



**Board of Trustees - Regular Meeting
Board of Trustees Governance Committee,
Teaching and Learning Committee, Planning and
Operations Committee, Facilities Committee and
Resources Committee
Tuesday, March 05, 2013 6:00 PM
Center for Student Success, Room 217, 2001
Third Street, Norco, CA 92860**

ORDER OF BUSINESS

Pledge of Allegiance

Anyone who wishes to make a presentation to the Board on an agenda item is requested to please fill out a "REQUEST TO ADDRESS THE BOARD OF TRUSTEES" card, available from the Public Affairs Officer. However, the Board Chairperson will invite comments on specific agenda items during the meeting before final votes are taken. Please make sure that the Secretary of the Board has the correct spelling of your name and address to maintain proper records. Comments should be limited to five (5) minutes or less.

Anyone who requires a disability-related modification or accommodation in order to participate in any meeting should contact the Chancellor's Office at (951) 222-8801 as far in advance of the meeting as possible.

Any public records relating to an open session agenda item that is distributed within 72 hours prior to the meeting is available for public inspection at the Riverside Community College District Chancellor's Office, Suite 210, 1533 Spruce Street, Riverside, California, 92507 or online at www.rccd.edu/administration/board.

- I. COMMENTS FROM THE PUBLIC
Board invites comments from the public regarding any matters within the jurisdiction of the Board of Trustees. Due to the Ralph M. Brown Act, the Board cannot address or respond to comments made under Public Comment.
- II. PUBLIC HEARING (NONE)
- III. CHANCELLOR'S REPORT
 - A. [Participation and designation of two trustees for the Governance Institute for Student Success](#)
The Board to review and recommend the Trustees who will be designated to participate in the Governance Institute for Student Success.
 - B. [Chancellor's Communications](#)
Information Only
- IV. BOARD COMMITTEE REPORTS
 - A. Governance (None)
 - B. Teaching and Learning
 - 1. [Presentation of RCCD Student Financial Services 2011-2012](#)
Information Only
 - C. Planning and Operations

1. [Presentation of the 2012 RCCD Environmental Scan Information Only](#)
- D. Resources
 1. [Resolution No. 25 -12/13 - 2013-2014 Tax and Revenue Anticipation Note \(TRAN\)](#)
The Committee to consider the adoption of Resolution No. 25 -12/13 - 2013-2014 Tax and Revenue Anticipation Note (TRAN).
- E. Facilities
 1. [Amendment 7 for Norco Operations Center with Hill Partnership, Inc.](#)
The Committee to review an amendment with Hill Partnership, Inc. in the amount of \$3,520 for architectural and engineering services for the Norco Operations Center.
 2. [Amendment 1 for Norco Operations Center with River City Testing](#)
The Committee to review an amendment with River City Testing in the amount of \$40,048.00 for the Norco Operations Center.
- V. OTHER BUSINESS (NONE)
- VI. CLOSED SESSION
 - A. [Conference with Legal Counsel - Update on Anticipated Litigation \(Government Code Section 54956.9\(c\) - Number of Potential Cases: One \(1\)\)](#)
Recommended Action to be Determined
- VII. ADJOURNMENT



Agenda Item (III-A)

Meeting	3/5/2013 - Committee/Regular Board
Agenda Item	Chancellor's Report (III-A)
Subject	Participation and designation of two trustees for the Governance Institute for Student Success
College/District	District
Funding	
Recommended Action	It is recommended that the President of the Board designate, and the board approve, two trustees to participate in the Governance Institute for Student Success.

Background Narrative:

A Governance Institute for Student Success for California Community Colleges is being proposed by ACCT and the California State Chancellor's office as a demonstration project. At an upcoming event being held April 7-8, 2013, the initiative for the Institute is being presented; based upon the nationally recognized initiative that fosters community college completion through effective governance. Information on the event and initiative is attached.

At this time, the Chancellor requests that the President of the Board of Trustees designate two trustees to participate in this endeavor and that the board approve said designated representation.

Prepared By: Greg Gray, Chancellor

Attachments:

[Governance Inst for Student Success Agenda](#)
[Governance Inst for Student Success Draft](#)



Long Beach Community College District & Community College League of California

Long Beach, CA

April 7-8, 2013

DRAFT AGENDA

Sunday, April 7, 2013

- 1:00 – 1:10 p.m. **Welcome**
- 1:10 – 1:40 p.m. **Overview of the Governance Institute for Student Success**
Presenters: Narcisa Polonio and Byron McClenney
- Student success in community colleges: Why now?
 - Why do trustees need to get involved in student success?
 - GISS experience: Lessons learned
- 1:40 – 2:30 p.m. **Trustees and Student Success**
Presenter: Narcisa Polonio
- Demographic context
 - Value trustees bring to their college and community
 - Key characteristics of an effective board
 - Board/President relationship
 - The first step to transformation: Board Self-Assessment
- 2:30 – 3:30 p.m. **Table Conversations: Reflecting on the Board Self- Assessment**
- 3:30 – 3:40 p.m. **Break**
- 3:40 – 4:30 p.m. **Overview of the Value of Data**
Presenter: Byron McClenney
- Introduction of data
 - Insights on student success data
- 4:30 – 5:20 p.m. **Team Time: Student Success Data and Possible Implications**
- Key findings pertaining to student success data and identified achievement gaps
 - Data review and initial implications
 - Probing questions and concerns
- 5:20 – 5:30 p.m. **Conclusions & Reflections of the Day**

PURPOSES

The Governance Institute for Student Success provides an opportunity to:

- Conduct state-specific programs to strengthen the governance of community and technical colleges and improve student success, equity, and completion;
- Convene trustees and presidents from community and technical colleges to share and elevate knowledge of how effective governance contributes to a culture of transparency and accountability focused on improving student success, equity, and completion;
- Assess institutional readiness on how to improve outcomes and on how to gain political commitment to strengthen institutional capacity to accelerate and improve student success, equity, and completion;
- Enhance the trustees' and presidents' roles and responsibilities in establishing policies, priorities, goals, and practices that accelerate and improve student success, equity, and completion;
- Promote advocacy for completion as a key measure of college outcomes and student success.

