

# TUITION-FREE COLLEGE OPTIONS FOR MICHIGAN

What Policymakers **NEED TO KNOW**  
About A Statewide Promise Program

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# KEY TAKEAWAYS

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- Although Michigan has long been a leader in college access, in the past decade some other states have made more substantial strides in providing their residents with a tuition-free pathway through college. An investment in such a program would **help Michigan families while generating more degrees and credentials** to support the state's economy.
- For a relatively modest, additional investment of about \$30–\$40 million per year, the state could provide **tuition-free community college to all recent high school graduates**. The program is inexpensive because it builds on investments already made, including the Michigan Achievement Scholarship and Michigan Reconnect.
- For a further investment of about \$25–\$30 million per year, the state could provide **annual \$1,000 stipends to low- and moderate-income students** to help with out-of-pocket college costs.
- A more expansive program that makes **bachelor's-granting public colleges and universities tuition free for low- and moderate-income students** is affordable in the context of the overall state budget, costing about \$50–\$70 million more per year once four classes of graduating high school seniors are enrolled.
- These programs, along with **attention to student support and navigation at critical transition points**, would position Michigan among leading states in terms of college access and affordability.

# INTRODUCTION

## **25 states have introduced programs that offer a tuition-free pathway to degrees or credentials to a substantial portion of their residents.**

In her February 2024 [budget request](#) to the legislature, Governor Gretchen Whitmer proposed a [Community College Guarantee](#) that would allow every new high school graduate in Michigan to receive an associate degree or skilled certificate tuition free at one of the state’s 31 community and tribal colleges. Governor Whitmer’s proposal comes at a time of state innovation around tuition-free college. Since the Tennessee Promise was created a decade ago, 25 states have introduced programs that offer a tuition-free pathway to degrees or credentials to a substantial portion of their residents. These programs aim to build a more skilled workforce, increase prosperity, address the rising cost of college, and reduce inequalities in college access.

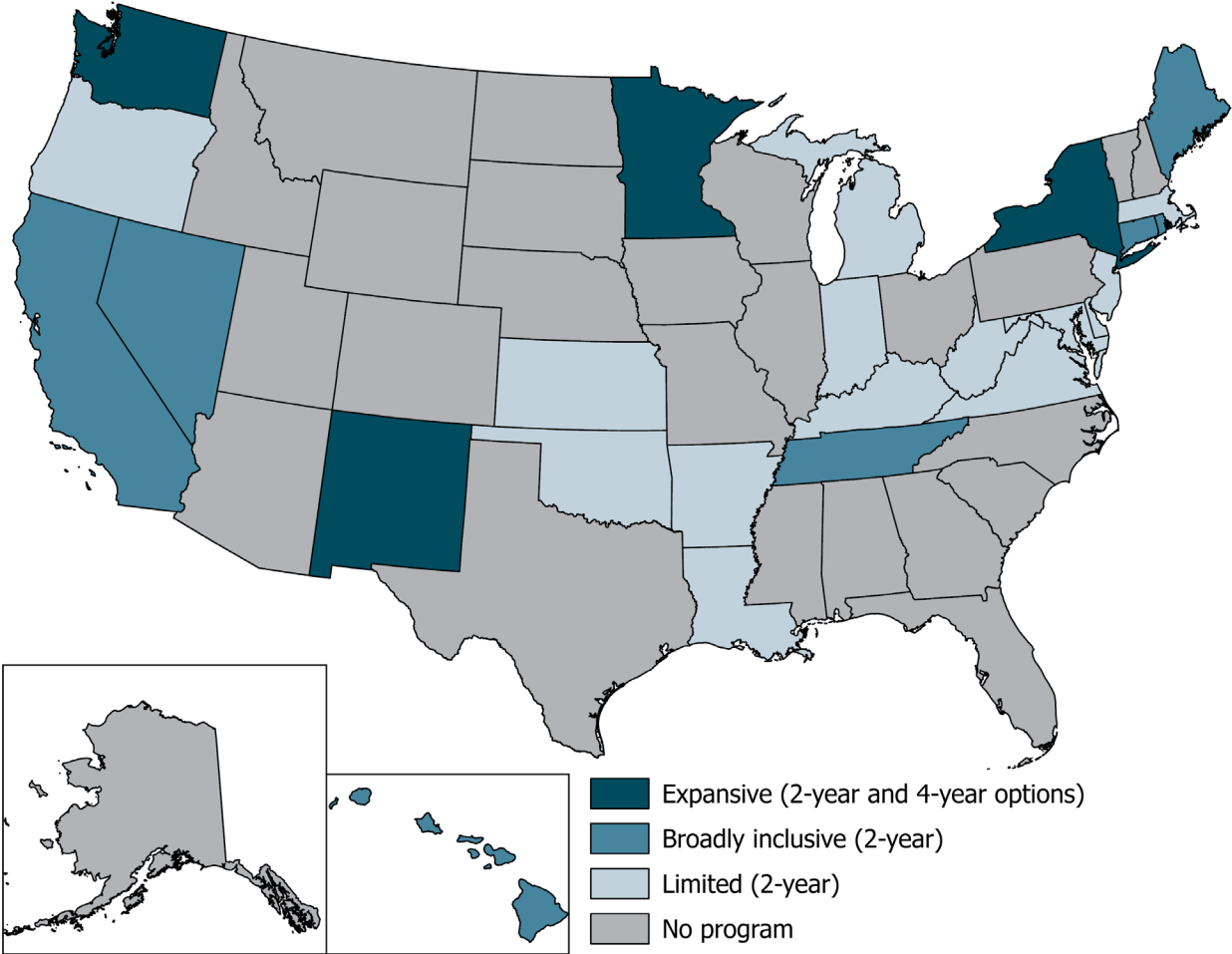
Today’s statewide “Promise” programs vary widely in terms of their scope, their generosity, and how they function. As a result, states like Michigan that are considering introducing or expanding tuition-free college Promise programs have many different models they can follow, each with different strengths and weaknesses. Research on both local and state-level Promise programs provides insight into what works—and what doesn’t.

