

MEMORANDUM OF UNDERSTANDING

This agreement is entered into this _____ day of _____, 2013, between **NORTHERN WYOMING COMMUNITY COLLEGE DISTRICT/GILLETTE CAMPUS** (hereinafter referred to as COLLEGE), the **BOARD OF COOPERATIVE HIGHER EDUCATIONAL SERVICES**, a Wyoming Board of Cooperative Educational Services (hereinafter BOCHES), **CAMPBELL COUNTY MEMORIAL HOSPITAL** (hereinafter referred to as HOSPITAL), **CAMPBELL COUNTY** (hereinafter referred to as COUNTY) and the **CITY OF GILLETTE** (hereinafter referred to as CITY). The COLLEGE, BOCHES, the HOSPITAL, COUNTY and the CITY may be referred to hereinafter collectively as the Parties.

I. PURPOSE

This Memorandum of Understanding (MOU) shall outline the terms of understanding between the Parties with respect to the operation and support of the Gillette College both through the specific support of particular facilities and through general support of overall operations and maintenance expenses. The Parties recognize that funding the Gillette College solely through the resources available to the COLLEGE is unrealistic and that the terms of this MOU are intended to present an interim solution for at least the next 2 years. The Parties are committed to joint action to develop a sustainable funding package during this 2 year period, and provide a fiscally sound long term plan for the maintenance of the Gillette College. The Parties all recognize that the degree of ongoing support furnished by them is directly related to the revenues that are available to them in any given year. For that reason the Parties acknowledge that if revenues dramatically decline from their current level they may not be able to meet the support levels listed in this agreement and at the same time they recognize that increasing revenues may give them the opportunity to fund at a level that exceeds the levels referenced in this agreement.

II. PROJECT

The Parties acknowledge that they work cooperatively with each other, as outlined in this MOU, to support the operations of the Gillette College. The Gillette College is located in the Gillette Tech Center subdivision within the City of Gillette upon property originally owned by the City of Gillette. The construction of the facilities comprising the Gillette College has been financed by various combinations of the Parties and similarly is maintained by the actions of the Parties. Those facilities are as follows:

A. Old Main

- B. Technical Education Center
- C. Herb and Dorothy Carter Nursing facility
- D. Student Housing Project

III. FINANCING OF CONSTRUCTION THE FACILITIES

The Parties recognize that the following contributions have been provided for the construction and furnishing of the particular facilities:

A. Old Main

(1) COUNTY voters approved a Special Purpose Excise tax to fund the construction of the main campus building and other site improvements, in the amount of \$10,879,000.00. COUNTY contracted for the construction of the facility.

Building is owned by COUNTY and leased to COLLEGE under a long term lease for one dollar (\$1.00) per year. In addition, COUNTY maintains and administers a long term maintenance fund for this building as required by the State of Wyoming Legislature, Session Laws 2000; current balance of this account is \$4,024,139.00. There is no debt on this building.

(2) CITY deeded the 14.213 acres of land appraised at \$350,000, to COUNTY.

(3) BOCHES contributed \$1,112,000 to provide equipment for the new facility.

B. Technical Education Center

(1) CITY deeded the 23.96 acres site of the facility, appraised at \$2,850,000, to COUNTY.

(2) COUNTY and COLLEGE each contributed to fund the \$36,800,000 construction cost of the facility. COUNTY, with the support of local industry, dedicated 1 mill of assessed valuation for two (2) years for a total of \$18,394,000 and the COLLEGE received a grant from the State of Wyoming, total of \$18,394,000. COUNTY contracted for the construction of the facility. COUNTY has the majority ownership of this building and leases to the COLLEGE for one dollar a year. COUNTY maintains and administers a long term maintenance fund for this building, current balance of this account is \$2,389,151.00. There is no debt on this building.

C. Herb and Dorothy Carter Nursing facility

(1) COLLEGE paid \$312,000 for construction of the facility and additional amounts for furnishings for the facility.

(2) HOSPITAL paid \$1.5 million for the design, construction and furnishing of the HOSPITAL owned portion of the facility and associated site improvements.

