



WYOMING COMMUNITY COLLEGE COMMISSION

College Funding and Sustainable Funding Report and Considerations

SEPTEMBER 9, 2021

COMMUNITY COLLEGE COMMISSION

JOINT EDUCATION INTERIM COMMITTEE

College System Budget Design vs Reality

3-PART ALLOCATION MODEL DESIGN

State Aid Approximately 60%

Mills/Local 20%

Tuition/Fees 20%

3-PART ALLOCATION MODEL REALITY

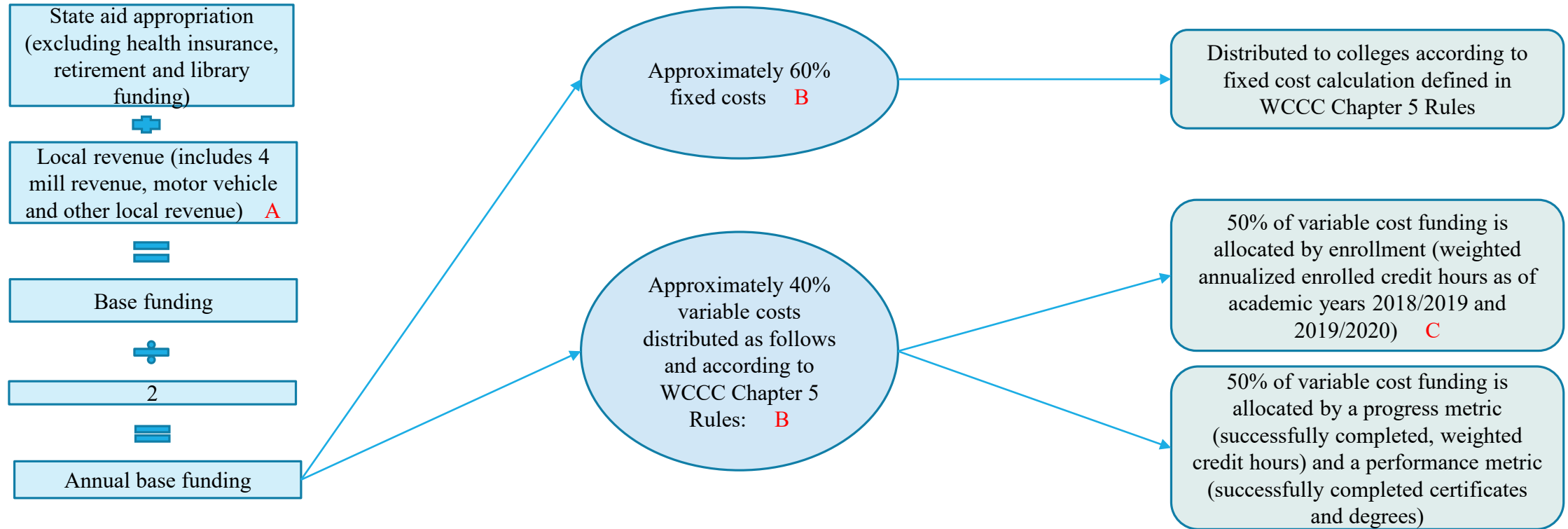
State Aid Approximately 51%

Mills/Local 22%

Tuition/Fees 27%

WYOMING COMMUNITY COLLEGE COMMISSION FUNDING ALLOCATION

FY22



A. Projected 4-mill revenue is reconciled each year with actual receipts and differences are redistributed accordingly.

B. Fixed and variable costs are defined in WCCC Chapter 5 Rules and the percentages are recalculated every four years. Actual percentages used in funding allocation vary among colleges, but the average fixed cost percentage is 60% and the average variable cost percentage is 40%.

C. The portion of state funding related to enrollment will be adjusted every four years in accordance with 2016 HB80 (HEA29).

