

FUNDING MODEL

In 2008 and 2009, blue ribbon and community college taskforces met to study community college governance and funding. Much of their work was codified through legislation in 2009, which created the following three-part allocation model target (with FY2023 percentage):

State Aid **56%**

Mills/Local **24%**

Tuition/Fees **20%**

State Aid

As required in statute, the Commission allocates legislatively appropriated State Aid block grant funds to the colleges through a funding allocation model. This model includes allocations toward colleges' fixed and variable costs, as well as use of performance metrics for enrolled and completed student credit hours and completed degrees and certificates. Every four years, the Commission must also analyze the colleges' full-time equivalent enrollment trends to adjust the standard State Aid budget. For colleges to qualify for State Aid, each district must meet two statutory criteria:

1. A college must be accredited by a regional accrediting agency
2. A college must levy at least four mills on the district's taxable property valuation

FY2023-2024 biennial base State Aid is approximately \$163.4 million, significantly lower than the Legislature's intended and statutory defined base State Aid budget of \$194.7 million set in 2016 (W.S. 21-18-102(a)(xxii)). Since FY2010, the colleges have had to absorb the impacts of multiple State Aid budget reductions as well as the constant impact of inflation, which total over \$100 million in budget erosion.

Community Contributions

Pursuant to W.S. 39-13-104(e)(i) a community college district may levy up to 10 mills for its operations and debt obligation payments. A college's Board of Trustees can vote to assess up to four mills with an optional one mill. Seven of eight college districts (all that are accredited) currently assess the five base mills. The newest college district, Gillette College, has assessed two and a half mills for one optional mill, that must be renewed periodically by public election, thereafter. Only Laramie County Community College has assessed this optional, elected mill. All optional mills are not considered when running the State Aid funding allocation model. For FY2023 accredited colleges expect their base, Boards-approved five mill levies to generate approximately \$42.5 million, with Gillette College expecting to generate approximately \$11.5 million from its two and a half mills.

Student Tuition and Fees

While the Commission recognizes students should participate in funding their higher education pursuits, the Commission also recognizes the State's policy to keep higher education costs for students as low as possible. In accordance with the Commission's statutory requirement and its tuition policy, the Commission reviews annually whether community college tuition rates should be increased. In October 2022, the Commission decided to not increase tuition for the next academic year since students have had to account for a higher-than-average consumer inflationary environment. The Commission was also recently notified that the Wyoming Community College system has been concluded by the U.S. Department of Education as having higher student cost increases than similar higher education systems (top 5% of systems in the nation from 2018-2021). Current student tuition rates for community colleges are:

- Wyoming Resident: \$105 per credit hour
- Western Undergraduate Exchange (WUE)/Nebraska Resident Students: \$158 per credit hour
- Out-of-State Students: \$315 per credit hour

Tuition has increased by approximately 97% since the 2004 academic year. University of Wyoming resident tuition is currently set at \$160 per credit hour but will increase to \$166 per credit hour (Sept. 2022 UW Board of Trustees action). For FY2023, colleges' tuition revenue is estimated to generate approximately \$37.8 million.

Recapture and Redistribution

- The four mills assessed are never subject to recapture and redistribution. This only happens with the state aid to the colleges, and is used to rebalance the difference between projected and actual revenues.
- Every dollar collected locally stays within that county.
- No college district raises enough in four mills to sustain their operations without the assistance of State Aid.
- Allocations are driven by enrollment and delivery of weighted credit hours. HB 80 from 2016 refined the model and the rules directing how the performance metrics would work.
- If there were a situation where the four mills fully funded a college based on the proportionate share determined in the allocation model, that college simply would not receive any of the State Aid. The State Aid would then be proportionately shared among the State Aid eligible institutions.