In this report, we consider two design options for an expansion of tuition-free college in Michigan. The first model, which is similar to the governor’s proposal, would cover community college tuition for recent high school graduates. The second model would cover bachelor’s degrees at the state’s public colleges and universities for recent high school graduates from families whose income falls below a specified threshold. The two models could be combined to provide students with a broader range of options. We project the costs of each model over five years and outline the strengths and weaknesses of each.

While this report focuses on Michigan, an evaluation of the pros and cons of different tuition-free college models may be useful to other states considering the same questions.

# THREE TYPES OF STATE PROMISE PROGRAMS

Figure 1: Among the 25 states that have Promise programs, there are three main program types



Source: W.E. Upjohn Institute State Promise Programs Database, 2024

## Tuition-Free College Options for Michigan

We begin with an overview of three broad categories of state Promise programs.

States create tuition-free pathways to address a variety of needs, from the rising cost of college to equity gaps in who completes postsecondary degrees to building a more skilled workforce. Research shows that investing in higher education and better linking education and business is an important path to becoming a [higher-skilled, higher-wage, more economically competitive place](#). This helps to explain why the business sector has often lent political support to tuition-free college legislation. As the range of states shown in Figure 1 suggests, tuition-free college has frequently been a bipartisan project, although more conservative states have generally opted for more narrowly targeted programs.

# 1 )

## Programs that include both two-year and four-year college options

At the broadest and most generous end of the spectrum, [New Mexico](#) allows all its residents to attend any public, in-state postsecondary institution, with tuition covered before other forms of aid are applied. This is important because “first dollar” funding allows students to use other sources of financial aid for the cost of living while they are in college. New Mexico’s program, introduced in 2022, stands alone: it is the only state Promise program that covers all residents without income caps or other exclusions, covers tuition at four-year colleges as well as community colleges, and provides first-dollar funding. Unsurprisingly, given its scope, it is also very expensive, paid for through a dramatic recent increase in state oil revenues.

While the cost of New Mexico’s model makes it hard to replicate in its entirety, three additional states—New York, Minnesota, and Washington—have opted for more expansive programs that include public bachelor’s-granting colleges and universities in their tuition-free college plans. All three have an income ceiling for receipt of the scholarship. New York’s [Excelsior Scholarship](#) supports graduates from families that earn up to \$125,000, while Minnesota’s newly

## Tuition-Free College Options for Michigan

announced [North Star Promise](#) has an \$80,000 income ceiling. The [Washington College Grant](#) has a sliding ceiling, with full funding for a family of four earning up to \$78,500 and partial benefits at higher income levels.