PRESENTERS:

Narcisa A. Polonio
Executive Vice President for Education,
Research and Board Services
Association of Community College
Trustees

Byron N. McClenney
Director Student Success Initiatives
Community College Leadership Program



6:00 – 8:00 p.m.

Dinner and Armchair Chat

Conversations about Student Success and Completion: What Does it Take?

Facilitators: Byron McClenney and Narcisa Polonio

Monday, April 8, 2013

8:00 – 9:00 a.m.

What Are We Learning About Transforming Community Colleges

Presenter: Byron McClenney

- Thinking strategically: Boards and presidents fostering student success
- Putting student success in the heart of strategic planning

9:00 – 10:00 a.m.

Building a Strong Governance Foundation for Student Success: Trustees and Presidents Fostering Student Success

Presenters: Byron McClenney and Narcisa Polonio

- Fundamentals
- Inventory of policies
- Policy action agenda for student success

10:00 – 10:15 a.m.

Break

10:15 – 11:00 a.m.

Getting Started: Moving the Needle

Presenter: Byron McClenney

11:00 - 11:20 a.m.

Preparation for Group Breakouts: Going the Distance

Moderator: Byron McClenney

11:20 a.m. – 12:00 p.m.

Group Breakout: Going the Distance

Trustees and presidents convene to discuss:

- Conditions and climate for fostering a student success and completion agenda
- Implications for future actions

12:00 – 1:00 p.m.

Working Lunch

Fostering Conditions: Policies, Lessons, and Commitments

Moderators: Byron McClenney and Narcisa Polonio

- Colleges report-out on key institute learnings and commitments to action
- Wrap-up remarks

1:00 – 2:00 p.m.

Next Steps

Moderators: Byron McClenney and Narcisa Polonio

2:00 p.m.

Adjourn



Requesting demonstration of interest to bring the Governance Institute for Student Success Initiative to California Community Colleges Districts (DRAFT)

The Governance Institute for Student Success (GISS) is a nationally recognized initiative focused on fostering community college student completion through effective governance. It is a robust and unique governance leadership model that blends the skills and knowledge of two outstanding organizations—the Association of Community College Trustees (ACCT), a leading educational non-profit for community college governing boards that provides trustees with education and training on effective governance, and the Student Success Initiative (SSI) at the University of Texas. The GISS benefits from the network, experience, and track records of ACCT’s and SSI’s long-standing work with community and technical colleges on student success and completion.

The GISS provides trustees and CEOs (chancellors/superintendent-presidents) with the insights, guidance, endorsement and engagement to promote policies and create accountability measures to increase student success and completion in their campuses and states. It propels trustees to influence their colleagues and key stakeholders in the student success and completion conversation.

Proposed Scope of Work

ACCT, in collaboration with the University of Texas’ SSI, proposes to provide a governance institute in partnership with the Long Beach City College District and the Community College League of California to work with teams of trustees and CEOs from invited districts to strengthen governance and commitment to student success and completion at each institution and throughout the state. The GISS- California will draw from ACCT and SSI’s vast experience on governance, student success and completion initiatives and research by incorporating lessons learned from the Governance Leadership Institute.

The GISS- California features three core components that allow trustees and CEOs from each district to initiate and continue work on student success. The three components are:

Convening: A team, comprising of a minimum of four trustees and the CEO, from each community college will meet in person for two institutes. During the first gathering, trustees and the CEO will learn and share methodologies and tools necessary for effective governance for student success. A key component will be understanding data analysis and governance, which contributes to a culture of transparency and accountability focused on improving student



success, equity, and completion. The second institute will be scheduled a year later as a follow-up to reflect on the progress of participating community college districts.

Trustees attending GISS will be responsible for sharing materials and lessons learned with non-attending board members in order to develop full-board cooperation and commitment to the college's agenda on student success and completion. GISS will provide support and tools on how board members can best share information and lessons learned with their fellow trustees.

Data Review: Each governing board participates in a self-assessment process to evaluate board readiness to undertake and promote student success. In addition, each college works with a data coach to review longitudinal student cohort data focusing on momentum points including course completion, persistence, and attainment.

Ongoing Engagement: Participants contribute to the online repository by documenting their work and lessons learned. Participants will also have access to training tools, data, sharing of best practices, discussion groups, meetings, and online resources; including invitations to present at ACCT national meetings on leadership and student success.

Proposed Timeline

Year 1

January – March 2013

Data Collection: Board participates in self-assessment process by completing the Board Self-Assessment Survey. Data coach works with state and colleges to collect disaggregated student success data.

April 7-8, 2013

First Institute: Introduction to the Governance Institute for Student Success

During this initial gathering, teams of trustees and CEOs from California community college districts will learn about the student success agenda in community colleges, effective governance practices and utilize the Board Self-Assessment to determine their readiness to undertake student success in their colleges. In addition, trustees and CEOs will learn how to thoroughly review student success data from their colleges over time and to work effectively and collaboratively to strengthen policies toward a completion agenda.

