

SURVEY CONSIDERING THE NEED FOR GILLETTE COLLEGE COMMUNITY COLLEGE DISTRICT

EXECUTIVE SUMMARY

Presented to the Wyoming Community College Commission

November 20, 2020



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Campbell County submitted an application to the Wyoming Community College Commission (WCCC) to form an independent community college district. WCCC will now approve or deny the application using information from public meetings and a statutorily-required survey that analyzes:

- The need for the community college in the proposed district
- The need for the community college in the state
- The financial ability of the proposed district to support a college
- The educational soundness of the proposed community college plan
- Any other matters which might assist the commission in the disposition of the applicationⁱ

The Western Interstate Commission for Higher Education (WICHE) and its subcontractor the National Center for Higher Education Management Systems (NCHEMS) were selected by WCCC to carry out this survey. This document provides a summary of the findings.

Gillette College is classified as a campus of NWCCD under a single accreditation by the Higher Learning Commission (HLC). Under this arrangement, Campbell County is not part of NWCCD, but is part of the district's service area, which also includes Johnson County. The history, enrollment, community engagement, and facilities at Gillette College are robust evidence that there is a need for a community college in Campbell County and that Gillette College meets important needs for the state's overall provision of postsecondary education. This conclusion does not appear to be in dispute.

This analysis primarily examines – consistent with the application by Campbell County – the need for an *independent* community college in the proposed district and in the state. This framing of the report makes it more difficult to present data-driven conclusions as ultimately the need for an independent community college hinges not just on enrollment projections, workforce needs, impact on other institutions, and potential financial support, but also on the assessment by WCCC and Wyoming leaders of how the benefits of the proposed district having greater input into its governance balance with potential costs and impacts on other districts and the state as a whole.

Based on reviews of data and documents, and interviews with key stakeholders, the key decision facing WCCC is whether an independent community college district would better meet the needs of the district and the state than the current NWCCD structure. While data and research can inform responses to this question, ultimately it requires Wyoming stakeholders to determine the extent to which local governance constitutes a district and a state need and how

they weight the value of local governance compared to efficiency. Based on our work, WICHE staff reach the following conclusions:

1. The key issue for consideration about the need for an independent community college district in Campbell County is whether such independence would allow Gillette College to better meet the needs of its community than is possible under the current governance arrangement. Based on interviews within the community and employers, the current academic programs, which would be continued, provide valuable skills and knowledge to students, enabling them to find jobs and support the local economy. Interviews and public comments from local stakeholders strongly supported the benefits to Campbell County of an independent GCCCD and suggest that it would be more responsive to employer and student needs. This is largely a subjective conclusion as it is difficult to identify data to evaluate a hypothetical question such as this.
2. The proximate cause leading to the application by Campbell County to form GCCCD has been described in interviews and news reports as related to the decision by NWCCD to cut funding for athletic, academic, and extracurricular programs. However, multiple interviewees have described systemic communication and governance issues that suggest dissatisfaction over recent decisions is a symptom of larger displeasure over a lack of self-determination for the residents of Campbell County. Further, there are significant concerns that, should Wyoming institutions face additional budget cuts (as seems likely), Campbell County residents do not have a direct voice in determining how those cuts would apply at Gillette College. Although independence may not take place in time for a new board to oversee the college when facing these cuts, it would provide a voice in future changes.
3. Stakeholders in Gillette identified multiple, specific issues in academic offerings that they believe were delayed or limited by NWCCD affecting how well the college is able to serve the community. NWCCD leadership dispute these claims and have said that they will support any program with a demonstrated need.
4. Based on current statute requiring a four-mill property tax and current and projected assessed property valuations, along with projected tuition revenue, Campbell County will likely be able to financially support an independent community college district.ⁱⁱ Quantitative projections through 2026 (based on state-level estimates) support this conclusion. For the ability of the county to support the college in the long term, we show that assessed property valuations would have to decline by more than 80 percent for the new district to reach the average level of per credit hour local revenue across the state, holding all other parameters stable. However, declines of this magnitude would leave total revenue available for the independent institution below its budget projections. To meet those budget projections, revenue from property tax must be

about 39 percent of the revenue projected based on the current valuation and four-mill levy.