(3) CITY paid \$2,096,043 for the design and construction of the CITY-owned portion of the facility and associated site improvements, plant investment fees for the facility, the preparation of all condominium agreements and plat, and the site itself (Lot 2, Block 5 of the Gillette Tech Center subdivision; approximately 2.6 acres), which was appraised at \$115,100. CITY contracted for the construction of the facility.

(4) COUNTY paid \$200,000 for the construction of the facility.

D. Student Housing Project.

(1) The CITY was responsible for \$7.1 million, for the design and construction of the Student Housing project and associated site improvements, as well as plant investment fees and the site itself (Tract B of the Gillette Tech Center subdivision; approximately 17.32 acres). CITY contracted for the construction of the facility. The CITY is making annual debt service of \$ 1,244,750 to retire the bonds. The remaining debt is \$2,489,500 for the outstanding bonds. The next payment of \$ 1,244,750 is due in September of 2013.

(2) The COLLEGE, through the District Building Authority, supplied the capital to finance the Student Housing project through the issuance of bonds. The COLLEGE paid the portion of the debt over and above the principal amount of \$7.1 million committed to by the CITY.

IV. OWNERSHIP OF FACILITY

A. Old Main

(1) The property is owned by COUNTY.

B. Technical Education Center

(1) COUNTY owns 78% of the facility and the COLLEGE owns 22%.

C. Herb and Dorothy Carter Nursing facility

(1) The property is a condominium divided into two condominium units and common area. CITY owns one unit and the HOSPITAL owns the other unit.

D. Student Housing Project.

(1) The property is owned by CITY subject to a lease for the duration of the bond issue that funded the construction. Upon the retirement of the debt, one of the housing units will be conveyed to the COLLEGE and the remaining units will be owned by CITY.

V. OPERATION AND MAINTENANCE OF FACILITIES

A. Old Main

(1) COLLEGE operates the facility by virtue of a twenty (20) lease from the COUNTY at a lease rate of \$1 per year.

B. Technical Education Center

(1) COLLEGE operates the facility by virtue of a 99 year lease from the COUNTY at a lease rate of \$1 per year.

C. Herb and Dorothy Carter Nursing facility

(1) The facility is leased to the COLLEGE for a term of 5 years with an option to renew for an additional 5 years. The annual rental for the first 5 years was \$78,000. The annual rental for a second 5 year term is \$1.00. The HOSPITAL contributes annually to support a nursing instructor and ½ the support for the nursing director.

D. Student Housing Project.

(1) COLLEGE operates the facility and pays all costs associated with regular operations of the buildings including, heat/ AC, lights, cleaning, and general maintenance, as well as exterior maintenance of the parking lot and landscaping.

VI. GENERAL FINANCIAL SUPPORT OF COLLEGE

In addition to the specific support of the main College facilities listed earlier in this MOU, the PARTIES also contribute unrestricted general support as follows:

A. CITY and COUNTY have contributed \$200,000 each annually. In the 2012/2013 fiscal year, CITY contributed \$335,000 and COUNTY contributed \$200,000.

B. In fiscal 2013/2014 the CITY budgeted \$335,000, and COUNTY budgeted \$335,000.

C. Since fiscal year 2007, BOCHES has contributed to Gillette College a "Base Funding Level" of \$925,550 and has totally funded all annual costs of the "Camel Advantage" program. In addition, BOCHES has contributed additional supplemental funding over that same period of time averaging \$766,167 annually. Going forward, BOCHES will continue to support the "Base Funding Level" and costs of the Camel Advantage Program for Gillette College. Additionally, BOCHES will consider and fund as appropriate, additional funding requests delivered on an annual basis during development of the BOCHES annual budget.

D. The HOSPITAL will continue to contribute costs for one (1) FTE faculty and one-half (1/2) FTE nursing Director.

E. NWCCD makes these commitments:

1. Even though we are in a situation where we are receiving less money for each FTE, NWCCD will maintain the current level of state funding to GC and will not reduce this funding in response to the addition of local support revenue.