Facilitators: Dr. Byron McClenney, Director, Student Success Initiatives,
University of Texas at Austin
Dr. Narcisa Polonio, Executive Vice President for Education, Research and Board
Leadership Services, Association of Community College Trustees

April 2013 – April 2014 (Ongoing)



Ongoing Engagement: Participants have access to training tools, data, sharing of best practices, discussion groups, meetings, and online resources. Participants actively contribute to a repository of lessons learned and commitments to action from each college.

Year 2

April 2014 (date to be determined)

Second Institute: Continuing the Momentum on Student Success

During this convening, each college team of trustees and CEOs, meet to share experiences and discuss advancements in their colleges related to student success. Participants will actively learn through new exercises and moderated discussions about best state and national practices, impact on policy measures, and effective governance practices for implementing the student success agenda.

Facilitators: Dr. Byron McClenney, Director, Student Success Initiatives,
University of Texas at Austin
Dr. Narcisa Polonio, Executive Vice President for Education, Research and Board
Leadership Services, Association of Community College Trustees

April 2014 – December 2014

Ongoing Engagement: Participants have access to training tools, data, sharing of best practices, discussion groups, meetings, and online resources. Participants actively contribute to a repository of lessons learned and commitments to action from each college.

Cost of GISS for 2 Years

The estimated contribution **per college** to participate in the GISS- California is \$5,000 to \$8,000 (the more Districts who participate the lower the cost per college). The contribution amount includes: data collection, facilitation of two institutes, access to online resources, on-going technical assistance by phone or video conference and materials for 4 trustees and CEO. A minimum of 10 to 15 community college districts in California would need to sign up. In addition, each community college district will be responsible for covering meals, travel and lodging for trustees and CEOs attending the GISS- California. ACCT would invest approximately \$20,000 from the GISS Gates grant to help cover expenses related to curriculum development, data collection, administrative cost, etc.

Assumptions: Hosted by Long Beach Community College District who will provide facility, meeting space, video audio support, associated with logistics for the GISS institutes. In addition, each College District is responsible for covering the meals, travel and lodging costs for their trustees and CEO attending GISS.



Cost summary

Item	Community College League of California Contribution	ACCT & Gates Foundation	California Community College Districts Contribution
Governance Institute for Student Success (2 years)	\$5,000	\$20,000	\$5,000- \$8,000 (per college)

Contact Information

Narcisa Polonio

Executive Vice President, Research, Education & Board Services
Association of Community College Trustees
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npolonio@acct.org



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Agenda Item (III-B)

Meeting 3/5/2013 - Committee/Regular Board

Agenda Item Chancellor's Report (III-B)

Subject Chancellor's Communications

College/District District

Information Only

Background Narrative:

Chancellor will share general information to the Board of Trustees, including federal, state and local interests and District information.

Prepared By: Greg Gray, Chancellor

Attachments:



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Agenda Item (IV-B-1)

Meeting 3/5/2013 - Committee/Regular Board

Agenda Item Committee - Teaching and Learning (IV-B-1)

Subject Presentation of RCCD Student Financial Services 2011-2012

College/District District

Information Only

Background Narrative:

The Riverside Community College District receives federal, state and local funding to assist students in paying for their educational costs while attending college. Moreno Valley College, Norco College and Riverside City College each receives student applications, determines eligibility, and awards financial assistance. This presentation provides a report of the financial aid programs serving students for the academic year 2011/2012. Additionally, information is presented on the new disbursement process for 2013/2014.

Prepared By: Ray Maghroori, Provost/Vice Chancellor, Educational Services
Greg Sandoval, Vice President, Student Services

Attachments:

[RCCD SFS 2011-2012 presentation](#)

Student Financial Services

Riverside Community College District
Moreno Valley College, Norco College, Riverside City College

Federal Grant Programs

- **Pell Grant**
 - Federal Pell Grants are awarded only to undergraduate students who have not earned a bachelor's or a professional degree. The amount a student receives depends on financial need, cost of attendance, and full-time or part-time status.
 - Lifetime Eligibility Limits 12 full-time semesters (6 years)
- **FSEOG (Federal Supplemental Educational Opportunity Grant)**
 - Each Participating school receives a certain amount of FSEOG funds each year from the U.S. Department of Education's office of Federal Student Aid. The funds are awarded to students with a zero EFC. Once the full amount of the school's FSEOG funds has been awarded to students, no more FSEOG awards can be made for that year. This system works differently from the **Federal Pell Grant** Program, which provides funds to every eligible student.

Federal Work Study Programs

- Federal Work-Study provides part-time jobs for undergraduate and graduate students with **financial need**, allowing them to earn money to help pay education expenses. The program encourages community service work and work related to the student's course of study.

Federal Direct Loan Program

- The U.S. Department of Education offers the William D. Ford Federal **Direct Loan** (Direct Loan) Program. It is the largest federal student loan program. Under this program, the U.S. Department of Education is the **Lender**.
 - **Direct Subsidized Loans** are loans made to eligible undergraduate students who demonstrate **financial need** to help cover the cost of higher education at a college or career school.
 - **Direct Unsubsidized Loans** are loans made to eligible undergraduate, graduate, and professional students, but in this case, the student does not have to demonstrate financial need to be eligible for the loan.

Cohort Default Rate History

Official Default Rates for RCCD
(Individual rates will not be published until 2012 CDY)

2 Year Cohort Default Year (CDY) is in place until 2012. It includes all students who are in repayment during one calendar year and default within that calendar year and the one following it. Maximum rate before sanctions is 25%.

3 Year Cohort Default Year is official in 2012. Includes all students who are in repayment during one calendar year and default within that calendar year and the two following it. Maximum rate before sanctions is 30%.

