

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

MINUTES

Special Session
August 11, 2008
2:30pm

CCCS - Lowry

I. CALL TO ORDER (1min)

Members Present: Bernadette Marquez-Chair, Tamra Ward-Vice Chair, Wanda Cousar, Patty Erjavec, Ledy Garcia-Eckstein, Maury Dobbie, Barbara McKellar, Meg Porfido, John Trefny, Todd Bergren (SFAC), Marie Steinbach (SSAC)

Members Absent: none

II. GENERAL BUSINESS (5 min)

A. Approval of Agenda

Tamra Ward made a motion to amend the agenda to include the addition of an Executive Session. Wanda Cousar seconded and the motion passed unanimously.

III. DISCUSSION AND ACTION ITEMS

A. FY 10 Budget Outlook, Nancy McCallin (15 min)

- Dr. McCallin provided an update to the board regarding the current revenue situation in Colorado.
 - The June economic forecast from Legislative Council indicated that an additional \$384 million in revenue and/or reductions of expenditures will be required to balance the FY 2009-10 general fund budget. In FY 2010-11, the economic forecast indicates that another \$500 million (on top of the \$384 million) will need to be found in order to balance the FY 2010-11 budget.
 - In order to be eligible to continue to receive federal ARRA "state stabilization" funds, states are prohibited from cutting higher education governing boards below their FY 2005-06 funding levels. However, within the federal legislation, there is a provision that allows states to apply for a waiver from this "maintenance of effort" requirement. According to the Department of Higher Education, seven states have sought and received waivers of this type. The Office of State Planning and Budgeting (OSPB) has informed higher education governing boards that the Governor's Office will be formally requesting a waiver from the ARRA state stabilization funds' maintenance of effort requirement for FY 2009-10 to allow a \$69 million additional reduction in General Fund appropriations.

- The OSPB indicated that this additional \$69 million FY 09-10 General Fund reduction (on top of the \$152 million original reduction) will also be back-filled by federal ARRA stimulus funds. This waiver request is only applicable to FY 2009-10 and, at this point, it is unclear whether or not the state would be able to meet the waiver requirements for FY 2010-11.
- On August 24, 2009, the Governor's Office will submit its general fund balancing plan for FY 2009-10 to the Joint Budget Committee. The plan will include reductions to higher education governing boards as well as other departments in state government. The General Assembly will then act on the Governor's recommendations.
- Maury Dobbie asked about the Amendment 50 funds and if we will know more after August. Dr. McCallin responded that the funds will not be available to CCCS until the fall of 2010. Moreover, CCCS will likely not have a reliable estimate of how much revenue it will receive until spring of 2010. At this early stage, CCCS is estimating Amendment 50 revenue to come in between \$7-\$10 million.
- Tamra Ward asked if CCCS needed to do any additional reserve planning and if the current reserves are sufficient. Dr. McCallin responded that CCCS has strong reserves and at this point did not believe that additional reserve planning was necessary.

B. FY 09-10 Capital Construction Requests and Prioritization, Cliff Richardson, VP Finance and Administration (30 min)

- Cliff Richardson presented the CCCS FY 2010-11 and five-year capital construction plans to the board, as required by the Department of Higher Education and OSPB.
- Maury Dobbie had a concern that there may be a typo on Table 2 under FRCC-Loveland Site-Classroom Building under column FY 2014-15 where it states \$1.75 million. Mr. Richardson responded that it was not a typo, but that FY 2014-15 was the first year of a \$17.5 million project. If there were another column for FY 2015-16, it would show the remaining \$15.75 million.
- Table 1 identifies the total request of \$270.3 million, which Mr. Richardson indicated is a conservative number based on the current budget situation.
- Table 2 identifies each of the colleges' state-funded five-year capital requests, which total \$240.4 million.
- Table 3 identifies each the colleges' plan cash funded five-year capital requests, which total \$29.9 million.
- Table 4 identifies the CCCS list of state-funded capital projects for FY 2009-10, in priority order. Priorities were determined based on historical ranking, system-wide FTE production and programmatic growth, the viability of the project being funded by the General Assembly, and health-life-safety considerations.

- Mr. Richardson requested that the board approve the capital projects (and underlying forms, program plans, and documentation) contained in Tables 2 and 3, as well as the priority order of FY 2010-11 projects contained in Table 4. Mr. Richardson also noted that while the Board will be approving cash-funded projects to go on the two-year list, this does not necessarily mean the college will be required to use this spending authority. Mr. Richardson also requested that the board express support for the AHEC requests, with a particular emphasis on the South Classroom Building.
- John Trefny stated that many times four-year institutions add student fees to help with capital construction projects. He then asked if applying student fees for capital construction projects has been discussed in the General Assembly. Dr. McCallin responded that the General Assembly does like projects that bring in cash funds, but it is not clear whether there is a preference on the source or funds (fees or donations). Mark Superka indicated that the General Assembly is cognizant of fee levels relative to tuition rates and this can place community colleges at a disadvantage relative to the four-year higher education institutions given the community colleges' more reasonable tuition rates.

Barbara McKellar made a motion to approve the agenda as presented with the caveat that any cash-funded project over \$500,000 will come back to the Board for final approval to move forward. John Trefny seconded the motion and the motion passed unanimously.

Tamra Ward made a motion to adjourn the meeting at 3:34pm to go into Executive Session pursuant to Colorado Revised Statutes section 24-6-402 (3)(b)(I) to discuss a personnel matter and pursuant to Colorado Revised Statutes section 24-6-402 (3)(a)(II) to confer with the board's attorney concerning legal matters. Patty Erjavec seconded the motion and the motion passed unanimously.

IV. EXECUTIVE SESSION

Executive Session pursuant to Colorado Revised Statutes section 24-6-402 (3)(b)(I) to discuss a personnel matter and pursuant to Colorado Revised Statutes section 24-6-402 (3)(a)(II) to confer with the board's attorney concerning legal matters.

V. ADJOURNMENT