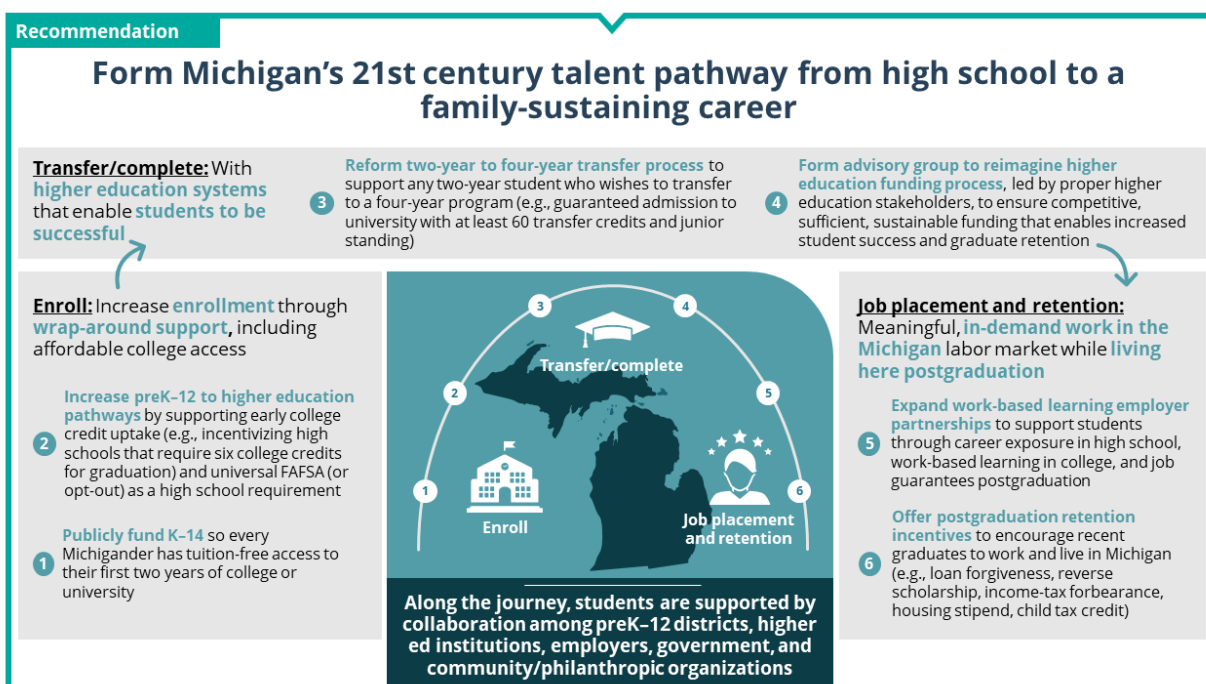


Higher Education Workgroup Policy Recommendations

To create a prosperous, growing Michigan, the higher education workgroup was charged with two interconnected objectives, population growth and increased educational attainment. The following baseline data suggests improvement across the student journey will be necessary to achieve these goals:

- **Enroll:** 52 percent of graduating Michigan high schoolers will not enroll in higher education within 12 months
- **Transfer/complete:** Michigan ranks 49th for two-year completion rates
- **Job placement and retention:** Michigan is a net-talent exporter, with insufficient in-migration of college-educated talent

To propel Michigan forward, our recommendations form a 21st century talent pipeline, guiding students from high school to a family sustaining career within our state:



In total, we expect these recommendations will drive meaningful impact in both **population growth (approximately 280K)** and **higher education attainment (approximately 510K)**.

Recommendation One: Publicly Fund K–14

Recommendation:

Create a K–14 public education system by providing graduating high school students with two years (60 credits) of tuition at a community college or public university.

Description:

Create a K–14 public education system based on Governor Whitmer’s MI Opportunity framework by providing graduating high school students with two years (60 credits) of tuition at a community college or public university. High school students pursuing postsecondary credits toward a college degree or certificate through early college or dual-enrollment programs would also be eligible to use this support to pay for these credits. To be eligible, applicants will be required to show proof of Michigan residency for 12 months prior to enrollment and apply for federal and institutional aid.

This initiative achieves maximum impact when integrated with initiatives to support expanded dual enrollment, improved credential completion, better student connections to local employers, and incentives to retain Michigan graduates and attract others from out of state.