Extending benefits to middle-income households, as these programs do, can substantially improve access to college for students from these families and build broad political support for Promise programs. Many middle-income households earn too much to qualify for Pell Grants, making them among the most financially constrained when it comes to affording a four-year degree. A sliding ceiling, as in the Washington program, ensures that there is not a “benefit cliff” where households just under the threshold receive full benefits while those just above receive none.

# 2)

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## Broadly inclusive two-year programs

The most widely replicated model is the [Tennessee Promise](#), which covers tuition for high school graduates at in-state, two-year public institutions after other sources of aid are applied (“last-dollar” funding). It is coupled with [Tennessee Reconnect](#), which does the same for adults without college degrees. Nine states have emulated this approach, covering tuition at two-year public colleges for recent high school graduates (Connecticut, Hawaii, Maine, Nevada, Rhode Island), adults (Massachusetts and Michigan), or—like Tennessee—both (California). New Jersey covers community college, as well as the third and fourth year of four-year colleges, for lower-income students.

# 3)

### Two-year programs limited by high school GPA or field of study

At the other end of the spectrum are narrower programs that condition tuition-free community college on factors such as high school GPA or field of study. Five states (Delaware, Louisiana, Maryland, Oklahoma, and Oregon) provide tuition-free community college to students with a high school GPA above a designated level (usually a 2.0). Six others (Arkansas, Indiana, Kansas, Kentucky, Virginia, and West Virginia) limit their scholarships to students working toward degrees or credentials in high-demand fields, most often STEM-related. These eligibility restrictions reduce the cost of the program by limiting the number of students who participate, but they also constrain the benefits the programs can produce for both individuals and states.

Research shows that **limiting a community college scholarship to students with higher GPAs is counterproductive for states seeking to expand the proportion of their population with degrees and credentials**. Community colleges are open-access institutions designed to support students with a wide range of high school experiences; they offer many hands-on, short-term training and certification programs where students with lower high school GPAs can succeed. These credentials are often critical for states seeking to meet workforce needs. High school GPA may screen out students pursuing such careers. Such requirements are also problematic from an equity standpoint, as low-income, first-generation, and Black and Latino students who historically have been less likely to attend college are more likely to have GPAs that fall below a 2.0 threshold.



A second common targeting device in state Promise programs is to limit scholarships to students enrolled in specific high-demand fields of study, usually STEM-related. This approach also **limits the ability of states to widen the postsecondary pipeline while adding complexity and administrative costs**. College students change their majors regularly; [about one-third of students do so at least once, and 1 in 10 change their majors twice](#). (These rates are similar across bachelor's and associate degree programs and are slightly higher in STEM than in non-STEM fields.) Tuition-free college opportunities that are contingent on choice of major and can be lost if that major is changed are likely to reduce usage and add administrative burden for both institutions and students. This is not to say that choice of major and its connection to workforce opportunities are unimportant. We note below some of the ways state Promise programs can support students on career paths that contribute to the state's economic vitality.

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**“Research shows that investing in higher education and better linking education and business is an important path to becoming a higher-skilled, higher-wage, more economically competitive place.”**

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# ANALYZING TWO PROMISE MODELS FOR MICHIGAN

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We turn next to two design options for tuition-free college in Michigan.

Model 1 is a universal two-year program, akin to that proposed by Governor Whitmer. The program modeled here (which is based on different assumptions than the governor's plan and is not strictly comparable to it), would complement the existing Michigan Reconnect program that currently serves Michiganders without degrees over age 21; we model the additional costs of extending a tuition-free pathway to 18–21-year-olds.

Model 2 examines the cost of covering tuition at public bachelor's-granting colleges and universities for recent high school graduates whose household income falls below a specified threshold. We project costs for two different income thresholds. If Michigan wished to go beyond tuition-free community college and emulate states like Minnesota, New York, and Washington, legislators could consider a program that combines Model 1 and Model 2.

Because research suggests states derive less value from more narrow programs, such as two-year programs restricted by GPA or field of study, we do not analyze such a model in this report.

As the legislature and voters consider Governor Whitmer's budget proposal, it is useful to examine these program designs, what they might accomplish for the state, and what they would cost.

