

FY 2026-27 COMMUNITY COLLEGES BUDGET

GOVERNOR'S RECOMMENDATION

Article II

Committee: Appropriations



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2025-26 YEAR-TO-DATE*	FY 2026-27 GOVERNOR'S RECOMMENDATION	CHANGES FROM FY 2025-26 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	0.0	0.0	N/A	N/A
GROSS	493,032,100	525,371,600	32,339,500	6.6
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS	493,032,100	525,371,600	32,339,500	6.6
Less:				
Federal Funds	0	0	0	0.0
Local and Private.....	0	0	0	0.0
TOTAL STATE SPENDING	493,032,100	525,371,600	32,339,500	6.6
Less:				
Other State Restricted Funds.....	493,032,100	525,371,600	32,339,500	6.6
GENERAL FUND/GENERAL PURPOSE	0	0	0	0.0
PAYMENTS TO LOCALS	493,032,100	525,371,600	32,339,500	6.6

*As of February 11, 2026.

Major Boilerplate Changes from FY 2025-26 Year-to-Date:

- 1. Technical Changes:** One-time payments (**Sec. 201f**), Legislatively directed spending (**Sec. 201i**), Payment schedule (**Sec. 206**), Renaissance zones (**Sec. 207c**), Transparency reporting (**Sec. 217a**), North American Indian tuition waiver report (**Sec. 223**), SBA rent payments (**Sec. 229a**), Performance funding formula (**Sec. 230**)
- 2. Repealed Sections:** Institutional best practices (**Sec. 216e**), Charter school authorizer report (**Sec. 217c**), Spending limit on administration (**Sec. 217f**), Communications with the Legislature (**Sec. 228**)
- 3. Tuition Restraint:** The Governor recommends a limit of 4.0% or \$199 for FY 2026-27, and a limit of 5.0% or \$255 for FY 2027-28. (**Sec. 217b**)
- 4. New Section:** The Governor included a new section directing the distribution of ITEMS grants. Each community college would receive a minimum grant of \$1.0 million with the remainder distributed on a per-student basis. (**Sec. 216c**)

FY 2026-27 COMMUNITY COLLEGES BUDGET
GOVERNOR'S RECOMMENDATION

FY 2025-26 Year-to-Date Appropriation	\$493,032,100	\$0		
	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. North American Indian Tuition Waiver Reimbursements. The Governor included an adjustment to ITW reimbursement payments to colleges, based on the most recent ITW cost data submitted to the Department of Lifelong Education, Advancement, and Potential.	23,900	0	1,411,900	0
2. MPSERS UAAL Cost Adjustment. The Governor reduced payments to community colleges to reflect the amount necessary to hold their payments toward unfunded actuarially accrued liabilities to the statutorily required level of 15.21% of covered payroll.	(4,700,000)	0	84,800,000	0
3. MPSERS Normal Cost Adjustment. The Governor reduced the appropriation for MPSERS normal costs, which are the present value of the cost of future retirement benefits accrued during a year of employment. This appropriation varies annually, based on market conditions, payroll growth, and various other actuarial assumptions.	(1,250,000)	0	18,350,000	0
<u>New Programs/Program Increases - NONE</u>				
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
4. Infrastructure, Technology, Equipment, Maintenance, and Safety Grants. The Governor included one-time School Aid Fund (SAF) to provide grants to colleges to make various campus improvements. Each college would receive a minimum grant of \$1.0 million, and the remainder would be distributed based on the number of fiscal year equated students (FYES) that attend each institution.	33,265,600	0	33,265,600	0