Rationale:

In mid-21st century America, the predominant source of opportunity is talent—both as a source of new job creation and as a magnet for high value-added investment—and a high school diploma is no longer sufficient.

- Michigan can be among the first movers nationwide in the provision of free years of postsecondary education.
- Culture of college-going may also shift as this policy sends message that postsecondary education is a priority and an expectation.
- Increase in college enrollment is likely, as the value of a degree and costs exceeding families' ability or willingness to pay are primary obstacles to enrollment.
- Access to publicly funded college may attract some out-of-state families to relocate to Michigan and will retain some in-state families who may have otherwise pursued out-of-state opportunities.

Recommendation Two: Increase PK–12 Higher Education Pathways

Recommendation:

Support early college credit uptake (e.g., incentivizing high schools that require six college credits for graduation) and universal Free Application for Student Aid (FAFSA) or opt-out as a high school requirement.

Description:

- Incentivize K–12 districts and higher education institutions that agree to meet the below criteria:
 - High schools require at least six credits of college-level course work (dual enrollment, early middle college, career and technical education, advanced placement)
 - Community colleges agree to provide courses on high school campuses and virtually, consult K–12 and local workforce development boards to align CTE pathways and labor markets
 - Colleges and universities require a single application (versus one per semester) for DE
- Legislate FAFSA completion or opt-out waiver for conferral of high school graduation
 - Provide grants to support FAFSA completion days in October/November
 - Require higher education institutions to support K–12 districts in meeting this requirement through resources, including financial and/or personnel to meet FAFSA-completion requirement
 - MI Student Aid to run live virtual workshops and offer one-on-one virtual meetings
 - Run artificial intelligence- (AI-) supported error reports to alert applicants of potential issues, e.g., empty boxes

Rationale:

Encouraging higher enrollment of recent high school graduates will feed the pipeline of completions and talent to fill high-wage, high-demand job opportunities.

- Approximately half of recent high school graduates enroll in postsecondary education
- While 86 percent of school districts offer dual enrollment/early middle college, less than 7 percent of students utilize these resources
 - Students enrolled in dual enrollment/early middle college are 20 percent more likely to enroll in higher education within 12 months of high school, and 23 percent more likely to complete a degree/credential within four years

- Michigan's FAFSA completion rate is 50 percent, ranking 29th nationwide
 - Result is approximately \$100M in federal financial aid and \$120M in Pell Grants unclaimed
 - Approximately 90 percent of high school seniors who complete FAFSA immediately enroll in higher education (versus approximately 50 percent non-FAFSA)
 - Low-income high school seniors who complete FAFSA are approximately 120 percent more likely to directly enroll

Recommendation Three: Reform Two-year to Four-year Transfer Process

Recommendation:

Make the transition from community college graduate to university junior status seamless (e.g., guaranteed admission to university with at least 60 transfer credits and junior standing).

Description:

- Incentivize common-course numbering of all undergraduate courses, with equivalent courses offered throughout Michigan higher education system
- Require all Michigan universities to make automatic fulfillment of general education requirements with a Michigan-based associate degree seamless, guaranteeing student entry at junior status
- Include transfer admission guarantee with agreed-upon grade point average in community college
- Require all Michigan community colleges to automatically confer an associate degree with the completion of the required credit hours in relevant courses from any Michigan-based public university
- Jump start deeper two-year to four-year coordination with guaranteed pathway partnerships, paired with continuous guidance from success coaches trained by both community colleges and four-year institutions

Rationale:

Michigan Transfer Network (MiTransfer Network) offers comprehensive information on articulation and transfer agreements, but the transfer process could be less restrictive and more standardized

- Transfer Steering Committee oversees and supports the transfer process, providing searchable database of course equivalencies and ten academic and four applied program pathways
- Nationwide best practices to minimize loss of credits and encourage more transfers, including:
 - Common-course numbering to standardize course transfers
 - Automatic fulfillment of general education requirements and entry as a junior with any type of associate degree
- Opportunity to increase portion of transfer agreement resulting in little or no loss of college credits, leading to higher educational attainment at lower cost to students
- Larger bachelor's population will increase income levels enabling State initiatives through higher tax base

Recommendation Four: Form Advisory Group to Reimagine Michigan's Higher Education Funding Process

Recommendation:

Form advisory group to reimagine higher education funding process, led by proper higher education stakeholders, to ensure competitive, sufficient, sustainable funding that enables increased student success and graduate retention.

