

- SUBJECT:** Procedures for inclusion in a public junior college district
- COMMITTEE:** Higher Education — committee substitute recommended
- VOTE:** 8 ayes — Morrison, Goolsby, F. Brown, Dawson, Gallego, Giddings, Harper-Brown, J. Jones, Rose
- 0 nays
- 1 absent — Gallego
- WITNESSES:** For — Chris Adler, Carlos Garcia, Del Mar College; John Brockman, Coastal Bend College; Gabriel Rivas, Del Mar College Board of Regents
- Against — Glenn Guillory, Aransas County; Michael Kovacs, Georgia Neblett, City of Port Aransas; Todd Pearson, City of Rockport; Terry Simpson, San Patricio County; Elias Vasquez, City of Robstown; Asa Yeamans
- On — Julie Moore, Occidental Petroleum Corporation; Gene Storie, Office of the Attorney General; Sara Tays, Exxon Mobil Corporation
- BACKGROUND:** Education Code, ch. 130 assigns each community college district service areas for providing educational services. A service area is territory within the boundaries of the district as well as territory outside the boundaries of the district in which the community college provides services. A community college district is allowed to enlarge its district boundaries by annexation by contract or by election.
- DIGEST:** CSHB 2221 would establish methods of inclusion or participation in a junior college district.
- The registered voters of a territory that is not in a junior college district could petition to join a district or establish a new junior college district. A junior college district could enter into an agreement with an entity, including any person, an employer or political subdivision, to provide educational services to an area outside the district.

An entity that entered into an agreement would have to cover at least the cost to the district of providing the services that exceeded the amount of tuition and fees that a student who lived inside the district would have to pay for a similar course. Students enrolled in a course under the agreement would be entitled to pay tuition and fees at the same rate as a student who lived inside the district.

Starting with academic year 2010-2011, a junior college district would charge students who live outside the district tuition and fees that were at least equal to those charged to a similarly situated student who lives in the district and set forth the methodology for calculating the out of district tuition.

If a political subdivision or a part of a political subdivision was not located in a junior college district or had not entered into an agreement with one on or before September 1, 2010, students who lived in that territory would be charged out-of-district tuition and fees.

The bill would authorize a territory to be annexed to a junior college district by contract or election if the territory were contiguous to or located in the service area of the district and wholly within a single school district, county, or municipality. A junior college district would be prohibited from annexing territory within the boundary of another junior college district.

The bill would establish the terms and conditions for annexation by election. A petition would have to be submitted to the governing board of a district with the signatures of 100 registered voters who lived in the proposed annexed area, or 5 percent of the registered voters in the territory as of the most recent general election for state and county officers, whichever was less. The bill would require the board to complete and publish a service plan.

Before an election could be ordered, the board would have to hold a public hearing in the territory proposed for annexation no earlier than 45 days and no later than 30 days before the board ordered an election. No later than 30 days before a public hearing, the board would offer a service plan for the territory proposed for annexation and outline the requirements of the service plan, including property tax information and proposed tuition and fee rates. The election would be held only in the territory proposed for annexation, and only registered voters who lived in the territory could

vote. The election would occur on a uniform election date, not less than 60 days after it was ordered and would be governed by current election law.

If a measure was adopted, a governing board that was elected from single-member districts would assign and divide the new territory into one or more of the current single-member districts until the next election. The annexation and any resulting change would not affect the term of a member of the board. If a measure was not adopted, another election could not be held for one year.

The bill would authorize the automatic annexation of territory later annexed by or added to the municipality or school district that already had been annexed to a junior college district. A part of a county-line school district that was contiguous but not included in the boundaries of a county of joint-county junior college district could be annexed to the junior college district by election or order.

If more than 35 percent of the students enrolled in the junior college district lived outside the existing district, the governing board of the district could order an election on whether to expand the boundaries for the district to include all of the territory located within the district's service area. The service area of another district could not be included.

The board could also order an election on whether to expand the boundaries to include part of the territory located in the district's service area if more than 15 percent of the high school graduates for the preceding five years in that territory had enrolled in the junior college district. A district could not adopt new boundaries if they extended into the service area of another district.

