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California Postsecondary Education Commission

Review of a Proposal to Establish the North Natomas Educational Center

The Commission concurs with a proposal of the California Community College Board of Governors to establish an educational center in the North Natomas area of Sacramento. The Commission specifically concludes that:

- ♦ *Enrollments within the Los Rios Community College District are expected to increase at an annual average rate of 4.2%, well above the 3.0% enrollment growth funding level provided to the community college system in the Governor's 2005-06 budget.*
- ♦ *Four additional educational centers may be necessary to fully meet student demand over the next 11 years.*

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The Commission advises the Governor and Legislature on higher education policy and fiscal issues. Its primary focus is to ensure that the state's educational resources are used effectively to provide Californians with postsecondary education opportunities. More information about the Commission is available at www.cpec.ca.gov.

In this report, the Commission considers a proposal by the Los Rios Community College District to establish an educational center in a rapidly growing and developing area of Sacramento called North Natomas. The center would be situated on 6.5 acres of land approximately 6 miles north of downtown Sacramento.

Background

The Los Rios District had its early beginnings in 1942 when Grant Union Junior College was established in Del Paso Heights to train civilian personnel for national service during World War II. In 1954, voters established a junior college district to serve Sacramento and El Dorado counties and parts of Yolo, Placer, and Solano counties. The Los Rios District was officially formed in 1965 and it is administratively responsible for American River College, Sacramento City College, Consumnes River College, Folsom Lake College, the El Dorado Educational Center, and seven major outreach operational centers.

The district served over 69,000 students during each fall term in 2003 and 2004. The Commission's 2005 regional enrollment demand study indicated that enrollments would have been higher had the district not been forced to reduce course offerings by about 5% during Fall 2003 because of limited State funding. Given the Governor's recent pledge to fund enrollment growth adequately for all three higher education systems, it is anticipated that the Los Rios Community College District will require sufficient physical capacity to serve nearly 110,000 residents by year 2015, or 40,000 additional students.

Statutory and Administrative Requirements

The State of California requires that plans for new public institutions of higher education be reviewed by the California Postsecondary Education Commission prior to establishing new educational facilities. A central purpose of the State's review process is to help ensure that new public colleges, universities, campuses, and educational centers develop in accordance with broad statewide needs and priorities, and that capital outlay funds be spent wisely. Specifically with respect to community colleges, Section 66904 of the *California Education Code* expresses the intent of the Legislature that California community colleges not receive State funds for acquiring land sites or for constructing new institutions, branches, or off-campus centers unless recommended by the Commission. State recognition of a facility does not necessarily entitle a district to capital outlay funds, rather it offers a district an opportunity to compete in the capital outlay review process.

The first stage of review requires a community college district to submit a Preliminary Notice to the Commission expressing a need for a new campus or center, or a conversion of an existing center to a full-service community college. If the district elects to formally pursue the project, it is required to submit a formal Letter of Intent (LOI) to the Commission and to the Board of Governors of the California Community Colleges expressing its intent to expand. In reviewing an LOI, the Commission considers preliminary information in such areas as enrollment history and future demand, capital construction planning and time schedules, site location options, and maps of the proposed area showing population densities, topography, and highway configurations. If the LOI is approved by the Chancellor's Office and the Commission, the district is authorized to develop a detailed *Needs Study* and an Environmental Impact Report.

Recommendation

The Commission finds that the information contained in the district's Needs Study meets all of the requirements outlined in the Commission's guidelines for the review of new educational centers. The Commission, therefore, concurs with the recommendation of the Community College Board of Governors that the proposed North Natomas Educational Center be established as a state-approved off-campus center of American River College and that it become eligible immediately to compete for State capital outlay and support budget funding.

Analysis of the Proposal

The Los Rios Community College District submitted a *Needs Study* report that complies with the Commission's review criteria for State-approved educational centers. This section provides a comprehensive analysis of the information contained in that study in relation to each specific review criterion.

General Description and Overview

A physical description of the site and a social and demographic analysis of the surrounding area must be provided. Data describing the socioeconomic profile of the area or region should be included, with income levels and ethnic-racial makeup provided.

The greater Sacramento area is reported to be among the fastest growing metropolitan areas in California and the United States. Between 1980 and 2002, the area experienced roughly a 67% growth in its population, as compared with a total California population increase of 45% and a U.S. population increase of 25% during the same 22-year period. The Los Rios 3-County Service Area alone experienced a 61% increase in population. These trends are highlighted in Display 1.

