



# LARAMIE COUNTY COMMUNITY COLLEGE

**Albany County Campus**

**WyoTech Prospectus**

**February 7, 2018**

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## Executive Summary

WyoTech has offered top-tier career and technical training to the city of Laramie and state of Wyoming since 1966. In late 2017, its parent company announced the closure of the Laramie campus of WyoTech effective June 2018. With that closure, the community will lose a 200,000 square foot facility, over 70 full-time positions, over 500 students, and the economic and workforce impact those provide.

Laramie County Community College (LCCC or “the College”) has delivered quality education for 50 years. In that time, LCCC has not only grown successful career and technical education programs, but it has also expanded its services to Albany County via its Albany County Campus in Laramie. Given the history and experience LCCC has in Laramie, and the experience LCCC has with technical training and education, the College is uniquely positioned to help the city of Laramie in its efforts to preserve the invaluable educational and economic opportunities that WyoTech has provided for so many years.

As detailed in this prospectus, the only viable option for involvement from LCCC is by acquiring the WyoTech location and resources. This transition would take the current WyoTech model and reshape it to fit within the organizational structure of LCCC and within the Wyoming community college education model. Such a shift would necessitate reorganizing the current model of operations at WyoTech. While this will reduce the number of employees needed to operate the campus, it will also reduce costs. To achieve that same goal of efficiency, multiple curricular options have been developed.

Given estimated enrollments based on both WyoTech and LCCC models, revenue would fall short of expenditures. As detailed in this prospectus, State and/or local funding will be needed to meet the deficit and for LCCC to assume the operation of WyoTech programs. In addition, for this proposal to be successful, State and/or local funding resources will be necessary for the College to acquire and maintain the property that WyoTech currently leases for its facilities and to transition the campus and its resources to the regionally accredited curricular model LCCC has successfully used for decades.

Although this transition would come at a cost to LCCC, the State, and the local community, its potential outcomes are undeniable. This is perhaps best captured by the 2016 economic impact report by Economic Modeling Specialists Inc., which showed that for every dollar taxpayers invested into Wyoming community colleges, those taxpayers received \$1.40 return in added State revenues and public-sector savings over the course of the working lives of community college graduates. This equates to a 3.6% annual return. The report also showed that at a larger level, for every dollar society as a whole invests in community colleges, an average of \$4.80 in benefits will accrue to Wyoming over the course of the working lives of the students. This is the real value to the community and state for sustaining WyoTech through LCCC.

## Goal of the Prospectus

On November 8, 2017, Zenith Education Group, the parent company of WyoTech, announced it would be closing its WyoTech campuses and teaching out its Laramie campus by June of 2018. LCCC immediately began to explore what role the College could play to help mitigate the impacts of WyoTech's closure on the community and capitalize on opportunities to address the needs of LCCC. LCCC President Joe Schaffer assembled an exploratory team composed of LCCC employees, WyoTech employees, and stakeholders from the Laramie community. His charge, and thus the primary goal of this team, was to determine if and how LCCC, specifically its Albany County Campus (ACC), could become involved to ensure the positive impact WyoTech makes on the city of Laramie and state of Wyoming does not disappear. A secondary goal was to consider current and long-term needs of the ACC and how the WyoTech assets may help LCCC address those. In discussing this charge, the team determined that any involvement must prioritize Wyoming students, local employment, accreditation (both regional and national), industry partnerships, and the larger relationship between post-secondary institutions in Wyoming. With those "must haves" as its guide posts, the team developed this prospectus, which details how LCCC could potentially become involved with the WyoTech closure.

## Background

### *Why is WyoTech Closing?*

Higher education is a challenging yet rewarding industry. By earning credentials, students are able to return to their communities with the skills they need to better themselves and grow. As the recent rise and subsequent fall of many for-profit schools has shown, post-secondary education must prioritize both quality outcomes and student success after completion. A system of regional accreditation exists in the United States to ensure that institutions have that goal at the very core of everything they do. If a post-secondary school does not meet the high standards set by its accrediting commission, achieving the goal of student success in an efficient and cost-effective manner will be very difficult.

Corinthian Colleges, Inc. (Corinthian) was a for-profit, post-secondary education company founded in 1995. Among the campuses they acquired in 2001 were all of the WyoTech locations believed to be premiere destinations for career and technical training, primarily related to automotive and diesel industries. After years of complaints and legal issues, which alleged that Corinthian engaged in unethical practices that prioritized profit over student success, Corinthian declared bankruptcy. In 2015, the Education Credit Management Corporation (ECMC) acquired the remaining WyoTech campuses, including the Laramie location.

ECMC, located in Minnesota, is in the business of student finance and had not previously operated any educational institutions. To facilitate their move into school operations, ECMC created a subsidiary company, Zenith Education Group, a non-profit company. With the focus on transitioning to a non-profit model that prioritized student success, Zenith invested heavily in many campuses, including WyoTech in Laramie, and streamlined many of their offerings.

In the two years since that acquisition, the WyoTech campus in Laramie has seen extensive investments and improvements with no major cuts in service. However, those services and improvements have been costly. While completion and placement rates both remained about 80%, the difficulties posed by all of the factors during the transition from the for-profit Corinthian model to the non-profit Zenith model led

to certain financial inefficiencies in processes at WyoTech. Those inefficiencies could be remedied, but the challenges that a company without a history of institutional management would face to bring the needed changes to fruition would be significant.

In November 2017, Zenith announced that they would be downsizing their campus holdings to focus on just three campuses. The campuses selected to remain open were chosen for a variety of reasons, not the least of which was the fact that they were easier to operate. As any expert in the field will argue, post-secondary career and technical training, especially in automotive and diesel, is a complex and expensive endeavor. As a result, WyoTech was not selected to remain open and will close in June 2018.

### ***WyoTech in Laramie, WY***

WyoTech opened its Laramie campus in 1966. In the 52 years it has been in operation, thousands of graduates have been able to earn credentials in Automotive Technology, Collision Refinishing Technology, and Diesel Technology, with additional qualifications in specialty areas such as chassis fabrication and high-performance engines. During its lifespan, WyoTech graduated over 45,000 students. At its peak, WyoTech operated at multiple locations in Laramie and served nearly 2,000 students concurrently. The economic impact of such a large institution has been tremendous. Currently, WyoTech employs 77 full-time positions, enrolls 528 students, and contributes over \$11 million annually to the Laramie economy.

The current operational model at WyoTech focuses on a national scope for both recruitment and job placement. This is evident in the 2017 enrollments, where only 37% of the student population came from Wyoming and bordering states. Further, from 2013 to 2018 only five percent of WyoTech graduates originated from Wyoming. Additionally, during that same period, of the 2,040 graduates only 125, or just six percent, were verified to have job placements in Wyoming.