2. At such time as the relationship between funding and enrollment is restored, NWCCD will allocate state funding to the campuses equitably according to funding factors contained in the Appendix.

3. While it is unlikely, it is possible to imagine that state funding could be significantly reduced. This contingency would require possible reduction of state funds allocated to both GC and SC.

NWCCD proposes an annual budget accountability measure that provides for a budget summary by March 31st of each year presented to the parties included in this MOU that articulates:

1. Total state subsidy received for the current fiscal year by NWCCD.
2. Latest annualized FTE (by weighted credit hour) breakdown by college campus (SC/GC).
3. Percentage of total subsidy directly spent in Campbell County in current fiscal year.
4. Comparison of current year subsidy dedicated to GC in prior years.
5. In years in which the legislature approves a new budget, a summary of the District's expectation of funding from the new budget and how this may be allocated by campus (SC/GC).

VII. CONTINUING FINANCIAL SUPPORT

The Parties agree to continue their annual contributions listed above, subject to appropriation and in compliance with the provisions of the Wyoming Municipal Budget Act.

At such time as a new funding source is available for the COLLEGE, such as a change to the Wyoming Statutes concerning funding of Community Colleges in general or the formation of a new community college district for the Gillette College in particular, the Parties will meet and reassess the need for their contributions.

VIII SIGNATURES

In witness whereof, the Parties, through their authorized representatives, have executed this MOU on the dates set out below and certify that they have read, understood and agree to the terms and conditions of this MOU as set forth herein.

Northern WY Community College District/Gillette College

by:


Board of Cooperative Higher Educational Services

by:

Campbell County Memorial Hospital

by:

Campbell County, WY


by: Dan Coolidge, Chairman

City of Gillette, Wyoming

by: _____, Mayor

Dated this ____ day of _____, 2013.

The current funding formula for community colleges provides an opportunity to request enrollment growth funding based on weighted credit hours: credit hours based on enrollment in all credit courses are weighted based on level of instruction – level 1 are classes like English, level 2 are classes like Science labs and level 3 are classes like Tech and Health Science. The following factors would be considered in allocating additional state funding to the respective campuses at such time that enrollment growth is funded:

