



# MEETING MINUTES AND AGENDA

## Sustainable Funding Workgroup & Special Commission Meeting

December 2 and 4, 2020  
Online Via Zoom

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

**December 2, 1:30 PM**  
**Sustainable Funding Workgroup Meeting**  
**Zoom Only**

1:30 pm

I. Call to Order & Roll Call

Committee

Dr. Jackie Freeze, Commissioner and Chair - Present  
Gregg Blikre, Commissioner - Present  
Dr. Sandy Caldwell, WCCC Executive Director - Present  
Dr. Brad Tyndall, CWC President - Present  
Dr. Joe Schaffer, LCCC President - Present  
Dr. Judith Bartmann, EWC Trustee - Present  
Mr. Steve Degenfelder, Casper College Trustee – Present

Facilitators

Dr. Demi Michelau, WICHE President – Present  
Dr. David Tandberg, SHEEO VP Policy Research and Strategic Initiatives - Present

Commission Staff

Mr. Larry Buchholtz, Chief Financial Officer – Present  
Mr. Rob Dennis, Chief Operations Officer - Present

II. Summary and Recap of Workgroup Effort and October 7, 2020 workgroup meeting

Dr. Michelau welcomed all together and the opportunity to meet during the second to last meeting. Welcoming all and confirming how far we've come during a pandemic. She noted that the majority of today will focus on the final recommendations. Additionally she noted that both Dr. Tandberg and Dr. Michelau felt it important to recap progress thus far to set a strong foundation for the final recommendations.

Dr. Caldwell suggested had review the video of prior meetings. All should have received summaries on October 12, following the October 7 and Commission meeting held October 8 in which included the final states needs report. The greatest part of that meeting was spent on finalizing the states needs report which will be available today. The greatest part of that meeting was spent on the funding strategies workgroup. Then several things came out of that subcommittee, co-chaired by Mr. Larry Buchholtz and Dr. David Tandberg. Several things came out of their meetings, primarily direction on a two pronged funding approach including some additional alternatives. She recalled that Commissioner Blikre really wanted added to the strategies was the already large hole, \$53.8 million not including the additional cuts made this year.

a. Charge Statement

[Tab A](#)

Commissioner Freeze reviewed Tab A which included information about the Workgroup and the original charge. She read the charge to refresh all. She summarized that the group was to look for different options for funding. She indicated that the workgroup has stayed true to the original charge and the subcommittees have followed through on the tasks so that it provides a foundation for information being sent forward. The group did not make a determination that they were going to make an absolute determination. Our goal was to allow the Legislature to make some determinations about some of these funding issues. A ranking or number one determination was not the focus of the group. The first document noted any assumptions or considerations made. Information on deliverables is also included. She also indicated that the group has stayed true to the schedule, to the charge, and to the goals to accomplish.

Dr. Schaffer asked if all should have a conversation about broad suggestions as outcome or more specific recommendations. Commissioner Freeze suggested holding the comments, especially around the funding piece, until we have the document in front of us. Dr. Caldwell noted that the Joint Appropriations Committee is pleased and is anticipating the sharing of the document.

Dr. Freeze moved forward into Tab B which outlines the various subcommittees, their membership, what was considered relative to the state's need, the strategies and the foundational efforts. She thought some of the foundational information would be helpful as there is an attempt to clean up some of the statutes pertaining to the community colleges.

b. Sub-committees

[Tab B](#)

Dr. Michelau introduced those involved in the various subcommittees and their final reports. She recognized that the work was mostly done from the first two committees but wanted to provide an opportunity for Dr. Moritz or Mr. Dennis to include final comments.