WyoTech currently operates with three facilities, which include the Core Building (145,188 square feet), the Specialty Building (70,440 square feet), and a 624-bed Student Housing complex (211,388 square feet), which is currently at 32% occupancy. The properties have been assessed at \$10,287,759, \$5,359,572, and \$21,731,618, respectively. Each of these facilities exist on three separately leased properties. Expiration of the leases are staggered over a number of years with the Core Building expiring in 2021, the Specialty Building expiring in 2022, and the Student Housing complex expiring in 2027.

In addition to those buildings, WyoTech has a variety of educational assets worth approximately \$15 million. These include 10 dynamometers and 53 training vehicles for the automotive repair program, seven Class 8 trucks and two Class 5 trucks for the diesel program, and three paint booths and 30 welding stations for the automotive body repair program. In the past two years alone, grants have funded nearly a million dollars of instructional aids such as refrigeration trainers, a Computer Numerical Control (CNC) plasma cutting table, 2017 emissions, electronics and diagnostic training, and a Compressed Natural Gas (CNG) stationary engine.

### ***What will Wyoming be losing with WyoTech's Closure?***

The state of Wyoming needs a workforce that has earned post-secondary credentials. This is clear in the Preliminary Findings and Recommendations Report released by the ENDOW Executive Council (ENDOW stands for Economically Needed Diversification Opportunities for Wyoming). The report recommends that Wyoming increase its post-secondary attainment rate for working adults (ages 25-64) from the current 45.8% to 67% by 2025. On January 26, 2018, Governor Mead signed Executive Order 2018-01, which formally committed Wyoming to raising higher education attainment accordingly. The pathway

to this goal would be to educate both traditional high school graduates and working adults who have earned a high school diploma but have no post-secondary education or training. According to the Lumina Foundation, of the 306,200 workers in Wyoming aged 25-64, 87,034 have just a high school diploma and 56,149 have only some college, but no credential. These individuals represent immediate opportunity to raise attainment rates. However, the attainment goal is more than a number; it represents the fact that post-secondary credentials lead to employment.

In Wyoming, the seventh largest industry sector for employment is Installation, Maintenance, and Repair, which encompasses the career and technical training at the core of this prospectus and the operations at WyoTech. There are 17,380 people employed in this area in the state. The mean hourly wage is \$26.20, and the mean annual salary is \$54,490. Further, occupations in this field are projected to grow between 6% and 10% nationwide during the next eight years, meaning this area of employment could represent over six percent of total employment in the state. Moreover, this sector largely supports occupations in Construction and Extraction and Transportation and Moving Materials, the second and fifth largest occupational groups in the state, employing roughly 10% and 8% of the state's workforce, respectively. As those industries grow, so will the demand for support from career and technical training.

## LCCC's Albany County Campus

### *About the ACC*

The Albany County Campus of Laramie County Community College was established in 1977, when the College assumed operation of two existing programs, the Laramie Adult Learning Center and the Laramie Vocational School of Practical Nursing. The campus has had multiple physical locations in Laramie over the years. In 1997, discussions began to see a permanent, purpose-built campus constructed. This campus, a \$5 million, 26,000 square foot facility was built on 10 acres of land in the Turner Tract and opened in January 2006. This location has allowed LCCC to support the community by providing additional support to students of the University of Wyoming via articulation agreements and also by offering 13 unique post-secondary credentials.

In 2017, the ACC embarked on a campus project to develop a five-year strategic plan that would guide its own operations and contributions to the community. This project involved the ACC Advisory Council, which is composed of stakeholders at all levels of the Laramie community and employees of the College. The plan, which is set to be adopted by the LCCC Board of Trustees in 2018, envisions the ACC becoming an integrated learning destination, which is inspired by the community to facilitate innovative education. The plan articulates this vision via three pillars that: 1) **Integrate** education into the local community by collaborating with educational partners, businesses, nonprofits, and workforce development; 2) **Innovate** new programs and partnerships; and 3) **Create** destination programming by leveraging community resources.

To drive toward these goals, the ACC is already conducting preliminary research to create destination programming in fermentation science and culinary arts, both of which would help to diversify the economic portfolio of the region. In all, the WyoTech facilities and resources would be a natural fit with the ACC and its strategically planned direction.

## ***What does LCCC bring?***

LCCC has been an educational hallmark in Wyoming since 1968. Its mission is to “transform [its] students’ lives through the power of inspired learning.” To provide assurance to stakeholders that LCCC is using its 50 years of experience to achieve this mission, the institution has maintained its regional accreditation with the Higher Learning Commission. Holding this status means that every policy and procedure at LCCC meets the high standards the Commission requires to ensure that students are effectively and efficiently learning. Accreditation also serves as testament to the skill and experience of LCCC’s employees and stakeholders.

In 2016 alone, LCCC awarded 729 post-secondary credentials, 519 of which were associate degrees. An economic impact analysis has shown that the institution added \$172.7 million dollars to the regional economy, equating to roughly 3,260 jobs. This record of performance across all programs along with long-term experience and skill in career and technical training uniquely positions LCCC to successfully assume control of the WyoTech facilities.

LCCC has over 40 years of experience with career and technical training and education. The current program offerings of the College include Automotive Technology, Automotive Body Repair, and Diesel Technology, all of which utilize the same curricula and programmatic accreditation as WyoTech programs. Those programs include training with versatile skill sets, such as welding. This instructional model has met with great success, as courses in these programs continually reach their maximum capacity with more students on waitlists. Of particular note is that classes in these curricula continue to have student success rates at over 90%. These exceptionally high completion rates have been reflected in the successes students have had at statewide competitions in the field and job placement, much of which is in Wyoming.

Another element that LCCC brings is a focus on Wyoming students. From 2013 to 2018, WyoTech has graduated 2,040 students. Of those graduates, only 99 originated from Wyoming. Further, only 125 (six percent) of all of WyoTech graduates were verified as being placed in Wyoming jobs. This was due to the national recruitment model that WyoTech and its parent companies pursued. With LCCC, Wyoming students and Wyoming businesses come first.

In the Fall 2017 semester, over 80% over the LCCC student population came from Wyoming, a percentage greatly aided by in-state tuition rates. Currently, an in-state student coming to LCCC is charged just over \$142 per credit hour including tuition and standard fees. This rate is helped even more by the Hathaway Scholarship, which provided financial assistance to 278 eligible students at LCCC in the previous academic year. By contrast, the more nationally-oriented tuition structure at WyoTech would cost just over \$490 per credit hour without being eligible for some financial aid such as the Hathaway Scholarship. LCCC is already a member of the Western Undergraduate Exchange (WUE) program, which is coordinated by the Western Interstate Commission for Higher Education (WICHE). Thus, students from 14 western states and one U.S. territory attend at a rate around \$189 per credit hour. Even out-of-state students can attend LCCC at a cost of around \$330 per credit hour, significantly less than the current rates at WyoTech.

