

**TO: ALAMO COLLEGE DISTRICT  
BOARD OF TRUSTEES**

**FROM: SAN ANTONIO CHAMBER OF COMMERCE  
BOARD OF DIRECTORS**

**SUBJECT: 2017 ALAMO COLLEGES BOND ELECTION**

**STATUS: ADOPTED**

**DATE: FEBRUARY 23, 2017**



**RECOMMENDATION:** The Board of Directors of the San Antonio Chamber of Commerce has adopted the following statement as policy:

**STATEMENT:** The San Antonio Chamber of Commerce supports the \$450 million bond for the Alamo Colleges District (ACD). Improvements to current school facilities will account for a significant portion of the proposed bond expenditures. These improvements will impact each of the campuses of the ACD. The proposed renovations include replacing aging infrastructure systems that in most cases is more than 25 years old, redeveloping interiors and exteriors and repurposing some of these aging facilities. The bond will also fund new facilities to address anticipated population growth and the community’s educational priorities including the second CAST Center focused on manufacturing and construction. These renovations will enable the District to provide facilities and technology built to support cutting edge education and training for our community.

**BACKGROUND:**

*What is a Bond Election?*

In the same way homeowners borrow money in the form of a mortgage to finance the purchase of a home, a school district borrows money in the form of bonds to finance construction and renovation of schools. Both are repaid over time, but in order for a district to sell bonds, it must go to the voters for approval.

ACD is the 2<sup>nd</sup> (per annual unduplicated HC per THECB) largest community college district in the state of Texas with a student population amongst the 5 campuses and dual-credit students of approximately 87,277 students and 6,224 employees with approximately 2,734 of them educators. In the 2016, ACD initiated a Citizens Bond Advisory Committee (CBAC) which toured campuses and reviewed District facility and academic needs. This included a needs assessment of its facilities, technology, equipment, library collections, and other resource program areas. The appointment of a Citizens Bond Oversight Committee (CBOC) is planned.

The CBAC was comprised of community members, who represented all areas of the district. In addition, the group received from staff extensive briefings about: the physical conditions of

its schools, the concept and cost of 21st-century classrooms, the District's new academic and workforce initiatives, as well as information about tax rates and potential tax impact. Members included 17 members from business, community and educational partners.

Spanning over 5 years, the process by which the CIP was developed and then reviewed by the CBAC was extensive examining student enrollment projections for the next 20 years, multiple presentations over the period to stakeholders on maintenance and academic needs, and input from business and community members.

If the 2017 Bond is passed by the voters, the newly formed CBOC will continue to monitor and report to the Board and the public on the progress of the 2017 bond program's implementation. Additionally, under ACD Policy F.6.1 Student Success there exists several measures of student success that include diversity goals and improvement rates for students. One of the driving factors for the CIP was student support for completion and student success.

### *2017 CIP/ Bond Program*

Since 2005, student enrollment has increased by 24% (12,700) in the academic, dual-credit and workforce programs. Additionally, with more than 27% of the buildings in the district over 25 years old with another set more than 50 years old, the ACD infrastructure needs are not just expansive but also imperative. The CIP/Bond will not only provide needed improvements to current infrastructure, improving interiors and exteriors of current training centers and repurposing buildings for improved use it will provide much needed support for projected growth needs for the district.

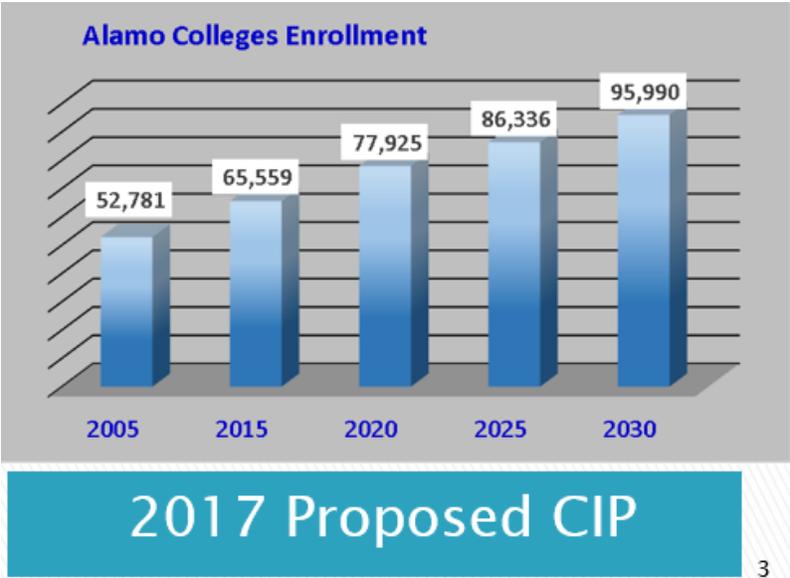
New facilities will also be included in this CIP/Bond Program to focus on the following areas:

- Expansion of training targeted at the in demand occupations and high-growth industries for the region;
- Increase in education in the STEM related fields;
- Increasing and enhancing teaching and training spaces to be smart spaces and labs; and
- Ensuring service to ACD growth areas for the region

The bond will also address expanding workforce programs and centers particular those in the areas of our city with the most need. These include the expansion of Centers of Excellence (Similar to the Alamo Academies) and regional work centers like the Eastside Education & Training Center (EETC) and Westside Education & Training Center (WETC). Both the EETC and WETC provide workforce training in conjunction with leveraging community resources provided by partners like Workforce Solutions Alamo (WSA), San Antonio Housing Authority (SAHA), SAGE and the Westside Development Corporation. This CIP will focus on expanding WETC along with the Southside Education and Training Center (SETC) and Northwest Education and Training Center (NWETC).