DISPLAY 1 Population Changes in Greater Sacramento, California, and the U.S., Selected Years 1980 through 2002

Area	1980 Census	1990 Census	2000 Census	2002 Estimate	22-Year Change
El Dorado County	85,812	125,995	156,299	163,600	88.3%
Sacramento County	783,381	1,041,219	1,223,499	1,279,900	59.3%
Yolo County	113,374	141,210	168,660	176,300	51.5%
Los Rios 3-County Area	982,567	1,308,424	1,548,458	1,619,800	60.9%
Sacramento Yolo CMSA	1,099,814	1,484,220	1,796,857	1,884,700	66.9%
California	26,668,562	29,758,213	33,871,648	35,037,000	45.3%
U.S.	226,546,000	248,765,000	281,421,906	286,200,000	25.1%

Note: Adapted from Los Rios Community College District's *Needs Study*.

The development of the North Natomas area of the Los Rios Community College District has been phenomenal. In 1990, the area totaled 643 residents. As of 2002, according to the Sacramento Organization of Governments (SACOG), the area had grown rapidly to a conservative estimate of 10,000 persons. City plans call for the addition of 32,500 housing units to support the needs of 66,000+ area dwellers. City planners estimate that 44% of the approved long-range construction projects were already underway by 2003 and that prospective homebuyers have already committed to purchasing 95% of the single family and multi-family housing units expected to be made available in the near future.

The significant increase in the population of North Natomas is due primarily to positive net migration as opposed to childbirths. Some of the contributing factors include: (a) a highly attractive developing community with new and modernized public schools and colleges; (b) a wide range of commercial retail outlets and eateries; (c) favorable labor markets; (d) attractive housing units that are still relatively affordable in comparison to median home prices of the Bay Area and parts of southern California; and (e) close proximity to the Bay Area, the Napa Wine Country, Lake Tahoe, Reno, and the research facilities of the University of California, Davis.

DISPLAY 2 Employment and Labor Force Statistics in Selected Areas 1995 and 2002

Area	Employment			Civilian Labor Force		
	1995	2002	Change	1995	2002	Change
Los Rios District	651,600	766,500	17.6%	695,900	807,200	16.0%
Sac-Yolo CMSA	747,900	890,500	19.1%	797,900	936,900	17.4%
California	14,168,900	16,428,100	15.9%	15,364,400	17,535,700	14.2%
U.S.	124,900,000	135,185,000	8.2%	132,304,000	143,277,000	8.3%

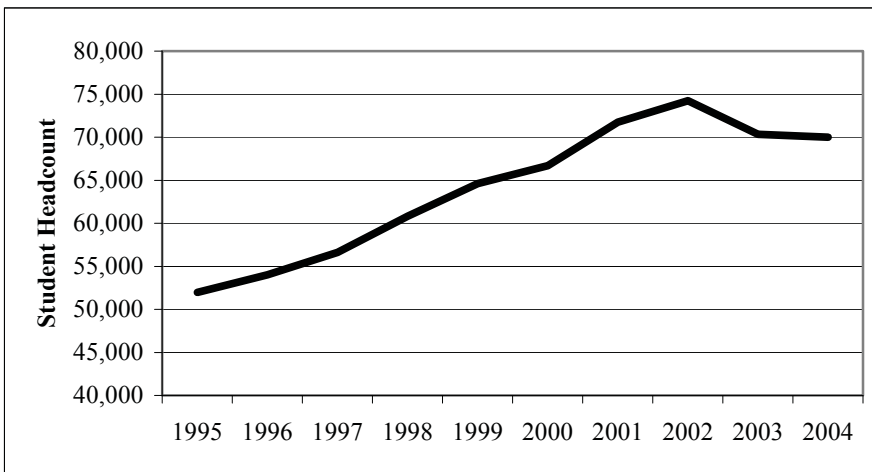
Note in Display 2 that between 1995 and 2002, the growth in the labor market and civilian employment of the Los Rios Community College District compared favorably to corresponding labor statistics reported for California and the U.S. Some of the fastest growing occupations of the Sacramento region that will require postsecondary training include nurses, health care professionals and paraprofessionals, medical technicians and laboratory assistants, law clerks, teacher's aids, engineering-related technicians, secretaries, data entry and processing technicians, and building trade related positions (e.g., drafters, welders, cutters).

