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OFFICE OF THE PRESIDENT  
Dr. Joe Schaffer

September 13, 2017

The Honorable Matthew H. Mead  
Governor of Wyoming  
Idelman Mansion  
2323 Carey Ave.  
Cheyenne, WY 82002-0010

RE: Community College Funding Bill (HB0080/HEA0029) Implementation

Dear Governor Mead:

On behalf of the presidents of Wyoming's seven community colleges, it is my pleasure to submit this letter to you providing our perspective on the intent and logical mechanics associated with the implementation of HB0080 (HEA0029) *Community college budget request recalibration* of the 2016 Budget Session, called the Community College Funding Bill.

As you are aware, and perhaps for some context, since the implementation of a legislative task force in 2009, the community colleges have received State funding through two primary mechanisms.

The first was a standard budget appropriation, identified as State Aid to the community colleges in the Wyoming Community College Commission's (WCCC) budget. The initial amount of this appropriation was based on what the task force determined were the State's share of the costs for operating the community colleges at the 2004/2005 enrollment levels. Since then, no formula or formal calculations were used to determine the amount of standard budget state aid to the community colleges, rather historical appropriations, state-wide adjustments (e.g., pay plans, external cost adjustments, etc.), and in some cases budget reductions, dictated this amount.

The second component included an exception budget request for what was commonly referred to as enrollment growth funding. In the most simple of explanations, statute allowed (not required) for the community colleges to submit exception budget requests to the Legislature for funding based on enrollment increases over the 2004/2005 base period. These requests were for one-time funding associated with the increased costs of higher enrollments. They were intended as one-time, so that fluctuations in enrollment could frequently adjust the budget allocation, either up or down, to account for these changes.

The exception budget request model proved to be challenging for the community colleges, the Legislature, and I believe even your office. There are a variety of reasons, but I will summarize the primary ones below, as they have direct relevance to our position on the interpretation and implementation of HB0080.

1. The further we moved in time from the 2004/2005 base period, the more complicated it became to explain the rationale for enrollment growth, especially when enrollment had dropped from the most recent years, but was still substantially higher than the base year.
2. Exception budget requests are not generally looked upon favorably. Even though this was the purposeful approach outlined in statute for community colleges, exception requests were often viewed as being an undesirable mechanism, especially as budget challenges began facing the State. Over time, legislators continued to express concerns and frustration about what they viewed as never-ending requests for additional funding.
3. Exception budgets are rarely funded in their entirety. The calculations for the enrollment growth exception budgets were clear and set in statute as a result of the 2009 task force's efforts. Therefore, the funding amounts requested were actual and legitimate. Yet, over the eight years of this model's use, enrollment growth exception budget requests struggled to ever receive more than partial funding even when the requests were legitimate and based on actual enrollment data calculated per statute.
4. Enrollment growth exception budget appropriations were one-time in nature. Thus, the colleges could not count on that funding to be available for more than a year or two at most. The community colleges have been reticent to utilize those funds for their core, ongoing operational needs of the institution, such as faculty and academic and student support services, both of which are directly linked to enrollment.

Born of these challenges was a collective and collaborative effort between your office, members of the Legislature, the WCCC, and the colleges to change the approach to community college funding. We believe there were two primary goals behind this effort, both of which were addressed (albeit without complete perfection to any one constituency's desire, a hallmark of fair legislation).

The first was to create a funding model for the Legislature to determine the level of State funding the Legislature should provide to the community colleges. While the WCCC has an effective *allocation* model—a model through which the funds appropriated by the State are allocated—the State has not had a *funding* model through which the appropriate level of State funding is determined for the colleges. These two distinctions have been, and likely still are confused in some circles. Thus, it is worth calling out here.

The second goal was to eliminate the use of exception budget requests as a primary mechanism for determining community college funding. This goal was driven by the challenges identified above and the community colleges desire for funding stability, something the one-time nature of the previous model did not provide. We believe all the parties involved also wanted to move away from the frustrations associated with the exception budget process.

That brings us to the passage and implementation of HB0080 (HEA0029) of the 2016 Budget Session. Although there is more detail to the legislation, in short, it accomplished both goals stated previously.

First, using enrollment and level of instruction cost calculations, the legislation established a model for the WCCC, your office, the Budget Division, and the Legislature, to calculate the level of State funding appropriate for the seven community colleges. Second, it helped achieve stability through the legislation's use of the periodic recalibration of the standard budget for State Aid to the community colleges. Using the enrollment model for calculations, HB0080 would recalibrate a

base period and set the standard budget appropriation for State Aid to the community colleges for a period of two biennia (four years). We fully recognized that in times of enrollment decline, as we have witnessed over the past few years, our standard budget appropriation may decrease and be locked for four years. In addition, at times when enrollment increases, we would see increased appropriation, also locked for four years. In short, we openly accept the challenges with this approach in exchange for the stability and the confidence this budget process provides.

In summary, we believe any interpretation of HB0080's intent that would require the use of an exception budget process is flawed and directly at odds with the intent that led to the legislation in the first place. Therefore, we collectively stand behind and support the WCCC's FY2019/FY2020 biennial budget request based on the recalibration of the standard budget appropriation for State Aid to the community colleges.

Governor Mead, we sincerely thank you for your time and consideration in this matter, and for your unwavering and continued support of Wyoming's seven community colleges. If I can provide any additional information or clarification, please do not hesitate to have your staff reach out. We value your partnership and look forward to a productive legislative session.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joe Schaffer', with a stylized flourish at the end.

Joe Schaffer, Ed.D.  
President

c: Dr. Jim Rose, Executive Director, WCCC  
Saundra Meyer, Chair, WCCC  
Walter Wragge, President, WACCT  
Community College Presidents