

Closing the Michigan Skills Gap

Proposals to close Michigan’s skills gap and lift the education attainment of our workforce were recently introduced into the Michigan House and Senate. Senate Bills 267 and 268 and House Bills 4464 and 4456 would provide last-dollar community college tuition for graduating high school seniors and adults already in the workforce. The proposals’ goal is to make sure Michigan businesses can find the skilled workers they need, and that all Michiganders have the opportunity to acquire the education and skills required for a good-paying job.

Two-year College and Skilled Training

Mi Opportunity—Community College

The Mi Opportunity—Community College program provides last-dollar state funding to cover tuition and mandatory fees at any public community college for any graduating high school senior who agrees to meet the following accountability conditions:

- Earn good grades that maintain the student in good academic standing
- Earn at least 20 credits each school year and complete in no more than 3 years
- Don’t stop out before completion except for extenuating circumstances

Based on the acclaimed Tennessee Promise and similar programs in 11 other states, Mi Opportunity is designed to significantly increase the number of high school graduates enrolling in post-secondary studies, and to create the critical shared belief that a high school diploma is no longer enough

Estimated Cost: \$46 million year one; \$77 million year two (with two cohorts).¹ Given that students would not begin attending community college under Mi Opportunity—Community College until the fall of 2020, the initial request for funding will come in the FY 21 budget.

Michigan Reconnect

Reconnect offers Michiganders who are at least 25 and have not earned a college degree last-dollar state funding for tuition at any public community college. Reconnect enrollees are held to the same accountability standards as their younger counterparts except that they are only required to enroll half-time given work and family responsibilities. This program, which also was pioneered in Tennessee, provides Michiganders who need more education or skill to rise in their current workplace or to find better jobs in different fields tuition-free access to that education and those skills.

Estimated Cost: \$30-\$40 million year one; \$53 million year two

Four-year Universities

Mi Opportunity—Four Year

Mi Opportunity-Four Year is designed to help high school graduates with good grades from middle- and lower-income families reduce the debt burden of attending a four-year public or private non-profit college or university. It will offer a \$2,500 scholarship for each of the first two years of attendance. Students must have earned at least a 3.0 GPA in high school and come from a family with an income of less than \$80,000. Mi Opportunity—Four Year should increase college attendance by reducing the crushing debt burden that discourages so many from enrolling.

Estimated Cost: \$62 million in year one; \$113 million in year two.

¹ Cost estimates from the Upjohn Institute

Groups That Have Endorsed (partial list)

Michigan State Chamber of Commerce
Business Leaders for Michigan
Small Business Association of Michigan
Grand Rapids Chamber of Commerce
Detroit Chamber of Commerce
Michigan College Access Network

Michigan Community College Association
Michigan Association of Superintendents & Administrators
Michigan Association of Secondary Principals
United Way of Southeast Michigan
Promise Zone Association

For More Information

If you have questions or feedback about the proposal, please contact the following staff in the Governor's Office.

- Doug Ross, Senior Advisor for Michigan Prosperity, rossd6@michigan.gov
- Brandy Johnson, Advisor for Postsecondary Education & Workforce Development, johnsonb54@michigan.gov

Tennessee Promise



Overview	Last dollar scholarship for high school seniors to attend community college tuition-free ¹
Year Started	Fall 2015
Eligibility	<p>Graduating high school seniors</p> <p><i>To qualify, applicants must:</i> graduate from a Tennessee high school, meet with a mentor, complete an application, submit the FAFSA, apply to community college, complete eight hours of community service, and enroll in classes leading to a certificate or associate degree.</p> <p><i>To maintain eligibility, students must:</i> maintain a 2.0 GPA, enroll full time, maintain continuous enrollment, and complete eight hours of community service per semester.</p>
Applications	Each year, 80-85 percent of public and private high school seniors apply for Tennessee Promise—over 64,000 applicants in the latest cohort.
Enrollment	In fall 2017, 17,782 students enrolled in community college using the Promise. Since fall 2015, over 50,000 students have enrolled.
Demographics	In fall 2017, 53 percent of Promise participants were women, and over 70 percent were white. More than 40 percent of participants were first generation college students, and their median family income was \$53,500.
Outcomes	<ul style="list-style-type: none">- Tennessee has the highest FAFSA filing rate in the nation (81.7%).- The statewide college-going rate increased by 5.9 percentage points in the first year of implementation and has remained steady since.- By the end of their sixth semester, 36.3 percent of the first cohort of Promise students had earned a degree or certificate. The overall success rate (including those awarded a degree or certificate or still enrolled) was 51.3 percent.
Cost	\$30 million

