

Testimony for the House Tax Policy Committee

Wednesday, May 18, 2016

Michigan must act to keep quality, affordable learning options available to all. That is why Michigan Independent Colleges & Universities supports HB 5611–12.

- **Since 2004, Michigan has experienced significant enrollment decline in its K–12 schools.**
 - Approximately **230,000 K-12 students** have been lost over the past decade.
 - That decline has affected the number of high school graduates and is **dramatically lowering the pool of available in-state college applicants.**
- **Given the loss of available applicants, creating an additional 28 four-year public colleges supported by local taxpayers makes little sense.**
- **HB 5611-12 strikes the right balance** and offers community colleges a clear choice: (i) remain true to their historic mission of offering associate degrees, certificated programs, workforce development and community enrichment, OR (ii) convert to a four-year college and forfeit their taxing authority.

The Choice is Clear.

Community colleges have always had the ability to convert to a baccalaureate degree institution but the current path requires a community college to forfeit its locally elected board AND its taxing authority.

- **HB 5611-12 provides a compromise** and allows a community college to make the conversion and keep its locally elected board.
- **Michigan community colleges collect approximately \$550 million annually in local property taxes—and it's still not enough.**
 - Last year one community college attempted to raise its millage by 34%, and this fall another community college will attempt to expand its taxing authority to include a neighboring county, a \$3.5m tax hike.
 - Both community colleges have or intend to expand into four-year degrees. We believe this is a trend that will repeat itself around the state as community colleges need to offset the additional costs of offering baccalaureate degrees.

Access Matters.

There is no shortage of opportunity for students to access four-year programs and taxpayers should not be forced to subsidize additional four-year intuitions.

- Our 25 members operate programs at over 80 sites in Michigan, including community college campuses.
- Michigan's 15 public universities offer programs at community college campuses, as well as additional off-campus sites around the state.

Although you can undoubtedly point to a spot on the map where programs are not offered, that will not change if community colleges offer four-year degrees.

A Word About Nurses

Much of the attention to this issue has been centered on four-year nursing degrees.

According to a 2014 U.S. Department of Health and Human Services report, **Michigan will continue to produce a surplus of nurses through 2025.**

There is, however, a **critical shortage in faculty nursing and a shortage of nursing clinical sites.**

- In 2013–14, Michigan nursing programs reported a combined 159 faculty vacancies and another 179 expected vacancies over the next five years.

Adding an additional 28 programs will only exacerbate the faculty shortage and similar issues with clinical sites.

- Community colleges have attempted to downplay the clinical site shortage suggesting clinicals are not necessary in years three and four. Accreditation, however, requires clinical experiences in years three and four.
- If community colleges don't intend to offer clinicals, they don't intend to be accredited. Currently, 40% of the community college nursing programs are unaccredited. They are licensed by the state but they are not accredited.

Right now, Michigan is fortunate to have a robust higher education system with 15 public universities and 25 independent colleges & universities that have physical locations, extension programs, and online learning opportunities that reach every corner of the state.

HB 5611–12 strikes the right balance between the current process of converting a community college to a four-year program and allows a college to keep its locally elected board but forfeit its taxing authority if it chooses to offer four year degrees.

