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Community Strategies for Good Jobs

Unequal Usage: Geographic Disparities and the Michigan Reconnect Program

By Kyle Huisman and Kathleen Bolter W.E. Upjohn Institute for Employment Research

KEY TAKEAWAYS

The Michigan Reconnect program, launched in early 2021, aims to provide free tuition at community colleges to individuals aged 25 and above who have a high school diploma or GED but have not completed an associate or bachelor's degree. The program seeks to increase the percentage of Michigan residents with a postsecondary credential.

The program's impact varies across the state, with higher application rates in counties with well-funded and highly attended community college districts and counties with local tuition-free college "Promise" programs.

Here are some potential policy changes the state of Michigan could implement to help address the unequal uptake in applications:

- Extend tuition coverage to any community college, regardless of the student's residence, and publicize the policy changes to eligible residents.
- Partner with four-year institutions to offer tuition-free or reduced-cost two-year degree options for Reconnect students in underserved regions.
- Research reasons for low uptake and the barriers to enrollment, such as non-tuition costs and prior student debt, to better understand the challenges and find solutions.
- Invest in more Reconnect Navigators—caseworkers who advise applicants through the college enrollment and career planning process—and student support services, especially at institutions with fewer resources.
- Deepen engagement with the local community, including businesses, to create pathways to community college and improve student outcomes.

INTRODUCTION

In early 2021, the Whitmer administration unveiled Michigan Reconnect, an initiative that seeks to open doors to higher education for individuals aged 25 and above who have a high school diploma or GED but have not completed an associate or bachelor's degree. Specifically, the program reduces financial barriers to higher education by offering free tuition at community colleges within students' respective districts. The effort also serves as a tool for the state's larger <u>Sixty</u> by 30 goal that seeks to have 60 percent of Michigan's residents with a postsecondary credential by 2030. The current rate is <u>50.5 percent</u>.

The announcement was met with an enthusiastic response; in just over a year, the program received over <u>100,000 applicants</u>. However, somewhat surprisingly, only about <u>a quarter</u> of those who applied for the program have enrolled in courses. The program has the potential to be transformative, both for the individuals who would gain a tuition-free path to a degree or certificate, and the Michigan workforce, through the addition of newly skilled workers—but only if uptake increases.

The administration of Michigan Reconnect was recently reassigned to the newly established, Michigan Department of Lifelong Education, Advancement, and Potential. This transition presents an opportunity to evaluate how Reconnect has been working so far and to consider ways that it could be improved.

CHALLENGES

The Michigan Reconnect program, although designed to enhance accessibility to higher education, has had impacts that vary across the state, emphasizing the need for a more equitable approach to accessing community college. The <u>latest state data</u> on Reconnect applicants reveals several noteworthy patterns. Counties located entirely or mostly within community college districts have the highest application rates, while rural counties and those with low levels of degree attainment tend to have significantly lower application rates. In addition, larger and better-funded community colleges are attracting higher numbers of applicants to the Reconnect program.

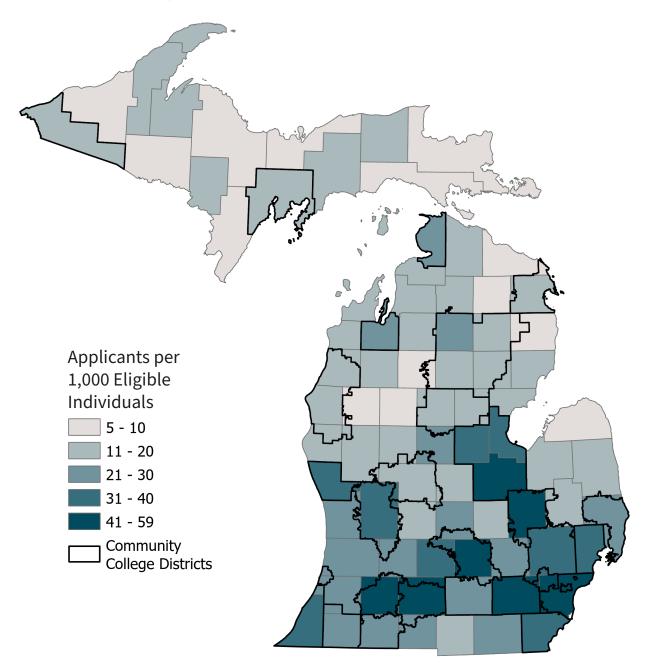
The state of Michigan has a fragmented and decentralized community college system that covers only 33 of Michigan's 83 counties, although these counties account for roughly <u>80 percent</u> of the state's population. Community colleges exist in certain places and not others because residents choose whether or not to tax themselves to support such institutions. This creates a policy and design challenge when it comes to tuition-free community college. Reconnect's initial structure sought to address this by covering only the in-district tuition rate (after other forms of grant aid); residents outside a community college district would pay the difference between in-district and out-of-district tuition. This structure leaves about <u>one in four eligible individuals</u> unable to realize the full benefit of tuition-free college.

