

DBAC Meeting

December 8, 2011

Questions from November 10, 2011 DBAC Meeting

- 1) G.O. Bond Financing Summary (*Attachment #1*)
- 2) Basic Allocation Thresholds (*Defer to January meeting when workload adjusted thresholds are known.*)
- 3) Can non-state funded FTES count towards those thresholds? (*Unfunded FTES can. Non-resident, out-of state or out-of-country, does not.*)
- 4) Enhanced Non-Credit - Background (*Attachment #2*)
- 5) Mid-Year Trigger Cuts (*Attachment #3*)

G.O. Bond Funding Summary

| | Original Allocation | Debt Repayment | Interest & Other Income | Refunding | Total Allocation | Estimated Interest 2012 | Balance |
|----------|----------------------|----------------|-------------------------|--------------------|----------------------|-------------------------|----------------------|
| District | \$8,600,000 | \$23,000,000 | \$25,276,992 | \$9,991,058 | \$66,868,050 | \$200,000 | \$67,068,050 |
| OCC | \$199,210,000 | | (\$2,000,000) | | \$197,210,000 | \$0 | \$197,210,000 |
| GWC | \$95,953,000 | | \$5,300,000 | | \$101,253,000 | \$0 | \$101,253,000 |
| CCC | \$66,237,000 | (\$23,000,000) | | | \$43,237,000 | \$0 | \$43,237,000 |
| | \$370,000,000 | \$0 | \$28,576,992 | \$9,991,058 | \$408,568,050 | \$200,000 | \$408,768,050 |

| | | | | | | | |
|---------------------------------------|--|--|----------------------|--|--|--|--|
| District Allocations | | | | | | | |
| District Building | | | 25,700,000 | | | | |
| Transportation Building | | | 2,900,000 | | | | |
| Banner | | | 8,900,000 | | | | |
| Districtwide Planning | | | 2,900,000 | | | | |
| Debt Repayment | | | | | | | |
| Coastline Buildings (Admin and G | | | 17,700,000 | | | | |
| Districtwide Energy Loan | | | 3,900,000 | | | | |
| PNI Software | | | 3,000,000 | | | | |
| Equipment Financing | | | 1,700,000 | | | | |
| Contingency | | | 300,000 | | | | |
| | | | <u>\$67,000,000</u> | | | | |
| May-03 Series A issued | | | 110,000,000 | | | | |
| Aug-05 Series A refunded - net income | | | 9,991,058 | | | | |
| May-06 Series B&C issued | | | 260,000,000 | | | | |
| Interest through June 30, 2012 (est) | | | <u>28,776,992</u> | | | | |
| Total available funding | | | \$408,768,050 | | | | |

(Includes Master planning, Investment charges and Project management)

CDCP Non-Credit FTES

Brief description of the CDCP Non-Credit FTES.

SB 361 increased funding for all noncredit community college courses and created special categories of CDCP (career development and college preparation) courses. These special categories involved enhanced funding for specific noncredit courses that community colleges organize into sequences leading to specialized noncredit certificates.

The Ed Code states the following:

84760.5. (a) For purposes of this chapter, the following career development and college preparation courses and classes for which no credit is given, and that are offered in a sequence of courses leading to a certificate of completion, that lead to improved employability or job placement opportunities, or to a certificate of competency in a recognized career field by articulating with college-level coursework, completion of an associate of arts degree, or for transfer to a four-year degree program, shall be eligible for funding subject to subdivision (b):

- (1) Classes and courses in elementary and secondary basic skills.
- (2) Classes and courses for students, eligible for educational services in workforce preparation classes, in the basic skills of speaking, listening, reading, writing, mathematics, decision-making, and problem solving skills that are necessary to participate in job-specific technical training.
- (3) Short-term vocational programs with high-employment potential, as determined by the chancellor in consultation with the Employment Development Department utilizing job demand data provided by that department.
- (4) Classes and courses in English as a second language and vocational English as a second language.

Mid Year Cuts - Triggers

| | Tier 0* | Tier 1 (alt.) | Tier 2 | Tier 2 (alt.) |
|--------------------------------|-------------------------|---|--|---|
| Revenue Trigger | At least \$3 Billion | \$2 Billion > \$3 Billion | Less than \$2 Billion | |
| Assumptions | 1) Mid Year Cuts - No | 1) Mid Year Cuts - Yes 2) Fees increase to \$46/unit 3) \$30M additional cut offset by additional fees Note: Assumes additional \$30M cut in lieu of mid-year fee change | 1) Mid Year Cuts - Yes 2) Fees increase to \$46/unit 3) \$72M additional cut | 1) Mid Year Cuts - Yes 2) Fees increase to \$46/unit 3) \$72M additional cut Note: Assumes additional \$30M cut in lieu of mid-year fee change |
| Apportionment Reduction | -5.80% (\$9,826,000) | -6.28% (\$10,729,000) | -7.10% (\$12,072,000) | -7.65% (\$13,007,814) |
| Workload Reduction | -6.15% | -6.6% | -7.56% | -8.15% |