III. Final Sub-committee reports:

a. Foundational Efforts

[Tab C](#)

Dr. Moritz noted a word of thanks to members on the subcommittee. He agreed with what has been said previously. Reviewing what has been done in the past is important so that we

are not “reinventing the wheel”, placing things in perspective. A main take away was that even though there have been certain challenges with recurring themes. The Colleges and the Commission have made consistent progress throughout the 30+ years that spans the documents we reviewed. We have a large task in front of us, but we should not lose track that we have made a lot of progress to get to this point. Dr. Michelau agreed that the work the Colleges had done previously is very important as both the Joint Appropriations and the Legislature consider what is next.

b. Common Language and Message

[Tab D](#)

Mr. Dennis noted that the subcommittee was a fun and engaging experience. There were a number of common themes that emerged. Themes were consolidated into the messages detailed. All had an opportunity to provide perspective. All are on the same page and through the document we can speak the same language as we approach those who are outside of the Commission including at the Capital and Legislature.

c. State Needs

[Tab E](#)

Dr. Caldwell provided a brief review of the final State’s Needs Subcommittee work. Dr. Divine provided an additional nice summary. Then the work came down to what should be included as part of a strong platform that the recommendations and funding strategies are based. There are some common definitions as per the state’s interests. She also shared the names of the committee members. The goal was to get this down to two pages.

She noted that the states interests are really imposed through statute (referenced in the final documents). One thing that came out of the subcommittees is the lack of a constitutional mandate. There is a reference to the statute that bridges the requirement for a constitutional mandate. The statutes reference the structure of the Commission and the Coordinating Role. The subcommittee did provide some context as to how things are actually happening. The three things that need to be included in the final report are:

- Need to consider finding sustainable funding.
- The need to consider variable cost adjustments.
- Lack of a constitutional mandate.

Dr. Caldwell introduced others to elaborate further. Trustee Bartmann noted they have developed a very comprehensive document. What has become the final outcome, is very manageable. The burning question is how to get it implemented. Commissioner Blikre noted all have to wait to see what the Legislature does. Dr. Schaffer added there are things we will have to revisit as per the states interests. He further commented it important to know what is pliable and what can change. And that there is a process relative to statute.

Dr. Caldwell reiterated Dr. Schaffer’s comment in that it has to with the states’ interest. There is not a mechanism in statue for revision of funding specifically. She noted the Legislature defines the role and purpose of the Community Colleges in return she reminded that the subgroup and subcommittee are identifying recommendations to fulfill the role set by the Legislature.

Commissioner Freeze asked how best to pull the key points out into an Executive Summary. Recognizing that will be the challenge ahead.

d. Recommendations: Funding Strategies

[Tab F](#)

Dr. Michelau recognized that the work of the three subcommittees provided the foundational work behind the efforts of the fourth subcommittee to develop the recommended funding strategies.

Mr. Buchholtz thanked all the members of the subcommittee to whom he had the opportunity to work with. He reviewed the report provided at the October 7 meeting, noting they had taken a look at a variety of options including: the lottery, gambling, BOCES/BOCHES increases, tuition differential, ad volrem, and sales and use taxes. They ended up finalizing their approach around ad volrem (mill levies) and sales and use taxes. Then the committee looked at some additionally suggested approaches after the October 7 meeting. The committee then looked at trying to capture the Expected Cost of Attendance (ECA) over various years to gain the needed values.

Mr. Buchholtz then shared a screen detailing how the committee arrived at the need of the system's operational costs. He had placed all the current college budgets into a spreadsheet to determine what the college system needs to cover or operate. Thus they had identified what the system needs to operate annually and doubled for the biennium. The approach taken in the subcommittee was to start pre budget cuts for the current biennium. The funding does not include the recent cuts. Thus making the budget whole back to the beginning of the budget fiscal biennium. The calculations and detail shows, inclusive of a major maintenance calculation, 57% of all funding comes from the State's General fund of all the colleges' operational costs. The current state support is 57%. If the target is 45% it keeps the Legislature and public engaged in the mission and all that we do. Dr. Tandberg provided data on smaller and rural systems which supports the percentage of 45% across the nation and fits the model. He noted all are looking at in a biennial picture having. If 47% of the cost is to come from the general fund, then we need to reduce the general fund contribution by \$57 million. He then took that figure and added in the capital construction pool, a legislative subject in the recent past thus giving the commission \$20 million annually and suggested that you run the model, prioritization, projects etc. thus not involving the Legislature. Mr. Buchholtz parlayed that discussion into making it a part of the sustainable funding. Then there is the replacement of the ECA which has not been recaptured by the institutions because of how the funding works for the system. There is no provision like in K-12 where there is a built in formulaic process. In this suggestion we try to recapture that. Now instead of the \$57 million the system is up to \$150 million where a different revenue stream is needed, a stream not including the state's general fund.

