

# NEW TECHNOLOGY RESERVE GRANT PROGRAM ADVANCED TRANSIT AND TRANSPORTATION PROJECTS

## Fiscal Year 2018-1019 Grant Application

Project/Program Name/Description:

**FCC West Satellite Campus Advanced Propulsion Systems Training Campus**

Lead Agency (Applicant) Legal Name:

City of Fresno Department of Transportation

Physical Address (No P.O. Box):

2223 G Street

City:

Fresno

County:

Fresno

Zip:

93706

Contact Person (Grant Manager):

Darlene Christiansen

Phone:

(559) 621-1469

Email:

darlene.christiansen@fresno.gov

Name of Authorizing Representative certifying that the information contained in this application is true and accurate:

Printed Name: Jim Schaad

Title: Director of Transportation

Email Address: jim.schaad@fresno.gov

Signature: \_\_\_\_\_



Fresno Council  
of Governments

2035 Tulare Street, Suite 201

Fresno, CA 93721

(559) 233-4148

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## BACKGROUND

The Fresno Council of Governments (Fresno COG) is seeking proposals from eligible public agencies for advanced transit projects that have the potential for broad benefits to Fresno County residents and will assist the region in meeting its air quality goals. Fresno COG is proposing to fund projects of regional significance in the areas of research, development, demonstration, and deployment that will advance public transit and transportation.

Fresno COG is a consensus builder, developing acceptable programs and solutions to issues that do not respect political boundaries. Fresno COG is a voluntary association of local governments, one of California's 38 regional planning agencies, and one of 500+ nationwide. In 1967 elected officials of Fresno County and its incorporated cities informally created the agency, formalizing Fresno COG in 1969 through a Joint Powers Agreement. Fresno COG undertakes comprehensive regional planning with an emphasis on transportation, provides citizens an opportunity to be involved in the planning process, and supplies technical services to its members.

Fresno County voters approved [Measure C](#), a ½ cent transportation sales tax, in 1986 and again in 2006. Fresno COG prepared the Measure C Expenditure Plan, a guide to how \$1.2 billion in Measure C transportation dollars will be spent through the year 2027. It was prepared with our partners, the cities, the County, Caltrans and the [Fresno County Transportation Authority](#) (administrators of the tax) and other community stakeholder groups. In its first 20 years, Measure C delivered more than \$1 billion of improvements to state highways and county roadways, and has helped the building of additional lanes and freeway improvements throughout the County. As a result of the successful original measure, Fresno County voters chose to extend Measure C for an additional 20 years. The Measure C Extension (2007-2027) not only funds improvements of local roadways by repairing potholes and paving streets and sidewalks, but also funds ride-share incentive programs and environmental enhancement programs.

The Fresno County Transportation Authority (FCTA) is the entity created by legislation to administer the Measure C Program(s) and ensure the revenue is received and distributed appropriately. Fresno COG is responsible for the implementation of several Measure C programs including the Measure C New Technology Reserve Grant Program (New Technology Grant Program). For information on the Measure C sales tax visit [www.measurec.com](http://www.measurec.com).

This Request for Proposals (RFP) is being issued to eligible public agencies within Fresno County including the Fresno COG, Fresno County Rural Transit Agency, Fresno County, and the cities in Fresno County who propose projects meeting the eligibility requirements of the Measure C New Technology Reserve Grant Program and demonstrate the need for advanced transit and transportation. Entities deemed ineligible to apply for New Technology Grant funds may apply as a partnering agency but **must** partner with an **eligible** applicant that will be responsible for implementing the project. **Agencies wishing to partner with Fresno COG must submit an electronic copy of their proposal by June 21, 2018.** The implementing agency assumes responsibility and accountability for the use and expenditure of program funds. The eligible public agency will need to sign a Cooperative Agreement with the FCTA.

## FUNDING DISTRIBUTION/TIMELINE

The Measure C New Technology Program makes **\$6,400,000** available for the Fiscal Year 18/19 award cycle. An additional \$15,000,000 - \$18,000,000 can be made available over time through the next 8 years. Fresno COG will release an Application for New Technology Projects/Proposals on a biennial basis.

Fresno COG is committed to ensuring that grant funding from the RFP is equally distributed throughout the Fresno County Region to the extent feasible. From the most qualified proposals with the highest scores, Fresno COG will select projects for funding in a manner that is consistent with this commitment.

Fresno COG reserves the right to reject all proposals and make no awards under this announcement if the proposals submitted do not meet the goals of this RFP.

### TIMELINE:

ACTIVITY	DATE
Request for Proposals Released	April 16, 2018
Last day to submit requests for clarification	June 4, 2018
NEW: Deadline for Electronic Proposal Submittal	
agencies wishing to partner with Fresno	June 21, 2018
Deadline for Proposal Submittal	July 23, 2018
Scoring (Tentative)	July 25 - August 10, 2018
Potential Interviews (Tentative)	Week of August 20 - 24, 2018
Policy Board Approval (Tentative)	September 27, 2018
FCTA Board Approval (Tentative)	October 10, 2018
Notice to Proceed - Subject to Contract Signing	January 2019

## GOALS AND OBJECTIVES

The goal of the New Technology Reserve Subprogram is the set-aside Measure “C” funding to finance new transit technologies that may be developed in the future. To further its Measure C New Technology Program goals, Fresno COG is focusing on technological advances in public systems, safety features, fuel efficiencies and alternatives, intelligent transportation system (ITS) applications, and information dissemination. These areas help to promote passenger safety and satisfaction, attract customers, improve capital and operating efficiencies, reduce environmental pollution, and ease dependence on fossil fuels.

Expenditures on funded projects must be directed into the Fresno County economy, and must have a strong potential to attract future financial investment in that economy. To the extent possible, the Measure C New Technology Program funds should be used to leverage additional funding from other sources to create more viable projects.

**Examples of eligible projects or project components include, but are not limited to:**

1. The evaluation of viability and local benefits of new transit technologies.
2. Planning, design and construction of new transit technologies, including construction of track and ancillary improvements
3. Purchase of vehicles only if they are an integral part of a new-technology system, not replacement vehicles in an already existing system; hiring of staff to seek additional funding for new transit technologies after project is awarded
4. Environmental Review
5. Right-of-way acquisition
6. Other necessary projects, programs, systems, or services that enable new technology transit and transportation systems to provide the desired objectives.

**The 2016 cycle awarded the following types of projects:**

1. Public transit buses retrofitted with Near-Zero Emission engines
2. Electric public transit buses
3. Electric school buses
4. Solar tree charging stations
5. Electric aircraft/commercial flight training service
6. University Transportation Institute

## APPLICANT ELIGIBILITY

### ***Public Agency***

This application is open to selected eligible public agencies within Fresno County. These agencies include:

- Fresno Council of Governments
- Fresno County
- Incorporated cities within Fresno County
- Fresno County Rural Transit Agency

Entities deemed ineligible to apply for New Technology Grant funds may apply as a partnering agency but **must** partner with an **eligible** public agency that will be responsible for implementing the project. Eligible public agencies wishing to partner will need a resolution from their governing body. This resolution must be submitted as an attachment to this application. In addition, public agencies must attach an authorizing resolution, designating a person authorized to sign on behalf of the agency, as an Appendix to the application. Furthermore, if a school district is one of the partnering agencies, a resolution from the school district's board must be submitted as an attachment to this application.

***Please see "Appendix E" for applicable resolution documents (page 57).***

Eligible Public Agencies must provide a representative's contact information.

Legal Name of Applicant: <b>City of Fresno Department of Transportation</b>		
Address: 2223 G Street		
City, State, and Zip: Fresno, CA 93706	Phone: (559) 621-1469	Email: <a href="mailto:darlene.christiansen@fresno.gov">darlene.christiansen@fresno.gov</a>

Eligible Public Agency's Representative

Name (print): Jim Schaad	Title (print): Director of Transportation
Signature: 	Date: <u>7/19/18</u>
Email: <a href="mailto:jim.schaad@fresno.gov">jim.schaad@fresno.gov</a>	

## APPLICANT ELIGIBILITY

### Civil Rights

Describe any lawsuits or complaints that have been received or acted on in the last year based on Title VI of the Civil Rights Act or other relevant civil rights requirements by the partnering agency and/or the eligible applicant. This list should include only those lawsuits or complaints that pertain to allegations of discrimination on the basis of race, color, and/or national origin that pertain to the department of the agency submitting this application, not necessarily the larger agency of which the applicant is a part.

*There were no lawsuits or complaints received or acted on in the last year relating to Title VI or other relevant civil rights requirements.*

Furthermore, provide a status of lawsuits or an explanation of how complaints were resolved including corrective actions taken.

*Not Applicable*

If **NO** lawsuits or complaints were received or acted on – subrecipient must provide the following statement:

THERE WERE NO LAWSUITS OR COMPLAINTS RECEIVED OR ACTED ON IN THE LAST YEAR RELATING TO TITLE VI OR OTHER RELEVANT CIVIL RIGHTS REQUIREMENTS.

### ***Disadvantaged Business Enterprise***

#### **Disadvantaged Business Enterprise (DBE) Requirements**

All successful applicants must submit a completed *Disadvantaged Business Enterprise Race-Neutral Implementation Agreement* with their signed Standard Agreement contract.

## GRANT APPLICATION PROCEDURES

### Project Selection Process

All project applications will be evaluated in accordance with the scoring criteria on pages 8-23 to determine the extent to which the proposed project meets the overall program goals and objectives of the programs. **Fresno COG will use volunteers from various multidisciplinary groups to recommend projects for funding through a competitive process and recommend funding levels.**

Fifteen (15) bound hard-copies, one (1) reproducible copy and one electronic copy (on CD or flash drive) of the **application must be submitted to Fresno COG before noon on July 23, 2018.** All copies shall be securely bound, e.g. spiral or comb bound (no clips, clamps, ringed binders, or rubber bands) except for the one reproducible copy. **All printing (including appendixes, but excluding maps) shall be limited to no more than 50 pages. All printing must be double-sided. If an application is single sided or over 50 double-sided pages, it will be rejected.** The original application must be marked "ORIGINAL COPY". All documents contained in the original application package must have original signatures. The copies of the application may contain photocopies of the original package (so long as the maps, photographs and other detailed exhibits are in color and/or high resolution that clearly depicts all relevant information.)

Applications must be submitted to the following address:

**Fresno Council of Governments  
2035 Tulare Street, Suite 201  
Fresno, CA 93721**

To the attention of: Peggy Arnest


**Inquiries and Updates:** Requests for clarification regarding this application must be submitted in writing via email to Peggy Arnest at [parnest@fresnocog.org](mailto:parnest@fresnocog.org), and received by Fresno COG no later than 4:00 pm, Monday, June 4, 2018. Such information as is reasonably available and will facilitate preparation of responses hereto; requests for clarification and associated responses; and any Addenda to this RFP will be posted at: <http://www.fresnocog.org/Doing-Business-With-Fresno-COG> and will not otherwise be distributed.

The information in this application is public record. Therefore, applicants should not include information regarded as confidential.



## GRANT APPLICATION PROCEDURES

### Transmittal Letter

<b>A. Applicant Information:</b>	
Legal Name:	<b>City of Fresno Department of Transportation</b>
Address:	2223 G Street
City/State/Zip:	Fresno, CA 93706
Contact Person:	Darlene Christiansen
E-mail:	darlene.christiansen@fresno.gov
Phone:	(559) 621-1469
Fax:	(559) 488-1065
<b>B. Project Type</b>	
<input type="checkbox"/> Capital Only	<input checked="" type="checkbox"/> Capital and Operating
<input type="checkbox"/> Operating Only	<input type="checkbox"/> Other, please specify _____ Planning Project
<b>C. Project Information:</b>	
Project Title: <b><i>FCC West Satellite Campus Advanced Propulsion Systems Training Campus</i></b>	
Project Description: <i>(Location/Boundaries, Nature of Project, Scope)</i>	FCC West Satellite Campus Advanced Propulsion Systems Training Campus will be located at Church and Walnut, serving the Central Valley as a training facility for advanced transportation automotive, fleet, and Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicles (BEV) maintenance.
<b>D. Funding Request:</b>	
	<b>FFY 2018/2019</b>
New Technology Funds Request:	\$1,995,500
Total Matching Funds: <i>(DOT federal, state, local, private, etc.)</i>	\$198,010
Total Cost of Project:	\$2,193,510
<b>E. Authorized Signature:</b>	
Name (print):	Jim Schaad
Title (print):	Director of Transportation
Signature: 	Date: 7/19/18

## PROJECT/PROGRAM ELIGIBILITY - Subjective Evaluation (0 – 15 points)

### APPLICATION INSTRUCTIONS:

NARRATIVE RESPONSES SHOULD BE CLEAR, COMPLETE, AND CONCISE. INSERT ADDITIONAL SPACE WHERE NEEDED TO COMPLETE QUESTIONS (e.g., application for page 8, continuing pages should be numbered 8a, 8b, 8c...etc.). ALL ADDITIONAL DOCUMENTATION SHOULD BE INCLUDED IN A DISTINCTLY LABELED SECOND PART OF YOUR APPLICATION LABELED AS THE "APPENDIX." THE NARRATIVE SHOULD INDICATE SPECIFIC DOCUMENTATION AND INCLUDE A REFERENCE TO WHERE IT CAN BE FOUND IN YOUR APPENDIX. USE MULTIPLE TABS IN THE APPENDICES, IF NEEDED, TO IDENTIFY CORRESPONDING DOCUMENTATION.

1. Provide a brief executive summary of your project/program – **no more than 100 words**. Include a description, objective, information on the organization and the partnering agency (if any). Provide a summary of the funding request, total project/program cost, and important timelines. There is a question asking for a detailed description of the project/program in the Readiness section on page 11.

*Over the next five years, Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will partner with the City of Fresno to serve the San Joaquin Valley (SJV) with a state-of-the-art regional training facility. FCC's training will be dedicated to expanding the role of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) technologies within the SJV. The partnership will:*

- *Provide neutral site for industry partners, public agencies, and municipalities to collaborate on technology demonstrations;*
- *Develop vehicle technology workforce training;*
- *Provide central location for local and regional planning, development, and deployment of alternative fuels and fueling infrastructure.*

*Funding Request: \$1,995,500; Match Funds: \$198,010; Total Cost of \$2,193,510.*

2. **Briefly** describe the geographic area that will be served by the project/program. Attach an 8½ x 11 map of the service area.

*The San Joaquin Valley (SJV) is comprised of eight counties: San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and Kern. The Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will be located at Church and Walnut in West Fresno, providing residents with workforce training and educational pathways leading to high-demand, high-quality jobs. The campus will offer technical certificates and degree programs leading to traditional and "green economy" employment outcomes as well as improve the overall environmental health of the region. In particular, the campus will house the Automotive Technology program that is a certified NATEF (National Automotive Technician Education*

*Foundation) Educational Training Facility with a wide variety of participating industry partners in traditional as well as alternative fuel vehicles.*

*The West Satellite Advanced Propulsion Systems Training Campus which will receive equipment via this project funding will have a park-like setting with large areas of urban greening and permeable paving to further support groundwater recharge. Landscape areas will include drought resistant plants and two-hundred fifty plus trees. Pedestrian pathways (approximately 1 mile) and bicycle pathways (approximately 1 mile) constructed with permeable paving will lace through the campus providing walking routes to and through the site connecting to the surrounding neighborhood and mass transit making it possible for residents to walk to home, school, and work. This 'green campus' design will provide a site for project facilities which will have the infrastructure to support high-quality advanced transportation training with cutting-edge technology and industry informed program curriculum in an ecological institutional environment.*

*While this region trails other California counties in alternative fuel infrastructure development and vehicle deployment, the San Joaquin Valley Clean Cities Coalition reports that they have, "steadily increased the number of alternative fuel vehicles...with annual gains averaging over 15%". Regional plans to increase the use of alternative fuels warrant a continued and ongoing training program and curriculum development supported by local educational agencies in partnership with advanced transportation industry partners. This perspective is enhanced by consideration of the ongoing need to address adverse health and air quality issues in the SJV, where one-in-six children have asthma (the highest levels in the state of California per the California Health Interview Survey).*

***Please see "Appendix A" for service area map (page 42).***

- 3.** Briefly list and describe all agencies with which your eligible public agency will partner with on this project/program. (If your public agency is not partnering, then please skip to the next page.)

***Please see "Appendix F" for partnership letters of commitment and support (page 60).***

This information should include, but not be limited to the following:

- General business history

*The City of Fresno's primary project partner is Fresno City College (FCC), California's first community college, on this project. The college is a fully accredited comprehensive learning community, offering innovative instructional programs in anticipation of, and responsive to, the lifelong learning needs of the San Joaquin Valley's (SJV) diverse population. The college has developed a wide variety of supportive services to assist students and community residents, which have also helped to ensure the success of multiple successful educational and workforce collaborations with public agencies and industry partners.*

*In today's constantly changing world of advanced transportation, there is a continual need for highly trained and qualified maintenance workers who are capable of diagnosing and repairing a variety of modern, computerized systems that are part of the latest car and truck models on the market. Driving this change in industry from traditional mechanical to more electrical vehicles within automobiles and medium-heavy truck vehicles are technology advancements and environmental emissions targets. This shift has left many Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) users – including regional transportation agencies – short of qualified technicians to work on their updated fleets. See questions #1, in the Public Benefits section, below for additional details.*

*By leveraging the effects of the California Community College's Strong Workforce initiative and the City of Fresno's Transformative Climate Communities (TCC) Project #35: West Fresno Satellite Campus, FCC guarantees a state-of-the-art facility in West Fresno with up-to-date programming and equipment to train advanced transportation Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) maintenance workers. Fresno City College has a long history of strong collaboration with both local and regional automotive community members; these partners work together to ensure that the College's curriculum is on the leading edge of technology. The Fresno COG's commitment to this proposal will ensure successful career opportunities in the automotive field for residents in one of the lowest socioeconomic segments of Fresno County.*

*As a leading educational institution in the region for the past 100 years, FCC has a long history of reliable and consistent business practices for both its internal administrative and accounting structures, and its external partnerships. Moreover, we are dedicated to working collaboratively with our community to enhance the economic and social development of the region.*

- General experience with the development and implementation of transportation projects/programs

*The City of Fresno/FAX has more than 50 years' experience providing public transit service, including the acquisition and maintenance of a fleet of over 150 vehicles. The City of Fresno also specifies and maintains a municipal fleet of over 2,000 vehicles, with a significant number of alternatively fueled. The City has been awarded numerous competitive grants to implement significant system technology elements, including new vehicle and fuel technologies. Most recently FAX implemented a new Bus Rapid Transit service. FAX received a combined total of \$61M in federal, state, and local grants to build this system and provide the first three years of service. Service began in February 2018 and is already improving ridership levels for the system. A partnership between the City of Fresno and the Fresno City College's Automotive Technology program is a natural outgrowth of existing workforce training collaborations related to the region's economic and greenhouse gas emissions needs, most recently expressed in the successful Transformative Climate Communities (TCC) project.*

*The Fresno City College's Automotive Technology program is a certified NATEF (National Automotive Technician Education Foundation) Educational Training Facility. Fresno City College has public-private partnerships with the following corporations: General Motors - GM ASEP (General Motors Automotive Service Educational Program) Training Center, ACDelco PSC (Professional Service Center)/Key Fleet Training Center, MoparCAP (Career Automotive Program)/FCA (Fiat Chrysler Automobile) Training Center, National Alternative Fuels Training Consortium (NAFTC) National Training Center, Hunter Engineering Company Training Center, Matco Tools Training Center, Snap-On Tools/National Coalition of Certification Centers (NC3) Training Center, Bosch Diagnostics Training Center, the Bureau of Automotive Repair (BAR)/Department of Consumer Affairs (DCA) Training Center, and Proterra. These existing partners and FCC's experience with related projects and programs will be leveraged in support of the West Satellite Advanced Propulsion Systems Training Campus.*

*Industry partner, Proterra, will provide expert guidance and input in new curriculum to be developed to support battery-electric heavy equipment vehicle maintenance. These insights are based on real-world experience in designing, building, testing and developing maintenance programs for electric vehicles. Specific areas of input would include safety measures, preventive maintenance, troubleshooting electrical systems, and vehicle charger operation and basic maintenance.*

- Specific experience with projects similar to the proposed project/program

*The Fresno City College Automotive Technology program has a long history of providing maintenance tech training to a diverse group of regional partners. The FCC Automotive Technology program is an ACDelco Training Center for Instructor Led Training (ILT) which is provided to Professional Service Center/Key Fleet customers on a quarterly basis. Additionally, General Motors Service Technician seminars are conducted on a biannually schedule to ensure compliance with Field Service Engineers (FSE) for General Motors vehicle platform updates. The FCC Automotive Technology division has also provided Electric Drive Vehicle First Responder Safety Training for the NAFTC.*

*In addition to these regular direct-training projects, the division has successfully completed development of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) curriculum with funding support from the Advanced Transportation Technology and Energy Initiative (ATTEi) and the Department of Energy (DOE). This curriculum development – and partner support from Proterra – will be leveraged to ensure the rapid development and approval of the proposed additional areas of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energystorage.*

- Ability to deliver projects/programs in a timely manner. Provide examples.

*The Fresno City College Automotive Technology program is dedicated to working collaboratively with local and regional advanced transportation industry partners to enhance the economic and social development of the region. The college's existing alternative fuels program has trained instructors and is actively working with new car dealerships throughout the San Joaquin Valley region to provide industry level technical training and graduates employable in the industry. In addition, FCC's programs partner with Pacific Gas and Electric Company and other corporations who employ vehicle fleets throughout this region, many of which use alternative fuels. The college also works closely with the farming community, which is helping to drive the demand for bio-fuels regionally and at the campus. Prior and current college bond construction utilizing district organizational resources, development of project facilities in West Fresno based on successful Transformative Climate Communities funding, and recent remodels of related Applied Technologies facilities at the main college campus all demonstrate FCC's ability to deliver on projects in a timely manner.*

*As a gold-star member of the California Community College's Strong Workforce initiative, Fresno City College has received statewide recognition for the excellence of twenty-seven of its Career Technical Education (CTE) programs. To earn a gold star, a program must demonstrate earnings gains, increases in the regional wage of trainees, and the ability to secure participants jobs in fields related to their training. Similarly, Fresno City College has successfully competed for and completed projects in CTE areas related to alternative fuel vehicle training via the California Energy Commission, leading to a continuing Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) maintenance worker program. Through projects such as these Fresno City College has developed and offers credit and noncredit courses, and also provides customized workshops and trainings to meet industry demands with curriculum that is on the leading edge of technology.*

**4. Briefly describe the following aspects of your project/program, if applicable:**

- Consistency with the most current adopted Regional Transportation Plan & Sustainable Community Strategy (RTP/SCS). Cite applicable verbiage from the 2014 RTP/SCS and the Chapter and Page numbers where found.

*The Fresno COG 2014 Regional Transportation Plan & Sustainable Community Strategy (RTP/SCS) seeks to guide the Fresno region toward a more sustainable future by integrating land use, housing, and transportation planning to create communities that are more compact, walkable, and transit-oriented. Sustainability is defined as simultaneously meeting current economic, environmental, and community needs while ensuring that the ability of future generations to meet their needs is not jeopardized. A prosperous economy, a healthy environment, and social equity are described as the "Three Es" of sustainability" (2014 SCS - Chapter 4 of the RTP, Page 4-2).*



*The proposed City of Fresno Transportation/Fresno City College project will focus on preparing maintenance workers to support the types of transit systems envisioned in the 2014 RTP/SCS. These systems utilize Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicle (BEV) for transit-oriented development (2014 SCS Chapter 4 of the RTP, Page 4-11, performance indicator). By leveraging the Fresno City College West Satellite Campus bond funds and City of Fresno Transformative Climate Community investments, the project seeks to ensure trained Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) maintenance workers; these individuals will then play a key role in keeping both City of Fresno and regional alternative vehicle transit system functioning at a level that maintains a reliable fleet and thus reliable transit service. This in turn will support 2014 RTP/SCS objectives: "Maintain and improve existing facilities as the basic system which will address existing and future travel demands." (2014 SCS Chapter 4 of the RTP, Page 6-8, objective), and "Development of a regional transportation network which is environmentally sensitive and helps reduce greenhouse gas emissions wherever possible." (2014 SCS Chapter 4 of the RTP, Page 6-9, objective).*

*The planned Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus itself is consistent with the 2014 RTP/SCS, as it is designed one mile of pedestrian and one mile of bicycle paths will, "increase connections between bicycling and pedestrian facilities and other modes of transportation." (2014 SCS Chapter 6 of the RTP, Page 6-15, objective) and support the City of Fresno's efforts to "develop an integrated multimodal transportation network that supports and enhances the region's economy and serves the needs of a growing and diverse population for transportation access to jobs, housing, recreation, commercial, and community services as well as goods movement." (2014 SCS Chapter 6 of the RTP, Page 6-7, objective). Furthermore, the intentional green design of the site will help to, "incorporate concern for environmental justice into transportation decisions." (2014 SCS Chapter 6 of the RTP, Page 6-8, objective), and "integrate land use planning, transportation planning, and air quality planning to make the most efficient use of public resources and to create a more healthy and livable environment." (2014 SCS Chapter 6 of the RTP, Page 6-11, objective).*

*In addition, the FCC project will assist public agencies and municipalities as they come into alignment with the California Air Resources Board's (CARB) Scoping Plan (<https://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>) that promotes innovation, drives a generation of new jobs, and continues to reduce smog and air toxins. With a 2030 greenhouse gas emission reduction target of 40% below the levels found in 1990, critical infrastructure updates will be required to ensure compliance. Public agencies in the region are looking to their transit systems for solution; changes such as transition to zero-emission vehicles, deploying zero-emission trucks, and shifting to a cleaner system of handling their fleets will be required to meet CARB goals. These changes will open up a whole new level of need for training of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) maintenance workers.*

*These efforts will also assist the City of Fresno and allied government transportation agencies in the region to comply as fully as possible with the 1990 Federal Clean Air Act Amendments*

*(CAAA). The Act has significantly strengthened the linkages between transportation and air quality regulations which have mandated fleet replacement to include alternative fuel vehicles (2014 SCS Chapter 5 of the RTP, Pages 5-26 & 5-27).*

- Describe how this project/program will be integrated into the member agency's circulation element of its general plan or their Complete Streets Policy.