Historical College Estimated Revenues/Budgets 2008-Present

Meeting Item #17-01: Community College Revenues Summary

https://wyoleg.gov/InterimCommittee/2021/04-2021090817-01_20210812_FY2008-EstFY2022CommunityCollegeRevenuesSummary.pdf

Trend of decreasing state aid, static mills/local revenue, and increasing tuition/fees

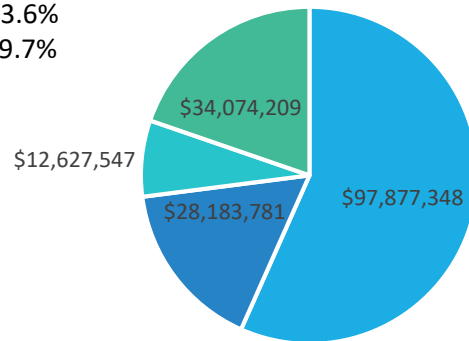
Snapshot of College Systemwide GF

FY 2010

TOTAL BUDGET \$172,762,885

Proportional Share State Aid, Mills/Local, & Tuition/Fees

State Aid 56.6%
Mills & Local 23.6%
Tuition/Fees 19.7%



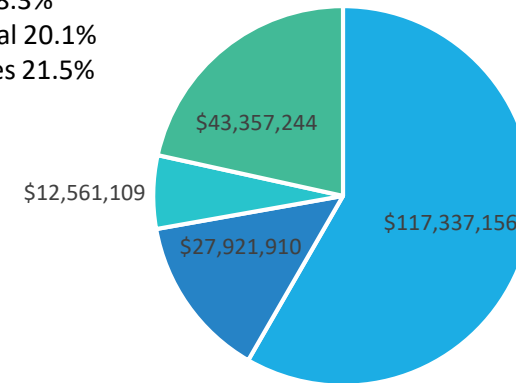
■ State Aid ■ Local 4-Mill ■ Local Appropriation ■ Tuition & Fees

FY 2013

TOTAL BUDGET \$201,177,419

Proportional Share State Aid, Mills/Local, & Tuition/Fees

State Aid 58.3%
Mills & Local 20.1%
Tuition/Fees 21.5%



■ State Aid ■ 4 Mills ■ Local Revenue ■ Tuition and Fees

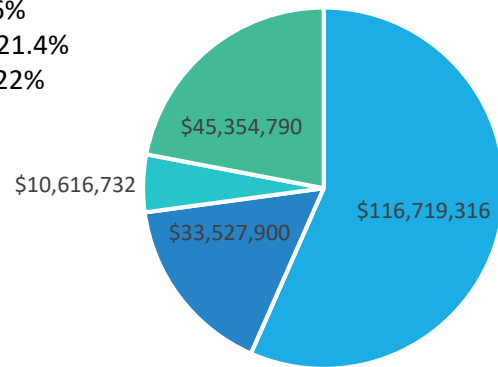
Snapshot of College Systemwide GF

FY 2015

TOTAL BUDGET \$206,218,738

Proportional Share State Aid, Mills/Local,
Tuition/Fees

State Aid 56.6%
Mills & Local 21.4%
Tuition/Fees 22%



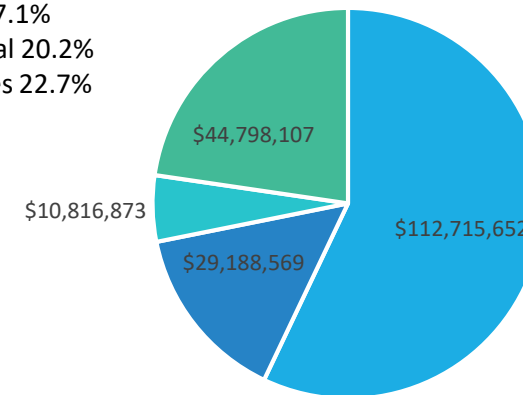
■ State Aid ■ 4 Mills ■ Local Revenue ■ Tuition and Fees

