

Community College

Governor’s Recommended Budget for Fiscal Years 2027 and 2028

Michigan’s 28 public community colleges are a critical component of the state’s postsecondary education system, serving more than 295,800 students annually. These institutions prioritize affordability and access, particularly for adult learners, while aligning programs with local workforce needs. Their work is central to advancing Michigan’s Sixty by 30 goal of 60% of working-age adults completing a skill certificate or degree by 2030.

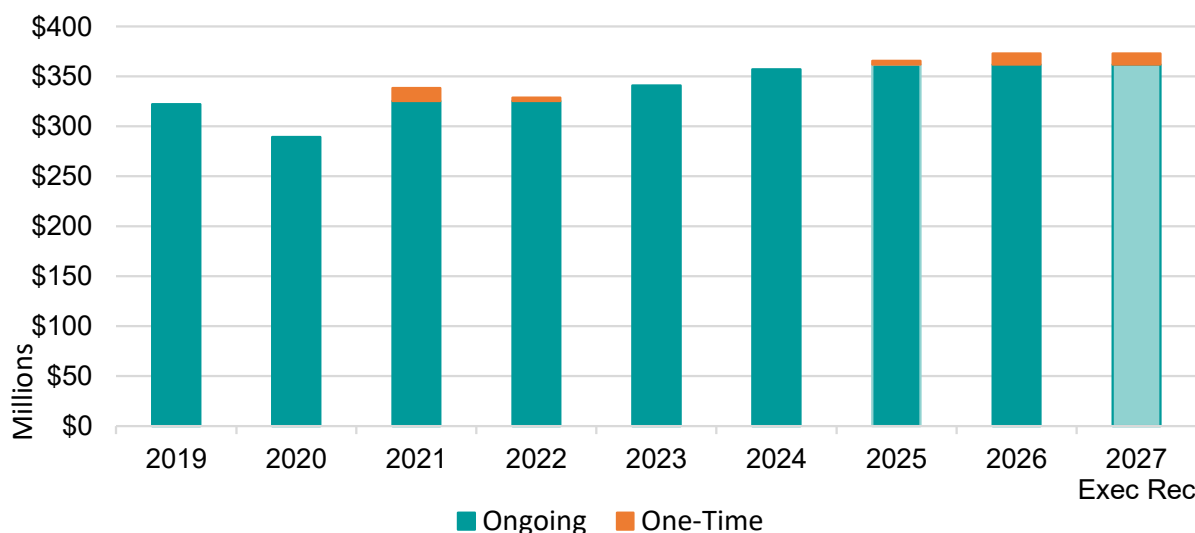
The Governor’s recommended budget for fiscal years 2027 and 2028 includes total ongoing funding of \$476.1 million, all of which comes from the state school aid fund. The Governor also recommends \$49.2 million in one-time funding in fiscal year 2027, all of which comes from the state school aid fund.

Highlights

The Governor’s recommended budget includes the following support for community colleges:

- ♦ **\$11 million of one-time payments to community colleges** to maintain historic operations funding levels. The Governor’s recommendation preserves base operations funding and provides additional one-time support equal to the fiscal year 2026 budget. In a constrained ongoing revenue environment, this approach prioritizes fiscal sustainability for community colleges while leveraging one-time resources for targeted investments aligned with state priorities.

Community College Operations Funding Since 2019



- ♦ **\$33.3 million for one-time Infrastructure, Technology, Equipment, Maintenance, and Safety** funding to address deferred maintenance and safety needs on campuses statewide. The Governor’s recommendation ensures a minimum \$1 million allocation to

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each community college to support critical infrastructure, safety, and technology upgrades, with remaining funds distributed based on enrollment levels.

