

Santa Barbara Community College District
July 23, 2009

California Resident Full-time Equivalent Students (FTES) Reported on July 15, 2009 (Annual Apportionment Report) and Implications for SBCC 2008-09 and 2009-10 Funding

- At the time P2 was certified on June 25, 2009, the available growth funding for SBCC for 2008-09 was \$1,569,664, higher than the growth funding allocated to SBCC after the first State analysis of the FTES reported at P2, which was \$1,522,218. Nevertheless, the allowable growth funding for SBCC started at \$1,740,041 as of P1 (January 15, 2009). The allowable growth rate has been reduced to 2.32% as of June 25, 2009 compared to 2.49% at P1. Growth funding is due to growth in California resident FTES. The decline in allowable growth funding available is because of 1) higher than anticipated growth of the system as a whole and 2) deficated funding due to lower than projected property taxes.
- Based on actual and estimated FTES, we reported an annualized figure for 2008-09 of 13,598.35 credit resident FTES, 1,563.07 regular non-credit FTES and 935.89 enhanced non-credit. This represents an increase of 375.17 (2.84%) credit resident FTES compared to the 2007-08 base, a decrease of 79.5 (-4.84%) for regular non-credit FTES and an increase of 32.29 (3.57%) enhanced non-credit FTES.
- The total resident FTES reported – 16,097.31 – represents an increase of 327.96 (2.08%) compared to the total base for 2007-08.
- Based on the reported FTES, we have generated \$1,598,726.65 in growth funding, which is \$29,062.65 above the allowable growth funding.
- The credit division generated sufficient FTES to re-pay the Summer 2008 FTES used to achieve the allowable growth in 2007-08 and no additional Summer 2009 FTES were needed to capture all allowable growth for 2008-09.
- Since there is no growth funding in 2009-10, the College needs to maintain its base. In the event that the workload reduction for 2009-10 will be put into the effect, the number of sections offered in 2009-10 will be reduced accordingly.

Annual Apportionment Report	Allowable Growth for 2008-09 per June 25, 2009 P2 certification (2.32%)				
Summary of FTES Reported		Noncredit			
15-Jul-09	Credit	Enhanced	Non-Enhanced	Total	Total CA Resident FTES
2007-2008 Apportionment Base	13,223.18	903.60	1,642.57	2,546.17	15,769.35
Potential Growth FTES	306.78	20.96	38.11	59.07	365.85
SBCC Growth Rate	2.32%	2.32%	2.32%	2.32%	2.32%
2008-2009 Growth Target	13,529.96	924.56	1,680.68	2,605.24	16,135.20
CA RESIDENT FTES ONLY					
2008-2009 FTES Reported					
Annual - no FTES borrowed from Summer 2009	13,598.35	935.89	1,563.07	2,498.96	16,097.31
Difference between Growth Target and Actual					
FTES Difference at Annual	68.39	11.33	-117.61	-106.28	-37.89
% Difference	0.51%	1.23%	-7.00%	-4.08%	-0.23%
Difference between 2008-09 Annual and 2007-08 Base					
		Noncredit			
	Credit	Enhanced	Non-Enhanced	Total	Total
FTES Difference at Annual	375.17	32.29	-79.50	-47.21	327.96
% Difference	2.84%	3.57%	-4.84%	-1.85%	2.08%
Actual growth	Allowable growth funding per June 25, 2009 P2 certification. This may decline for 2008-09.	Unfunded growth			
\$1,598,726.65	\$1,569,664	\$29,062.65			
Total Reported FTES					
Credit					
Resident FTES	13,598.35				
Nonresident FTES	2,184.65				
Credit Total FTES	15,783.00				
Noncredit Total FTES	2,498.96				
Total credit and non-credit CA Resident FTES	16,097.31				
Total SBCC FTES	18,281.96	Includes resident and non-resident, credit and non-credit			

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
Capital Projects Funding Issues
July 23, 2009

The capital projects identified in the Measure V Bond funds need to be re-evaluated addressing the following issues:

- The inability of the State to provide matching funds over the next several years (unknown period of time).
- The statewide ranking of projects and competition for projects within available State funding.
- The need to fund the cost of the Drama Music remodel with local funds (Measure V) until the State can float the bonds required to fund approved projects.
- The possible need to fund SOMA with local funds (Measure V) if the State cannot float their own bonds. The State reduced its contribution to the project from \$32 to \$22.5 million.
- Deferred maintenance priorities and the funding of these priorities.