2010 Cohort Default Year

2 Year Rate 10.9

(3 Year Rate published in September, 2013)

2009 Cohort Default Year

2 Year Rate 9.5

3 Year Rate 14.6

2008 Cohort Default Year

2 Year Rate 9.8

3 Year Rate 14.8

State Grant/Waiver Programs

Board of Governors Enrollment Fee Waiver (BOGW)

The Board of Governors Fee Waiver is a State program that is designed to waive the enrollment fees for California residents who show financial need, are recipients of public assistance or have low incomes. As of January 1, 2013 students who are exempt from paying non-resident tuition under Ed Code Section 681.30.5 (Dream Act) will also be eligible to participate in the BOGW program.

Cal Grants B and C

California Student Aid Commission (CSAC), offers state-funded grants for undergraduate students. There are grants for both academic and vocational higher education programs.

State Programs continued

Child-Development Grant

The Child Development grant is designed for students who are attending California public or private two-year or four-year postsecondary educational institutions. Students must intend to teach or to supervise at a licensed children's center in California

Chafee Grant (Foster Youth)

The California Student Aid Commission (CSAC) awards the Chafee Grant to current and former foster youth who have not reached their 22nd birthday. Students must be enrolled in a course of study that is at least one year long.

State Programs continued

The California Dream Act (*AB540 students)

Students at California Community College are now eligible to apply for:

- Privately-funded scholarships
- Board of Governors Fee Waiver (for terms beginning after January 1, 2013)
- Assistance from EOPS, CARE or CalWORKs (beginning January 1, 2013)
- State Financial Aid like Cal Grants (for the 2013-2014 academic year) and Chafee Grants

Applications are available online or via paper

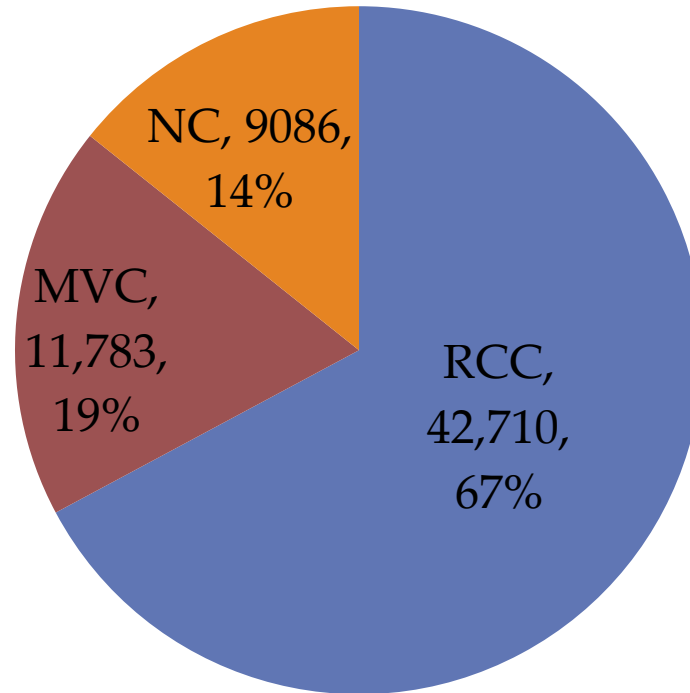
*AB540 students meet the following criteria:

- Attend a California high School for at least 3 years
- Graduated from a California high school, got a GED or passed the California high school Proficiency Exam
- are registered or enrolled at a California Community college

And

Complete an affidavit saying you have filed or will file for legal immigration status

FAFSA Applications Received

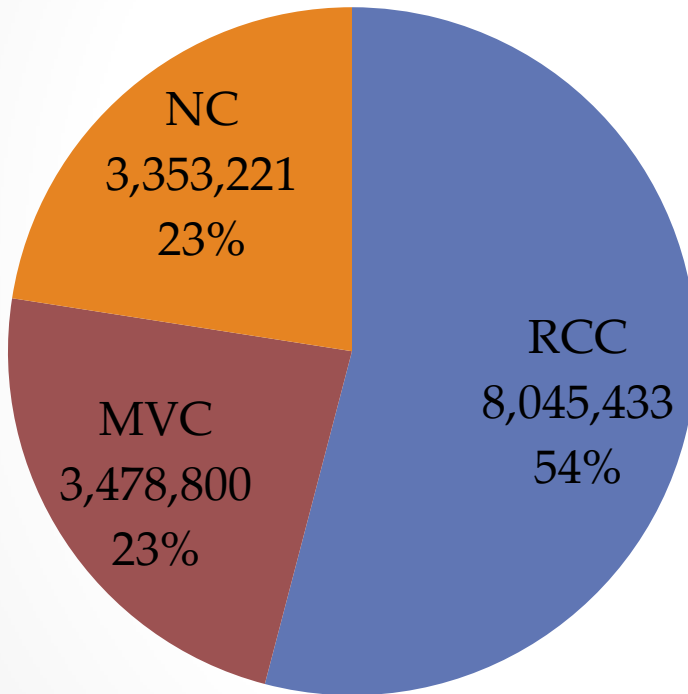


Total = 63,579

In 2010-2011 we were still considered one college for Federal Student Aid Programs. The total FAFSA Application received for the District in 2010-2011 was 52,396

Board of Governors Fee Waiver (BOGW)

