

Costs of a community college

by PERRY PEARSON - Ravalli Republic

Editor's note: This is the second in a series about the proposed Bitterroot Valley Community College and issues surrounding it.

When talk of the proposed community college in Ravalli County comes up, the first question on the minds of many is, "What's it going to cost me?"

Voters will decide May 8 whether they want to set up a community college district, the first step towards creating a local community college. If they choose to do that, they will be agreeing to support that local college in property taxes (about 25 percent of the costs) in accordance with the way the state's community college system is set up.

Community colleges are locally based and controlled, allowing for more local say in decisions regarding programming and costs. The state is involved, picking up about 50 percent of the costs, with the remaining 25 percent of the money coming from tuition, fees, and other funding sources such as grants.

Funds for any buildings such a college might need could also come from the local taxpayers in the form of a bond measure like local school districts run to pay for their buildings or expansions. Community colleges, local proponents have noted, can and many times do benefit from charitable donations towards the construction of buildings.

People on both sides of the issue have debated the cost of the community college proposal, both to taxpayers and students. A close look at some readily available numbers can provide some answers.

As part of this analysis, it's important to mention that University of Montana officials as well as some local lawmakers are pushing to provide another option, the establishment of a branch campus of the UM-College of Technology.

Colleges of technology, also two-year institutions, differ from community colleges in two major ways, funding and governance. COTs are funded by tuition and fees as well as money from the state and do not require additional funds from the local taxpayers other than the current 6 mills they are already being taxed for the university system.

The Montana Board of Regents asked for about \$18 million this year for ongoing infrastructure needs of the college of technology system, with that money intended for the UM-COT in Missoula. UM officials hoped to use \$4 to \$5 million of that to establish a branch COT campus in Ravalli County but that request did not receive funding in Gov. Brian Schweitzer's budget in the 2007 Montana Legislature.

Sen. Rick Laible, R-Darby, successfully attached an amendment to a legislative bill that would provide \$2 million for planning and infrastructure for colleges of technologies across the state. That money, which could find its way to Ravalli County as part of a branch campus, is currently in limbo in a conference committee as the session winds down.

Local taxes

The Bitterroot Valley Community College Exploratory Committee has a projected number for taxes that it presents to residents at public meetings. It's \$8.50 in taxes per \$100,000 in property value, for a new college with an estimated 175 students. The Montana Board of Regents recently asked an official from the Montana Taxpayer's Association to analyze that number. That person, Curt Nichols, came up with a number about double what the local community college proponents use.

According to Victoria Clark, the spokesperson for the BVCCEC, their number comes from levying 3.88 mills annually based on the state's funding formula for community colleges. She used \$5,203 (known as the cost of education factor), which is the cost of sending one student full-time for one year to a community college in the state, based on numbers agreed upon in last legislative session. Local taxpayers would need to pick up 25 percent of that number.

Clark calculated the value of the mill in the proposed community college district at \$58,600 based the local district's taxable value as of August 2006, \$58.6 million. A mill is 1/1000 of the district's taxable property value. That calculation raises \$227,631 which is the local portion of funding for the college.

Nichols, a retired state budget analyst, said he used more up to date numbers. He calculated the proposed community college district's taxable value at \$64,533,245 using numbers provided to him based on the 2006-2007 school year for local school districts. He also used \$7,322 as the cost of sending one full-time student for one year to a community college. "That's the average of the other three community colleges we have (in Montana)," Nichols said, noting that's the number lawmakers in Helena currently agree on and will be used once the 2007 session is completed. The \$5,203, he said, is not currently a realistic representation of the cost.

Nichols came up with a projection of 8.2 mills as the local levy, which includes 1.39 mills to pay for the retirement accounts for local employees. Nichols estimated that it would cost \$16.81 per \$100,000 in taxable property value to serve 175 full-time students. That would raise \$439,295 as the mandatory local portion to support the college.

Nichols noted that his group does not take a position on the issue, only wanting to make it clear to voters that there will be costs involved with the May 8 election if a community college district is established. He said voters also must be aware of the likely eventual need for a building which is not included in his numbers.

Clark, in defense of their number, said they used the numbers that have been used in the state for the past two years and not numbers which have yet to be finalized at this year's legislative session.

"If you vote in favor of forming the community college district, you have agreed to accept the funding formula as created by the state in any given legislative year," she said. "And it was one thing two years ago and it will be one thing in a few weeks and it will be a whole another thing in two years ... You have to realize that it is in the best interest of the legislature to keep that number reasonable. Property taxes for community colleges are reasonable."

A look at what other residents in counties with community colleges pay in taxes could also be used when you consider what the cost of a community college will be for Ravalli County.

Residents in the Flathead Valley Community College district pay about \$53 per \$100,000 in taxable value to support the college there. That includes levies for a general fund, adult education, retirement for employees and debt service.