*The City of Fresno's General Plan envisions Complete Streets that are designed and operated to enable safe, attractive, and comfortable access and travel for all users such as pedestrians, bicyclists, motorists and public transit users of all ages and abilities. Among their advantages, Complete Streets are intended to encourage health through walking and biking, create a sense of place, improve social interaction, and generally improve adjacent property values. When people have more transportation options, there are fewer traffic jams and the overall capacity of the transportation network increases. Additionally, increased transit ridership, walking, and biking can reduce air pollution, energy consumption, and greenhouse gas emissions, while improving the overall travel experience for road users.*

*As part of the Transformative Climate Communities (TCC) grant-funded package, the Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will enjoy the benefits of that project's planned MLK Activity Center Street Improvements (total budget amount of \$11,600,000). The MLK Activity Center Street Improvements reflect intended City of Fresno funding of certain infrastructure improvements that serve as match dollars for the TCC package that more effectively catalyze the innovative community and climate transformation in addition to the \$70 million provided from the grant award.*

*The TCC project will install active transportation infrastructure including trails, sidewalks, and bike lanes as well as underground power lines, and to make water utility and roadway improvements at Church, Walnut, Jensen, and Martin Luther King Boulevard. These improvements will support multi-modal travel and transformational activation of the neighborhood. The West Satellite Advanced Propulsion Systems Training Campus has incorporated many of these same features into its funded project design for the TCC program.*

*It is expected that a number of housing developments and retailers in the projects services area will follow the Fresno City College's West Satellite Advanced Propulsion Systems Training Campus's lead, bringing an even greater need for routes that support alternative modes of travel, including the proposed trails, bike lanes, and sidewalks as well as electric vehicle and share-ride programs will provide connectivity for students and future residents.*

*As discussed in greater detail in section #6 of Public Benefits, below, increased frequencies/service via FAX and alternative transit integration and connectivity utilizing the West Campus as a hub are goals or related project (i.e., the Transformative Climate Communities regional effort). As part of those efforts, the City of Fresno has proposed along Church, just east of Walnut; an additional Class I trail is proposed on the north side of Jensen,*



*east of Knight. Plans also include Class II bike paths and sidewalks to be installed on Martin Luther King Boulevard (Fig Avenue), just south of Church. Finally, sidewalks are proposed on the east and west sides of Walnut south of Church, in addition to Class II bike paths.*

## PROJECT/PROGRAM ELIGIBILITY - Readiness (0 – 10 points)

1. Provide a detailed description of the project/program.

*Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will be located at Church and Walnut in West Fresno, providing residents with workforce training and educational pathways leading to high-demand, high-quality jobs. The campus will offer technical certificates and degree programs leading to traditional and "green economy" employment outcomes as well as improve the overall environmental health of the region.*

*During the course of the project, Fresno City College will provide certification training as follows. These numbers do not include industry-partner incumbent worker training and upskilling:*

***Year 1 – 3 courses x 12 students = 36 students***

***Year 2 – 3 courses x 15 students = 45 students***

***Year 3 – 3 courses x 18 students = 54 students***

***Year 4 – 3 courses x 21 students = 63 students***

***Year 5 – 3 courses x 24 students = 72 students***

***270 students total***

*Over the next five years, Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will partner with the City of Fresno to serve the San Joaquin Valley (SJV) with a state-of-the-art regional training facility. FCC will provide training dedicated to expanding the role of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) technologies within the SJV:*

- Providing a neutral site for industry partners, public agencies, and municipalities to collaborate on technology demonstrations;*
- Developing vehicle technology workforce training;*
- Providing a central location for local and regional planning, development, and deployment of alternative fuels and fueling infrastructure.*

### *Project Activities:*

- Identify opportunities to develop and demonstrate advanced transportation vehicle training certifications. Enhance marketing strategies to promote Alternative Fuel Vehicle Training Certificates and Educational Partnerships with vehicle Original Equipment Manufacturers (OEM's - GM, MoparCAP, Honda, BMW, Proterra, etc.) that will provide factory recognized certification, increasing the number of College awarded certificates and industry-recognized certifications by 5% per year;*
- Promote Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) technologies by hosting an annual "What's New in AFV/HEV/BEV Summit" in collaboration with industry partners for public*

*agencies, municipalities, and community residents, including product demonstrations, preventative maintenance strategies, and/or technical training;*

- Offer existing Automotive Technology courses for College credit at the Campus: Introduction to Hybrid Electric Vehicles (HEVs), Service and Maintenance of HEVs, Diagnosis and Repair of HEVs, Introduction to Alternative Fuel Vehicles (AFVs), Service and Maintenance of AFVs, and Diagnosis and Repair of AFVs;*
- Expand Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) curriculum and industry partnerships in medium-heavy truck and fleet maintenance and repair and/or electrical charging station installation, maintenance, and repair as well as infrastructure and energy storage; and*
- Coordinate with Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) vendors, such as Proterra, to plan, develop, and offer training packages, demonstration videos, and/or on-the-job training (OJT) courses to supplement maintenance worker training in the field.*

2. Describe the project/program work plan. This section of the application documents the current delivery phase of a project/program and the applicant's proposed schedule for implementation. For each of the project milestones or significant stage in development, applicants must list the dates that previous milestones were completed or the dates applicants anticipate completing current and/or future milestones.

***ACTIVITY #1:*** *Identify opportunities to develop and demonstrate advanced transportation vehicle training certifications. Enhance marketing strategies to promote Alternative Fuel Vehicle Training Certificates and Educational Partnerships with vehicle Original Equipment Manufacturers (OEM's - GM, MoparCAP/FCA, Honda, BMW, Proterra, etc.) that will provide factory recognized certification, increasing the number of college awarded certificates and industry-recognized certifications by 5% per year.*

**PROJECT MILESTONE 1.1:** *Train FCC Advanced Transportation faculty in Original Equipment Manufacturers factory recognized certification and then establish regional education training status at the Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus.*

***TIMELINE:***

- 1.1.1 Year 1 – Upgrade partnerships with GM and MoparCAP/FCA with EV (1/1/19-12/31/19)
- 1.1.2 Year 2 – Execute partnership with Proterra (1/1/20-12/31/20)
- 1.1.3 Year 3 – Execute partnership with BMW (1/1/21-12/31/21)
- 1.1.4 Year 4 – Establish and execute partnership with Honda (1/1/22-12/31/22)

**PROJECT MILESTONE 1.2:** *Enhance marketing strategies to promote Alternative Fuel Vehicle Training Certificates through existing College Automotive, Electrical, and Maintenance programs as well as Dual Enrollment programs at feeder high schools.*

***TIMELINE:***

- 1.2.1 Year 1 (1/1/19-12/31/19) increasing the number of College awarded certificates by 5% and industry-recognized certifications by 5% (over prior year)
- 1.2.2 Year 2 (1/1/20-12/31/20) increasing the number of College awarded certificates by 5% and industry-recognized certifications by 5% (over prior year)
- 1.2.3 Year 3 (1/1/21-12/31/21) increasing the number of College awarded certificates by 5% and industry-recognized certifications by 5% (over prior year)
- 1.2.4 Year 4 (1/1/22-12/31/22) increasing the number of College awarded certificates by 5% and industry-recognized certifications by 5% (over prior year)
- 1.2.5 Year 5 (1/1/23-12/31/23) increasing the number of College awarded certificates by 5% and industry-recognized certifications by 5% (over prior year)

**PROJECT MILESTONE 1.3:** *Host OEM/factory meetings.*

***TIMELINE:***

- 1.3.1 Annually (January – March) GM Annual Meeting
- 1.3.2 Annually (April - June) General Advisory Annual Meeting
- 1.3.3 Annually (July - September) EV Vendor Annual Meeting
- 1.3.4 Annually (October - December) MoparCAP/FCA Annual Meeting

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**ACTIVITY #2:** *Promote Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) technologies.*

**PROJECT MILESTONE 2.1:** *Purchase AFV/HEV/BEV equipment and vehicles. Please refer to Appendix D (page 54) for a schedule of purchases.*

***TIMELINE:***

*(All Associated Milestones) - Year 1 (2/1/19-12/31/19) Purchase of Proterra bus; two (2) EV trucks/vans; GM, MoparCAP/FSA, Toyota, and Honda EV vehicles; demo stations and diagnostic tools*

**PROJECT MILESTONE 2.2:** *Host an annual "What's New in AFV/HEV/BEV Summit" in collaboration with industry partners for public agencies, municipalities, and community residents, including product demonstrations, preventative maintenance strategies, and/or technical training.*

***TIMELINE:***

- 2.2.1 Year 1 (1/1/19-12/31/19) – Regional Summit with a minimum of 50 attendees.
  - 2.2.2 Year 2 (1/1/20-12/31/20) – Regional Summit with a minimum of 100 attendees.
  - 2.2.3 Year 3 (1/1/21-12/31/21) – Regional Summit with a minimum of 150 attendees.
  - 2.2.4 Year 4 (1/1/22-12/31/22) – Regional Summit with a minimum of 200 attendees.
  - 2.2.5 Year 5 (1/1/23-12/31/23) – Regional Summit with a minimum of 250 attendees.
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**ACTIVITY #3:** *Offer existing Automotive Technology courses for College credit at the Campus and expand Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) curriculum and industry partnerships in medium-heavy truck and fleet maintenance and repair and/or electrical charging station installation, maintenance, and repair as well as infrastructure and energy storage;*

**PROJECT MILESTONE 3.1:** *Schedule the following Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) courses, including Introduction to Hybrid Electric Vehicles (HEVs), Service and Maintenance of HEVs, Diagnosis and Repair of HEVs, Introduction to Alternative Fuel Vehicles (AFVs), Service and Maintenance of AFVs, and Diagnosis and Repair of AFVs.*

***TIMELINE:***

- 3.1.1 Year 1 (1/1/19-12/31/19) – Offer in Fall term Introduction to Hybrid Electric Vehicles (HEVs) and Introduction to Alternative Fuel Vehicles (AFVs).
- 3.1.2 Year 2 (1/1/20-12/31/20) – Offer in Spring term Service and Maintenance of HEVs and Service and Maintenance of AFVs. Offer in Summer term Diagnosis and Repair of HEVs and Diagnosis and Repair of AFVs. Offer in Fall term Introduction to Hybrid Electric Vehicles (HEVs) and Introduction to Alternative Fuel Vehicles (AFVs).
- 3.1.3 Year 3 (1/1/21-12/31/21) – Same as Year 2.
- 3.1.4 Year 4 (1/1/22-12/31/22) – Same as Year 2.
- 3.1.5 Year 5 (1/1/23-12/31/23) – Same as Year 2.

**PROJECT MILESTONE 3.2:** *Develop, acquire approvals, and then schedule courses in the following Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energy storage.*

***TIMELINE:***

- 3.2.1 Year 1 (1/1/19-12/31/19) – *Develop in Spring/Summer 2019 Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair course(s) and/or certificate(s), and submit through the FCC Curriculum Committee in Fall 2019.*
- 3.2.2 Year 2 (1/1/20-12/31/20) – *Develop in Spring/Summer 2020 electrical charging station installation, maintenance, and repair course(s) and/or certificate(s), and submit through the FCC Curriculum Committee in Fall 2020. In Fall term start offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair course(s).*
- 3.2.3 Year 3 (1/1/21-12/31/21) – *Develop in Spring/Summer 2021 infrastructure and energy storage course(s) and/or certificate(s), and submit through the FCC Curriculum Committee in Fall 2021. In Fall term start offering electrical charging station installation, maintenance, and repair course(s). Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair.*
- 3.2.4 Year 4 (1/1/22-12/31/22) – *In Fall term start offering infrastructure and energy storage course(s). Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair; and electrical charging station installation, maintenance, and repair.*
- 3.2.5 Year 5 (1/1/23-12/31/23) – *Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energy storage courses.*

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**ACTIVITY #4:** *Coordinate with Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/ Battery Electric Vehicle (BEV) vendors, such as Proterra, to plan, develop, and offer training.*

**PROJECT MILESTONE 4.1:** *Plan and develop vendor training packages and demonstration videos.*

**TIMELINE:**

- 4.1.1 Year 1 (1/1/19-12/31/19) – Plan in Spring/Summer 2019 for Proterra factory training supports such as training package, demonstration videos, and/or courses/training in-person or online. Start development of training materials.
- 4.1.2 Year 3 (1/1/21-12/31/21) – Refine Proterra training for local, regional, statewide, and/or nationwide use.

**PROJECT MILESTONE 4.2:** *Offer on-the-job training (OJT) courses to supplement maintenance worker training in the field.*

**TIMELINE:**

- 4.2.1 Year 2 (1/1/20-12/31/20) – Pilot local Proterra training for the City of Fresno and/or Fresno County Rural Transit.
- 4.2.2 Years 3, 4, and 5 (1/1/21-12/31/23) – Continue with Proterra training locally, regionally, statewide, and/or nationwide.

- 2. Applicants must demonstrate the ability (staff and resources) of the agency to complete the project/program on time and within budget. Attach a project/program schedule.

***Please see “Appendix B” (page 44) for applicable project/program schedule and “Appendix D” (page 54) for the related Budget Narrative statement.***

*In partnership with the City of Fresno, Fresno City College has demonstrated its ability to complete similar projects on time and within budget.*

**PROJECT MANAGEMENT AND FACULTY SUPPORT**

*Fresno City College has established reasonable timelines and will integrate ongoing evaluation of the work plan activities in order to ensure timely completion of the described tasks. Lead Faculty, Marty Kamimoto, is supported by division staff and administration in the processing of required purchases, arrangement of professional activities, and completion of described curricular and certificate/degree updates to program courses:*

- **Equipment & Related Materials** - Given established partnerships with local dealerships and suppliers, bids and specs will be available in a timely manner. Standard purchasing policy/practice ensures accurate and well documented transactions and ongoing tracking of materials and equipment in the college inventory.
- **Curriculum Modification/Development** - Lead Faculty, Marty Kamimoto, has over 20 years of experience in curriculum review, development, and modification. His background will ensure that internal policies are followed and all necessary approvals and documentation of changes are recorded.
- **Professional Development** - Mr. Kamimoto will direct the provision of training on both internal systems (educational delivery software, Canvas) and external systems (OEM Training: GM, MoparCAP/FCA, BMW, Honda, and Proterra) for faculty and public agencies

*as well as municipalities involved in the project. As a long time faculty lead, he is familiar with the required processes to ensure that associated timelines and budgets are followed per funder requirements.*

### **SENIOR MANAGEMENT**

*Dr. Becky Barabe, Ed.D., as division dean, will provide College approvals for this grant by providing faculty lead coordination and CTE counselor support in order to thoroughly implement the project, build the West Fresno Satellite Campus, purchase equipment, secure partnership participation and donations by organizing advisory meetings and industry collaboration activities, institutionalize new courses, and host annual summits. In addition, Dr. Barabe has over 15 years of grant management as well as program development and construction oversight experience.*

***Please see “Appendix C” for project staff resumes (page 49).***

*Don Lopez, M.S., Vice President of Instruction will link the project to senior College management; provide budget oversight; and support institutional links.*

*Christine Miktarian, Vice Chancellor of District Operations and Information Systems, will lead construction and installation of equipment at the Fresno City College's West Satellite Advanced Propulsion Systems Training Campus; a facility largely financed by the recent bond passed by local voters. Joining VC Miktarian in this effort are George Cumming, Director of Facilities Planning and Construction, and Brian Speece, Assistant to the Chancellor for Capital Projects. All construction is overseen by a citizens Bond Oversight Committee, with monthly reports provided to the State Center Community College District Board of Trustees.*

***Please see “Appendix B” (page 44) for applicable project/program schedule for details regarding responsibilities of related staff for project phases and milestones.***



## PROJECT/PROGRAM ELIGIBILITY - Environment (0 – 5 points)

1. Describe if and how the project/program will reduce greenhouse gas emissions.

*This project supports the state's aggressive goals for greenhouse gas emissions. With enactment of the California Global Warming Solutions Act of 2006, (AB 32; Stats. 2006, chapter 488) the Air Resources Board (ARB) was tasked with developing and maintaining an inventory of greenhouse gas (GHG) emissions. Analysis performed by the ARB determined that the transportation sector generates the largest proportion (41%) of the state's GHG emissions. The state has made significant progress and is on track to meet the AB 32 target of reducing GHG emissions to 1990 levels by 2020 but continued progress is required beyond 2020 to meet the following goals:*

- *Federal health-based ambient air quality standards (key milestones in 2023 and 2031)*
- *40% reduction in GHGs by 2030*
- *80% reduction in GHGs by 2050*
- *Up to 50% petroleum use reduction by 2030*

*The ARB continues to focus on transit agencies and municipalities as leaders in emission reduction efforts with their Advanced Clean Transit Initiative, which would result in transit fleets phasing in Zero or Near-Zero emission technology over the next two decades. Zero emission battery electric and fuel cell electric buses, hybrid buses, and clean combustion engines that operate on renewable fuels may all play a role. A number of transit agencies in California are currently utilizing zero emission buses and San Joaquin Valley agencies are now beginning to incorporate zero emission buses into their fleets. Nearly all U.S. transit bus manufacturers have now entered the zero-emission bus market with zero-emission bus models that have a total cost of ownership that is comparable to conventional buses.*

*It is expected that similar requirements will lead to the increased use of other applications (vocational and heavy duty trucks) in the near future. Historically the ARB has initiated emissions mandates in the transit and refuse truck fleets and then propagated the regulations into the rest of the public agency inventories and finally into private industry.*

*In order to comply with new state mandates, municipalities and transit agencies, such as City of Fresno/FAX, FCRTA, City of Visalia, and City of Clovis, have sought or are seeking to acquire low-to zero-emission vehicles for their fleets (e.g., Proterra buses). Additionally, nearly all major auto manufacturers are offering HEV and BEV models for retail purchase. These new platforms require new technician skill sets. Fresno City College will assist with training incoming employees as well as retraining incumbent workers in order to operate, maintain, and repair AFV/HEV/BEV technologies. In doing so, the community locally as well as regionally will improve its air quality, bringing ozone and particulate matter within range of the state and federal requirements; thus reducing greenhouse gas emissions with reduced diesel gas vehicles on the road.*

Based on test data collected by the Altoona Bus research and Testing Center, a diesel bus produces approximately 0.95 grams of NOx, 0.002 of PM, and 2,000 grams of Greenhouse gas emissions per mile travelled. A typical CNG bus has measurable improvement in NOx (0.30 grams per mile) and emits negligible levels of PM (reference: MJ Bradley and Associates report). The latest Cummins CNG engine offering (ISLG NZ) lowers NOx emissions by tenfold (approximately 0.03 grams per mile), however greenhouse gas emissions remain comparable to that of diesel counterparts (reference: CARB executive orders A-201-605, A-021-658-1 and A-21-680). Advanced technology battery electric bus platforms emit zero tailpipe emissions and therefore have a significant advantage over either Diesel or CNG counterparts in CO2 tailpipe emissions with a reduction of 2,000 grams for each bus mile driven.

Annual greenhouse gas reductions for four Fresno/Tulare county partnering agencies were estimated by using the following formula:

$$\text{tons CO2 Reduced} = \text{Annual BEB miles} \times 2,000 \frac{\text{grams}}{\text{mile}} \times 1.1023e - 6 \frac{\text{tons}}{\text{gram}}$$

The following are electric bus purchases/anticipated purchases in Fresno/Tulare Counties:

- Fresno County Rural Transit has purchased eleven (11) EV buses as of 2018 which travel an average of 15,000 miles each annually, for a combined total annual mileage of approximately 165,000 miles when all buses are in service;
- The City of Visalia has purchased three (3) EV buses as of 2018 and travel an average of 39,500 miles each annually, for a combined total annual mileage of approximately 118,500 miles total; and
- The City of Fresno/FAX expects to order nine 40-foot battery electric buses over the next three years. Once all vehicles are in service, the combined total annual mileage is anticipated at 446,400.

Based on these purchases **the annual GHG reductions from existing transit partners is expected to be 1,609.15 tons annually from three regional transit agencies alone.** Additional GHG reductions will likely be realized through increased use of transit/reduction of trips in single occupancy vehicles, adoption of zero-emission vehicles for light duty fleet applications, and use of zero-emissions vehicles for personal transportation.

2. Describe if and how the project/program will improve the environment in other ways.

The San Joaquin Valley does not currently meet the National Ambient Air Quality Standards (NAAQS) for both ozone and particulate matter of ten (10) microns or less in diameter (PM10), and is therefore required to implement strategies to reduce the emissions that lead to these problems. These include reactive organic gases (ROG) and nitrogen oxides (NOx), which are precursors to ozone. NOx is also important in the formation of secondary PM10 production.

*Internal combustion engines are a significant source for these emissions, and reducing their use provides an opportunity to pursue substantial reductions. As stated in the previous section, while new technology internal combustion engines significantly reduce criteria pollutants, zero emission buses emit no criteria pollutants.*

*An often overlooked advantage of BEV technology is noise emissions. Heavy-duty internal combustion engines have high noise levels, whereas their BEV counterparts are significantly quieter. The use of zero emission levels reduces noise pollution, particularly in areas such as neighborhoods, schools and retail centers, making their presence more acceptable.*

*Lastly, PHEV and BEV personal vehicles are often charged using home photovoltaic systems. This combination reduces “well-to-wheel” emissions significantly, since the electricity produced for fuel is renewable and creates no emissions.*

## PROJECT/PROGRAM ELIGIBILITY - Public Benefit (0 – 15 points)

1. Describe how the project/program will impact and provide a direct public benefit to Fresno County residents that are both transit and non-transit users.

*In addition to providing cleaner energy connected transportation systems, both at the Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus site and via the alternative fuel vehicle fleets for which the program participants will work, this project provides the potential for direct economic benefits to Fresno County residents.*

*According to the U.S. Bureau of Labor Statistics Employment of automotive service technicians and mechanics is projected to grow 6 percent from 2016 to 2026 and job opportunities for qualified jobseekers should be very good. California is the largest employer in this sector with over 65,000 employed. The U.S. Bureau of Labor Statistics also reported that employment of diesel service technicians and mechanics is projected to grow by 12 percent from 2014 to 2024, faster than the average for all occupations. The agency also said 67,000 technicians will be needed to replace retired workers, and 75,000 new mechanics must be added to meet additional demand by 2022. The City of Fresno and other California agencies have struggled to fill vacancies in these areas due to these factors. Auto industry publications indicate similar shortages of qualified technicians.*

*According to the California Employment Development Department (EDD), projections of employment (2012-2022) for Fresno County indicate that there are an anticipated 63 job openings annually for Automotive Service Technicians and Mechanics. While not all of these positions will be for Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV), as the local and regional demands increase for these technologies the need for training and upskilling of the current workforce will also increase. Over the past five years, Fresno City College's (FCC) Automotive Technology program has graduated between 7-15 Associate of Science degrees or 14-16 certificated technicians on an annual basis; all who would be qualified for any of these 63 job openings. A goal of the Fresno COG project would be to have 5-10 of these graduates also enjoy the advantage of being prepared to service the growing AFV/HEV/BEV market.*

*The EDD is confident in the need for training of this type, as evidenced by their recent partnerships with the California Community College Chancellor's Office and the California Energy Commission to fund prior training programs in alternative fuel vehicle related areas.*

2. Explain the public need for the project/program. If applicable, attach a feasibility study for the project/program as an appendix. If one is not available, provide justification to how the public need was determined.

