



## Special Meeting Minutes

June 22, 2020

Location Online/Zoom Meeting

<https://us02web.zoom.us/j/84667122526>

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### **ACTION AND REPORT AGENDA ITEMS FOR DISCUSSION (ACTION ITEMS IN BOLD)**

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1:00 p.m.

#### **CALL TO ORDER**

##### ROLL CALL

Commissioner Boal - Present

Commissioner Blikre – Present

Commissioner and Vice Chair Dooley - Present

Commissioner Frederick – Not Present

Commissioner & Chair Freeze - Present

Commissioner Newman - Present

Commissioner Oakley – Present

*Noted the presence of a quorum*

##### Ex Officio

Governor Gordon or Lachelle Brant (designee) – Not Present

Superintendent Balow or Shelley Hamel (designee) – Present

Community College Commission Executive Director Dr. Sandy Caldwell - Present

##### Commission Staff

Dr. Ben Moritz, Deputy Director - Present

Larry Buchholtz, Chief Financial Officer - Present

Paris Edeburn, Chief Technology Officer – Present

Rob Dennis, Chief Operations Officer - Present

## INTRODUCTIONS

Dr Caldwell opened the meeting by noting that Rob Dennis had recently transitioned to serve as the Commission's new Chief Operating Officer. He had formerly served as the Policy Analyst for the commission.

## APPROVAL OF THE AGENDA

Dr. Freeze thanked everyone for joining today, recognizing that the state and community colleges were in a unique time.

**Commissioner Newman moved, and Commissioner Boal seconded a motion for approval of the agenda. The motion carried unanimously.**

### A. SPECIAL MEETING AGENDA:

- I. PUBLIC COMMENT (Comments should be limited to 3 minutes duration for each agenda item. Please state your name, affiliation, locale, and agenda item to address)

Dr. Freeze opened the meeting for public comments. She further noted that comments would be limited to 3 minutes. No public comments were introduced.

- II. BACKGROUND AND CONTEXT ON CURRENT STATEWIDE BUDGET SITUATION ([Executive Summary](#))

Dr Caldwell shared the process that has been established and put into place for the two items on the agenda. All is included in the executive summary.

Dr. Caldwell showcased the directions provided to the agency on how to proceed with impending budget cuts. The agency received an initial letter on June 4<sup>th</sup> indicating the need to move forward with 10% cuts. On June 9<sup>th</sup>, the Governor's office sent complete budget reduction document. Dr. Caldwell noted that the commission has moved forward already with the first set of reductions that are in place, but it is time to move forward with the next phase. A 10% reduction recommendation is due July 1, but the initial submission deadline is June 22<sup>nd</sup> (today). Dr. Caldwell wanted to have the commission see the process and know what steps are in place. She also noted that the next step, step 3, will require submission of an additional 10% reduction for a total 20% reduction. Dr. Caldwell expects that step three will be due on or around July 15. Dr. Caldwell wanted to make sure it was clear where the guidelines come from and are posted. There is no variation on the percent cut and it includes a 10% cut to the entire general fund. Dr. Caldwell highlighted the commission cut, highlighted in red, of the WCCC overall budget in context with other state agencies. The number includes the total amount of the cut, including the standard budget and all exception requests (onetime items). The cuts include items like Wyoming Works, and IT funding. The entire \$254,710,201 budget is subject to the 10% cut resulting in \$25,471,020 as a cut. The \$10 million granted to the colleges was not included because the source was not general fund appropriations but

part of the SIPA funds and not subject to the cuts. Dr Caldwell indicated that they were told these cuts are recurring and permanent. \$25.7 million cut plans are due today. Mackenzie Williams did provide guidance and noted the necessity of a public meeting. Dr. Caldwell also mentioned that she had been notified of an upcoming Governor's budget cut meeting to be held Friday, June 26. The meeting will span only 30 minutes. During the meeting, the Commission can only present the budget cut plan for 25 minutes to allow for Chief McVeigh time to ask and staff to respond to questions.

Dr. Freeze asked if we would be taking the \$25 million as a permanent cut even though it was a one-time expenditure. They were very concerned about permanent cuts to one-time appropriations and that the cut would continue into the future even though it is based on a one time appropriation. The agency was told that it would be unclear how it would be determined in the future, but that it would be permanent.