FY 2017

TOTAL BUDGET \$197,519,201

Proportional Share State Aid, Mills/Local,
Tuition/Fees

State Aid 57.1%
Mills & Local 20.2%
Tuition/Fees 22.7%



■ State Aid ■ 4 Mills ■ Local Revenue ■ Tuition and Fees

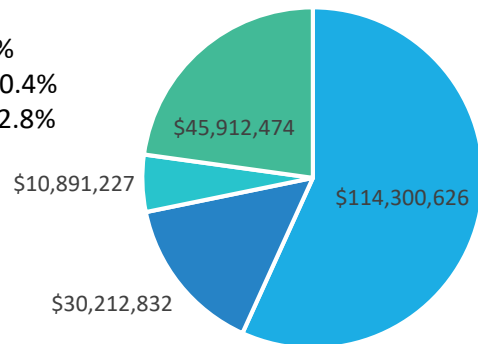
Snapshot of College Systemwide GF

FY 2019

TOTAL BUDGET \$201,317,159

Proportional Share State Aid, Mills/Local, & Tuition/Fees

State Aid 56.8%
Mills & Local 20.4%
Tuition/Fees 22.8%



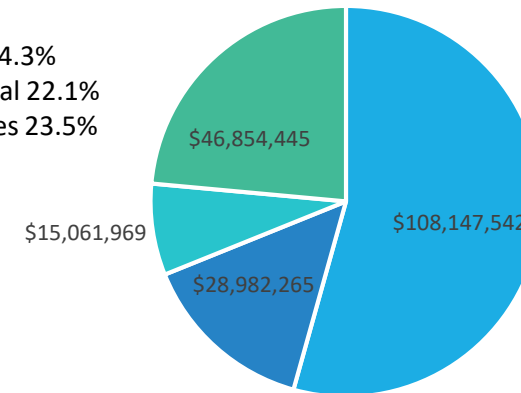
■ State Aid ■ 4 Mills ■ Local Revenue ■ Tuition and Fees

FY 2021 ESTIMATED PRE-STEP 2 & 3 CUTS

TOTAL BUDGET \$199,046,221

Proportional Share State Aid, Mills/Local, & Tuition/Fees

State Aid 54.3%
Mills & Local 22.1%
Tuition/Fees 23.5%



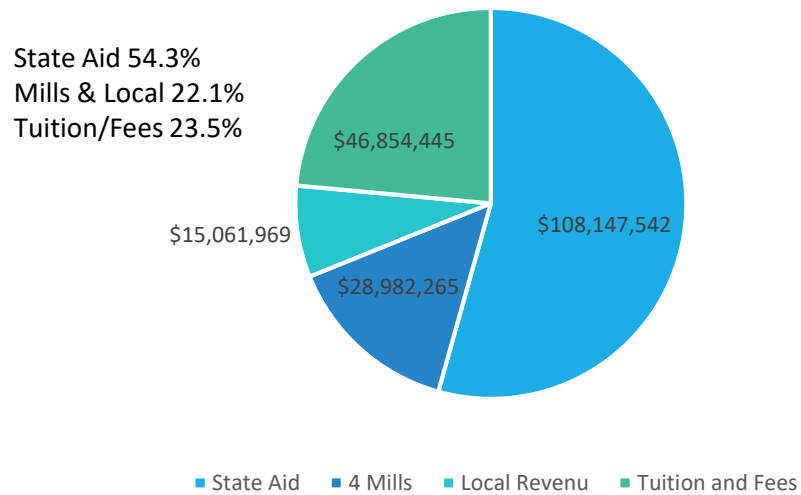
■ State Aid ■ 4 Mills ■ Local Revenue ■ Tuition and Fees

Snapshot of College Systemwide GF 2021 Pre-cut and Post-cut

FY 2021 ESTIMATED PRE-STEP 2 & 3 CUTS

TOTAL BUDGET \$199,046,221

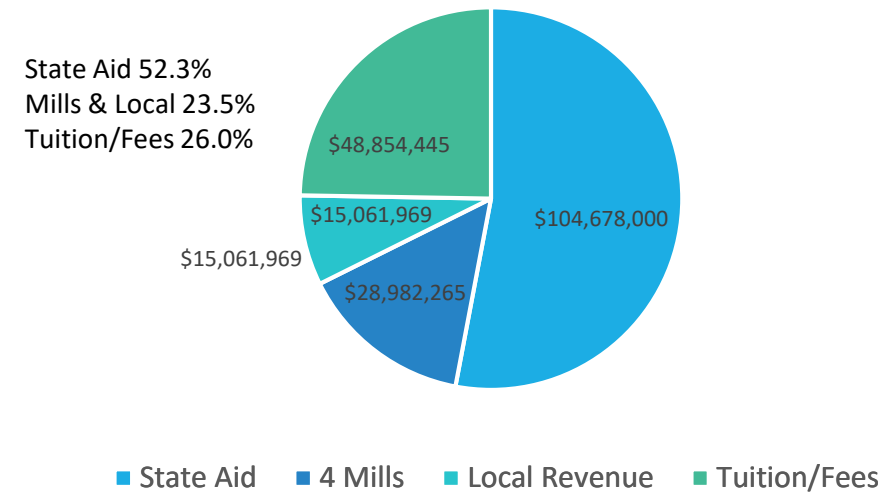
Proportional Share State Aid, Mills/Local, & Tuition/Fees



