

Gov. Whitmer Proposes Additional \$92 Million Investment Toward Postsecondary Education

Highlights from the Proposed Fiscal Year 2021 Executive Budget

Yesterday, Gov. Gretchen Whitmer presented her proposed fiscal year 2021 Executive Budget to the state legislature. This \$61.9 billion budget includes many investments that will support the governor's [Sixty by 30](#) statewide postsecondary attainment goal. Highlights include:

MICHIGAN RECONNECT GRANT PROGRAM

A new investment of \$35 million is proposed for the Reconnect Program in the Higher Education budget (restricted funds) to provide tuition-free training for non-traditional students older than age 25 to receive a credential, certificate, or an associate degree.

OPERATIONS FUNDING FOR HIGHER EDUCATION

The budget includes a proposed 2.5% increase in operations funding for the state's universities and community colleges. Receipt of the funding increase is contingent on colleges holding tuition increases below 4.25%.

- \$8.1 million in additional community college operations funding.
- \$38.1 million in additional university operations funding.

NEW STUDENT LOAN REFINANCE PROGRAM

A proposed allocation of \$10 million is intended to establish the Michigan Student Loan Refinance program (general fund). This new revolving loan fund program would enable a qualified individual to refinance up to \$50,000 of his or her student loans into a lower interest rate. The program will be open to individuals with federal and non-federal student loans that were used to pay expenses at a Michigan institution of higher education, who have resided in Michigan for at least 12 months, and have been making regular payments on those loans for at least three years.

CONTINUED FUNDING OF STUDENT FINANCIAL AID

The governor's proposed budget also includes \$142.9 million in continued funding for State of Michigan student financial aid programs, including:

- \$68 million for the Tuition Incentive Program,
- \$38.4 million for Competitive Scholarships, and
- \$32 million for Tuition Grants.

NEW POSTSECONDARY BEST PRACTICES GRANTS

- \$1 million is proposed for Postsecondary Best Practices grants, which will encourage institutions of higher education to implement best practices around college completion.

INCREASE OF PROMISE ZONE TAX CAPTURE

- The state education tax capture for Michigan's legislatively created promise zones is proposed to increase to \$9.7 million. This is funded by local tax dollars collected by the state and redistributed to promise zones as part of tax-increment financing.

To learn more about the postsecondary education related budget recommendations, view the [FY21 Executive Budget Recommendation](#).

Please join MCAN at the [4th Annual College Access Advocacy Day](#) on **April 22, 2020** to continue advocating for postsecondary attainment in Michigan! I hope to see you there!