

STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION

December 14, 2022

TOPIC: Morgan Community College – Spending Authority Request for Center for Skilled Trades and Technology

PRESENTED BY: Dr. Curt Freed, President

RELATIONSHIP TO THE STRATEGIC PLAN: Refine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

Morgan Community College (MCC or College) is requesting permission to spend up to \$5.2 million for an approximate 4,862 square foot building addition to the main building at MCC's Fort Morgan location for the expansion of the College's Electromechanical Technology (ELMT) program. The spending request is to spend \$1.1 million grant funds, \$2.5 million private donor funds, and \$1.6 million from the College's unrestricted general reserves.

The College's 2018 Facilities Master Plan identified a Laboratory and Classroom deficit of 7,690 square feet in 2017. The Center for Skilled Trades and Technology will provide approximately 2,000 square feet of lab space and storage. The addition is designed to easily accept building additions as funding becomes available for future phases. The current phase of the addition is planned to house the College's ELMT program. The program's current space of 813 square feet does not meet the needs of the program due to size and lack of adjacency of spaces. Students work with live electricity and current room arrangements limit visual oversight by faculty. The addition will include flexible laboratory spaces, equipment and general storage spaces, and faculty offices. The lab spaces are designed to support multiple purposes and layouts and be used by multiple groups at the same time.

The College applied for and received a Talent Pipeline grant in the amount of \$1.1 million to be used to construct an Industrial Electrical Maintenance Mechanic (IEMM) program, now referred to as Electromechanical Technology (ELMT) facility. Additionally, a private donation of \$2.5 from Dr. Alan Martin Dahms and Pollard (Polli) Talton Dahms has been received to help construct the facility. With the rise in construction costs, and the need to expand current water utility lines to provide adequate fire protection service, the grant and the generous donation from the Dahms family is not sufficient to fund the entire costs associated with the building addition. Therefore, the College will fund the remaining balance of \$1.6 million to complete the building addition, utility and site work. As part of accepting the donation, the College has agreed to pursue a naming opportunity for Dr. Alan Martin Dahms and Pollard (Polli) Talton Dahms for the building addition. The College will follow System President's Procedure (SP) 16-50 (Naming of College Facilities and Programs) regarding naming rights of a program.

This addition will help the College to provide employers on the Northeastern Plains of Colorado with the skilled workforce necessary to meet their business needs. The need is amplified in rural communities where students and skilled workers migrate to metropolitan areas for training and inflated salaries offered by competing employers prevent the trained workforce from returning to rural communities. MCC 's existing skilled trades and enhanced technology programs lack space to meet the growing interest from a pipeline of highly engaged and diverse students. Expanded space is critical to MCC's ability to meet current and future needs in the rural workforce region.

The program's current enrollment exceeds the space dimensions recommended for CTE programs. Creative scheduling has been used to offer temporary solutions, however they create overload assignments for the current faculty. Additionally, the tight space itself does not provide an ideal learning environment. The space limitation also prevents the expansion of the curriculum to include more HVAC repair due to the size of the equipment. The Center for Skilled Trades and Technology addition will provide required space to expand the Electromechanical Technology and Industrial Controls & Telematics programs. It also allows for expansion of a new Heating, Ventilation, and Air Conditioning program as well as a Solar and Green Energy Technology program. The second phase, when funding becomes available, would provide space to launch an Advanced Manufacturing Technology program.

With creative scheduling and the recent addition of 1 faculty FTE, the college anticipates increasing 4 student FTEs in FY24. Current space will not allow growth beyond that. In the first full year after completion (FY25), the college anticipates 14 additional student FTE, and an additional 8 student FTE in year 2 after completion (FY26). Projected additional revenue for year 1 is \$238,000 and \$376,000 in year 2. Additional new expenses include 1 additional faculty member in year 1 and an additional .5 faculty member in year 2. The anticipated net operating income is \$135,000 in year 1 and \$235,000 in year 2.

As of July 1, 2022, College reserves were \$5.6 million or 39.4% of operating expenses. With this project and other funded expenditures, projected ending reserve will be \$3.9 million or 27.4% of operating expenses.

If this request is approved, the College is ready to immediately begin the process of securing an architect and contractor. Construction is expected to be completed by late 2024.

RECOMMENDATION:

Staff recommends the Board approve the spending authority for Morgan Community College as outlined above with a do not exceed amount of \$5.2 million and delegate the signature authority of the board to the System Vice Chancellor of Administration & Finance on the condition that all State and Board required processes are met. If the Board approves, the college will need to obtain Colorado Commission on Higher Education and Capital Development Committee approval before proceeding.