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COMMUNITY COLLEGES: ANNEXATION PROVISIONS

House Bill 5998 as enrolled
Public Act 488 of 2000
Third Analysis (1-8-01)

Sponsor: Rep. Patricia Birkholz
House Committee: Appropriations
Senate Committee: Appropriations

THE APPARENT PROBLEM:

Michigan's 28 community colleges are organized on a district basis. Each community college district covers a particular geographic area, although not all parts of the state are within a community college district. A district may be organized on a school district basis, an intermediate school district basis, or on a county basis. There is a separate chapter in the Community College Act of 1966 for each kind of community college. A community college district can expand by annexation with approval of the voters in the area being annexed if that area is not already within a district. (The act also requires approval by the state board of education.) At such elections voters vote on the question of annexation and on the approval of the maximum tax rate existing in the district.

However, a community college district's ability to annex territory is limited based on its form of territorial organization. For example, if voters in the area being annexed approve, a district organized on a school district basis can annex a contiguous school district but not an intermediate school district or a county. Likewise, a district organized on an ISD basis can annex a contiguous local school district or a contiguous intermediate school district but cannot annex a county.

A district organized on a county basis can annex a contiguous county or township but not a contiguous school district or intermediate school district. There are 12 districts organized by intermediate school district, 12 by county, and 4 by school district.

Reportedly, officials in Allegan County would like Kalamazoo Valley Community College, an ISD-based institution, to serve its residents. However, for KVCC to annex the entire county would take separate elections in the several ISDs or local school districts within the county. Legislation has been proposed that would allow for annexation of an entire county by an ISD-based community college with one election for county voters to express their approval or disapproval. This

would be accomplished by granting all community college districts, regardless of the kind of territory over which they are organized, essentially the same ability to annex territory.

THE CONTENT OF THE BILL:

The bill would amend the Community College Act of 1966 to expand the ability of the board of trustees of a community college to annex, with voter approval, contiguous territory not already included within a community college district. The bill would amend Chapters 1, 2, and 3 of the act so that each kind of community college district, whether organized on a county, school district, or intermediate school district basis, could annex a contiguous local school district, contiguous intermediate school district, or a contiguous county. Approval also would be required by the superintendent of public instruction. (The act currently calls for approval by the state board of education).

Currently, the act limits the annexation powers of community college districts, so that a county-based district can annex a contiguous county or township (but not a local or intermediate school district); a school district based district can annex a contiguous school district (but not a county or an ISD); and an ISD-based district can annex a local or intermediate school district but not a county). The technical requirements that currently govern these annexations (where to file resolutions, who canvasses the election, etc.) would remain as in current law. That is, the requirements that now apply to the annexation of a contiguous county by a county-based community college district would also apply to county annexations by the other kinds of districts. However, the bill would make consistent certain filing resolution deadlines.

Generally speaking, if a resolution was filed 90 days or more or 20 days or less before the date of the next

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general election or school election, then a special election would have to be called. If a resolution was filed less than 90 days but more than 20 days before the next general or school election, then the annexation proposals would be voted on at that election. (Previously, the dates for county annexations were 9 months and 50 days.) At such elections voters vote on the question of annexation and on the approval of the maximum tax rate existing in the district.

Additionally, an ISD-based district could annex a contiguous intermediate school district and one or more local school districts contiguous to that ISD at the same time. However, in an election to accomplish such an annexation, if the majority of voters in the ISD did not approve, then the annexation of that ISD and of any of the local school districts would be ineffective. If a majority of the voters in the ISD approved of annexation, then the ISD and each of the local school districts in which a majority of voters approved annexation would become part of the community college district.

In the case of an ISD-based district, if a contiguous county was annexed, county voters would elect two additional members to the board of trustees, elected at large on a nonpartisan basis for six-year terms. When the initial six-year terms expired, the two additional board positions would be abolished, and the board of trustees would return to seven members.

Further, in the case of the annexation of a county by either a school district-based or an ISD-based community college district, a local school district could under certain circumstances opt out of being annexed. If any part of a school district lay within the county being annexed, no part of the district would become part of the community college district if both 1) the local district was not part of an ISD that had at least 80 percent of its territory in the county to be annexed; and 2) the local school board adopted a resolution electing to be excluded from the annexation. A certified copy of the resolution would have to be filed with the county clerk and the community college board of trustees within 15 days after the annexation resolution and approval were filed with the county clerk.

[A separate chapter in the act, Chapter 4, applies to a community college formed in an intermediate school district with a population of more than 1.5 million That chapter did not previously contain annexation provisions, but the bill would permit such a district to annex any contiguous intermediate or local school

district not already included within a community college district.]

MCL 389.54 et al.

FISCAL IMPLICATIONS:

The House Fiscal Agency notes that expanding a community college district could result in a reduction in out-of-district tuition revenues (because more students would be within the district), but that this loss would be offset by potential increases in property tax revenues and millage levies, as well as any new tuition and fee revenue from new students. The HFA notes that any revenues to the colleges would be netted against the cost of providing services in the expanded areas and out-of-district tuition revenues. As to the bill's impact on the state, the HFA points out that because state appropriations distributed by the community college funding formula are subject to a ceiling and a floor, changes in cost factors at colleges tend, over the short run, to result in the redistribution of state appropriations among the colleges rather than in an additional budget obligation for the state. (HFA memorandum dated 10-2-00)

ARGUMENTS:

For:

The bill would provide the various kind of community colleges with essentially the same ability to expand through annexation. Such annexations would require the approval of the superintendent of public instruction and approval by the voters.

For:

According to proponents of the bill, Allegan County is currently not served by a community college district. Efforts are underway to have Kalamazoo Valley Community College expand its district to cover the county to increase educational opportunities for residents and help area businesses with the need for skilled workers. Representatives of the county, school districts, and businesses have reportedly been discussing ways to bring postsecondary education to Allegan County, and KVCC has expressed an interest in developing a satellite campus there. Under current law KVCC, as an ISD-based school, can annex a contiguous intermediate school district or a contiguous local school district but not a contiguous county. Allegan County has within it a number of ISDs. This means, for KVCC to annex all of Allegan County would require a number of separate elections. The bill would allow for a single countywide election on the

question of KVCC's annexation of Allegan County. The issue of participation in a community college district would still be up to local voters.

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#This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.