Mr. Buchholtz responded that depending on where this lands there is \$2.5 million of funding for Wyoming Works in a separate section and it is subject to a 10% cut. Resulting in a \$250,000 cut, but the Commission does not receive an appropriation for Wyoming Works. There are two ways to consider this. Either there will not be an appropriation to apply the \$250,000 cut to or you will have a \$250,000 cut you need to sustain and figure out which program it will be taken from. Dr. Freeze wanted to make sure how that is viewed moving forward. Commissioner Blikre asked if it was possible that the Commission was actually going to receive \$2.5 million, and if we don't receive it why would they cut it? Mr. Buchholtz suggested that at the start of year we will receive funding for Wyoming Works. Yet after today both Wyoming Works line items will be cut by 10%, leaving some of the money for students and new program development over the upcoming Biennium. He further clarified that once we get to the next step, step three, we will see where things land with the 20%. Commissioner Blikre reflected that we know that we will get a 10% cut for the immediate future, so shouldn't we start with 10% less. Mr. Buchholtz noted that in essence that is what we are doing. For the immediate future the commission will move forward on the premise of an initial 10% cut. We don't know if a total 20% cut is a reality. Another factor under consideration is the amount of unspent money provided as reversions from the current biennium to offset any funding revenues in the next biennium. As such, Mr. Buchholtz suggests moving forward with current projections.

Commissioner Blikre noted his concern for making cuts against money never received. He asked if there would be a way to change budgeting as we go forward based on evolving conditions. Dr. Caldwell suggested we have to consider these as cuts for now, because that is what the Governor's Office provided in the total. But there is the ability to revise the request based on changing conditions. She added that the commission was not granted any flexibility on the first round of cuts, yet we can be more strategic during the second round.

Commissioner Blikre said that the way we are going will make it difficult for our colleges. He asked what do we do if we cut but don't get any money back? Mr. Buchholtz added that we need to look at this long term. We don't know if the 20% will be reality. After step two and three are completed, we will need to know the position of the state for general fund revenue projections at that time. The Governor's goal is to balance the budget. Governor Gordon will put forward his recommendations but the rest of the concerns are best addressed at the Legislative level. The Governor will put forth recommendations and it is up to the Legislature to change, adopt or modify those in any way.

Commissioner Boal asked for further clarification on how to cut money not received. Dr. Freeze noted that people need to be aware of what these cuts might mean down the road. Commissioner Blikre was trying to make sure all are aware of the process and expected a hard process moving forward.

Dr. Freeze presented a letter requesting some dialogue about the cuts. She does not think we, nor anyone else will be exempt from the cuts at this point in time. She added the need to continuously make the point about the impact that the state faces at this time. She then proceeded with reading the letter to include in minutes.

June 22, 2020

The Honorable Governor Gordon and Budget Reduction Committee:  
One of the statutory obligations of the Wyoming Community College Commission and its governor-appointed commissioners is to advocate for Wyoming's community colleges, which translates to promoting the educational and training needs of the State's citizens, businesses, and industries. While it is apparent that Wyoming is facing a major financial challenge and difficult decisions must be made to address reductions in revenue, community colleges are in a unique position to assist the economic recovery effort. Numerous studies have illustrated that the number one predictor of economic and social mobility at both the state and individual level is post-secondary attainment.

It is important to recognize that community colleges provide qualified workers, retrain those who find their jobs are no longer available, customize training for local industry, and partner to attract new businesses to our state. There are many examples of the colleges stepping up to meet the workforce needs of the state: capacity nursing programs on every campus and partnering with UW on a seamless bachelor's degree to address the shortage of qualified nurses; retraining and support for displaced workers in the Gillette area; customized programs such as oil and gas production, mine maintenance, fire science, and health careers to meet the training needs in the various unique segments of the state; and applied bachelor degree programs providing advancement opportunities for local workers.

The colleges are facing several dynamics that have serious consequences when looking at cuts of 10 or 20 percent:

Achieving Wyoming's attainment goal requires offering the right programs and providing necessary support for student success and completion.

Budget cuts occurring over the last several years have resulted in streamlined services and programs to the greatest extent possible. The next step requires eliminating critical programs and services.

The lack of external cost adjustments has resulted in a \$53.8 million reduction in buying power since 2010.

During times of economic downturn, colleges often see an influx of enrollment which could begin as early of Fall 2020. The unknown variable here will be the impact of the Coronavirus.

There is a disconnect between offering education "as nearly free as possible" and identifying tuition as a major source of operational revenue.