- ♦ **\$110.3 million for community college retirement obligations.** The Governor's recommended budget sustains state support for retirement contributions to the Michigan Public School Employees' Retirement System (MPERS), ensuring fiscal stability for MPERS members. This includes the continuation of the MPERS stabilization payments, which cover the state's share of the unfunded liability exceeding the statutory community college payroll rate cap of 15.21%, and the MPERS normal cost offset payments to cover costs associated with previous state policy changes that enhance the long-term financial health of the retirement system.
 - ♦ **\$1.4 million for the North American Indian Tuition Waiver** to continue fully funding program costs. This reinforces the Governor's commitment to accessible education by waiving tuition costs for more than 600 eligible Native Americans at Michigan community colleges.
 - ♦ **\$5 million one-time for the Michigan Maritime Manufacturing (M3) Initiative.** The Governor's recommended budget includes funding for Macomb Community College to continue the M3 Initiative, which is a state and federal partnership focused on building a skilled workforce for the future of defense manufacturing by training students in critical maritime construction skills, including welding and machining.
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FY 2027 Community Colleges Funding (\$ in thousands)					
Community College	FY 2026 Base Operations Funding	FY 2027 Indian Tuition Waiver Funding	FY 2027 One-time Support	FY2027 One-time ITEMS	FY 2027 Total Funding
Alpena	\$6,403.3	\$28.1	\$271.1	\$1,047.0	\$7,749.5
Bay de Noc	\$6,298.0	\$112.3	\$178.2	\$1,038.5	\$7,627.0
Delta	\$16,882.4	\$46.0	\$493.3	\$1,271.4	\$18,693.1
Glen Oaks	\$2,984.1	\$0.4	\$91.2	\$1,040.1	\$4,115.8
Gogebic	\$5,399.0	\$18.9	\$139.5	\$1,028.0	\$6,585.4
Grand Rapids	\$21,184.2	\$203.0	\$685.5	\$1,387.7	\$23,460.4
Henry Ford	\$25,300.7	\$7.4	\$750.9	\$1,409.7	\$27,468.7
Jackson	\$14,032.6	\$22.2	\$364.8	\$1,177.7	\$15,597.3
Kalamazoo Valley	\$14,704.4	\$40.2	\$433.7	\$1,196.7	\$16,375.0
Kellogg	\$11,426.7	\$43.3	\$324.4	\$1,132.7	\$12,927.1
Kirtland	\$3,835.1	\$46.3	\$146.5	\$1,044.4	\$5,072.3
Lake Michigan	\$6,408.2	\$9.1	\$192.2	\$1,093.4	\$7,702.9
Lansing	\$36,134.4	\$71.8	\$924.7	\$1,315.9	\$38,446.8
Macomb	\$38,160.6	\$27.0	\$1,090.6	\$1,561.8	\$40,840.0
Mid Michigan	\$5,837.0	\$84.4	\$193.9	\$1,090.3	\$7,205.6
Monroe County	\$5,368.5	\$2.7	\$206.6	\$1,071.2	\$6,649.0
Montcalm	\$4,033.3	\$9.5	\$122.3	\$1,045.1	\$5,210.2
Mott	\$18,017.8	\$14.3	\$491.7	\$1,236.9	\$19,760.7
Muskegon	\$10,359.9	\$52.2	\$298.6	\$1,118.9	\$11,829.6
North Central MI	\$3,947.7	\$162.9	\$144.3	\$1,047.6	\$5,302.5
Northwestern MI	\$10,619.8	\$266.0	\$289.4	\$1,108.1	\$12,283.3
Oakland	\$25,130.0	\$36.9	\$816.5	\$1,567.9	\$27,551.3
Schoolcraft	\$14,972.0	\$17.1	\$503.2	\$1,308.2	\$16,800.5
Southwestern MI	\$7,786.6	\$16.5	\$210.4	\$1,068.8	\$9,082.3
St. Clair	\$8,342.0	\$9.3	\$258.2	\$1,106.9	\$9,716.4
Washtenaw	\$16,257.3	\$32.4	\$664.9	\$1,386.0	\$18,340.6
Wayne County	\$19,460.3	\$3.7	\$600.9	\$1,330.0	\$21,394.9
West Shore	\$2,896.7	\$28.0	\$85.0	\$1,034.7	\$4,044.4
Operations Subtotal	\$362,182.6	\$1,411.9	\$10,972.5	\$33,265.6	\$407,832.6
MPSERS Retirement Subtotal					\$110,339
Renaissance Zone Reimbursement					\$2,200
Michigan Maritime Manufacturing (One-time)					\$5,000
Total					\$525,371.6

