
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4939 (Substitute H-1 as reported without amendment)
Sponsor: Representative David Anthony
House Committee: Colleges and Universities
Senate Committee: Education

Date Completed: 10-24-97

RATIONALE

The Community College Act permits the board of trustees of a community college district composed of a county or counties by resolution to annex to the community college district, in the manner provided in the Act, any contiguous county or township not already included in the community college district. If voters in the areas proposed for annexation approve the proposal, residents of the annexed counties and/or townships are eligible to receive the same services from the community college and, according to the Act, are subject to taxes levied for principal and interest of outstanding bonded indebtedness of the community college district. The restrictions preventing nonadjacent counties or townships from becoming part of a community college's district have deterred some community colleges from pursuing annexations that otherwise would be beneficial to the community they serve. For example, Escanaba's Bay De Noc Community College is located in Delta County. There apparently has been some interest in Dickinson County in becoming part of the Bay De Noc Community College district. Dickinson County, however, is separated from Delta County by a portion of Marquette County to the north and a portion of Menominee County to the south. Because Dickinson County is not contiguous to Delta County, it cannot be annexed to the Bay De Noc Community College. In addition, Alpena Community College has offered classes for more than 20 years at Wurtsmith Air Force Base, but the district has been barred from annexing the former base because it is located in Iosco County, a noncontiguous county. Some people believe that there should be limited exceptions to the Act's annexation restrictions to permit Bay De Noc and Alpena Community Colleges to annex these noncontiguous counties.

CONTENT

The bill would amend the Community College Act to permit a community college district located in the Upper Peninsula to annex a noncontiguous county or township. In addition, a community college district that had been offering classes at a Federal military installation located in a noncontiguous county for at least 20 years could annex that noncontiguous county or that portion of the noncontiguous county that was not within another community college district.

MCL 389.21

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

Due to distances between communities in the Upper Peninsula, the number of community college options is limited. For a number of years, persons in Dickinson County, including the Dickinson County Task Force for Higher Learning, have sought the county's annexation to the Bay De Noc Community College district. The Community College Act, however, does not allow the annexation of a county or township that does not border the boundary of a community college district. Allowing Dickinson County to be annexed by the Bay De Noc Community College district, upon voter approval, would ensure that residents of the county would pay the same tuition rates and receive other benefits from the community college that currently are available to Delta County residents. In addition, the bill would provide the former Air Force base and portions of Iosco County that currently are not affiliated with another community college district the opportunity to join

the Alpena Community College district.

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government.

To the extent that annexation resulted in increased property tax revenues for colleges, State aid payments could in theory be reduced. Other factors that could affect the fiscal impact of the bill include:

- The potential for increased college costs associated with longer distance operations.
- The reduction in tuition revenues as those students currently paying higher out-of-district tuition would under annexation pay lower tuition fees.
- The increase in college revenue as a result of a larger property tax base due to annexation.

Fiscal Analyst: M. Hansen

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.