Waived Amounts



Total = \$14,877,454.00

Total Awards by Student Count

Total Students by College

RCC – 17,243

27,751 – 62%

MVC – 8,048

16,149 – 50%

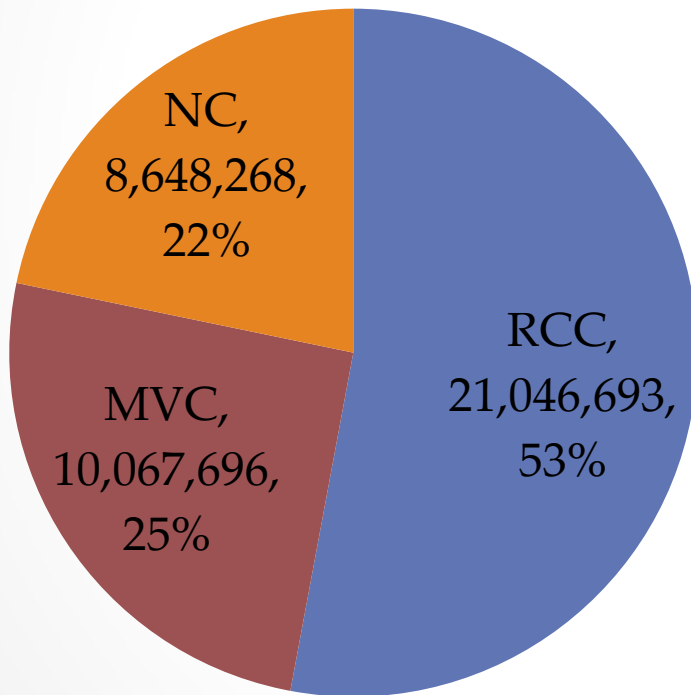
NC – 7,816

14,049 – 56%

Federal Grant Disbursements

Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study Grant

Total Amount Disbursed



Total = \$39,762,657.00

Total Awards by Student Count

Total Students by College

RCC – 13,436

27,7581 – 48%

MVC – 6,815

16,149 -- 42%

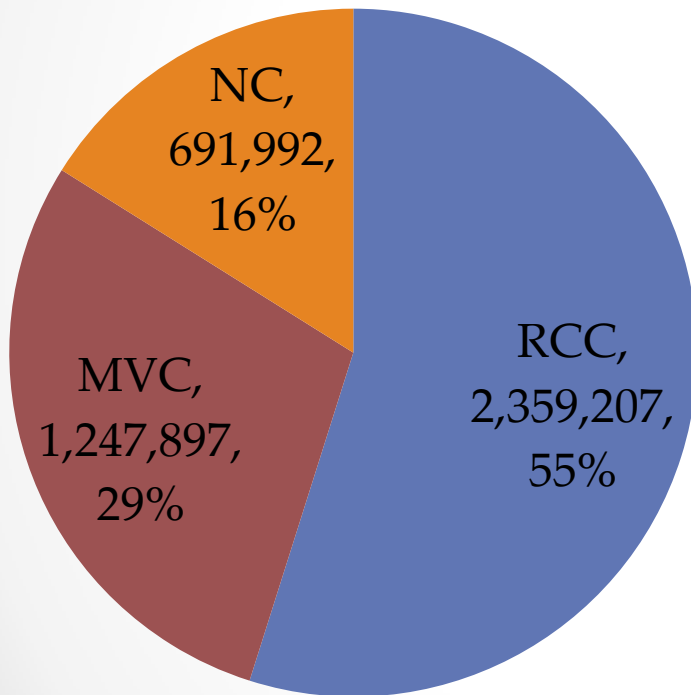
NC – 5,542

14,049 -- 39%

Federal Loan Disbursements