The State will not be able to fund the expected matching for projects for several years (unknown period of time). The projects will need to be reprioritized and, if possible, scaled down to match the funding from the bond.

An analysis is needed to determine what can be completed within the funding time limit of the bond. It is required that the District spend 85% of the bond funds within the first 3 years after securing the funds (need to actual spend, not encumber, 85% of the \$47 million by November 2011).

The ranking of the projects is based on several factors:

1. State points for matching funds. This is critical for leveraging the amount of Measure V funds. The results of the State points have the Schott Center and Administration building receiving the highest priority and the only two projects eligible for State funds in the foreseeable future. They are the oldest buildings in the District.
2. The current condition of the building.
3. The most benefit from investing the funds.

The State is unable to sell any bonds for capital projects at this time. Although the Drama Music project has been approved within a State bond, the inability of the State to fund these bonds caused the District to utilize additional local Measure V funds to complete the project. The District has not forfeited the right to collect the matching funds from the State and anticipates receiving reimbursement at some point in the future. The reimbursement for the Drama Music remodel will come back into the District's Construction Fund and will be used on the projects identified in the bond.

A decision needs to be made on whether to fund SOMA from the Measure V funding or delay the project until the matching State funding can be obtained. In addition, there will need to be a reallocation of the shortfall from other projects to SOMA.

The options available to the District are:

1. Complete SOMA and Drama Music using the Measure V funds, then use the funds, once received at a later and unknown date, for funding the other projects in the bond to the greatest extent possible.
2. Revert the funds for SOMA to the State, reserving funds from Measure V for District match and resubmit for funding at current state levels.

Assumptions:

Option 1:

1. The State will not have matching funding for several years resulting in the loss of matching funds for several of the projects.
2. The State will “reimburse” the District for all State matching funds expended at some point in time and the District will use these funds for the projects identified in the bond.
3. SOMA will cost \$52 million to construct.
4. The State will provide \$22.5 million in funding for SOMA rather than the originally anticipated \$32 million.
5. ADA Compliance Issues will be reduced by \$2,000,000.
6. The District will provide an additional \$17.6 million in Measure V funds for SOMA for a total of \$27 million from Measure V (assuming the Foundation contributes \$2.5 million fundraised for this project. Currently, less than \$2 million has been raised. The goal was to raise \$5 million for the project.). When the Bond measure information was publicized, the project was estimated to cost \$46.4 million (not \$52 million) and the contribution from Measure V was estimated to be \$9,345,200 not \$27 million.
7. The Physical science East Wing and Wake center modernizations will be postponed.
8. The Humanities Building will not be a modernization project, but will have major maintenance only.
9. Unfunded major maintenance projects will have funding reduced by \$4 million.
10. Occupational Education – classroom/lab modernization will lose State matching, but will be funded to the extent possible with Measure V funds.
11. Campus center will lose State matching, but will be funded to the extent possible with Measure V funds.
12. PS 101 will lose State matching, but will be funded to the extent possible with Measure V funds.
13. The Schott Center will remain in the plan to be funded to capture State matching funding.
14. The Administration building will be funded due to the very high point count to capture State matching funding.
15. Program Management will be funded through the project.

Pros:

- Maximizes the State matching for an additional \$21 million.
- Completes the flagship project from the bond campaign and provides the only new building approved for the campus.

