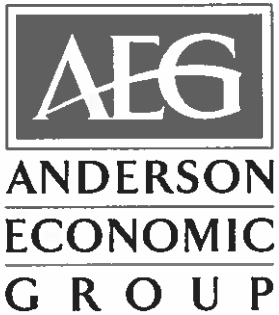
Bachelor's Degrees and Michigan's Community Colleges



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Overview

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I. Who We Are

About Anderson Economic Group

Anderson Economic Group is an economic consulting firm specializing in business economics, financial valuation, market analysis, and public policy. Our offices are located in East Lansing, Chicago, and Istanbul.

Our work is based on:

- Deep industry knowledge;
- Expertise; and
- Relationships with important institutions, such as trade associations, universities, economic development agencies, and governments.

Anderson Economic Group experts provide strategy and management consulting services for market entry and expansion.

I. Who We Are

AEG clients include trade associations, large and small businesses, non-profits, state governments, and local governments throughout U.S.

Businesses

General Motors
Ford Motor Company
Honda North America
Johnson Controls
PG&E Generating
Taubman Centers
AT&T

Non Profits and Trade Organizations

Automation Alley
Business Leaders for Michigan
Michigan Retailers Association
National Education Association
Michigan Manufacturers Association
University of Chicago
University of Michigan

Governments

State of Michigan
State of North Carolina
State of Ohio
Province of Ontario, Canada
City of Detroit, MI
Collier County, FL
Oakland County, MI

II. The Target Market is Being Served

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- Total enrollment at 36 public and private universities classified as comparable to 4-year community college programs in Michigan: 139,285
- Universities include:
  - Baccalaureate Colleges with an Arts & Sciences focus
  - Baccalaureate Colleges with a "Diverse Fields" classification, meaning less than half of their bachelor's degree majors are not in Arts & Sciences
  - Small, medium, and large Master's Colleges and universities

II. The Target Market is Being Served

- The market served by community colleges is also likely to benefit from online education at existing higher education institutions.
- A new taxpayer-funded supplier in this market is not needed on competitive grounds.

III. The Targeted Students Are Being Subsidized

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- State Appropriations to community colleges in Fiscal year 2013-14: $333 Million

- Local Appropriations to Community Colleges in Fiscal Year 2013-14: $531 Million

- State Appropriations to Public Colleges and Universities in FY 2014-15: $1.2 Billion

III. The Targeted Students Are Being Subsidized

- Community college and 4-year university scholarships
  - Federal Pell Grant
  - Federal Supplemental Educational Opportunity Grant
  - Federal Work Study
  - Federal Perkins Loan
  - Teacher Education Assistance for College and Higher Education Grant
  - Iraq and Afghanistan Service Grant
  - Michigan Competitive Scholarship
  - Michigan Tuition Grant
  - Police Officer's and Fire Fighter's Survivor Tuition Grant
  - Tuition Incentive Program
  - Children of Veterans Tuition Grant
  - GEAR UP Michigan Scholarship/GEAR UP College Day Scholarship
  - Dual Enrollment
  - Michigan Nursing Scholarship
  - Fostering Futures Scholarship

IV. Local Taxpayers May Not Be On Board

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- Three Michigan community colleges currently offer or will offer bachelor's degrees in the upcoming academic year
  - Jackson Community College
  - Northwestern Michigan College
  - Schoolcraft College
- All three colleges have had a proposed millage increase fail in the past four years
  - Jackson Community's proposed increase failed in 2012
  - Northwestern Michigan's proposed increase failed in 2013
  - Schoolcraft's proposed increase failed in 2015

IV. Local Taxpayers May Not Be On Board

- Changing the mission of a community college before an existing millage expires—not technically a violation of Headlee, but changes the deal taxpayers voted for.
- The benefits of helping a 4-year degree student may accrue to a wider area than a community college's tax base.

V. Conclusions

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- Policymakers should consider whether allowing locally-funded colleges to use local funds on a different mission serves a purpose.
- Targeted students are already well-served by many options in a competitive market.
- Targeted students already have significant funding help from federal and state governments, as well as private scholarships.

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