*Fresno City College has sought extensive public comment on the development of a high intensity use satellite campus site in the West Fresno region to provide community residents with access to workforce training and educational opportunities leading to high-demand,*

*high-quality jobs. This included not only participation in all of the community conversation events connected to the recent Transformative Climate Communities (TCC) process, but also a series of community meetings hosted by the college at both its main campus site and throughout the community. It was clear in all of these communications that the West Satellite Advanced Propulsion Systems Training Campus was not only needed, but desired by local residents.*

*The public need for the West Satellite Advanced Propulsion Systems Training Campus was further stressed through the recent Southwest Specific Plan, produced by the City of Fresno in 2017. That document specifically called for a new community college within the plans target area (the MLK Activity Center); the institution was intended as a 'magnet core', anchoring many of the other community services and updated programs/projects. This planning document was developed with extensive community input, and approved by the City Council.*

*Additionally, FAX recently conducted public outreach regarding the City of Fresno's planned transit system restructure. An area of this project which inspired public involvement and input in this process focused on future service to Clovis Community College. This additional public response to planning processes is a strong indicator of Fresno residents' desire for educational opportunities, specifically at our community colleges, and for public transit service for their transportation needs. Once the new FCC West Satellite Advanced Propulsion Systems Training Campus is built, continued advocacy from the community and City of Fresno ensure a continuity of updated public transit service. Since high-frequency service (i.e., buses arrive at stops every 15 minutes) is already planned for the new campus location, the anticipated need will be met. With the campuses planned EV maintenance and charging facilities, it will be a prime candidate to act as a hub for update FAX EV bus systems and services.*

### **3. Describe how the project/program will improve economic vitality of Fresno County.**

*Fresno City College (FCC) serves a highly diverse and economically challenged community. Although situated in one of the world's most productive agriculture areas, Fresno County continues to be one of the nation's most impoverished regions. As of May 2018, residents of Fresno County continue to suffer with an unemployment rate of 6.9 percent, compared to 4.2 percent for the state overall (Source: U.S. Bureau of Labor Statistics, May 2018).*

*As a community college, FCC has traditionally served the largest number of disadvantaged postsecondary students in its service area. By helping to establish and support an Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) training center in the region, the college will assist in not only reducing ongoing severe air quality issues such as those described earlier in this narrative, at the same time it will provide direct training leading to high-wage job opportunities for students and local residents as Automotive Services Technicians and Mechanics (averaging \$18.57/hour in earnings). As a result of both new trainee enrollments and upskilling of existing maintenance technicians to service regional alternative vehicle fleets, the City of Fresno and Fresno City College can help ensure the health of both its community and the local economy.*

**4. Describe the safety/security features of the project/program.**

*The City of Fresno is dedicated to the safe maintenance and operation of its alternative fuel vehicle fleets. These vehicles pose unique safety challenges associated with their specific technologies. CNG and LNG vehicles require safety training related to flammable gaseous fuels, high pressures and extremely low temperatures. HEV's and BEV's require specific training on the hazards of high voltage/high electrical current systems. As a partner, Fresno City College (FCC), supports this commitment through its dedication to provide safety training related to Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) courses within the advanced transportation program at the West Fresno Satellite Campus. As part of each course and training session, students and participants will review vehicle and equipment safety protocols for maintenance, repair, fueling, collision repairs, and disposal of such vehicles and their systems.*

*In addition, the transit industry takes safety very seriously. With heavy vehicles carrying large passenger loads, safety failures can be catastrophic. EV bus manufacturers such as Proterra rigorously test their buses and provide EV maintenance training regarding high voltage/high current energized systems. Proterra provides recommended lock-out/tag-out procedures for EV, system de-energization verification, PPE and safety equipment training input, and suggested hands-on activities for the curriculum. Proterra also provides input on how to safely maintain, operate, and disable chargers regardless of the charger manufacturer. Industry input such as this will be integrated into the curriculum.*

*Other emerging technologies that will require technician training are electronic safety systems such as blind-spot assistance, collision avoidance, highway lane assist, adaptive cruise control, and other driver-assist technologies. These systems are becoming ubiquitous in the auto market, and are often standard items on HEVs/BEVs. These technologies are now moving into the trucking and transit industries.*

**5. How will the project/program improve accessibility for disabled Fresno County residents?**

*The transit industry provides access and mobility to everyone, including persons with disabilities. Because of this, EV bus vendors, such as project partner Proterra, provide transit buses that include ADA compliant ramps, ADA seating with stop requests at the appropriate height for wheel chairs, and kneeling capability. Newer technologies such as passive wheelchair restraints are being deployed throughout the industry. Through the use of these systems the City of Fresno will ensure that Fresno residents with disabilities have more reliable transportation options through the increase deployment of EV buses providing public transit ridership and similar modal connections to walking, biking, and/or wheelchair access points. Thus, disabled residents will have access to improved travel experiences as well as lower greenhouse gas emissions for residents in high pollutant areas such as West Fresno. All of these systems require ongoing inspection, maintenance and repair to ensure their proper operation and safety for our disabled community.*



6. Describe how the project/program will improve connectivity and enhance current transportation operations.

*Overall, the City of Fresno has sought to improve connectivity and enhance transportation operations through a variety of programs and projects. One aspect of this has been providing improved bus transportation service through increased frequency of bus availability on its routes. This process requires the addition of more buses to the City's fleet, with potential bus options limited by the need to align with the 40% greenhouse gas reduction described in the CARB's Scoping Plan (which includes mandates for purchasing/phasing-in zero emission buses). These needs are leading to more electric buses on road, and more electric buses mean an increased need for electric bus maintenance support and more mechanics who can work on these specialized vehicles.*

*Another mechanism to improve connectivity and transportation systems lead to a number of projects related to the City of Fresno's recent application for Transformative Climate Communities (TCC) funding. This includes "Transform Fresno" TCC Project #19: Smart Mobility Network. This project will provide low- or no-cost electric vehicle (EV) car-sharing hourly-services throughout the project area (5-square-miles of Fresno encompassing portions of Southwest Fresno, Downtown, and Chinatown); a volunteer driver program providing EV rides to underserved residents; electric vanpools for accessing employment centers and jobs; and an electric bike-share program for checking out bikes. Local organizations will own the forty-two electric vehicles and chargers over the long-term in order to keep assets in the community. A mobility hub customer services center will provide a physical location for engaging with the program. Again, trained AFV/HEV/BEV maintenance mechanics will be required in order to keep project vehicles in good service.*

*Finally, as part of both the TCC service area, a TCC project member (Project #35: FCC West Fresno Campus), and a direct trainer of alternative fuel vehicle technicians, the Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus will both benefit and support the connectivity of current transportation options in this region such as the project described above. Existing EV and alternative vehicle technician certifications provided by the college supports all such fleet programs, and will continue to seek to act as a regional driver for maintenance training and support.*

## PROJECT/PROGRAM ELIGIBILITY - Innovation (0 – 25 points)

1. Identify and clearly describe the advanced technology(ies) utilized in the project/program and how the project/program utilizes advanced technology(ies) beyond the level of existing technology(ies) currently used in transit and transportation systems in widespread applications.

*The advanced technologies that this project will support are primarily associated with HEV, PHEV, and BEV technologies. These emerging technologies are being embraced by the auto industry with nearly every major manufacturer providing offerings in their model lineups. Where 3 years ago the typical range for BEVs was less than 100 miles, ranges for new offerings of BEVs have increased to 200 miles per charge (e.g., Chevrolet Bolt). Ranges of 300 miles between charge are expected to be commonplace in the next 3-5 years. Plug-in Electric Hybrids (PHEVs) have been developed that are suitable for longer range applications, providing all-electric range for short commutes and hybrid capability for longer trips. This increased range and wide array of offerings is causing the public to embrace the technologies. Additionally, incentives provided by the federal government, the state, and the local air district support the implementation.*

*As mentioned earlier, in addition to cutting-edge battery and energy management systems, these new vehicle platforms often require new technologies/systems such as regenerative braking, collision avoidance, active passenger safety features, electrical driven accessories, drive-by-wire, and adaptive cruise control. Many of these systems are computer-controlled and software-driven, requiring technicians to be much better versed in electronic diagnostics and the use of computers. Technicians will require ongoing training to work on these new systems as the technology evolves.*

*Similarly, the heavy industry is moving toward zero-emission technology. EV bus vendors such as project partner, Proterra, are critical to deployment of innovative solutions for public transit and fleet management for public agencies and municipalities. Bus manufacturers have embraced this technology and two manufacturers (Proterra and BYD) have located manufacturing facilities in the state of California. Proterra is the current market leader in the Battery Electric Bus (BEB) market with the largest number of battery-electric transit bus deployments in the state. Proterra's innovation has allowed zero-emission technology to reach applications that were previously not possible. Proterra offers the largest capacity batteries in the industry. This technology along with advanced electric powertrain and lightweight composite structures provide ranges between charges that are suitable for operation in transit operations such as the City of Fresno, where daily mileage can exceed 250 miles. With these advances in technology, the City is now investing in electric buses as well as charging infrastructure to support them. The City's investment in 9 electric buses and charging infrastructure will exceed \$10 million dollars. Both FCRTA and City of Visalia are making similar investments. Fresno COG has awarded funding to FCRTA for deployment of Proterra electric buses through this program.*



*Project partner, Fresno City College (FCC), is uniquely positioned to support industry partners such as Proterra as well as public transit agencies and municipalities throughout the San Joaquin Valley region who are seeking to deploy Alternative Fueled Vehicles (AFVs)/Hybrid Electric Vehicles (HEVs)/Battery Electric Vehicles (BEVs). As a primary training provider of courses within Automotive Technology programs, as well as through customized training opportunities for incumbent workers, FCC will work with Proterra (and other vendors in the future) to plan, develop, and implement vendor-specific training for service areas that need training modules and factory certification options through face-to-face and/or online training options.*

**2. Describe if and how this project incorporates energy storage.**

*Battery-electric vehicle technology supports energy storage in a variety of ways.*

*First, electric vehicle battery modules can be repurposed for stationary storage after their useful life in a vehicle is completed. Both BYD and Proterra have recognized this opportunity and are looking into the feasibility. Batteries whose performance has degraded below an acceptable level for mobile use can be utilized in stationary applications where energy density is less of a concern. The City of Fresno and other agencies are interested in this technology because it may reduce expected high demand charges from the utility provider which are based on peak power consumption. Stationary storage would be charged at a low charge rate over longer periods and then would allow for rapid transfer of energy to the vehicle, thereby reducing demand on the grid and demand charges. All Proterra-developed chargers and batteries have been designed with stationary storage in mind.*

*Secondly, photovoltaic cells do not produce output at night and oftentimes the amount of energy harvested from the sun is not optimized. Home energy storage systems are now available that maximize PV energy harvest for utilization during nighttime hours.*

*Lastly, while electric vehicles consume electricity, they can also export power to the grid as mobile energy storage units. An increase in electric vehicle adoption may mean more flexibility for the grid to respond to supply and demand. Automakers and energy suppliers are already looking to capitalize on the large amounts of energy storage available to offer a “vehicle-to-grid” service to buyers. The owner of the vehicle will have a special charger and the energy utility will manage the vehicle’s battery. There would be an exchange of electricity from the vehicle battery to the grid during peak times when costs are highest, potentially providing a monetary return to the owner. The vehicle battery would be charged during off-peak times when costs are lowest. This option may be especially useful in agencies that have adopted electric buses for public transportation. Electric buses could provide electricity to the grid when not in use, decreasing costs for the city and customers.*

*As part of project development, Fresno City College will be exploring options and adding coursework to the Electrical, Automotive, and Maintenance programs regarding EV charging stations and energy storage solutions in Years 3-5 of this project.*

3. If applicable, describe how a research project(s)/program(s) will further the goal of developing and deploying new and innovative ideas, practices, and approaches.

*Not Applicable*

4. Explain how the project/program will provide more efficient and effective delivery of public transportation services through the use of the new technology or technological capacity improvements.

*Project lead, City of Fresno, seeks to ensure the reliability of its transportation networks and is dependent in large part on the reliability of its vehicles. DOT regulations require a bus to be operated for a minimum of 12 years before replacement and also limits the number of spare buses agencies can keep on hand. In addition to low emissions, HEVs, PHEVs and BEVs offer potentially lower ongoing maintenance costs than internal combustion counterparts. Electrical powertrains are simpler and have fewer moving parts, which reduces likelihood of failure and decreases repair times. The newest battery offerings allow for greater ranges reducing downtime for charging and allowing charging at non-peak hours, which is critical for a fixed route system like Fresno's that covers a large number of miles each day. Along with other regional entities, the City of Fresno understands that new EV buses will help to ensure the long-term viability of its public transit systems.*

*Project partner, Proterra, was specifically selected for this program as their buses perform more reliably than typical transit diesel buses. Like all buses, these EV buses require preventive maintenance to maintain their peak performance and expected life. Unlike a typical diesel transit bus, the preventive maintenance needed for a Proterra electric bus is less time-consuming and requires few replacement parts. The combination of lower cost maintenance and greater energy efficiency leads to lower operating costs for a transit system, allowing for more rapid expansion of transit and efficient use of funds.*

*Project partner, Fresno City College, will work alongside industry leaders such as Proterra as coordinate project curriculum and program development with local public agencies and municipalities to provide future and current maintenance workers with the background to keep Alternative Fueled Vehicles (AFVs)/Hybrid Electric Vehicles (HEVs)/Battery Electric Vehicles (BEVs) running efficiently.*

### PROJECT/PROGRAM ELIGIBILITY - Replication & Regional Applicability (0 – 10 points)

1. Explain how the project/program has the potential for replication and/or growth in other areas of the Fresno County region.

*Fresno City College's Automotive Technology program will develop, acquire approvals for, and then implement a schedule of courses in Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energy storage. In the design process, FCC will work with industry leaders to ensure that the courses are cutting-edge and aligned with future growth within the industry.*

*These courses will be developed with the plan of replication and/or growth throughout the region, state, or nation via both the California community college network and potential industry partner train-the-trainer options. Through this process, courses as well as factory training packages and demonstration videos will have the versatility to be delivered in-person or online.*

## PROJECT/PROGRAM ELIGIBILITY - Environmental Justice Benefits (0 – 10 points)

1. Describe if and how the project/program will provide health benefits to disadvantaged communities.

*Fresno City College has engaged in intentional health-benefit design of the project's West Satellite Advanced Propulsion Systems Training Campus. The college has been actively involved in the Transformative Climate Communities (TCC) collaborative to promote healthy and green construction in the area, as well as hosting FCC-lead community meetings in partnership with nonprofit groups such as Barrios Unidos, Street Saints, and New Americans, over the last year in order to ensure community engagement and input regarding campus design and Career Technical Education (CTE) programming. The resulting project will help to reduce greenhouse gas emissions, promote public health, and provide educational opportunities which statistically lead to healthier lives.*

*According to the Fresno COG's 2014 Regional Transportation Plan and Sustainable Communities Strategy in the Environmental Justice Plan, Page 3-2, the Plan's target is to provide fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies; meaning that no group of people should bear a disproportionate share of the negative environmental consequences resulting from industrial, governmental and commercial operations or policies.*

*This vision fits well with FCC's West Satellite Advanced Propulsion Systems Training Campus; as a community college the institution is committed to inclusion of all service area residents being able to access a high-quality educational experience; and in pursuit of this mission, offering meaningful involvement through opportunities to participate in decisions about activities that may affect their environment and/or health; public contribution that can provide input and concerns into the institution's decision making process; and engage with decision makers to seek out and facilitate the involvement of those potentially affected. This is the process that Fresno City College has utilized as part of West Satellite Advanced Propulsion Systems Training Campus development.*

*Additionally, Fresno City College (FCC) will directly support project lead, the City of Fresno, and other public agencies and municipalities in their pursuit of deploying EV buses such as Proterra products. In doing so, greenhouse gas emissions from diesel vehicles will convert no criteria pollutant emissions with the usage of EV products. Diesel vehicles produce pollutants such as carbon monoxide, particulates, lead, and sulfur dioxide that contribute heavily to poor air quality and can cause severe health issues even in small quantities. Although criteria pollutant emissions from diesel buses have improved in the last few decades, they still emit trace amounts of the materials. Other technologies like CNG and hybrid transit vehicles also emit small amounts of criteria pollutants. The greatest health benefit to residents within a community is the conversion to EVs, providing the greatest*

offset for this type of pollution. With trained Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) maintenance technicians, disadvantaged communities such as West Fresno will see the largest health benefits as well as accessibility to a wide variety of transit modal options.

2. Describe if and how the project/program will provide **economic and/or improved public services** to disadvantaged communities.

*Project partners from the City of Fresno and Fresno City College recognize the commitment and partnership expectations of residents in the project area. These funds will help establish the West Satellite Advanced Propulsion Systems Training Campus and ensure the fulfillment of that commitment. The campus is designed to provide a direct, meaningful, and assured benefit to the local community. The training facilities will be located in one of the most economically disadvantaged areas of the region' the City of Fresno as a whole represents some of the most significantly economically disadvantaged areas in the state. See the SB 535 Disadvantaged Communities map at CalEnviroScreen 3.0 for a snapshot of the project area, demonstrating its representation as the highest scoring region for environmental pollution, poverty, unemployment, and housing burden (<http://oehha.maps.arcgis.com/apps/View/index.html?appid=c3e4e4e1d115468390cf61d9db83efc4>).*

*Campus construction and training/program strategies are designed to provide environmental and economic benefits through both facilities development methods and programming. Increased education and training opportunities will lead to improved outcomes for residents, as a college education has been demonstrated to increase lifetime earnings.*

*"Over a 40-year career, those who didn't earn a high school diploma or GED are expected to bring in less than \$1 million, which translates into slightly more than \$24,000 a year." Comparatively, individuals who earn an associate's degree are expected to earn \$1,727,000, roughly \$43,175 annually, and those with a bachelor's degree can expect to earn \$2,268,000 in their career or \$56,700 a year. (The College Payoff: Education, Occupations, Lifetime Earnings. Georgetown University, Center on Education and the Workforce – based on 2007-2009 US Census, American Community Survey).*

*"More education leads to higher earnings that can provide access to healthy food, safer homes, and better health care." While increased access to medical care is one aspect of higher earnings, other physical and mental wellness choices are also influenced education. College educated community members live longer, suffer less illness, have fewer medical bills, and experience greater psychological ease. Even a few additional years of education can make these differences in health outcomes. (Education: It Matters More to Health than Ever Before. Virginia Commonwealth University, Center on Society and Health – based on 2007-2009 US Census, American Community Survey).*

*Specific to this project, Fresno City College's (FCC) Automotive Technology program provides training leading to high-wage job opportunities for students and local residents as Automotive Services Technicians and Mechanics (averaging \$18.57/hour in earnings). In addition, according to O\*Net Online, SOC 49-3031 for Bus and Truck Mechanics and Diesel Engine Specialists, this occupation is on the rise with median earnings in California of \$25.81/hour (2017).*

For more information on environmental justice areas in Fresno County, see the Fresno COG environmental justice plan found at <http://www.fresnocog.org/environmental-justice>.

## PROJECT/PROGRAM MATCH FUNDING COMMITMENTS (0 – 10 points)

1. Discuss the project/program funding strategy, clearly indicating total cost, authorization amounts and dates for all funding sources committed or anticipated to fully fund the project. Include a contingency plan if anticipated funding does not materialize.

*Please see electronic “Appendix D” for Budget Narrative description (page 54).*

**Attach an electronic copy of a current audited financial statement of all agencies with which your eligible public agency will partner as an appendix to the electronic copy of your agency’s application. Do NOT submit a hard copy of the audited financial statement. Additionally, do NOT submit a copy of a Fresno COG member agency’s audited financial statement.**

*Please see electronic “Appendix G” for applicable resolution documents (page 66).*

PROPOSED FUNDING									
Fund No. 1:	Measure C New Technology Program Reserve Grant								Program Code
Proposed Funding									
Component	Prior	18/19	19/20	20/21	21/22	22/23	23/24+	Total	Funding Agency
E&P (PA&ED)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FCOG / FCTA
PS&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
R/W SUP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CON SUP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
R/W	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CON	\$0	\$1,200,000	\$45,000	\$60,000	\$75,000	\$90,000	\$0	\$1,470,000	
TOTAL	\$0	\$1,200,000	\$45,000	\$60,000	\$75,000	\$90,000	\$0	\$1,470,000	

Fund No. 2:	Match Funding								Program Code
Proposed Funding									
Component	Prior	18/19	19/20	20/21	21/22	22/23	23/24+	Total	Funding Agency
E&P (PA&ED)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
PS&E	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	FCC staff cost for curriculum development work
R/W SUP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CON SUP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
R/W	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CON	\$0	\$36,842	\$38,149	\$39,513	\$40,662	\$42,844	\$0	\$198,010	
TOTAL	\$0	\$36,842	\$38,149	\$39,513	\$40,662	\$42,844	\$0	\$198,010	

I certify that the information contained in the Proposed Funding table above is accurate to the best of my knowledge and that I am authorized to submit the project/program proposal for scoring and possible programming. The agency is required to identify matching funds, if any, and deliver the project as proposed within the scope and schedule specified in the application should the project be awarded funding.

Signed:  \_\_\_\_\_

Printed Name: Jim Schaad

Date: 7/19/18



## PROPOSED BUDGET FOR OPERATIONAL PROJECTS/PROGRAMS

### PROJECT ANNUAL BUDGET:

<b>Estimated Income:</b>	
a. Passenger Revenue	\$ 0
b. Other Revenues	\$ 0
c. Total grants*, donations, subsidy from other agency funds	\$ 0
<b>TOTAL INCOME</b>	\$ 0
*Not including this grant request.	
<b>Estimated Expenses:</b>	
a. Wages, Salaries and Benefits (non-maintenance personnel)	\$ 0
b. Maintenance & Repair (include maintenance salaries)	\$ 0
c. Fuels	\$ 0
d. Casualty & Liability Insurance	\$ 0
e. Administrative & General Expense	\$ 76,750
f. Other Expenses (e.g., materials & supplies, taxes)	\$ 172,500
g. Contract Services (specify) <u>Membership Subscriptions/</u> <u>Conferences/Meeting Hosting/Summit</u>	\$ 276,250
<b>TOTAL EXPENSES</b>	\$ 525,500

## PERFORMANCE MEASURES

1. List performance measures your agency will use to track the effectiveness of this project.

### **ACTIVITY #1:**

- *# of Original Equipment Manufacturers (OEM)/factory partnerships*
- *# of Automotive Technology degrees and certificates (5% increase annually)*

### **ACTIVITY #2:**

- *Completion of equipment and training materials purchases for update curriculum*
- *# of attendees at the "What's New in AFV/HEV/BEV Summit"*

### **ACTIVITY #3:**

- *# of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) courses schedules*
- *# of Automotive Technology students enrolled in AFV/HEV courses*
- *# of new AFV/HEV/BEV-related courses/certificates developed*
- *# of new AFV/HEV/BEV-related courses/certificates approved*
- *# of new AFV/HEV/BEV-related courses/certificates scheduled*
- *# of Automotive Technology students enrolled in new AFV/HEV/BEV-related courses*

### **ACTIVITY #4:**

- *# of faculty who attended a factory conference/professional development event*
- *# of factory training packages developed*
- *# of factory demonstration video developed*
- *# of factory train-the-trainer events offered*
- *# of factory trainings offered*
- *# of incumbent workers participating in AFV/HEV/BEV trainings*
- *# of incumbent workers participating in new AFV/HEV/BEV-related trainings*

2. Describe how your agency will monitor, evaluate, and report on the service your agency proposes to provide.

*Fresno City College's Lead Faculty for the project, Marty Kamimoto, and Senior Manager, Dr. Becky Barabe, will monitor work plan activities and evaluate progress to date on a monthly basis.*

- *Equipment & Related Materials - Given established partnerships with local dealerships and suppliers, bids and specs will be available in a timely manner. Standardized and approved purchasing policy/practice at State Center*

*Community College District ensure accurate and well documented transactions and ongoing tracking of materials and equipment in the college inventory.*

- *Curriculum Modification/Development - Lead Faculty, Marty Kamimoto, has over 20 years of experience in curriculum review, development, and modification. His background will ensure that internal and state mandated policies are followed and all necessary approvals and documentation of changes are recorded.*
- *Professional Development - Mr. Kamimoto will direct the provision of training on both internal systems (educational delivery software, Canvas) and external systems (OEM Training: GM, Mopar CAP/FCA, BMW, Honda, and Proterra) for faculty and public agencies as well as municipalities involved in the project. As a long time faculty lead, he is familiar with the required processes to ensure that associated timelines are followed.*

*Status reports including milestone progress and performance measurements will be provided to lead partner, the City of Fresno, on a monthly basis. These will be accompanied by documentation and reimbursable invoices. Additional reporting based on requests by the City of Fresno or Fresno COG can be arranged as needed.*

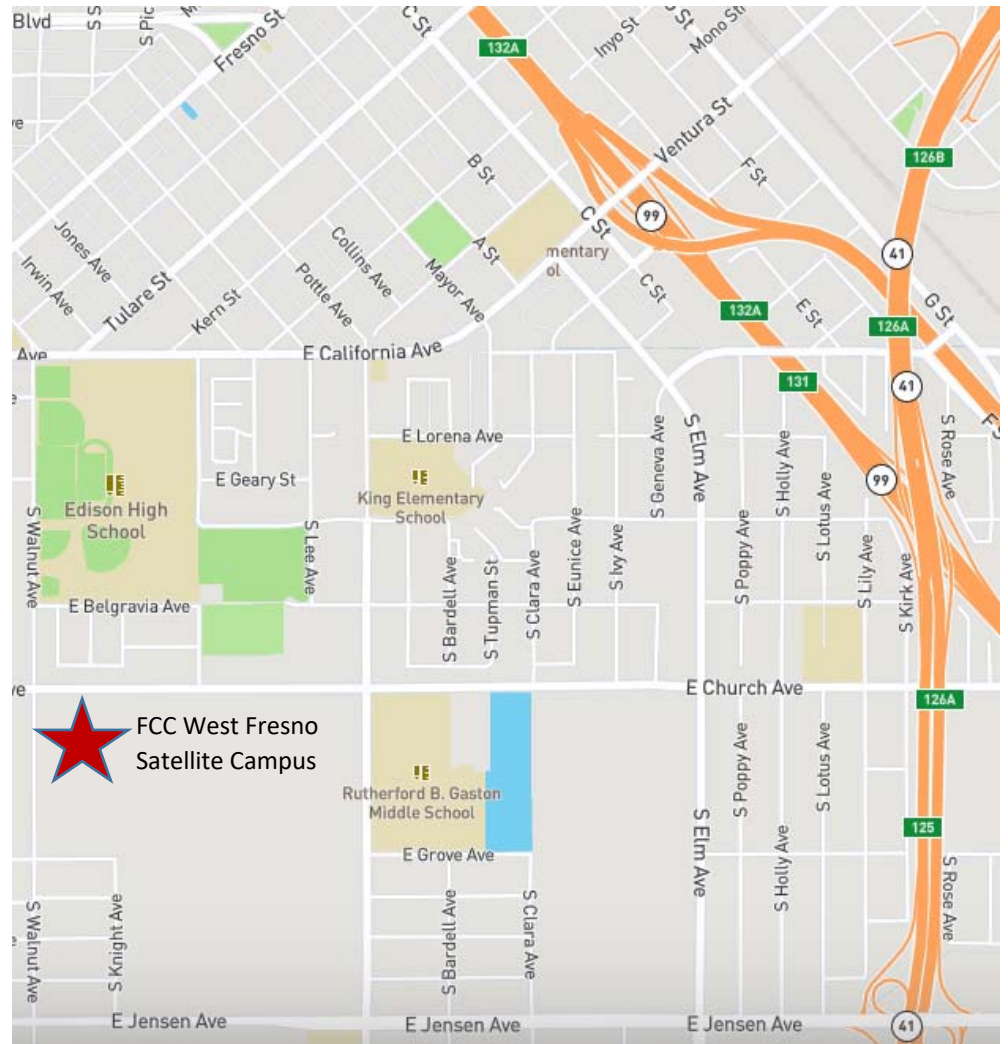
# **Appendix A:**

## **Service Area Map**

San Joaquin Valley (SJV)



