

Higher Education

The Higher Education budget provides operating support to the state's 15 public universities and also funds student financial aid programs. State universities are essential to the governor's goal of ensuring that at least 60 percent of Michigan residents possess a high-quality degree or other credential by 2025. *The governor's proposed budget for fiscal years 2015 and 2016 recommends total funding of \$1.5 billion, of which \$1.2 billion is general fund.*

Highlights of Governor's Budget Recommendation

- The governor's Executive Budget invests an additional 6.1 percent, or \$76.9 million, in state university operations, all general fund. This is the largest percentage increase for universities since fiscal year 2001 and provides nearly \$1.3 billion in operating funds.
- The university increase is distributed using a modified version of the performance funding formula adopted in the 2014 budget, providing long-term planning stability to state universities. Half of the new funding is distributed proportional to each university's fiscal year 2011 operations funding, partially restoring reductions made in fiscal year 2012. The metrics used for the remaining half of new funding are: weighted undergraduate completions in critical skills areas, research expenditures, 6-year graduation rates, total completions, administrative costs as a percentage of core expenditures, and a new metric on the number of students receiving Pell Grants. ([Michigan Education Dashboard](#))
- Universities will be required to limit any tuition increases to 3.2 percent or less in order to receive any new performance funding provided in this recommendation. This cap represents double the level of expected inflation.

FY 2015 State University Funding (\$ in Thousands)			
University	Operations Funding	Performance Funding	Percent Increase
Central Michigan University	\$73,540.1	\$5,743.3	7.8%
Eastern Michigan University	67,275.4	4,631.4	6.9%
Ferris State University	45,636.5	3,554.7	7.8%
Grand Valley State University	57,823.5	5,473.0	9.5%
Lake Superior State University	12,231.0	568.1	4.6%
Michigan State University	249,597.8	15,279.4	6.1%
Michigan Technological University	43,473.8	2,523.3	5.8%
Northern Michigan University	41,741.4	2,612.4	6.3%
Oakland University	45,651.6	2,794.5	6.1%
Saginaw Valley State University	25,991.0	1,668.1	6.4%
University of Michigan - Ann Arbor	279,232.7	16,422.9	5.9%
University of Michigan - Dearborn	22,510.4	1,214.5	5.4%
University of Michigan - Flint	19,938.2	1,441.8	7.2%
Wayne State University	183,398.3	7,336.6	4.0%
Western Michigan University	97,279.0	5,628.0	5.8%
Total:	\$1,265,320.7	\$76,892.0	6.1%

- Consistent with the operations increase, the governor also proposes a 6.1 percent increase, or a combined \$3.4 million, for Michigan State University AgBioResearch and Extension, all general fund. This brings total funding for both programs to \$59.7 million.
- For fiscal year 2015, the appropriation for the Tuition Incentive Program (TIP) student financial aid program increases by \$1.5 million, all general fund, bringing total funding for all student grant and financial aid programs to \$103.1 million.
- State Building Authority rent payments of \$124.8 million, all general fund, support debt service for recently constructed university building projects.