The state of Michigan has a fragmented and decentralized community college system that covers only 33 of Michigan's 83 counties.

Attempting to address this challenge, the Michigan legislature amended the Reconnect program in December 2022. Starting in fall 2023, Reconnect will cover tuition for students attending a community college in a district outside of their residence without subtracting other forms of grant aid from the award, although the award is still calculated based on indistrict rates

The December reform is a step towards more equitable access to the program. However, out-district students not eligible for additional financial aid will still have to cover the difference between in-district tuition and out-district tuition. This poses a barrier to eligible middle-income residents who do not qualify for additional aid but who may perceive the out-ofpocket cost as too much of a financial burden.

The lack of full tuition coverage for all state residents may limit the effectiveness of Reconnect in serving those communities that could benefit the most. Under current rules, the program still unintentionally disadvantages some residents of poorer and more rural counties who are less likely to reside within a community college district. Counties with the lowest application rates thus, ironically, are those with the highest level of program eligibility since they have the lowest rates of residents with degrees. Providing funding for a community college and, as a result, offering in-district tuition to attend a community college was linked with a higher application rate.



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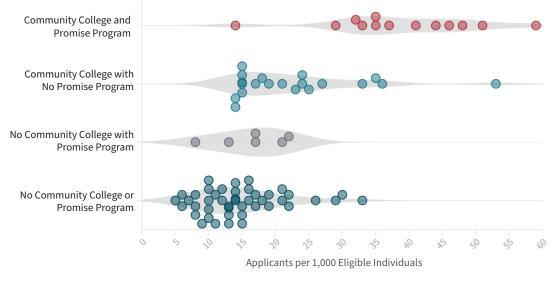
Source: State of Michigan - Department of Technology, Management, and Budget & Upjohn Institute

However, it's not just the presence of a local community college that influences application rates. In counties with a community college district, we find a positive correlation between total enrollment and higher application rates. Likewise, the amount of funding allocated to community colleges positively predicts the local county application rate. There is a particularly strong positive correlation between total funding for student support services and application rates. It may be the case that larger community colleges are able to offer a more diverse range of degrees, certificates, and courses than their smaller counterparts, making them attractive to a broader pool of eligible residents than community colleges with fewer program options. A wider offering of virtual and asynchronous courses at the state's largest community colleges likely makes attendance more practical for certain students. Larger colleges also may have better student support services to help students access their programs. Additionally, colleges with greater resources at their disposal can conduct robust outreach campaigns to attract new students. Whatever the reasons, the data show that the largest community college systems are attracting local Reconnect students at the highest rate.

We also found that counties with relatively high application rates were more likely than those with lower rates to have a <u>tuition-free college "Promise"</u> <u>program</u> established within the county. Community expectations around pursuing higher education (and the provision of accompanying resources) may complement the Reconnect program by contributing to a supportive environment around college going. The presence of a Promise program in a county might also be an indicator of a strong local college-going culture based on underlying economic, social, and demographic characteristics. This analysis does not allow us to draw causal conclusions connecting Promise programs to higher application rates, but these correlations are strong.

These findings highlight the significance of local factors in the success of statewide policies. As with other tuition-free college programs, <u>design</u> and local implementation collectively shape outcomes. Geographic differences in local capacity and the limited accessibility of simple, tuition-free pathways for all Michiganders may be hindering the effectiveness of Michigan Reconnect in reaching those who could benefit from it.

On average, counties with both a community college and a Promise program located somewhere in the county had the highest application rates.