Fresno City College (FCC) West Fresno Satellite Campus



# **Appendix B:**

## Project Schedule

Activities	Milestones	Responsible Party	Timeline
<b>ACTIVITY #1:</b> Identify opportunities to develop and demonstrate advanced transportation vehicle training certifications. Enhance marketing strategies to promote Alternative Fuel Vehicle Training Certificates and Educational Partnerships with vehicle Original Equipment Manufacturers (OEM's - GM, MoparCAP/FCA, Honda, BMW, Proterra, etc.) that will provide factory recognized certification, increasing the number of College awarded certificates and industry-recognized certifications by 5% per year.			
Train FCC Advanced Transportation faculty in Original Equipment Manufacturers (OEM) factory recognized certification and then establish regional education training status at the Fresno City College's (FCC) West Satellite Advanced Propulsion Systems Training Campus.	1.1.1 Upgrade partnerships with GM and MoparCAP/FCA with EV	Lead Instructor	1/1/19-12/31/19
	1.1.2 Execute partnership with Proterra	Dean of Instruction	1/1/20-12/31/20
	1.1.3 Execute partnership with BMW		1/1/21-12/31/21
	1.1.4 Establish and execute partnership with Honda	Dean of Instruction Lead Instructor	1/1/22-12/31/22
Enhance marketing strategies to promote Alternative Fuel Vehicle Training Certificates through existing College Automotive, Electrical, and Maintenance programs as well as Dual Enrollment programs at feeder high schools.	1.2.1 Increase the number of College awarded certificates by 5% and industry-recognized certifications by 5%.	CTE Counselor	May-July 2019
	1.2.2 Same as 1.2.1	CTE Counselor	May-July 2020
	1.2.3 Same as 1.2.1	CTE Counselor	May-July 2021
	1.2.4 Same as 1.2.1	CTE Counselor	May-July 2022
	1.2.5 Same as 1.2.1	CTE Counselor	May-July 2023
Host OEM/factory meetings	1.3.1 GM Annual Meeting	Lead Instructor	January-March
	1.3.2 General Advisory Annual Meeting	Lead Instructor	April-June
	1.3.3 EV Vendor Annual Meeting	Lead Instructor	July-September
	1.3.4 MoparCAP/FCA Annual Meeting	Lead Instructor	October-December
<b>ACTIVITY #2:</b> Promote Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) technologies.			
Purchase AFV/HEV equipment and vehicles.	2.1.1 Proterra Bus 2.1.2 Two (2) EV Trucks/Vans 2.1.3 GM EVs: Volt, Bolt 2.1.4 MoparCAP/FCA EVs: Pacifica, Fiat 2.1.5 Toyota: Prius Hybrid 2.1.6 Honda: Accord Hybrid 2.1.7 Demo Stations & Diagnostic Tools	Lead Instructor & District Purchasing Department	2/1/19-12/31/19



Host an annual "What's New in AFV/HEV Summit" in collaboration with industry partners for public agencies, municipalities, and community residents, including product demonstrations, preventative maintenance strategies, and/or technical training.	2.2.1 Regional Summit with a minimum of 50 attendees.	Lead Instructor	Summer 2019
	2.2.2 Regional Summit with a minimum of 100 attendees.	Lead Instructor	Summer 2020
	2.2.3 Regional Summit with a minimum of 150 attendees.	Lead Instructor	Summer 2021
	2.2.4 Regional Summit with a minimum of 200 attendees.	Lead Instructor	Summer 2022
	2.2.5 Regional Summit with a minimum of 250 attendees.	Lead Instructor	Summer 2023
<b>ACTIVITY #3:</b> Offer existing Automotive Technology courses for College credit at the Campus and expand Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) curriculum and industry partnerships in medium-heavy truck and fleet maintenance and repair and/or electrical charging station installation, maintenance, and repair as well as infrastructure and energy storage.			
Schedule the following Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) courses, including Introduction to Hybrid Electric Vehicles (HEVs), Service and Maintenance of HEVs, Diagnosis and Repair of HEVs, Introduction to Alternative Fuel Vehicles (AFVs), Service and Maintenance of AFVs, and Diagnosis and Repair of AFVs.	3.1.1 Offer in Fall term Introduction to Hybrid Electric Vehicles (HEVs) and Introduction to Alternative Fuel Vehicles (AFVs).	Dean of Instruction	Fall 2019
	3.1.2 Offer in Spring term Service and Maintenance of HEVs and Service and Maintenance of AFVs. Offer in Summer term Diagnosis and Repair of HEVs and Diagnosis and Repair of AFVs. Offer in Fall term Introduction to Hybrid Electric Vehicles (HEVs) and Introduction to Alternative Fuel Vehicles (AFVs).	Dean of Instruction	Spring 2020 Summer 2020 Fall 2020
	3.1.3 Same as Year 2.	Dean of Instruction	Spring 2021 Summer 2021 Fall 2021
	3.1.4 Same as Year 2.	Dean of Instruction	Spring 2022 Summer 2022 Fall 2022
	3.1.5 Same as Year 2.	Dean of Instruction	Spring 2023 Summer 2023 Fall 2023

Develop, acquire approvals, and then schedule courses in the following Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energy storage.	3.2.1 Develop Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair course(s) and/or certificate(s). Submit through the FCC Curriculum Committee.	Lead Instructor	Spring/Summer 2019
		Lead Instructor	Fall 2019
	3.2.2 Develop electrical charging station installation, maintenance, and repair course(s) and/or certificate(s). Submit through the FCC Curriculum Committee.	Lead Instructor	Spring/Summer 2020
		Lead Instructor	Fall 2020
	Start offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair course(s).	Dean of Instruction	Fall 2020
	3.2.3 Develop infrastructure and energy storage course(s) and/or certificate(s). Submit through the FCC Curriculum Committee.	Lead Instructor	Spring/Summer 2021
		Lead Instructor	Fall 2021
	Start offering electrical charging station installation, maintenance, and repair course(s). Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair.	Dean of Instruction	Fall 2021
	3.2.4 Start offering infrastructure and energy storage course(s). Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair; and electrical charging station installation, maintenance, and repair.	Dean of Instruction	Fall 2022-Spring 2023

	3.2.5 Continue offering Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV) medium-heavy truck and fleet maintenance and repair; electrical charging station installation, maintenance, and repair; and infrastructure and energy storage courses.	Dean of Instruction	Fall 2023-Spring 2024
<b>ACTIVITY #4:</b> Coordinate with Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)vendors, such as Proterra, to plan, develop, and offer training.			
Plan and develop vendor training packages and demonstration videos.	4.1.1 Plan for Proterra factory training supports such as training package, demonstration videos, and/or courses/training in-person or online. Start development of training materials. 4.1.2 Refine Proterra training for local, regional, statewide, and/or nationwide use.	Lead Instructor  Lead Instructor Lead Instructor	Spring/Summer 2019  Fall 2019 1/1/21-12/31/21
Offer on-the-job training (OJT) courses to supplement maintenance worker training in the field.	4.2.1 Pilot local Proterra training for the City of Fresno and/or Fresno County Rural Transit. 4.2.2 Continue with Proterra training locally, regionally, statewide, and/or nationwide.	Lead Instructor  Lead Instructor	1/1/20-12/31/20  1/1/21-12/31/23

# **Appendix C:**

## **Project Staff**

### **Resumes**

## MARTIN S. KAMIMOTO

*Automotive Technology – Lead Instructor/Coordinator*

Email: [martin.kamimoto@fresnocitycollege.edu](mailto:martin.kamimoto@fresnocitycollege.edu)

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### PROFESSIONAL BIOGRAPHY

**Objective:** To develop a successful career in automotive training and consulting.

#### Professional History:

Fresno City College (May, 1996 – Present)

Full - Time Instructor/Coordinator for: the GM ASEP (General Motors Automotive Service Educational Program), GM STC (General Motors Service Technical College) Hands-On GM Dealer Funded Training Program, FCC ATTP (Fresno City College Automotive Technician Training Program), and BAR (Bureau of Automotive Repair) Clean Air Car Programs.

Lion Automotive, Inc. (December 1995 – May 1996)

Service manager in charge of service and shop operations. Provided training and mentoring to service technicians and personnel.

Budget Automotive Service (June, 1987 – November, 1995)

Service manager, shop foreman and automotive technician in charge of service and shop operations. Performed all service operations on various car lines. Specializing in engine performance, electrical, emissions, and computerized engine control systems.

Automotive Diagnostics – Division of SPX Corporation (January, 1994 – May 1996)

Part-time technical trainer in computerized engine controls, engine performance, and emission diagnosis and repair. I also provided training for Automotive Diagnostic customers on diagnostic equipment.

#### Education:

- California State University, Fresno (May 2002): Master of Science (M.S.) in Industrial Technology with emphasis in Transportation Systems Management
- California State University, Fresno (May 2000): Bachelor of Science (B.S.) in Industrial Technology with emphasis in Transportation Systems Management (Dean's List)
- General Motors Training Center – Burbank, CA (May 1996 – present) GM ASEP certified instructor
- General Motors Training Center – Burbank, CA (May 1996 – present) GM World Class certified technician
- American Honda Motor Company, Inc. – French Camp, CA (June 2001 – present) Honda PACT certified instructor
- FCA – Ontario, CA (January 2017 – present) Mopar CAP instructor
- Fresno City College (1984-1987): Automotive Technology – A.S. Degree (With Honors)

#### Licenses and Certifications:

- ASE Master Technician, (L1) Advanced Engine Performance Technician (National Institute for Automotive Service Excellence)
- BAR (Bureau of Automotive Repair) Advanced Certified Instructor (CI)
- BAR (Bureau of Automotive Repair) Advanced Certified Smog Technician (EA)
- GM ASEP (General Motors Automotive Service Educational Program) Certified Instructor.
- GM World Class Certified Technician
- Honda PACT (Professional Automotive Career Technician) Certified Instructor
- Mopar CAP/FCA Certified Instructor
- GM/American Honda/Mopar CAP/FCA – BEV, HEV, AFV Certified Technician/Instructor

*References Available Upon Request*

## BIOGRAPHICAL SKETCH

***Martin S. Kamimoto***  
***Fresno City College***  
***1101 E. University Ave***  
***Fresno CA, 93741***  
***559.442.8200 Ext. 8730***  
***[martin.kamimoto@fresnocitycollege.edu](mailto:martin.kamimoto@fresnocitycollege.edu)***

Marty Kamimoto is the GM ASEP and California BAR (Bureau of Automotive Repair) Clean Air Car Program Instructor/Coordinator at Fresno City College. He has been in the automotive industry since 1984, as an automotive technician, shop foreman, and service manager. He has performed all service operations on various car lines. Specializing in engine performance, electrical, emissions, and computerized engine control systems. Marty has been in the educational field since 1996. Marty received his Bachelor of Science and Master of Science in Industrial Technology with emphasis in Transportation Systems Management from California State University, Fresno.

He is an ASE Master Automotive Technician (A1-A8), and ASE (L1) Advanced Engine Performance Technician. Marty completed his GM World Class Technician Certification in September 2004. He serves as the Chair person for the IAGMASEP (International Association of General Motors Automotive Service Educational Program) Curriculum Committee. He is also a Certified American Honda PACT (Professional Automotive Career Technician) instructor, Mopar CAP (Career Automotive Program)/FCA (Fiat Chrysler Automobiles) instructor, BAR Licensed Smog Check Technician, and BAR Certified Instructor. He has also attended General Motors, American Honda, Mopar/FCA, and other OEM (Original Equipment Manufacturer's) Technical Training on BEV (Battery Electric Vehicle), HEV (Hybrid Electric Vehicle), and AFV (Alternative Fueled Vehicle).

## **Dr. Becky Barabé**

### **PROFESSIONAL EXPERIENCE**

#### **Administrative Experience**

- Experience in enrollment management including resource allocation, scheduling, loading accounting, and class or workshop productivity.
- Experience teaching, recruiting, coordinating, supporting, and staffing credit and noncredit classes as well as not-for-credit workshops and trainings.
- Experience working collaboratively to plan, organize, develop, and evaluate the programs, activities, and curriculum of assigned programs, and services that meet district and/or industry standards.
- Experience promoting, communicating, developing, facilitating, collaborating, and participating in partnerships with businesses and industry as well as agencies and non-profit organizations in order to maintain current in the instructional area's programs and the ability to meet student and community needs.
- Develop educational partnerships to integrate, expand, and enhance services.
- Experience in managing financial resources effectively and consistently with institutional policies.
- Track and monitor budgetary spending for grant-funded and general budget projects.
- Create systems and procedures for program operations of multiple grants (over \$50 million) and programs.
- Design and implement project and event goals, objectives, and outcomes as directed by cities, school districts, institutions of higher education, and non-profit organizations staff and Boards of Directors.

#### **Partnership Development**

- Strengths in ability to network and develop partnerships to solve problems and create change.
- Excellent oral and verbal communication skills.
- Coordinate with stakeholders in the community to assess the community needs, design training or project plans, and develop an implementation strategy.

#### **Budget and Fiscal Management**

- Fiscal management and supervision over thirteen (13) years (annual budgets of up to \$2 million).
- Approve expenditures for all programs, projects, or activities in a variety of institutions.
- No audit findings in any grant funded projects that I have managed.

#### **Grant Experience**

- Sixteen (16) years of grant writing experience with over \$30 million dollars in grant funding acquired for rural cities and the Central Valley region.
- One (1) year as a national grant writing workshop presenter and ten (10) years as a local grant writing trainer and coach.
- Development and implementation technical assistance for programs with local, state, and federal funding agencies.
- Generate progress reports and program evaluations regarding strengths and areas of opportunity for improvement within the program.

#### **Contracts Management**

- Directed and managed Business, Industry, Community Services, the Central Valley Workplace Learning Resource Center (WpLRC), and Contract Education training contracts for Merced College for various businesses, agencies, and schools.
- Coordinate Workforce Investment Board American Recovery and Reinvestment Act (ARRA) Direct Training for job skills training and job placement.
- Develop and maintain funding contracts from the California and U.S. Department of Education for educational programs.
- Coordinate U.S. Department of Agriculture and Housing & Urban Development contracts for community studies and development opportunities.
- Develop and implement MOUs with multiple contract partners.



## WORK EXPERIENCE

*1/17 – Present*

### **Dean of Instruction, Fresno City College**

Oversight for the following programs in the Applied Technology Division: Architecture; Automotive Collision Repair/Automotive Collision Repair Technology; Automotive Technology/Engine Repair/Engine Performance; Computer Aided Drafting and Design (CADD), Computer Aided Manufacturing (CAM), Construction, Electrical Systems Technology, Emergency Medical Technician, Fire Academy, Graphics Communications, Industrial Maintenance/Maintenance Mechanic/Manufacturing Mechanic, Photography, Police Academy, Warehouse Distribution, and Welding/Metal Fabrication. Provide leadership in working with faculty to develop student learning outcomes as they relate to courses and programs; promote the assessment of student learning outcomes in order to determine the effectiveness of student learning; work with faculty and administration to ensure resources and staff development are provided to promote student success, professional development, and institutional advancement; facilitate the development of new programs to reflect the changing needs in local, regional, and state economies; provide sustained leadership in curriculum improvement through regular program review, evaluation, revision, and attention to relevance; develop and recommend schedule of classes which optimize course availability and use of resources; schedule teaching assignments; monitor enrollment and make adjustments according to enrollment trends and fiscal realities; establish and maintain relationships with local schools, educational agencies, and the community which promote and benefit the programs within the division; hiring and evaluation of faculty and classified staff; develop budget recommendations and administer budgets; provide guidance and leadership for department chairs, coordinators and faculty; prepare annual goals, participate in planning activities, and facilitate completion of goals; serve as a liaison between division faculty and administration; participate in regional occupational education activities and other regional or statewide activities; prepare grant plans, facilitate grant applications, and prepare reports; participating member of president's cabinet, dean's council, and other college and/or district committees as assigned.

*9/10 – 12/16*

### **Business, Industry, and Community Services Director and WpLRC Director, Merced College**

Develop and distribute schedule of classes, hire and assign instructors to classes, and coordinate facility assignments for classes. Develop and implement innovative, effective, responsive, and affordable training solutions for traditional, soft skills, and vocational training programs through credit, noncredit, and not-for-credit modes. Provide the business community with workforce needs that help attract and retain employees through providing assessment, curriculum development, and customized training. Maintain oversight and control of department and program budgets, program reviews, and evaluations. Review, develop, and analyze new programs and department goals. Align campus and community resources and expertise to facilitate these partnerships. Create planning, development, and implementation plans to provide workforce development training for students and incumbent workers.

*2/00 – Present*

### **Grant Writing & Management Consultant, Barabé Enterprise**

Services provided for City of San Joaquin, Economic Development Corporation serving Fresno County, Fresno County Office of Education's Safe and Healthy Kids Department, Fresno Works for Better Health Collaborative, Golden Plains Unified School District, Caruthers Unified School District, Youth Centers of America, University of California, Merced's Center for Educational Partnerships, Coalinga-Huron Recreational Park District, Coalinga Enterprise Community, Huron Enterprise Community, Westside Housing & Economic Network, Tule River Economic Development Corporation, and West Hills Community College District to write grants, coordinate and implement grant funded projects, and complete annual performance and financial reporting requirements. Train, mentor, and coach individuals interested in pursuing federal, state, local, and foundation grant funding.

## EDUCATION

**Concordia University, Portland** Educational Leadership, Doctorate – Higher Education, August 2017

**Fresno Pacific University, Fresno** Administrative Leadership, Master of Arts – Organizational Development, May 2002

**University of California, Berkeley** Comparative Literature, Bachelor of Arts – Spanish and English, July 1999

# **Appendix D:**

## Budget Narrative

The following is Measure C New Technology Program Reserve Grant proposed funding request:

### **Other Expenses**

Instructional hand tools, demo stations, equipment to support 6 AFV/HEV/BEV courses in Year 1 at \$30,000 per year, as well as an increase in three courses per year in Years 2, 3, 4, and 5 for an addition \$15,000 per three courses (Year 2 at \$45,000, Year 3 at \$60,000, Year 4 at \$75,000, and Year 5 at \$90,000).

### **Capital Outlay**

In Year 1, purchases of a Proterra Bus and/or two electric vehicles (truck or van) at \$810,000, two General Motors EV vehicles (Volt and Bolt) at \$102,810, two MoparCAP/FCA EV vehicles (Pacifica and Fiat) at \$95,682, a Toyota Prius Hybrid at \$37,494, and a Honda Accord Hybrid at \$38,796 will occur in order to provide equipment that is accessible to students for training in AFV/HEV/BEV courses. In addition, cut away and demo stations at \$60,000 as well as diagnostic tools at \$25,218 will be purchased for the lab portion of these AFV/HEV/BEV courses.

PROPOSED FUNDING									
Fund No. 1:	Measure C New Technology Program Reserve Grant								Program
CON	\$0	\$1,200,000	\$45,000	\$60,000	\$75,000	\$90,000	\$0	\$1,470,000	FCOG / FCTA
TOTAL	\$0	\$1,200,000	\$45,000	\$60,000	\$75,000	\$90,000	\$0	\$1,470,000	

The following is Operational Program funding request:

### **Administrative & General Expense**

Fresno City College's in-direct rate for the district is 4% at \$76,750 for this grant to provide administrative support and facility usage.

### **Other Expenses**

Instructional supplies will be provided in order to offer 6 AFV/HEV/BEV courses in Year 1 at \$6,000, as well as an increase in 3 courses per year in Years 2, 3, 4, and 5 for an addition \$3,000 per 3 courses (Year 2 at \$9,000, Year 3 at \$12,000, Year 4 at \$15,000, and Year 5 at \$18,000). In addition, office supplies to support the program will be provided at \$2,500 per year and factory vendor train-the-trainer workshops (2 per year) will be provided to train community college faculty members regarding industry standards and trends in new equipment and cutting-edge technologies at \$10,000 per workshop (\$20,000 per year).

### **Contract Services**

Membership subscriptions to AFV/HEV/BEV trade and industry associations will be purchased as well as professional development opportunities for faculty members will be attended in order to obtain AFV/HEV/BEV industry information and resources regarding current training needs and trends. In addition, FCC will host four industry meetings (General Motors, MoparCAP/FCA, AFV/HEV/BEV vendors, and General Automotive advisory) per year in order to inform curriculum development and/or modification as well as host a "What's New in AFV/HEV/BEV" Summit once a year for local and regional partners.

e. Administrative & General Expense	\$ 76,750
f. Other Expenses (e.g., materials & supplies, taxes)	\$ 172,500
g. Contract Services (specify)	\$ 276,250
<b>TOTAL EXPENSES</b>	<b>\$ 525,500</b>

The following is Match funding contributions from FCC:

**Salaries**

Fresno City College will contribute 20% in-kind match of the Automotive Technology's lead faculty member's salary, Marty Kamimoto, as part of the project at \$152,041 over five years.

**Benefits**

Fresno City College will contribute 20% in-kind match of the Automotive Technology's lead faculty member's benefits, Marty Kamimoto, as part of the project at \$45,969 over five years.

Fund	Match Funding								Program Code
Proposed Funding									
CON	\$0	\$36,842	\$38,149	\$39,513	\$40,662	\$42,844	\$0	\$198,010	FCC staff cost for curriculum
TOTAL	\$0	\$36,842	\$38,149	\$39,513	\$40,662	\$42,844	\$0	\$198,010	

# Appendix E:

## City of Fresno

### Council Resolution

*Unofficial*

***Per communication with Fresno COG, this document is provided as a placeholder.***

The official resolution is scheduled to be approved at the regular City Council meeting on:

Thursday, July 26<sup>th</sup> 2018

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, AUTHORIZING THE SUBMISSION OF APPLICATIONS FOR THE FRESNO COUNCIL OF GOVERNMENTS (COG) 2018/19 MEASURE C NEW TECHNOLOGY RESERVE GRANT PROGRAM FOR ADVANCED TRANSIT PROJECTS AND AUTHORIZING THE EXECUTION OF ALL APPLICATION RELATED DOCUMENTS BY THE DIRECTOR OF TRANSPORTATION AND THE DIRECTOR OF PUBLIC WORKS OR DESIGNEES

WHEREAS, the City of Fresno is an eligible applicant of Measure C New Technology Reserve Grant funds; and

WHEREAS, the Fresno Council of Governments has issued a call for eligible applicants to submit proposal for projects to be funded in fiscal year 2018/19, for an estimated available funding of \$6,400,000.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The foregoing recitals are true and correct and incorporated herein.
2. Council authorizes submission of grant applications for FY2018/19 Measure C New Technology funds for three applications:
  - a. Department of Transportation – Microtransit Pilot Project
  - b. Public Works Department – Dynamic Downtown: Adaptive Signal Control Technology in Downtown Fresno
  - c. City of Fresno in Partnership with Fresno City College West Satellite Campus – Advanced Propulsions Systems Training Center

1 of 3

Date Adopted:

Date Approved:

Effective Date:

City Attorney Approval: ABF

Resolution No.

3. Council authorizes the Director of Transportation, the Director of Public Works or designee to execute all application related documents.

\* \* \* \* \*

STATE OF CALIFORNIA )  
COUNTY OF FRESNO ) ss.  
CITY OF FRESNO )

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

AYES :  
NOES :  
ABSENT :  
ABSTAIN :

YVONNE SPENCE, MMC  
City Clerk

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DOUGLAS T. SLOAN  
City Attorney

By: \_\_\_\_\_  
Amanda Freeman Date  
Senior Deputy City Attorney



# **Appendix F:**

## Letters of Commitment & Support



Fresno City College

1101 East University Avenue, Fresno, California 93741 Phone: 559-442-4600 FAX: 559-498-8350

*Applied Technology Division*

July 19, 2018

Ms. Peggy Arnest  
Senior Regional Planner  
Fresno Council of Governments  
2035 Tulare Street, Suite 201  
Fresno, CA 93721

Re: New Technology Reserve Grant – Partnership Commitment

Dear Ms. Arnest:

Fresno City College is pleased to provide this letter of commitment in partnership for the City of Fresno Department of Transportation application to the New Technology Reserve Grant. As the primary educational partner and electric vehicle maintenance mechanic training site location at the **West Satellite Campus Advanced Propulsion Systems Training Campus**, the college commits to provide instructional opportunities dedicated to expanding the role of Alternative Fueled Vehicle (AFV)/Hybrid Electric Vehicle (HEV)/Battery Electric Vehicle (BEV) technologies within the San Joaquin Valley, to the benefit of all regional transit agencies:

- Providing a neutral site for industry partners, public agencies, and municipalities to collaborate on technology demonstrations;
- Developing vehicle technology workforce training;
- Providing a central location for local and regional planning, development, and deployment of alternative fuels and fueling infrastructure.

Project goals include:

- Identify opportunities to develop and demonstrate advanced transportation vehicle training certifications. Enhance marketing strategies to promote AFV/HEV/BEV Training Certificates and Educational Partnerships with vehicle Original Equipment Manufacturers that will provide factory recognized certification, increasing the number of College awarded certificates and industry-recognized certifications by 5% per year;
- Promote AFV/HEV/BEV technologies by hosting an annual "What's New in AFV/HEV/BEV Summit" in collaboration with industry partners for public agencies, municipalities, and community residents, including product demonstrations, preventative maintenance strategies, and/or technical training;
- Offer existing Automotive Technology courses for College credit at the Campus: Introduction to Hybrid Electric Vehicles (HEVs), Service & Maintenance of HEVs, Diagnosis & Repair of HEVs, Introduction to Alternative Fuel Vehicles (AFVs), Service & Maintenance of AFVs, and Diagnosis & Repair of AFVs;
- Expand AFV/HEV/BEV curriculum and industry partnerships in medium-heavy truck and fleet maintenance and repair and/or electrical charging station installation, maintenance, and repair as well as infrastructure and energy storage; and
- Coordinate with AFV/HEV/BEV vendors, such as Proterra, to plan, develop, and offer training packages, demonstration videos, and/or on-the-job training (OJT) courses to supplement maintenance worker training in the field.

We greatly appreciate your careful consideration of the City of Fresno and Fresno City College partnership effort to provide support for this vital transportation fleet resource. If awarded, the college will enter into an MOU with the City which will be approved by our local Board of Trustees. We know that graduates will assist the region in achieving required state and federal emission guidelines, while seeking personal economic stability and growth.

Sincerely,

Dr. Becky Barabé  
Dean of Instruction, Applied Technology



July 19, 2018

Fresno Council of Governments  
c/o Peggy Arnest  
2035 Tulare Street, Suite 201  
Fresno, CA 93721

Dear Ms. Arnest:

**Proterra, Inc.** is pleased to support the grant application for the *New Technology Reserve Grant* submitted by the City of Fresno to fund and grow Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicles (BEV) maintenance training at the *Fresno City College West Satellite Campus Advanced Propulsion Systems Training Campus*.

As a partner in the pursuit of cleaner transportation solutions, we recognize the need for strong maintenance and service support training as a backbone for current and future regional transportation services.

Please feel free to contact me at the information indicated below if you have further questions relating to our support of this application.

Sincerely,

Mike Finnern  
Senior Director – Customer Service  
[mfinnern@proterra.com](mailto:mfinnern@proterra.com)  
720-891-1221

# City of Visalia

425 E. Oak Ave., Ste. 301, Visalia, CA 93291



# Transit Division

Tel: (559) 713-4100 Fax: (559) 713-4815

July 18, 2018

Fresno Council of Governments  
c/o Peggy Arnest  
2035 Tulare Street, Suite 201  
Fresno, CA 93721

Dear Ms. Arnest:

Visalia Transit is pleased to support the grant application for the *New Technology Reserve Grant* submitted by the City of Fresno to fund and grow Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicles (BEV) maintenance training at the **Fresno City College West Satellite Campus Advanced Propulsion Systems Training Campus**.

