
Docket Item:

Report on Central Oregon Community College Boundary Change Hearing

Summary:

Public Hearing

The Higher Education Coordinating Commission held a Public Hearing on August 27, 2018 at 6:00pm at the North Lake School District to receive comment on a Petition to Redistrict the Central Oregon Community College (COCC) Service District and remove voting precincts 13 and 14 (portions of North Lake County) from the COCC Service District. HECC Commissioners Terry Cross and Enrique Farrera were in attendance, as were staff Patrick Crane and Kyle Thomas. Written testimony was accepted until September 14th.

The HECC received a total of eight pieces of written testimony from seven individuals (Alan Parks, the Chief Petitioner, provided written testimony at the meeting as well as follow up testimony). The presentation by the petitioners was made by Alan Parks (Chief Petitioner), Patty Effingham (resident), David Kerr (Superintendent of North Lake School District), and Ken Kestner (Lake County Commissioner). The petitioners' presentation was followed by a presentation from the Central Oregon Community College (COCC) Board of Directors, which included COCC Board Chair John Mundy, COCC President Shirley Metcalf, Executive Director of College Relations Ron Paradis, and the COCC Board Member representing North Lake County, Vicki Ricks. In addition, seven community members and John Wykoff, Interim Director of the Oregon Community College Association (OCCA), provided public comment.

Public comments from petitioners and community members identified concerns about the lack of services received from COCC, the challenges inherent in serving a rural area with a small population, and the positive impression community members had of the services that Klamath Community College had provided to Lake County, in particular synchronous distance learning delivered to high school students in Lake County (funded with a grant from the United States Department of Agriculture). The services that COCC does provide to the area include in-district tuition (\$99 per credit hour compared to \$138.50 per credit for out of district), scholarships that only in-district students are eligible for, and in-person visits from COCC recruiting and financial aid staff multiple times per year. According to testimony from COCC, in each of the last five years at least one North Lake High School student has received an Honors or Merit scholarship (\$1500 per year for 2 years). During the same five year period, four North Lake High School students have received COCC Foundation Scholarships, worth up to \$4000. Residents and petitioners described having a good opinion of COCC, but felt that the scholarships and visits were not a sufficient return on their community investment (\$106,895 in taxes in 2017-18 for district services and an additional \$20.779 for a COCC bond)¹, especially considering the availability of other scholarships available for Lake County students and the fact that only the northern third of North Lake County's High School district is in COCC's district.

COCC's testimony raised concerns related to the petition and advised against approving it. In addition to the direct economic impact on students (paying higher tuition, no access to COCC scholarships), both groups identified the importance of educational access for individuals, achieving state educational attainment goals, and general economic development. COCC raised concerns about the signal approving this petition would send about

¹ Lake County Summary of Assessment and Tax Rolls 2017-18.
<http://www.lakecountyor.org/Lake%20County%202017%20Summary%20of%20Assessment.pdf>

access to postsecondary education in Oregon and what unintended consequences may arise from approving this petition.

Next Steps

In addition to information gathered at the Public Hearing, HECC staff have been attempting to gather additional information to inform a HECC decision on this issue. One piece of information that we believe is necessary to gather prior to a decision about the petition is a better understanding of what types of community college services the unincorporated portions of Lake County are considering as best meeting their needs. This will be a topic of discussion at the Klamath Community College Board of Education meeting scheduled for October 23, 2018 at 6:00 pm. HECC staff plan to participate in the meeting and bring additional information and a recommendation back to the HECC.

Options Available to the Commission

This section does not provide a recommendation to the Commission. Rather, it details the possible options for action the Commission may take at a future point, and discusses the procedural elements associated with each action.

Option 1 – Rejection of the Petition

The Commission may reject the petition. ORS 341.565 requires that the Commission find “that the proposed change will have no substantially adverse effect upon the ability of the affected districts to provide and continue their programs and is not made solely for tax advantages to property owners in the district or area affected by the proposed change.” However, the statute does not require the Commission approve a boundary change if it makes such a finding. If the Commission elects to reject the petition, the process ends. There is no prohibition on the submission of further petitions, and petitioners may seek direct legislative action to alter the boundary.

Option 2 – Acceptance of the Petition and Issuance of a Change Order

The Commission may agree with the petitioners and issue an order to detach the northern portions of Lake County from the COCC district. In doing so, the commission must, at minimum, make the finding detailed in Option 1. If the Commission issues such an order, the order will be delivered to the Legislative Assembly for final approval. Statute does not specify the method of submission or the manner in which the Assembly is required to give its approval. It is likely that a cover letter would be drafted to legislative leadership to accompany a copy of the Commission’s order.

Once approved by the Legislative Assembly, the order takes effect. If disapproved, the Commission may resubmit a revised order within 60 days. The statute is silent as to if or when the Commission may resubmit an order if the Assembly takes no action. If the order were finalized, the newly unincorporated territory would have the option to join or not join in a contractual agreement for services from a community college district of its choosing.

Statute does not specify a method for the assignment of assets or liabilities in the case where the detached territory does not join another community college service district, and the disposition of this question may require the passage of a state law.

Option 3 – Approval of a Commission Motion that Differs from the Petition

The Commission may determine that it does not wish to accept or reject the petition outright, but rather, it wishes to issue a different boundary change order, such as one that orders north Lake County into the KCC service district, either together with the remainder of the county or without the remainder of the county. This action would be considered the commencement of a new process, and prior to issuing such an order the Commission would be required to hold public hearings in Klamath Falls (as the principal city in the KCC service district) and in Lake County.

Should the commission issue such an order and due to the fact that such an order involves two service districts, the districts would engage in a process to make an equitable division of the assets and liabilities of north Lake County relative to the COCC district and, if they failed to agree on such a division, would engage a board of arbitrators. This process may lead to the Commission appointing an arbitrator or engaging a circuit court judge to appoint an arbitrator.

Elections

In the event the Commission issues any change order, a petition may be filed in remonstrance, and is valid if signed by 5% of the registered electors or at least 500 of the electors, whichever is less in either the territory being moved or annexed, or the existing community college district. In this event, the commission shall hold an election in the area which filed the remonstrance. If the Commission proposal is defeated, the commission must wait 12 months before issuing a similar order. If the proposal is agreed to by a majority of voters, the change order is then referred to the Legislative Assembly for approval.

The Commission could determine the need to hold an election without receiving a remonstrance petition. However, in order to do so, the Commission would first have to amend its administrative rules, which currently restrict when the Commission may call an election.

Conditionality

Because Commission orders are subject to approval by either the Legislature or by a vote of affected constituents, the Commission may find it difficult to create a conditional order, because it has no assurance the Legislature would agree to specific conditions, and it cannot place a conditional question before voters. If the Commission wishes to assure conditions, such as a contractual agreement for continuation of services in a specific territory, then it should work with stakeholder groups to craft understandings and agreements prior to issuing a change order.

Staff Recommendation:

Staff recommends deferring action on the petition until a meeting of the KCC board occurs and staff can incorporate information from this meeting into a recommendation. No formal action is required.