Enrollment Projections

For a new community college or educational center, enrollment projections for the district proposing the center should exceed the planned enrollment capacity of existing colleges and educational centers.

As shown in Display 3, district enrollments had been increasing dramatically since fall 1995, before falling off in 2003, due primarily to a reduction in State general fund support and associated reduced course offerings. The Governor’s 2005-06 budget provides increased funding to the community colleges to support, among other needs, a three percent increase in enrollment levels for high demand districts. Because of the 2005-06 budget and strong population and economic growth, district enrollments are anticipated to soar again. The projections developed by the Community College Chancellor’s Office show Los Rios Community College District enrollments increasing from about 70,000 in fall 2004 to approximately 110,000 in year 2015, representing an annual average increase of approximately 4.2%. The projections were approved by the Demographic Research Unit of the Department of Finance, as required. The projected growth rate is consistent with the Commission’s community college projected growth rate for the greater Sacramento Valley Region.

DISPLAY 3 Los Rios Community College District Enrollments Fall 1995 to Fall 2004



Display 4 highlights the current assignable square feet (ASF) of lecture and laboratory space for American River College and for the Los Rios Community College District. To provide a rough estimate of any excess capacity currently available within the district, the ASF figures were converted by the Commission to full-time equivalent students (FTES) using existing State space utilization standards, and then compared against current FTES enrollment levels.

DISPLAY 4 Los Rios District Physical Capacity Analysis

Institution	ASF			FTES*		
	Lecture	Laboratory	Total	Capacity	Fall 2004 Enrollment	Deficit/Surplus
American River	62,867	122,503	185,370	11,579	18,348	-6,769
Los Rios District	161,513	353,878	515,391	30,270	41,989	-11,719

*Note: Fall 2004 FTES enrollment figures were estimated by the Commission based on a district-wide average unit load of 9.0 units.

Based on space utilization standards, there does not appear to be any excess physical capacity at American River College or on a district-wide basis. This situation partially explains why district planners have concluded that it will take four additional educational centers, aside from the proposed North Natomas Educational Center, to fully meet student demand. Phase II of development for the North Natomas Educational Center, if approved by the Commission, is expected to enable the district to serve 5,900 students in 2006 and grow to 8,029 students in 2015.

Alternatives

This criterion requires a district to consider several alternatives other than establishing an educational center. This includes consideration given to: (1) expanding existing institutions within the region, (2) increasing classroom and laboratory utilization, (3) sharing facilities with other institutions, and (4) greater use of technology and distributed learning arrangements.

As emphasized in the previous section, American River College and the Los Rios Community College District are facing significant capacity pressures. The district, however, has carefully crafted and adopted an expansion philosophy that is very consistent with broad planning values of the State. Specifically, rather than calling on the State to fund one or two additional full-service community colleges, the district instead is seeking partial assistance from the State to fund the gradual development of smaller, strategically located educational centers while it continues to rely on successful neighborhood operations.

The proposed North Natomas Educational Center is the first of perhaps five facility proposals likely to be submitted to the Commission over the next two years that are intended to respond to the training and academic preparation needs of community members residing in high growth areas of the Los Rios District. Based on current population projections, those areas include: (a) West Sacramento, (b) Davis, (c) Rancho Cordova, and (d) Elk Grove/Laguna. The Commission intends to review each proposal separately on its own merit. The district has expressed its intent not to seek college status for any educational centers being planned.

Although constructing additional facilities on the American River campus is not seen as a viable option because of significant traffic and parking concerns, the district continues to achieve success in developing partnerships with local establishments and institutions, while maximizing the use of its existing facilities. For example, American River College delivers instructional services at Natomas High School and Bella Vista High School, and in leased space that was formerly the property of McClellan Air Force Base. An evening and weekend Transfer Academy has been implemented on the American River Campus to meet the needs of working adults who wish to further their education by transferring to a four-year institution.

The proposed North Natomas Educational Center is the result of a highly collaborative partnership that consists of the Los Rios Community College District, the City of Sacramento, the business and industrial community of North Natomas, and the Natomas Unified School District. The educational center will be situated within a Town Center that will also include a new high school and a public library. Educational facilities, library resources, parking, and recreational facilities will all be shared.

Academic Planning and Program Justification

The District must include a preliminary description of the proposed academic and certificate programs to be offered, along with a listing of proposed courses. A description of the center's academic/occupational organization must also be included. The description must demonstrate conformity with such State goals as access, quality, intersegmental cooperation, and diversification of students, faculty, administration, and staff.