5. A second crucial issue to consider is the potential impact of an independent Gillette College on the other community colleges in Wyoming, especially with respect to enrollments and funding support. Based on current statute, current and projected assessed property valuations, and Wyoming's formula for allocating funds for Wyoming community colleges, if GCCCD (and the four-mill property tax levy) were approved by WCCC, the Wyoming legislature, and Campbell County voters, the financial impact to most other Wyoming community colleges would be net positive. Based on the intricacies of the state's allocation model, the significant influx of local revenue through a new property tax would result in lower state support for GCCCD and larger per-credit hour allocations of state support to all other institutions.
6. Even with the net positive impact in state allocations, there would still be a significant impact on NWCCD, primarily through the loss of efficiencies of scale in administrative functions. Precise estimates are difficult to identify, but interviews suggest the impact could be \$2 million annually. This decline would be offset by increases in state support on a per FTE basis.
7. Should assessed property valuations decline precipitously and/or statute changes affect the required mill levies, the impact to other colleges would change as GCCCD could receive a larger proportion of state funding if its local funding decreases. Given the uncertainties around the economic projections and the complexities of the allocation formula, it is difficult to provide precise and reliable estimates of how the impact would change.
8. Few interviewees suggested that an independent GCCCD (as currently proposed) would substantially alter enrollment patterns across the state. However, concerns have been raised by Eastern Wyoming College (EWC). Should a newly independent GCCCD draw a substantial number of students from Crook and Weston counties, it would impact enrollment and result in decreased revenue at EWC. Detailed estimates of different scenarios for the enrollment patterns of students from these counties are presented in the report.
9. The plan's framework for educational soundness seems appropriate, although more detail and consideration of funding and governance during the transitional period would be required for a thorough evaluation of educational soundness. The application calls for largely continuing the same academic, continuing education, and extracurricular programming as has been previously offered. The plan calls for allowing a newly elected board of trustees to hire an executive team and pursue independent accreditation. However, the application did not provide a detailed plan for finance and governance

during the transition but did note that the new institution would develop contractual agreements with another institution. This is a lengthy period (potentially five years). One of the first steps must be the development of detailed agreements between NWCCD and GCCCD for arrangements related to governance, finance, academic services that protect students at GCCCD and NWCCD by maintaining accreditation for NWCCD and providing a clear pathway for GCCCD to earn its own accreditation. WICHE does not believe that developing a new relationship with a different community college is a practical approach to the potential transition.

10. Wyoming statute currently provides limited alternatives that would address the concerns of the Campbell County stakeholders. Annexation would be one option and would result in a majority of the board of trustees of the resulting district being elected from Campbell County. However, no stakeholders have identified this as a viable alternative.
11. It is clear that Wyoming needs a strong and vibrant college in Campbell County. Whether that college should be part of NWCCD or independent rests, in part, on an assessment of the value that Wyoming places on local control and self-representation versus potential financial impacts and efficiency losses. Interviewees and public commenters in favor of the separation cited governance, self-determination, and local control as key factors. Those opposed generally identified the potential to impact other institutions, increased taxes, duplication of efforts, and the state's current budget crisis as key factors. Where possible, WICHE and NCHEMS provide quantitative analysis to address these questions and concerns.

Whether WCCC approves or rejects this application, actions can be taken to ameliorate concerns on both sides - by taking steps to improve efficiency and limit financial impact if GCCCD moves forward or by identifying ways to boost the local voice and representation should Gillette College remain part of NWCCD.

An obviously key consideration is whether voters in Campbell County would approve a property tax increase to support an independent GCCCD. Although WICHE sought feedback on this issue from stakeholders, it is not appropriate for us to speculate on what may happen should WCCC approve the application and Campbell County place the issue on the ballot. In keeping with the statutory requirements of the survey, WICHE analyzed the financial implications of an affirmative election result. Further, it is certainly possible that the current statutory context may change in the upcoming legislative session. While WICHE and NCHEMS did not take potential statutory analyses into account when conducting this survey, the models and estimations contained in the full report are adaptable and could be adjusted to account for new contexts.

Another key consideration is the impact on other Wyoming institutions. As is exhaustively detailed in the full report, due to an expected large increase in local revenue for a newly independent GCCCD and the allocation formula employed by WCCC, if enrollment patterns remain stable, other institutions would likely see a net increase in state funds. Although NWCCD's total state funding level and revenue from tuition would decline, the district would see an increase of state allocations on a per FTE basis that would offset some declines. If enrollment patterns change, particularly with more students from Campbell, Crook, and Weston counties attending a newly independent GCCCD than currently do, EWC would see moderate revenue declines, while Casper College would see smaller declines on a percentage basis.

ⁱ [Wyo. Stat. § 21-18-312](#).

ⁱⁱ As noted previously, our analysis examines the ability of Campbell County to support the institution assuming voters approve a four-mill property tax levy, which is currently required to access state funding. This property tax level is required in Wyoming Statute § 21-18-205. This conclusion does not mean that lower mill levels would be unable to support an independent GCCCD. The models and analysis presented throughout this report can be reexamined should underlying statute change.