

Proposition N – San Diego Community College District – School Improvements – Bond (11/07/06)

Board Recommendation:

SUPPORT

Rationale:

While it is difficult to ascertain the demand for additional capacity within the San Diego Community College District in the future, there is undoubtedly a need to modernize and upgrade existing facilities due to their age (much of City College was built in 1914; Mesa College in 1964; and Miramar in 1969) and, in some cases, due to the low standard of construction under which they were built. The District provides valuable education and training to over 100,000 students each semester at its three colleges and six adult education campuses¹.

Proposition N meets all of SDCTA's requirements for education bond support. The District has adopted all of SDCTA's recommendations to enhance and empower the Independent Citizens Oversight Committee. Two bona fide taxpayers association representative seats have been added to the committee, and its duties and responsibilities have been clarified.

Background:

The San Diego Community College District (SDCCD) made its last bond request through Proposition S (\$685 million) in November 2002. The SDCTA supported S after determining that the specifics of the measure had met the Association's school bond criteria. Proposition S ultimately passed with 68.6% of the vote.

Proposition S was considered the first step in a long process of funding the acquisition of new facilities and upgrade of existing ones². The SDCCD as a whole was projected to require more than \$2.5 billion in modernization, renovation, and new construction. However, whether or not this total funding requirement was recognized before Proposition S or after is unclear, primarily because the District lacked a Facilities Master Plan (FMP) prior to the passage of S. Proposition S provided the almost \$1 million in funding necessary for the production of an FMP that severe budget constraints had made impossible³.

The initial absence of an FMP has resulted in several Proposition S projects being altered, such as an increase in square footage or other modifications designed to meet changing student demand and academic requirements. This factor, combined with an unexpected rise in construction costs, has led to a considerable number of Proposition S projects going unfinished to date⁴. Consequently, there is an overlap between the Project Lists of Proposition S and its successor Proposition N (**Appendix A**).

¹ SDCCD presentation materials to SDCTA at Issues Committee on September 8, 2006

² SDCCD Bond Measures Summary of Plans and Comparison. Pg.2.

³ SDCCD Bond Measures Summary of Plans and Comparison. Pg.2.

⁴ SDCCD Bond Measures Summary of Plans and Comparison. Pg.3.

Enrollment History and Predictions:

SDCCD has over 100,000 students enrolled each semester at its 3 main campuses and 6 adult education campuses⁵. This number appears relatively reasonable given the size of the district.

The 100,000 students per semester claimed by the SDCCD is a combination of credited and continuing education non-credited enrollment. The District takes a census of its credited student body at the beginning and end of each semester. According to the Director of Institutional Research and Planning, continuing education non-credited enrollment is not measured via the same method. This is due to courses beginning at different points throughout a semester, as well as the very nature of this enrollment existing on an “open-entry, open-exit” basis, resulting in perpetually fluctuating numbers, thereby making it difficult to correctly quantify the number of students. Consequently, figures for this segment of the student population come from the annual Student Information database based upon class enrollment⁶.

Further, the credited enrollment figures (**Figure 1**) of the entire District from Spring 2001 to Spring 2006 fluctuated between 46,800 and 51,200⁷. This suggests that the District is estimating non-credit enrollment figures that are equal to or often greater than its credited enrollment.