Possible scenarios to recapture \$150 million are laid out and encapsulated in the letter which is part of the agenda. Thus contemplating a number of things, all of which return the same result.

If 1 mill is applied across the current 16 untaxed counties the result raises \$29 million per biennium. If an additional mill is added to the currently taxed counties \$15.8 is raised. 1 mil across all 23 counties raises \$45 million, leaving a \$106 million unfunded balance. The subcommittee also proposes a dedicated one penny sales tax which would raise \$322 million

a biennium. The proposal is the colleges take the \$106 million and leave the rest for an education account of some kind. That tax should not go straight into the general fund it is a dedicated educational fund. The one penny could also serve other educational needs across the state. The fund could serve other educational needs across the state of Wyoming.

Mr. Buchholtz added that instead of 1 mill applied on everything, a mill levy could be focused on just residential property across the state. Thus not impacting the mineral industry or industrial complex. The subcommittee completed an analysis that identified if residential property was raised by about 3.5 mill across all residential property it would raise the same amount of \$45 million.

He also noted the subcommittee did not pursue further taxing services (barber shops, beauty salons, tanning shops, etc.) that do not currently have a sales tax. It could go as far as sales tax on everything including groceries. He noted there is another proposal out there to tax services and take that out of the tax code. The subcommittee's recommendations remain, to offer a two prong approach.

Dr. Tyndall asked about a 1 mill across the 23 counties, and if that mill could be the same as a statewide BOCHES. He added that within a BOCHES board it may be allowed to raise more than 2.5 mills. Mr. Buchholtz added that every few years the tax would need to be re-voted on, thus making it not sustainable in the long term. Additionally some of the money would be siphoned off the top for a BOCES board. Dr. Tyndall confirmed that it would not be recurring which would be a disadvantage. Dr. Caldwell noted that the BOCES issue may need more research and that it could be implemented in only those seven counties where colleges exist. Plus all seven counties would have to vote for it. Dr. Tyndall noted that the verbiage for BOCES does not indicate a service area yet counties, and CWC has three counties. Dr. Tyndall suggested including all spreadsheets as an appendices in the final report. He also suggested talking about other taxes and a balanced message regarding taxation, such as a focus on residential property taxes in the final report.

Dr. Schaffer asked why other mill levy options were not explored. He noted the need to also look at broad tax reform. Or he suggested the need to focus on what we can get out of the legislature during this session which may assist with some sustainable funding. He asked why even more tax and revenue options were excluded ultimately in the analysis. Mr. Buchholtz responded it was not excluded in the analysis. The subcommittee took an approach to identify multiple levers that could be pulled and their respective ramifications. The Legislature can pull on any lever they want. Dr. Schafer suggested that were the report stay very general with a mill levy and sales tax increase, history has proven Legislators do not do anything. Dr. Schaffer is leaning towards something more specific, providing Legislators the ability to run with something. Dr. Caldwell suggested the importance of listening to what the Legislators originally asked and are saying, they had asked for the general recommendations which were not so specific. Legislators like the options and this was reinforced by members.

Ms. Erin Taylor offered observations from her conversations with legislators. She has heard some say they would like specifics and some are also asking for a broader menu. One thing is clear, if all show up in front of the committee with different messages it will not be looked upon favorably. She further noted, the report needs some low hanging fruit and include implications of the various methods. Community College funding cannot be discussed in

just a silo. Now is the time for the Community College to say comprehensive tax reform is needed.

Trustee Degenfelder added his group had a very robust discussion about what message is sent to the public and about the additional alternatives in the bullets. They tried to identify an amount which is sustainable and finding different methodologies of sustaining that. He also noted the Revenue Committee is having a lot of discussions over not wanting to do anything until the LSRA is exhausted. They have also said that 94% of the land in the state is at the lowest rate primarily the Agriculture state exemption. He also noted there is a lot of conversation around sales tax exemptions and services. Our goal is not to create enemies but give Legislators alternatives to accomplish funding for the end amount.

Dr. Tyndall noted the challenge of listing the whole menu may create an opportunity for certain industry or area to feel singled out. He also added his recognition that comprehensive tax reform seems to be needed.