The colleges have been responsive to local training needs, adding programs and services in partnership with local industry and primarily using existing resources. There is an expectation that they will continue to be flexible and add programs quickly as Wyoming works to diversify its economy.

The role of community colleges in Wyoming has unique aspects because of the small number of higher education institutions: one public university and seven public community colleges, and the rural nature of our state. Colleges are integral to their communities and provide cultural, social, athletics, basic skills, and continuing education in addition to programs and services that lead to certificates and degrees.

Recovery efforts because of the COVID-19 Pandemic are impacting resources and enrollment.

We are committed to identifying sustainable funding mechanisms to support the colleges into the future. The Commission's Sustainable Funding Working Group has started the investigative process and looks forward to informing the work of the Legislative Select Committee on Community College Governance and Funding. However, this process which must be intentional and consider all possible intended and unintended consequences, will take time to come to fruition, and certainly will not help the current financial situation.

If the cuts do become a reality, the colleges will be strategic in their approach to reducing their block grants focusing on maintaining high quality and prioritizing programs and services addressing the educational and training needs of Wyoming citizens. It is understood that some sustainable cuts may take years to recover to existing levels when funds are once again available. The agency budget has less flexibility and cuts made will, by necessity, impact projects that have been deemed important to the State. Given the time it takes for such a drastic budget cut to be implemented at the colleges due to "teach out" requirements, time required to adapt processes and services, assuring that all accreditation assumed practices are met, and employment contracts, we request that the colleges be

given additional time to make these cuts. We would hope that any required funding cut be done with a more gradual approach across more than one biennium.

We recognize that all of the entities, departments, programs, and services facing significant budget cuts are important to the State of Wyoming and reductions will be felt by our citizens; however, we do believe considering the unique contributions of the Wyoming's community colleges is worth review. As the college presidents often say, "An investment in Wyoming's community colleges is an investment in Wyoming." We would be happy to provide greater detail on any aspect of our budget upon request. Thank you for your consideration.

Respectfully submitted,  
Jackie Freeze, Ph.D., Rock Springs  
Wyoming Community College Commission Chairman  
Ms. Katherine Dooley, Powell  
Wyoming Community College Commission Vice Chairman  
Mr. Gregg Blikre, Gillette  
Wyoming Community College Commissioner  
Mr. Dennis Boal, Evanston  
Wyoming Community College Commissioner  
Dr. Craig Frederick, Guernsey  
Wyoming Community College Commissioner  
Ms. Julia Newman, Torrington  
Wyoming Community College Commissioner  
Ms. Ember Oakley, Riverton  
Wyoming Community College Commissioner

Cc:  
Chief Buck McVeigh, Chief of Staff for Governor Gordon  
Mr. Renny Mackay, Policy Director for Governor Gordon  
Ms. Lachelle Brant, Sr. Policy Advisory for Governor Gordon  
Community College Presidents  
Dr. Sandy Caldwell, Executive Director Wyoming Community College Commission  
Dr. Ben Moritz, Deputy Director Wyoming Community College Commission  
Mr. Larry Buchholtz, Chief Financial Officer Wyoming Community College Commission

Commissioner Boal asked to who the letter was addressed. Dr. Freeze added that the letter will accompany the reduction submission and will be sent to the Governor's office and the review committee who will be looking at the strategic budget cuts.

Commissioner Boal asked why the letter was not addressed to a certain person. Dr. Caldwell noted that there is an entire group that looks at the budget cuts and plans across all agencies and suggested it should be addressed to the budget review committee.

Commissioner Boal's preference would be for the letter to be addressed to a specific person.

Dr. Caldwell offered comments to make sure it was clear the challenges created for the colleges, their Presidents and Boards of Trustees, especially with the timing. The Colleges have very little time to adapt and present to their boards of trustees. Board of Trustee meetings will occur either on July 6 or 15. There are many things tied to the budgets, contracts, program planning, athletics, teach outs and other areas where commitments have been made. Things have to happen immediately limiting time and opportunities to adjustments, creating an additional challenge for the colleges and their trustees. And the fact that there is no adjustment period, makes it incredibly challenging for the colleges to actually open and educate students. Dr. Caldwell felt obligated to reiterate the pressure they are under when there are a lot of things tied to these budget cuts.

Dr. Freeze added that she had to make this letter short and tried to limit the scope of the letter and quickly cover what the colleges do. Her hope is that the letter can be used to inform discussions the Commissioners may have with other people and the need to minimize the cuts and their impact as much as possible with the understanding of the difficulty of the situation with the state.