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Governor's Recommended Budget for Fiscal Years 2027 and 2028
 \$ in Thousands

FY 2027 Adjustments

	<u>GF/GP</u>	<u>SAF</u>	<u>GROSS</u>
FY 2026 Original Enacted	\$0.0	\$493,032.1	\$493,032.1
Removal of FY 2026 One-Time Funding	\$0.0	(\$10,972.5)	(\$10,972.5)
FY 2027 Ongoing Investments			
None	\$0.0	\$0.0	\$0.0
FY 2027 Reductions			
None	\$0.0	\$0.0	\$0.0
FY 2027 Baseline Adjustments			
Community College MPSERS UAAL Payment - Annual adjustment for the state's share of MPSERS UAAL costs that exceed the statutory community college payroll rate cap of 15.21%. Total payment of \$84.8 million.	\$0.0	(\$1,250.0)	(\$1,250.0)
Community College MPSERS Normal Cost Offset - Funding needed to offset normal cost contributions associated with other enacted state policy decisions. Total payments of \$18.4 million.	\$0.0	(\$4,700.0)	(\$4,700.0)
Community College Indian Tuition Waiver - Annual Adjustment needed to fully fund the costs of tuition waivers for eligible Native American students. Total payments of \$1.4 million.	\$0.0	\$23.9	\$23.9
FY 2027 Total Executive Recommendation - Ongoing Funding	\$0.0	\$476,133.5	\$476,133.5
FY 2027 One-Time Investments			
Community College One-time Payments - Includes \$11 million of one-time funding distributed to each community college at the same levels received in FY26. Colleges may use these funds for the same purposes as operations funding.	\$0.0	\$10,972.5	\$10,972.5
Infrastructure, Technology, Equipment, Maintenance, and Safety (ITEMS) Funding - Includes \$33.3 million of one-time funds distributed to community colleges to address deferred maintenance and housing costs across college campuses.	\$0.0	\$33,265.6	\$33,265.6
Michigan Maritime Manufacturing (M3) Initiative - Includes \$5 million of one-time funding distributed to Macomb Community College for the continuation of the M3 Initiative.	\$0.0	\$5,000.0	\$5,000.0
FY 2027 Total Executive Recommendation - One-Time Funding	\$0.0	\$49,238.1	\$49,238.1
FY 2027 Total Executive Recommendation - Ongoing and One-Time	\$0.0	\$525,371.6	\$525,371.6
\$ Change from FY 2026 - Total Funding	\$0.0	\$32,339.5	\$32,339.5
% Change from FY 2026 - Total Funding	0.0%	6.6%	6.6%

FY 2028 Adjustments

	<u>GF/GP</u>	<u>SAF</u>	<u>GROSS</u>
FY 2027 Total Executive Recommendation	\$0.0	\$525,371.6	\$525,371.6
Removal of FY 2027 One-Time Funding	\$0.0	(\$49,238.1)	(\$49,238.1)
FY28 Baseline Adjustment - Annual adjustment for the state's share of MPSERS UAAL costs above the cap. Total payments of \$83.7 million.	\$0.0	(\$1,100.0)	(\$1,100.0)
FY28 Baseline Adjustment - Adjustment to normal cost contributions for MPSERS. Total payments of \$17.1 million.	\$0.0	(\$2,600.0)	(\$2,600.0)
FY 2028 Total Executive Recommendation	\$0.0	\$472,433.5	\$472,433.5
\$ Change from FY 2027 - Total Funding	\$0.0	(\$52,938.1)	(\$52,938.1)
% Change from FY 2027 - Total Funding	0.0%	(10.1%)	(10.1%)