Subsidized and Unsubsidized Direct Loans

Total Amount Disbursed



Total = \$4,299,096.00

Total Awards by Student Count

RCC – 1,174

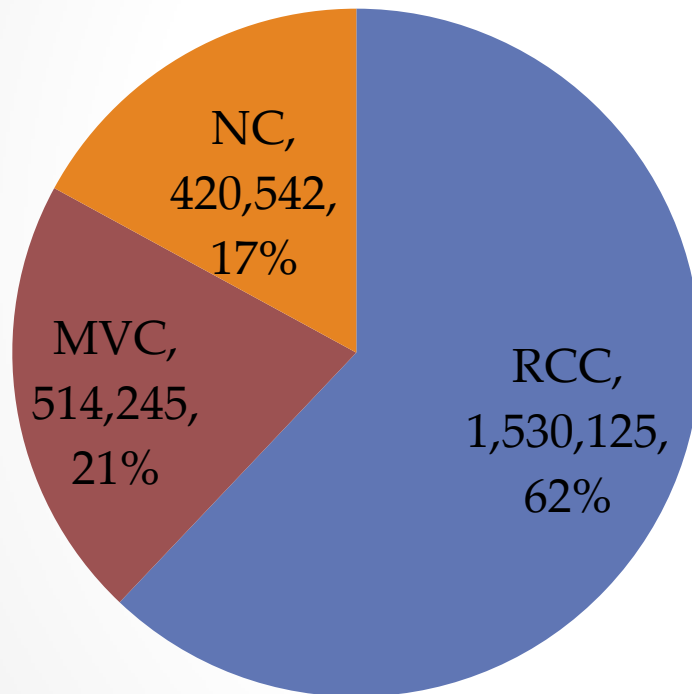
MVC – 573

NC – 336

State Grant Disbursements

Cal Grant, Chafee Grant, Child Development Grant

Total Amount Disbursed



Total = \$2,464,912.00

Total Awards by Student Count

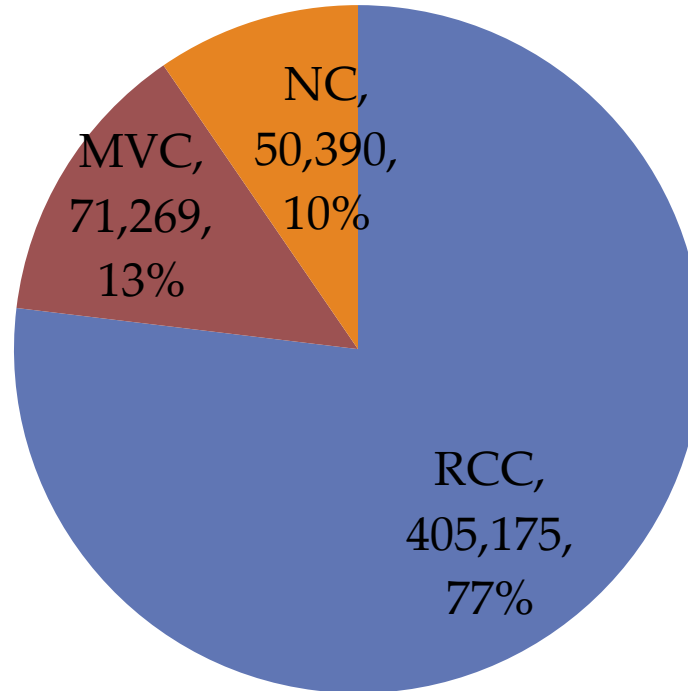
RCC – 1,856

MVC – 764

NC – 644

Institutional Aid Disbursements

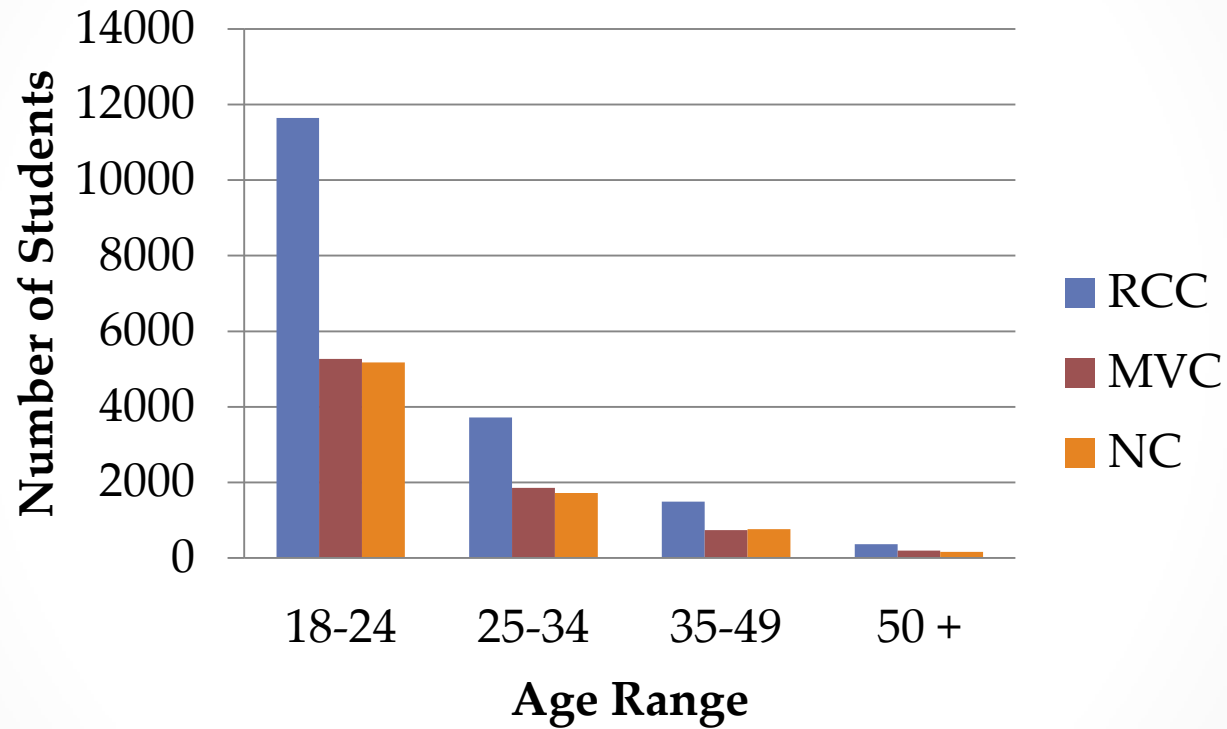
RCCD Foundation Scholarships, Outside Local Scholarships