Dr. Hicswa thanked Dr. Freeze on behalf of the presidents for the very articulate and detailed letter. She and the Presidents really appreciate your understanding and support. She noted that it seems like we hit a brick wall when we have had past discussions. She encouraged the other Commissioners to use these talking points in their budget discussions. We get that the budget needs to be cut, yet contracts are already in place and it takes time unwind and teach out programs.

Commissioner Blikre asked if it would be possible that the letter might have weight if sent on behalf of all Commissioners and the entire board. Dr. Freeze indicated that they had already had a conversation. And because there was not time to have everyone review the letter first, they went forward with just the letter originating from Dr. Freeze.

**Commissioner Blikre moved and Commissioner Newman seconded that the letter be signed and sent on behalf of all the Commissioners. No further discussion. Motion carries to send letter on behalf of all Commissioners.**

a. Budget Cut Process (Dated June 4<sup>th</sup>)

Dr. Caldwell next reviewed how as a Commission we were able to submit cuts. She then emphasized that they had the latitude to adjust the cuts by program but over because of what has happened over the last few biennia, there is not much left to cut. Mr. Buchholtz will proceed to review the budget cut submission and how he brought in the 200 series for the submission. She recognized the colleges are having very serious conversations to be have the cuts effective July 1. She also clarified an initial 10% cut across the full

biennium and then another 10% for a possible total 20% cut for the full biennium. She reminded that with the 20% cut there will be some flexibility with changing conditions.

Mr. Buchholtz started with a reminder that this is a plan, actions taken today, are to review and approve the plan. He will also cover how it will be submitted and then travel down the road including a supplemental budget request presented by every state agency. This plan will morph and then become a negative exception request where we are asking to give money back requiring further Commission action during a later meeting. The agency will use this information in July or August for an additional cut potentially becoming a supplemental budget in which the legislature will act upon in early 2021.

The series of documents included under Tab 3 include 25 pages. He started at a high level and then bring down for a landing. The first page is a summary of the earlier document brought up in Tab 2. Including the across the board general fund appropriation those exact numbers are in the middle of the page. These are the same numbers on the sheet. Numbers in the budget system are known. The top block includes all our programs. The agency is given the latitude to come up with \$25 million in cuts which can be taken from any program deemed necessary. The next page breaks out each program, for example a detail of the administration program and the associated cuts. For every unit it proposes where we will take cuts. Later on you will see some cuts in programs like High School Equivalency Program and the Overseas Combat Veterans program were more than 10% to reduce the percentage cut in other areas.

The Commission has 13 generally funded positions, one of which is funded with federal money. Yet that has been cut to 11.

The State Aid budget is \$183 million and includes a combination of things such as money received by the colleges for the biennialization of a pay raise and increased retirement contributions last year. We need to not focus in on the general fund appropriation but drop down in column three to see how much of the appropriation is subject to the cut.

The colleges did receive an additional \$5 million, \$500,000 to each college and then a proportional amount based on headcount. \$5 million is set aside to be a state match. The \$5 million is not subject to a general reduction at this time because it was funded with SIPA money. There was an appropriation of \$10 million originally. But the other \$5 million was intended to be a match. So the state treasurer disburses the money out as the funds are matched. The second \$5 million is also not subject to reductions based on this plan.

Cuts in other areas such as the Overseas Combat Veterans somewhat limited the cut to colleges.

With college health insurance we are out of programs to cut. Everything else had to take a straight 10% in health insurance and everything else.



Commissioner Blikre asked if we are not using all the money in that area. Mr. Buchholtz referenced narratives detailing where we are taking cuts and why including a straight 10% on the general fund appropriation and also the Overseas Combat Veteran accounts. Moving on to the Library account almost a straight 10% cut taken. Adult Education is a mixed pot of funding including some funded with general fund which took a straight 10% cut.

Under adult education, the high school equivalency program took a larger cut than the straight 10% to offset cuts to other programs. During the current biennium there has been almost nothing in this division. The agency will remove travel for commission staff to a testing center. Test center oversight is being absorbed by commission staff. All of this cut is being applied to the administration budget. Last biennium there was a funded position for this program and the position was sacrificed to accommodate other cuts.

