
Docket Item:

Motion to Incorporate a Portion of Lane County into the Lane Community College Service District

Summary:

In January 2019, Commission staff was contacted by petitioners in Northwest Lane County, one of the remaining territories of the county not currently incorporated into a community college service district, requesting to circulate a petition to incorporate the territory. The petitioners, Hans and Karin Radtke, are residents of the unincorporated territory, and prior to the request to circulate, had appeared before the Legislature to discuss the issue of community college boundaries and their exclusion from the Lane Community College Service District.

Staff provided the required documentation to the petitioners. Owing to the rural nature of the concerned territory, the petitioners were required to submit only 14 valid signatures. Staff affirmed the petitioners met the requirement in June 2019, and scheduled required public hearings in September in the territory and November at Lane Community College (LCC).

The public hearings were properly noticed in local media, though the hearings themselves were attended only by Commissioners and staff, the chief petitioners, a representative of LCC, and one member of the local media.

Following the public hearing, in attempt to solicit any additional feedback and perspective, Commission staff sent a letter to all registered voters in the territory informing them of the potential for impending Commission action, explaining the issues and tax implications, and requesting feedback by mail or email. Staff received no additional comment.

The Board of Lane Community College has approved a motion supporting inclusion of the territory.

Background:

Through ORS 341.565 to ORS 341.579, the Higher Education Coordinating Commission serves as the board authorized by the State to review and recommend changes to the boundaries of a community college district. For a petition, the commission must receive certain statutorily required information from a petitioner or petitioners as specified in administrative rule.

The Commission “must 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.” Additionally, the Commission may not order a change to a community college district boundary prior to holding a public hearing in the territory of the district to be included or excluded.

The Commission, in disposing of a motion or petition has three options: to affirm the motion or petition, to reject it, or refer the matter to an election of the territory to be changed. (In practice, the Commission has restricted its ability to refer the matter to an election only when a remonstrance petition has been received). If the Commission approves the motion, the Commission issues a change order, which is not finalized unless approved by the Legislature. If the Legislature does not approve the order, the Commission may, after 60 days, revise and resubmit the order. The Commission can also reject the motion or petition, in which case the process ends.

Financial and Service Implications:

The primary benefit to the residents of the currently unincorporated territory is that they will be able to participate in elections for the Lane Community College Board of Education. As Lane Community College does not charge an out-of-district rate, the tuition and fees for attending LCC will be unchanged for the area to be incorporated.

Due to the equalization methodology used to distribute the Community College Support Fund (CCSF), changes to tax revenues that fund community colleges in one district impact funding for all community colleges in the state. Equalization means, “equal public resources support per funded FTE, regardless of community college district, and exclusive of the base. Equalization is measured by dividing Total Public Resources, exclusive of the base, by funded FTE” (589-002-0110(3)). The Total Public Resources (TPR) used in calculating Support Fund distributions include 100% of the next year’s imposed property tax revenue and the General Fund appropriation from the legislature.

In this instance, the additional property taxes will be added to the Total Public Resources available to community colleges in Oregon. LCC may, as a result, receive slightly fewer state general fund resources in order to maintain an equal distribution of TPR to all colleges. In terms of scale, the total amount of imposed county certified property taxes in Oregon for 2019-20 was \$192,366,295 while the amount of General Fund payments made in 2019-20 totaled \$302,799,537. The additional revenue that would be generated by the inclusion of the territory is estimated to be \$13,187 based on estimated assessed property value of \$21,300,000 and LCC’s property tax rate of \$0.6191 per thousand.

Material:

Proposed and Final Order.

Staff Recommendation:

Staff recommends the Commission approve the Proposed and Final Order, and direct staff to cause a copy of such Order to be delivered to the Legislative Assembly for approval pursuant to ORS 341.565(4).

PROPOSED AND FINAL ORDER

The Commission, upon motion and after the required public hearings, finds that the proposed changes 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 districts affected by the proposed changes.

The Commission orders that the territory of Lane County bounded by the borders of the Lincoln County and Alsea School Districts, and not currently incorporated in the Lane Community College Service District, be incorporated into the Lane Community College Service District.

Approved by a vote of the Commission on November 12, 2020

David Rives, Chairman

Ben Cannon, Executive Director