Local funds were used to construct the first building at the North Natomas site. It is nearly complete and includes roughly 14,000 assignable square feet of classroom and computer laboratory space. The space will be used to offer the majority of non-laboratory related general education (GE) courses leading to the associate of arts degree. Proposed general education offerings include courses in English, mathematics, psychology, sociology, history, anthropology, political, science, economics, business, speech, and fine arts. The North Natomas Educational Center will also prepare students for transfer to four-year institutions by offering courses that meet the *Intersegmental General Education Transfer Curriculum* (IGETC) requirements.

The district conducted a labor market analysis of the greater Sacramento Metro area and found the largest employment sectors to be government; retail services; real estate, insurance, and finance; and manufacturing. Based in part on its labor market analysis, the district intends to offer the following new programs at the North Natomas Educational Center:

- Retail Management Certificate Program
- Call Center Customer Service Program
- Fashion Design and Merchandising
- Geographic Information Systems
- Art New Media
- Biotechnology
- Office Assistant Training Certificate Programs
- Computer Information Systems
- Library and Information Technology

In addition to its labor market analysis, the district has also held numerous curriculum-related discussions with the principal of the new public high school located near the proposed educational center. Based on those discussions, American River College will work to bring additional courses to the center that align with the six thematic educational pathways of the new public high school. These are: business, information technology, industrial technology, professional public service, health and medical, and arts and media. These courses will provide high school students with the opportunity to explore education and workforce preparation options that are aligned with the six pathways.

Phase II and III, for which the district will be seeking partial State support, will add an additional 16,328 assignable square feet of instructionally-related space, including space for faculty offices, a bookstore, and instructional media. Completion of the three phases will generate approximately 49,000 square feet of facility space to enable the center to add additional vocational and workforce preparation courses and to construct a learning resource center.

Student Services and Outreach

The district is required to describe the student services available and planned at the educational center. A description of outreach services to historically underrepresented groups must be included.

The district is planning to establish a number of administrative and student support services similar to that of a comprehensive community college. The Center will contain a bookstore, fiscal services (as necessary), campus security office, a student business office, food services, a transportation unit, computer support services, facilities management office, human resources office, and a marketing/communications unit to support all administrative functions.

In the long term, the North Natomas Educational Center will include an assessment center, CalWORKS, counseling, Disabled Students Programs and Services (DSP&S), financial aid services, a student health center, a career center, a transfer center, a tutoring center, English as a Second Language (ESL) Center, and an office of Extended Opportunity Programs & Services (EOP&S). The center's infrastructure will

enable students to access a number of services housed at American River College through the use of computer labs and personal platforms.

In the early phases of the center, those students who have immediate needs for vital services will be partnered with appropriate American River College representatives. Students from underrepresented backgrounds will also be able to take immediate advantage of services at American River College, such as DSP&S, EOP&S, academic and vocational counseling, and financial and scholarship services.

Support and Capital Outlay Budget Projections

Proposals must include five-year capital outlay projections and five-year projection of anticipated support costs, including costs for administration, academic programs, academic support, and other standard expense elements.

In March 2002, the local electorate approved general obligation bonds totaling \$265 million. The district used approximately \$8.6 million to purchase the North Natomas site and to fund the first phase of development. The second phase is scheduled to be completed in 2013 and the final phase in 2016. The proposal does not clearly outline the capital costs associated with the final two stages of development and what proportion of the remaining cost, if any, the State will be asked to assume. The district, therefore, is requested to clarify these projected costs.

Detailed information was provided regarding anticipated support costs. Phase I will require \$1.44 million to support 24.6 FTE faculty and staff; Phase II will require \$2.34 million to support 45.0 FTE faculty and staff; and Phase III will require \$3.8 million to support 65.3 FTE faculty and staff. These costs are outlined more fully in Appendix A. The Commission is requesting clarification of the data presented in Appendix A.

Geographic and Physical Accessibility

The physical, social, and demographic characteristics of the location and surrounding service areas for the new institutions must be included. There must be a plan for student, faculty, and staff transportation to the proposed location. For locations that do not plan to maintain student on-campus residences, reasonable commute time for students must be demonstrated.

The North Natomas site is located conveniently in the hub of the growing North Natomas population and it is easily accessible from I-80, I-50, and State Highway 99. During non-commute hours, the average commute time from the site to the district's three comprehensive community colleges is about 20 minutes. Public transportation is available from all parts of Sacramento, and in particular, from areas east of interstate 5 and north of interstate 80, where a light rail station will be situated within the next two years.