### Model 1: Tuition-free community college

#### Tuition-free community college in Michigan



- Covers associate degree or certificate at any in-state community college.
- No income or high-school GPA requirement.
- Complements existing programs that already help Michigan residents attend college.

**Estimated Additional Cost: \$30 to \$40 million per year**

The governor’s budget proposal calls for making community colleges in Michigan tuition free for future classes of high school graduates. We model the cost of a similar but not identical proposal. Three key factors mean the price tag for tuition-free community college in Michigan is relatively small. First, the new program would complement existing programs that already help Michigan residents attend college. The [Michigan Achievement Scholarship \(MAS\)](#) program is a generous student aid program introduced in 2023 that provides \$2,750 to \$5,500 per year for recent high school graduates to attend higher education in Michigan. [Michigan Reconnect](#), established in 2021, is a tuition-free community college scholarship for adults ages 21 and older without college degrees. The existence of these programs means that many costs associated with community college attendance are already covered.

Second, community college costs are relatively low, with average in-state tuition for a full-time student at \$5,042 in 2022–23 (the most recent data available), according to MI School Data.

Finally, this model would fund community college access on a last-dollar basis—that is, after other grant aid is awarded. We estimate that for around half of full-time students who are eligible for the benefit, tuition will be covered by MAS and other grants, including federal Pell Grants. The new program would essentially serve to “top up” other sources of funding.

### Annual \$1,000 Stipends to Low- and Moderate-Income Students Enrolled in Community College in Michigan



- Students must file a FAFSA.
- Available to both full-time and part-time students.
- Complements the Michigan Achievement Scholarship.

**Estimated Additional Cost: \$25 to \$30 million per year**

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**“States create tuition-free pathways to address a variety of needs, from the rising cost of college to equity gaps in who completes postsecondary degrees to building a more skilled workforce.”**

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## Tuition-Free College Options for Michigan

**What would Michigan gain?** Increased postsecondary enrollment and—if appropriate support and navigation resources are also provided, as we describe below—more degrees and certificates that would contribute to the state’s [Sixty by 30](#) goal of increasing the number of working-age adults with a skill certificate or college degree to 60 percent by 2030.

### Program Rules

- Available to all Michigan high school graduates beginning with the class of 2025. The program would grow over three years to encompass most 18–21-year-olds.
- No income or high school GPA requirement.
- Covers associate degree or certificate at any in-state community college.
- Students must file a FAFSA. Students with a [Student Aid Index \(SAI\)](#) that makes them eligible for the Michigan Achievement Scholarship receive an additional stipend of \$1,000/year, even if they are part time. (Among students currently enrolled in community college, [94 percent](#) are within this threshold.) Tuition benefits can be used over a three-year period. Students must enroll within 16 months of high school graduation, after which the three-year period begins.
- Students must enroll in at least six credits per semester (half time).
- To retain the benefit, students must maintain Satisfactory Academic Progress as determined by the college to retain the free-tuition benefit. (Typically, this requires a 2.0 GPA and credit progression toward timely degree or certificate completion.)

**Tuition-Free College Options for Michigan**

**Projected costs of Model 1: Tuition-free Community College**  
*(\$ in thousands)*

	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030	Total
<b>Number of beneficiaries</b>	18,965	28,348	34,384	33,762	33,753	
<b>Tuition Costs (excluding stipends)</b>	\$19,963	\$31,099	\$39,343	\$40,234	\$41,871	\$172,510
<b>Stipends</b>	\$17,068	\$25,513	\$30,945	\$30,385	\$30,378	\$134,289

Note: Students with higher financial need (an SAI of \$30,000 or less) receive a \$1,000 stipend. Methodological assumptions underpinning this estimate can be found in the appendix.

At approximately \$20 million, the tuition costs we estimate for the 2025–2026 school year are higher than the governor’s FY 2025 budget proposal, in part because we model a steeper increase in enrollment from current rates. As a second class of high school graduates enters community college in 2026, the participation numbers and associated costs approximately double and remain roughly steady thereafter. We estimate the total cost over five years at \$173 million for tuition costs excluding stipends, and \$134 million for the stipend for students with higher financial need.

