

Brief History of Legislative Changes and Recommendations for Community College Annexations and Service Areas

Senate Subcommittee on Higher Education's Interim Report

"Study the feasibility of allowing community college districts to expand their service areas for taxing purposes."

Don Brown, Commissioner of THECB, testified that as state revenues have decreased, community colleges are forced to **rely more heavily on local taxes, tuition, and fees**. He further testified that **all property in the state should be located within taxing districts**.

Dr. Rey Garcia of TACC, testified that other states, such as Illinois, adopted a statute in the 1970's that required all parts of the state to be in a community college taxing district. Those areas not currently in a taxing district were given the choice of creating a new community college district or joining an existing one and most chose to join an existing one.

Conclusion: "The Legislature should place all property in the state into defined community college taxing districts, consistent with the Illinois model."

SB 397

Codified service areas in statute as a means to avoid duplication of services amongst community colleges.

74th
Legislature

78th
Legislature

79th
Legislature

84th
Legislature

HB 2221

Allowed a community college to annex by election or contract, a territory, defined as a single school district, county or city, that is contiguous to the college's district or is located in the service area of the annexing district. Bill set more stringent guidelines for annexation including **ONLY** allowing the area being annexed to vote in the election. Bill further prohibited a community college from annexing a territory that is within another community college's districts boundaries. Bill set forth a methodology for the rate at which community colleges could charge out-of-district students. Bill text: "the extent to which the rate will ensure that the cost to the district of providing educational services to a student who resides outside the district is not financed disproportionately by the taxpayers residing within the district."

House Committee on Higher Education's Interim Report

"Review the state's community college system, including a discussion of taxing districts, service areas and any barriers to access."

Report stated that "The taxing capacity of the community college districts vary greatly. Even with above average tax rates, some districts do not have a sufficient property value base to provide adequate resources to meet student educational needs."

76th
Legislature

79th
Legislature

81st
Legislature

HB 1869

Allowed a community college district to annex non-contiguous territory within their service areas. Prior to this legislation, a community college was only allowed to annex all or part of a school district that was adjacent to their taxing border.

**With the exception of colleges within Harris and Dallas County that were allowed to annex non-adjacent school districts in the same county and within 5 miles of the taxing district."*

House Committee on Higher Education's Interim Report

"Study community college service areas, and determine whether-and to what extent-existing boundaries should be modified to reflect population shifts or other demographic changes."

Conclusion: (1) "The state legislature should require the THECB to review the state community college system; including but not limited to financing, service areas and annexation. (2) The legislature should require the THECB to implement a dispute resolution system for community college service area disputes."

Senate Committee on Higher Education's Interim Report

"Review community college service areas to ensure that student needs are being met in the most effective and efficient manner..."

Report stated that "Because of Senate Bill 397, many of the state's community colleges serve areas of the state that are outside their taxing district."

Conclusion: No recommendations were given.

The passage of HB 1869 created a significant shift in the utilization of statutorily defined service areas from SB 397 as a "boundary" for future annexations and consequently changed the original purpose of service areas.