FY 2026-27 COMMUNITY COLLEGES BUDGET
GOVERNOR'S RECOMMENDATION

	CHANGE FROM FY 2025-26 Y-T-D		FY 2026-27 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
5. Community College Operations. The Governor included a 3.0% one-time increase for college operations, distributed identically to the 3.0% one-time increase provided for the current year. The distribution for the current year is based on the community college performance funding formula, which allocates operations increases as follows: 30% based on prior year funding, 30% based on weighted contact hours, 10% based on degree and certificate completions, 10% based on completion rate, 10% based on completion rate improvement, 5% based on administrative costs, and 5% based on local strategic value.	10,972,500	0	10,972,500	0
6. Michigan Maritime Manufacturing Initiative. The Governor included one-time SAF to support the operational costs associated with up to four cohorts of students as they move through this new program at Macomb Community College. The program was designed to provide students with skills necessary to find jobs in maritime construction, specifically for the defense industry.	5,000,000	0	5,000,000	0
7. Remove FY 2025-26 One-Time Appropriations. The Governor removed a one-time appropriation that provided a 3.0% operations increase to community colleges for the current year.	(10,972,500)	0	(10,972,500)	0
<u>Other - NONE</u>				
Total Changes.....	\$32,339,500	\$0		
FY 2026-27 GOVERNOR'S RECOMMENDATION.....	\$525,371,600	\$0		

Date Completed: 2-20-26

Fiscal Analyst: Josh Sefton

Table 1: FY 2026-27 Community College Appropriations

College	FY 2025-26 Year-To-Date	FY 2026-27 Governor's Recommendation		
		Adjustments	Appropriation	Percent Change
Alpena	\$6,687,900	\$14,600	\$6,702,500	0.2%
Bay de Noc	6,568,200	20,300	6,588,500	0.3
Delta	17,427,500	(5,800)	17,421,700	(0.0)
Glen Oaks	3,078,200	(2,500)	3,075,700	(0.1)
Gogebic	5,578,600	(21,200)	5,557,400	(0.4)
Grand Rapids	22,022,800	49,900	22,072,700	0.2
Henry Ford	26,056,100	2,900	26,059,000	0.0
Jackson	14,424,500	(4,900)	14,419,600	(0.0)
Kalamazoo Valley	15,185,000	(6,700)	15,178,300	(0.0)
Kellogg	11,777,800	16,600	11,794,400	0.1
Kirtland	4,027,900	0	4,027,900	0.0
Lake Michigan	6,619,800	(10,300)	6,609,500	(0.2)
Lansing	37,141,200	(10,300)	37,130,900	(0.0)
Macomb	39,342,100	(63,900)	39,278,200	(0.2)
Mid Michigan	6,113,400	1,900	6,115,300	0.0
Monroe	5,575,500	2,300	5,577,800	0.0
Montcalm	4,157,300	7,800	4,165,100	0.2
Mott	18,519,800	4,000	18,523,800	0.0
Muskegon	10,702,000	8,700	10,710,700	0.1
North Central	4,254,400	500	4,254,900	0.0
Northwestern	11,163,900	11,300	11,175,200	0.1
Oakland	25,984,900	(1,500)	25,983,400	(0.0)
Schoolcraft	15,500,500	(8,200)	15,492,300	(0.1)
Southwestern	8,016,100	(2,600)	8,013,500	(0.0)
St. Clair	8,613,500	(4,000)	8,609,500	(0.0)
Washtenaw	16,941,200	13,400	16,954,600	0.1
Wayne County	20,063,700	1,200	20,064,900	0.0
West Shore	2,999,300	10,400	3,009,700	0.3
Subtotal Operations:	\$374,543,100	\$23,900	\$374,567,000	0.0%
MPSERS Normal Cost Offset	\$19,600,000	(\$1,250,000)	\$18,350,000	(6.4%)
MPSERS Retiree Health Care	7,189,000	0	7,189,000	0.0
MPSERS Reform Costs	89,500,000	(4,700,000)	84,800,000	(5.3)
Renaissance Zone Reimbursements	2,200,000	0	2,200,000	0.0
Infrastructure, Tech., Maint., Equip., and Safety (one-time)	0	33,265,600	33,265,600	N/A
MI Maritime Manufacturing Init. - Macomb CC (one-time)	0	5,000,000	5,000,000	N/A
Total Appropriations:	\$493,032,100	\$32,339,500	\$525,371,600	6.6%
State School Aid Fund	493,032,100	32,339,500	525,371,600	6.6
GF/GP	\$0	\$0	\$0	0.0%



