FTE public university student. Since 2001, state-funded financial aid in Michigan has decreased 97.6% per FTE.

While the state has been underfunding higher education, forcing tuition higher and likely discouraging qualified students from attending Michigan's public universities, it has been generous with its community colleges. State funding for Michigan's community colleges comes in at \$8,833 per FTE student, which is 10 percent higher than the national average of \$8,173 for two-year institutions. It's also \$3,887 per student more than it allocates to its four-year institutions.

"We applaud the state's commitment to community colleges. In order to compete economically, we need to increase the proportion of our workforce that possess a postsecondary degree or certificate. The state's role is crucial in providing affordable access to its public colleges and universities, but we need to level the playing field," said Daniel Hurley, chief executive officer of the Michigan Association of State Universities.

The need for workers with bachelor's and graduate degrees is particularly strong. "We know that 38 of the 'Hot 50' careers that the state's Bureau of Labor Market Information and Strategic Information [has identified](#) as in demand and paying well minimally require a four-year degree," Hurley said. "Further, study after study has demonstrated that individuals who have a bachelor's degree or higher typically have increased earnings, increased job security, and decreased need for public assistance."

[Michigan](#) 2020 data shows that just five years after graduation, the average bachelor's degree holder is making \$52,300, compared to \$40,800 for an associate degree holder. Other research shows that gap grows over time, and individuals with a graduate degree make even more.

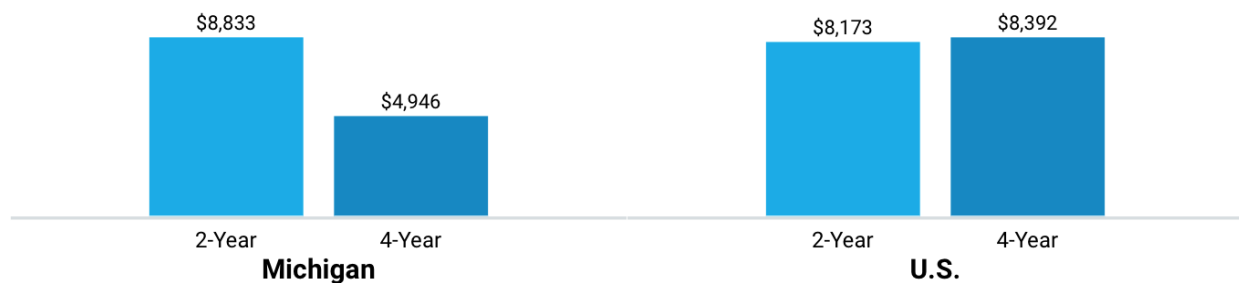
“We encourage Gov. Gretchen Whitmer and state lawmakers to demonstrate the same commitment to students seeking bachelor’s degrees as it has provided to community college students. A parallel level of investment will support students who are prepared to invest four years of their lives to learn more and dramatically boost their earning power. University graduates pay back this initial state investment because they generate more state tax revenue, meet the needs of employers, and avoid public assistance,” said Hurley.

Hurley noted that in the current budget discussions, Gov. Gretchen Whitmer and the Senate have proposed a 2 percent increase in state support for public universities. The House proposed no increase at all, a move that will further depress Michigan’s already dismal rankings nationally in its higher education support.

Given this new data on state funding of public universities and financial aid that shows just how low of a priority college affordability has been, Hurley says that now is a pivotal moment in which state lawmakers can take decisive action to benefit students, families, and employers. “Job providers need more workers with bachelor’s degrees. Lawmakers currently have at their disposal a historic amount of revenues they can allocate. Now is the time to make a major investment in Michigan’s 15 public universities and the future workforce they are producing,” Hurley said.

The summary of Michigan state higher education funding can be viewed here: <https://shef.sheeo.org/state-profile/michigan/>.

Per Student State Appropriations for Public 2-Year and 4-Year Institutions



State Financial Aid for Students Attending Public Institutions

## Michigan

■ State Aid per FTE ■ % of Appropriations