FY 2021 ACTUAL POST-STEP 2 CUTS

TOTAL BUDGET \$187,702,332

Proportional Share State Aid, Mills/Local, & Tuition/Fees

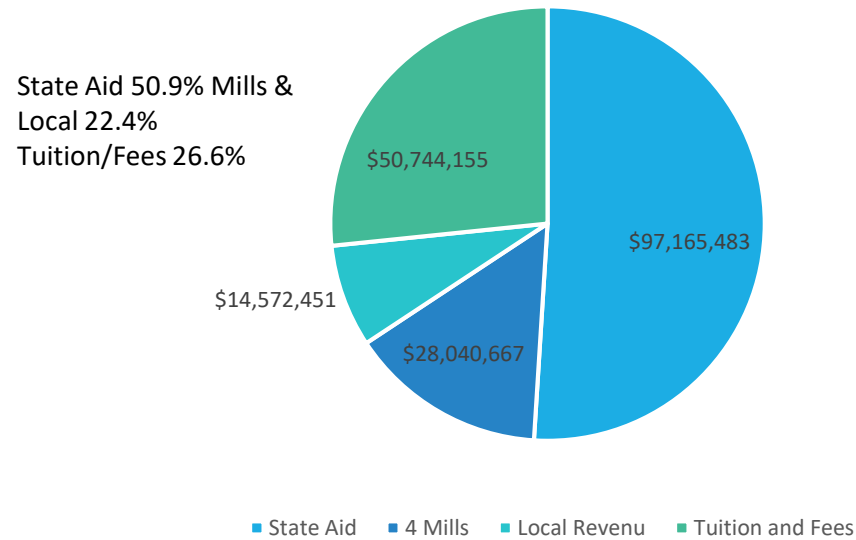


Snapshot of College Systemwide GF 23/24 Post-cut

FY 2023 Projected Post-Cut

Total Budget \$190,522,756

Proportional Share State Aid, Mills & Local, & Tuition/Fees



Sustainable Funding

- Wyoming's community colleges are constantly searching for established, consistent, non-volatile funding sources which provide a level of support to sustain and build service to students and the communities the colleges support. Sustainable funding includes external cost adjustments in order to manage multiple increasing cost factors such as inflationary pressure and increased compliance and regulations as well as other aspects related to modern operations and technology.
- The current funding of Wyoming CC's includes approximately 60% state support, 20% local revenue, 20% from tuition and fees. Adjusting any of the three levels will require adjustments in the other levels in order for Wyoming's colleges to maintain the current standard of service.

Budget Erosion since 2010--\$94 million

Budget Deficits resulting in JAC request to the WCCC to study the topic

- General Fund appropriations funding loss as of January 2020: \$61.3 million
- Due to lack of external costs adjustments and prior cuts

2020 Budget reduction Step 2 and Step 3: \$32.7 million cut

- Step 2 Cuts: \$22.9 million
- Step 3 Governor's Recs: \$9.8 million

Cost increases Fixed Costs and Compensation Per Biennium

Fixed Costs Increases: \$21,182,882

Actual expenditures of fixed operational costs increased by \$10,591,441 per year, or \$21,182,882 per biennium, when comparing FY2010 to FY2019. Because these costs cannot be lowered or deflected, our institutions have been forced to cut other areas of our budgets to a larger degree to meet the overall prescribed budget cut.

Compensation Erosion: \$19,154,970

The ability to provide salary increases commensurate with experience has been hampered by the on-going budget reductions. While each college manages this challenge differently, system-wide, our colleges are below the mid-point pay (MPP) by \$10,701,038; a measure that is widely seen as a minimal goal for an institution to achieve.