As a partner in the pursuit of cleaner transportation solutions, we recognize the need for strong maintenance and service support training as a backbone for current and future regional transportation services.

Visalia Transit has recently taken delivery of their first three Battery electric Buses which will be placed into revenue service in October 2018. As the transportation industry moves to adopt the use of these vehicles, the need will increase for qualified maintenance staff throughout the region. We fully support the efforts of Fresno City College to provide training for the service and repair of Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicle (HEV) and Battery Electric Vehicle (BEV) systems.

Please feel free to contact me for any further information or to discuss our support of this application.

Sincerely,

A handwritten signature in blue ink that reads "Melody Murch".

Melody Murch  
Interim Transit Manager  
559-713-4591  
Melody.murch@visalia.city





2035 Tulare Street, Suite 201  
Fresno, CA 93721  
Phone: (559) 233-6789  
Fax: (559) 233-9645  
[www.ruraltransit.org](http://www.ruraltransit.org)

---

July 18, 2018

Fresno Council of Governments  
c/o Peggy Arnest  
2035 Tulare Street, Suite 201  
Fresno, CA 93721

Dear Ms. Arnest:

Fresno County Rural Transit Agency (FCRTA) is pleased to support the grant application for the *New Technology Reserve Grant* submitted by the City of Fresno to fund and grow Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicles (BEV) maintenance training at the *Fresno City College West Satellite Campus Advanced Propulsion Systems Training Campus*.

As a partner in the pursuit of cleaner transportation solutions, we recognize the need for strong maintenance and service support training as a backbone for current and future regional transportation services.

FCRTA is committed to alternative fuel and electric vehicle technology and continues to add this technology to the fleet. BEV technology is a challenge for transit agencies and training for mechanics is one of those challenges. Trained and certified maintenance mechanics with knowledge of Alternative Fueled Vehicles (AFV)/Hybrid Electric Vehicles (HEV)/Battery Electric Vehicles (BEV) systems supports FCRTA's maintenance training needs and commitment to an alternative fuel fleet.

Please feel free to contact me at the information indicated below if you have further questions relating to our support of this application.

Sincerely,

Moses Stites  
General Manager  
[mstites@fresnocog.org](mailto:mstites@fresnocog.org)  
559-233-6789 x244

**Appendix G:**  
**Fresno City College**  
**2015-16**  
**Audited Financial**  
**Statement**

**STATE CENTER COMMUNITY COLLEGE DISTRICT**  
Fresno, California

**FINANCIAL STATEMENTS**  
June 30, 2016



STATE CENTER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2016

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STATE CENTER COMMUNITY COLLEGE DISTRICT

FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2016

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
State Center Community College District  
Fresno, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of State Center Community College District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise State Center Community College District's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of State Center Community College District, as of June 30, 2016, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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(Continued)

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 3 to 13 and Schedule of Other Postemployment Benefits (OPEB) Funding Progress and Schedule of Employer Contributions, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 46 to 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise State Center Community College District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016 on our consideration of State Center Community College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering State Center Community College District's internal control over financial reporting and compliance.

  
Crowe Horwath LLP

Sacramento, California  
December 19, 2016

## **STATE CENTER COMMUNITY COLLEGE DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ending June 30, 2016

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The following discussion and analysis provides an overview of the financial position and activities of the State Center Community College District (the District) for the year ended June 30, 2016. This discussion has been prepared by management and should be read in conjunction with the financial statements, including the notes thereto, which follow this section.

### **HISTORY**

State Center Community College District was formed in 1964 when it assumed control of Fresno City College and Reedley College. The District serves approximately one million people and 18 unified and high school districts in more than 5,743 square miles of urban and rural territory, including most of Fresno and Madera counties and portions of Kings and Tulare counties. The District is governed by a seven-member board of trustees who represent seven trustee areas. Fresno City College, established in 1910, enrolls in excess of 34,000 students annually and offers more than 100 associate of arts and science degree programs and 60 certificate of achievement programs in vocational/occupational areas. Reedley College, established in 1926, is located in Reedley (approximately 25 miles southeast of Fresno) and enrolls approximately 10,600 students in a variety of courses and degree programs in occupational education and the arts and sciences. Clovis Community College was established in 1992 as a center and became the system's newest college (#113) in July 2015, and enrolls nearly 9,800 students. Clovis provides comprehensive educational opportunities for basic skills development, associate degrees, certificates for workforce development, and transfer degrees. The District operates two educational centers with a combined enrollment of approximately 5,700 students annually. The Madera and Oakhurst centers offer programs in general education for transfer and two-year degrees. In addition, the District offers occupational and technical training at its Career and Technology Center and the Training Institute.

### **ACCOUNTING STANDARDS**

As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments," and GASB Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities," the annual report consists of three basic financial statements that provide information on the District's activities as a whole: the Statement of Net Position; the Statement of Revenues, Expenses, and Change in Net Position; and the Statement of Cash Flows. These statements are prepared using the Business Type Activity (BTA) model, which is in compliance with the California Community College Chancellor's Office recommendation to report in a manner consistent and comparable with other California community college districts.

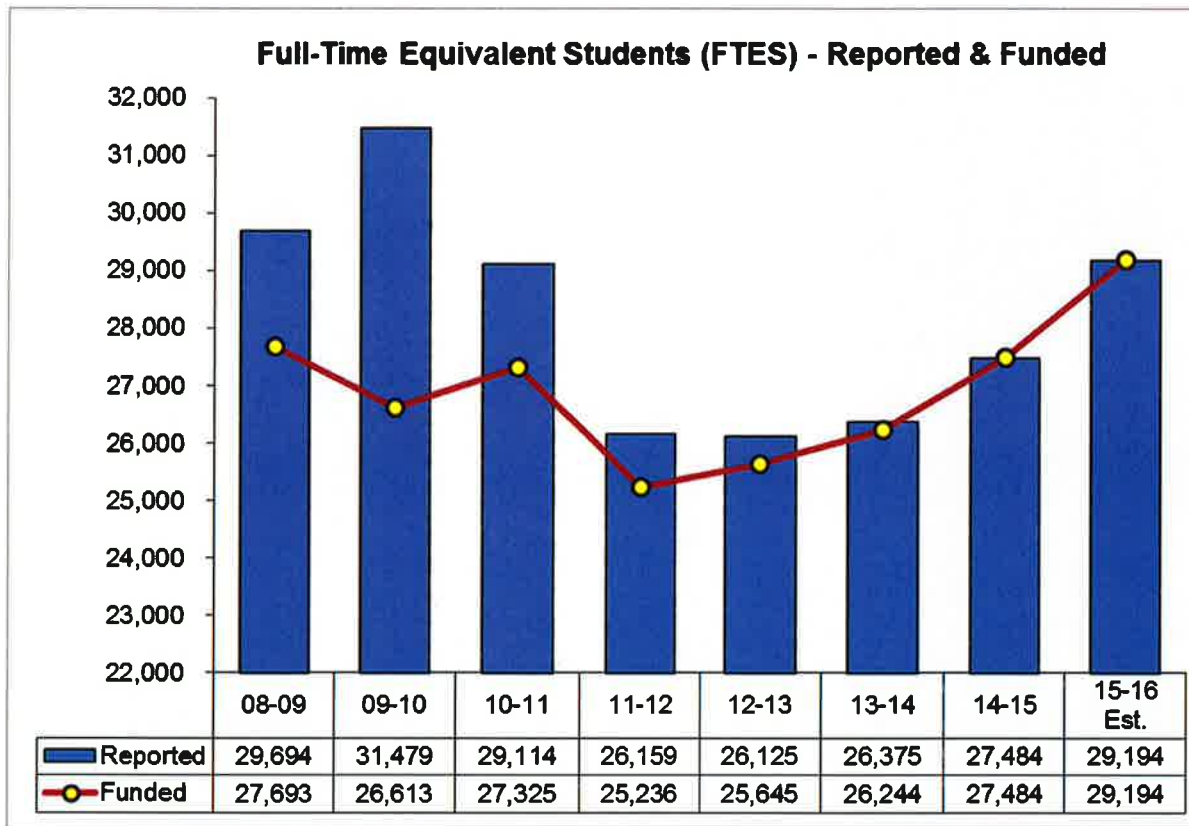
### **FINANCIAL HIGHLIGHTS**

The District's unrestricted funding comes primarily from three sources: state apportionment, property taxes, and enrollment fees. The largest component of the three is state apportionment, which is based on the calculation of Full-Time Equivalent Students (FTES). During fiscal year 2015-16, the community college system received growth funding of approximately \$154 million or a 3% increase in funded FTES over the previous year. Based on the CCFS-320 RECALC report, the District reported 29,194 resident FTES for the 2015-16 fiscal year and anticipates being fully funded for all reported FTES, representing nearly \$8.3 million in growth funding. In addition to growth funding, the community college system received approximately \$58 million (a 1.02% increase) for a cost of living adjustment (COLA) for 2015-16, which amounts to a little more than \$1.4 million for the District.

Fiscal year 2015-16 was a banner year for the California Community College system. Not only did the system provide the on-going resources noted above in the form of growth funding and COLA, but the system office was able to provide a significant one-time allocation of \$632 million for mandated costs/claims. State Center's share of this amount was approximately \$15.5 million. Additionally, the Chancellor's Office provided an

allocation of \$62 million to increase the hiring of full-time faculty (\$1.6 million - State Center), and a base funding increase of \$287 million to address increased operational costs and pension costs, which provided \$7.2 million for our district.

The following graph demonstrates the historical pattern and differences between reported and funded FTES for the District:



On June 7, 2016, State Center Community College District successfully passed a local general obligation bond for \$485 million (Measure C). The bond funds will be used to acquired, upgrade, and/or repair the various facilities and equipment throughout the District. Major projects proposed for Fresno City College include math/science facility, improved parking, police and fire academies, and a West Fresno campus. Reedley College projects focus on a life science/math facility, an agriculture facility, and a center for fine and performing arts. The Clovis Community College proposed project would be geared toward career technology facilities. Madera Center looks to complete the Academic Village I and expand the center for advanced manufacturing. Oakhurst Center project proposal seeks to locate a new site with permanent facilities.

Fiscal year 2015-16 also brought about the recognition of the California Community College System's 113<sup>th</sup> college. State Center Community College District is currently known for having the oldest and newest colleges in the system, Fresno City College being the first (#1) and Clovis Community College being the last (#113).



## Statement of Net Position

The Statement of Net Position presents the assets, liabilities, and net position of the District as of the end of the fiscal year using the accrual basis of accounting, which is comparable to the basis of accounting used by most private sector institutions. Net position—the difference between assets and deferred outflow of resources, less liabilities and deferred inflow of resources—is one way to measure the financial health of the District. This statement allows readers to determine the resources available to continue the operations of the District.

The net position consists of three major categories:

- 1) Net investment in capital assets – The District's equity in property, plant, and equipment;
- 2) Restricted for expendable purposes – Resources restricted by use constraints placed by outside parties through agreements, laws, regulations of creditors or other governments, or imposed by law through constitutional provisions or enabling legislation; and
- 3) Unrestricted – Resources the District can use for any lawful purpose. Although unrestricted, the District's governing board may place internal restrictions on these resources, but it retains the power to change, remove, or modify these restrictions.

Highlights of the major changes include:

- Cash (including restricted cash) increased nearly \$22.2 million, of which \$9 million is dedicated to capital projects, state funded capital project match, and scheduled maintenance needs. Additionally, \$7.5 million is being held in a county treasury trust fund to address the future STRS/PERS pension rate increases.
- Short-term receivables increased \$5.8 million primarily related to a \$3.3 million increase in student tuition/enrollment fees receivable, and \$1.2 million is for state apportionment.
- The increase in capital assets of just over \$9 million is offset by the increase in the accumulated depreciation expense of approximately \$9 million.
- Deferred Outflows increased by \$4.3 million as a result of the calculated values attributable to GASB 68 reporting requirements, see audit report footnotes 9 & 10.
- Accounts payable and current liabilities increased by \$4.2 million related to increased year-end vendor activity.
- Unearned revenues increased by \$4.1 million, \$2.2 million related to state grant funds carrying over to the next fiscal year and \$1.8 million in deferred tuition and enrollment fees. It is expected that during fiscal year 2016-17, these amount will become recognized revenues.
- Long-term liabilities increased and deferred inflows of resources decreased respectively, by \$20 million as a result of the calculated values attributable to GASB 68 reporting requirements, see audit report footnotes 9 & 10.
- Lastly, the District's overall net financial position increased \$23.5 million as of the fiscal year end, primarily as a result of the significant one-time state revenues being allocated toward 2016-17 scheduled maintenance projects, capital projects (including state match projects), and the significant future STRS/PERS pension rate increases scheduled through fiscal year 2020-21.

## Statement of Net Position (Continued)

Condensed financial information is as follows:

	<b>As of June 30th</b> (in thousands)		
<b>ASSETS:</b>	<b>2016</b>	<b>2015</b>	<b>% Change</b>
<b>CURRENT ASSETS</b>			
Cash, Investments, and Short-Term Receivables	\$ 93,831	\$ 74,467	26.0%
Inventory and Prepaid Expenses	3,034	2,559	18.6%
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 96,865</b>	<b>\$ 77,026</b>	<b>25.8%</b>
<b>NON-CURRENT ASSETS</b>			
Restricted Cash	\$ 33,417	\$ 24,730	35.1%
Net Plan Assets - OPEB	59	7	742.9%
Capital Assets, Net of Depreciation	290,054	289,408	0.2%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>\$ 323,530</b>	<b>\$ 314,145</b>	<b>3.0%</b>
<b>TOTAL ASSETS</b>	<b>\$ 420,395</b>	<b>\$ 391,171</b>	<b>7.5%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows of Resources - Pension	\$ 14,514	\$ 10,233	41.8%
Deferred Loss from Refunding of Debt	5,467	6,753	-19.0%
	<b>\$ 19,981</b>	<b>\$ 16,986</b>	<b>17.6%</b>
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS</b>	<b>\$ 440,376</b>	<b>\$ 408,157</b>	<b>7.9%</b>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	\$ 24,112	\$ 19,505	23.6%
Unearned Revenue	20,502	16,436	24.7%
Amount Held in Trust on Behalf of Others	574	565	1.6%
Compensated Absences Payable	3,350	3,386	-1.1%
Long Term Liabilities	3,575	3,971	-10.0%
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 52,113</b>	<b>\$ 43,863</b>	<b>18.8%</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Liabilities	\$ 251,763	\$ 231,573	8.7%
<b>TOTAL LIABILITIES</b>	<b>\$ 303,876</b>	<b>\$ 275,436</b>	<b>10.3%</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows of Resources - Pension	\$ 14,807	\$ 34,545	-57.1%
	<b>\$ 14,807</b>	<b>\$ 34,545</b>	<b>-57.1%</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	\$ 189,121	\$ 185,933	1.7%
Restricted for Expendable Purposes	50,338	30,736	63.8%
Unrestricted	(117,766)	(118,493)	-0.6%
<b>TOTAL NET POSITION</b>	<b>\$ 121,693</b>	<b>\$ 98,176</b>	<b>24.0%</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; NET POSITION</b>	<b>\$ 440,376</b>	<b>\$ 408,157</b>	<b>7.9%</b>



## Statement of Revenues, Expenses, and Change in Net Position

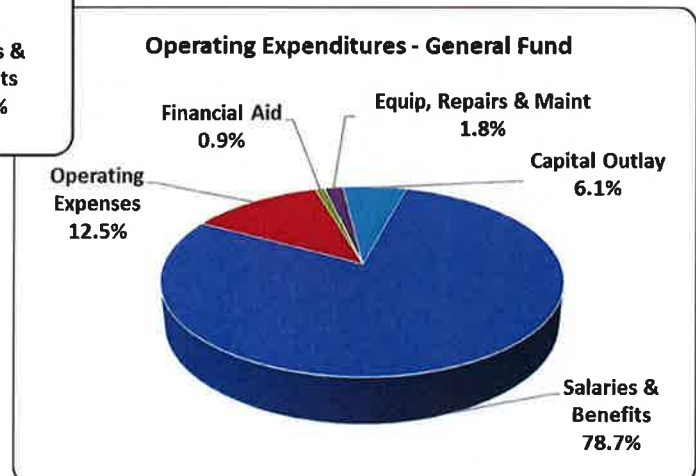
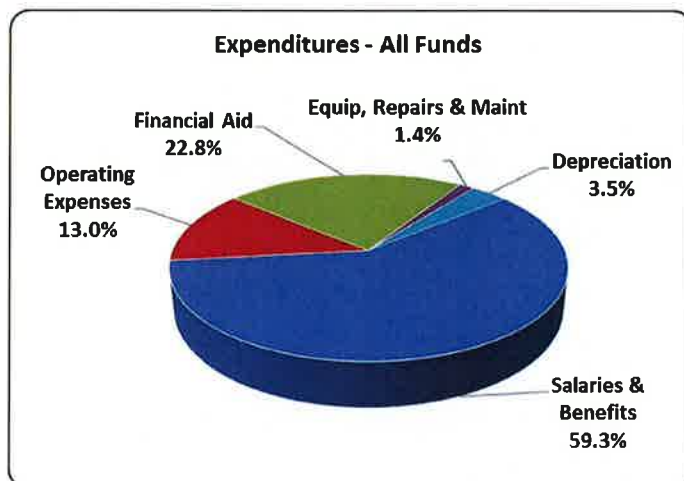
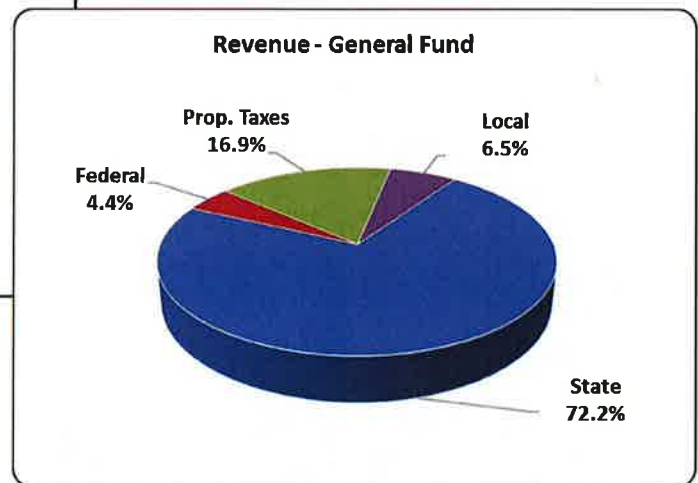
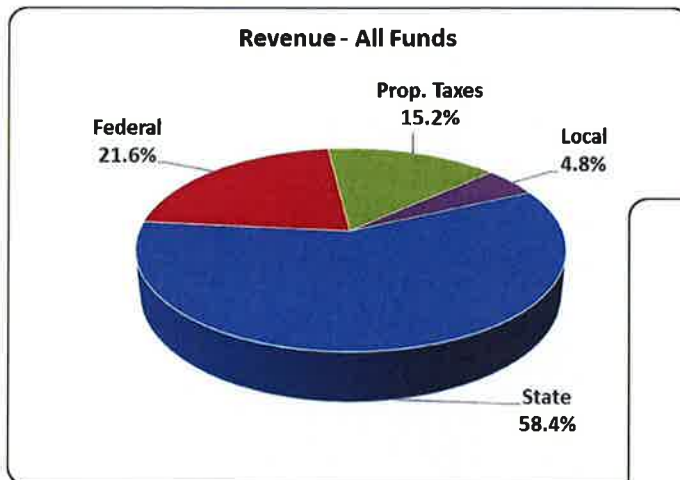
The Statement of Revenues, Expenses, and Change in Net Position presents the operating results of the District. The purpose of this statement is to present the operating and non-operating revenues earned (whether received or not) by the District, the operating and non-operating expenses incurred (whether paid or not) by the District, and any other revenues, expenses, gains and/or losses earned or incurred by the District. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the District. Operating expenses are those expenses paid to acquire goods and services for our students and stakeholders, and to carry out the mission of the District. State general apportionment funds, while budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles.

Condensed financial information is as follows:

	For the years Ended June 30th		
	(in thousands)		
	2016	2015	% Change
<b>OPERATING REVENUES</b>			
Tuition & Fees	\$ 12,345	\$ 11,541	7.0%
Grants & Contracts, Non-Capital	57,414	40,958	40.2%
Auxiliary Enterprises & Other Operating Revenues	5,203	5,094	2.1%
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 74,962</b>	<b>\$ 57,593</b>	<b>30.2%</b>
<b>OPERATING EXPENDITURES</b>			
Salaries and Benefits	\$ 171,242	\$ 158,696	7.9%
Supplies, Maintenance & Other Operating Expenses	41,608	28,979	43.6%
Financial Aid	65,920	63,348	4.1%
Depreciation	9,958	9,295	7.1%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$ 288,728</b>	<b>\$ 260,318</b>	<b>10.9%</b>
<b>OPERATING (LOSS)</b>	<b>\$ (213,766)</b>	<b>\$ (202,725)</b>	<b>5.4%</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
State Apportionment	\$ 112,849	\$ 97,813	15.4%
Property Taxes	47,196	43,509	8.5%
State Revenues	26,524	10,405	154.9%
Pell Grant	53,430	53,740	-0.6%
Net Interest Income / (Expense)	(4,322)	(4,572)	-5.5%
Other Non-Operating Revenue	25	(14)	-278.6%
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>\$ 235,702</b>	<b>\$ 200,881</b>	<b>17.3%</b>
<b>(LOSS) / INCOME BEFORE OTHER REV AND EXP</b>	<b>\$ 21,936</b>	<b>\$ (1,844)</b>	<b>-1289.6%</b>
<b>CAPITAL REVENUE</b>			
Federal, State and Local Capital Income	\$ 1,580	\$ 1,337	18.2%
<b>(DECREASE) / INCREASE IN NET POSITION</b>	<b>\$ 23,516</b>	<b>\$ (507)</b>	<b>-4738.3%</b>
<b>NET POSITION, BEGINNING</b>	<b>\$ 98,177</b>	<b>\$ 246,864</b>	<b>-60.2%</b>
Cumulative effect of GASB 68 Implementation	-	(148,180)	-100.0%
<b>NET POSITION, ENDING</b>	<b>\$ 121,693</b>	<b>\$ 98,177</b>	<b>24.0%</b>

## Statement of Revenues, Expenses, and Change in Net Position (Continued)

The District relies heavily on state apportionment, property taxes, federal grants, and state categorical programs to meet the needs of its students. It is important to understand the sources and uses of these funds. The following graphs depict the District's major revenue sources and expenditures for all funds and for the general fund (unrestricted and restricted) stand-alone.



## Statement of Revenues, Expenses, and Change in Net Position (Continued)

Highlights of the major changes include:

- Grant program activity increased over \$16.4 million from the prior year. Significant increases in funding include:
  - SSSP/Student Equity \$6.3 million
  - EOP&S \$1.0 million
  - Adult Education Consortium \$4.1 million
  - CTE Enhancements \$3.3 million
  - Full-Time Student Incentive Grant \$1.5 million
- Salary and benefits expenditures increased by \$12.5 million due to the effects of a 2% off-schedule bonus payment, cost of living adjustment (COLA) increase of 1.02%, step and column increases, and significant increases in faculty and classified staff to support enrollment growth and student service programs and grants.
- Supplies, maintenance, and other operating expenditures increased by \$12.6 million. The most significant cost increase is for contracted services, increasing \$7.2 million over the prior year. This increase is directly related to the Adult Education Consortium funding, in which our District is the fiscal agent for all regional partners, passing through nearly \$4.3 million. The District is also the fiscal agent for the CTE Enhancement grant in which \$2.7 million was passed through to our partners. Other expenditure increases were noted in utilities, repairs and maintenance, and travel and conference.
- Financial aid expenditures increased \$2.6 million, due to additional financial aid resources and approximately \$1.7 million for the new full-time student incentive grant program.
- State apportionment and property taxes increased approximately \$18.7 million as a result of a significant infusion of growth, full-time faculty, and base funding, along with a state COLA augmentation. Of this amount, \$15 million is attributable to apportionment revenue, while property taxes grew by \$3.7 million due to improving assessed valuations.
- Additionally, non-operating state revenues increased by \$16.1 million primarily due to the one-time state mandated claim revenue windfall.
- Lastly, the Statement of Revenues, Expenses and Change in Net Position saw an overall increase in net position of approximately \$23.5 million as a result of the significant inflow of on-going and one-time revenues from the state. Much of this increase was allocated toward 2016-17 scheduled maintenance projects, capital projects (including state match projects), and funding the future STRS/PERS pension rate increases scheduled through fiscal year 2020-21.

## Statement of Cash Flows

The statement of cash flows provides additional information about the District's financial results by reporting its major sources and uses of cash. This information assists readers in assessing the District's ability to generate revenue, meet its obligations as they come due, and evaluate its need for external financing. The statement is divided into four parts:

- 1) operating cash flows, which illustrate the net cash used by the operating activities of the institution;
- 2) cash flows from non-capital financing activities, which illustrate the sources and uses of those funds;
- 3) cash flows from capital and related financing activities, which reflect the cash used for the acquisition and construction of capital and related items; and
- 4) cash flows from investing activities, which reflects the cash received and spent for short-term investments and any interest paid or received on those investments.

Condensed financial information is as follows:

	For the years Ended June 30th	
	(in thousands)	
	2016	2015
Cash provided by (used in)		
Operating activities	\$ (200,410)	\$ (184,667)
Non-capital financing activities	238,137	230,550
Capital financing activities	(16,237)	(16,370)
Investing activities	739	613
Net increase/(decrease) in cash	\$ 22,229	\$ 30,126
Cash, Beginning of Year	\$ 86,771	\$ 56,645
Cash, End of Year	\$ 109,000	\$ 86,771

## **Economic and Financial Factors Affecting the Future of the District**

### California Economy

The State's economy has been on the upswing over the past two years, providing community college districts with a significant increase of revenues for fiscal year 2015-16. The increase in revenues was comprised of very needed on-going resources, along with a healthy infusion of one-time funding. It is anticipated 2016-17 revenues will be good, but not at the same levels seen in 2015-16, while funding beyond 2016-17 is uncertain. California has had a tendency for boom and bust economies and it is only a matter of time before the next recession. Districts need to be conscious of these historical trends.