¹ For additional information, please see: Tennessee Higher Education Commission. Year 3 Infographic. <https://www.tn.gov/thech/bureaus/planning-and-research/planning-analysis/thech-and-tsac-infographics0/tn-promise-year-3.html>; Tennessee Higher Education Commission. 2019 Promise Annual Report. <https://www.tn.gov/content/dam/tn/thech/bureau/research/promise/TN%20Promise%20Report%202019%20Final.pdf>

Tennessee Reconnect



Overview	Last dollar scholarship for adults to attend community college tuition-free ²
Year Started	Fall 2018
Eligibility	Adults 25 and older without a college degree. <i>To qualify, applicants must:</i> be a state resident for at least one year, complete an application, submit the FAFSA, apply to community college, and enroll in classes leading to a certificate or associate degree. <i>To maintain eligibility, students must:</i> maintain a 2.0 GPA, enroll at least part-time, and maintain continuous enrollment.
Applications	In fall 2018, 31,000 adults applied for Reconnect—and over 70 percent of applicants were women.
Outcomes	Because the program was first implemented last fall, additional data are not yet available.
Cost	\$10 million, once fully implemented

² For additional information, please see: Tennessee State Government. Tennessee Reconnect One-Pager. <https://www.tn.gov/nexttennessee/tennessee-reconnect/tennessee-reconnect-one-pager0.html>; Tennessean. Free Tennessee community college for adults program shatters expectations in its first year. <https://www.tennessean.com/story/news/education/2018/08/27/tennessee-reconnect-community-college/1109159002/>

Preliminary
State Scholarship Program Framework - INTERNAL WORKING DRAFT
 4/12/2019

		Michigan Reconnect Program	Community College Promise	Michigan Opportunity Scholarship	4 Year Institution Scholarship
Program Description		Provides tuition free training for non-traditional students to receive an in-demand industry certification.	Provides either two years of tuition-free community college or two years of tuition assistance at a 4-year public or not-for-profit college or university		
Financial Support		<ul style="list-style-type: none"> Tuition free (last dollar after Pell and other financial aid) 	<ul style="list-style-type: none"> Tuition free (last dollar after Pell and other financial aid) 	<ul style="list-style-type: none"> Tuition assistance (\$2,500) or the cost of tuition and mandatory fees at the eligible university less all other gift aid (must not exceed the lesser of). 	
Timeframe		Up to 2 years	Must be completed in 2 years, must be consecutive	First 2 years of 4 year institution, must be consecutive	
Credential Goal		Technical certification	Technical certification, Associate degree, transfer to 4 year institution	Bachelor's degree	
Provider		Community colleges, technical programs, community based organization programs (as determined by TED)	28 Michigan Community Colleges	Michigan public or not-for-profit 4-year college or university	
Eligibility		<ul style="list-style-type: none"> Estimates based on 25+ population Michigan resident for at least 1 year 	Graduate of Michigan high school	Graduate of Michigan high school	
Merit/Means Test		None	None	<ul style="list-style-type: none"> GPA: 3.0 or better Household income under \$80,000 	
Notes on Estimates		<ul style="list-style-type: none"> Number of eligible participants is unknown. Costs are derived from estimated community college data and don't include participants in other trade schools or private providers. Assumes most participants in one-year programs. 	<ul style="list-style-type: none"> Existing state financial aid programs target low-income students. Shifting existing funding could move resources from low-income to middle- and high-income students. 	<ul style="list-style-type: none"> The combined impact of GPA, SAT score, and household income on costs is unknown. Estimates include scaled cost based on household income but not GPA. 	
Average Cost Per Award		\$1,038	\$2,377	\$2,500	
Estimated 1st Year Eligibility		22,000 - 33,000	19,262	25,016	
Estimated First Year Cost		\$30,000,000 - \$40,000,000	\$45,780,000	\$62,540,000	
Estimated 2nd Year Eligibility		51,102	31,012	45,209	
Estimated Second Year Cost		\$53,057,449	\$76,660,000	\$113,020,000	

Estimated 5-Year Cost

	FY20	FY21	FY22	FY23	FY24
Michigan Reconnect Program	\$30,000,000 - \$40,000,000	\$53,057,449	\$55,180,000	\$57,390,000	\$59,690,000
Community College Promise	\$45,780,000	\$76,660,000	\$79,729,619	\$82,918,804	\$86,235,556
4-Year Institution Scholarship	\$62,540,000	\$113,020,000	\$117,540,000	\$122,240,000	\$127,130,000
Total Estimated Cost After Pell	\$138,320,000 - \$148,320,000	\$242,737,449	\$252,449,619	\$262,548,804	\$273,055,556

Notes:

- Does not include administrative costs
- Assumes mechanisms are in place to limit growth in community college tuition