Description:

- At the community college level, we suggest reimaging the higher education funding process consider the following items:
 - An increase in overall funding to support self-improvement and closing of equity gaps (with extra funds given to colleges below certain thresholds)
 - Success rate incentives (including "credentials of value" and four-year transfers)
 - Measurement based on institutional self-improvement (versus competition among institutions) and disproportionately incentivizing success in high-demand fields
- At the university level, we suggest reimaging consider:
 - Graduate retention incentives, particularly for those in high-demand fields

Rationale:

Opportunity to further incentivize Michigan institutions to focus on important outcomes (such as success and graduate retention), leveraging increases in overall funding.

- With only 3.5 percent of overall community college operations funding tied to performance, there is little incentive for Michigan community colleges to invest in initiatives that have big impact on student success
- Similarly, four-year institutions currently funded through set percent increases
- Opportunity to reimagine funding model given recent changes in other states (e.g., Texas)
- Building equity and high-demand field metrics into funding bonus structure can help close equity gap in success rate and guide students to undersupplied, high-wage industries
- Higher completion and retention rates will increase SES, enabling State initiatives through higher tax base

Recommendation Five: Expand Employer Partnerships via Work-based Learning and Full-time Offers

Recommendation:

Support, formalize, and grow employer partnerships to enable greater student exposure to real-world, on-the-job experiences for credit and/or payment (e.g., career exposure in high school, work-based learning in college, and job guarantees postgraduation).

Description:

- Expand Talent Action Team (TAT) employers outside of current base and electric vehicle industry and require internship offering in direct partnership with Michigan higher education institutions
- Expand STEM Forward to include out-of-state STEM students coming to Michigan for internships and in-state students studying high-demand fields outside of STEM
- Offer pathway scholarships for signed letters of returning interns, encouraging multiyear experience and relationship building between students and employers
- Produce annual list of undersupplied, high-wage industries to broaden eligibility with consideration for labor market needs
- Require that industry-sector employers guarantee jobs in return for being part of the curricula-setting process at higher education institutions

Rationale:

Today, the most common reason Michigan postgraduates leave is a lack of job opportunities.

- Opportunity to address drivers of population loss through increased work-based learning and full-time offers
- Program uptake highly likely, as 64 percent of students do not have internships, with most common reason cited being difficulty finding an internship, especially a meaningful one that pays a livable wage
- More robust work-based learning ecosystem will enable smoother transitions for recent graduates to Michigan jobs, retaining more jobseekers in the state
- Enhanced internship to full-time pipeline will also increase SES, enabling State initiatives through higher tax base and higher comfort for jobseekers to start a family
- Likely to increase direct migration of out-of-state students studying in Michigan

Recommendation Six: Offer Postgraduation Incentives to Retain and Attract Talent

Recommendation:

Directly influence reversal of “brain drain” by incentivizing recent graduates (including students from out of state, International, and Michigan higher ed) to seek employment and live in Michigan.

Description:

- Provide incentives (e.g., loan forgiveness, reverse scholarship, income-tax forbearance, housing stipend, child tax credit, reciprocity for out of state tuition differential) for targeted, high-demand fields
- Fund \$10–\$25K toward incentive based on annual list of qualifying high-demand fields in partnership with Department of LEO, Department of Education, and MEDC
- To qualify for incentive, require specified geographical "term of service" within field of study; use range in funding to attract graduates to geographies in higher need, e.g., Northern Michigan

Rationale:

Michigan can reverse the annual net loss of 5.6K postgraduates with incentives that attract out-of-state postgraduates and retain in-state postgraduates

- While Michigan attracts 1.9K postgraduates from out of state, 7.5K postgraduates leave Michigan, resulting in an annual net loss of 5.6K
- Tying retention incentives to specific high-demand fields will help address labor undersupply, with additional geographic incentives for hard-to-fill regions
- Likely to attract more out-of-state postgraduates and retain more Michigan postgraduates, directly contributing to population growth of desirable, high-skilled Michiganders
- Larger postgraduate population will also increase SES, enabling State initiatives through higher tax base