With numerous financial aid opportunities available to students at regionally accredited institutions, including the Hathaway Scholarship, LCCC will be able to offer in-state students top-tier credentials at a very competitive price point and draw talent and resources into the state as well. With the help of LCCC, Laramie can strengthen its position as an educational hub within Wyoming, while also growing to

become a regional center that highlights the quality of Wyoming education. However, doing so will require additional assistance from the State and local community.

### **What Does LCCC Need?**

Operating a facility with over 200,000 square feet of educational space provides exceptional opportunities for students, the city of Laramie, Albany County, and the state of Wyoming. However, that opportunity comes at a cost. The very reason that WyoTech is closing is that the existing model, especially without regional accreditation and with the significant overhead of a national recruitment workforce, simply does not pencil. While LCCC has the expertise to do just that, it is bound by various regulations and conventions. For instance, Wyoming has standard tuition rates for community colleges – a good thing for the state, but a challenge for transitioning a private sector educational model. Further, course fees, which are adjustable, are set to offset the cost of classroom consumables. In all potential future scenarios, LCCC will need additional external funding from the State and/or local community to implement the ideas in this prospectus.

As the attached 10-year *pro forma* shows, a substantial operational deficit exists in each year without this funding. While tuition and fees will assist in sustaining financial exigency, the full scope of the prospectus is beyond the means of LCCC alone. In addition, after facility leases expire, a significant investment must be made to acquire the existing facilities or to engage in another longer-term, more expensive lease arrangement. In order for LCCC to become involved with WyoTech, additional long-term, sustainable funding sources must be secured. The commitment of significant, one-time funding for the acquisition of existing facilities is assumed. Without that commitment, a successful LCCC involvement is not possible.

### **Requirements**

In discerning the options for LCCC to assist with the closure of WyoTech, the exploratory team created short-term and long-term options and requirements. At the foundation of these requirements, and subsequent recommendations, exist a series of guiding principles. These principles, if violated, essentially negate the feasibility of this prospectus and the likelihood of LCCC’s involvement in the assumption of WyoTech facilities and operations.

### **Guiding Principles**

All requirements below must adhere to certain guiding principles. If these principles do not remain at the core of each requirement, the prospectus cannot move forward. In that regard, these principles represent the “non-negotiables” of the prospectus.

#### **1. Wyoming’s other Community Colleges Must be Held Harmless**

The success of the community college districts stems largely from shared funding sources. These funding pools allow every college to have a fair share of State funding. Unexpected increases in areas that draw on pooled funding without additional funds being added may result in an overall decrease for other colleges. Thus, if LCCC gained a large number of students and fixed expenses from the assumption of WyoTech, without additional funding, the other colleges’ funding would likely decrease. Given the four-year cycle it would take for various pools to recalibrate, LCCC is very mindful of the fact that without short-term, bridge funding and long-term continuation of it,



the other community colleges could be adversely affected. Any future that LCCC has with WyoTech is contingent upon not disrupting the existing funding to other community colleges. In other words, they must be held harmless from this proposal.

## **2. Current System Must Remain Intact**

The assumption of new facilities and programs, especially coming from career and technical education and the WyoTech model, could necessitate a system-wide redesign. While it may be tempting to use this specific situation to consider major changes to tuition structure, governance, etc., those policy decisions should arise from other drivers. Any future that LCCC has with WyoTech is contingent upon not having this prospectus force a system-wide redesign.

## **3. Policy and Funding Commitments Must Be In Place**

This prospectus and accompanying pro forma are reliant upon a great number of variables. These variables are largely attached to sustained funding sources. Since these sources must work in tandem with one another, the presence of funding from one source with the absence of funding from another source will not work; all funding must be in place. Any future that LCCC has with WyoTech is contingent upon having formal commitments to secure all sources of funding, especially during the initial four-year bridge period.

## **4. Wyoming and Its Students Must Come First**

The current model for WyoTech recruitment focuses on a national level. In that model, many students come to Wyoming to attend college, earn a post-secondary credential, and then leave. LCCC has been a Wyoming institution for decades and has focused on cultivating Wyoming talent for its entire history. This local focus spans from recruitment to transfer and job placement. Any future that LCCC has with WyoTech is contingent upon maintaining the focus on Wyoming, its students, and building its workforce.

## ***Short-Term Assessment***

While both LCCC and WyoTech are involved in post-secondary education, the methods of delivery are quite different. LCCC delivers its services in alignment with the standards of the Higher Learning Commission, the regional accrediting commission for post-secondary institutions in 19 states. WyoTech works with national accreditation with the Accrediting Commission of Career Schools and Colleges. Mentioned previously, WyoTech has a national recruitment and national placement model, educating predominately non-Wyoming students and placing them in locations other than Wyoming. LCCC on the other hand focuses on building the workforce of Wyoming, with Wyoming students coming first. Where non-residents are recruited and educated, LCCC focuses on keeping them in-state once they have earned their credential. In addition, the curriculum delivery models also differ slightly, yet provide opportunity to merge the best aspects of both approaches.

These different paradigms present challenges that the team addressed by proposing two different short-term programmatic models. **Short-term for this proposal is defined as the next four years (FY19, FY20, FY21, and FY22).** In both models, the cost structure would remain the same. This means that either model would expect to have an initial **full-time equivalency (FTE) load of 193 students** over the course of academic/fiscal year 2019 (Fall 2018 and Spring and Summer 2019 semesters). This number is a

combination of incoming students, who were unable to enroll at WyoTech due to the closure notice and that LCCC would expect to recapture, and the number of students who cannot enroll in existing programs at the Cheyenne campus of LCCC due to capacity limitations. Projections show that 50% of this population would be in-state, 30% would be from WICHE states or territories (qualifying for WUE), and 20% would be from out-of-state, non-WUE locations. Over the initial four-year period, enrollment is expected to grow modestly.

To accommodate this enrollment, LCCC would initially require seven full-time instructors and 12 full-time administration and staff members. This faculty to staff ratio adheres to the current LCCC employment model and the space requirements at WyoTech. At the end of four years, with the student body size estimated to be well over 500 based on modeling projections, the faculty and other employees would increase accordingly. These increases and the ratios of faculty to staff and faculty to students are well within best-practice ranges.

Based on these projections, the year-one gross operational expenditures, inclusive of all facilities, operations, and payroll, would equal \$4,712,798. The revenues would total \$501,979. Presuming no other subsidies or contributions, this would produce an annual net deficit of \$4,210,819. That said, this prospectus assumes three sources of appropriations, investments, and relief. The first is a major maintenance appropriation, which may be available from the State, if the Wyoming Community College Commission (WCCC) and the Wyoming Legislature approve the purchase or lease of the instructional facilities. This would add an additional \$273,848, and it would be a constant value across all projected years starting in year three. Because of the State's major maintenance model, securing this for the FY19/FY20 biennium may be problematic.

