



STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH

JENNIFER M. GRANHOLM
GOVERNOR

KEITH W. COOLEY
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Memorandum

DATE: April 15, 2008

TO: Senator Ron Jelinek, Chair
Senate Appropriations Committee

Representative George Cushingberry Jr., Chair
House Appropriations Committee

FROM: Keith W. Cooley, Director *KWC*
Michigan Department of Labor & Economic Growth

SUBJECT: PA 118 Sec. 408 Applied Baccalaureate Study Analysis

Per my memorandum dated April 1, 2008 transmitting the applied baccalaureate study, attached is the analysis as required.

Please contact Andy Levin, DLEG Deputy Director at (517) 373-6334 with questions regarding the enclosed analysis.

cc: Bob Emerson, State Budget Director
Maria Tyszkiewicz, Senate Fiscal Agency
Mark Wolf, House Fiscal Agency
Susan Corbin
Andy Levin
Liza Estlund Olson



Michigan Department of Labor & Economic Growth Analysis of PA 118 Sec. 408 Applied Baccalaureate Study

Background

In response to a key recommendation of the Cherry Commission on Higher Education and Economic Growth final report (December, 2004), the Legislature, in PA118 of 2007, Sec. 408, requested the Michigan Department of Labor & Economic Growth (DLEG) commission an independent study that would identify ways to enhance local access to baccalaureate degree opportunities in applied sciences and applied technologies. DLEG issued a Request for Proposals (RFP) at the beginning of 2008. The project award went to the Voorhees Group LLC, (the only respondent to the RFP) an independent consulting firm based in Littleton, Colorado. DLEG submitted this study to the appropriations committees of the House and Senate, the state budget office, and the fiscal agencies on April 1, 2008, along with a request to submit this report on April 15 in order to provide sufficient time to analyze the study properly.

Scope of the Study

The scope of the study was to determine where in Michigan baccalaureate degrees in applied sciences and applied technologies would be most beneficial in meeting current and projected economic and workforce development needs. Drawing upon the provisions of the legislation, the key criteria for consideration in conducting the study, analyzing the needs and opportunities, and making recommendations, included:

- 1) Existing community college capacity to develop baccalaureate level programs quickly;
- 2) Regions that have historically been dependent on manufacturing and automotive related industries where workers have been displaced or are in transition;
- 3) Communities that are significantly below the state average of working age adults with 4-year degrees;
- 4) Locations served by community colleges that have a strong track record for advanced technical training, workforce development programs, and employer partnerships;
- 5) Communities that do not contain a public university already offering similar degree opportunities;
- 6) Locations where the community college has both faculty and facilities already in place that are capable of supporting baccalaureate level programs in applied technical fields; and
- 7) Evidence of employer support and future employment opportunities of graduates of the applied science and technology programs.

Study Results

Based on the results of the study, Voorhees Group LLC recommends that Michigan implement applied baccalaureate degrees offered by community colleges using the following strategies:

- Institute a pilot project for a set amount of time (3-4) years and a limited number of applied baccalaureate programs with an evaluation scheduled at a specified date.
- Approve only those programs that have a certain percent of matching employer funds (i.e., ten percent of program costs).
- Do not assume any additional state funding. If the state provides funding, put aside a pool of funds for which community colleges could compete. Use an external, out-of-state expert panel to select the awardees in a competitive process similar to that now employed by the National Science Foundation.

Analysis of the Study

The Department of Labor & Economic Growth finds the information presented in the Voorhees Group LLC study helpful in considering the concept, potential usefulness and practicability of applied baccalaureate degrees. However, in our estimation, a number of questions remain that require resolution before we approve the development of applied baccalaureate programs in Michigan's community college system.

- Does a particular community college have a strong track record in advanced technical training, workforce development programs, and employer partnerships?
- How much employer support exists for the specific program under consideration? What data substantiate that demand? What job opportunities would exist for graduates?
- How, specifically, would additional costs associated with offering the applied baccalaureate degree be funded?
- What ability do other institutions of higher learning in the region have to meet this need?

Most of these outstanding uncertainties are fact intensive. They require analysis of the demand for, cost of, and best method of providing specific training in specific locations. Therefore, we recommend examining them on a case-by-case basis when actual programs are proposed.

DLEG Recommendations Concerning Legislative Action

If the legislature decides to reform the Community College Act of 1966 to allow Michigan's community colleges to offer applied baccalaureate degrees in specific instances that respond to increased economic growth and unmet workforce demands, we recommend that the legislature allow such programs to develop on a case-by-case basis, with DLEG serving as a gatekeeper. DLEG's role would be to ensure that we advance the goal of increasing access to needed education while avoiding unnecessary duplication of programs and dilution of quality. We suggest that the legislature pass legislation that embodies these concepts

- 1) A community college looking to establish an applied baccalaureate degree program would approach the Department of Labor & Economic Growth (DLEG) with data to support its case.
- 2) DLEG would evaluate the request of the community college to offer baccalaureate education based on established criteria that assess the need for that specific training in the regional economy and the ability of four-year educational institutions in the area to meet the need.

- 3) DLEG could, at its option, consider creating an advisory group including leaders from the community colleges, universities, and other institutions to a) help establish the criteria for processing these requests and/or b) help make determinations in specific cases.
- 4) If DLEG approved an applied baccalaureate proposal, it would give the requesting community college a fixed period of time to comply with the accreditation requirements of the Higher Learning Commission of the North Central Association of Colleges and Schools.

DLEG does not offer an opinion about the extent of the need for applied baccalaureate degree programs in Michigan. Should the legislature choose to enact statutory language allowing community colleges to offer applied baccalaureate education, demonstrated need should determine the growth of these offerings on a case-by-case basis.