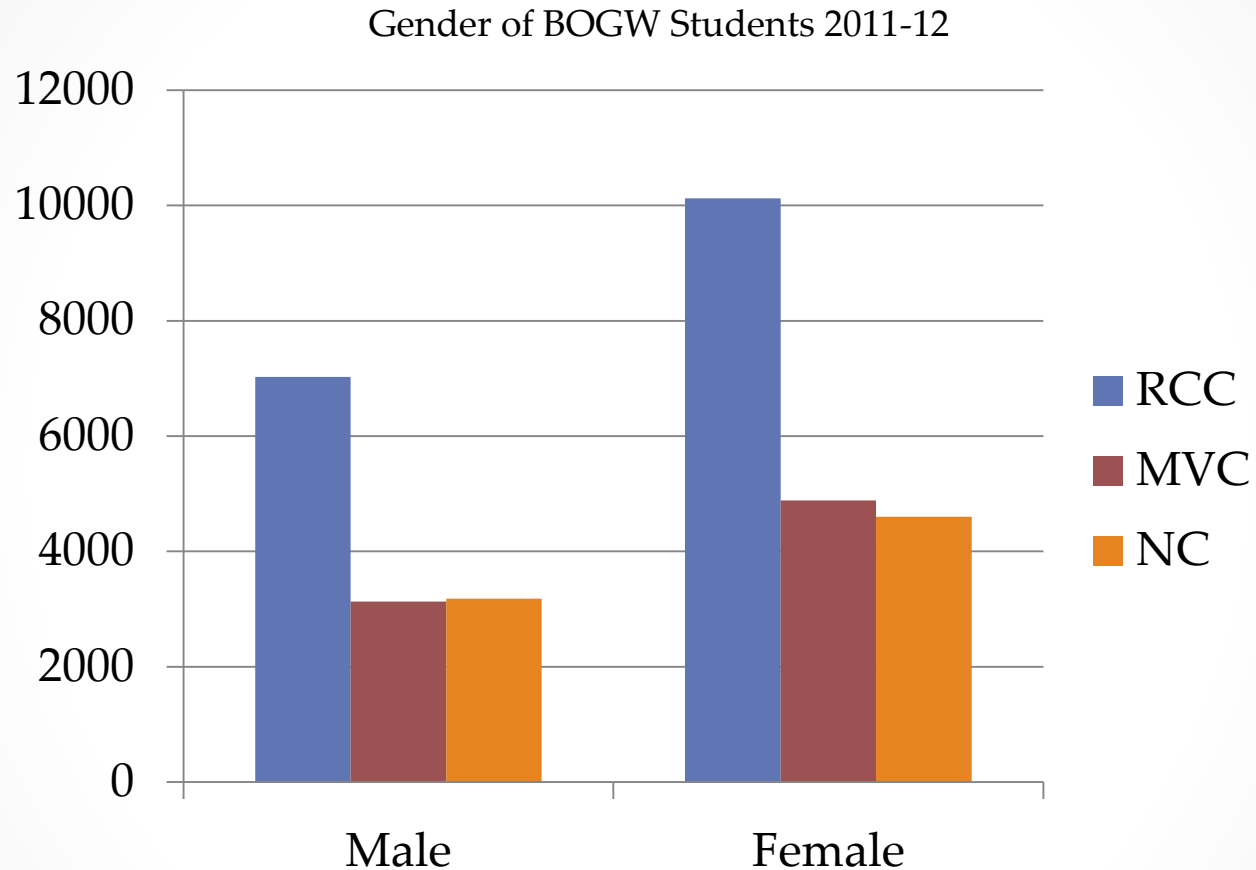
Total = \$526,834.00

Age

Age of BOGW Students 2011-12

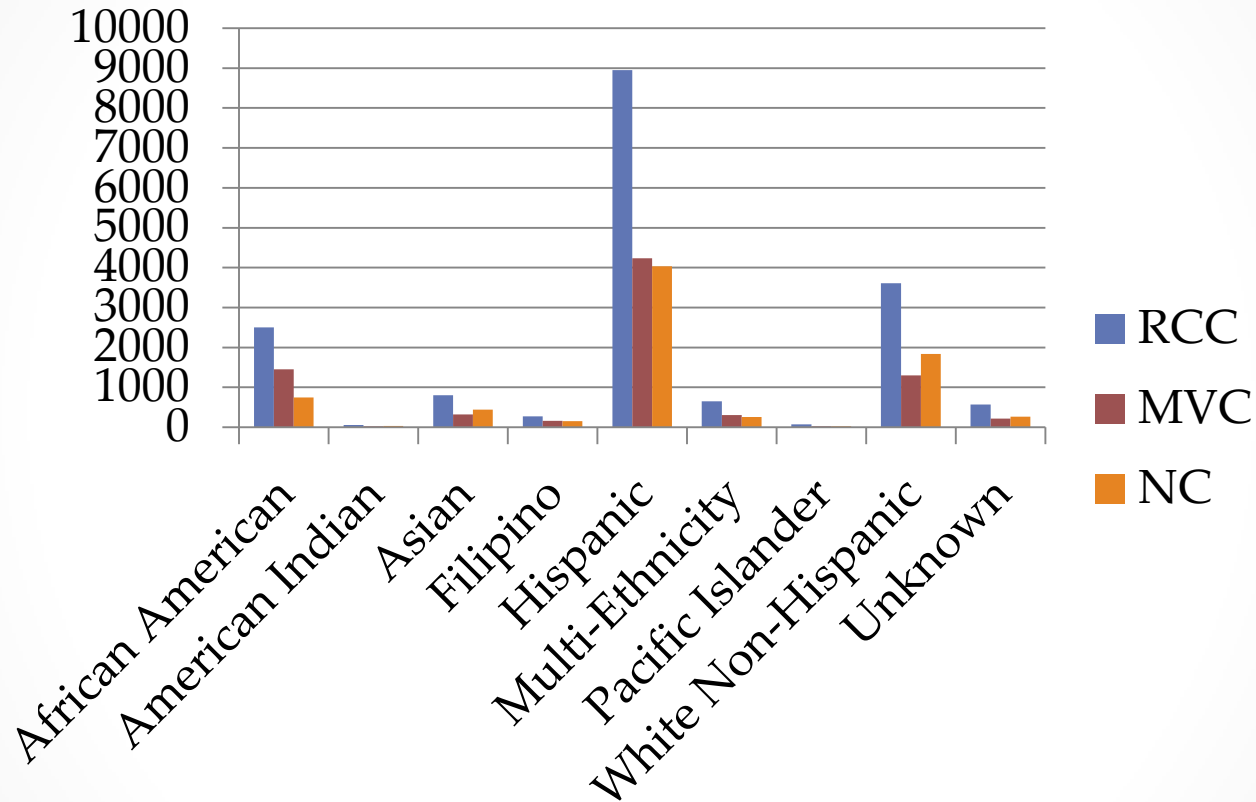


Gender



Ethnicity

Ethnicity of BOGW Students 2011-12



Disbursement Process

(Sallie Mae My Flex Debit Card)