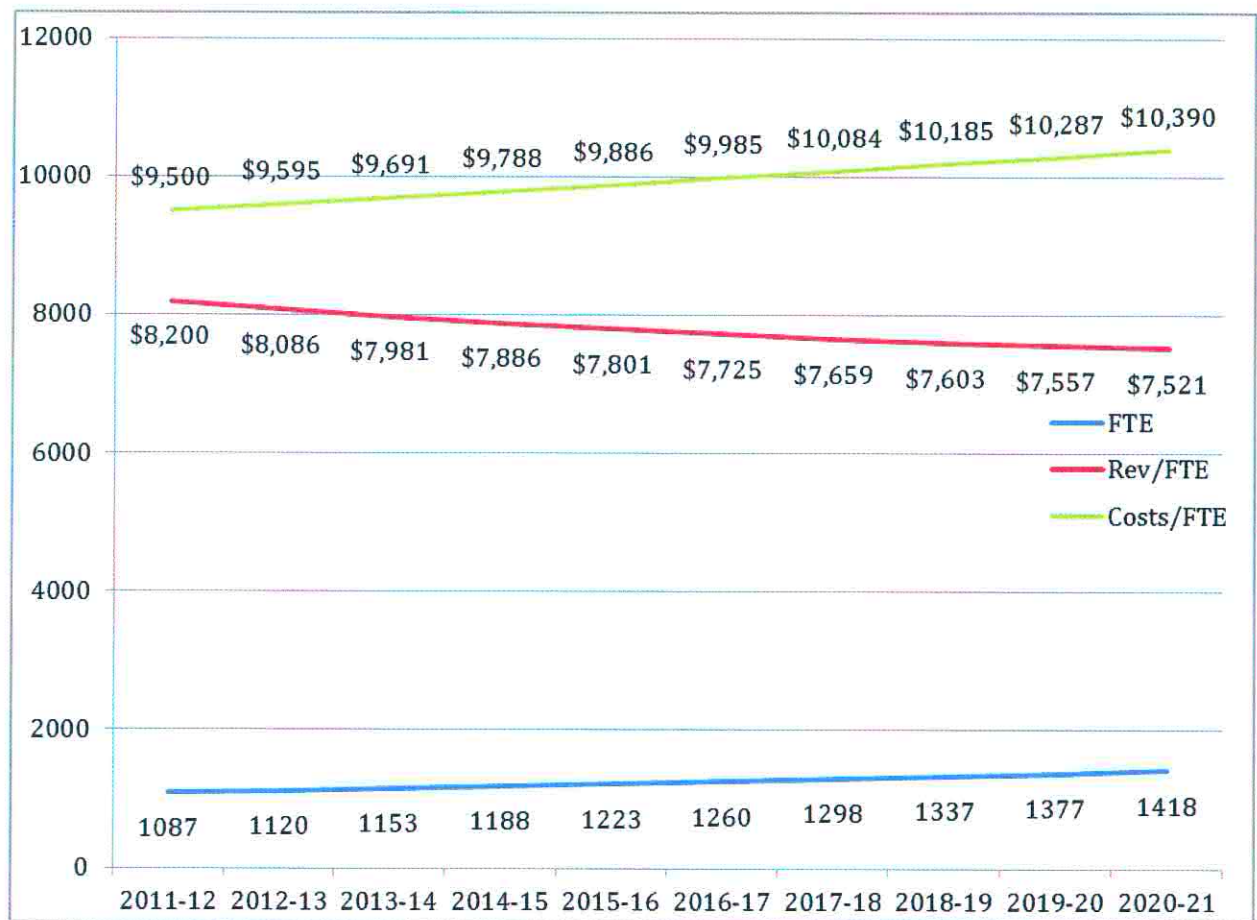
- State appropriation (block grant)
 - Campus Allocated Costs –Based on weighted credit hours
 - District Wide Costs – Based on variable and fixed costs components
- Supplemental state appropriation (reimbursement for health insurance)
 - Based on benefitted employee count

District Wide Costs:

- Allocate district wide costs in Sheridan to other counties in service area
- Review district wide costs compared to allocation of state funds to Campbell County – possible allocation bases:
 - General administrative departments allocated 50/50
 - Student Services departments allocated based on FTE
 - Employee related departments allocated based on employee count

GC Enrollment/Fiscal Impact

<u>Year</u>	<u>FTE</u>	<u>Tuition/FTE</u>	<u>Local cont/FTE</u>	<u>State app/FTE</u>	<u>Rev/FTE</u>	<u>Costs/FTE</u>
2011-12	1087	\$1,576	\$2,484	\$4,140	\$8,200	\$9,500
2012-13	1120	\$1,655	\$2,412	\$4,019	\$8,086	\$9,595
2013-14	1153	\$1,738	\$2,341	\$3,902	\$7,981	\$9,691
2014-15	1188	\$1,824	\$2,273	\$3,789	\$7,886	\$9,788
2015-16	1223	\$1,916	\$2,207	\$3,678	\$7,801	\$9,886
2016-17	1260	\$2,011	\$2,143	\$3,571	\$7,725	\$9,985
2017-18	1298	\$2,112	\$2,080	\$3,467	\$7,659	\$10,084
2018-19	1337	\$2,218	\$2,020	\$3,366	\$7,603	\$10,085
2019-20	1377	\$2,328	\$1,961	\$3,268	\$7,557	\$10,287
2020-21	1418	\$2,445	\$1,904	\$3,173	\$7,521	\$10,390



Assumptions:

1. FTE will increase by 3% annually.
2. Tuition increase will be 5% annually (set by the Wyoming Community College Commission).
3. Local contribution (includes BOCHES, City, County, Campbell County Memorial Hospital) will remain constant at \$2.7million.
4. State appropriation will remain flat.
5. Revenue/FTE will remain a function of tuition revenues, local revenues, and State appropriations.
6. The cost/FTE will increase by 1% per year over the next several years.