

## 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 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 and their families among them—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 operational support to Michigan’s public universities.

Michigan ranks 41<sup>st</sup> in state higher education funding support per capita, with the state’s support for its public universities down by \$369.3 million since 2011, adjusting for inflation. Since 2002, state higher education operations funding is down over \$1.2 *billion* with inflation.<sup>i</sup> In 1979, state funding accounted for 70% of Michigan public university operating revenues, with tuition dollars comprising 30%. Today, students and families provide a full 78% of institutional operating dollars. Only 22% of university base operating revenues came from the state in 2024.

Michigan admirably funds its community colleges at \$12,650 per fiscal year equated student (FYES), or 121% of the national average. In stark contrast, the state only funds its public universities at an average of \$7,211 per FYES, which is only 70% of the national average.<sup>ii</sup> This is not how Michigan can succeed at a time when the best paying jobs in highest demand require a bachelor’s degree or higher. A period of strong and sustained reinvestment in state operating support to Michigan’s public universities will enable these institutions to strengthen student supports and bolster workforce-aligned academic programs, leading to increased student success, degree completions, and a stronger talent pipeline in the years ahead.

#### 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.

<sup>i</sup> Fiscal Year 2023 State Higher Education Finance Report, State Higher Education Executive Officers.  
<https://shef.sheeo.org>.

<sup>ii</sup> Ibid.