### Proposition 30/55

California's general fund revenues continue to be bolstered by the passage of Proposition 30, from the November 2012 general election, generating additional revenues for the State through temporary increases in the sales tax and personal income tax. Proposition 30's sales tax increase will expire at calendar year-end 2016 and the personal income tax hikes expire December 31, 2018. In November 2016, the voters passed Proposition 55, a proposition that will extend the personal income tax hikes on some of California's wealthiest residents for an additional 12 years beyond the Proposition 30 sunset date. This revenue source will help the State continue to provide the needed resources for education and healthcare. However, we must still continue to pay attention to the economic health of the State and be on guard for future economic declines.

### Health Benefits / Affordable Care Act (ACA)

Employee health benefit cost increases continue to be a major concern for the District. The District is a member of the Fresno Area Self-Insurance Benefits Organization (FASBO), a self-insured Joint Powers Authority (JPA) with two local K-12 partners for health-related benefits of medical, dental, and vision. FASBO premiums have remained relatively stable for the past several years with managed changes to plan benefits (co-pays and deductibles) in an effort to maintain premiums near the negotiated district maximum contribution. The District also offers an HMO medical plan through Kaiser Permanente; however, the HMO plans have experienced more significant rate increases over the past few years. Effective for October 2016, State Center employees have the option of choosing from four different health care plans from one of the two medical providers. Some plans require employees to pay a portion of their health care premium, ranging from \$0 to \$616 per month depending on the plan selected.

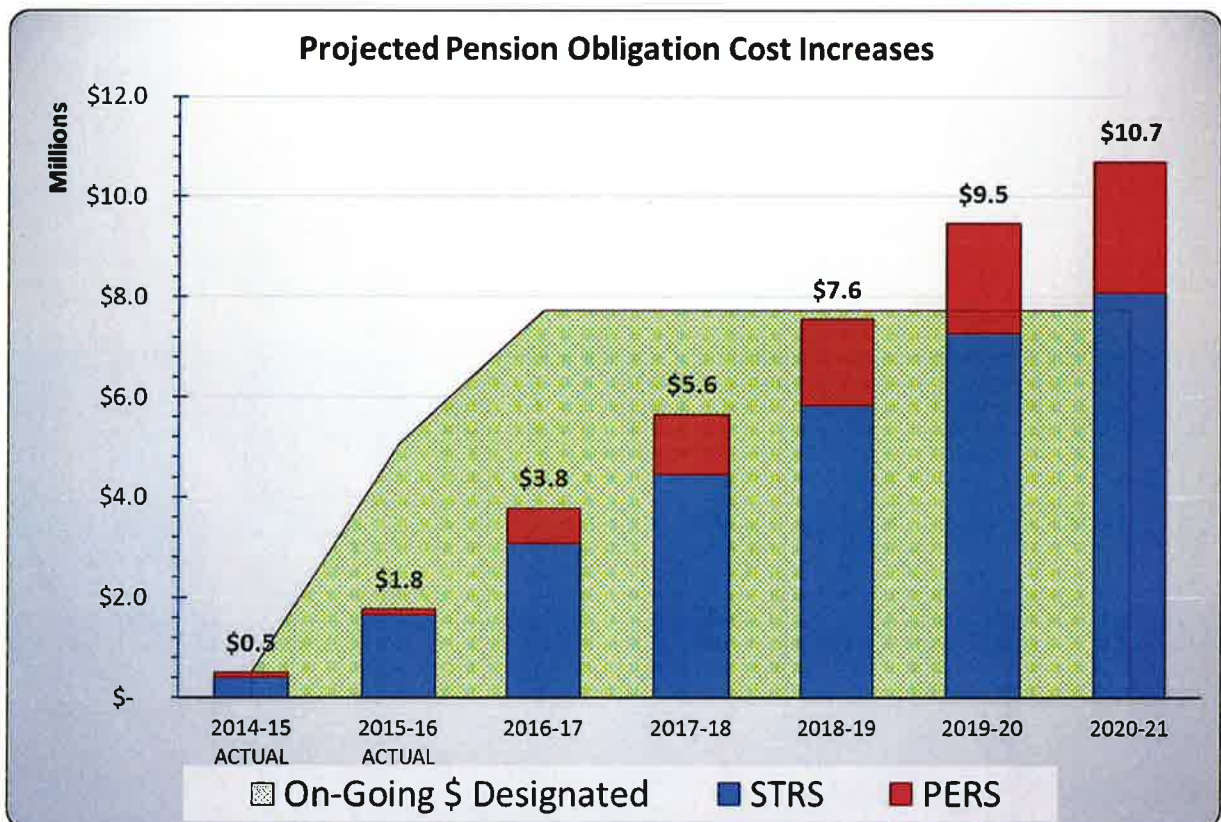
In addition, the Affordable Care Act (ACA) continues to unveil itself, and the full financial impact is still to be determined; however, it is most likely that health benefit related costs will increase. While the ACA attempts to provide the citizenry with affordable health insurance, which appears to be proving out to be a difficult task, it also places many new and seemingly ever-changing regulations and commitments on employers. Most recently, with the changes in the political environment as a result of the November 2016 election; we will need to wait and see what, if any, changes develop within the national health care policies and plans.

### Pension Liability

One of the most significant financial concerns facing the California educational system is the unfunded liability of the two major pension systems: California Public Employees' Retirement System (CalPERS) and California State Teachers' Retirement System (CalSTRS). The CalPERS system has been adjusting their employer contribution rates over the years and has approved a seven-year rate increase plan to address the programs unfunded liabilities. For 2016-17, the employer contribution rate rises to 13.888%. The CalSTRS system cannot unilaterally increase employer or employee contribution rates as any rate change requires legislative action. In June 2014, the Governor signed Assembly Bill 1469 which authorizes the contribution rate increases for employers, employees, and the State for fiscal years 2014-15 to 2020-21. The CalSTRS employer contribution rate for 2016-17 increases to 12.58%. The table following shows the historical and proposed future employer contribution rate for the two pension plans:

Employer Contribution Rate			
	CalSTRS	CalPERS	
2013-14	8.250%	11.442%	Actual
2014-15	8.880%	11.771%	Actual
2015-16	10.730%	11.847%	Actual
2016-17	12.580%	13.888%	Actual
2017-18	14.430%	15.500%	Proposed
2018-19	16.280%	17.100%	Proposed
2019-20	18.130%	18.600%	Proposed
2020-21	19.100%	19.800%	Proposed

These rate increases represent a substantial impact on future budgets for the District, with no guaranteed proposal from the State as to how or even if they will provide additional funding to support these increases. Fortunately, the 2016-17 state budget did provide some additional discretionary base funding to address operational cost increases. The State Chancellor's Office strongly encourages districts to consider designating some of these resources for the future pension cost increases. At the September 2016 board meeting, district administration recommended and the Board approved the continued funding/setting aside \$3.0 million of on-going resources established in fiscal year 2015-16 and increased the amount by an additional \$0.75 million to address the District's anticipated future pension costs increases. The following table reflects the District's anticipated pension cost increases over the next several years, along with the level of on-going funding committed toward funding these future pension cost increases:





## **Summary**

With the historically unreliable nature of the State's revenue, community colleges will continue to face challenges and the uncertainty of how our educational system will be funded each year, which significantly impacts the District's ability to establish any type of consistent budget plan for the future. However, our district will continue to reflect on its mission, critically consider the level of services provided, and assess what services are required to adequately address the needs of an increasingly diverse population of students seeking educational opportunities. The Board of Trustees and district administration have managed through the difficult times in the past and, as always, prudent fiscal management practices will remain in place to ensure we strategically manage our financial resources to meet the needs of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2016

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 75,582,744
Investments	2,175
Receivables, net	18,245,759
Prepaid expenses	632,091
Stores inventories	<u>2,402,185</u>
Total current assets	<u>96,864,954</u>

Noncurrent assets:

Restricted cash and cash equivalents	33,417,241
OPEB asset	58,865
Non-depreciable capital assets	36,557,481
Depreciable capital assets, net	<u>253,496,206</u>
Total noncurrent assets	<u>323,529,793</u>

Total assets

420,394,747

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources - pensions	14,514,254
Deferred loss from refunding of long-term liabilities	<u>5,466,971</u>
Total deferred outflows of resources	<u>19,981,225</u>

Total assets and deferred outflows of resources

\$ 440,375,972

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 24,111,521
Unearned revenue	20,501,777
Due to fiduciary funds	574,140
Compensated absences payable	3,350,167
Long-term liabilities - current portion	<u>3,575,293</u>
Total current liabilities	<u>52,112,898</u>

Noncurrent liabilities:

Long-term liabilities - noncurrent portion	<u>251,762,690</u>
Total liabilities	<u>303,875,588</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources - pensions	<u>14,807,000</u>
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**NET POSITION**

Net investment in capital assets	189,120,829
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Restricted for:

Capital projects and debt service	34,836,992
Educational programs	2,116,757
Self insurance	13,024,097
Other activities	360,646

Unrestricted	<u>(117,765,937)</u>
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Total net position

121,693,384

Total liabilities, deferred inflows of resources and net position

\$ 440,375,972

See accompanying notes to financial statements.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION  
For the Year Ended June 30, 2016

Operating revenues:	
Tuition and fees	\$ 39,842,225
Less: scholarship discounts and allowances	<u>(27,497,385)</u>
Net tuition and fees	<u>12,344,840</u>
Grants and contracts, non-capital:	
Federal	13,638,038
State	42,024,067
Local	<u>1,751,599</u>
Auxiliary enterprise sales and charges:	
Bookstore	2,195,304
Cafeteria	1,018,892
Other operating local revenues	<u>1,988,892</u>
Total operating revenues	<u>74,961,632</u>
Operating expenses:	
Salaries	128,352,875
Employee benefits	42,889,033
Supplies, materials, and other operating expenses and services	37,597,367
Equipment, maintenance and repairs	4,011,113
Student aid	65,919,602
Depreciation	<u>9,957,952</u>
Total operating expenses	<u>288,727,942</u>
Loss from operations	<u>(213,766,310)</u>
Non-operating revenues (expenses):	
State apportionment, non-capital	112,848,906
Local property taxes	47,195,742
State taxes and other revenues	26,524,450
Pell grants	53,430,556
Investment income, net	749,720
Interest expense on capital asset-related debt, net	(5,071,902)
Other nonoperating revenues (expenses)	<u>25,040</u>
Total non-operating revenues (expenses)	<u>235,702,512</u>
Income before capital revenues	<u>21,936,202</u>
Capital revenues:	
State property taxes and revenues	803,256
Local property taxes and revenues	<u>777,226</u>
Total capital revenues	<u>1,580,482</u>
Change in net position	23,516,684
Net position, July 1, 2015	<u>98,176,700</u>
Net position, June 30, 2016	<u>\$ 121,693,384</u>

See accompanying notes to financial statements.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2016

Cash flows from operating activities:	
Tuition and fees	\$ 10,872,829
Grants and contracts	56,941,936
Other local revenue	1,988,892
Payments of scholarships and grants	(65,919,602)
Payments to suppliers and vendors	(35,681,442)
Payments to and on behalf of employees	(171,719,854)
Auxiliary enterprises sales and charges	<u>3,107,615</u>
Net cash used in operating activities	<u>(200,409,626)</u>
Cash flows from noncapital financing activities:	
State appropriations	111,617,137
Local property taxes	47,195,742
State taxes and other revenues	25,346,950
Pell grants	53,430,556
Other receipts	<u>546,346</u>
Net cash provided by noncapital financing activities	<u>238,136,731</u>
Cash flows from capital and related financing activities:	
State apportionments for capital purposes	803,256
Capital grants received	777,226
Purchase of capital assets	(10,622,887)
Principal paid on capital debt	(3,220,000)
Interest paid on capital debt, net	<u>(3,975,156)</u>
Net cash used in capital and related financing activities	<u>(16,237,561)</u>
Cash flows from investing activities:	
Investment income	<u>739,302</u>
Change in cash and cash equivalents	22,228,846
Cash and cash equivalents, July 1, 2015	<u>86,771,139</u>
Cash and cash equivalents, June 30, 2016	<u>\$ 108,999,985</u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CASH FLOWS  
For the Year Ended June 30, 2016

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Reconciliation of loss from operations to net cash used in  
operating activities:

Loss from operations	\$ (213,766,310)
Adjustments to reconcile loss from operations to net cash used in operating activities:	
Depreciation expense	9,957,952
Changes in assets and liabilities:	
Receivables, net	(3,895,806)
Prepaid expenses	(380,227)
Inventories	(94,943)
Deferred outflows of resources - pensions	(4,280,711)
Accounts payable and accrued liabilities	4,181,647
Unearned revenue	4,066,007
Other postemployment benefits, long-term disability liability and compensated absences	(201,235)
Net pension liability	23,742,000
Deferred inflows of resources - pensions	<u>(19,738,000)</u>
Net cash used in operating activities	<u>\$ (200,409,626)</u>

Supplemental disclosure of non-cash transactions:

Amortization of debt premiums	\$ 614,467
Amortization of deferred loss on refunding	\$ 1,286,115

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See accompanying notes to financial statements.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2016

	Student Trust Funds	OPEB Irrevocable Trust Fund	Student Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 800	\$ 304,716	\$ 574,574
Investments:			
Mutual funds - equities	-	7,706,115	-
Mutual funds - fixed income	-	5,624,095	-
Receivables, net	1,199	1,026	153
Due from other funds	<u>303,298</u>	<u>-</u>	<u>270,842</u>
Total assets	<u><u>\$ 305,297</u></u>	<u><u>\$ 13,635,952</u></u>	<u><u>\$ 845,569</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,498	\$ -	\$ 97,154
Unearned revenue	11,501	-	-
Due to student groups	<u>-</u>	<u>-</u>	<u>748,415</u>
Total liabilities	<u>16,999</u>	<u>-</u>	<u><u>\$ 845,569</u></u>
<b>NET POSITION</b>			
Total net position restricted for students	288,298	-	
Total net position restricted for OPEB	<u>-</u>	<u>13,635,952</u>	
Total net position held in trust	<u>288,298</u>	<u>13,635,952</u>	
Total liabilities and net position	<u><u>\$ 305,297</u></u>	<u><u>\$ 13,635,952</u></u>	

See accompanying notes to financial statements.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION  
For the Year Ended June 30, 2016

	Student Trust <u>Funds</u>	OPEB Irrevocable Trust <u>Fund</u>
Additions:		
Net investment income (loss), net:		
Net depreciation in the fair value of plan investments	\$ -	\$ (248,722)
Dividends and interest	6	324,452
Investment expenses	<u>-</u>	<u>(88,455)</u>
Total net investment income (loss)	6	(12,725)
Employer contributions	-	2,157,283
Student fees	16,898	-
Other operating revenue	77,319	-
Other non-operating revenue	<u>168,624</u>	<u>-</u>
Total additions	<u>262,847</u>	<u>2,144,558</u>
Deductions:		
Healthcare premiums	-	1,257,283
Supplies, materials and other operating costs	87,204	-
Equipment, maintenance and repairs	1,203	-
Student aid	<u>166,830</u>	<u>-</u>
Total deductions	<u>255,237</u>	<u>1,257,283</u>
Net increase	7,610	887,275
Net position held in trust:		
Net position, July 1, 2015	<u>280,688</u>	<u>12,748,677</u>
Net position, June 30, 2016	<u>\$ 288,298</u>	<u>\$ 13,635,952</u>

See accompanying notes to financial statements.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: State Center Community College District (the "District") is a political subdivision of the State of California and provides educational services to the local residents of the surrounding area. While the District is a political subdivision of the State, it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Codification Section (Cod. Sec.) 2100.101. The District is classified as a state instrumentality under Internal Revenue Code Section 115.

The decision to include potential component units in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP) and GASB Cod. Sec. 2100. The three criteria for requiring a legally separate, tax-exempt organization to be presented as a component unit are the "direct benefit" criterion, the "entitlement/ability to access" criterion, and the "significance" criterion. The District has no component units.

Basis of Accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB. Under this model, the District's financial statements provide a comprehensive entity-wide perspective of the District's financial position and activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the obligation has been incurred. All significant intra-agency transactions have been eliminated.

Fiduciary funds for which the District acts only as an agent are not included in the business-type activities of the District. These funds are reported in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

The District records revenues when earned and expenses when a liability is incurred regardless of the timing of the related cash flow. The budgetary and financial accounts of the District are recorded and maintained in accordance with the Chancellor's Office's *Budget and Accounting Manual*.

Cash and Cash Equivalents: For the purposes of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Fresno County Treasury are considered cash equivalents.

Restricted Cash and Cash Equivalents: Cash that is externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other noncurrent assets, is classified as noncurrent assets in the statement of net position.

Fair Value of Investments: Fair values of investments in county and state investment pools are determined by the pool sponsor.

Receivables: Receivables consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty and staff. Receivables also include amounts due from the federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. The District provides for an allowance for uncollectible accounts as an estimation of amounts that may not be received. The allowance is based upon management's estimates and analysis. The allowance was estimated at \$5,151,605 for the year ended June 30, 2016.

Inventory: Inventory consists of stores supplies, cafeteria food, textbooks and educational supplies. Except for bookstore inventories, which are valued using the retail method, inventories are stated at the lower of cost (first-in, first-out method) or market.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets: Capital assets are recorded at cost at the date of acquisition or, if donated, at acquisition value at the date of donation. For equipment, the District's capitalization policy included all furniture, equipment or vehicles with a unit cost of \$5,000 or more and \$49,000 for buildings and improvements. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 – 50 years depending on asset type.

The District capitalizes interest paid on obligations related to the acquisition, construction or rehabilitation of District capital assets. Interest cost and interest capitalized totaled \$5,071,902 and \$69,434, respectively, for the year ended June 30, 2016.

Compensated Absences: Compensated absence costs are accrued when earned by employees. Accumulated unpaid employee vacation benefits are recognized at year end as liabilities of the District.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure or expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits for certain STRS and PERS employees, when the employee retires.

Unearned Revenue: Revenues from Federal, State and local special projects and programs is recognized when qualified expenditures have been incurred. Tuition, fees and other support received but not earned are recorded as unearned revenue until earned.

Deferred Outflows/Inflows of Resources: In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred loss on refunding reported in the Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Amortization for the year ended June 30, 2016 totaled \$1,286,115. Additionally, the District has recognized a deferred outflow of resources related to the payments made subsequent to the measurement date for the pensions. Amortization for the year ended June 30, 2016 totaled \$818,000.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported which is in the statement of net position. Amortization for the year ended June 30, 2016 totaled \$6,134,000.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The following is a summary of pension amounts in aggregate:

	<u>CalSTRS</u>	<u>CalPERS</u>	<u>Total</u>
Deferred outflows of resources	\$ 7,941,453	\$ 6,572,801	\$ 14,514,254
Deferred inflows of resources	\$ 10,318,000	\$ 4,489,000	\$ 14,807,000
Net pension liability	\$ 105,048,000	\$ 43,009,000	\$ 148,057,000
Pension expense	\$ 11,867,379	\$ 953,411	\$ 12,820,790

**Net Position:** The District's net position is classified as follows:

**Net investment in capital assets:** This represents the District's total investment in capital assets, net of associated outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

**Restricted net position:** Restricted expendable net position includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. Nonspendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal. At June 30, 2016, there is no balance of nonexpendable restricted net position.

**Unrestricted net position:** Unrestricted net position represents resources derived from student tuition and fees, State apportionments, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District typically applies the expense toward restricted resources, then to unrestricted resources.

**State Apportionments:** Certain current year apportionments from the state are based on various financial and statistical information of the previous year. Any prior year corrections due to a recalculation will be recorded in the year completed by the state. When known and measurable, these recalculations and corrections are accrued in the year in which FTES are generated.

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Classification of Revenue and Expenses: The District has classified its revenues and expenses as either operating or nonoperating revenues and expenses. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Cod. Sec. Co5.101 including State appropriations, local property taxes, and investment income. Nearly all the District's expenses are from exchange transactions. Revenues and expenses are classified according to the following criteria:

*Operating revenues and expenses:* Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, and (3) most Federal, State and local grants and contracts and Federal appropriations. All expenses are considered operating expenses except for interest expense on capital related debt and loss on disposal of capital assets.

*Nonoperating revenues and expenses:* Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell grants, gifts and contributions, and other revenue sources described in GASB Cod. Sec. Co5.101, such as State appropriations and investment income. Interest expense on capital related debt and the loss on disposal of capital assets is the only nonoperating expense.

Scholarship Discounts and Allowances: Student tuition and fee revenue are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses and Change in Net Position. Scholarship discounts and allowances represent the difference between stated charges for goods and services provided by the District and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants are recorded as operating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the District has recorded a scholarship discount and allowance.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

New Accounting Pronouncements: In February, the GASB issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement enhances comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also enhances fair value application guidance and related disclosures in order to provide information to financial statements users about the impact of fair value measurements on a government's financial position.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash, cash equivalents and investments at June 30, 2016, consisted of the following:

	<u>District</u>	<u>Fiduciary</u>
Pooled Funds:		
Cash in County Treasury	\$ 69,184,383	\$ 100,547
Deposits:		
Cash on hand and in banks	6,398,361	474,827
Cash held by Fiscal Agent	33,417,241	304,716
Investment at Cost	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>108,999,985</u>	<u>880,090</u>
Less: restricted cash and cash equivalents		
Cash held by Fiscal Agent	<u>33,417,241</u>	<u>-</u>
Total restricted cash and cash equivalents	<u>33,417,241</u>	<u>-</u>
Net cash and cash equivalents	<u>\$ 75,582,744</u>	<u>\$ 880,090</u>

Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury. The District is considered to be an involuntary participant in an external investment pool. The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

District investments at June 30, 2016 consisted of the following:

Mutual funds	<u>\$ 2,175</u>
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Investments held within the OPEB trust fund at June 30, 2016 consisted of the following:

Mutual funds - equities	\$ 7,706,115
Mutual funds - fixed income	<u>5,624,095</u>
Total investments	<u>\$ 13,330,210</u>

Cash with Fiscal Agent: The District's Cash with Fiscal Agent of \$33,417,241 is held by trustees for the improvement of campus facilities. Funds are held in the County Treasury. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. In addition, fiduciary cash with fiscal agent totaled \$304,716 for future retiree benefit costs

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2016, the carrying amount of the District and Fiduciary's accounts was \$6,873,188, and the bank balances were \$8,145,761, of which \$7,202,353 was uninsured but collateralized.

Credit Risk: The table below identifies the investment types authorized for the District by the California Government Code Section 53601. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Local Agency Bonds or Notes	5 years	None	None
Registered State Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptance	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Bank/Time Deposits	5 years	None	None
Mortgage Pass through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None
Joint Power Authority Pools	N/A	None	None

Interest Rate Risk: The District's investment policies do not limit cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2016, the District had no significant interest rate risk related to cash and investments held.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2016, the District had no concentration of credit risk.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Fair Value of Financial Instruments: The following methods and assumptions were used by the District to estimate the fair value of its financial instruments at June 30, 2016.

Fair Value Hierarchy: Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

*Level 3:* Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Assets Recorded at Fair Value: The following table presents information about the District's assets measured at fair value on a recurring basis as of June 30, 2016:

The following table presents information about the OPEB Trust's assets measured at fair value on a recurring basis as of June 30, 2016:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds - equities	\$ 7,706,115	\$ 7,706,115	\$ -	\$ -
Mutual funds - fixed income	<u>5,624,095</u>	<u>5,624,095</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,330,210</u>	<u>\$ 13,330,210</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual funds, valued at closing prices from securities exchanges are classified as Level 1 investments.

During the year ended June 30, 2016, there were no significant transfers in or out of Level 1.

There were no assets or liabilities measured at fair value on a non-recurring basis at June 30, 2016. As of June 30, 2016, the carrying amounts of cash and cash equivalents, receivables and accounts payable approximate fair value because of the relatively short maturities of these financial instruments.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 4 - RECEIVABLES**

Receivables at June 30, 2016 are summarized as follows:

	<u>District</u>	<u>Fiduciary</u>
Federal	\$ 3,575,485	\$ -
State	6,739,025	-
Local and other	<u>13,082,854</u>	<u>15,503</u>
	23,397,364	15,503
Less allowance for doubtful accounts	<u>(5,151,605)</u>	<u>(13,125)</u>
	<u><u>\$ 18,245,759</u></u>	<u><u>\$ 2,378</u></u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity consists of the following:

	<u>Balance July 1, 2015</u>	<u>Additions and Transfers</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Non-depreciable:				
Land	\$ 31,646,516	\$ -	\$ -	\$ 31,646,516
Construction in progress	3,592,191	1,318,774	-	4,910,965
Depreciable:				
Land improvements	28,441,485	1,109,537	-	29,551,022
Buildings and improvements	301,714,271	2,546,279	-	304,260,550
Furniture and equipment	20,450,230	5,482,372	(1,296,977)	24,635,625
Vehicles	<u>2,090,059</u>	<u>165,925</u>	<u>(145,809)</u>	<u>2,110,175</u>
Total	<u>387,934,752</u>	<u>10,622,887</u>	<u>(1,442,786)</u>	<u>397,114,853</u>
Less accumulated depreciation:				
Land improvements	7,208,150	1,289,863	-	8,498,013
Buildings and improvements	79,239,892	6,537,466	-	85,777,358
Furniture and equipment	10,431,098	2,034,847	(1,278,172)	11,187,773
Vehicles	<u>1,647,594</u>	<u>95,776</u>	<u>(145,348)</u>	<u>1,598,022</u>
Total	<u>98,526,734</u>	<u>9,957,952</u>	<u>(1,423,520)</u>	<u>107,061,166</u>
Capital assets, net	<u><u>\$ 289,408,018</u></u>	<u><u>\$ 664,935</u></u>	<u><u>\$ (19,266)</u></u>	<u><u>\$ 290,053,687</u></u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 6 - UNEARNED REVENUE**

Unearned revenue at June 30, 2016 consisted of the following:

	<u>District</u>	<u>Fiduciary</u>
Unearned Federal and State revenue	\$ 11,523,463	\$ -
Unearned tuition and student fees	8,413,116	-
Unearned local grant revenue and other	<u>565,198</u>	<u>11,501</u>
Total unearned revenue	<u>\$ 20,501,777</u>	<u>\$ 11,501</u>

**NOTE 7 - LONG-TERM LIABILITIES**

General Obligation Bonds: Series 2007A in the amount of \$66,000,000. In March 2015, the District issued General Obligation Refunding Bonds and the proceeds were used to refund a portion of the 2002 General Obligation Bonds, Series 2007A. At June 30, 2016, \$57,795,000 of Series 2007A bonds outstanding are considered defeased. The remaining bonds mature through August 1, 2017, with interest yields ranging from 4.00 to 5.25 percent. At June 30, 2016, the principal outstanding was \$2,445,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2007A outstanding as of June 30, 2016, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,125,000	76,950	1,201,950
2018	<u>1,320,000</u>	<u>27,225</u>	<u>1,347,225</u>
	<u>\$ 2,445,000</u>	<u>\$ 104,175</u>	<u>\$ 2,549,175</u>

During July 2009, the District issued the 2002 General Obligation Bonds, Series 2009A in the amount of \$10,000,000. In March 2015, the District issued General Obligation Refunding Bonds and the proceeds were used to refund a portion of the 2002 General Obligation Bonds, Series 2009A. At June 30, 2016, \$3,850,000 of Series 2009A bonds outstanding are considered defeased. The remaining bonds mature through August 1, 2019, with interest yields ranging from 3.00 to 5.25 percent. At June 30, 2016, the principal outstanding was \$1,595,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2009A outstanding as of June 30, 2016, are as follows:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	340,000	68,838	408,838
2018	380,000	50,837	430,837
2019	415,000	30,443	445,443
2020	<u>460,000</u>	<u>9,775</u>	<u>469,775</u>
	<u>\$ 1,595,000</u>	<u>\$ 159,893</u>	<u>\$ 1,754,893</u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

During July 2009, the District issued the 2002 General Obligation Bonds, Series 2009B in the amount of \$10,000,000. The Series 2009B bonds are designated "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Pursuant to the Recovery Act, the District expects to receive a cash subsidy payment from the U.S. Treasury equal to 35% of the interest payable on the Series 2009B Bonds on or about each interest payment date. The bonds mature beginning on August 1, 2026 through August 1, 2033, with an interest yield of 8.00 percent. At June 30, 2016, the principal outstanding was \$10,000,000.

