



## FY24 Budget Summary

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This document summarizes the State of Michigan's Fiscal Year 2024 budget which would begin on October 1, 2023. The FY24 budget was passed by the Legislature on June 28, 2023 and signed by the governor on July 20, 2023. The FY24 budget, including all state and federal revenue, totals \$81.66 billion – a 3% increase over the prior year.

The budget includes a total investment of \$544.5 million for our state's community colleges of which \$48.4 million is invested for one-time initiatives.

### OPERATIONS + INSTITUTIONAL AID

#### Community College Operations Increase

The FY24 budget includes a **5.0% ongoing** increase to community college operations grants (\$16.7M SAF) distributed through the existing funding formula. Projected net increases to community colleges range from 4.1% to 7.1%, which also includes any adjustments MI Indian Tuition Waiver (MITW) payments. Attainment of the performance funding increase would be conditioned on restraining in-district tuition and fee increases to the greater of 4.5% or \$205. Projected funding increases for individual community colleges would range from 4.1% to 7.1%. Total funding for operations would be \$357.9 million.

#### Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS)

**\$32.8 million** for Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS), which would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment, technological and physical infrastructure, student housing, and school safety measures. Community colleges that receive a Capital Outlay project authorization by December 15, 2023 would not be eligible to receive ITEMS funding. Individual community college allocations would be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment and would not be distributed until January 2024.

#### MPSERS

**\$30.9 million** for MPSERS, bringing the total MPSERS payments to \$136 million. It maintains the 20.96% cap on unfunded accrued liability contributions paid by community colleges.

## Critical Incident Mapping

**\$5 million** for critical incident mapping. The distribution of funds would be proportional to each community college's operations funding.

## Career and Education Navigators for Adult Learners

**\$5 million** for career and education navigators for adult learners. Community colleges would partner with county governments to apply for grants through the Office of Sixty by 30.

## Michigan Reconnect Entry Point Program

**\$5 million** for the Michigan Reconnect Entry Point Program. Community colleges would partner with county governments to apply for grants through the Office of Sixty by 30.

## FINANCIAL AID

### Michigan Achievement Scholarship

**\$50 million** ongoing deposit to support the Michigan Achievement Scholarship. The boilerplate language specifies contact hours are included as a cost of tuition and eligible students pursuing baccalaureate degrees from community colleges can receive an award up to \$5,500 per year for up to 5 years.

### Reconnect Continuation

**\$10.2 million** increase over the current year funding to recognize current annual cost estimates for the program, bringing the total appropriation for Reconnect to \$65.2M.

### Reconnect Expansion

**\$70 million** one-time appropriation of federal funding in the FY 2022-23 supplemental to expand Reconnect to eligible students over age 21 and whose education was disrupted by the pandemic.

## STUDENT SUCCESS

### College Success Fund

**\$37.9 million** one-time appropriation that includes \$11.5 million GF for student wraparound services and basic needs to support public colleges and universities, tribal colleges and nonprofit organizations. The department may award grants to eligible institutions. The remaining \$26.3 million federal funding is for the competitive college success grants to the same entities stated previously to increase completion.

## BOILERPLATE

### Michigan Office of Postsecondary Educational Attainment (No Funding):

Adds language that creates the Michigan Office of Postsecondary Educational Attainment in LEO, which would review, evaluate and recommend improvements to all state financial aid programs within the Executive branch, serve as the coordinating office for agencies responsible for state financial aid programs, survey stakeholders on improving financial aid program administration, consolidate reports and make available to the Executive and Legislature, and provide data analysis to assist prospective students on postsecondary options. The office would provide a report to the Legislature on expenses, achievements, and recommendations to improve financial aid administration and postsecondary education by September 30, 2024.

### FY 24 Budget Links

- [FY24 Education Omnibus \(SB 173 of 2023\)](#)
- [FY24 General Omnibus \(HB 4437 of 2023\)](#)

## ADDITIONAL RESOURCES

Additional information about [legislative advocacy](#), [bills to watch](#), [legislative briefs](#), and the [latest news](#) are available on the MCCA website along with resources from the [Senate Fiscal Agency](#) and [House Fiscal Agency](#).

### Contact

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