Another assumption would be the deep discount of the instructional facilities lease payments in the short-term and the purchase of those facilities in years three and five. This would reduce annual expenditures by approximately \$1.7 million. Factoring these two assumptions would reduce the year one net deficit to \$2,530,312. As the campus grows under the LCCC model, the WCCC allocation model would eventually begin to add funding starting in year five. Thus, in the FY19/20 biennium approximately \$5 million would need to be secured from additional sources of funding. This amount stays consistent into the FY21/22 biennium.

Assuming sustained enrollment growth in year five and beyond, additional State funding would be provided by the Legislature based on the recalibration model included in HB080 or Enrolled Act 29 of the 2016 Legislature. However, it is estimated that at least an additional \$4.4 million in a mixture of State and local funding will have to be carried over from the first two biennia (FY19/20 and FY21/22).

One other assumption is the necessary purchase of the two instructional facilities. When the leases expire in 2021 and 2022, an estimated \$15 to \$17 million will be required to purchase the existing facilities and the land on which they reside. This funding would have to be provided by either the State, the local community, grant programs (e.g., Business Ready Communities), and/or a mixture of these sources.

Finally, the existing WyoTech housing complex provides significant opportunities and challenges. In the short-term, housing will be essential to capture anticipated enrollments. Yet the current facility is overbuilt for the projected number of students, and the lease obligations on the facility are far too high. Even at maximum capacity, which the committee believes is unattainable in the short-term, the facility does not generate enough revenue to cover operational and lease payment costs. This gap is further

exacerbated when modeling what is likely to be realistic occupancy rates based on the short-term plans projected student enrollment. Thus, substantial subsidy will be required, through either additional funding resources or waiver of the lease payments by ECMC.

The exploratory team has developed multiple programming options such that a student could potentially earn a high-quality, post-secondary credential in a single semester. Based on LCCC and WyoTech historical data, 90% of enrolled students are expected to pursue at minimum a certificate or credit diploma, meaning that in five years this model could help over 3,000 working adults attain a post-secondary credential. To accommodate the expected diversity of student needs, the exploratory team determined that two major programmatic paradigms would need to be examined.

The first programmatic option would be to teach the current LCCC curricula at WyoTech. This would involve concurrently offering all or some of the three current programs taught at the Cheyenne campus—Automotive Technology, Auto Body Repair, and Diesel Technology— in Laramie. This option has the potential for adjusting those offerings by accelerating the schedule to reduce time to completion. The key advantage is that this option could be implemented rapidly.

The second programmatic option would be to draw on the successful elements of each institution. This means that the accredited processes and curricula LCCC brings would be fused with the resources WyoTech has on site. In this model, students could earn a credit diploma adapted from the specialty programs that WyoTech offers, such as high-performance engines, chassis fabrication, and more. With multiple pathways and timelines to attainment, the key advantage of this option is that students have more opportunities to earn a post-secondary credential. Since both programming options would exist within the scope of all LCCC offerings, they would be part of the current LCCC initiative to include entrepreneurial elements into the curricula for associate degrees. Thus, students earning more advanced credentials would have the skills needed to perform in their chosen fields and would also have the skills needed to create new jobs in those fields. Both programmatic options would have the same needs, which the team consolidated into the following short-term requirements.

### ***Short-Term Requirements***

#### **Requirement 1: LCCC must acquire the current assets at the WyoTech Facilities via donation.**

With operational expenses averaging \$4,947,913 annually, and an average net deficit of \$2,489,915, the upfront cost of acquiring the instructional equipment currently owned by WyoTech would be prohibitively expensive. The only realistic avenue would be to arrange a donation of the assets (vehicles, trainers, equipment, furniture, etc.) from ECMC/Zenith to LCCC.

*Recommended Approach* – That ECMC/Zenith transfer ownership of all WyoTech Laramie assets (vehicles, trainers, furniture, etc.) to LCCC at no cost.

#### **Requirement 2: Lease payments for the two WyoTech instructional properties must be deeply discounted or waived completely.**

Given the staggered expiration dates of the property leases, which range from 2021 to 2027, and the significant expense associated with those leases, the short-term operational model depends upon either securing additional funding to cover these leases or having ECMC/Zenith waive or deeply discount all lease payments to LCCC.

Recommended Approach – That ECMC/Zenith subleases the two educational facilities to LCCC for 25% of the current lease rates per year through the remainder of the lease terms. LCCC would be responsible for all operations, maintenance, etc. of the facilities during this timeframe.

**Requirement 3: Lease for the housing complex must be arranged to ensure break-even for LCCC.**

Currently, the WyoTech student housing is built for much larger populations of students than presently enrolled or projected in the short-term. As such, occupancy rates are far lower than what is necessary to generate revenue to cover operating expenses, let alone lease payments. An arrangement must be made between ECMC/Zenith and LCCC that would not require LCCC to subsidize the housing operations.

Recommended Approach – It is recommended that a sub-lease arrangement be made between ECMC and LCCC for two of the housing buildings, with lease rates set at \$273,921/year for years one and two, and \$547,842/year for years three and beyond.

**Requirement 4: Short-term operational funding must be secured from external sources.**

In this prospectus and pro forma financials, the estimated year-one deficit is \$2,530,312, and year-two \$2,447,229, leaving a FY19/FY20 biennial deficit of just under \$5 million. In years three and four, the biennial deficit remains nearly the same. Under the current model for funding distributions for Wyoming's community colleges, the State provides the majority of funding, with local funding making up a smaller share similar to tuition. To hold the other community colleges harmless (e.g., not shifting portions of their State funding to LCCC) an additional \$9,959,662 in short-term operational funding must be provided to LCCC for the first four years of its operation of WyoTech.

Recommended Approach – It is recommended that the 2018 Legislature appropriate \$8,465,026 in one-time, exception budget funding to the WCCC for the support of LCCC's assumption of WyoTech programming and facilities. It is further recommended that only \$4,977,541 of these funds be allocated to LCCC starting FY19. Finally, it is recommended that the remaining \$3,487,485 not be allocated until July 1, 2021, and that balance may only be allocated if Albany County and/or the City of Laramie provide stable, biennial funding in the amount of at least \$1,494,636 beginning no later than July 2, 2021.

**Requirement 5: Formalized commitment must be provided from Albany County and the City of Laramie for the operational funding and facilities acquisition.**

As detailed previously in this prospectus, both short-term and long-term viability of this plan and LCCC's assumption of WyoTech's Laramie operations and facilities cannot be accomplished without additional financial support. While a significant portion of this may justifiably be provided by the State, legislative approval will likely only come with a sincere commitment from the local community to also provide short-term and ongoing support. Further, the LCCC Board of Trustees and the tax payers of LCCC's district would also expect some commitment from Albany County and/or the City of Laramie. The exploratory team recognizes that securing funding may take some time, but formalized commitment must be made now to move forward with the plans presented in this prospectus.