WYIN has two line items, one provides funding to faculty, and the other to student loans. We propose to take the entire \$605,000 required 10% and cut the student loan side and not cut the teaching faculty side. If we take a cut to the faculty, that directly reduces the capacity to teach Nursing. This cut leaves us with enough funding to fill the shortfall in faculty funding, and allows us to teach out the students currently in the program who are receiving loans. The program will not provide for those new students contemplating a Nursing degree. So far colleges have received 82 applications for new Nursing loans. The colleges and commission will not be able to grant any of the loans.

Overseas Combat Veterans are budgeted at \$1.23 million and the proposal includes taking \$650,000. We are hedging our bets and not eliminating the program completely as we plan to cover additional deployments.

WPTV is taking a little less than 10% which is their operating budget. Mr. Dugas has a chance to change this if needed. The WPTV Council appropriation has not been spent over the last few years. Mr. Buchholtz proposed taking a little more out of that budget.

The next couple of slides detail the narrative of funding reduction. One of the first documents is a prioritization of programs. The reduction priority list is the exact opposite starting with Wyoming Works, \$100,000 in applications Priority #1. Priority #2 is Wyoming student grant funding. The anticipated impact for the next biennium is minimal. We have funding that never expires.

The next program that we say can sustain a cut is the Overseas Combat Veterans tuition waiver program. Priority #4 shows the total impact to the Wyoming student loan program. Priority #5 includes a straight cut of 10% to the libraries. Priority #6, Adult Education in the short term will not have much impact on the program. Yet is impactful because every college is relatively small and a big portion of funding comes from the

grant. Those that subsidize it capture their costs for an in-kind match. We are concerned that we may not be able to maintain the current level of effort or support for Priority #7.

Priority #8 is the High School Equivalency Program, we make a bigger reduction to reduce the amount of the cut applied to the College's.

Priority #9 is the cut in college health insurance. Currently the fund is underfunded by \$7.2 million and now will receive an additional \$5 million cut. Cannot continue to absorb that cut and maintain personnel and impact. Legislature shall appropriate necessary funds to the colleges for health insurance.

Priority #10 is the State Aid reduction. Yet we are able to offset the cut by \$192,000 so the net impact is a little over 9%.

Priority #11 is the reduction in the administration budget. Impacts will be felt for Commissioner travel, staff travel, dues, licenses, etc. We propose sacrificing our entire contracts appropriation. We have paid for the CCSSE contract or \$45,000, yet there will not be an appropriation to pay for it. This is an expense now covered by colleges as it is part of their accreditation.

The last page in the document is Wyoming public TV. They have two programs TV Council and the operating budget. Priority #1 is a cut to their operating budget.

Dr. Caldwell indicated several of the colleges have been working closely with their boards. She paused for a second to hear from the colleges or the boards directly. A couple of colleges have declared emergencies to make the point.

Dr. Freeze welcomed this as an opportunity for any of the presidents to share some remarks. And she acknowledged the pain that presidents are experiencing with making difficult decisions

b. Agency Budgets

### III. 2021-2022 BIENNIUM BUDGET WITH 10% & 20% BUDGET REDUCTION RECOMMENDATIONS ([Executive Summary](#))

- a. Current Commission Budget
- b. **Proposed Budget Cut Submission**

**Dr. Freeze requested a motion to approve the proposed 10% budget reduction plan as presented. And for commission staff to prepare and submit a 20% reduction plan when it is due.**

Dr. Freeze wanted to make it clear that they were not voluntarily just offering up reductions. Commissioner Blikre made a motion, with Commissioner Dooley seconded.

Commissioner Boal asked about the 82 nursing students who will not receive loans and asked for an answer to that question when it comes up. Dr. Caldwell noted that we might have the opportunity to widen Wyoming Works to include funding. Then it might exhaust Wyoming Works and certainly exhaust what the institutions may provide. Commissioner Blikre noted traditional student loans students are available.

**Dr. Freeze requested a motion to approve the proposed 10% budget reduction plan as presented. And for commission staff to prepare and submit a 20% reduction plan when it is due. Commissioner Blikre made a motion, with Commissioner Dooley seconded. Vote taken and the motion carried unanimously.**

Adjournment

Dr. Freeze noted the agenda had been covered. Dr. Caldwell indicated that the letter will be updated and she will collect the necessary signatures. Dr. Freeze wished the colleges the very best but recognized the state of the budget. Meeting adjourned.

Jackie Freeze 10/8/20  
Dr. Jackie Freeze  
Chairman  
Date

Sandy Caldwell 10/8/20  
Dr. Sandy Caldwell  
Executive Director  
Date

DRAFT