The annual payments required to amortize the 2002 General Obligation Bonds, Series 2009B outstanding as of June 30, 2016, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 800,000	\$ 800,000
2018	-	800,000	800,000
2019	-	800,000	800,000
2020	-	800,000	800,000
2021	-	800,000	800,000
2022-2026	-	4,000,000	4,000,000
2027-2031	5,555,000	2,954,600	8,509,600
2032-2034	4,445,000	549,800	4,994,800
	<u>\$ 10,000,000</u>	<u>\$ 11,504,400</u>	<u>\$ 21,504,400</u>

During March 2012, the District issued 2012 General Obligation Refunding Bonds in the amount of \$23,880,000. The proceeds were used to advance refund a portion of the outstanding principal amount of the District's election of the 2002 General Obligation Bonds, Series 2003A and 2004A and to pay the costs of issuance associated with the 2012 Refunding Bonds. At June 30, 2016, \$10,222,000 of Series 2003A bonds and \$12,785,000 of Series 2004A bonds outstanding are considered defeased. The bonds mature beginning on August 1, 2012 through August 1, 2028, with interest yields ranging from 2.00 to 5.00 percent. At June 30, 2016, the principal outstanding was \$21,685,000 and unamortized premium was \$3,031,288. Premiums are amortized over the life of the bonds as a component of interest expense on the bonds.

The annual payments required to amortize the 2012 General Obligation Refunding Bonds outstanding as of June 30, 2016, are as follows:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,340,000	\$ 1,001,475	\$ 2,341,475
2018	1,380,000	953,325	2,333,325
2019	1,440,000	896,925	2,336,925
2020	1,495,000	841,688	2,336,688
2021	1,550,000	776,500	2,326,500
2022-2026	8,980,000	2,610,000	11,590,000
2027-2029	5,500,000	389,288	5,889,288
	<u>\$ 21,685,000</u>	<u>\$ 7,469,201</u>	<u>\$ 29,154,201</u>

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

During March 2015, the District issued 2015 General Obligation Refunding Bonds in the amount of \$56,955,000. The proceeds were used to advance refund a portion of the outstanding principal amount of the District's election of the 2002 General Obligation Bonds, Series 2007A and 2009A and to pay the costs of issuance associated with the 2015 Refunding Bonds. At June 30, 2016, \$57,795,000 of Series 2007A bonds and \$3,850,000 of Series 2009A bonds outstanding are considered defeased. The bonds mature beginning on August 1, 2015 through August 1, 2031, with interest yields ranging from 2.00 to 5.00 percent. At June 30, 2016, the principal outstanding was \$56,275,000 and unamortized premium was \$11,368,559. Premiums are amortized over the life of the bonds as a component of interest expense on the bonds.

The annual payments required to amortize the 2015 General Obligation Refunding Bonds outstanding as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	\$ 2,786,100	\$ 2,786,100
2018	-	2,786,100	2,786,100
2019	1,275,000	2,786,100	4,061,100
2020	1,490,000	2,735,100	4,225,100
2021	2,215,000	2,675,500	4,890,500
2022-2026	16,225,000	11,387,000	27,612,000
2027-2031	27,350,000	6,555,000	33,905,000
2032	7,720,000	386,000	8,106,000
	<u>\$ 56,275,000</u>	<u>\$ 32,096,900</u>	<u>\$ 88,371,900</u>

**Long-Term Disability:** The District provides a long-term disability program for regular permanent employees as prescribed in the various employee union contracts. Employees with a regular work assignment exceeding twenty hours per week are eligible to receive two-thirds of their monthly salary for a period of time commensurate to their years of service up to 5 years. Employees with more than 5 years of service are eligible for benefits up to the age of sixty-five. The District records a liability of the present value of future payments under the program. At June 30, 2016, 9 employees were eligible to receive payments under the program and the liability totaled \$881,136.

**Changes in Long-Term Debt:** A schedule of changes in long-term debt for the year ended June 30, 2016 is as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 95,220,000	\$ -	\$ 3,220,000	\$ 92,000,000	\$ 2,805,000
Premium on General Obligation Bonds	15,014,314	-	614,467	14,399,847	645,905
Net pension liability (Notes 9 and 10)	124,315,000	23,742,000	-	148,057,000	-
Other postemployment benefits (Note 11)	(7,093)	-	51,772	(58,865)	-
Long-Term Disability Liability	994,339	-	113,203	881,136	124,388
Compensated absences	3,386,427	-	36,260	3,350,167	3,350,167
	<u>\$ 238,922,987</u>	<u>\$ 23,742,000</u>	<u>\$ 4,035,702</u>	<u>\$ 258,629,285</u>	<u>\$ 6,925,460</u>

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 8 - PROPERTY TAXES**

All property taxes are levied and collected by the Tax Assessors of the Counties of Fresno, Madera, Tulare and Kings and paid upon collection to the various taxing entities including the District. Secured taxes are levied on July 1 and are due in two installments on November 1 and February 1, and become delinquent on December 10 and April 10, respectively. The lien date for secured and unsecured property taxes is March 1 of the preceding fiscal year.

**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS**

*General Information about the State Teachers' Retirement Plan*

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at <http://www.calstrs.com/comprehensive-annual-financial-report>.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

*CalSTRS 2% at 60*

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS (Continued)**

*CalSTRS 2% at 62*

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

Contributions: Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

*Members* – Under CalSTRS 2% at 60, the member contribution rate was 9.20 percent of applicable member earnings for fiscal year 2015-16. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 8.56 percent of applicable member earnings for fiscal year 2015-16.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Effective July 1, 2014, with the passage of AB 1469, member contributions for those under the 2% at 60 benefit structure increase from 8.0 percent to a total of 10.25 percent of applicable member earnings, phased in over the next three years. For members under the 2% at 62 benefit structure, contributions will increase from 8.0 percent to 9.205 percent of applicable member earnings, again phased in over three years, if there is no change to normal cost.

*Employers* – 10.73 percent of applicable member earnings.

In accordance with AB 1469, employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The new legislation also gives the board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS (Continued)**

The CalSTRS employer contribution rate increases effective for fiscal year 2015-16 through fiscal year 2045-46 are summarized in the table below:

<u>Effective Date</u>	<u>Prior Rate</u>	<u>Increase</u>	<u>Total</u>
July 01, 2015	8.25%	2.48%	10.73%
July 01, 2016	8.25%	4.33%	12.58%
July 01, 2017	8.25%	6.18%	14.43%
July 01, 2018	8.25%	8.03%	16.28%
July 01, 2019	8.25%	9.88%	18.13%
July 01, 2020	8.25%	10.85%	19.10%
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

The District contributed \$7,941,453 to the plan for the fiscal year ended June 30, 2016.

*State* – 7.391 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Additionally, beginning October 1, 1998, a statutory contribution rate of 0.524 percent, adjustable annually in 0.25 percent increments up to a maximum of 1.505 percent, of the creditable earnings from the fiscal year ending in the prior calendar year per Education Code Section 22955(b). This contribution is reduced to zero if there is no unfunded actuarial obligation and no normal cost deficit for benefits in place as of July 1, 1990. Based on the actuarial valuation, as of June 30, 2012 there was no normal cost deficit, but there was an unfunded obligation for benefits in place as of July 1, 1990. As a result, the state was required to make quarterly payments starting October 1, 2013, at an additional contribution rate of 1.024 percent. As of June 30, 2014, the state contributed \$200.7 million of the \$267.6 million total amount for fiscal year 2013-14. As a result of AB 1469, the fourth quarterly payment of \$66.9 million was included in an increased first quarter payment of \$94 million for the 2014-15 fiscal year, which was transferred on July 1, 2014.

In accordance with AB 1469, the portion of the state appropriation under Education Code Section 22955(b) that is in addition to the 2.017 percent has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution will increase from 1.437 percent in 2014-15 to 4.311 percent in 2016-17. The increased contributions end as of fiscal year 2046-47.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS** (Continued)

The CalSTRS state contribution rates effective for fiscal year 2015-16 and beyond are summarized in the table below:

<u>Effective Date</u>	<u>Base Rate</u>	<u>AB 1469 Increase For 1990 Benefit Structure</u>	<u>SBMA Funding</u>	<u>Total State Appropriation to DB Program</u>
July 01, 2015	2.017%	2.874%	2.50%	7.391%
July 01, 2016	2.017%	4.311%	2.50%	8.828%
July 01, 2017 to June 30, 2046	2.017%	4.311%*	2.50%	8.828%*
July 01, 2046 and thereafter	2.017%	*	2.50%	4.517%*

\* The new legislation also gives the board limited authority to adjust state contribution rates from July 1, 2017, through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure shall be reduced to 0 percent. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 105,048,000
State's proportionate share of the net pension liability associated with the District	<u>55,559,000</u>
Total	<u>\$ 160,607,000</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2015, the District's proportion was 0.156 percent, which was an increase of 0.004 percent from its proportion measured as of June 30, 2014.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS (Continued)**

For the year ended June 30, 2016, the District recognized pension expense of \$11,867,379 and revenue of \$5,436,247 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,755,000
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	8,563,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	<u>7,941,453</u>	<u>-</u>
Total	<u>\$ 7,941,453</u>	<u>\$ 10,318,000</u>

\$7,941,453 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ (3,836,000)
2018	\$ (3,836,000)
2019	\$ (3,836,000)
2020	\$ 1,777,000
2021	\$ (292,000)
2022	\$ (295,000)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of June 30, 2015. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS** (Continued)

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2014
Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.60%
Consumer Price Inflation	3.00%
Wage Growth	3.75%
Post-retirement Benefit Increases	2.00% simple for DB Not applicable for DBS/CBB

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. See CalSTRS July 1, 2006 – June 30, 2010 experience analysis for more information.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant as an input to the process. Based on the model from CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are log normally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term* Expected Real Rate of Return</u>
Global Equity	47%	4.50%
Private Equity	12%	6.20%
Real Estate	15%	4.35%
Inflation Sensitive	5%	3.20%
Fixed Income	20%	0.20%
Cash / Liquidity	1%	0.00%

\* 10-year geometric average

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 9 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLANS** (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability	<u>\$158,615,000</u>	<u>\$105,048,000</u>	<u>\$ 60,530,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

**NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B**

*General Information about the Public Employer's Retirement Fund B*

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at <https://www.calpers.ca.gov/docs/forms-publications/cafr-2015.pdf>.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the PERF, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to \$863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2016 were as follows:

*Members* – The member contribution rate was 6.0 or 7.0 percent of applicable member earnings for fiscal year 2015-16.

*Employers* – The employer contribution rate was 11.847 percent of applicable member earnings.

The District contributed \$4,114,801 to the plan for the fiscal year ended June 30, 2016.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2016, the District reported a liability of \$43,009,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating school Districts. At June 30, 2015, the District's proportion was 0.292 percent, which was a decrease of 0.019 percent from its proportion measured as of June 30, 2014.

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(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

For the year ended June 30, 2016, the District recognized pension expense of \$953,411. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,458,000	\$ -
Changes of assumptions	-	2,643,000
Net differences between projected and actual earnings on investments	-	1,473,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	373,000
Contributions made subsequent to measurement date	4,114,801	-
<b>Total</b>	<b>\$ 6,572,801</b>	<b>\$ 4,489,000</b>

\$4,114,801 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2017	\$ (523,167)
2018	\$ (523,167)
2019	\$ (523,166)
2020	\$ (461,500)

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of the June 30, 2015 measurement date. Deferred outflows and inflows related to differences between projected and actual earnings on plan investment are netted and amortized over a closed 5-year period.

**Actuarial Methods and Assumptions:** The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2014
Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.65%
Consumer Price Inflation	2.75%
Wage Growth	Varies by entry age and service Post-retirement Benefit Increases Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.75% thereafter

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)**

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class</u>	<u>Long-Term* Assumed Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	51%	5.25%
Global Fixed Income	19%	0.99%
Inflation Insensitive	6%	0.45%
Private Equity	10%	6.83%
Real Estate	10%	4.50%
Infrastructure & Forestland	2%	4.50%
Liquidity	2%	(0.55)%

\* 10-year geometric average

Discount Rate: The discount rate used to measure the total pension liability was 7.65 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

The discount rate was 7.50 percent in 2015 and 7.65 percent in 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 10 - NET PENSION LIABILITY – PUBLIC EMPLOYER’S RETIREMENT FUND B** (Continued)

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65 percent) or 1-percentage-point higher (8.65 percent) than the current rate:

	1% Decrease (6.65%)	Current Discount Rate (7.65%)	1% Increase (8.65%)
District’s proportionate share of the net pension liability	<u>\$ 70,001,000</u>	<u>\$ 43,009,000</u>	<u>\$ 20,564,000</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Notes 9 and 10, the District provides medical, dental, and vision insurance coverage, as prescribed in the various employee union contracts, to retirees meeting plan eligibility requirements. Eligible employees retiring from the District may become eligible for these benefits when the requirements are met. The eligibility requirement for employees participating in CalPERS is a minimum age of 50 and a minimum ten years of continuous service with the District. Benefits are paid until age 65 for retirees with 10-14 years of service, are paid till age 70 for retirees with 15-19 years of service and for life if they have 20 or more years of service. The District has an annual cap on their obligations totaling \$2,400 a year for retirees under age 65. Retirees over age 65 are capped at \$1,600 per year, increasing two percent per year from 2000. An amount totaling \$800 per year is paid to retirees in groups CSEA 1979-84. Additional age and service criteria may be required. The eligibility requirement for employees participating in CalSTRS is a minimum age of 55 with ten years of service with the District. Benefits are paid until age 65 for retirees with 10-14 years of service and are paid for the retiree’s lifetime if they have 15 or more years of service. The District has an annual cap on their obligations totaling \$2,400 a year for retirees under age 65. Retirees over age 65 are capped at \$1,500 per year, increasing two percent per year from 1987. For the bargaining unit group SCFT 1984 ERIP, the full cost of benefits are paid. An amount totaling \$800 per year is paid to retirees in groups AFT 1981-83 and AFT 1978-80. Additional age and service criteria may be required.

Effective July 1, 2013, newly hired employees are provided a similar post-employment benefit with some reduced benefits. The reduced benefits limit the maximum age benefits are provided to 70, no longer is a lifetime benefit offered. The District contribution amount is not increased on an annual basis. Lastly, surviving spouse benefits are no longer available.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50.108-.109. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed, and changes in the District's net OPEB obligation:

Annual required contribution	\$ 2,105,416
Interest on net OPEB asset	(355)
Adjustment to annual required contribution	<u>450</u>
Annual OPEB cost	2,105,511
Contributions made	<u>(2,157,283)</u>
Increase in net OPEB asset	(51,772)
Net OPEB asset - beginning of year	<u>(7,093)</u>
Net OPEB asset - end of year	<u><u>\$ (58,865)</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016 and preceding two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
June 30, 2014	\$ 2,029,665	262.1%	\$ (59,458)
June 30, 2015	\$ 2,106,218	97.5%	\$ (7,093)
June 30, 2016	\$ 2,105,511	102.46%	\$ (58,865)

As of July 1, 2014, the most recent actuarial valuation date, the plan was 43.6 percent funded. The actuarial accrued liability for benefits was \$27.6 million, and the actuarial value of assets was \$12.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$15.6 million. As of the last actuarial, the covered payroll (annual payroll of active employees covered by the Plan) was \$85.3 million, and the ratio of the UAAL to the covered payroll was 18 percent. The single-employer defined benefit OPEB plan is currently operated as a pay-as-you-go plan. The District makes discretionary, periodic contributions to the plan through an irrevocable trust. The OPEB trust is included in the District's financial report and separately presented as a fiduciary fund. Separate financial statements are not issued for the trust.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, included as Required Supplementary Information following this section, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the Unit Credit cost method was used to value the liability. The actuarial assumptions included a 5.0 percent investment rate of return which is the estimated long-term yield on the employer's own investments restricted for the purpose to finance benefit payments and is consistent with what other similarly situated governmental employers are using, and an annual healthcare cost trend rate of 7.5 percent trending down to an ultimate 5.0 percent after ten years. A 2.0 percent morbidity assumption was used to increase expected medical claims. The UAAL is being amortized utilizing the level dollar method on a closed basis. The remaining amortization period at June 30, 2016, was 21 years.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

Contingent Liabilities: The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District has received Federal and State funds for specific purposes that are subject to review or audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect.

Construction Commitments: As of June 30, 2016, the District has approximately \$5.3 million in outstanding commitments on construction contracts.

**NOTE 13 - JOINT POWERS AGREEMENTS**

State Center Community College District participates in public entity risk pool joint power agreements (JPAs), with Valley Insurance Program (VIP) and Fresno Area Self-Insured Benefit Organization (FASBO). Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There have been no significant reductions in insurance coverage from coverage in the prior year. The relationship between State Center Community College District and the JPAs is such that the JPAs are not component units of State Center Community College District for financial reporting purposes.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2016

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**NOTE 13 - JOINT POWERS AGREEMENTS (Continued)**

The JPAs are governed by boards consisting of a representative from each member district. The boards control the operations of the JPAs, including the selection of management and approval of operating budgets, independent of any influence by the member district beyond their representation on the governing board. VIP provides property, liability and workers' compensation insurance and FASBO provides employee medical, dental and vision benefits. State Center Community College District pays a premium commensurate with the level of coverage requested.

Member districts share surpluses and deficits proportionate to their participation in the JPAs. The JPAs are independently accountable for their fiscal matters and maintain their own accounting records. Budgets are not subject to any approval other than that of the governing board.

Condensed financial information of the JPAs for the most recent year available is as follows:

	VIP <u>June 30, 2015</u>	FASBO <u>Sept. 30, 2015</u>
Total assets	\$ 21,414,561	\$ 5,334,141
Total liabilities	\$ 4,872,322	\$ 3,726,820
Net position	\$ 16,542,239	\$ 1,607,321
Total revenues	\$ 5,826,193	\$ 22,005,541
Total expenses	\$ 4,485,858	\$ 23,425,862
Change in net position	\$ 1,340,335	\$ (1,420,321)

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 14 - OPERATING EXPENSES**

The following schedule details the functional classifications of the operating expenses reported in the statement of revenues, expenses and changes in net assets for the year ended June 30, 2016.

<u>Functional Classifications</u>	<u>Salaries</u>	<u>Employee Benefits</u>	<u>Supplies, Materials, and Other Operating Expenses and Services</u>	<u>Equipment Maintenance and Repairs</u>	<u>Financial Aid</u>	<u>Depreciation</u>	<u>Total</u>
Instruction	\$ 63,954,029	\$ 19,396,480	\$ 3,447,558	\$ 662,288	\$ 77,811	\$ -	\$ 87,538,166
Academic Support	15,972,821	4,864,594	1,827,742	1,306,941	42,220	-	24,014,318
Student Services	25,900,384	7,444,763	3,899,268	489,161	1,844,906	-	39,578,482
Operations and Maintenance of Plant	5,214,653	2,375,789	7,736,886	262,712	-	-	15,590,040
Institutional Support Services	12,706,065	7,246,375	9,504,453	1,200,570	-	-	30,657,463
Community Services & Economic Development	1,128,219	327,468	7,144,771	2,101	17,710	-	8,620,269
Ancillary Services & Auxiliary Operations	3,476,704	1,233,564	4,036,689	87,340	-	10,980	8,845,277
Student Aid	-	-	-	-	63,936,955	-	63,936,955
Depreciation	-	-	-	-	-	9,946,972	9,946,972
	<u>\$ 128,352,875</u>	<u>\$ 42,889,033</u>	<u>\$ 37,597,367</u>	<u>\$ 4,011,113</u>	<u>\$ 65,919,602</u>	<u>\$ 9,957,952</u>	<u>\$ 288,727,942</u>



## **REQUIRED SUPPLEMENTARY INFORMATION**

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
FUNDING PROGRESS  
For the Year Ended June 30, 2016

<u>Schedule of Funding Progress</u>						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 2, 2007	\$ 5,629,227	\$ 31,908,838	\$ 26,279,611	17.64%	\$ 80,961,508	32.46%
July 1, 2008	\$ 5,579,224	\$ 31,882,317	\$ 26,303,093	17.5%	\$ 83,646,615	31.45%
July 1, 2010	\$ 6,051,686	\$ 22,482,531	\$ 16,430,845	26.92%	\$ 83,936,757	19.58%
July 1, 2012	\$ 6,846,425	\$ 23,802,089	\$ 16,955,664	28.76%	\$ 81,229,219	20.87%
July 1, 2014	\$ 12,046,274	\$ 27,620,493	\$ 15,574,219	43.61%	\$ 85,246,695	18.27%

<u>Schedule of Employer Contributions</u>			
<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>Contributions</u>	<u>Percentage of ARC Contributed</u>
June 30, 2009	\$ 3,076,964	\$ 5,451,876	177%
June 30, 2010	\$ 3,076,964	\$ 1,026,123	33%
June 30, 2011	\$ 1,994,296	\$ 1,001,374	50%
June 30, 2012	\$ 1,994,296	\$ 1,090,660	55%
June 30, 2013	\$ 2,051,458	\$ 1,198,296	58%
June 30, 2014	\$ 2,051,458	\$ 5,319,617	259%
June 30, 2015	\$ 2,105,416	\$ 2,053,853	98%
June 30, 2016	\$ 2,105,416	\$ 2,157,283	102%

See independent auditor's report on Required  
Supplementary Information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2016

State Teacher's Retirement Plan Last 10 Fiscal Years		
	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.152%	0.156%
District's proportionate share of the net pension liability	\$ 89,044,000	\$105,048,000
State's proportionate share of the net pension liability associated with the District	<u>53,769,000</u>	<u>55,559,000</u>
Total net pension liability	<u>\$142,813,000</u>	<u>\$160,607,000</u>
District's covered-employee payroll	\$ 67,869,000	\$ 72,423,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	131.20%	145.05%
Plan fiduciary net position as a percentage of the total pension liability	76.52%	74.02%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
For the Year Ended June 30, 2016

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Public Employers Retirement Fund B  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.311%	0.292%
District's proportionate share of the net pension liability	\$ 35,271,000	\$ 43,009,000
District's covered-employee payroll	\$ 32,615,000	\$ 32,303,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	108.14%	133.14%
Plan fiduciary net position as a percentage of the total pension liability	83.38%	79.43%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
For the Year Ended June 30, 2016

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State Teachers' Retirement Plan  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 6,431,132	\$ 7,941,453
Contributions in relation to the contractually required contribution	\$ 6,431,132	\$ 7,941,453
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 72,423,000	\$ 74,012,000
Contributions as a percentage of covered-employee payroll	8.88%	10.73%
All years prior to 2015 are not available.		

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
For the Year Ended June 30, 2016

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Public Employers Retirement Fund B  
Last 10 Fiscal Years

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 3,802,411	\$ 4,114,801
Contributions in relation to the contractually required contribution	\$ 3,804,411	\$ 4,114,801
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 32,303,000	\$ 34,733,000
Contributions as a percentage of covered-employee payroll	11.77%	11.85%

All years prior to 2015 are not available.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

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**NOTE 1 - PURPOSE OF SCHEDULE**

**A - Schedule of Other Postemployment Benefits Funding Progress**

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

**B - Schedule of the District's Proportionate Share of the Net Pension Liability**

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**C - Schedule of the District's Contributions**

The Schedule of District Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**D - Changes of Benefit Terms**

There are no changes in benefit terms reported in the Required Supplementary Information.

**E - Changes of Assumptions**

The discount rate for Public Employer's Retirement Fund B was 7.50 percent in 2015 and 7.65 in 2016. There are no changes in assumptions reported for the State Teachers' Retirement Plan.



## **SUPPLEMENTARY INFORMATION**

STATE CENTER COMMUNITY COLLEGE DISTRICT  
ORGANIZATION  
June 30, 2016

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State Center Community College District was established on July 1, 1964, and is comprised of 5,580 square miles located in parts of Fresno, Madera, Tulare, and Kings Counties. There were no changes in the boundaries of the District during the current year. The District operates three colleges, Fresno City College, Clovis College, and Reedley College as well as two community college centers, Madera Center and Career Technology Center. The District's three main colleges are each accredited by the Accrediting Commission for Community and Junior College, Western Association of Schools and Junior Colleges.