Commissioner Freeze noted that the workgroup was on the right track as how the issue is framed. There is a need to discuss all the options considered and the final outcome, clearly explaining why the final options were chosen. She noted, she does not want to talk about State Income tax in the proposal, if the state revenue committee is not going to consider it. She recognized the need to have consensus moving forward carrying the same consistent message. There needs to be agreement on the majority of focus and move it forward.

Dr. Schaffer shared his concerns about being so broad that recommendations such as tax reform are unaddressed. Yet the more specific the recommendations there will be the potential to offend certain legislators. He asked the position of the workgroup, broad or specific?

Dr. Dale noted she couldn't agree more with Ms. Taylor about message consistency. She suggested reviewing the WACCT matrix and the report mirror select documents in the matrix. She then asked Ms. Taylor if Legislators would have the same document. Ms. Taylor suggested the document was put together with the understanding and knowledge of the Subcommittee's work. The document provides more tools in the tool box. The optional 7<sup>th</sup> penny could also be used for economic development. Questions would arise should the WACCT materials be perceived as contrary to the final report. Ms. Taylor indicated that Legislators do have the document including members of both the Education and the Appropriations committees. Dr. Dale added that, when asked, should the report's main themes be provided and then options supportive of the themes. Messaging must be consistent. Dr. Caldwell added that legislators have been seeing materials from both the Workgroup and WACCT and that both should be complimentary of one another. She also suggested a one pager, an executive summary, and supporting documents. Commissioner Freeze suggested including WACCT's pages. And she suggested clarifying all the options, identifying some as either short or long term. Legislators have a lot to consider, and they want it short and simple.

Mr. Williams from the Attorney General's office pointed out from a constitutional point that the constitution has some limits on taxation and what can be done. Originally it said all taxation should be uniform. That the taxation provision has been modified and moved. The

Legislature can create three different categories of property taxation: minerals, industrial property, and all other property. It is important to keep that structure.

Dr. Tyndall noted that other sectors such as K-12 are having similar discussions. What he likes about the sales tax is that the colleges would want just a piece of something and then it could contribute to another sector. The tax can include other sectors.

Mr. Buchholtz continued to what is included in the packet and where the final findings of the subcommittee. He mentioned that the final draft includes background information, the 45% and how it was determined, a couple of levers, and the final recommendation. He noted possible additions, perhaps in this or another document.

There are two different recommendations in the first bullet. A 1 mill on everything and the other 3.9 mills on just residential in the currently untaxed 16 counties. Plus a 1 mill additional in the 7 districts or 3 ½ mill in all others counties to raise the same amount of money. And then there is the sales tax. These approaches are designed to fill the bucket to fund the system fully. We modeled 33, 33, and 34 as percentages contributed. He recognized the result of this model was not a pretty picture. He added that the Commission cannot get to an even distribution when one authority is not in charge of all three buckets, the general fund, tuition, and local taxes. The Legislature is in charge of only one – the general fund. To achieve 33% for tuition, would result in an increase over 46% taking tuition somewhere over \$30 per credit hour.

Mr. Degenfelder suggested it worth noting to the rest of the group how fast something might be implemented. The property and sales tax can be implemented. Then the caveats that where put in there addressed the mineral industry was recognizing that 60% or more of the property tax was already related to one industry. Additionally over 50% of sales tax is directly related to one sector of the mineral industry. If there's interest, he has no problem with others sharing in the tax burden such as through an income tax. The sharing of the burden, didn't seem to generate much interest from the start. He also noted that other opportunities were considered such as the lottery, yet they do not address the magnitude to get to some of these numbers very quickly and subsequently they were cast off rather quickly.

Dr. Schaffer asked about a proportional tax and why the mineral industry is not engaged in the tax reform discussions. Dr. Dale responded she had asked colleagues in the Trona industry about the additional tax. She added her belief that Ms. Taylor has had ongoing conversations with some in the mining industry. Ms. Taylor commented that yes she has had those conversations and that she is trying to reach out to the mining and petroleum associations. She focused on a cooperative spirit. Industry members suggested that they are the Community Colleges number one fan. They have suggested, no other sector in the state is doing as much work as the community colleges. They have also said they have to fight every tax that comes before them. She had asked where is the line for average citizens to take on more of the burden. The tax burden on the industry is far and above any other state.

