RETHINK ERIE Invest in our community's future.

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Inside REthink

PA laws and guidelines govern the creation of a community college. The following are some of the key areas that must be addressed and a summary of content that is included in the draft community college application to date.

- **Local Sponsor**
  By State law, a new community college must have a "local sponsor," which can be a first-class city, school district(s), a county (or counties), or a combination. Erie County would be an appropriate local sponsor, as would school district(s) in Erie County. The local sponsor guarantees one-third of the operating expenses (with the balance shared by the Commonwealth and tuition), and one-half of the capital expenses (the other half paid by the Commonwealth). Funding for the local sponsor share can come from different sources. It is important to note that in community colleges across the Commonwealth, the local sponsor share has traditionally been between seven (7) and 15 percent of operating costs.

- **Service Area**
  Research regarding our region's education, workforce and economic development challenges was conducted in Crawford, Erie, and Warren counties. Ultimately, the service area of a proposed community college is determined by the local sponsor of the application. For example, if one county sponsors, the initial service area would be smaller than if two or three counties compose the local sponsor. Regardless of the initial service area, there would be opportunities for satellite facilities, instructional sites, and partnerships with neighboring counties in the future.

- **Research**
  The Clements Group's workforce development and educational needs report, presented on April 3, 2009, is available online at www.rethinkerie.com. The research found significant needs that were not being met by existing educational and training resources – needs that are traditionally met by community colleges. The top five recommendations included in the research report are:
  1. Create a regional community college with a goal to begin service as soon as practical.
  2. The college should offer both career and college transfer options.
  3. Establish a regional governing system that is accountable to stakeholders.
  4. Establish partnerships where it is mutually beneficial.
  5. Look for innovative ways to help finance the college.

- **Governance**
  Although a community college has a "local sponsor," governance of the college is by the Board of Trustees, which is appointed by the local sponsor. For example, if the local sponsor is Erie County, which is a "home rule" county, appointments could be shared by the County Council and the County Executive, or some other agreed-upon scenario. Under PA law, that Board could have up to 15 members.

- ## Facilities

  A campus master plan and program for development are required by the Commonwealth in any community college application. Because the final decision on facilities would be made by the Board of Trustees, it would be premature for a site to be named at this stage of planning. The Pennsylvania Department of Education (PDE) has said it will accept a set of "site selection criteria" that will be used to identify possible campus areas. The criteria are designed to take maximum advantage of existing public and private investments and infrastructure, recognizing that accessibility, proximity to services, community revitalization, and opportunities to create complementary commercial and residential reuses would be highly desirable aspects of community college development.

  Without a specific site or local sponsor, a draft application at this stage can only include what we know. We do not know if land or buildings will be donated or available in future years, so the draft application assumptions – *at this time* – must include site acquisition and new construction. **This is the "worst-case" scenario.** Starting with assumptions about student projections, we know the availability and cost of leased space for the first 4-6 years. We also know that more space will be needed as student projections increase (typically, years four, seven, and ten), and that renovated or new space would have construction costs.

  It should be noted that there are community colleges – such as Pennsylvania Highlands, started as Cambria County Community College in 1993, and the last to be approved – that are still using leased space. Operating in leased space could be a viable option for the prospective community college and should be aggressively explored. The decision to lease, renovate, and/or build is made by the Board of Trustees.

- **Programs**

  Program offerings are determined by the Board of Trustees with the college administration in accordance with PA law. For application purposes, the budgets and facilities projections are grounded in the intelligence gained through the Clements Group research.

  Proposed first-year programs include eleven occupational programs (AAS) and four-to-five transfer credit programs (AA). Seven to nine of the eleven AAS/certificate (career) programs can be accommodated in existing facilities and with existing equipment at the Erie County Technical School. The intent is to meet unfilled need and not to duplicate programs. According to the research, only two of the eleven proposed AAS programs were offered in the region in 2008; both programs were offered at proprietary schools. It is also important to note that, according to State laws, no more than 50% of curriculum can be delivered online.

- **Enrollment**

  Using 2008 data, initial enrollment is projected to be 700 for the first year: 225 full-time students in occupational programs and 475 in transfer and other programs. Enrollment is projected to be 2028 by the fifth year of operations, and 3689 by the tenth year. Enrollment projections were based on numbers of students who would be new to postsecondary education and perhaps not otherwise be attending existing postsecondary schools. *It should be noted that these projections will need to be updated using current data when an application submittal date is known.*

- ## Timetable

  Any timetable must include consideration of costs and the process of State budget approval. "Start-up" costs include all costs from the time the college is approved by the State Board of Education to the point when State appropriation funds can be used. It should be noted that a new community college must have a dedicated line in the State budget separate from the other 14 community colleges. Therefore, the Commonwealth budget cycle – including the Governor's budget request and legislative approval – is a major factor in the timeline. For example, if classes were to begin in September 2012, an application would need to be submitted to the Commonwealth no later than Spring 2011 in order to have the college approved and funded. If classes were to begin in September 2013, the timeline would shift a year, etc.

- **Financing**

Five-year operating and ten-year capital budget projections are required by the State for the community college application. An estimated operating budget includes projected debt service on bond financing for renovation or new construction, even if those projects may not occur. Local sponsors guarantee 33% of the operating expenses, although in a recent study undertaken by Erie County government, it was reported that, in practice, local sponsors in PA pay between 7-15%. Funding can come from a variety of sources.

The local sponsor and the Commonwealth share the cost of capital expenses (50/50). The application requires a campus master plan, even though the Board of Trustees ultimately must make decisions with respect to facilities planning and use. The budget estimates that were released on June 4, 2009, presented a "worst-case" scenario of site planning and acquisition. Rental situations, donated land and/or space, and many other factors could significantly impact worst-case budget scenarios, and alternatives to that end are currently being explored. Again, the Board of Trustees will ultimately make final decisions regarding leasing, building reuse, renovation, new construction; or through securing the donations of buildings, land, or funds.