A 1% biennium increase for all the Colleges' payrolls equates to \$2,113,483., thus a 4% increase per biennium equates to \$8,453,932. In order to make the colleges whole in terms of budget erosion of compensation, the \$10,701,038. is added to the \$8,453,932. for a total compensation request of \$19,154,970.

* \$40,337,852 in WCCC Agency 057 Budget Request consideration for College State Aid increase

Guiding Principles and Menu of Options Sustainable Funding

Guiding Principles that CC and Higher Ed MUST:

Provide Return on Investment

Increase post-secondary educational attainment per the state priority

Consider and incorporate External Costs Adjustments and Inflation, and

Community Colleges and higher education must be responsive and efficient to the state's need for post-secondary education.

Menu of Options Reviewed:

Mill Levies increases

- *In-district, Out-of-district*
- *Optional additional mills*

Tuition Impacts including Differential Tuition for out-of-district students (increased 6% Oct)

Sales and Use Tax

- *Statewide, Regional, Exemptions*

Economic Development Tax

Menu of Options Considered

Meeting Item #17-03: WCCC Sustainable Funding Workgroup Final Report and Consideration of Funding Options

Pages 24, 25, and 26

https://wyoleg.gov/InterimCommittee/2021/04-2021090817-03_WCCCSustainableFundingWorkgroupFinalReportAdopted20201204.pdf

Funding Strategies Framework Considerations with Options/Alternatives

Total Budget Needed for State Aid: \$304 million

Based on the current taxing structure, the options available resulted a two part approach comprised of General Funds and Added Taxes

I. Total State General Fund Target 45% (\$212.7 million pre-2020 budget cut)

- Reduces state aid from approximately 60% down to 45% (approximately \$30 million reduction in Gen Fund from the adopted budget)*

II. Funding Strategies Two-Pronged Approach (\$91.2 million)

- Prong 1: Imposing an ad valorem (property) tax in the form of some amount of mill*
- Prong 2: Imposing a proportion of a new additional 1 or more penny sales and use tax or other mechanism like an endowment*

Impact of Mill Levy Changes and Sales and Use Tax

- 1 mill statewide levy increase would generate approximately \$45 million biennially
 - Consideration of in-district only would generate approximately \$16 million biennially
 - Consideration of out-of-district only would generate approximately \$29 million biennially
- 1 penny sales and use tax would generate approximately \$323 million biennially
- Caveat: Assessed Valuations are currently decreasing
 - The revenue generated from the 4-mills for the existing 7 college districts that assess 4-mills is expected to be down 13%
 - The revenue that could be generated from mill levies of the other 16 counties is expected to be down 15%.

ARP requests and other potential federal funds

Potential JEC Bills for Endowments

ARP Submissions—Moving to the Drive stage and creating more concrete actions for the next stage

Survive requests:

- **ARP Requests Colleges:** *Programmatic Startup Funds for Community Colleges; Student Mental Health Challenges; Increased Need for Remediation and Co-requisite Support; Online Delivery Capacity*
- **ARP Requests WCCC:** *Cybersecurity Colleges and WCCC; Adult Education Platform Licenses and Online Capacity; Safety and Security; Internet Connectivity and Accessibility for Students including Adult Education; Accessibility, security and flexibility of higher education systems through Digital Transformation efforts*
- **ARP Requests Educational Attainment:** *Programmatic Startup Funds for Community Colleges; Near peer coaching and support at UW and Community Colleges; Wyoming's Tomorrow and/or Wyoming Works Scholarship along with funds for internships and apprenticeships; FAFSA Workshops; Higher Education Awareness Campaign and EMSI Economic Impact Study*

Potential Federal Funds—America's College Promise and/or Families Plan Act and/or other

America's College Promise focus on higher education Access & Completion

1. Free Community College—First Dollar Funding to help leverage other funds; Time-based toward sufficient credits and increasing transfer
 - Match focused on first 3 years at 75%
 - Median Tuition Basis
 - MoE Requirement
2. Completion Grant focused on Support for Learners
3. Double PELL



WYOMING
COMMUNITY COLLEGES

Questions and follow up?

Dr. Sandy Caldwell, Executive Director, Wyoming Community College Commission

Sandra.Caldwell@wyo.gov

Mr. Larry Buchholtz, Chief Fiscal Officer, Wyoming Community College Commission

Larry.buchholtz@wyo.gov