

COMMUNITY COLLEGE DISTRICTS

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House Bill 4265 as enacted
Public Act 374 of 2016
Sponsor: Rep. Amanda Price
House Committee: Education
Senate Committee: Education
Complete to 1-24-17

Analysis available at
<http://www.legislature.mi.gov>

BRIEF SUMMARY: The bill would remove the requirement that a community college's expanded district territory—including townships, intermediate school districts, and public school districts—be contiguous to the existing community college district. Annexation would continue to have to be approved by voters in the areas proposed for annexation, albeit under revised and updated procedures. The new act takes effect March 22, 2017.

FISCAL IMPACT: The bill would have no fiscal impact on state and local governments. Community colleges could benefit from the bill through the ability to expand their districts and tax base, resulting in an increase of tax revenues. However, a community college could also see a decrease in tuition-based revenue, as additional students within the expanded district would qualify for in-district tuition rates.

THE APPARENT PROBLEM:

There are 28 community colleges in Michigan. All are financially supported by a combination of state aid, student tuition, and property taxes paid by residents within a community college's particular geographic district. Students living within the district pay a lower tuition than those outside it, to off-set their property tax burden.

The 28 community colleges statewide have an open door admission policy, making higher education widely accessible in Michigan. However, there are some regions of the state that are underserved by the community college system. See **Background Information**, and map, later in the analysis. Consequently, those students forgo college altogether, or they commute and pay out-of-district tuition rates.

For example, there is no community college in western Michigan's Ottawa County. Instead, the students from Holland and other Ottawa County school districts are served by three community colleges: Muskegon Community College to the north; Grand Rapids Community College to the east; and Lake Michigan Community College to the south.

Many community colleges work closely with local businesses, to prepare future employees by customizing curriculum to fit particular manufacturing needs. These job-training partnerships and programs help young people gain marketable skills that are useful for available jobs close to home. Absent a community college partnership, job training programs are difficult and more expensive to maintain.

Under Michigan law, community colleges can expand their districts by annexing contiguous jurisdictions, including counties, townships, intermediate school districts, or school districts. A contiguous jurisdiction is added to the district only when the taxpayers living there vote to join. If they decide to join, they then pay the community college property tax mills levied within the district, but in return, tuition goes down, because they pay the lower in-district tuition rate.

Legislation has been introduced to allow community colleges to expand their districts following the same process, but by allowing the addition of non-contiguous geographic jurisdictions.

THE CONTENT OF THE BILL:

The Community College Act sets forth procedures for the establishment of community college districts and for their expansion through annexation of counties, townships, intermediate school districts, and school districts. Generally, a local unit that is added to a community college district must be contiguous to the district; exceptions are made for the Upper Peninsula and for any community college district with a 20-year history of providing community college classes at a federal military base in a noncontiguous county.

House Bill 4265 would eliminate requirements that local units proposed for annexation be contiguous to the community college district. Annexation would continue to have to be approved by voters in the areas proposed for annexation, albeit under revised and updated procedures.

Currently, in order to annex, a community college board of trustees passes a resolution indicating its intent to enlarge the district, and has that approved by the state school superintendent. Once approved, a special election is called in the area to be annexed (1) to vote on the question of annexation and (2) to approve the maximum tax rate existing in the community college district. The special election must be held on the next regular election date (no sooner than 49 days later). The annexation is effective on the date of the election if both propositions receive majority approval.

The bill would retain much of this procedure, but remove the timing requirement for the election to vote on the propositions, and make the annexation effective on the date the election is certified by the appropriate board of county canvassers.

Under the bill, if a portion of a county, township, or intermediate or local school district to be annexed lay within a community college district at the time of the annexation election, then the electors residing in that territory would not be eligible to vote on the proposition(s) and that territory would not become a part of the community college district.

The bill would explicitly provide that annexed territory would be subject to taxes levied for the bonded indebtedness of the community college district, unless otherwise provided in the annexation proposition(s) approved by the electors.

Additionally, the bill would amend certain election and meeting requirements for community college board of trustees. Currently, board members are elected in May or November, and take office the following July or January, as applicable. The bill would remove the May and July dates. It would also specify that the organizational board meeting of a community college district composed of school districts (operating under Chapter 2 of the Community College Act) or intermediate school districts (operating under Chapter 3) must take place at the first board of trustees meeting in January. Under current law, that meeting takes place in July.

The new act takes effect March 22, 2017.

MCL 389.11 et al

BACKGROUND INFORMATION:

There are 28 public community colleges in Michigan that enrolled 477,261 students during the 2011-2012 academic year. Two of the colleges are located in the Upper Peninsula, seven in the northern Lower Peninsula, and 19 in southern Michigan.

To learn more about Michigan's community colleges, visit:

http://www.michigan.gov/documents/mistudentaid/community_colleges_386525_7.pdf

Michigan's community college districts appear on the map, on the next page.

- 1 Alpena Community College
- 2 Bay Community College
- 3 Delta College
- 4 Glen Oaks Community College
- 5 Gogebic Community College
- 6 Grand Rapids Community College
- 7 Henry Ford Community College
- 8 Highland Park Community College (Closed)
- 9 Jackson Community College
- 10 Kalamazoo Valley Community College
- 11 Kellogg Community College
- 12 Kirtland Community College
- 13 Lake Michigan College
- 14 Lansing Community College
- 15 Macomb Community College
- 16 Mid-Michigan Community College
- 17 Monroe County Community College
- 18 Montcalm Community College
- 19 Mott Community College
- 20 Muskegon Community College
- 21 North Central Michigan College
- 22 Northwestern Michigan College

- 23 Oakland Community College
- 24 St. Clair County Community College
- 25 Schoolcraft College
- 26 Southwestern Michigan College
- 27 Washtenaw Community College
- 28 Wayne County Community College
- 29 West Shore Community College



ARGUMENTS:

For:

Proponents of the bill—chiefly education and business leaders in west Michigan's Ottawa county—hope to form a partnership to ensure Holland area students easier, lower cost access to area community colleges, as well as to bespoke job training programs that fit the needs of area employers.

Proponents point out that a new community college in Ottawa County is not necessary. Indeed, three community colleges are close-by: in Muskegon, in Grand Rapids, and in Benton Harbor (Lake Michigan Community College). If an existing community college could add non-contiguous jurisdictions—after taxpayers voted to join the community college district—then both students and business owners would be charged in-district tuition rates, saving both students and their job training partners money, as they tailored their skills and college coursework to match area jobs.

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