She suggested that community college funding is possibly the most comprehensive discussion about tax reform taking place in the state right now. There are two big picture themes according to Ms. Taylor. One has to do with the big picture initiatives being discussed is the Endow initiative. What company's do we want and to bring to our state.

What education amenities and opportunities do we want for our kids? This discussion is missing since ENDOW has gone away. The other area explored is comprehensive tax reform. It doesn't mean an income tax, but the average citizen needs to have more skin in the game. The average family pays \$3,000 in taxes and receives \$30,000 services and benefits. Yet no one wants to be the first to look at tax reform. Trustee Degenfelder suggested he would love to see the state broaden the tax base. His company operates oil and gas wells in six western states and Wyoming has the highest tax rate. But there is also a question of better spending tax dollars. The rig count this time last year was 31 and today it is 2. With the price war, and the new administration coming, the citizens and legislature will have to face reality. He noted the subcommittee wanted to recognize that because of the tax structure, it significantly impacts one sector of the economy.

Dr. Caldwell summarized Mr. Buchholtz's committee would include a brief statement of options explored, three basic recommendations and then add some previously considered additional options. Dr. Tyndall confirmed adding materials including the spreadsheet in an appendix. Commissioner Freeze suggested that it would become a reference point. Commissioner Blikre suggested that if it can be demonstrated that a lot of material was reviewed but this is what they came to, then it will serve the purpose. Dr. Caldwell will also add the WACCT menu of options. Mr. Buchholtz noted the last thing in the report was to include the LSRA until other funding sources could be implemented. Dr. Dale suggested the need to be careful when discussing BOCES and BOCHES to insure appropriate context.

#### IV. Sustainable Funding Workgroup Final Recommendations

[Tab G](#)

Dr. Caldwell walked all through the draft document and confirmed the following: changes as she proceeded. The document includes the following:

1. Intro, overview, and charge statement.
2. Dr. Caldwell will add a definition of Sustainable Funding.
3. Guiding principles and subcommittees includes a section on governance structure. Governance is not going to fix the funding problem. This should be emphasized in the final report, the current structure has been affirmed.
4. She questioned the need for a section detailing the subcommittee language. Commissioner Freeze suggested making it as an individual appendix section.
5. She noted her thoughts regarding taking out some of the statutory language.
6. A section on recommendations based on the state's needs. For today's discussion the workgroup had finalized the recommendations.
7. Clarification on the definition of sustainable funding for the colleges while incorporating a mechanism to manage cost increases.
8. A discussion about tuition, specifically differential tuition.

Dr. Tyndall suggested moving many section to appendices and keeping it direct. Such as seeing that there are three recommendations, appendix, all with a powerful delivery. Dr. Caldwell that Commissioner Freeze will be making the presentation so shortened presentation format would be ideal which would include a one pager identifying the main points. The real recommendations include three and then how to achieve them would be the funding options. Commissioner Freeze requested staying away from the word "recommendations" and use of the word "options".



Dr. Caldwell noted that the options will be simplified down to I, II, and III based on the outcomes of the funding strategies subcommittee.

She also noted that the 45% is what continues to be received from appropriations and the legislature. She noted the committees want to know the whole amount. A question needing to be discussed is 45% is the recommendation from the funding strategies group. Should we include maintenance and capital construction noting that would mean a change to the state aid block grant. The percentage is not absolute but a framework. The only number that would change would be the state number. Dr. Schaffer mentioned he had thoughts and was not a fan of including major maintenance and capital construction. He noted including the state block grant and health insurance only on that amount. He is also concerned about being asked what constitutes the two other percentages and why. Dr. Schaffer suggested just determining the state support inclusive of the state aid block grant but excluding capital construction or major maintenance. Mr. Buchholtz added that capitol construction and major maintenance could be removed, yet the only number that would change would be the 78%. The 45% would stay the same, it is just applied to the state aid block grant. The gap of \$150 million shrinks considerably by \$67 million. Dr. Caldwell asked if this was something others desired, noting it as an important decision. She recognized that this will come up. It can continue to be divided, but she noted that the workgroup had been asked to talk about the other. All need to know that the separation will not occur with the legislators.