The bill would repeal sections related to the annexation of city territory by certain districts, the annexation of certain independent school districts by certain junior college districts, the annexation of county territory by certain union districts, and the annexation of county territory by certain districts.

The bill would apply only to an election ordered on or after the effective date of the bill and would not affect the validity of an agreement between a district and another entity for the provision of educational services entered into before the effective date. This bill would take immediate

effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

**SUPPORTERS
SAY:**

CSHB 2221 would provide consistent annexation procedures for junior college district annexation. It would ensure that voters in an area proposed for annexation were the ones deciding whether to be annexed. Current law does not require a public hearing on annexation proceedings because no public input is required other than the petition for annexation. The bill would provide the public with a meaningful forum to provide important input on proposed measures. Current law also does not require junior college district boards to publish service plans, which are for informational purposes, outlining the services to be provided by a district should the voters approve a proposed annexation.

The bill would not set forth any mandate that has not already been given. It would provide community college districts with the necessary tools to meet their mission. The resulting benefits of an educated workforce are felt statewide. However, since the level of state support has declined, local support must increase, and the bill would give community college districts control over how to address this issue.

According to the Joint Interim Committee on Higher Education report issued in 2004, 46 out of 50 public community college districts would receive additional tax revenue by re-aligning district lines and only a few of the districts' taxing areas are aligned with their service areas. Because community colleges are expected to enroll a majority of new students coming into higher education, they will struggle to find the resources necessary to meet the increased demand and many community college districts might not have a large enough tax base to adequately support large enrollment growth.

The challenge is to balance the interests of taxpayers from within the current taxing districts with the taxpayers and students from communities in the service area that are not taxed. A college education needs to be accessible and affordable to students. However, state support for junior colleges has declined over the past several years. There are many demands on the state budget and competing priorities in a state as large as Texas. Rapid enrollment growth has not been accompanied by budget increases, resulting in large classes and overcrowded facilities.

Under the current law, taxpayers in a junior college district are subsidizing out-of-district students, and junior colleges across the state are serving areas much larger than their taxing districts. Expanding the districts to include more of the area they served would provide more revenue to the colleges without having to raise taxes in the existing district. District expansion would ensure that the financial burden was borne equitably by all those who benefited from the college's services. In most areas of the state, the community colleges are providing valuable workforce training and in an areas where most of the residents do not have a high school diploma, this is a vital component of economic development.

Expansion would make junior colleges more accessible to more students, because fewer students would be required to pay the higher out-of-district tuition. Besides, the out-of-district tuition does not even begin to cover the true cost of educating the students.

The bill would give communities several options for participation — elections, intergovernmental agreements, or contracts between the college and private entities. The bill would continue the existing practice of an annexation election but would permit an extra amount to be paid by other entities based on the true cost of educating these students. Areas outside the taxing district also would have the opportunity to charter their own junior colleges if their tax base and student population were sufficient.

The bill would reassign current single-members to represent new territory until the next election. However, since board member terms are staggered every two years, and new taxes cannot be assessed until the year following annexation, it unlikely that a given region would spend very much time paying these taxes without soon having an opportunity to vote for the board.

**OPPONENTS
SAY:**

The bill would require that students who live d outside a junior college district be charged the same tuition and fees as students who live d in the district, plus an extra amount. Based on the method provided in the bill, this extra amount could be as high as \$300, on top of the tuition and fees. Out-of-district students already pay a tuition that is about twice as high as in-district students but this would raise it to almost four times as high. The bill also allows agreements with the districts and other entities essentially to underwrite the educational services. When out-of-district students realize their tuition has substantially increased, an entity in the community

is going to be expected to assist financially. This is another example of the state failing the educational needs of its citizens.

NOTES:

The substitute would add options for participation in a junior college district as well as provisions to allow agreements between junior college districts and other entities to provide educational services. The substitute specified that a district could order an election by increasing the percentage of out of district students from 25 to 35 percent. The petition requirement to initiate an election would be increased from 50 to 100 signatures. Language would be added concerning annexation by election, automatic annexation, and annexation of county-line school districts. The substitute would also make technical changes.