**We estimate providing tuition-free community college to all recent high-school graduates will cost \$30-40 million per year. For a further investment of about \$25-30 million per year, the state could provide annual \$1,000 stipends to low- and moderate-income students to help with out-of-pocket college costs.**

## Tuition-Free College Options for Michigan

### Strengths

- Easily **affordable** within the context of the state budget. For comparison, costs for the tuition portion of the program's first five years are approximately the same as providing subsidized school meals to K–12 students for one year.
- Allows Michigan to deliver a **simple message** to all high school graduates that they can attend college tuition free. This will help **circumvent the complexity of the financial aid system** and concerns about prices and debt that keep many high school graduates from considering college.
- Focus on community colleges would **serve primarily low- and moderate-income students**, contributing to greater equity in college-going.
- Could help **generate short-term certificates and associate degrees quickly** to meet the state's Sixty by 30 goal.

### Weaknesses

- If the program focuses solely on funding, it is likely to fall short of its potential to produce more degrees and a more educated workforce. Low completion rates for community college students reflect not just their financial constraints but also their **need for more intensive and holistic support that addresses both academic and nonacademic barriers to college success**. Michigan is already investing in student success at community colleges, but additional support for students when they are making the transition to college, facing barriers during their time at college, and making the transition from college to the workforce is likely to increase the program's payoff for individuals and for the state. Research has identified four design factors that improve Promise program success, as we describe in the conclusion.
- Restricting the program to community colleges **limits the range of skills and qualifications that will be developed**.
- Tuition support for community college attendance raises concerns about the **potential displacement of students from the state's public bachelor's-granting institutions**. This issue is likely to resolve itself after a year or two as higher community college enrollment generates more transfer students to four-year institutions (see research on Oregon and Tennessee). However, any initial shift of students from four-year institutions to community colleges may generate concern and create political challenges.

### Model 2: Tuition-free public college and university (adding four-year college options)

#### Tuition-free public college and university in Michigan



- Covers bachelor's degrees at in-state public colleges and universities.
- Available to low and moderate income students.
- Leverages existing sources of grant aid and adds an income ceiling to lower the cost of the program.

**Estimated Additional Cost: \$50 to \$70 million per year**

A second idea is to provide tuition support for students attending the state's four-year public sector. The state's finances make a New Mexico-style program unrealistic, but by leveraging existing sources of grant aid and adding an income ceiling, an affordable path is available—even to many middle-income families. Model 2 would expand the range of skills and qualifications that could be developed under the state's tuition-free college program, and it would also address the concerns noted above that increased funding for community college could initially reduce attendance at bachelor's-granting institutions. We base Model 2 on the more expansive programs implemented by Minnesota, New York, and Washington.

Model 2 is distinct from Model 1, the universal community college program discussed above; costs presented here would need to be added to Model 1 costs to capture the budgetary impact of both programs being implemented.



**What would Michigan gain?** Increased postsecondary enrollment, with students below a certain income threshold able to choose the best fit for their postsecondary pathway. Greater college affordability and, ultimately, a more educated workforce that includes more people with bachelor's degrees.

### Program Rules

- Covers bachelor's degrees at in-state public colleges and universities.
- Available to recent high school graduates beginning with the class of 2025, with an income ceiling, modeled two ways:
  - Scenario 1: Full tuition coverage for students from families with income less than \$75,000 per year and reduced coverage for those with incomes between \$75,000 and \$93,900, the latter being Michigan's median income for families with an 18–21-year-old living in the household, according to the 2022 American Community Survey (ACS).
  - Scenario 2: Full tuition coverage for students from families earning less than \$75,000 per year and reduced coverage for those with incomes between \$75,000 and \$109,000, the latter being the 60th percentile of Michigan income for families with an 18–21-year-old, according to the 2022 ACS.
  - The percentage of last-dollar tuition and fees covered decreases at a linear rate from 100 percent for students from families earning less than \$75,000 to zero for students from families earning more than \$93,900 (Scenario 1) or \$109,000 (Scenario 2). Figure 2 shows the level of tuition coverage at various income levels.
  - We assume these income thresholds will be adjusted for inflation annually.
- Students must file a FAFSA.
- Tuition-free benefits can be used over a five-year period. Students must enroll within 16 months of high school graduation, after which the five-year period begins.
- Students must enroll full time (over 95 percent of first-time Michigan university students attend full time).
- Students must maintain Satisfactory Academic Progress as determined by the college or university to retain the free-tuition benefit. (Typically, this requires a 2.0 GPA and credit progression toward timely degree or certificate completion.)