Dr. Tyndall noted that this document will be his playbook, he suggested about adding a footnote. Dr. Schaffer agreed that if excluded the rationale needs to be included as to why. He added that the conversation is about sustainable funding operation, but not areas built into other mechanisms. Commissioner Blikre noted that the Legislature has chosen over the years to separate the building initiatives from the rest of the funding and if the group was to decide to separate it out, it would be similar to the practice of the state legislature. He recommended having that information there as is done in other parts of the document. Commissioner Blikre also noted legislators are looking at sustainable funding for the colleges and legislators do not always know what they will build as part of that. He agreed with Dr. Schaffer and have it set aside in the appendix. Dr. Freeze disagreed and suggested adding both calculations and suggested adding an explanation as to why they might focus on the one without the capital included. Suggested being transparent as possible.

Mr. Buchholtz then noted the charge statement included with sustainable funding provided by the block grant. Dr. Caldwell felt about using the language provided by Commissioner Blikre to clarify inclusion of the block grant.

Dr. Caldwell asked about clarifying language around the first sentence on the second page includes a quote from the Select Committee recently. She thought about moving it up to the first part of the recommendations. It is a quote from Sen. Bebout.

Dr. Shaffer suggested that a note be added clarifying sales tax could be added with a designation that it only goes for education purposes. An increase in sales tax is recommended only if it is for education. Ms. Taylor noted that she was glad that it was earmarked to go back to the General Fund. She would not like to be tied in with K12. Commissioner Freeze agreed and added the tax should be dedicated to the community colleges. Dr. Caldwell noted that comments regarding a 1% sales tax to just education went

over very well at the Select Committee. Mr. Buchholtz suggested some alternative language. Others suggested that there is no need to be that specific about dividing up the penny tax amount.

Dr. Caldwell confirmed the additional needed changes. Building the presentation and then having the full packet updated the following day for the Commission Meeting.

Commissioner Freeze asked if we were all on the same page between WACCT, The President's etc. Sandy said she would follow up with Ms. Taylor in the morning. Commissioner Freeze noted that as all moved into the legislative season that all be able to speak with confidence about some of the things suggested.

Dr. Michelau acknowledged the wonderful work done. Dr. Tandberg echoed Dr. Michelau's remarks and added his thought that a very reasonable, well thought out, and defensible proposal. Commissioner Freeze recognized all the hard work provided by Mr. Buchholtz in crunching numbers and providing data. She appreciates everyone's efforts.

Meeting Adjourned 3:30 pm

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**December 4, 2020, 11:30**

**Wyoming Community College Commission Meeting  
Zoom Only**

**The public is asked to attend this meeting via the Zoom link at:**

<https://us02web.zoom.us/j/81516924368>

Meeting Dial In: 1(669)900-6833, Meeting ID #815 1692 4368

**If you desire to attend in person, please do so at the WCCC Office in Cheyenne**

**11:30 a.m. CALL TO ORDER**

ROLL CALL

Commissioners

Commissioner Boal - Present

Commissioner Blikre – Present

Commissioner and Vice Chair Dooley – Present

Commissioner Frederick – Not Able To Attend

Commissioner and Chair Freeze – Present

Commissioner Newman – Present

Commissioner Oakley – Present

Ex Officio Members

Governor Gordon or Lachelle Brant – Not Able To Attend

Superintendent Balow or Shelley Hammel – Present (Shelley Hammel)

Community College Commission Executive Director, Dr. Sandy Caldwell – Present

Commission Staff

Dr. Ben Moritz – Present

Mr. Larry Buchholtz – Present

Ms. Paris Edeburn – Not Able To Attend

Mr. Rob Dennis – Present

## INTRODUCTIONS

There were no introductions.

## APPROVAL OF THE AGENDA

**Commissioner Newman moved to approve the agenda and Commissioner Blikre seconded. The motion passed unanimously.**

- A. 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).

There was no public comment.

- B. BUDGET REDUCTION UPDATE

[Tab A](#)

Dr. Caldwell noted she had added the budget reduction update item to keep all apprised. She acknowledged a Joint Appropriations Hearing the following Wednesday. The Presidents and agency staff will review the impacts of the Step 2 and 3 budget reductions. Commissioner Freeze will review the sustainable funding presentation.