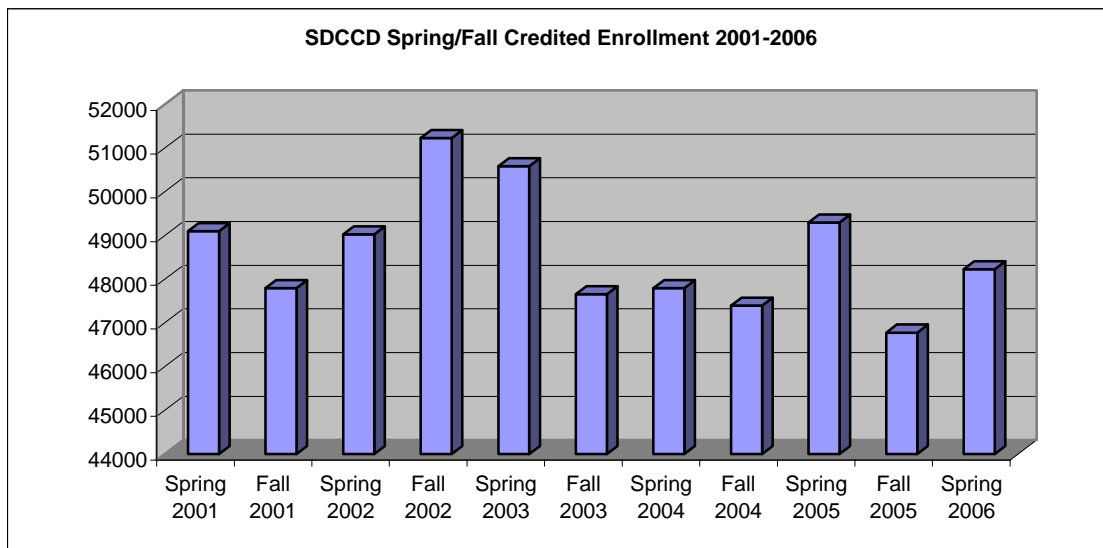


FIGURE 1⁸

The District argues that its enrollment “has continued to increase and is projected to continue in this pattern over the next 10 years as ‘Tidal Wave II’ moves through postsecondary education”⁹. After an examination of the District’s credited enrollment figures, one comes to the conclusion that the growth trend the District refers to is based on its non-credited enrollment.

⁵ Bond Measure: Proposition “N” – A Presentation to San Diego County Taxpayers Association Issues Committee. September 8, 2006.

⁶ Email from Lynn Neault, Vice-Chancellor of Student Services. September 18, 2006.

⁷ SDCCD Institutional Research and Planning. Enrollment statistics by student profile. <http://research.sdccd.edu/>

⁸ SDCCD Institutional Research and Planning. Enrollment statistics by student profile. <http://research.sdccd.edu/>

⁹ Bond Measure: Proposition “N” – A Presentation to San Diego County Taxpayers Association Issues Committee. September 8, 2006.

The credited enrollment between 1992 and 2005 for the District’s three main campuses is presented in **FIGURE 2**. Credited enrollment for this period experienced an overall drop of 2.4%. Even when accounting for the absence of figures from the adult education centers, this number remained all but unchanged.

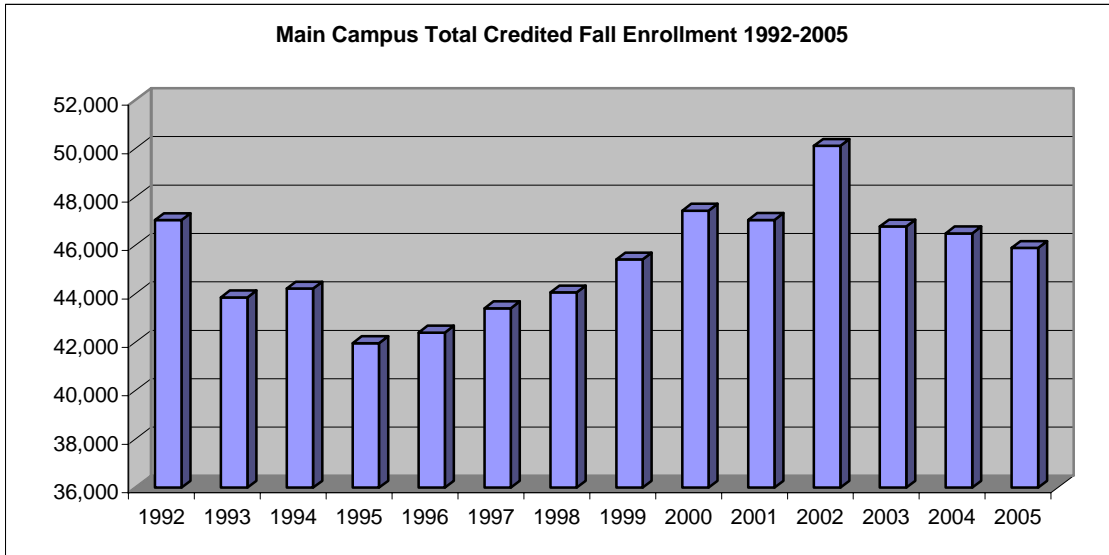


FIGURE 2¹⁰

The non-credit continuing education enrollment (headcount) between 1996 and 2006 is presented in **FIGURE 3**. Continuing education enrollment has decreased almost 30% during this period.

