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Inside REthink

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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 important points 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), or a county (or counties). Erie County would be an appropriate local sponsor, as would school district(s) in Erie County.

▪ **Service Area**

Research was conducted in Crawford, Erie, and Warren Counties. To a great degree, the service area is determined by the local sponsor. 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 workforce development and educational needs report, presented on April 3, 2009, is available online at www.rethinkerie.com. The top five recommendations 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 the community college has a “local sponsor,” governance of the college is by the Board of Trustees. If the local sponsor is Erie County, which is a “home rule” county, appointments to the Board would most likely be shared by the County Council and the County Executive. Under PA law, that Board could have up to 15 members.

▪ **Facilities**

A campus master plan and program for development are required by the State in any community college application. It should be noted that there are community colleges – such as PennHighlands, started as Cambria County Community College in 1993, and the last to be approved – that are still in leased space. The decision to lease and/or build is made by the Board of Trustees.

Since it would be premature for a site to be named at this stage, the Pennsylvania Department of Education (PDE) is accepting 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, 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.

▪ **Programs**

Program offerings are determined by the Board of Trustees with the college administration in accordance with Commonwealth law. By law, no more than 50% of curriculum can be delivered online. For application purposes, budgets and facilities projections are based upon recommendations from the Clements Group research. First-year programs include eleven occupational programs (AAS) and four-to-five transfer credit programs (AA). Seven of the eleven AAS/certificate (career) programs can be accommodated in existing facilities and with existing equipment at the Erie County Technical School.

▪ **Enrollment**

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. It should be noted that these projections were based on numbers of students who are new to postsecondary education, and would not otherwise be attending existing postsecondary schools.

▪ **Timetable**

“Start-up” includes 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. An application would need to be submitted in Spring 2010 in order to have classes begin in September 2011.

▪ **Finances**

A five-year operating budget and ten-year capital budget are required. 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%.

The application requires a campus master plan, even though no commitments can be made at this stage, since there is no Board of Trustees. Therefore, budgets estimate a “worst-case” scenario of site planning and acquisition, and construction in years four, seven, and ten to meet the projected student count. It is the responsibility of the Board of Trustees to meet the physical needs of the college, whether that is through leasing, building reuse, renovation, new construction; or through securing the donations of buildings, land, or funds.

Program:

- Years 1-6: Seven occupational programs could be housed in leased space at Erie County Technical School. Years 1-4: Classroom and other needs will be met by leased space. Total estimated space: 60-80,000 sf.
- Additional space required and estimated program timing:

Year 4 need:	102,450 sf
Year 7 need:	60,200 sf
Year 10 need:	<u>60,200 sf</u>
	222,850 sf

The recent study by Erie County government has estimated funding for the full local sponsor operating share (33%) and the full capital program (50%) with a campus and new construction. These numbers have not yet been fully vetted by REthink Erie, and have not been adjusted for the revised September 2011 start.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total	\$1,708,990	\$3,203,431	\$4,482,538	\$5,376,798	\$5,991,084	\$6,635,461
Value of mill	\$10,490,708	\$10,615,547	\$10,741,872	\$10,869,700	\$10,999,049	\$11,129,938
Cost in millage	0.1629	0.3018	0.4173	0.4947	0.5447	0.5962
Cost \$100,000 AV	\$16.29	\$30.18	\$41.73	\$49.47	\$54.47	\$59.62