Mr. Buchholtz shared the included agenda attachment. The first slide was the actual supplemental budget request. The next page is a summary of the Step 2 process, noting further it is not a copy of the original submission. During Step 2, the Commission took \$2.5 million from Wyoming Works. Mr. Buchholtz added that the process eliminates some of the funding but not some of the programs. There is money to continue to fund the students who started in 2019. The rest is a 10% funding reduction in state aid and community college funding. The original reduction was applied to state aid. What is indicated is combination of the cut recommended and a cut to health insurance. Health insurance is not reduced but that reduction was forwarded to the colleges. The funding allocation model includes updates to provide the latest numbers.

As the colleges move on to Step 3 reductions, the reductions have yet to be implemented or taken from the Commission budget. Step 3 reductions played out with the proposal. The reductions pretty much mirror the reductions originally suggested to Step 2. There is no need to eliminate any other programs. In Step 3, \$750,000 is reduced in the Overseas Combat Veterans line item. That money was reverted as state as it was spent. He noted further that the Commission figures it can fully fund every veteran that will attend the program during the 2021 academic year. Additionally, other programs will receive less reductions. The student side of WYIN will receive a \$665,000 reduction, thus losing the ability to fund a new cohort of students.

The Commission will cut almost all of funding the high school equivalency program, some administrative costs inclusive of \$1,000 will be retained to run the program. Funding will be available should the need arise for staff to travel to a test site for a compromised test investigation. The next reduction in state aid totals an amount of just less than 5%. Half the cut will be taken this biennium, the cut will biennialize in the following biennium.

The next reduction may include the potential loss of one commission position. Finally, WYPTV will be impacted by a reduction including everything included in the highlighted column will be cut in half. The Governors recommendation is to take half the amount. The next half comes off the starting budget in the next biennium. This is a quick summary of what will be presented at the upcoming Joint Appropriations Committee Meeting.

C. **CONSENT AGENDA** ([Executive Summary](#))

- Regular and Emergency Rules - Chapter 5 [Tab B](#)
- Regular and Emergency Rules - Chapter 6 [Tab C](#)  
[Tab E](#)

**Commissioner Freeze asked for a motion that the consent agenda be taken in whole. Commissioner Blikre moved and Commissioner Dooley seconded. There was no discussion and the motion carried unanimously.**

D. **REGULAR AGENDA:**

I. **APPROVAL OF SUSTAINABLE FUNDING WORKGROUP RECOMMENDATIONS PLAN** ([Executive Summary](#)) [Tab D](#)

Commissioner Freeze noted that it was the Commission's role to approve the Sustainable Funding Workgroup Plan. She added that the Workgroup had an excellent meeting and was ready to present to the rest of the Commissioners a draft plan.

Dr. Caldwell thanked the Commissioners and Presidents for all their work. She reminded that the Sustainable Funding Workgroup as a request from the Joint Appropriations Committee in January 2020 when they returned with follow up information from December 2019 meeting. She noted the charge was put together in February. The Management Council also had set up the Select Committee on Community College Sustainable Funding. The Workgroup had not met in April. In June subcommittees were assembled. During the August 27, 2000 meeting the foundational efforts and common language findings were finalized. The State's Needs committee received additional direction. In October the State's Needs and Funding Strategies subcommittees really began to take shape. Included in the discussion during the October meeting was the filling of the preexisting deficit. On Wednesday, December 2 final edits, updates, and discussion were completed.

Dr. Caldwell noted the latest copy of the report is included on Tab D. She stepped through on the screen recent changes made to the report. She commented that the final draft is up for the Commission's consideration and action. Commissioner Freeze added that a presentation and one page document for which she will walk through.

Dr. Caldwell started with the Executive summary and went through each change made from the previous version posted the week prior. The Funding Strategies subcommittee made there revisions and reflect common language. Everything is

consistent and accurate. The Executive Summary really focuses on the combined documents. The rest of the document focuses on supporting materials which are included in the appendix. The summary includes a high level overview of workgroup progress. It notes collaboration with WICHE and SHEEO to include a high level of expertise. Dr. Michelau and Dr. Tandberg attended all workgroup meetings. The summary also notes the completion of the charge statement. The charge statement provided guidance for the workgroup.