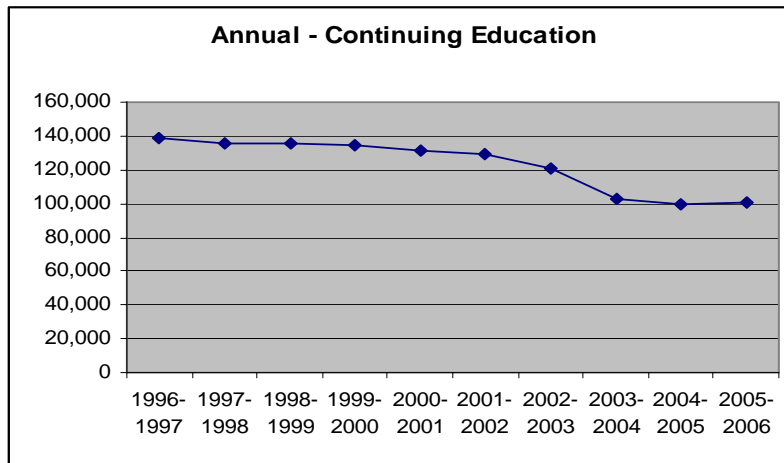


FIGURE 3¹¹

¹⁰ SDCCD Institutional Research and Planning. Fact Book 2001, Volume 1 - Districtwide.

¹¹ Data provided by Lynn Neault, Vice Chancellor of Student Services, SDCCD

According to information provided by the District, predictions of future enrollment have been made from the following factors:

- 1) Projected growth in the adult population in the San Diego region through the year 2030 (SANDAG)
- 2) Increase workforce training needs in areas such as nursing education and other health professionals, computer support technicians, and electrical and electronic engineering technicians (California Employment Development Department)
- 3) Occupations requiring an Associate degree are projected to be the fastest-growing in San Diego (Bureau of Labor Statistics, California Employment Development Dept)
- 4) Analysis of high school graduation rates in San Diego County shows an overall increase from 2004-05 through 2014 (California Department of Finance)
- 5) Projected growth in student contact hours through the year 2015 (California Community Colleges Chancellor's office)

Overall Need:

According to the District, supporting the cost of all necessary facilities improvements as specified in the FMP (\$2.5 billion) is negatively impacted by three factors:

- The long timeline for obtaining state funding for facilities
- The inadequacy of state funding for the size of the California Community Colleges system
- The funding limits inherent in restricting bond levels to \$25 per \$100,000 assessed valuation

The District states that all Proposition S bonds will have been issued by early 2007 and the remaining projects from the S Projects List will be underway (which would thereby include portions of projects from the Proposition N list)¹². Based on these factors and the importance of meeting student needs now and in the future, the District chose to move ahead with the request for a new bond so that the renovations and new construction would proceed with little interruption.

Proposal:

The San Diego Community College District has proposed a bond measure for the November 2006 election that reads as follows:

“To better prepare San Diego community college students for 4-year universities and quality jobs, shall San Diego Community College District upgrade existing educational facilities, including classrooms for nursing, police, paramedic, and firefighting careers, upgrade science and high-tech training labs; repair aging roofs, electrical and safety systems; and construct and equip facilities and sites; by issuing \$870 million in bonds, at legal rates, with citizen oversight, mandatory audits, no money for administrative salaries, and maintain current tax rate limits?”

¹² SDCCD Bond Measures Summary of Plans and Comparison. Pg.2.

The revenue from the sale of the aforementioned bonds would be used to fund a series of projects for City College, Mesa College, Miramar College, and six Continuing Education campuses. A summarized version of the Proposition N project list is presented below.