**Tuition-Free College Options for Michigan**

Projected costs of Model 2: Tuition-free public college and university  
 (\$ in thousands)

	2025– 2026	2026– 2027	2027– 2028	2028– 2029	2029– 2030	Total
<b>Scenario 1: Benefits for households earning up to Michigan median income</b>						
Number of beneficiaries	13,794	24,960	35,000	44,071	46,925	
Tuition costs	\$13,295	\$25,250	\$37,119	\$48,946	\$54,521	\$179,131
<b>Scenario 2: Benefits for households earning up to the 60th income percentile</b>						
Number of beneficiaries	15,333	27,744	38,904	48,987	52,159	
Tuition costs	\$16,470	\$31,221	\$45,814	\$60,312	\$67,077	\$220,894

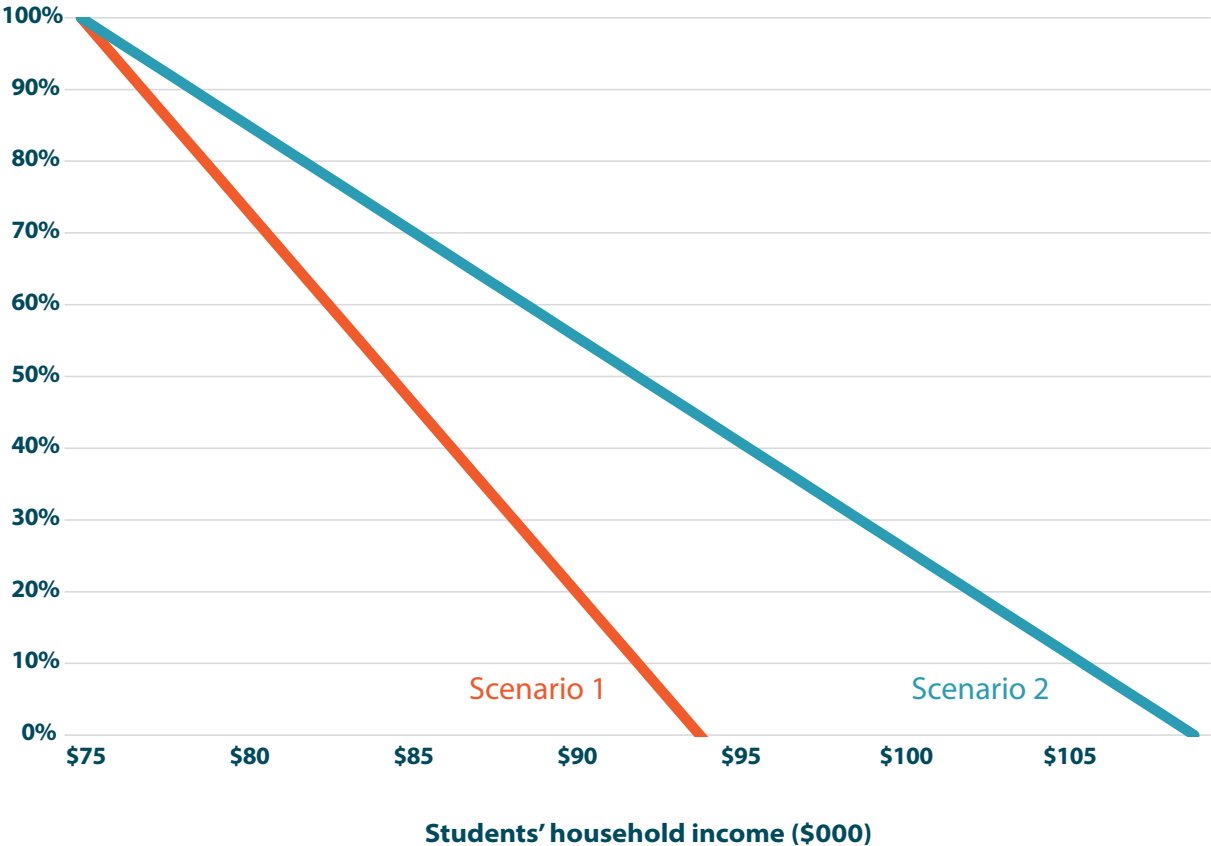
Note: Methodological assumptions underpinning this estimate can be found in the appendix.