Table 2: FY 2026-27 Community College Appropriations - Governor's Recommendation

College	FY 2025-26 Appropriations				FY 2026-27 Adjustments										FY 2026-27 Appropriation	Percent Change				
	Operations	Perf. Funding One-Time	ITW Reimburse.	Year-To-Date	One-Time Adjustments		Ongoing Adjustments													
					Remove FY26 Perf. Fund.	FY27 Perf. Fund.	30.0% Sustainability	10.0% Performance Improvement	10.0% Performance Completion #	10.0% Performance Completion Rate	30.0% Contact Hours	5.0% Administrative Costs	5.0% Local Strategic Value	Total Formula Distribution			Non-Formula / ITW Adjustments	Total Adjustments		
Alpena	\$6,403,300	\$271,100	\$13,500	\$6,687,900	(\$271,100)	\$271,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,600	\$14,600	\$6,702,500	0.2%
Bay de Noc	6,298,000	178,200	92,000	6,568,200	(178,200)	178,200	0	0	0	0	0	0	0	0	0	0	20,300	20,300	6,588,500	0.3%
Delta	16,882,400	493,300	51,800	17,427,500	(493,300)	493,300	0	0	0	0	0	0	0	0	0	0	(5,800)	(5,800)	17,421,700	(0.0%)
Glen Oaks	2,984,100	91,200	2,900	3,078,200	(91,200)	91,200	0	0	0	0	0	0	0	0	0	0	(2,500)	(2,500)	3,075,700	(0.1%)
Gogebic	5,399,000	139,500	40,100	5,578,600	(139,500)	139,500	0	0	0	0	0	0	0	0	0	0	(21,200)	(21,200)	5,557,400	(0.4%)
Grand Rapids	21,184,200	685,500	153,100	22,022,800	(685,500)	685,500	0	0	0	0	0	0	0	0	0	0	49,900	49,900	22,072,700	0.2%
Henry Ford	25,300,700	750,900	4,500	26,056,100	(750,900)	750,900	0	0	0	0	0	0	0	0	0	0	2,900	2,900	26,059,000	0.0%
Jackson	14,032,600	364,800	27,100	14,424,500	(364,800)	364,800	0	0	0	0	0	0	0	0	0	0	(4,900)	(4,900)	14,419,600	(0.0%)
Kalamazoo Valley	14,704,400	433,700	46,900	15,185,000	(433,700)	433,700	0	0	0	0	0	0	0	0	0	0	(6,700)	(6,700)	15,178,300	(0.0%)
Kellooq	11,426,700	324,400	26,700	11,777,800	(324,400)	324,400	0	0	0	0	0	0	0	0	0	0	16,600	16,600	11,794,400	0.1%
Kirtland	3,835,100	146,500	46,300	4,027,900	(146,500)	146,500	0	0	0	0	0	0	0	0	0	0	0	0	4,027,900	0.0%
Lake Michigan	6,408,200	192,200	19,400	6,619,800	(192,200)	192,200	0	0	0	0	0	0	0	0	0	0	(10,300)	(10,300)	6,609,500	(0.2%)
Lansing	36,134,400	924,700	82,100	37,141,200	(924,700)	924,700	0	0	0	0	0	0	0	0	0	0	(10,300)	(10,300)	37,130,900	(0.0%)
Macomb	38,160,600	1,090,600	90,900	39,342,100	(1,090,600)	1,090,600	0	0	0	0	0	0	0	0	0	0	(63,900)	(63,900)	39,278,200	(0.2%)
Mid Michigan	5,837,000	193,900	82,500	6,113,400	(193,900)	193,900	0	0	0	0	0	0	0	0	0	0	1,900	1,900	6,115,300	0.0%
Monroe	5,388,500	206,600	400	5,575,500	(206,600)	206,600	0	0	0	0	0	0	0	0	0	0	2,300	2,300	5,577,800	0.0%
Montcalm	4,033,300	122,300	1,700	4,157,300	(122,300)	122,300	0	0	0	0	0	0	0	0	0	0	7,800	7,800	4,165,100	0.2%
Mott	18,017,800	491,700	10,300	18,519,800	(491,700)	491,700	0	0	0	0	0	0	0	0	0	0	4,000	4,000	18,523,800	0.0%
Muskegon	10,359,900	298,600	43,500	10,702,000	(298,600)	298,600	0	0	0	0	0	0	0	0	0	0	8,700	8,700	10,710,700	0.1%
North Central	3,947,700	144,300	162,400	4,254,400	(144,300)	144,300	0	0	0	0	0	0	0	0	0	0	500	500	4,254,900	0.0%
Northwestern	10,619,800	289,400	254,700	11,163,900	(289,400)	289,400	0	0	0	0	0	0	0	0	0	0	11,300	11,300	11,175,200	0.1%
Oakland	25,130,000	816,500	38,400	25,984,900	(816,500)	816,500	0	0	0	0	0	0	0	0	0	0	(1,500)	(1,500)	25,983,400	(0.0%)
Schoolcraft	14,972,000	503,200	25,300	15,500,500	(503,200)	503,200	0	0	0	0	0	0	0	0	0	0	(8,200)	(8,200)	15,492,300	(0.1%)
Southwestern	7,786,600	210,400	19,100	8,016,100	(210,400)	210,400	0	0	0	0	0	0	0	0	0	0	(2,600)	(2,600)	8,013,500	(0.0%)
St. Clair	8,342,000	258,200	13,300	8,613,500	(258,200)	258,200	0	0	0	0	0	0	0	0	0	0	(4,000)	(4,000)	8,609,500	(0.0%)
Washtenaw	16,257,300	664,900	19,000	16,941,200	(664,900)	664,900	0	0	0	0	0	0	0	0	0	0	13,400	13,400	16,954,600	0.1%
Wayne County	19,460,300	600,900	2,500	20,063,700	(600,900)	600,900	0	0	0	0	0	0	0	0	0	0	1,200	1,200	20,064,900	0.0%
West Shore	2,896,700	85,000	17,600	2,999,300	(85,000)	85,000	0	0	0	0	0	0	0	0	0	0	10,400	10,400	3,009,700	0.3%
Subtotal Operations:	\$362,182,600	\$10,972,500	\$1,388,000	\$374,543,100	(\$10,972,500)	\$10,972,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,900	\$23,900	\$374,567,000	0.0%
MPSERS Normal Cost Offset				\$19,600,000													(\$1,250,000)	(\$1,250,000)	\$18,350,000	(6.4%)
MPSERS Retiree Health Care				7,169,000													0	0	7,169,000	0.0%
MPSERS Reform Costs				89,500,000													(4,700,000)	(4,700,000)	84,800,000	(5.3%)
Renaissance Zone Reimbursements				2,200,000													0	0	2,200,000	0.0%
Infrastructure, Tech., Maint., Equip., and Safety (one-time)				0													33,265,600	33,265,600	33,265,600	N/A
MI Maritime Manufacturing Init. - Macomb CC (one-time)				0													5,000,000	5,000,000	5,000,000	N/A
Total Appropriations:				\$493,032,100	(\$10,972,500)	\$10,972,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,339,500	\$32,339,500	\$525,371,600	6.6%
State School Aid Fund				493,032,100	(\$10,972,500)	10,972,500	0	0	0	0	0	0	0	0	0	0	\$32,339,500	32,339,500	525,371,600	6.6%
GF/GP				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%