Proposition N Appropriations

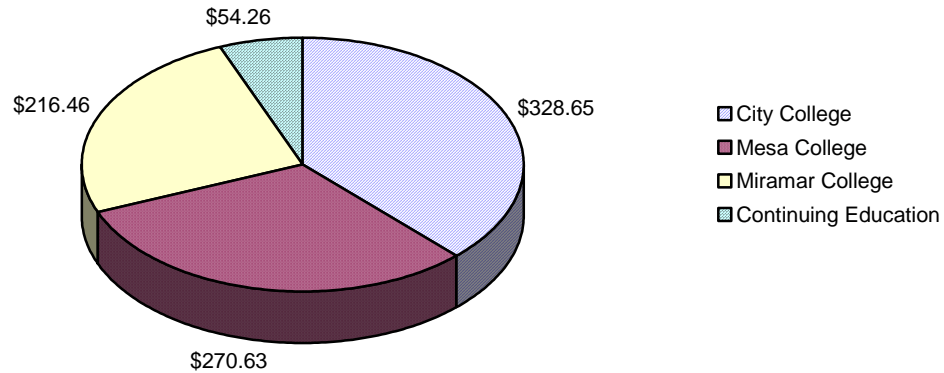


FIGURE 4

San Diego Community College District Summary¹³ of Official Project List for Proposition N

City College

PROJECT I: Construct and equip classrooms and labs, academic instructional, and support areas for a Science Building, Engineering Technology Building, and Business Technology Building.

PROJECT II: Construct and equip academic classrooms and labs, academic instructional and support areas for Humanities Building.

PROJECT III: Repair and renovate existing academic classrooms, labs, and student support facilities.

PROJECT IV: For improved safety and better access, upgrade infrastructure throughout campus.

Mesa College

PROJECT I: Construct academic classrooms and labs for improved instruction.

PROJECT II: Upgrade 40-year-old, worn-out, outdated student support facilities.

PROJECT III: For improved safety and better access, upgrade infrastructure throughout campus.

Miramar College

¹³ Full Prop 39 required project list is available on request.

PROJECT I: Build and equip classrooms, labs, and academic instructional and support areas for San Diego Regional Public Safety Institute.

PROJECT II: Repair, renovate, and expand existing Science Building for improved instruction.

PROJECT III: Build and equip classrooms, labs, and academic instructional and support areas for Workforce Training instruction.

PROJECT IV: Upgrade and construct new student support facilities.

PROJECT V: For improved safety and better access, upgrade infrastructure throughout campus.

Continuing Education

The facilities for adult education programs at San Diego Continuing Education include short-term job training, high school completion, health care professions, office skills training, and programs for disabled students. The specific projects for San Diego Continuing Education include:

PROJECT I: Construct Clairemont/Linda Vista Adult Education Building for occupational and instructional programs that lead to entry-level employment.

PROJECT II: Expand Educational Cultural Complex:

State Funding:

The California Community Colleges Board of Governors has established a set of criteria¹⁴ that are used by the Chancellor's Office (CCCCO) for determining appropriations. These criteria allow the prioritization of projects based on immediate need (health and safety concerns), and provide a point system of quantitative measures for determining district eligibility from enrollment growth statistics, existing space to enrollment ratios, the effectiveness of projects in meeting enrollment expansion needs, and the level of local bond contribution.

The funding application process proceeds in two phases: the Initial Project Proposal (IPP) and Final Project Proposal (FPP). The IPP phase includes the initial project proposal submission as well as a yearlong review process by CCCCCO to determine whether or not a district meets the necessary criteria for funding. During the review process, points based on the aforementioned system are assigned and comparisons are done between districts for the purpose of prioritizing. The FPP phase includes the submission of actual schematics and additional eligibility points are awarded (if necessary) to districts according to their projected access to local bond funding.

The District received funding in recent years for two library/learning resource centers and a gymnasium. However, according to SDCCD representatives, the District does not currently

¹⁴ A summary of the criteria and regulations governing state funding decisions for community colleges is available upon request.

qualify for state funding due to a low eligibility rating from the CCCCCO and a limitation on resources (Proposition 1D has earmarked \$1.5 billion for community colleges in FY 2007 and 2008).

Independent Citizens' Oversight Committee:

The bond measure states that an Independent Citizens' Oversight Committee (ICOC) will be created and must include among others, a representative of a bona fide taxpayers association, a business organization and a senior citizens organization. It also requires that a majority of members include knowledgeable professionals in the fields of large-scale construction, public finance, agency/entity budgeting, and project management to ensure that the funds are spent as promised.¹⁵

If Proposition N passes, Proposition S ICOC members will be appointed to serve on Proposition N's ICOC, so that there will be one combined ICOC. The District has also added two bona fide taxpayers association seats to the ICOC, at the request of SDCTA.