**We estimate making bachelor’s-granting public colleges and universities tuition-free for low- and moderate-income students will cost about \$50-70 million more per year once four classes of graduating high-school seniors are enrolled.**

**Tuition-Free College Options for Michigan**

**Figure 2: Under Model 2, students from households earning up to \$75,000 would receive full tuition at public four-year institutions, with some benefits available to higher earning households.**

Percentage of tuition the program would cover, by students' household income



**In both scenarios, students from households earning under \$75,000 would receive full tuition at public four-year institutions.**

## Tuition-Free College Options for Michigan

### Strengths

- Still **affordable** within the context of the state budget. The elements of the most generous approach outlined here—combining tuition-free community college, stipends for low- to moderate-income students, and tuition-free four-year public college (Model 2, Scenario 2)—would cost around \$106 million a year, on average, over the five years of our forecast. This represents around 0.1% of the proposed FY 2025 state budget.
- Would substantially **increase college affordability** for students from households earning up to and above the state’s median income. As noted above, many middle-income households earn too much to qualify for Pell Grants, making them among the most financially constrained when it comes to affording a four-year degree.
- Students would be able to **choose the most appropriate postsecondary path** based on their career interests and aptitudes, rather than having community college be the only tuition-free option.
- A sliding scale that extends above median income ensures that most Michigan students would benefit; **maximizes fairness** while keeping the program simple enough to facilitate clear messaging.

### Weaknesses

- While a state program that includes bachelor’s degree programs has the potential for higher payoffs than a program that includes only community colleges, it does **add to the program’s cost**, especially as enrollments rise.
- Basing scholarship availability on family income (as all but one of the more expansive state Promise programs do) is **problematic for students who come from higher-earning families** but whose parents do not provide them with any financial support.
- Those left out of a broader program—notably, private colleges—can be expected to **oppose the idea**, and more affluent families above the income cut-off may also be resistant.
- Universities planning to admit more low- and moderate-income students who may have less experience with college-going would **need to invest in new approaches to student support** to ensure progression and completion.

# BEYOND FUNDING TUITION

## Design characteristics for Promise program success

Both models proposed here are promising investments for Michigan, potentially leading to a substantial increase in the number of workers with degrees and credentials at a relatively manageable cost. But for these gains to be achieved, policymakers must attend to issues that go beyond tuition funding and consider providing additional financial resources to the higher education sector for student support and to promote the college-to-workforce transition. Here are four key success factors that incorporate findings from more than a [decade of research](#) into Promise programs.

1)

### Simplicity in program design and access.

Keep whatever plan is implemented as simple as possible to allow for clear messaging, a straightforward application process, and minimal administrative burden on students and officials. Any extraneous requirements should be avoided to maximize understanding and uptake.

2)

### Navigating the high school to college transition.

Provide sufficient navigation support to high school students to choose the best postsecondary pathway for their career interests and aptitudes. The [Michigan College Access Network \(MCAN\)](#) and local college access efforts can provide resources to high schools, including through the [AdviseMI Americorps](#) program. Many of Michigan's [local Promise programs](#) also amplify college-access resources within high schools.

# 3)

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### Support for college students.

The need for student support varies across populations and institutions, but many students induced to attend college through one or both programs above will need intensive, holistic advising to help them overcome academic and nonacademic barriers. Many models exist: [Guided Pathways](#) programs at community colleges provide students with clear enrollment avenues, course-taking patterns, and support services, while “high touch” advising of the kind used in the [Detroit Promise Path](#) can be implemented at comparatively low cost. Policymakers should also prioritize the crafting of more [comprehensive agreements](#) to ensure credit transferability between community colleges and four-year institutions; any credit earned at an accredited postsecondary institution should count toward degree or credential attainment.

# 4)

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### Transition to the workforce.

To realize the potential of tuition-free college in terms of Michigan’s workforce, the process of navigating from a postsecondary institution into the workforce cannot be left to chance. Michigan has taken some steps toward building such navigation resources through a web-based career pathway [tool](#) and navigators associated with [Michigan Reconnect](#), but more is needed—for example, colleges should make course-taking toward credentials straightforward and, working with local businesses, build more internship and work opportunities for students.