Finally, information technology needs will be enhanced to allow for continued access to the latest technologies needed to provide 21<sup>st</sup> century training. This includes proposed development of on-line courses to accommodate students depending on their working needs and educational pathways.

Below are some graphics displaying the current enrollment trends, persistence and graduation rates along with data on degrees conferred to date:



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ALAMO COLLEGES	2005 - 2006	2015 - 2016	% Increase
Enrollment by College of Attendance: Fall Term	50,166	59,910	19%
Degrees Conferred*	3,707	12,009	224%
Fall-to-Fall Retention Rate	60%	66%	10%
3-Year Graduation Rate	6%	16%	183%
4-Year Graduation Rate	9%	20%	134%
Productive Grade Rate	67%	79%	18%
Course Completion Rate	80%	92%	15%
Bond Rating: S&P / Moody's	AA / Aa2	AAA / Aaa	✓



**Board Vote and Recommendation:**

On January 17, 2017, the CBAC and the Vice Chancellor for Finance and Administration Diane Snyder presented to the ACD Board of Trustees the revised Capital Improvement Plan (CIP), which reflected input from the CBAC. After reviewing the initial budget from the ACCD, the CBAC submitted a plan to significantly increase funds to older campuses near the city center, primarily St. Philip’s College.

At this same January 2017 meeting, the Board reviewed the recommendation and made some revisions to the proposal presented by the CBAC. The Board ultimately voted to call a \$450 million bond election to be placed on the May 2017 ballot to support the CIP. The CIP recommended and approved projects are summarized as follows:

<b>Projects Summary</b>	<b>Budget (millions)</b>
Northeast Lakeview College Improvements	\$42
Northwest Vista College Improvements	\$69
Palo Alto College Improvements	\$66
San Antonio College & First Responders Academy Improvements	\$83
St. Philip’s College (including the SW Campus) Improvements	\$82
Regional Campuses	\$69
Safety and Security & Information Technology	\$28
Real Estate (for expansion)	\$11
<b>Total</b>	<b>\$450 million</b>

### *Tax Implications:*

The proposed CIP would be implemented in three phases to minimize the impact to financial statements and debt ratios allowing for the ACD to avoid raising the debt portion of the tax rate. At the current appraisal rate there will not be an increase in the District's tax rate for debt service from the current rate.

ACD property taxes for senior citizens' homesteads would not be affected by the bond or the TRE. Taxes are frozen for senior citizens who have filed their homestead exemption and Over-65 Exemption applications with the Bexar Appraisal District and who have owned the home as of January 1, 2017.

### *Current Partnerships and Programs*

Included in the CIP are enhancements and expansions that will help support current partnerships with ISD and industry partners that are pivotal to continued growth of and alignment of career pathways for the students in our region. These include the following:

- Judson ISD Early College Academy is located on the Northeast Lakeview College campus.
- Palo Alto College (PAC) Natatorium is 51% owned by Alamo Colleges District and 49% owned by City of San Antonio.
- San Antonio College (SAC) works with San Antonio Independent School District (SAISD) to operate an Early College High School at SAC.
- Palo Alto College (PAC) works with several school districts and a charter school to provide Early College High School opportunities.
- St. Philip's College (SPC) works with San Antonio Independent School District (SAISD) to operate an Early College High School at SPC.
- All five colleges offer dual credit classes at multiple locations across Bexar County.
- Northwest Vista College uses recycled water provided by San Antonio Water System.
- Northeast Lakeview College uses recycled water provided by San Antonio River Authority.
- CAST 2- Palo Alto College partnership with Southwest ISD to build a Center for Applied Science & Technology focused on the trades (e.g., construction, logistics, advanced manufacturing)

### **Reasons for Support:**

- The passing of the proposed bond would help ACD improve and enhance campuses within the largest urban district in the city. These improvements will include improving technology for both students and educators, adding much needed infrastructure to support the projected student growth particularly at the workforce centers on the east and west sides of town, and improve and maintain current campuses that are aging.
- The bond will focus on expanding resources to help support training in critical areas/industry needs for the region that include: advanced manufacturing, information technology and cybersecurity, biotech and health care, construction, finance, and

hospitality industries (to include hotel and culinary management). Specifically, this will also include the support of the second CAST Center focused on the trade industries (to be located at Palo Alto College). This CAST center is one of two endorsed and recommended by an independent industry task force that included the Chamber and several board members of the Chamber.

- The ramifications of the proposed bond not passing could adversely impact students, families, businesses, and educators who reside and work in the city who are attending or planning to attend anyone of the ACD colleges.
- ACD has had reputable debt management in the past. (currently AAA/Aaa by S&P Global Ratings and Moody's Investor Service)
- ACD is following CIP developed and edited over a 5-year time period to ensure successful implementation with recommendations for continuous review and development.
- ACD's CBAC included 17 members that included community and business representation adding buy-in power to the recommendations made and approved by the ACD Board of Trustees.

#### **Issues of Concern:**

- There currently exist issues of accreditation with 3 of the colleges within ACD (San Antonio College, St. Philip's College and Northwest Vista College). Although administrative & technical in nature the public perception has produced negative media attention for the entire college district.
- The ACD Bond will be on the same ballot as the City of San Antonio 2017 Bond Program (OneSA) which can potentially cause confusion or concern amongst voters in supporting two sizeable bond programs in 2017.

**IMPLEMENTATION:** The Chamber will help support the ACD Bond Elections (Early Voting April 24th –May 2<sup>nd</sup>, Election Day May 6<sup>th</sup>) at membership meetings and other public opportunities. The Chamber will communicate this position to the media, the business community and other Chamber members through publication in The Chamber Today and media releases.