Higher Education

General Overview

There are 15 public universities in the State of Michigan that have two primary funding sources: State appropriations and tuition and fee revenue. Unlike most other states in the nation, Michigan's Constitution (Article VIII, Sections 5 and 6) provides that each university governing board shall have general supervision of the institution and the control and direction of all expenditures from the institution's funds.

Operating appropriations for the 15 public universities, as well as funding for grants and financial aid programs for public community colleges, public universities, and independent colleges and universities are included within the Higher Education section of the State School Aid Act.

Major Divisions and Programs

Operating Appropriations. Funding for the State's 15 public universities comprises the bulk of the Higher Education budget and dollars are allocated to the following universities: Central, Eastern, Ferris, Grand Valley, Lake Superior, Michigan State, Michigan Technological, Northern, Oakland, Saginaw Valley, University of Michigan-Ann Arbor, University of Michigan-Dearborn, University of Michigan-Flint, Wayne State, and Western. Appropriations for the MSU Ag BioResearch and MSU Extension Service are included as separate appropriations under Michigan State University.

State and Regional Programs. There are two items funded in this category: the Higher Education database and Midwestern Higher Education Compact dues.

Martin Luther King, Jr.-Cesar Chavez-Rosa Parks (KCP) Initiative. The KCP Initiative encompasses six programs: 1) College Day, students in grades 6-11 visit campuses; 2) Future Faculty Fellowships, stipends for minority graduate students pursuing college teaching careers; 3) Select Student Support Services, grants for disadvantaged student retention projects; 4) College and University Partnership, grants to increase the number of disadvantaged student transfers; 5) Visiting Professors; and 6) Educator Development, grants to increase minority completion of K-12 teacher education.

Michigan Public School Employees Retirement System (MPSERS) Reimbursements. This appropriation affects seven universities that have employees who are members of the MPSERS (Central, Eastern, Ferris, Lake Superior, Michigan Tech, Northern, and Western). Funding for MPSERS costs began in FY 2012-13 to partially offset increasing MPSERS unfunded actuarial accrued liability (UAAL) payments. The universities' UAAL was paid off in FY 2024-25, so the only remaining MPSERS appropriations in the Higher Education budget are for MPSERS normal costs, which is the present value of future benefits earned by MPSERS-eligible employees while they are still working.

Grants and Financial Aid

Michigan Achievement Scholarship (MAS). MAS was created in 2022 and began providing last-dollar scholarship awards to Michigan students in the Fall semester of 2023. To qualify for a MAS scholarship, a student must have graduated from a Michigan high school or have earned a high school equivalency certificate in 2023 or after, be a full-time student, have a FAFSA Student Aid Index of $30,000 or less, and meet various other requirements. MAS provides up to $5,500 per year for up to five years for students attending a public or private nonprofit 4-year college or university. Students attending a community or tribal college may receive a MAS award sufficient to cover all tuition and mandatory fees for up to three years.

Michigan Achievement Skills Scholarship. The MAS Skills Scholarship provides students enrolled in eligible non-degree vocational training programs with a scholarship award of up to $2,000 per year for up to two years. The Department of Labor and Economic Opportunity is responsible for determining program eligibility. Eligible programs are public and private for- and non-profit training organizations.

Tuition Incentive Program (TIP). TIP provides an incentive to students to complete high school and go on to college by pledging to pay their tuition and fees for associate degree or certificate programs. Phase II of TIP provides a maximum of $2,000 ($500 per semester) to complete their degree at a four-year institution. Students who are Medicaid-eligible for 24 months within any 36-month period prior to high school graduation can qualify for TIP.

Children of Veterans and Officer's Survivor Tuition Grant Programs. This appropriation funds two programs. Public Act 248 of 2005 repealed a program that had been established in 1935 and replaced it with tuition grants for children of Michigan veterans who either died or were permanently disabled. An undergraduate student at a Michigan two-year or four-year, public or private, institution is eligible for up to four academic years if the student maintains a 2.25 cumulative grade point average. The grants are funded from a state income tax check-off and the General Fund. The annual grant maximum for a full-time student is $2,800 and for a part-time student is $1,400.

Public Act 195 of 1996 (Police Officer's and Fire Fighter's Survivor Tuition Act) provides for a waiver of tuition at State public institutions of higher education for children and surviving spouses of Michigan police officers and fire fighters killed in the line of duty. The Act requires the State to annually reimburse each State institution of higher education for the total amount of tuition waived during the immediately preceding fiscal year.

Project Gear-up. Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) projects are aimed at increasing the enrollment of disadvantaged students in postsecondary education. This discretionary grant program is designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. GEAR-UP provides six-year grants to states and partnerships to provide services at high-poverty middle and high schools. Grantees serve an entire cohort of students beginning no later than the seventh grade and follow the cohort through high school. GEAR UP funds are also used to provide college scholarships to low-income students.

North American Indian Tuition Waivers. Public Act 174 of 1976 provides for free tuition for Michigan resident North American Indians who attend Michigan public community colleges, universities, and certain Federal tribally controlled community colleges. Since the waiver appropriations were rolled into the operations funding for each university in FY 1996-97, State appropriations have not kept pace with actual costs. In FY 2016-17, universities absorbed $6.5 million of waiver costs.