

## Free community college will cost taxpayers — and hurt students

State has already spent half a billion without knowing whether the program works

By Jennifer Majorana | March 2024

Gov. Gretchen Whitmer's recent call for free community college for high school graduates is the latest part of her plan to have 60% of state residents have a degree or post-secondary certificate by 2030, up from about 50% today. But it will likely cost tens if not hundreds of millions each year and lead to disappointment for taxpayers and students alike.

Such a massive expense, to say nothing of such a large new entitlement, demands the strongest justification. Yet Whitmer has provided none, and in fact, the state shows no interest in finding out whether free community college has any benefits. No wonder: The evidence shows that this handout will do significant harm — not only to taxpayers, but to the very students it's designed to help.

This is just the latest effort to have taxpayers pay for higher education. The governor's community college proposal dramatically expands Futures for Frontliners, a program Whitmer created in 2020 to

provide community college scholarships for workers in certain industries during the COVID-19 pandemic. The Legislature joined with Whitmer to establish a separate program called Michigan Reconnect, which makes it possible for residents to get free tuition, as

long as they are over 25 years old. Last year the Legislature temporarily lowered the age limit to 21. On top of that, as of 2023, Michigan high school graduates and

GED holders receive scholarships up to \$27,500 to pay for university or \$8,250 to pay for community college through the Michigan Achievement Scholarships.

This burst of spending has already cost taxpayers at least \$500 million, according to budget data. Yet the state hasn't collected much, if any, information about the effectiveness of these efforts, particularly Michigan Reconnect. Are program graduates earning more? Have they found fulfilling jobs? Nobody seems to know, outside anecdotal evidence. But taxpayers

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deserve to know, lest they unwittingly fund an enormous expansion of a failed program.

There are other indicators that free community college isn't effective. Though the state has spent so much money, not many students have graduated through these programs — just over 6,000, as of last spring, or perhaps 4,400, according to the governor's office. Meanwhile, community college enrollment in the state has dropped by nearly 3% over the last year, even as it rose nationwide.

Why is Michigan trying to push more students into a taxpayer-subsidized college program that hasn't worked so far? The governor herself acknowledges that "there's no correct path" to life after high school. And in the same breath, she's asking lawmakers to tip the scales.

And what's to make sure taxpayers won't be hit with exploding costs? Free community college is a guaranteed way to drive up tuition; schools can charge more because they know taxpayers are on the hook.

The assumption behind this new entitlement is that a community college degree will help Michiganders compete in a global labor market. But that's wishful thinking, not economic reality. Businesses are broadly rethinking college degrees, concluding that diplomas say little to nothing about whether someone is qualified for a job.

A November 2023 survey indicated that 55% of 800 large U.S. companies had eliminated bachelor's degree requirements for at least some jobs, and 45% say

they'll do the same in 2024. Companies such as IBM, Dell, Bank of America, Google and General Motors are dropping traditional degree requirements. More and more, companies are going around the traditional academic system to create innovative training programs of their own.

Which brings us to the most painful part of Whitmer's proposal. Pushing people into community college may actually hold some back. It diverts them from finding more immediate and rewarding job and training opportunities straight out of high school by delaying their entry into the workforce. Only one-third of community college students graduate on time, so some people pushed into college could spend years on the economy's sidelines when they should be getting into the game.

High school students deserve effective pathways to success. Community college may be right for some high school graduates, but free community college for all is unjustified and unhelpful. It will cost taxpayers hundreds of millions, while potentially holding back students from quickly entering the workforce to start gaining valuable on-the-job experience. The Legislature should ignore Whitmer's proposal, for the sake of taxpayers and students alike.

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