Recommended Action – That the Albany County Commission and the Laramie City Council pass formal resolutions committing to securing local funding for LCCC's assumption of WyoTech programming and facilities. This may include placing necessary bonding, taxing, or other

funding approaches on a near-term election ballot for both the ongoing operations and proportionate share (e.g., 50 percent) of the cost to acquire the WyoTech instructional buildings, AND/OR committing to securing of these funds through identifiable and viable mechanisms.

**Requirement 6: Statutorily allowed threshold for community college employees to be covered under State health insurance must be increased.**

Current statute (W.S. 21-18-203 (f)) states that an exception request is required to raise the number of community college employees covered under State health insurance policies. The current threshold is established at 1,798. It is estimated that the assumption of WyoTech programs will necessitate the addition of 30 FTE in faculty and staff that would need to fall under the State’s health insurance policy for the first four years of operations.

Recommended Action – That the 2018 Legislature approves, by exception request, the increase of the community college employee threshold by the anticipated increase in FTE needed to assume WyoTech programming and operations at LCCC.

**Requirement 7: Programmatic links to other institutions should be prioritized.**

Many secondary schools across the region have programming options that align with the career and technical training offered by LCCC and WyoTech. These parallels offer tremendous opportunity in terms of enrollment growth, as state and regional pipelines could be built, allowing secondary students to transition seamlessly to a post-secondary credential program. By establishing this avenue, LCCC could forge a new route to attainment for many Wyoming students who might otherwise opt out of post-secondary education.

Recommended Approach – It is recommended that LCCC work diligently to establish and strengthen new linkages to regional secondary educational institutions while fortifying those connections that already exist.

***Long-Term Assessment***

Long-term options are by their nature more speculative, but they are vital to the growth and success of either short-term option. One key long-term element is diversification of offerings. The importance of diversity is underscored most recently via the ENDOW initiative. Since the WyoTech facilities are quite versatile, the exploratory team is already identifying options to diversify long-term offerings to incorporate more robust career and technical education programs (e.g., manufacturing, etc.). Further, LCCC is currently researching destination hospitality programs to bring students to Wyoming and keep them here.

In addition, to reach its higher education attainment goals, Wyoming will need to consider how it significantly grows the proportion of its working-age population possessing a bachelor’s degree. At the same time, industry across the nation is clamoring for a workforce trained in applied disciplines but at the bachelor’s level, with very few institutions providing this in areas such as automotive and other applied management areas. Therefore, LCCC would also explore the opportunity to create Bachelor of Applied Science degrees in partnership with the University of Wyoming to meet these demands and capitalize on these opportunities.

These programmatic expansions would begin in year six of the proposed plan. In that year, the operation would gain additional full-time faculty and staff employees. In total, then, year six would see a count of 20 full-time faculty members and 16.5 full-time administrative and staff members supporting 858 student FTEs. By year 10, these numbers would grow to 33 full-time faculty members and 17 full-time administrative and staff members supporting 1,053 student FTEs by the conclusion of the *pro forma* projections attached to this prospectus.

To achieve these goals, however, certain assumptions regarding State and local funding will need to be realized. Without sustaining a portion of State bridge funding from the short-term plan, a larger deficit would have to be overcome. The logical approach for this would be to incorporate an equivalent amount into the standard budget block grant for State aid to the community colleges. However, some confirmation will be necessary to ensure those amounts flow through the WCCC allocation model to LCCC in order to sustain these operations. Further, the additional programs, resulting in growing enrollments, would necessitate additional expenditures. It is anticipated that these new expenditures would be accommodated through additional State funding provided by the State's funding model and its distribution by way of the WCCC allocation model.

This prospectus and expansion of LCCC offerings in Albany County may catalyze an ongoing debate in the state and the community. Albany County resides in the service area of LCCC but is not part of the taxing district. In other words, only property owners in the taxing district (Laramie County) provide local support to the operations of LCCC. It is highly unlikely that the State will fund the entire amount needed for this expansion to be successful, at least not in the long-term. Thus, looking forward, local support from Albany County will likely be needed to sustain this operation. While that support may come through a variety of mechanisms, many of these will require careful planning and considerable time to implement. From the onset there must be an expressed commitment by community leaders and entities to move in the direction of establishing sustained local funding for LCCC.

Finally, addressing the long-term facilities needs will be essential to the success of this prospectus. Starting in 2021, the lease on the first instructional building will expire. The second will do so in 2022. While establishing new leases may be a possibility, the exploratory team believes acquisition of these two facilities is in the best interest of the state, the community, and LCCC. That said, it will require a significant one-time investment by the State and/or the local community to acquire these facilities. The estimated purchase price of these two buildings would be somewhere between \$15 and \$17 million. These funds may come from a variety of sources, but similar to establishing a local funding stream for operations, securing a significant one-time investment like this would also require time and considerable planning along with the formal up-front commitment required in the section above.

The current student housing situation will also need to be resolved. In its current form, it is highly unlikely that LCCC would be able to, or desire to, acquire the complex permanently. The lease on this facility runs through 2027 (year nine of this prospectus and *pro forma*), and while that provides more time for planning and consideration, it is anticipated that either a significant renovation to the existing facility, or the construction of a new one, will be essential for the long-term viability of the WyoTech operations by LCCC.

## **Long-Term Requirements**

### **Requirement 1: Sustainable State funding for long-term operations must be ensured.**

While the *pro forma* demonstrates the decreasing deficit over time, especially after year four when LCCC's assumption of WyoTech is fully integrated into the community college funding and allocation models, it also clearly shows that there will always be some financial need that LCCC could not cover on its own. In order to plan for long-term growth, State funding from the short-term must be sustained for the long-term operations.

Recommended Action – The WCCC, LCCC, and the State should be committed to the path to move bridge funding into the traditional funding/allocation models for all community colleges.

### **Requirement 2: A plan for securing a sustainable stream of local funding must be established.**

If initial requirements for short-term State funding are met, within two years a stream of local funding will have to be secured. To meet this deadline, community leaders, the Laramie City Council, and the Albany County Commission will need to work with LCCC to create and implement a plan for the establishment of a sustainable mechanism for providing local funds to help support the operation of LCCC. Many options for this exist, but they need to be explored, their appeal tested, and ultimately, implemented.

Recommended Action – The Albany County Commission and the Laramie City Council should test the viability of various local funding options (e.g., voter-approved property tax revenues, optional sales taxes, etc.) and proceed with taking the most appealing approach to the voters of Albany County.

### **Requirement 3: A plan for the purchase of the WyoTech instructional buildings must be established.**

Just three years exist before the first lease on the instructional buildings expires. A long-term solution needs to be determined for these two properties. If the properties are not acquired in some fashion, the projected costs could rise precipitously with each lease expiration, effectively jeopardizing any ongoing LCCC operations at the sites. Community leaders, policy makers, and LCCC must work together to chart a path for securing funding and acquiring these buildings permanently.