The Governing Board and District Administration for the fiscal year ended June 30, 2016 were composed of the following members:

**BOARD OF TRUSTEES**

<u>Members</u>	<u>Office</u>	<u>Term Expires</u>
Richard M. Caglia	President	2016
John Leal	Vice President	2016
Bobby Kahn	Secretary	2018
Miguel Arias	Member	2018
Ronald H. Nishinaka	Member	2018
Patrick E. Patterson	Member	2016
Eric Payne	Member	2016

**DISTRICT ADMINISTRATION**

Dr. Paul Parnell  
Chancellor

Ms. Cheryl Sullivan  
Interim President - Fresno City College

Dr. Sandra Caldwell  
President - Reedley College

Ms. Deborah J. Ikeda  
President- Clovis Community College

Mr. Edwin Eng  
Vice Chancellor - Finance and Administration

Dr. Barbara Hioco  
Interim Vice Chancellor - Educational Services and Institutional Effectiveness

Ms. Diane Clerou  
Vice Chancellor - Human Resources

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See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Education</u></b>			
<i>Direct Programs:</i>			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Program (FSEOG)	84.007	-	\$ 1,133,480
Federal Work Study (FWS)	84.033	-	933,735
Federal Pell Grants (PELL)	84.063	-	53,430,556
Financial Aid Admin Allowance	84.063	-	162,647
Federal Direct Student Loans	84.268	-	<u>1,593,059</u>
Subtotal Financial Aid Cluster			<u>57,253,477</u>
TRIO Cluster:			
Student Support Services	84.042A	-	1,192,526
Upward Bound	84.047A	-	1,203,013
Upward Bound - Math and Science	84.047M	-	<u>748,516</u>
Subtotal TRIO Cluster			<u>3,144,055</u>
Higher Education Institutional Aid Program:			
Higher Education Institutional Aid - Science, Technology, Engineering, Math Improvement Projects	84.031C	-	1,077,832
Higher Education Institutional Aid, Title V - COOP	84.031S	-	<u>897,163</u>
Subtotal Higher Education Institutional Aid Program			<u>1,974,995</u>
<i>Passed through California Department of Rehabilitation:</i>			
Rehabilitation Services Program			
College to Career	84.126A	29650	81,911
Rehabilitation Services - Workability	84.126A	29296	<u>204,963</u>
Subtotal Rehabilitation Services Program			<u>286,874</u>
<i>Passed through Fresno County Office of Education:</i>			
Race to the Top	84.359A	56237	21,652
<i>Passed through California Community College Chancellor's Office:</i>			
Career and Technical Education Program:			
Central Regional Consortium Grant	84.048A	15-150-004	200,874
CTE Transitions Grant	84.048A	15-112-064	79,593
Career and Technical Education, Title IC	84.048A	15-C01-064	<u>1,233,901</u>
Subtotal Career and Technical Education Program			<u>1,514,368</u>
Total U.S. Department of Education			<u>64,195,421</u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>			
<i>Passed through West Hills Community College District:</i>			
Trade Adjustment Assistance Community College and Career Training Program	17.282	*	\$ <u>224,346</u>
<u>U.S. Department of Health and Human Services</u>			
<i>Passed through California Department of Education:</i>			
Child Care Development Fund Cluster:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CSPP-5082 CCTR-5036	232,359
Child Care and Development Block Grant	93.575	CSPP-5082 CCTR-5036	127,832
Child Care and Development Block Grant - Training Consortium	93.575	15-16-3230 15-16-3219 15-16-0001	27,449
Child Care and Development Block Grant - Early Child Mentor Program	93.575	CN150142	<u>3,728</u>
Subtotal Child Care Development Fund Cluster			<u>391,368</u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services (Continued)</u>			
Temporary Assistance for Needy Families (TANF) Cluster:			
<i>Passed through California Community College Chancellor's Office:</i>			
TANF- CalWORKs	93.558	*	\$ 225,635
<i>Passed through Madera County Dept. of Social Services:</i>			
TANF - Vocational Training	93.558	10409-C-2015	148,291
<i>Passed through Tulare County Health &amp; Human Services:</i>			
TANF - Tulare CalWORKs Work Study Program	93.558	PA1375/8182	23,719
<i>Passed through Fresno County Health &amp; Human Services:</i>			
TANF - CalWORKs Employment & Temporary Assistance	93.558	A-15-295	<u>394,624</u>
Subtotal TANF Program			<u>792,269</u>
<i>Passed through Foundation for California Community Colleges:</i>			
Chafee Foster Care Independence Program - Youth Empowerment Strategies for Success	93.674	YP-104-15	<u>21,994</u>
Total U.S. Department of Health and Human Services			<u>1,205,631</u>
<u>U.S. Department of Agriculture</u>			
<i>Passed through California Department of Education:</i>			
Child and Adult Care Food Program Program:			
Child and Adult Care Food Program - Child Care Food Services	10.558	*	42,920
Child and Adult Care Food Program - Promoting Integrity NOW (PIN)	10.558	CN150060	112,327
State Administrative Expenses for Child Nutrition - Mandatory Training	10.558	CN150059	460,205
State Administrative Expenses for Child Nutrition - Healthy & Active Preschoolers	10.558	CN150077	<u>78,538</u>
Subtotal Child and Adult Care Food Program			<u>693,990</u>

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture (Continued)</u>			
<i>Passed through California Department of Food and Agriculture:</i>			
California Specialty Crop Program:			
California Specialty Crop - Business Details	10.170	SCB13026	105,035
California Specialty Crop - Export Promotion	10.170	SCB14012	<u>171,752</u>
Subtotal California Specialty Crop Program			<u>276,787</u>
<i>Passed through Humboldt State University:</i>			
HIS Education Pathway Grant	10.223	2014-38422-22081	<u>18,301</u>
Total U.S. Department of Agriculture			<u>989,078</u>
<u>U.S. Agency of Small Business Administration</u>			
<i>Passed through California Community College Chancellor's Office:</i>			
State Trade and Export Promotion Pilot Grant Program (STEP)	59.061	F15-0074	<u>1,660</u>
<u>U.S. Department of Veteran Affairs</u>			
Veterans Information and Assistance - Reporting Fees	64.115	*	<u>7,279</u>
<u>Research &amp; Development Cluster</u>			
<u>U.S. National Science Foundation</u>			
<i>Direct Program:</i>			
Collections in Support of Biological Research	47.074	1349397	<u>63,836</u>
<u>U.S. National Aeronautics and Space Administration</u>			
<i>Passed through Napa College</i>			
Rising Data: Flight Project Curriculum for Community College Students	43.008	NNX15AV98A	<u>6,014</u>
Total Federal Programs			<u>\$ 66,693,265</u>

\* No pass-through number was provided by the pass-through entity.

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2016

	Program Revenues			Unearned Revenue/ Accounts Payable		Total	Total Program Expenditures
	Cash Received	Accounts Receivable					
AB104 Adult Education Block Grant	\$ 4,839,117	\$ -	\$ (281,804)	\$ 4,557,313	\$ 4,557,313	\$ 4,557,313	\$ -
AEBG Data and Accountability	798,202	-	(798,202)	-	-	-	-
Ag Summer Camp - Paramount	40,096	96,236	-	136,332	136,332	136,332	136,332
Basic Skills	750,342	-	(381,375)	368,967	368,967	368,967	368,967
BFAP	1,500,816	-	(104)	1,500,712	1,500,712	1,500,712	1,500,712
CARE	328,225	-	(5,776)	322,449	322,449	322,449	322,449
CARE/AB212	1,487	1,538	-	3,025	3,025	3,025	3,025
Cal Grants	5,301,991	758	(8,798)	5,293,951	5,293,951	5,293,951	5,293,951
CalWORKs	1,060,049	-	(85,041)	975,008	975,008	975,008	975,008
CalWORKs Regional Effort Dollars Program	10,000	-	(3,054)	6,946	6,946	6,946	6,946
California Apprenticeship Initiative	680,287	-	(630,227)	50,060	50,060	50,060	50,060
CCC Student Mental Health Program	28,303	-	-	28,303	28,303	28,303	28,303
CCPT Education Pathway	-	5,216	-	5,216	5,216	5,216	5,216
CCPT Fresno Healthcare Collaborative	-	3,266	-	3,266	3,266	3,266	3,266
Cooperating Agencies Foster Youth Education Support	356,547	-	(34,368)	322,179	322,179	322,179	322,179
CSEC: Awareness and Identification	-	3,690	-	3,690	3,690	3,690	3,690
CTE Enhancement Fund	4,053,764	-	(524,653)	3,529,111	3,529,111	3,529,111	3,529,111
Deputy Sector Navigator -							
Communication & Information	120,000	199,546	(5,739)	313,807	313,807	313,807	313,807
Disabled Students Services (DSPS)	3,734,611	-	(303,510)	3,431,101	3,431,101	3,431,101	3,431,101
Economic Opportunity Programs							
and Services (EOPS)	2,859,878	-	(12,119)	2,847,759	2,847,759	2,847,759	2,847,759
Education Planning Initiative (EPI)	210,000	-	(210,000)	-	-	-	-
Enrollment Growth - Associate Degree							
Nursing Program	376,176	32,711	-	408,887	408,887	408,887	408,887
Equal Employment Opportunity							
Fund	10,275	-	-	10,275	10,275	10,275	10,275
E-Transcript California Mini Grant	67,500	-	(67,500)	-	-	-	-
Foster Care Education	76,974	76,938	-	153,912	153,912	153,912	153,912
Full Time Student Success Grant (FTSSG)	1,685,208	-	(175,112)	1,510,096	1,510,096	1,510,096	1,510,096
IDRC - Soft Skills Training Grant	79,951	-	(79,951)	-	-	-	-
Instruction Equipment & Library Fund	1,819,324	-	(46,052)	1,773,272	1,773,272	1,773,272	1,773,272
Middle College High School							
Grant	39,600	59,050	-	98,650	98,650	98,650	98,650
Paramount Agriculture Career Academy	21,948	11,755	-	33,703	33,703	33,703	33,703
Peace Officer Standards and							
Training (POST)	50,042	321,221	-	371,263	371,263	371,263	371,263
Prop 39 Clean Energy Workforce Program							
Improvement Fund	31,738	40,071	-	71,809	71,809	71,809	71,809

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF STATE FINANCIAL AWARDS  
For the Year Ended June 30, 2016

	Program Revenues			Deferred Income	Total	Total Program Expenditures
	Cash Received	Accounts Receivable				
PUENTE Project	\$ 3,052	\$ -	\$ -	-	3,052	\$ 3,052
Sector Navigator-Agriculture, Water, & Environment	149,000	348,641	-	-	497,641	497,641
Scheduled Maintenance & Repair	1,819,324	-	-	-	1,819,324	1,819,324
Song Brown	117,522	131,944	-	-	249,466	249,466
Student Equity Fund	5,970,292	-	(2,038,690)	-	3,931,602	3,931,602
Student Success (Credit)	9,851,135	-	(3,977,220)	-	5,873,915	5,873,915
Student Success (Non-credit)	36,811	-	(19,569)	-	17,242	17,242
Supplemental Educational Support Materials	5,459	3,679	-	-	9,138	9,138
Transition Aged Foster Youth Grant	799	-	-	-	799	799
Westhills Ag Academy	-	9,697	-	-	9,697	9,697

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF WORKLOAD MEASURES FOR  
STATE GENERAL APPORTIONMENT  
Annual Attendance as of June 30, 2016

<u>Categories</u>	<u>Reported Data</u>	<u>Audit Adjustments</u>	<u>Revised Data</u>
A. Summer Intersession (Summer 2015 only)			
1. Noncredit	29	-	29
2. Credit	1,579	-	1,579
B. Summer Intersession (Summer 2015) - Prior to July 1, 2013)			
1. Noncredit	5	-	5
2. Credit	1,868	-	1,868
C. Primary Terms (Exclusive of Summer Intersession)			
1. Census Procedure Courses			
a. Weekly Census Contact Hours	20,119	-	20,119
b. Daily Census Contact Hours	1,851	-	1,851
2. Actual Hours of Attendance Procedure Courses			
a. Noncredit	395	-	395
b. Credit	1,262	-	1,262
3. Independent Study/Work Experience			
a. Weekly Census Contact Hours	1,747	-	1,747
b. Daily Census Contact Hours	340	-	340
c. Noncredit Independent Study/ Distance Education Courses	-	-	-
D. Total FTES	<u>29,195</u>	<u>-</u>	<u>29,195</u>
Supplemental Information:			
E. In-Service Training Courses (FTES)	240	-	240
H. Basic Skills Courses and Immigrant Education			
a. Noncredit	186	-	186
b. Credit	1,951	-	1,951
<u>CCFS 320 Addendum</u>			
CDCP	158	-	158
Centers FTES			
a. Noncredit	151	-	151
b. Credit	4,650	-	4,650

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT  
(CCFS-311) WITH AUDITED FINANCIAL STATEMENTS  
For the Year Ended June 30, 2016

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There were no adjustments proposed to any funds of the District.

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See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
June 30, 2016

General fund	\$ 33,015,139
Debt service fund	6,645,875
Special revenue funds	360,646
Capital projects funds	28,191,135
Self insurance funds	13,024,097
Bookstore	<u>6,627,686</u>

Total fund balances - business-type activity funds	\$ 87,864,578
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. However, capital assets, net of accumulated depreciation are added to total net assets.

Total District capital assets	\$ 290,053,687
less bookstore fund capital assets	<u>(76,277)</u>

289,977,410

In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions	\$ 14,514,254
Deferred inflows of resources relating to pensions	<u>(14,807,000)</u>

(292,746)

Unmatured interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred.

(1,993,714)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2016 consisted of:

General Obligation Bonds	(92,000,000)
Bond premiums	(14,399,847)
Other postemployment benefits	58,865
Net pension liability	(148,057,000)
Other long-term liabilities, less bookstore fund	<u>(4,142,413)</u>

(258,540,395)

Losses on refundings of debt are categorized as deferred until outflows and are amortized over the shortened life of the refunded or refunding of the debt.

5,466,971

Adjustment to student accounts for uncollectible amounts

(788,720)

Total net position - business-type activities

\$ 121,693,384

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
For the Year Ended June 30, 2016

	Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
		Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Academic Salaries</u>							
Instructional salaries:							
Contract or regular	1100	\$ 41,245,310	\$ -	\$ 41,245,310	\$ 41,245,310	\$ -	\$ 41,245,310
Other	1300	17,474,188	-	17,474,188	17,474,188	-	17,474,188
Total instructional salaries		58,719,498	-	58,719,498	58,719,498	-	58,719,498
Non-instructional salaries:							
Contract or regular	1200	-	-	-	14,776,671	-	14,776,671
Other	1400	-	-	-	2,448,889	-	2,448,889
Total non-instructional salaries		-	-	-	17,225,560	-	17,225,560
Total academic salaries		58,719,498	-	58,719,498	75,945,058	-	75,945,058
<u>Classified Salaries</u>							
Non-instructional salaries:							
Regular status	2100	-	-	-	23,803,722	-	23,803,722
Other	2300	-	-	-	2,268,491	-	2,268,491
Total non-instructional salaries		-	-	-	26,072,213	-	26,072,213
Instructional aides:							
Regular status	2200	2,007,079	-	2,007,079	2,007,079	-	2,007,079
Other	2400	988,048	-	988,048	988,048	-	988,048
Total instructional aides		2,995,127	-	2,995,127	2,995,127	-	2,995,127
Total classified salaries		2,995,127	-	2,995,127	29,067,340	-	29,067,340
Employee benefits							
Supplies and materials	3000	18,720,289	-	18,720,289	34,732,899	-	34,732,899
Other operating expenses	4000	-	-	-	2,405,536	-	2,405,536
Equipment replacement	5000	498,102	-	498,102	13,911,658	-	13,911,658
	6420	-	-	-	-	-	-
Total expenditures prior to exclusions		\$ 80,933,016	\$ -	\$ 80,933,016	\$156,062,491	\$ -	\$156,062,491

(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
RECONCILIATION OF ECS 84362 (50 PERCENT LAW) CALCULATION  
For the Year Ended June 30, 2016

Object/TOP Codes	Activity (ECSA) ECS 84362 A Instructional Salary Cost AC 0100-5900 & AC 6110			Activity (ECSB) ECS 84362 B Total CEE AC 0100-6799		
	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
<u>Exclusions</u>						
Activities to exclude:						
Instructional staff-retirees' benefits and retirement incentives	5900 \$ 796,547	\$ -	\$ 796,547	\$ 796,547	\$ -	\$ 796,547
Student health services above amount collected	6441 -	-	-	-	-	-
Student transportation	6491 -	-	-	-	-	-
Noninstructional staff-retirees' benefits and retirement incentives	6740 -	-	-	460,737	-	460,737
Objects to exclude:						
Rents and leases	5060 -	-	-	107,699	-	107,699
Lottery expenditures	1000 -	-	-	-	-	-
Academic salaries	2000 -	-	-	10,275	-	10,275
Classified salaries	3000 -	-	-	-	-	-
Employee benefits	-	-	-	1,327	-	1,327
Supplies and materials:						
Software	4000 -	-	-	355	-	355
Books, magazines and periodicals	4200 -	-	-	-	-	-
Instructional supplies and materials	4300 -	-	-	32,811	-	32,811
Noninstructional supplies and materials	4400 -	-	-	64,597	-	64,597
Total supplies and materials	-	-	-	97,763	-	97,763
Other operating expenses and services	5000 -	-	-	2,399,968	-	2,399,968
Capital outlay	6000 -	-	-	-	-	-
Library books	6300 -	-	-	-	-	-
Equipment:						
Equipment - additional	6400 -	-	-	-	-	-
Equipment - replacement	6420 -	-	-	-	-	-
Total equipment	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-
Other outgo	7000 -	-	-	-	-	-
Total exclusions	\$ 796,547	\$ -	\$ 796,547	\$ 3,874,316	\$ -	\$ 3,874,316
Total for ECS 84362, 50% Law	\$ 80,136,469	\$ -	\$ 80,136,469	\$ 152,188,175	\$ -	\$ 152,188,175
Percent of CEE (instructional salary cost / Total CEE)	52.66%	-	52.66%	100%	-	100%
50% of current expense of education				\$ 76,074,588	\$ -	\$ 76,074,588

See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
 PROP 30 EPA EXPENDITURE REPORT  
 For the Year Ended June 30, 2016

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EPA Proceeds:	<u>\$ 24,597,426</u>				
<u>Activity Classification</u>	<u>Activity Code (0100-5900)</u>	<u>Salaries and Benefits (1000-3000)</u>	<u>Operating Expenses (4000-5000)</u>	<u>Capital Outlay (6000)</u>	<u>Total</u>
Instructional Activities	<u>                    </u>	<u>\$ 24,597,426</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,597,426</u>

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See accompanying notes to supplementary information.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION

**NOTE 1 - PURPOSE OF SCHEDULES**

**A - Schedule of Expenditure of Federal Awards**

The accompanying Schedule of Expenditure of Federal Awards includes the Federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, Cost Principles for Educational Institutions or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The following schedule provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures and Change in Net Position and the related expenditures reported on the Schedule of Expenditure of Federal Awards.

<u>Description</u>	<u>CFDA Number</u>	<u>Amount</u>
Federal revenues, Statement of Revenues, Expenditures and Change in Net Position:		
Operating revenues		\$ 13,638,038
Non-operating revenues		<u>53,430,556</u>
Total Federal revenues		67,068,594
Less: Federal reimbursement of interest paid Build America Bonds	N/A	<u>(375,329)</u>
Total Federal Expenditures, Schedule of Expenditure of Federal Awards		<u>\$ 66,693,265</u>

**B - Schedule of State Financial Awards**

The accompanying Schedule of Expenditures of State Awards includes State grant activity of the District and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

**C - Schedule of Workload Measures for State General Apportionment**

Full-time equivalent students is a measurement of the number of students attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to community college districts. This schedule provides information regarding the attendance of students based on various methods of accumulating attendance data.

(Continued)



STATE CENTER COMMUNITY COLLEGE DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION

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**NOTE 1 - PURPOSE OF SCHEDULES (Continued)**

**D - Reconciliation of Annual Financial and Budget Report (CCFS-311) with Audited Financial Statements**

This schedule discloses any adjustments to fund balance as reported on the CCFS-311 to fund balance used in the audited financial statements.

**E - Reconciliation of Governmental funds to the Statement of Net Position**

This schedule provides the information necessary to reconcile the fund balances to the audited financial statements.

**F - Reconciliation of ECS 84362 (50 Percent Law) Calculation**

This schedule provides the information necessary to reconcile the 50 Percent Law Calculation reported on the CCFS-311 to the audited data.

**G - Prop 30 EPA Expenditures Report**

This schedule provides information about the District's EPA proceeds and summarizes how the EPA proceeds were spent.

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE REQUIREMENTS

Board of Trustees  
State Center Community College District  
Fresno, California

### Report on Compliance with State Laws and Regulations

We have audited the compliance of State Center Community College District with the types of compliance requirements described in Section 400 of the California State Chancellor's Office's *California Community College District Audit Manual (CDAM)* that are applicable to community colleges in the State of California for the year ended June 30, 2016:

- Salaries of Classroom Instructors (50 Percent Law)
- Apportionment for Instructional Service Agreements/Contracts
- State General Apportionment Funding System
- Residency Determination for Credit Courses
- Students Actively Enrolled
- Concurrent Enrollment of K-12 Students in Community College Credit Courses
- Student Success and Support Program (SSSP)
- Scheduled Maintenance Program
- Gann Limit Calculation
- Open Enrollment
- Student Fees - Health Fees and Use of Health Fee Funds
- Proposition 39 Clean Energy
- Intersession Extension Program
- Disabled Student Programs and Services (DSPS)
- To Be Arranged Hours (TBA)
- Proposition 1D State Bond Funded Projects
- Proposition 30 Education Protection Account Funds

### Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations of State Center Community College District. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the California State Chancellor's Office's *California Community College Contracted District Audit Manual (Audit Manual)*. Those standards and the Audit Manual require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about State Center Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion in compliance with state laws and regulations. However, our audit does not provide a legal determination of State Center Community College District's compliance with those requirements.

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(Continued)

### **Opinion with State Laws and Regulations**

In our opinion, State Center Community College District complied, in all material respects, with the state laws and regulations compliance requirements referred to above for the year ended June 30, 2016. Further, based upon our examination, for items not tested, nothing came to our attention to indicate State Center Community College District had not complied with the state laws and regulations.

### **Other Matters**

The results of our audit procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Contracted District Audit Manual and which is described in the accompanying Schedule of Audit Findings and Questioned Costs as item 2016-001. Our opinion with State Laws and Regulations is not modified with respect to this matter.

State Center Community College District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Audit Findings and Questioned Costs. State Center Community College District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

### **Purpose of this Report**

This report is intended solely to describe the scope of our testing of compliance and the results of that testing based on requirements of the *Contracted District Audit Manual*. Accordingly, this report is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 19, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Trustees  
State Center Community College District  
Fresno, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of State Center Community College District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise State Center Community College District's basic financial statements, and have issued our report thereon dated December 19, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered State Center Community College District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of State Center Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of State Center Community College District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether State Center Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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(Continued)

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 19, 2016

INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees  
State Center Community College District  
Fresno, California

***Report on Compliance for Each Major Federal Program***

We have audited State Center Community College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of State Center Community College District's major federal programs for the year ended June 30, 2016. State Center Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of State Center Community College District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about State Center Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of State Center Community College District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, State Center Community College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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(Continued)

## ***Report on Internal Control Over Compliance***

Management of State Center Community College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered State Center Community College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of State Center Community College District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Crowe Horwath LLP

Sacramento, California  
December 19, 2016

## **FINDINGS AND RECOMMENDATIONS**



STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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SECTION I - SUMMARY OF AUDITOR'S RESULTS

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)?        Yes   X   None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Aid Cluster
84.042A, 84.047A, 84.047M	Trio Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,000,798

Auditee qualified as low-risk auditee?   X   Yes        No

**STATE AWARDS**

Type of auditor's report issued on compliance for state programs: Unmodified

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

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(Continued)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

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(Continued)

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STATE CENTER COMMUNITY COLLEGE DISTRICT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

**2016-001 STATE COMPLIANCE - SALARIES OF CLASSROOM INSTRUCTORS (50 PERCENT LAW)  
(421)**

Criteria

*Education Code* Section 84362, commonly known as the 50 Percent Law, requires that a minimum of 50 percent of the district's Current Expense of Education (CEE) be expended during each fiscal year for "Salaries of Classroom Instructors." The information utilized in the calculation to determine compliance is expected to be accurate and not include any erroneous information.

The District must expend at least 50% of their total expenditures on Classroom Instructors.

Condition

Of the 15 individuals selected for reassigned time testing, one individual selected was paid 100% using instructional funds while their employee personnel form indicated the payment should have been split 80% instructional expense and 20% non-instructional expense. The District's improper inclusion of the additional 20% overstated total instructional salaries within the 50% law calculation.

Effect

Extrapolation of the condition of the individual's additional 20% funding further concluded that the District is still in compliance with the 50% minimum, at 52.49% compared to an original calculation of 52.66%.

Cause

Adequate procedures are not in place to ensure information used to perform the calculation is accurate.

Fiscal Impact

Not determinable.

Recommendation

The District should review the input and accuracy of employee information within the 50% calculation to ensure all employees are properly coded to instructional versus non-instructional expense.

Corrective Action Plan

The District will implement additional training for office staff on understanding the relationship of faculty loads and reassigned time, and how to review reports and identify discrepancies on labor expenditure reports. Additionally, each semester the campus will prepare a report of staff who has reassigned time. The report will be given to the Deans to verify and the Administrative Services office to audit.

**STATUS OF PRIOR YEAR  
FINDINGS AND RECOMMENDATIONS**

STATE CENTER COMMUNITY COLLEGE DISTRICT  
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS  
Year Ended June 30, 2016

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<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>District Explanation If Not Fully Implemented</u>
<b>2015-001</b>		
<u>Condition:</u> Sample selections were made from the detailed listing of students receiving EOPS support and services from the District for the 2014-2015 academic year.	Implemented.	
Out of 25 students selected for testing, one student from Fresno City College was not served by the District for EOPS services and should have been excluded from the data submitted to the State for allocation of EOPS funding.		
<u>Recommendation:</u> The District should develop and implement procedures to ensure compliance with EOPS recordkeeping requirements.		