Flathead Valley Community College also has a campus in Libby, which is in Lincoln County. Through an agreement with Flathead, that campus offers classes and programs for \$12.97 per \$100,000 in property value for residents.

Residents in Custer County, where Miles Community College is located, pay about \$254 per \$100,000. In Dawson County, home of Dawson Community College, residents pay about \$115 per \$100,000. Those numbers, like Flathead Valley Community College, include money for the general fund, retirement, debt service, and adult education.

According to Justin Cross, the dean of administrative services at Dawson Community College, residents there as well as in Custer County pay much more than Flathead Valley residents pay or Ravalli County residents would pay because property values in Western Montana are double sometimes triple of that in the eastern part of the state. There are also many more residents in Flathead and Ravalli counties, allowing for a bigger pool of money to draw from.

“Our taxpayers are very supportive of our community college,” he said, noting the positive effect it has had on the local economy in Dawson County.

Tuition and fees

Tuition, by law, is cheaper at community colleges than at any other state college or university.

In district-tuition and fees (available only for Flathead Valley district residents) at Flathead Valley Community College amounts to \$1,272 for 15 credits. In-state tuition and fees (if for example a Ravalli County resident went there) is \$1,864 for 15 credits. Dawson Community College in Glendive charges \$1,284 for in-district and \$1,779 for in-state for 15 credits.

By comparison, tuition and fees for all students at the University of Montana College of Technology is \$1,584 for 15 credits, according to numbers provided by the state. The University of Montana Helena College of Technology charges \$1,468 for 15 credits.

Sheila Stearns, the Montana Commissioner of Higher Education, said the Board of Regents has tried to keep tuition at all colleges and universities as affordable as possible. She said that is especially important for community colleges and colleges of technology.

“Two-year education is undervalued and under utilized in this state compared to a lot of states,” she said, noting the ability of students to gain their general education credits there at an affordable price and then transfer them to four-year colleges.

“The tuition for our COTs compared to our community colleges is virtually the same, with about \$200 or \$300 in difference (among them all),” she said, “where the big difference is between the four-year units in the state and all the two-year units whatever they may be.”

What makes community colleges cheaper for tuition, Stearns said, is that additional local support from taxpayers on top of the six mills everybody

pays for the state's university system.

Community college proponents are quick to point this out.

Community colleges and colleges of technology, according to Clark, have basically the same costs. It's just a matter of where the local money (about 25 percent of the total cost of educating the student) comes from. With a community college, “everybody's chipping in,” she noted. “With a COT, it's just the student. (Higher tuition) ends up as a user tax which is regressive. The effect of this tax is that it makes higher education less affordable and decreases enrollment.”

She added, “With a community a community college ... that's a progressive tax and the effect of that tax is it makes higher education more affordable. More people are enrolled in the college and you have increased your investment return on your tax dollar.”

Adult education levy

Community college proponents believe their proposal can reduce taxes for residents in Ravalli County, in one form, the adult education levy that residents now pay to their local school district for adult education classes. These classes are not-for credit and can include things like computer training, photography, and sewing.

The money can only be used for adult education. In the Hamilton School District, for example, local tax payers are taxed this school year 4.4 mills, with the value of a mill about \$12,000. That raised \$80,960 to use on adult education. In the Victor School District, residents are levied 1.1 mills, with the value of a mill there equaling \$5,600. That raised \$6,160 for adult education.

A community college in Ravalli County, according to Clark, could run its own adult education levy at 2.5 mills throughout the proposed community college district. That district includes every school district in the county except the Florence-Carlton School District which falls in both Missoula and Ravalli counties. Levying that amount of mills would raise \$146,500, or about \$35,000 less than all those districts combined currently levy.

“What are you going to get for that? You are going to get something like Dickinson Lifelong Learning Center,” Clark said, noting the adult education center that services all of Missoula County. “It's something that provides, year-round non-credit services ... adult literacy, GED, and the whole range of continuing education.”

Clark, who runs the adult education services for the Darby School District, said a community college can perform that function cheaper because all of the administrative costs are consolidated. A wider variety of classes could also be offered, she said.

The school districts, in this scenario, would likely drop their local levies because of the effectiveness of the community college in providing the services. “Certainly the school districts will make up their own mind,” she said. “We think it makes a lot more sense to consolidate it and have one administration that can provide to the whole community and really save you some tax dollars.”

Community college proponents note that no colleges of technology in the state currently offer adult education services through local levies. Clark believes they can't by law since they don't have that local taxing authority like community colleges.

“They don't offer adult education funds period. The reason they don't offer them is that they can't use the adult education levy,” she said.

Stearns disputes this notion. She said there are ways that colleges of technology could take on that mission despite the fact that none currently do. She said a centrally located college of technology could go to all the school districts to work with them on gaining use of those funds.

“They generally don't because they are situated in counties where the school districts are doing that,” she said.

Community colleges, colleges of technology, and tribal colleges throughout the state can all do basically the same things, she said, adding “All of them can put their emphasis in a little different way.”

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