



Governor Whitmer  
 P.O. Box 30013  
 Lansing, Michigan 48909

April 21, 2021

Dear Governor Whitmer,

Thank you for this opportunity to recommend uses of American Rescue Plan (ARP) funds to advance equity and address the significant challenges college students across Michigan have faced throughout the COVID-19 pandemic. Low-income, first-generation, and students of color have been severely impacted by the pandemic. Many have lost jobs and income, struggled to make ends meet, gone hungry, and suffered from mental health challenges. Thousands have stopped out of college or delayed enrollment, which may make it harder for them to ultimately attain a degree and reap the earnings rewards from that investment.

We have previously come together as a coalition of education, business, philanthropic, and community leaders to recommend a number of policy changes to help underserved college students weather the

pandemic and have been pleased that your administration and the Michigan legislature have taken numerous steps to implement our proposals to address the significant decline in college enrollment among low-income students in Michigan and nationally. We fear that now without bold additional steps, a generation of students – and ultimately the Michigan economy – will be impacted for years. A significant infusion of funding to support the graduating classes impacted by COVID ('20-'24) outlined below will help address the immediate enrollment crisis while also laying the groundwork for more equitable and effective postsecondary investments that will increase the state's college attainment rate over time. To that end, we recommend that the state:

1. **Upgrade the higher education data system.** CEPI, in partnership with the Michigan Department of Treasury, would benefit from substantial resources to modernize the higher education data system. Improvements would enable college counselors, educational institutions, policymakers, advocates and researchers to better support students in applying for financial aid and to identify and track the impact of state postsecondary investments. The current higher education data system relies on data from an external vendor to track how many students at each high school in Michigan have completed the FAFSA. Absent data from that vendor, as we learned during the pandemic, it becomes nearly impossible to know how many students from each high school have completed the FAFSA. This situation limits the ability of non-profit organizations like the Michigan College Access Network to help underserved students complete financial aid applications and access millions of dollars of untapped federal aid. In addition, relatively straightforward policy and research questions about the return on state investments, such as how many students receiving state scholarships attained degrees, cannot be answered due to limitations of the current system. A modernized postsecondary data system that is also connected to workforce outcome measures, including student earnings, would facilitate a smarter and more strategic approach to investing limited tax dollars in increasing the college attainment rate. CEPI would also benefit from additional staff to help plan for and execute the needed system improvements.
2. **Create a temporary scholarship program to enable low-income students impacted by COVID to go to college tuition-free.** Creation of a new scholarship program for low-income students who go to college in Michigan and whose high school and/or college years were impacted by the pandemic would be the clearest way to help those students who have suffered most get back on track to go to and through college. We recommend that the state create a first dollar \$3,000, sector-neutral, annual scholarship with no merit component (e.g. SAT or GPA qualifying score) for students who qualify for a federal Pell grant and go to college in Michigan, regardless of immigration status. This approach would offer clarity, simplicity, and a compelling incentive to eligible students while sending them a strong message that the state is invested in their success.
3. **Temporarily modify the Tuition Incentive Program to provide greater flexibility for underserved students:**
  - *Covering all academic charges.* Currently, TIP, which is the most targeted and largest state scholarship program, only covers mandatory fees up to \$250 per semester. The average TIP-eligible student faces an additional \$266 a year in mandatory fees and excess contact hours and course fees can more than double a student's tuition bill. Students enrolled in STEM courses face the largest additional fees, which creates a disincentive for TIP-eligible students, who are largely underserved and low-income, to enter those programs of study. By temporarily eliminating the cap on mandatory fees

and covering excess contact hours and course fees, Michigan would cover the full cost of going to college for students who might otherwise chose not to enroll due to the pandemic.

- *Running a Phase 1 TIP pilot to let eligible students use their awards at four-year colleges.* Currently students may only use a TIP Phase I grant in an associate's degree program. We recommend that the state administer a one-year pilot program to allow eligible students to use their award at a four-year institution while studying usage patterns to see if this option changes enrollment patterns. While many TIP-eligible students may prefer community colleges, four-year institutions have, on average, higher completion rates and the state's 60 by 30 attainment goal would be advanced by enabling underserved students to select into the sector they most prefer.

4. **Provide incentive grants to institutions to relieve institutional debt for low-income students who have been out of school for two years.** Across the country and in Michigan, institutions have been experimenting with relieving small amounts of institutional debt, such as on-campus parking tickets or transcript fees, that prevent students from graduating or re-enrolling. We recommend the state create a new incentive grant to encourage more schools to provide debt relief for students who have been out of school for two years or more and are poised to return and graduate.

Few if any institutions have as much potential to meet Michigan's challenges as our colleges and universities do. They can lift people out of poverty, improve regional and local economies, and promote equity and opportunity for all. Yet college students have been greatly impacted by the pandemic and low-income enrollment is at a crisis point. Students need help to recover and get back on track. By making these crucial investments in postsecondary education, Michigan can leverage the federal relief funds to help more first generation, low-income and students of color attain college degrees and the family-sustaining incomes that come with those degrees.

Thank you for your consideration.