Recommended Action – The Albany County Commission and the Laramie City Council should test the viability of various local funding options (e.g., bond election, grants, use of reserves, etc.) and proceed with taking the most appealing approach to secure the anticipated 50% local match likely to be required by the State to secure equivalent State funding for the acquisition of the buildings.

### **Requirement 4: Plans must be immediately developed for new programs.**

Recently, the ACC conducted an environmental scan that showed a high demand for diverse, destination programs, such as fermentation science, culinary arts, and manufacturing. In order to implement programs such as these by year six of this prospectus, clear plans must be developed immediately to which all internal and external regulatory processes are adhered. Further, these plans would allow ample time to determine if modification of any spaces would be needed to accommodate these programs within the existing facilities.

Recommended Action – LCCC should assemble local advisory boards for all potential new programs and develop comprehensive business plans that test the need, viability, costs, and operational aspects of implementing programs in Laramie.

**Requirement 5: A Bachelor of Applied Science program must be explored.**

Given the high demand for not only a skilled workforce in Wyoming, but also a job-creating workforce, the development of a Bachelor of Applied Science (BAS) degree, likely in partnership with the University of Wyoming, would allow LCCC to provide students with a firmer foundation in both applied management and innovation skill sets. These competencies fit within a larger LCCC initiative to more fully include elements that will help to build entrepreneurial skills and abilities in all graduates. Earning this four-year degree would not only open the door to positions, such as managerial and business occupations, which were previously out of reach, but would also allow graduates to bring creative and innovative opportunities to the workforce and the state while helping to increase the proportion of Wyomingites who possess a bachelor's degree.

Recommended Action – LCCC should assemble an exploratory team to research, and if appropriate, develop plans for the establishment of applied baccalaureate programs to create stackable credentials for certificate and associate degree graduates in high-demand, related fields to the programs offered by LCCC.

**Requirement 6: A long-term student housing plan to support LCCC programming in Laramie and Albany County must be established.**

Both acquiring the WyoTech operations and meeting the long-term vision for the ACC's programmatic operations will require stable, affordable, and available student housing. While the current WyoTech complex provides some options for the short-term, a long-term plan will need to be developed well before the lease expires on the existing space in 2027.

Recommended Action – LCCC should assemble an exploratory team to research and develop options and a proposal for the provision of housing for ACC students in Laramie.

## Conclusion

For more than 50 years WyoTech has been a foundational element in the social, educational, and economic fabric of the Laramie community and Albany County. Although its pending closure is disappointing, both the willingness of ECMC/Zenith to help transition these programs and assets to a public educational entity and the existence of LCCC in Albany County mean that considerable opportunity exists for WyoTech's permanency in Laramie. Achieving this goal, though, will require commitment by many and the long-term investment of LCCC into Albany County.

The realization of either short-term options presented in this prospectus, coupled with the long-term plans poises LCCC to revitalize the two-year, post-secondary educational framework not only Laramie, but the entire state of Wyoming. The options discussed will provide a framework that can be utilized by other post-secondary institutions in the state to pursue their own attainment goals, while simultaneously helping to reinforce the position of Laramie as an educational hub.