# CONCLUSION

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**The coupling of a new financial commitment to Michigan students with strong support and navigation along the school-to-work pipeline could be transformative, not only for students and their families, but also for the state.**

Michigan has long been a leader in local Promise programs, college-access activities, and the expansion of financial aid. But in recent years, other states have moved ahead of Michigan in providing a clear guarantee of tuition-free college. The models outlined above suggest options that are financially feasible and could have substantial payoffs for Michigan and its residents.

# APPENDIX

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## Model 1: Tuition-free community college for Michigan

- **The number of students eligible for the program** is forecasted using the state of Michigan’s MI School Data system to examine postsecondary enrollment patterns of public high school graduates. We estimate that the 16-month community college enrollment rate for the class of 2023 will be 19.4 percent based on the enrollment levels so far, and we use this as an enrollment baseline in the model. We assume the incentive created by the program will increase this rate of enrollment to 22 percent, a roughly 10 percent increase. It should be noted that this is still a low rate of enrollment relative to classes that graduated in the years leading up to the pandemic. The statewide 16-month community college enrollment rate averaged around 28 percent between the classes of 2016 and 2019. If the program or any other factors caused enrollment rates to return to 28 percent, program costs could be as high as \$220 million, or around 28 percent higher than our reported costs.
- We use the Western Interstate Commission for Higher Education’s (WICHE) Knocking at the College Door’s projections of the number of Michigan public and private high school graduates.
- **Cohort progression** is projected using recent year retention and completion data for first-time Michigan community college students from the National Center for Education Statistic’s Integrated Postsecondary Education System (IPEDS).
- For costs, we rely mainly on the U.S. Department of Education’s 2019–2020 National Postsecondary Student Aid Study Administrative Collection (NPSAS), as well as IPEDS, and we adjust future-year cost estimates for projected tuition increases.
- **Cost for full-time students:**
  - Full-time students will take an average of 24 credits annually. The statewide average full-time cost of tuition and fees is estimated at \$5,182 as of 2024, growing at a 2.8 percent annual rate (based on MI School Data).



## Tuition-Free College Options for Michigan

- **Cost for full-time students (continued):**

- Around 50 percent of full-time students will be fully covered by the Michigan Achievement Scholarship (MAS) and other grant aid (including Pell).
- Around 40 percent of full-time students receive MAS but still have leftover costs. For these students, this program will pay the statewide average rate of community college tuition at 24 credits annually (the minimum for full-time attendance) minus the \$2,750 MAS grant.
- Around 10 percent of full-time students do not receive MAS, and for these students the program will pay the full price of tuition.

- **Cost for part-time students:**

- Part-time students are not eligible for MAS, but they are eligible for other grant aid (including Pell).
- Part-time students who receive grant aid (around 75 percent) are assumed to have a small amount of remaining tuition and fees for the program to cover.
- For part-time students not receiving grant aid, the program pays for 12 credits annually.

- **Stipends.** Students with higher financial need—all students with a MAS-eligible SAI of \$30,000 or less—will receive a \$1,000 annual stipend.

### Model 2: Expanding access to four-year public colleges and universities in Michigan

- **The number of students eligible for the program** is estimated using MI School Data and the WICHE forecast. We estimate that 28.4 percent of public and private high school graduates will enroll in public universities annually. NPSAS estimates are used to forecast how many students will meet the income and full-time attendance status requirements of the proposed program. Because we are using the class of 2017–2020 average to estimate the rate of university enrollment, the estimate returns college enrollment rates to nearly pre-pandemic average levels.
- **Cohort progression** is projected using recent year retention and completion IPEDS data for first-time Michigan university students.
- **Cost.** For costs, we rely mainly on NPSAS and IPEDS, and we adjust future-year cost estimates for projected tuition increases. Students will take an average of 14 credits a semester. The statewide average full-time cost of tuition and fees is estimated at \$14,888 as of 2024, increasing around 2.4 percent annually (based on IPEDS data).
  - A substantial percentage of students (67 percent under Scenario 1) already have their tuition and fees fully covered by MAS and other grant aid.
  - Other students will receive MAS and other grant aid but still have some remaining costs. We estimate average costs for these students after accounting for grant aid and MAS based on NPSAS data. These costs will equal the price of tuition minus the \$5,500 MAS grant. (We do not assume the MAS grant will grow over the estimate period. If it does, costs under this program would be lower.)
  - A small percentage of students have an SAI too high to receive MAS. Only around 3 percent of students under Scenario 1 and 8 percent of students under Scenario 2 fall into this category.

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