

State bill proposes massive cuts at University of Michigan and Michigan State University

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Michigan's public universities face an escalating crisis, the culmination of decades of state disinvestment. At the forefront of this assault is Michigan House Bill 4580 (HB 4580), introduced by Republican Representative Greg Markkanen on June 5, 2025, and passed on June 12. The bill, the House response to Senate Bill 167 (SB 167), passed May 13, focuses on appropriations for higher education for the fiscal year 2025-2026.

The bill intertwines funding with partisan cultural policies, targets Diversity, Equity, and Inclusion (DEI) initiatives, requires universities to list their employees who work remotely, and demands universities certify students' immigration status. The bill has since been transmitted to the Senate, where it awaits negotiations with the Democratic-controlled body and Democratic Governor Gretchen Whitmer.

SB 167 proposes small increases to funding for all universities in the system, in addition to language requiring universities to maintain DEI policies, threatening to withhold funding from institutions that do not comply.

The first iteration of HB 4580 proposed an across-the-board \$828.1 million reduction in university operational funding. This plan would have resulted in a 92 percent cut, approximately \$335 million, for the University of Michigan in Ann Arbor (U-M) and a 73 percent cut, or \$237.4 million, for Michigan State University (MSU). Facing opposition from the broader higher education community and House Democrats, these initial cuts were scaled back in the final version. Despite this revision, the bill still mandates an overall \$51.6 million reduction in university operations.

These reductions remain concentrated on Michigan's two flagship institutions. U-M is slated for a \$234.4 million (65 percent) reduction in funding, while MSU faces a \$56.6 million (18 percent) cut.

Republicans have defended these disproportionate cuts

by pointing to the multi-billion-dollar endowments of U-M and MSU, their alleged failure to produce enough in-state graduates, and their alleged failure to “vet” international students.

Markkanen asserted that the plan aims to “trim the fat off MSU and U-M and distribute that funding amongst our 13 other remarkable universities.” A substantial portion of the funds reallocated from U-M and MSU, \$242.7 million, is earmarked for redistribution among the remaining 13 universities. These institutions, including U-M Dearborn and U-M Flint, are projected to experience funding increases ranging from 23.5 percent to 26.3 percent. In a June 23 editorial, Markkanen framed the austerity bill as more “equitable,” citing support from officials at Michigan Technological University and Wayne State University.

Markkanen claimed U-M and MSU could offset the budget cuts by dipping into their endowment funds, \$19.2 billion at U-M and \$4.4 billion at MSU. This argument pits Michigan public universities against each other as part of a divide-and-conquer strategy, which seeks to prevent a unified opposition against the overall defunding and ideological restructuring of public higher education.

The claim regarding insufficient in-state graduates is also misleading and contradictory. Higher out-of-state tuition subsidizes lower in-state tuition rates. Budget cuts will incentivize U-M and MSU to rely more on out-of-state tuition to minimize in-state tuition increases. U-M has already announced a tuition hike of 3.4 percent (approximately \$640) for in-state and 4.9 percent (approximately \$3,090) for out-of-state undergraduate students, and MSU has announced a 4.5 percent increase (approximately \$800 for in-state and \$2,000 for out-of-state).

Remarks by House Speaker Matt Hall concerning the “vetting” of international students at U-M reveal a xenophobic undercurrent, aligning with the imperialist

drive for war. On June 18, Hall linked the budget cuts to the prosecution and jailing of Chinese scientists Yunqing Jian and Chengxuan Han. He said, “I don’t like what they’re doing with bringing in so many Chinese nationals that we’re now learning are not properly vetted... I mean, we want international students but... the ones we keep finding are doing very, very bad things.”

Jian and Han are victims of a political frame-up. They are currently being held in federal detention without bail. They face charges carrying up to 20 years in prison for bypassing import restrictions on common biological research materials.

HB 4580 is connected to the broader attack on democratic rights. The bill contains language to withhold funds from institutions that allow transgender women to compete in women's sports, host events separated by race or sex, or continue DEI-based programming. It requires universities to provide the state with a list of employees who work remotely, together with their titles and salaries, an implicit threat to thousands of workers. The bill also includes provisions to verify the legal immigration status of every student and report students who are not lawful residents.

Under the plan, universities found to maintain a DEI policy face a severe financial penalty: the state would withhold one dollar of funding for every dollar a university spends on DEI-related initiatives. This state-level action aligns with the Trump administration's federal efforts to eradicate “woke” ideology and dismantle DEI programs. Rep. Markkanen stated, “President Trump is doing important work at the federal level, and I want to make sure Michigan expands upon those efforts.”

U-M and MSU have responded differently to the attack on DEI. On March 28, 2025, then-U-M President Santa Ono ended all DEI programming and spending, a complete capitulation by the university to the Trump administration. U-M had previously launched a five-year DEI 2.0 Strategic Plan and invested \$250 million in DEI efforts. MSU has stated its intention to comply with legal requirements but not eliminate its DEI programming, setting the stage for a legal and financial confrontation with the state.

From its origins, DEI has served to obscure fundamental class divisions under capitalism, prioritizing race and other forms of personal identity over class to divide the working class. It has primarily benefitted a thin layer of individuals who secure privileges and lucrative positions within the existing social and political order, while the conditions of all workers deteriorate. The attack on DEI

from the right by Trump and the Republicans exploits the hypocrisy of DEI’s “progressive” pretensions and the legitimate frustrations of workers of all races, falsely equating identity politics with Marxism to impose “America-first” nationalist ideology.

Legislators face a July 1 deadline, a statutory requirement for the legislature to finalize appropriations, as university fiscal years typically begin on July 1. Democratic Senate Majority Leader Winnie Brinks criticized House Speaker Matt Hall, accusing him of “Trump-like behavior to cause a crisis and then to come in at the last second and pretend that they’re being heroic” by delaying budget negotiations. Hall, in turn, has dismissed the Senate's budget plan as “crazy” and “not very creative,” saying it merely “tack[s] 3 percent on top of whatever they did last year.”

While Democrats and Republicans wrangle over timing and partisan ideological issues, they agree fundamentally on the long-term disinvestment of public education. Both HB 4580 and SB 167 maintain austerity-level funding, differing mainly in their political demands to maintain or abolish DEI programming. When adjusted for inflation, appropriations per student in FY 2022-23 were 38 percent lower than in FY 2000-01. This decline occurred under two Republican and two Democratic governors.

For students, these bipartisan policies translate directly into higher tuition costs, reduced financial aid, and a narrowing of academic programs, making a college degree increasingly unattainable for working class families.

For faculty and staff, the cuts mean heightened job insecurity, reduced resources for research and teaching, and an academic climate where intellectual inquiry and freedom are constrained by politically motivated mandates.

The defense of public education requires a unified, independent movement of the working class to demand full public funding for education, from early childhood through university. Only a socialist program, which champions education as a universal social right, free from market dictates, can cultivate the intellectual and human potential necessary to serve the needs of all.



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