

January 19, 2011

The Honorable Joe Straus
Speaker of the House of Representatives

The Honorable Jim Pitts
Chairman, House Committee on Appropriations

HAND DELIVERED

Dear Speaker Straus and Chairman Pitts:

As you unveil the appropriations bill (HB 1) today, we recognize that you are facing extraordinary budget challenges and that all parts of state government will have to yield to these challenges in one form or another. Community colleges stand ready to work with you and your committees to reach a fair and appropriate budget for our institutions. However, we simply cannot abide by a recommendation to close down four of our institutions. In these extraordinary times, we must make an extraordinary request that you immediately renounce and retract the recommendation to close Brazosport College, Frank Phillips College, Odessa College, and Ranger College.

We understand that the base bill is just a starting point for budget negotiations. We look forward to a spirited debate about the merits of funding recommendations related to community colleges. However, a recommendation to close an institution goes beyond the normal give and take of a legislative session. A budget recommendation to close an institution has serious and potentially harmful impacts on the short-term health of the institution. We respect that you did not make this recommendation lightly. We can have a lengthy discussion about the role that these colleges play in their communities and what they mean to economic viability of their regions. However, we are most concerned that this recommendation came without full consideration of the short-term implications. Some of the immediate concerns are listed below.

- **Bond Ratings:** Voters in Odessa just approved a \$68.5 million bond package. In taking these bonds to market the college must now disclose to the bond rating agencies that the state has recommended that the college be closed. This can and will likely result in lower bond ratings and higher costs to the taxpayers of Ector County. The other three colleges currently have outstanding bond obligations as well.

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- **Accreditation Warnings:** A key requirement to maintaining the accreditation of the college with the Southern Association of College and Schools (SACS) is financial stability. A recommendation to de-fund a college will likely trigger moving these colleges to warning status with SACS, in turn triggering the expenditure of local resources to address the SACS review.
- **Faculty Contracts:** In about 6 weeks, the colleges will have to renew or terminate faculty for Fall 2011. With a recommendation to close the college hanging over their heads, the respective boards of trustees of each of the colleges will have to exercise their fiduciary responsibility and terminate their faculty. This is not a step that is easily reversed. These colleges are located in areas of the state where recruitment of qualified faculty is a challenge. It takes years to build a quality faculty, it will take moments to destroy it.
- **Construction Projects:** Several of the colleges are currently in the process of building and renovating facilities. In the exercise of their fiduciary responsibility the boards are faced with halting construction and being sued by contractors or finishing out the projects for a college that will shutter the buildings as soon as they are complete.
- **Fund Raising and District Expansion:** Each of these colleges is extensively involved in developing external resources to support the mission of the college. Those efforts are placed in serious jeopardy as donors and grantors develop concerns about the viability of the college. It takes years to foster relationships with major donors and these relationships can be very quickly undermined by a recommendation to close the college.

These short-term concerns cannot wait for the budget process to run its course. Our boards of trustees have to carry out their fiduciary responsibilities in a timely manner. Hence, we respectfully ask you to immediately retract and rescind the recommendation to close these four colleges. All 50 community college districts are prepared to work with you through this difficult budget process. All 50 community college districts stand united in the support of each of their sister colleges.

Sincerely,

Reynaldo García, Ph.D.
President and CEO

C: Rep. Bonnen
 Rep. Chisum
 Rep. Keffer
 Rep. Lewis