

MEMORANDUM

To: ASC Members

From: Claire Smith

Date: Oct 18, 2012

Subject: Notes from Oct 18, 2012 ASC Teleconference

Members present: Matt Petry, Cheryl Heath, Ron Granger, Lynnde Colling, Sheldon Flom, Marty Kelsey, Bob Cox, Claire Smith, and Herry Andrews. There was no Executive Council representation.

Agenda Item 1: 2013-2014 Budget

- Matt and Dr. Rose met with Governor Mead on Oct 15 to discuss the supplemental budget request, which included \$850,000 for enrollment growth for the colleges and \$117,000 for WPTV to fund deferred maintenance on their digital equipment. The Budget Division recommended denial of both items, in keeping with the logic that supplemental requests should be of an emergency nature only. Once the most current CREG report is made public and the governor completes all remaining supplemental hearings, he will make his decision on whether to accept or deny the budget recommendations. There will be another CREG report issued before the next legislative session starts and that will probably dictate what budget cuts will actually be put into place. If the CREG report is not made public by next week, Matt will inform the council of the expected release date.

There was no discussion on cap-con requests during the hearing since the State Building Commission (SBC) won't meet until October 25. The governor is a member of the SBC so he will be provided information on the requests at that time. The SBC does make recommendations for authorization-only projects.

- Matt has created an additional line graph for the JAC based on Marty and Bob's suggestions. Matt stated that the additional report should paint a better picture for the JAC to review. The graphs need to be turned in to LSO early next week, so Matt will need everyone's input before then. He will rearrange the package so that the two graphs that we feel make the best case, state aid to enrollment and operational funding, will be presented first.

Agenda Item 2: Excellence in Higher Education Endowment Fund

- Matt reviewed the FY13 projections provided by the State Treasurer's Office. He noted that the distribution amounts for FY13 are slightly higher than the previous year since the spending policy limit 5-year average is slightly higher. The first payment was supposed to be made October 11 though some of the colleges thought that payment had not yet been

made. (NOTE: Follow up with STO the following day resolved this issue as payments were in fact made on that date.)

Agenda Item 3: Cap-Con Priorities

- Interim Report to Construction Management Division – This was the first time that we were required to submit this report. The results are based on the way the cap-con model is currently working, but the next report will be based on the criteria being voted on by the commission on Oct 19. The report is being presented to the legislature because it is a reporting requirement but no action will be taken on it. This report just gives them an idea of what to expect a year from now when they will be presented with a report that will require action.

Agenda Item 4: Major Maintenance

- Exclusion for leased facilities – Matt explained that due to recent formal and informal AG's opinions, several changes are going to be made to major maintenance calculations. The graduated scale that is included in the School Facilities Commission rules for K-12 will apply to the colleges' cap-con projects, as will the exclusion of leased facilities as long as the college is not responsible for maintenance. State buildings and buildings owned by the University of WY will also fall under the guidelines detailed in the School Facilities Commission rules.

Cheryl asked for clarification on the issue of including leased facilities, where the college is responsible for maintenance, in the major maintenance calculation. Based on the opinion given by the AG, WCCC will need to be given a copy of any lease agreement so that it can be decided who is responsible for maintenance. If the college is responsible for the maintenance on the leased space, then the square footage will be included in the formula to the extent that the college is responsible. For instance, if the college is responsible for 50% of maintenance, then 50% of the square footage will be included in the formula. Matt stated that if the facility is serving an education purpose, then the state has some responsibility for maintenance. However, the state should not be paying for maintenance of buildings owned by others. The cap-con model in its current format only has one distinction for leased facilities: either it is or it is not leased. This means that if leased, the square footage does not currently get included in the calculation. Therefore the model will need to be revised for this issue, along with the graduated scale for new buildings.

Matt pointed out that in the past, not much research was done on major maintenance and even the Construction Management Division did not know how the calculation was done. Our previous method was to drop all square footage in to the formula and exclude dorms. Matt does not know how UW did theirs or how state buildings were treated. This practice caused some buildings to be included in the calculation that probably were not eligible. In light of recent questions and concerns, the finer details of major maintenance are getting vetted and everything is getting looked at. Since the major maintenance calculation for this

biennium was done in July 2011, before the AG weighed in, the funding will not change. Also, even though the WCCC is further along in updating their policy than the state or UW, restrictions couldn't be imposed on the colleges but not on state buildings or UW.

Discussion then took place for how to treat an addition to an existing building in the cap-con database. It was decided that the addition should be treated separately and entered as a new facility. For instance, NWCCD would have the Whitney Academic building 2012 for the new addition and Whitney Academic building *year* (where year= the completion date of the original building) for the building currently in the database.

- Marty asked about the matter of whether the exclusion of dorms in major maintenance as footnoted in session law applies to just the two years that session law is in effect or if that is for the life of the building. Matt explained that the AG provided an informal opinion on this stating that the exclusion is indefinite. The footnote does not show up on all of the buildings so we need to find out if there is a system for which items the footnote is applied. The process to get that looked at for buildings already appearing in session law would be approval of separate legislation stating that the intent was only for that session or that it was meant to be indefinite. The other option would be to have the footnotes reviewed on a case-by-case basis. We could request a formal opinion on it from the AG. Dr. Rose will discuss this with Executive Council during their Oct 18th meeting. Matt stated that major maintenance is always in session law and never in statutes. If the footnote was intended for only 1 or 2 years, it would serve no purpose since session law expires after 2 years. The addition of the graduated scale supports the notion that the footnotes are meant to be indefinite since many buildings would not be eligible for major maintenance in the first year and only 10% in the second year.
- Lynnde asked for clarification of the impact on the most recent cap-con model run of the new buildings that are not yet complete but entered into the cap-con model with estimated square footage. Matt explained that the buildings were treated as if they were already complete for purposes of the run.

Agenda Item 5: Ellucian Colleague

- Matt discussed the spreadsheet tracking reimbursements for equipment and training and reminded everyone that the money is available so reimbursement requests need to be turned in. He stated that leftover funds may be subject to reversions so they should be used by the end of the biennium.
- WWCC has purchased I-Strategy and if it proves to work well then the other colleges will be able to purchase it, with reimbursement by the WCCC.

Agenda Item 6: Fixed and Variable Costs Recalibration

- The project to recalibrate fixed and variable costs will get rolling soon. The WCCC will build an application to automate the process.

Agenda Item 7: Receipt of College Forms and Reports

- Matt requested that any open items get submitted to us ASAP. Cheryl requested that when the fiscal handbook is rewritten, we pay attention to which items are redundant and eliminate those.

Agenda Item 8: Commission Vacancies

- The WCCC has hired Nancy Morton to replace Rosann David. She will start November 1.

Agenda Item 9: Next ASC Meeting

- November 15, teleconference.

Agenda Item 10: Round Table Discussion

- No additional items were discussed.