FY 2026-27 Gross, SAF, and GF/GP Changes to FY 2025-26

Item #	Budget Area/Line Items	Gov's Changes to FY 2025-26		
		GROSS	SAF	GF/GP
COMMUNITY COLLEGES				
<u>Non-CSB Ongoing Changes</u>				
1	NONE.			
	Subtotal - Non-CSB Ongoing	0	0	0
<u>CSB Ongoing Changes</u>				
1	North American Indian tuition waiver reimbursement adj.	23,900	23,900	0
2	MPERS UAAL cost adjustment	(4,700,000)	(4,700,000)	0
3	MPERS normal cost offset adjustment	(1,250,000)	(1,250,000)	0
	Subtotal - CSB Ongoing	(5,926,100)	(5,926,100)	0
<u>One-Time Changes</u>				
1	Remove FY26 one-time and supplemental appropriations	(10,972,500)	(10,972,500)	0
2	Infrastructure, technology, equipment, maint., and safety	33,265,600	33,265,600	0
3	3% operations increase (one-time)	10,972,500	10,972,500	0
4	MI maritime manufacturing initiative (Macomb Comm. Coll.)	5,000,000	5,000,000	0
	Subtotal - One-Time	38,265,600	38,265,600	0
	TOTAL COMMUNITY COLLEGES	32,339,500	32,339,500	0