A change was made to define sustainable funding and the appropriate deliverables, which includes bringing consideration to external cost adjustments. Dr. Caldwell commented that it was not a surprise the ECA needed inclusion. The plan also highlights the current funding and how the allocation of state aid is distributed to the colleges.

On page 2 there was another important statement regarding Governance. Dr. Caldwell noted that it needed to be stated, "A funding situation is not fixed by a governance solution". WICHE and SHEEO provided a great deal of information in the area, and provided similar information to the Select Committee. The next section details the need to not have a Governance change. Also removed was how the Committees should be changed. Finally the State's needs are outlined and unchanged.

The next section details the sustainable funding restructure. Titles and wording was updated with the use of the word "options". There are three significant things needing accomplishment to provide sustainable funding.

- I. Sustainable funding is needed to adequately support the colleges.
- II. Provisions regarding an external cost adjustment need inclusion.
- III. There is a demonstrated need for Constitutional recognition or stronger statutory language recognizing the funding needs of the colleges.

The next section includes the suggested funding strategies. The first paragraph includes a number of \$94 million. It also includes the \$53 million, \$7.5 million for health insurance, and recent cuts. The second paragraph includes an entire menu of options as it is laid out beautifully in WACCT's chart. Additionally a sentence was added that in the absence of comprehensive tax reform this is what we are left to consider. The topic of differential tuition was addressed. Mr. Buchholtz will be prepared to discuss that it will not have the impact equivalent of a 1 mill levy.

The next section provides where the funding should be directed. Funding the colleges at 33% and tuition providing 33% will not work. Tuition would become exorbitant. The focus should be on the mill levy. A significant change to this section was the removal of major maintenance and capital construction. The Legislature currently separates them. As such the Workgroup responded as instructed. Dr. Schaffer had raised the initial concern, Dr. Caldwell then responded with adding Commissioner Blikre's wording.

The next section includes what is need to fill up the rest of the bucket. If the system is going to have significant state aid funding, the system will need \$91 million.

The Workgroup is proposing a two prong approach that includes a 1 mill, ad volrem levy amount. Current counties would retain their aid. The mill from the other 16 counties would go to the commission to be combined into the state aid and allocation model. Districts would still have the option of adding additional mills.

Prong two changes include implementation of a .01 penny or more sales tax. Dr. Caldwell had added three lines to this section indicated that the sales tax proceeds be designated to the allocation model in support of the colleges, not be diverted to the State General Fund. This is where the ECA primarily leads. And as always there will be a lag in the ECA's.

Another section that the funding strategies felt was not prescriptive yet necessary was the inclusion of a number of levers. At the bottom of page 5, with the help of the Commission's Attorney General Representative, and if constitutionally permissible, wording was added.

Dr. Caldwell concluded her review of the document and the recently incorporated changes. She also suggested that she could review the single page hot sheet. Noting further, Senator Kinsky wanted no more than 2 page overview.

Commissioner Freeze asked if there were any other comments or questions from the commissioners or others in the audience. She noted all have worked to include everyone's perspective. These kinds of documents.

Dr. Schaffer noted the recent changes made we're very inclusive. He suggested adding links to pages in the table of contents. He also noted further his struggle with trying to capture the complete deficit. Dr. Tyndall and Dr. Caldwell noted the need to make certain things clear.

Commissioner Freeze asked if we had asked for all the money including what was needed from the LSRA. Commissioner Blikre noted the money from the LSRA could bridge the gap before the options are implemented. Commissioner Freeze also added that the report need to acknowledge how difficult the situation has become.

Ms. Taylor offered her appreciation for the conversation. She really likes what she is reading about constitutionally permissive. One thing she suggested is funding from the LSRA could be a multiyear process. She suggested further this might be a good place to weave that in to keep the colleges supported and completing all of the strategies may not be achievable in one year. Dr. Tyndall asked if the WACCT chart was included. Commissioner Blikre noted his concern about the recognition that the issue would take multiple years. He continued that everyone recognizes the issues at hand.

**Commissioner Freeze as for a motion to approve the Sustainable Funding Workgroup Report. Commissioner Blikre moved, Commissioner Dooley seconded. The motion carried unanimously.**

Meeting adjourned at 12:36 pm