



San Joaquin Delta College

October 27, 2015

Citizens for a College Campus in Lodi
c/o Nanette Green and William Huyett, Co-Chairpersons, Citizens for a College campus in Lodi
241 River Oaks Drive
Lodi, CA 95240

Dear Nanette and Bill:

Thank you for your letter of October 8, 2015 regarding the process to select a site for the North County Center.

We have welcomed and appreciated your advice and opinions, and we will continue to do so. We now ask for your continued engagement as part of a larger stakeholder group as we move forward in planning a North County Center. Wide participation and managing expectations will be key to our overall success. Moving forward requires us to analyze and address a number of important factors that impact our decision regarding a North County Center.

- We must consider lagging community college enrollments District-wide and State-wide in the California Community College System. This situation affects our on-going resources and our ability to absorb new costs.
- We must consider the initial investment of capital and ongoing operational funds required to develop and maintain a viable, sustainable education center.
- We must consider and accommodate to the continuing Chancellor's Office update of the CCC system-wide Long Range Master Plan which will include a critical review of the centers "needed" across the state based on the CCCCO's analysis.

The decision regarding a North County Center is of such importance to the District, and the community it serves, that we need to take the necessary time to ensure the best result. The impact will be felt for many years to come. We want you to know that any delays or changes in timing and direction are with these very important points in mind. In light of these considerations, the District must proceed with caution and do the necessary due diligence to afford or justify pursuit, planning, and establishment of all of the potential centers that were contemplated in the Measure L language.

Office of the President

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As you know, Measure L, passed in 2004, was designed to provide facilities to serve current and expected enrollment. The list of planned facilities was based on assumptions that included, among other things, strong and sustained growth in enrollments for the District. Unfortunately, the "Great Recession" from December 2007 to 2008 had a paralyzing effect on the economy, necessitated the passage of Proposition 30 to avoid catastrophic cuts, and produced a recovery that has been extremely sluggish. The California Community College System has been and continues to be unable to meet its planned growth targets, and our District is experiencing lagging enrollment growth as well. At the height of the downturn, we cut numerous classified and management positions, did not replace retirees, and cancelled hundreds of classes. In fact, we have yet to reach the FTES level that we enjoyed prior to the Great Recession. And, we are very concerned that there may again be revenue shortfalls when Proposition 30 begins to phase out in 2016.

You may recall that the Measure L language provided, in the event of an unexpected slowdown in enrollment of students at the College, that certain of the contemplated projects could be delayed or not completed at all. In such cases, bond money could be diverted to only the most essential of the various projects. That said, the District remains committed to creating a presence in the northern boundaries of the District. Despite the still-trailing enrollments and the lack of stability in ongoing operational funding for the campus and the center and farm that already exist, we believe that the most responsible approach is to evaluate the possible options for a North County Center, including the four proposals received through the RFP process and the property already owned by the District, and proceed on a conservative path.

To facilitate reading, I've answered your questions below in the order you provided them.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kathleen A. Hart', written over a horizontal line.

Kathleen A. Hart, Ph.D.
Superintendent/President

cc: Steve Castellanos, FAIA; Board President, SJDC Board of Trustees
Matt Wetstein, Ph.D., Assistant Superintendent/Vice President of Instruction and Planning
Gerry Calderon, Vice President of Operations
Kathy Roach, Measure L Bond Consultant and North County Center Project Manager

Responses to Citizens' Questions

1) What are your short-term and long-term plans for serving Lodi-area students?

A. Short Term Plan for serving Lodi Students

At present, Lodi students continue to be served here at the Stockton campus.

When the preferred site for the North County Center (NCC) is selected, the Administration will consider offering a suite of classes in the evening at a Lodi Unified School site or at a "temporary" facility in order to re-establish a presence in the North County.

Offering classes at a Lodi school site could be accomplished almost immediately. Unfortunately, however, school sites are only available in the evening, and it is our experience that these classes achieve low enrollments. Moreover, many students who chose to take evening classes in the past now prefer our fully-online offerings.

If the District found a "temporary" facility such as a commercial building, it is unlikely that the building would be Division of State Architect (DSA)-compliant. In that case, under DSA regulations, the District could use that facility for a maximum of three years. At the end of the three year period, instruction would have to be moved to the preferred NCC site (based on the current site selection process). Therefore, we would need to dovetail this "three year window" into a relatively stable project schedule for development and realization of the preferred site and facilities. Investing in making a "temporary" facility DSA-compliant would be extremely expensive and is not considered a viable option.

B. Long Term Plan for serving Lodi Students

The District recognizes the potential for growth within its northern District boundaries and seeks to develop an educational center in this region. We will continue through the site selection process, and the NCC Team will provide an open session briefing as well as closed session briefing to the Board on the evening of November 9, 2015 at 5:30 pm in the District Board Room. As you know, Board approval is required to commit to any significant actions such as purchasing property or moving ahead with a full-scale Center project. As a result, we are presently unable to state with certainty what the long-term plan will be. However, we do draw your attention to Appendix C of the RFP, which described the anticipated mission and programs envisioned for the District's North County Center.

2) Are the Board and administration committed to planning and building a regional north center as promised by previous boards and administrations, and described in past facility master plans?