- Important for the fundraising efforts of the Foundation and the College staff involved in these efforts, complete the project as promised. Meet donors' expectations.
- Vastly improve the SOMA program and the other programs that receive additional space for backfill.
- Adds the Administration building to leverage State matching funds.

Cons:

- There are no funds for the additional staffing required for the 60,000 sqft of building and landscape.
- Takes substantial funding away from the other projects identified in the bond. Basically, the bond will have funded only two major projects: Drama Music and SOMA. The rest of the campus infrastructure will remain problematic.

Option 2:

1. The District will revert the State matching funds for SOMA. The District would resubmit the proposal to the State for future funding at current State funding levels.
2. State will not have matching funding for several years resulting in the loss of matching funds for several of the projects.
3. State will "reimburse" the District for all State matching funds expended at some point in time and the District will use these funds for the projects identified in the bond.
4. The District will use the remaining funds toward as many other projects under the bond as possible.
5. ADA Compliance Issues is reduced \$2 million.
6. Humanities District funding would be reduced \$6 million.
7. Major maintenance projects would be reduced by \$2 million
8. PS 101, OE and Campus Center projects will be funded at original Measure V funding level.
9. Physical Science East and Wake Center projects will not be funded.
10. Administration Building will be added to capture State funding.
11. Schott Center will be funded to capture State funding.
12. Program Management will be funded through the project.

Pros:

- There is the possibility of increasing State matching for SOMA, the State would fund at 80% which in turn would decrease District funding for SOMA.
- Provides some funding for all of the projects in the bond.
- Maintains the infrastructure of the College.
- Improves energy efficiency saving money from utilities.
- Adds the Administration building to leverage State matching funds.

Cons:

- The serious risk exists that SOMA will not be funded or completed.
- Need to retain the District matching for SOMA

- Potential loss of credibility in the community; also loss of credibility with legislators and Chancellor's Office

Alternative planning requirements for Cashflow:

1. The state does fund the projects through construction.
2. The state does not fund the projects through construction.
3. Option 2 would mean retaining funding for SOMA until it was determined to be feasible or not.

Option 1 would build SOMA. The downside is that the aging infrastructure would not be addressed and the College would lose the opportunity to reduce utility expenditures, saving expense over time. We could not predict what the State budget would do, putting us in the position of having to choose between maintaining the infrastructure and SOMA. The SOMA project is important and was the center piece for the voters. Is building SOMA the best for the College overall or would it be better that we addressed the majority of the projects and added the Administration building? Although we would have to use the portable buildings for growth, not SOMA, the College infrastructure is set up for the next 20 years. If Option 1 is chosen there is no other option but to go out for another bond for maintaining the infrastructure at some point, which in this economic environment is unlikely to pass in the next 5-10 years.

Some important questions are:

- Which option serves the College as a whole and the students better?
- Which option would be best received by the College community, the donors and voters?
- Which option would provide for the best opportunity for funding (the next bond) in the future?
- How would the State respond to re-applying for SOMA?

OPTION 1, FUND SOMA	State Funding	District Funding	Total Funding
ADA Compliance Issues	\$ -	\$ 2,050,000	\$ 2,050,000
Drama Music	\$ 10,957,000	\$ 9,976,731	\$ 20,933,731
Major Maintenance Projects (50%)		\$ 8,828,758	\$ 8,828,758
High Tech - School of Media Arts	\$ 22,522,000	\$ 26,978,000	\$ 52,000,000
Contribution from Foundation for SoMA		\$ 2,500,000	
Physical Science East Wing Modernization			
Schott Center Modernization (ADA/Seismic)	\$ 9,506,000	\$ 7,084,680	\$ 16,590,680
Humanities Building Modernization		\$ 2,423,300	\$ 2,423,300
Major Maintenance Projects (balance)	\$ -	\$ 2,328,758	\$ 2,328,758
Classroom/Lab Modernization for nursing, health, auto and other career tech programs		\$ 1,173,459	\$ 1,173,459
Wake Center modernization			
Campus center - School of Culinary Arts Renovation & Expansion		\$ 3,811,084	\$ 3,811,084
Physical Science 101 Modernization		\$ 471,947	\$ 471,947
Administration Building Modernization	\$ 12,663,306	\$ 9,935,296	\$ 22,598,602
Program management		\$ 5,000,000	\$ 5,000,000
Total	\$ 55,648,306	\$ 80,062,012	\$ 138,210,318
Shortfall after using all Measure V funds		\$ (2,820,012)	