## **APPENDIX**

### **Pro Forma Financials**

		YEAR ONE	YEAR TWO	YEAR THREE	YEAR FOUR	YEAR FIVE	YEAR SIX	YEAR SEVEN	YEAR EIGHT	YEAR NINE	YEAR TEN
<b>WYOTECH CAMPUS REVENUE AND COSTS</b>											
<b>Student FTE Enrollments and Tuition</b>											
1	FTE Enrollments Fall	83	116	165	231	297	363	399	435	453	453
2	FTE Enrollments Spring	83	116	165	231	297	363	399	435	453	453
3	FTE Enrollments Summer	27	42	60	84	108	132	132	144	147	147
4	Tuition - In State	\$ 150,550	\$ 213,192	\$ 304,560	\$ 426,384	\$ 548,208	\$ 670,032	\$ 733,200	\$ 803,136	\$ 836,412	\$ 836,412
5	Tuition - WUE	135,495	191,873	274,104	383,746	493,387	603,029	659,880	722,822	752,771	752,771
6	Tuition - Out of State	180,660	255,830	365,472	511,661	657,850	804,038	879,840	963,763	1,003,694	1,003,694
7	School Specific Course Fees	35,273	49,980	71,400	99,960	128,520	157,080	171,780	188,160	195,930	195,930
8	<b>Gross Tuition Revenues</b>	<b>\$ 501,979</b>	<b>\$ 710,875</b>	<b>\$ 1,015,536</b>	<b>\$ 1,421,750</b>	<b>\$ 1,827,965</b>	<b>\$ 2,234,179</b>	<b>\$ 2,444,700</b>	<b>\$ 2,677,882</b>	<b>\$ 2,788,807</b>	<b>\$ 2,788,807</b>
<b>Full Time Headcounts</b>											
9	Total Faculty	7	7	10	15	20	26	30	33	33	33
10	Total Administration and Staff	12	12	12	15	16.5	16.5	16.5	17	17	17
11	<b>Total Full Time Employees</b>	<b>19</b>	<b>19</b>	<b>22</b>	<b>30</b>	<b>36.5</b>	<b>42.5</b>	<b>46.5</b>	<b>50</b>	<b>50</b>	<b>50</b>
<b>Total Expenditures</b>											
<b>Campus Faculty &amp; Educational Costs</b>											
12	Faculty Salaries & Fringe Benefits	\$ 645,085	\$ 673,253	\$ 955,190	\$ 1,453,474	\$ 1,878,982	\$ 2,504,749	\$ 2,907,606	\$ 3,241,781	\$ 3,275,327	\$ 3,299,784
13	Academic Supplies, Prof Dev, and Travel	8,050	8,211	11,965	18,794	24,647	33,266	39,112	43,857	44,734	45,526
14	Instructional Supplies & Equipment	121,799	174,774	253,655	360,797	471,332	585,360	645,901	716,278	756,319	768,657
<b>Campus Student Services Costs</b>											
15	Staff Salaries and Fringe Benefits	\$ 616,212	\$ 622,253	\$ 632,572	\$ 710,098	\$ 729,035	\$ 754,821	\$ 774,025	\$ 781,222	\$ 788,491	\$ 795,832
16	Student & Testing Supplies	49,976	55,072	63,593	82,181	92,529	103,002	105,585	108,451	110,613	112,132
<b>Campus Administration and Operational Costs</b>											
17	Staff Salaries & Fringe Benefits	\$ 118,750	\$ 119,938	\$ 121,137	\$ 236,098	\$ 257,322	\$ 259,895	\$ 262,494	\$ 285,725	\$ 288,582	\$ 291,468
18	Operating Supplies, Equipment	85,000	86,700	88,434	113,568	120,427	122,836	127,374	129,922	132,520	135,171
19	Staff and Administrative Prof Dev & Travel	14,250	14,535	14,826	15,122	19,348	19,735	20,130	20,964	21,383	21,810
20	Facility Maint and Leasing Costs	3,053,676	3,083,876	3,380,028	1,728,710	1,304,598	855,237	877,379	897,213	917,923	939,552
21	Subtotal Expenditures	\$ 4,712,798	\$ 4,838,612	\$ 5,521,399	\$ 4,718,843	\$ 4,898,220	\$ 5,238,902	\$ 5,759,606	\$ 6,225,411	\$ 6,335,892	\$ 6,409,931
22	<b>Campus Net Operating Surplus/(Deficit)</b>	<b>\$ (4,210,819)</b>	<b>\$ (4,127,736)</b>	<b>\$ (4,505,863)</b>	<b>\$ (3,297,093)</b>	<b>\$ (3,070,256)</b>	<b>\$ (3,004,722)</b>	<b>\$ (3,314,906)</b>	<b>\$ (3,547,529)</b>	<b>\$ (3,547,084)</b>	<b>\$ (3,621,124)</b>
<b>Appropriations and Investments</b>											
23	State Appropriations	\$ -	\$ -	\$ -	\$ -	\$ 566,870	\$ 793,619	\$ 1,020,367	\$ 1,247,115	\$ 1,364,688	\$ 1,494,858
24	Major Maintenance Appropriation	-	-	\$ 273,848	\$ 273,848	\$ 273,848	\$ 273,848	\$ 273,848	\$ 273,848	\$ 273,848	\$ 273,848
25	Lease Release (subsidy from ECMC)	1,680,507	1,680,507	1,680,507	592,632	296,316	-	-	-	-	-
26	Albany County Mil Levy	-	-	-	-	-	-	-	-	-	-
27	Property Purchase (after lease expires)	-	-	\$ 10,287,759	-	\$ 5,359,572	-	-	-	-	-
28	<b>WyoTech Campus Ending Balance</b>	<b>(2,530,312)</b>	<b>(2,447,229)</b>	<b>(2,551,508)</b>	<b>(2,430,613)</b>	<b>(1,933,222)</b>	<b>(1,937,256)</b>	<b>(2,020,691)</b>	<b>(2,026,567)</b>	<b>(1,908,549)</b>	<b>(1,852,418)</b>
<b>HOUSING REVENUE AND COSTS</b>											
29	<b>Gross Housing Revenue</b>	<b>\$ 313,366</b>	<b>\$ 442,342</b>	<b>\$ 631,917</b>	<b>\$ 884,684</b>	<b>\$ 1,137,451</b>	<b>\$ 1,390,217</b>	<b>\$ 1,506,879</b>	<b>\$ 1,642,984</b>	<b>\$ 1,706,176</b>	<b>\$ 1,706,176</b>
30	Staff Salaries & Fringe Benefits	77,809	78,496	85,230	91,970	142,987	149,744	150,465	153,821	156,053	156,798
31	Facility Maint and Leasing Costs	1,095,684	1,095,684	1,095,684	1,343,612	1,524,199	1,636,544	1,648,393	1,660,733	1,125,746	591,298
32	Subtotal Expenditures	\$ 1,173,492	\$ 1,174,180	\$ 1,180,913	\$ 1,435,582	\$ 1,667,186	\$ 1,786,286	\$ 1,798,858	\$ 1,814,554	\$ 1,281,799	\$ 748,096
33	<b>Housing Net Operating Surplus (Deficit)</b>	<b>\$ (860,126)</b>	<b>\$ (731,838)</b>	<b>\$ (548,996)</b>	<b>\$ (550,898)</b>	<b>\$ (529,736)</b>	<b>\$ (396,069)</b>	<b>\$ (291,979)</b>	<b>\$ (171,570)</b>	<b>\$ 424,377</b>	<b>\$ 958,080</b>
<b>Appropriations and Investments</b>											
34	Lease Release (subsidy from ECMC)	\$ 821,763	\$ 821,763	\$ 547,842	\$ 547,842	\$ 547,842	\$ 547,842	\$ 547,842	\$ 547,842	\$ 273,921	\$ -
35	Property Purchase (after lease expires)	-	-	-	-	-	-	-	-	-	-
36	<b>Housing Ending Balance</b>	<b>\$ (38,364)</b>	<b>\$ 89,925</b>	<b>\$ (1,155)</b>	<b>\$ (3,057)</b>	<b>\$ 18,106</b>	<b>\$ 151,773</b>	<b>\$ 255,863</b>	<b>\$ 376,271</b>	<b>\$ 698,298</b>	<b>\$ 958,080</b>

**Assumptions:**

Revenue is based upon LCCC tuition and program course fees. Mandatory fees and associated expenses are not included

Enrollment is assumed as 50% in-state, 30% WUE, 20% out of state - hybrid model of enrollment currently at WyoTech and at LCCC

Enrollment in auto programs follows the current WyoTech retention and program demand percentages

All costs include nominal inflation rates but tuition and fees remain flat

Faculty is based on a 1:15 student ratio

Benefits are based upon the current 25% rate for full time and 7.65% for part time employees. Legislation could adjust this number if CC employees exceed 1,798

Instructional supplies and equipment costs are based upon the WyoTech model

Facility costs are based upon current leases and service contracts at WyoTech

Operations and student services costs are based upon a hybrid cost structure between ACC current and WyoTech current costs

Property purchase prices are based upon the 2017 tax assessment market value and may increase

Housing rental rate is based on current WyoTech demand rate of 66% of student population

Housing revenue per semester is based on average housing costs at LCCC

Years three and five model purchase of instructional buildings; these amounts are not calculated into the ending balances for those years