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Source: State of Michigan - Department of Technology, Management, and Budget & Upjohn Institute

OPPORTUNITIES

In the 2023 State of the State address, Governor Whitmer called for the expansion of the Michigan Reconnect program by reducing the age limit from 25 to 21. While this would work to increase eligibility for the program, it would do little to address the unequal uptake across different counties. So, what are some strategies to address this issue?

One straightforward solution involves extending tuition coverage to any community college, regardless of whether the student resides within the district. Programs like the Kalamazoo Promise exemplify the efficacy of such a universal approach. Presently, around <u>one-third of enrolled community college</u> <u>students</u> in the state attend an institution outside of their district. Allowing Reconnect applicants to choose the institution that best suits their needs would not only promote accessibility but also facilitate enrollment in programs aligned with their individual aspirations. The December reform is a step in the right direction, but students not receiving sufficient additional grant aid will still have to cover the difference between in-district and out-district costs.

Policymakers should also publicize the new policy created by the December amendment, which has received little discussion in the media. Many eligible residents of out-district counties—who, come fall 2023, could attend community college tuition-free through a combination of the Reconnect scholarship and other financial aid—are likely unaware of this policy change. Policymakers might consider disseminating information about the amendment through a low-cost targeted social media advertisement campaign in outdistrict counties.

Additionally, policymakers could explore partnerships with four-year institutions to offer tuition-free or reduced-cost two-year degree options for Michigan Reconnect students in underserved regions far from a community college district. For instance, in the Upper Peninsula, where there are only two community college districts (each a single county), granting Reconnect students access to lower-cost two-year programs at local four-year public universities could make pursuing a degree more feasible for students located far from either of the community colleges.

Even if policymakers can increase application rates in low-uptake areas of the state, the Michigan Reconnect program faces the problem of converting applicants to enrollees and enrollees to degree completers. Policymakers might consider funding some research to understand what is causing low uptake (beyond the obvious candidate of a strong labor market). In the case of Kalamazoo, for example, Upjohn Institute researchers have found that nontuition costs associated with college, as well as prior student debt, are barriers to local enrollment.

POLICY RECOMMENDATIONS

- Extend tuition coverage to any community college, regardless of the student's residence, and publicize the policy changes to eligible residents.
- Partner with four-year institutions to offer tuition-free or reduced-cost two-year degree options for Reconnect students in underserved regions.
- Research reasons for low uptake and the barriers to enrollment, such as nontuition costs and prior student debt, to better understand the challenges and find solutions.
- Invest in more Reconnect Navigators—caseworkers who advise applicants through the college enrollment and career planning process—and student support services, especially at institutions with fewer resources.
- Deepen engagement with the local community, including businesses, to create pathways to community college and improve student outcomes.

Providing additional funding to hire more <u>Reconnect Navigators</u>—caseworkers who advise applicants through the college enrollment and career planning process—may be worthwhile. Research suggests that low-income and first-generation college students benefit greatly from additional student support services. Hiring additional frontline staff to help students navigate the complexities of attending college and finding the best path for them into the workforce may help increase enrollment and completion rates, especially at institutions with fewer student support resources. Community colleges themselves also need greater resources for student support services. Reconnect Navigators, who can't access student records or check their registration status, can only do so much to ensure that applicants actually register for classes and make progress towards earning a credential. The responsibility for student services lies primarily with individual community colleges, not Reconnect administrators.

Finally, deeper engagement with the local community, including businesses, is needed to create more pathways to and through community college. While business advocacy was crucial to the passage of Reconnect funding in the state legislature, business support is just as important when it comes to local implementation. Future discussions should consider what efforts are needed to facilitate employer engagement in skill needs, curriculum design, student enrollment, degree/certificate completion, and employment.

CONCLUSION

The current Michigan Reconnect program provides an important first step towards increasing access to community college, as does the recently passed <u>Michigan Achievement scholarship</u> for students graduating high school beginning in 2023. But more is needed. By implementing the strategies suggested above, Michigan can take significant strides towards addressing the program's unequal uptake and ensuring that Reconnect reaches all those who would benefit from it. As policymakers and the administration seek to expand and strengthen Michigan Reconnect, they should envision a future in which educational opportunity transcends geographic boundaries and where individuals throughout the state are empowered to realize their fullest potential.

As policymakers and the administration seek to expand and strengthen Michigan Reconnect, they should envision a future in which educational opportunity transcends geographic boundaries.

AUTHORS



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