As noted above, Measure L projects were planned assuming the District was in an aggressive growth mode. Given what has transpired to funding and enrollments since 2004, it is clear that not all of the projects described in the past facility master plans can be completed, or can be

completed in the manner in which they were first envisioned. That said, the District still recognizes the potential for growth within its northern District boundaries and seeks to develop an educational center in this region. We must remember that for long-term sustainability of any “satellite” educational facilities, the District needs to obtain “official center status” from the California Community College’s Chancellor’s Office (CCCCO) and the CCC Board of Governors (BOG). This status provides the funding that the District will need to operate the Center. The District must also seek approval from the Accreditation Commission for Community and Junior Colleges (ACCJC) through a Substantive Change Report. Before granting such status to a North County Center, these authorities will undoubtedly consider the following:

The need for a North County Center must be borne out by the enrollment projections that the CCCCCO is presently using in its analyses, and such projections must then be included in the updated CCC System Long Range Master Plan (“System Plan”). The System Plan is underway now and due to be considered (and possibly acted upon) at the January 2016 meeting of the BOG; and

In order to get CCCCCO approval to go to the Board of Governors to seek official center status for a North County Center, the NCC must demonstrate on a valid CCFS-320 Report (reporting requirement from CCCCCO) that it has actually generated 1000 FTES. In other words, before a NCC can achieve “official center status” and secure the state-funding that accompanies such status, the District must spend the funds necessary to open and operate the NCC. Then it must hope that the NCC develops the requisite number of FTES to qualify for state-funding. And even if it does develop a sufficient number of FTES, it has no assurance that the Board of Governors will grant the NCC the “official center status.” Moreover, until the Chancellor’s Office approval is obtained and the CCCCCO agrees that a critical threshold of 1,000 FTES is reached, the District must operate a new center within its existing budget; it does not receive any State base allocation apportionment funding for its operation of the educational facility prior to this approval. So, the District has to weigh a significant number of substantial risks in selecting sites and deciding whether or not to proceed with NCC development.

3) Why was the site selection process stopped or delayed with little or no explanation?

The process has not stopped. The site selection process involves several sub-processes. One of these was to conduct an updated feasibility study of the Liberty Road Property, which the District purchased several years ago. Another was to have an independent real estate advisor study the real estate market and consult with the District on suitable and feasible sites. And lastly, another was to issue a formal RFP to solicit proposals for potential alternative site(s)/facilities for the proposed NCC, which the NCC Team could then compare to the District-owned Liberty Road Property. The RFP specifically noted that the schedule following the proposal submission date of April 9, 2015 was an “...estimate and subject to change...” due to uncertainties related to how long it would take to complete the Liberty Road Property feasibility study and/or to clarify and evaluate the submitted proposals, brief the Administration, and to determine the short-list of qualified Proposals.

In early June, after completing its initial evaluation and site visits related to the four proposals received, the NCC Team briefed Dr. Matt Wetstein, Assistant Superintendent/Vice President of Instruction and Planning, Gerardo Calderon, Vice President of Operations, and me. They relayed their feedback on the proposals and reported that there were certain gaps in their information regarding the Liberty Road Property which, at that time, precluded the Team from performing a valid comparison of that Property to the four Proposals. Based on that information, Dr. Wetstein, VP Calderon, and I decided that it was too early to brief the Board regarding its site options. We did so knowing that the NCC Team's work with certain other public agencies having jurisdiction over development of the Property (e.g., CalTrans, San Joaquin County, and the Army Corps of Engineers) could be protracted.

We then directed the NCC Team to focus their efforts on completing the feasibility study of the Liberty Road Property and defer conducting any further due diligence of the other properties as we didn't want to incur additional costs without feedback from the Board. We estimated that the Team would be prepared to present its findings to the Board of Trustees in late August or early September 2015, but realized that, depending on the responsiveness of the other agencies, this too might be too early. In turn, I made the Board members aware of the status.

4) Is the administration currently examining the properties that have been submitted during the RFP process last spring? If so, what is the current status of the assessment of these properties?

See answer to #3 above. At this time, some gaps in formation related to the Liberty Road Property remain. Nonetheless the NCCC Team will present to the Board its initial evaluation of the proposals and preliminary conclusions regarding the comparative merits of each proposal, along with its evaluation of the Liberty Road Property in the closed session on November 9, 2015. It is hoped that the Board will provide further direction or decision at that time.

5) Is there still \$15 million in funds from Measure L committed to a regional north center?

A Board-authorized project entitled "North County Center" is a part of the Measure L Bond Program and has a budget (is funded) with \$15M less expenses to date. Expenses do not include the cost of the Liberty Road property; however, they would include the cost of any other property that might be purchased for the North County Center.

6) What is the new timeline for determining a location for the regional north center?

The District's Board of Trustees is scheduled to meet the evening of Monday, November 9, 2015 to hear public comments and hold open and closed session briefings regarding the properties that have been submitted in response to the RFP. The meeting will be held at San Joaquin Delta College, Stockton Campus, in the Board Room (Administration Building, Room 103) at 5:30 PM. Depending on the Board's direction and the outcome of the CCC System Long Range Master Plan ("System Plan") slated for January 2016, we will develop a timeline for the North County Center Project.

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