Fiscal Effect and Bond Issuance Specifics:¹⁶

Passage of Proposition N is designed to produce revenues from five issuances over eight years between FY 2008 and 2016 totaling \$870 million. This amount reflects a 7% inflation rate adjustment for Proposition N projects¹⁷.

In determining the assessed valuation growth potential for San Diego, the District explored three scenarios, ultimately selecting the most conservative projection for the area (five years at 8.5%, twenty years of declining rates from 8% to 5%, and 3% thereafter). As a result, even with the combination of two bonds, the District is projected to remain under the \$25 per \$100,000 assessed value requirement.

Based on its projected 2008-9 assessed valuation, the maximum bonding capacity of the District is \$1.76 billion. Combining this estimation with the projected total revenues from Propositions S and N (\$1.6 billion) provides a possible basis for Chancellor Carrol's assertion in a July 26, 2006 Union Tribune article that Proposition N would "probably be the last bond measure...for the next 50 to 75 years".¹⁸

Arguments of the Proponents:¹⁹

Proposition N will:

¹⁵ SDCCD Bond Measures Summary of Plans and Comparison. Pg.3.

¹⁶ San Diego Community College District – General Obligation Bonds Election of 2006 Proposition "N" (bond data)

¹⁷ SDCCD Bond Measures Summary of Plans and Comparison. Pg.3.

¹⁸ Yang Su, Eleanor. "\$870 Million Would Help S.D. Colleges". San Diego Union-Tribune. July 25, 2006. <http://www.signonsandiego.com/news/education/20060725-9999-7m25ccbond.html>.

¹⁹ San Diego County Registrar of Voters – Filed Argument in Favor of Proposition N, November 2006 Ballot

- Renovate or add classrooms for nursing, police, paramedic, and firefighting careers
- Upgrade science and high-tech training labs and equipment
- Expand electrical and technological infrastructure
- Repair or replace aging roofs
- Improve energy efficiency and deteriorated safety/security systems
- Construct educational and student support facilities for improved safety and access
- NOT increase existing property tax rates
- Require strict fiscal controls and accountability

San Diego educators, public safety providers, and civic and business leaders urge your support.

Signors to the Arguments in support of Proposition N:

William B. Kolender – Sheriff of San Diego County

Tracy Jarman – Fire Chief, City of San Diego

Kathy M. McGinnis – Faculty Senate President, San Diego City College

Rev. George Walker Smith – Civic Leader

Deirdre “Dede” Alpert – State Senator, Retired

Arguments of the Opponents:²⁰

- Apparently politicians believe that money DOES grow on trees. Why else would we see over forty BILLION dollars’ worth of state bonds on the ballot? Plus two major statewide tax increases and a massive oil “fee” increase?
- It’s become a cliché, but it is true – we don’t have a revenue problem; we have a spending problem!
- We taxpayers already spend quite a lot on community college education. If further funding is needed, then it should be the students and their families who foot the bill through higher tuition. There is no reason for community colleges to be so much cheaper than state colleges such as SDSU.
- Low-income students already can get relief from paying full tuition. But the rest should pay a more reasonable tuition to reflect the value of these courses.
- The LAST thing we need to do is go deeper into debt for our community colleges. It’s time for bureaucrats to better utilize the money that we ALREADY spend on education

Signors to the Arguments in opposition to Prop N:

Richard Rider – Chair, San Diego Tax Fighters

Fred Schnaubelt – Former San Diego City Councilman

John Murphy – Retired Naval Officer

Edward Teyssier – Small Business Owner

La Vonne Misner – Retired

²⁰ San Diego County Registrar of Voters – Filed Argument in Opposition to Proposition N, November 2006 Ballot