OPTION 2, REVERT STATE MATCHING FOR SOMA, REAPPLY FOR SOMA, ASSUME APPROVAL	State Funding	District Funding	Total Funding	State Assigned Points
ADA Compliance Issues	\$ -	\$ 2,050,000	\$ 2,050,000	
Drama Music	\$ 10,957,000	\$ 9,976,731	\$ 20,933,731	
Major Maintenance Projects (50%)	\$ -	\$ 8,828,758	\$ 8,828,758	
High Tech - School of Media Arts	\$ 40,000,000	\$ 12,000,000	\$ 52,000,000	
Contribution from Foundation for SoMA	\$ -			
Physical Science East Wing Modernization			\$ -	
Schott Center Modernization (ADA/Seismic)	\$ 9,506,000	\$ 7,084,680	\$ 16,590,680	120
Humanities Building Modernization		\$ 10,051,134	\$ 10,051,134	
Major Maintenance Projects (50%)	\$ -	\$ 6,858,924	\$ 6,858,924	
Classroom/Lab Modernization for nursing, health, auto and other career tech programs		\$ 1,173,459	\$ 1,173,459	
Wake Center modernization				
Campus center - School of Culinary Arts Renovation & Expansion		\$ 3,811,084	\$ 3,811,084	
Physical Science 101 Modernization		\$ 471,947	\$ 471,947	
Administration Building Modernization	\$ 12,663,306	\$ 9,935,296	\$ 22,598,602	120
Program management		\$ 5,000,000	\$ 5,000,000	
Total	\$ 73,126,306	\$ 77,242,013	\$ 150,368,319	

**ORIGINAL PROJECTS, STATE MATCHING ASSUMPTIONS AND COST ESTIMATES
PRESENTED TO VOTERS ON JUNE 2, 2008 ON THE MEASURE V BOND**

	Project	State Funding	District Funding	Total Funding
1	Physical Science East Wing Classrooms/Lab Restoration and Seismic Safety Upgrades	\$ 4,225,000	\$ 3,033,333	\$ 7,258,333
2	Physical Science Lecture Hall Restoration and Seismic Safety Upgrades	738,628	471,947	1,210,575
3	Classroom/Lab Conversion for Nursing, Health, Auto and Other Career Tech Programs	1,099,149	1,173,459	2,272,608
4	School of Media Arts (SoMA) * Foundation Cap Campaign	32,072,000	9,345,200	46,417,200 5,000,000*
5	District-wide Major Maintenance Projects		17,657,515	17,657,515
6	Americans with Disabilities Act Accessibility Upgrades		4,050,000	4,050,000
7	Drama/Music Classroom, Lab, Performance Area Restoration and Seismic Safety Upgrade	12,711,681	9,976,731	22,688,412
8	Computer Science, ESL, Foreign Languages, Art Classroom/Lab Restoration and Seismic Safety Upgrade (Humanities Building)	17,893,864	14,051,134	31,944,998
9	School of Culinary Arts and Campus Center Restoration and Repairs	4,998,862	3,811,084	8,809,946
10	Schott Center Restoration, Repairs, and Seismic Safety Upgrades	9,506,000	7,084,680	16,590,680
11	Wake Center Restoration, Repairs, and Seismic Safety Upgrades	8,813,710	6,586,929	15,400,639
		\$ 92,058,894	\$ 77,242,012	\$ 174,300,906

*The Foundation for Santa Barbara City College has committed to raise \$5.0 million for this project.