Approximately 320 parking spaces will be located adjacent to the parking area of the new public high school. Additional parking, totaling about 400 spaces, will be made available at the northwest corner of Del Paso Road and Library street, just across the street from the center.

Effect on Other Institutions

The proposal must show evidence that other institutions were consulted during the planning process. Establishing a new community college center must not reduce existing or projected enrollments in nearby campuses or adjacent districts to a level that would damage their economy of operation.

The expressed intent of the proposed center is to enhance service to the rapidly growing North Natomas neighborhood. No other postsecondary institutions are located in the immediate vicinity. For the past several years, the Los Rios Community College District has been meeting with relevant planning enti-

ties. What has evolved is a highly successful partnership that consists of the district, the City of Sacramento, and the Natomas Unified School District.

Numerous letters of support were submitted by representatives of local government, local business and industry companies, and education leaders. Included were letters from *Downtown Sacramento Partnership*, the *Sacramento Mayor*, the *North Natomas Community Association*, and the *Natomas Unified School District*.

The Commission is not aware of any opposition to this proposal.

Environment and Social Impact

A copy of the final environmental impact report must be included. To expedite the review process, the Commission should be provided with all information related to the environmental report process as it becomes available to responsible agencies and the public.

The district submitted the required *Environmental Impact Report* that address environmental consequences related to such areas as (a) population and housing, (b) seismicity, (c) soils, (d) geology, (e) water, (f) air quality, (g) energy, (h) hazards, and (i) noise, among other considerations. There were no findings of a potentially significant impact in any of the categories. However, the Division of Aeronautics recommended that the district give special consideration to noise effects from large aircraft operations of the Sacramento Airport, which is located approximately three miles from the proposed Natomas site.

Economic Efficiency

The Commission encourages economic efficiency and gives priority to proposals for new institutions where the State is relieved of part of the financial burden. Assuming all other criteria are satisfied, higher priority will be granted to proposals that include gifts of land, construction costs, or equipment, as opposed to proposed projects that anticipate all costs to be born by the State.

As highlighted earlier, the Los Rios Community College District continues to benefit from a high level of community support, as evident by voter approval of a general obligation bond in December 2002 that totaled \$265 million. The district used about \$8.6 million to purchase the North Natomas site and to fund the initial stage of development. In essence, strong community support freed the State from the burden of funding Phase 1.

Also mentioned earlier, the North Natomas proposal represents a partnership in which some of the associated costs will be shared among the district, the City of Sacramento, and the Natomas Unified School District. These shared costs relate to classroom facilities, library resources, parking, and recreational facilities.

Appendix A Natomas Educational Center - Projected Operational Costs

Item	Spring 2004		Phase I - ASF 12,350		Phase II - 28,480		Phase III - 46,640	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries								
Administrator/Coordinator	1.00	\$105,418	1.00	\$105,418	1.00	\$105,418	1.00	\$105,418
Instructional								
Full Time	0.60	\$40,851	5.00	\$340,425	5.00	\$340,425	18.00	\$1,225,530
Adjunct	9.66	\$272,338	12.31	\$433,179	24.79	\$872,341	26.26	\$924,069
Sub-total Instruction	10.26	\$313,189	17.31	\$773,604	29.79	\$1,212,766	44.26	\$2,149,599
Counselors/Librarians	1.38	\$68,966	2.26	\$112,838	3.66	\$182,634	5.02	\$250,104
Classified	0.42	\$15,918	4.00	\$137,714	10.50	\$331,217	15.00	\$450,326
Employee Benefits		\$90,076		\$231,687		\$368,268		\$640,349
Total Salaries & Benefits	12.06	\$593,567	24.57	\$1,361,261	44.95	\$2,200,303	65.28	\$3,595,796
Operating Costs, including some fixed costs		\$32,067		\$80,711		\$139,731		\$207,602
Total Estimated Expenditures		\$625,634		\$1,441,972		\$2,340,034		\$3,803,398
Students Served:								
Enrollment (Headcount)		\$1,245		\$2,037		\$3,297		\$4,515
Weekly Student Contact Hours		\$5,189		\$8,744		\$15,043		\$22,353
Full-Time Equivalent Students		\$346		\$583		\$1,003		\$1,490
Cost Per FTES		\$1,809		\$2,473		\$2,333		\$2,552

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