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Senate Bill 98 (as introduced 2-11-15)
Sponsor: Senator Mike Shirkey
Committee: Commerce

Date Completed: 5-19-15

CONTENT

The bill would amend the Community College Act to do the following:

- **Allow a community college district board of trustees to establish education programs and grant baccalaureate degrees in ski area management, wastewater treatment technology, allied health, information technology, or manufacturing technology.**
- **Allow a board to establish a nursing education program that granted bachelor of science in nursing (BSN) degrees.**
- **Specify the requirements for the establishment and operation of a community college BSN degree program.**

The board of trustees of a community college district may make plans for, promote, or acquire, construct, own, develop, maintain, and operate a community college and an area vocational-technical education program. The Act allows the board of trustees to establish education programs and grant baccalaureate degrees in cement technology, maritime technology, energy production technology, or culinary arts.

Under the bill, the board of trustees also could establish education programs and grant baccalaureate degrees in ski area management, wastewater treatment technology, allied health, information technology, or manufacturing technology. The board of trustees could not eliminate any associate degree program it operated at the time it established a baccalaureate degree program unless the board demonstrated that there was a lack of student demand for that associate degree.

The bill also would allow the board of trustees to establish a nursing education program that granted BSN degrees. All of the follow would apply to the establishment and operation of a BSN degree program:

- The board of trustees could not eliminate any associate degree program the community college offered at the time it established a baccalaureate degree program unless the board demonstrated that there was a lack of student demand for that associate degree.
- The community college could not operate an educational program that granted BSN degrees unless the program were approved by the Michigan Board of Nursing under Section 17241 of the Public Health Code.
- Before the community college began offering BSN degrees, and while it offered those degrees, the community college would have to hold a national professional nursing accreditation, hold candidacy status for that accreditation, or have applied for that accreditation, from the Commission on Collegiate Nursing Education or the Accreditation Commission for Education in Nursing.

- The board of trustees could not expand a BSN degree program unless the job placement rate and rate of acceptance into graduate degree programs for nursing for graduates of the program equaled or exceeded the average of those rates of all of the public universities in this State that operated BSN degree programs.

(Section 17241 of the Public Health Code requires an institution that seeks to conduct a nursing education program to apply to the Michigan Board of Nursing and submit evidence that is prepared to carry out the minimum curriculum prescribed by the Board for the preparation of individuals for licensing and meet other educational and training standards established by the Board. That section also provides for the evaluation, inspection, and approval of a nursing education program.)

The Act defines "community college" as an educational institution providing collegiate and noncollegiate level education primarily to individuals above the twelfth grade age level within commuting distance. The term does not include an education institution or program that grants baccalaureate or higher degrees other than a baccalaureate degree in cement technology, maritime technology, energy production technology, or culinary arts. The bill would extend this exception to a BSN and the other proposed baccalaureate degrees.

MCL 389.105 & 389.121

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have an indeterminate impact on the State and local community college districts. The ability of community colleges to provide baccalaureate programs would depend on accreditation and the availability of qualified instructors. The positive economic impact on the State would depend on the number of degrees that would not have been granted without the availability of the programs at community colleges.

The bill would result in increased operational costs for community colleges that chose to offer baccalaureate degrees under the provisions of the bill. Costs to each community college would depend on staffing needs, equipment, and the capacity of current infrastructure. Total funding from State aid and property tax revenue would not be affected by baccalaureate degrees offered by community colleges. Whether colleges charge higher tuition and fees for baccalaureate programs, possibly increase overall tuition rates, or absorb cost within existing tuition and fee rates would depend on financial decisions made by community college governing boards.

Community colleges that currently offer baccalaureate degrees include; Northwestern Michigan College (maritime technology), Jackson College (energy production technology), and Lake Michigan College (energy production technology). Schoolcraft will begin a culinary arts baccalaureate program in the fall of 2015. Of those four colleges, Lake Michigan College charges \$334 per contact hour in tuition and fees for its bachelor's degree in energy production and Northwestern Michigan College charges \$376.97 per contact hour for its maritime bachelor's degree program. Northwestern has used a differential tuition/fee basis since the late 2000's as part of its business plan to fairly assess the cost of programs and mitigate the impact of high cost programs on other degrees. Jackson College and Schoolcraft College do not charge a higher tuition and fee rate for their bachelor degree programs compared to associate degrees in the same field of study.

Revenue sources for Michigan public community colleges consist mainly of State aid, local property tax revenue, and tuition. Based on information contained in the 2013-14 Activities Classification Structure (ACS) Data Book, sources for community college operating revenue statewide were reported as follows:

| Source | Amount | Percent of Total |
|----------------------|------------------------|-------------------------|
| State Aid | \$298,244,000 | 20.0% |
| Property Tax Revenue | 521,969,615 | 35.1 |
| Tuition and Fees | 642,706,143 | 43.2 |
| Other | 24,804,198 | 1.7 |
| Total | \$1,487,723,956 | 100.0% |

In 2014-15, the per credit/contact hour in-district tuition and fee rates at Michigan public community colleges ranged from \$84.33 at Oakland Community College to \$155.00 at Southwestern Michigan College. The statewide unweighted average in-district tuition and fee rate was \$116.84. By comparison, the 2014-15 statewide unweighted average per credit hour tuition and fee rate at Michigan public universities for resident undergraduates was \$382.00, and ranged from \$290.00 at Saginaw Valley to \$498.00 at Michigan Technological University.

The bill could affect how State aid is allocated among Michigan's 28 public community colleges to the extent that the current performance funding model is used to distribute funds in the future. Metrics that would benefit colleges that added baccalaureate degrees include contact hours and degrees granted. The bill also could affect tuition revenue for universities, to the extent that it diverted students from universities to community college baccalaureate programs. It is not possible to estimate the extent to which the bill would provide educational opportunities to students who otherwise would not obtain a baccalaureate degree, compared to drawing future students from universities.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.