**LCCC At WyoTech  
Pro Forma Narrative**

**Year 1 Pro Forma Line Item Narrative**

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Line #

- 1-3 Enrollment is calculated as the current WyoTech model of 90% students in a certificate of completion program and 10% in an accelerated associate's program. Summer is calculated at a rate of 40% fall/spring enrollments for specialized programming only.
- 4-7 Tuition is calculated at the current LCCC tuition rates, less fees and associated expenses. Enrollment is assumed as 50% in-state, 30% WUE, and 20% out of state student population. This calculation is a hybrid of enrollment currently at WyoTech and in the LCCC Auto program. Course fees are included and calculated at the proposed 2019 LCCC fee for auto and diesel courses of \$35 a course.
- 8 Total gross revenues based on student enrollment levels from line 4-7.
- 9 Total full time faculty headcount for all programs each year. This total does not include any summer adjuncts.
- 10 Total full time administration and staff headcount for all programs each year. This total does not include temporary part time positions or student wage positions. Total does include permanent part time positions.
- 11 Total full time administration, faculty, and staff headcount.
- 12 Faculty salary and benefits - To maintain the quality and integrity of instruction and academic programs, all academic instructional faculty who teach at the WyoTech campus have been structured at a 1:15 faculty to student ratio. Faculty are assumed to be full time faculty and summer pay is based upon these same faculty teaching summer courses at the current adjunct rate. Benefits are assumed at 25% of salary and a 1% inflation rate per year is included. Instructional assistants are budgeted at a ratio of 1:30 to support hands on instruction and lab time in all courses. Assistants are structured as part time temporary workers with benefits assumed at 7.65%.
- 13 Academic supplies, professional development, and travel - Academic supplies includes the cost of all uniforms and special footwear faculty will need when teaching hands on sections of courses. Cost is calculated at \$400 per faculty member each year. Travel and professional development includes all costs of trainings and certifications for faculty, as well as funds to attend conferences and present on research or publications. Cost is calculated at \$750 per faculty member each year.
- 14 Instructional supplies and equipment – Instructional supplies includes the cost of equipment and supplies students need in order to complete hands on class time. This costs is for supplies over and above the mandatory fees currently captured in the LCCC fee structure and is calculated at a rate of \$500 per student each semester. Instructional equipment is calculated at the current WyoTech rate of 5% of revenue each year and supports classroom equipment for hands on learning.
- 15 Staff salaries and benefits – To support students in success from interest to completion, student and academic services positions are included in the form of recruitment, advising, student life, career services, testing, library, course scheduling, and academic leadership. Full time staff benefits are assumed at 25% of salary and a 1% inflation rate per year is included. Library and testing is structured as part time temporary workers with benefits assumed at 7.65%.

**LCCC At WyoTech  
Pro Forma Narrative**

- 16 Recruitment, student success, and testing supplies – Student supplies are included to support student success and includes disability support, orientation costs, periodicals, software, and other miscellaneous expenses and are calculated at a rate of \$12.50 per student per semester. Testing supplies includes the costs for students to take certification tests upon degree completion. Auto test is calculated at current cost of \$50 per test and collision test at the current cost of \$200 per test. Recruitment costs are included for promotional materials and transportation expenses for employees to attend recruiting events regionally and visit local high schools. An annual cost inflation rate of 2% per year is included
- 17 Administrative and staff salaries and benefits – To support the operational functions of the campus, positions in the areas of alumni affairs, IT, finance, facilities and administrative support are included. Benefits are assumed at 25% of salary and a 1% inflation rate per year is included.
- 18 Operating supplies and equipment - Operating supplies and equipment costs are included to support the day to day operational costs of maintaining the campus. These costs will be used for general office supplies, shipping, office furniture, operating equipment (fax, printer, paper, toner, etc.), and all computers and IT supplies for faculty and staff. \$40,000 annually is included for marketing materials to aid in campus branding. An annual cost inflation rate of 2% per year is included.
- 19 Staff and administrative professional development, and travel – Travel and professional development includes costs for trainings and conferences, and meetings at other LCCC locations for all administration and staff members. Cost is calculated at \$2,500 per administrator and \$750 per employee per year. An annual cost inflation rate of 2% per year is included.
- 20 Facility maintenance and leasing costs – Facility maintenance costs include the contractor fees to provide services for copiers, grounds upkeep, snow removal, building and HVAC repairs, and custodial and campus safety support. An annual cost inflation rate of 1% per year is included. Leasing costs include current lease fees for two educational buildings until the lease expires. Utility rates include all building utilities and waste disposal for the educational buildings and is calculated per current utility rates at WyoTech. An annual cost inflation rate of 5% per year is included. A major maintenance fund is included and calculated at the current LCCC rate of \$1.27 per square foot.
- 21 Subtotal Expenditures – Cumulative costs to educate students and maintain the educational buildings at WyoTech.
- 22 Campus Net Operating Surplus (Deficit) – Annual surplus or deficit when expenditures are subtracted from student tuition and course fees.
- 23 State Appropriations – Assumed level of appropriations received from the state. Calculated at current appropriation figure of \$87.48 per student per credit hour. Appropriation does not calculate until year five due to biennium budgets.
- 24 Major Maintenance Appropriation – Appropriation is calculated at the current state level of \$1.27 per square foot for educational buildings. Appropriation does not calculate until year three due to biennium budgets.

## LCCC At WyoTech Pro Forma Narrative

- 25 Lease Release – Due to the large nature of costs and limited enrollments at the start of the campus, LCCC has requested a lease release from ECMC for the life of the current leases.
- 26 State, Local, or Private Investment – Due to the large nature of costs and limited enrollments at the start of the campus, it is anticipated that state or local investment will be needed to sustain campus. No dollar amount is currently calculated for this investment.
- 27 Property Purchase – After leases for the two academic buildings expire in 2021 and 2023, it is assumed that the buildings will be purchased at the 2017 tax assessment market value but costs could increase. No source of funding has been identified.
- 28 WyoTech Campus Ending Balance – Total revenue, investments, and appropriations less total operating costs.
- 29 Gross Housing Revenue – Housing revenue is calculated by using the average housing fee per semester at LCCC plus the \$250 utility fee each semester. Fill rate is calculated at the current WyoTech rate of 66% of student enrollment.
- 30 Staff salaries and benefits – To support the housing functions on the WyoTech campus, positions in the areas of housing management, housing support, and resident assistants are included. Benefits are assumed at 25% of salary and a 1% inflation rate per year is included. Resident Assistants are structured as part time temporary workers with benefits assumed at 7.65%.
- 31 Facility maintenance and leasing costs – Facility maintenance costs include the contractor fees to provide services for grounds upkeep, snow removal, building and HVAC repairs, and custodial and campus safety support for the dormitories at WyoTech. An annual cost inflation rate of 1% per year is included. Leasing costs include current lease fees for four dormitory buildings and assumes these costs for the remainder of the lease. Utility rates include all utilities and waste disposal, including phone and cable, and is calculated per current utility rates at WyoTech. An annual cost inflation rate of 5% per year is included. A major maintenance fund is calculated at the current LCCC rate of \$1.27 per square foot for each dormitory in use.
- 32 Subtotal Expenditures – Cumulative costs to house students and maintain the dormitory buildings at WyoTech.
- 33 Housing Net Operating Surplus (Deficit) – Annual surplus or deficit when expenditures are subtracted from housing revenue.
- 34 Lease Release – Due to the large nature of costs and limited housing occupants at the start of the campus, LCCC has requested a lease release from ECMC for the life of the current leases.
- 35 Property Purchase – After leases for the dormitory buildings expire in 2027, it is assumed that the buildings will be purchased at the 2017 tax assessment market value but costs could increase. No source of funding has been identified.
- 36 Gross Total Net Operating Surplus (Deficit) – Annual surplus or deficit when campus and housing expenditures are subtracted from student tuition and housing revenue collectively.