APPENDIX A

Proposition S - Project List	Proposition N - Project List
San Diego City College	San Diego City College
Construct Engineering Technology Building; will add 40k sq.ft. of general purpose classroom and laboratories to address electronics, biotechnology, environmental studies, space and defense.	Demolish 60-year old "T" Building and construct 40k sq.ft. Engineering Technology Building. Will provide general purpose classrooms and labs,
Construct Business Technology Building, 30k sq.ft. with emphasis on high tech labs	Construct 40k sq.ft. Business Technology Building with emphasis on high-tech labs.
Construct Humanities Building, 30k sq.ft. of multimedia and broadcast tech equipped labs and classrooms	Construct 70k sq.ft. Humanities Building providing academic classrooms, and multimedia and broadcast technology-equipped classes and labs.
Construct classrooms and labs for languages and speech therapy and instruction to support job entry requirements.	Repair and renovate Instructional "C" Building to upgrade classrooms and labs for Languages, Speech Therapy, Visual Arts, and Workforce Training programs.
San Diego Mesa College	San Diego Mesa College
Build and equip classrooms, labs and academic instructional and support areas for 72k sq. ft. Math and Science Building, including labs and lecture classrooms for chemistry, physical science and biology.	Construct 80k sq.ft. Math and Science Building providing labs and lecture classrooms for Chemistry, Physical Sciences, Biology, and Mathematics.
Build and equip classrooms, labs and academic instructional and support areas for 60k sq. ft. Instructional Technology Building, including computer labs for Multimedia, Math, Business and Architecture instructional programs.	Construct and/or renovate 60k sq.ft. Instructional Technology Building including classrooms and computer labs for Multimedia, Mathematics, Business, and Architecture programs.
Construct 11k sq. ft. stockroom and campus facilities support areas.	Construct 11k sq.ft. facility for instructional materials and supplies storage.

San Diego Miramar College	San Diego Miramar College
<p>Repair, renovation and upgrading of the region's training center for public safety (police offices, sheriff's deputies, fire fighters EMT's and lifeguards). This project seeks to ensure that San Diego Miramar College will continue to be the hub of public safety training for the region. The San Diego Community College District (SDCCD) is an equal partner in the joint powers authority formed by the City, the County and the SDCCD. The project is expected to cost a total of \$30 million to be equally shared by each participant.</p>	<p>Repair, renovate, and upgrade the region's training center for public safety (PD, FD, Sheriffs, EMTs, Lifeguards). The San Diego Community College District (SDCCD) is an equal partner in the joint powers authority formed by the City, the County and the SDCCD.</p>
<p>Repair and renovation of Science Building will include conversion of existing classrooms into additional lab space, construction of two large lecture halls and related academic support rooms of 15k sq. ft. and an outdoor area for instruction.</p>	<p>Repair and renovate Science Building to convert existing classrooms into lab space; construct enclosure on west side of the building for faculty offices and related academic support rooms of 15k sq.ft. and an instructional outdoor area, including greenhouses and biological pond.</p>
<p>Repair and renovation of 15,300 sq. ft. of Aviation Maintenance Technology Center, including renovation and retrofit of existing classrooms to accommodate new technologies key to preparing aviation technicians and renovation of aviation technology lab spaces.</p>	<p>Repair and renovate existing 15,300 sq.ft. Aviation Maintenance Technology Center, retrofit classrooms and design/construct new classrooms to accommodate new technologies key to preparing Aviation Technicians, and renovate Aviation Technology lab space.</p>
<p>Build and equip classrooms, labs and academic instructional and support areas for 8k sq. ft. Automotive Technology Career Instructional Building to house a state-of-the-art instructional program teaching the latest in Automotive Technology and be a center for research on and trial of developing technologies. It will consist of two classrooms, a clean room lab, seven auto lab bays and their related support areas, a tool room and storage; support spaces for staff and faculty; and, an outdoor dedicated work area.</p>	<p>Construct 6,500 sq.ft expansion of Automotive Technology Career Instructional Building to include automotive bays and support Automotive Technology Department's curriculum.</p>
<p>Build and equip a 6k sq. ft. College Services Center and Police/Emergency Services substation.</p>	<p>Construct 8k sq.ft. Police/Emergency Substation and College Services Center</p>

San Diego Centers for Education and Technology	San Diego Continuing Education
<p>Construction of Phase IIB wing, of 40k sq. ft. to complete main building on campus.</p> <ul style="list-style-type: none"> • Programs accommodated in the new building include work force training and preparation. • Include state of the art labs, lecture and support space. 	<p>Construct 15k sq.ft. Phase IIB wing as an addition to main building and renovate and relocate program offices. Programs accommodated in the new building will include workforce training and preparation, including state of the art labs, lecture, and support space.</p>