- New Enhancements for “My Flex Debit Card” beginning in Summer 2013
 - Cards will be mailed at time of application instead of time of disbursement. Quicker access to funds for first time students.
 - Students may print temporary cards if needed, for immediate access to funds.
 - New ATM network, Money-pass, which will provide safer access to ATMs
 - No charge for ATM PIN/POS purchases
 - Account alerts and mobile banking
 - Electronic bill pay, cash reload option, no overdraft fees
 - Students may direct deposit payroll
- Change in fees due to enhancements include a monthly fee of \$4.95. Students have the ability to have this fee waived by meeting criteria such as:
 - Using their cards 15 times per month
 - Receiving a disbursement that month or loading more than \$1000 that month
 - Keeping a \$0 balance on their card

Marketing Plan

(Sallie Mae My Flex Debit Card)

- Details of the new Sallie Mae “My Flex Debit Card” will be on our website
- Mass emails will be sent to all students explaining the new process
- Sallie Mae will be on campus to help promote the new cards this spring term
- Presentation to the Associated Students Body of each college



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Agenda Item (IV-C-1)

Meeting 3/5/2013 - Committee/Regular Board

Agenda Item Committee - Planning and Operations (IV-C-1)

Subject Presentation of the 2012 RCCD Environmental Scan

College/District District

Information Only

Background Narrative:

Riverside Community College District's last environmental scan was completed in 2007. It was used in conjunction with the District's strategic plan which covered the period 2008-2012. In summer 2012, in preparation for its Centennial Strategic Plan, the District obtained the services of Dr. Esteban Soriano. He conducted a comprehensive environmental scan which guided the preparation of the District's new strategic plan for 2012-2016 which will be presented to the Board in Spring 2013. The attached document is a summary of Dr. Soriano's environmental scan presented to the District Strategic Planning Committee in September 2012.

Prepared By: Ray Maghroori, Provost/Vice Chancellor, Educational Services

Attachments:

[RCCD Ext Env Scan final 2 13 13 attachment 1.pdf](#)
[External Scan Board Presentation attachment 2 revised.pdf](#)



RIVERSIDE COMMUNITY COLLEGE DISTRICT

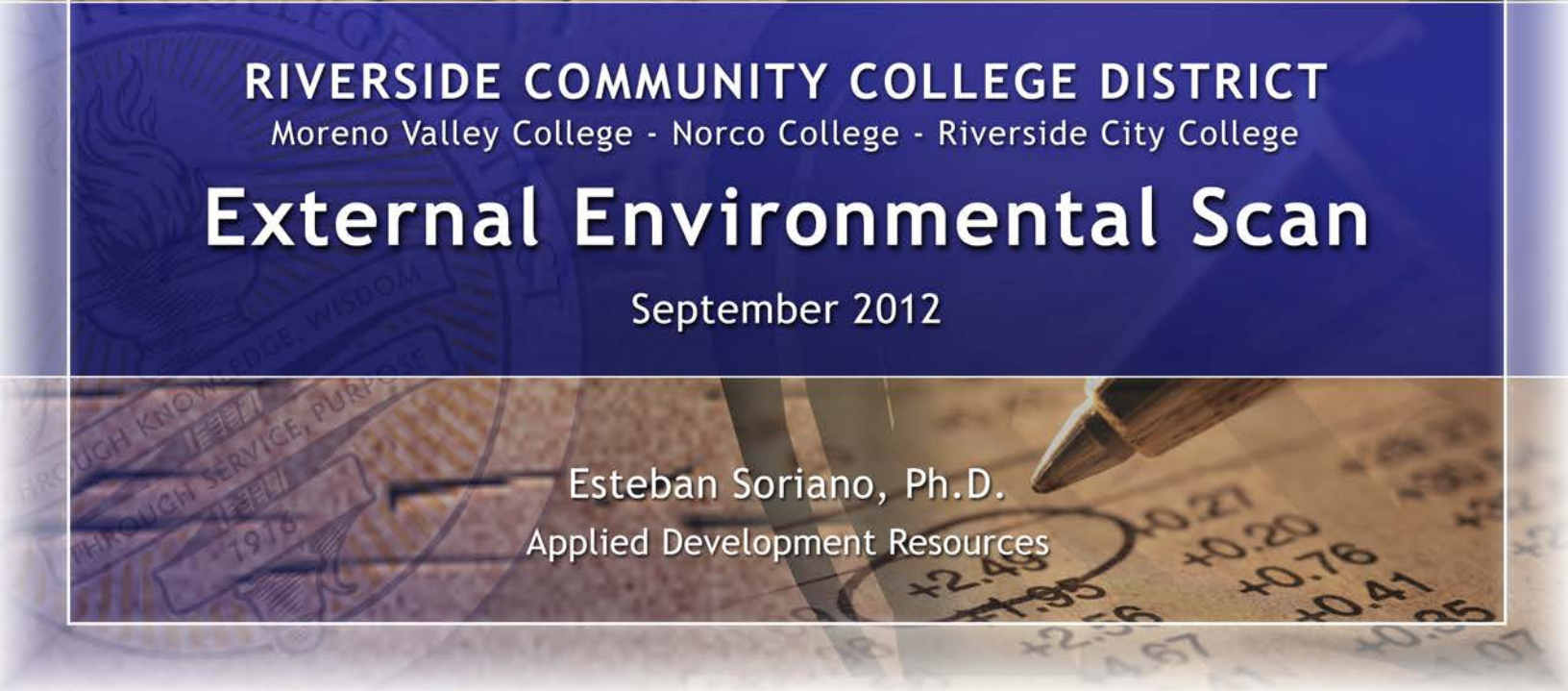
Moreno Valley College - Norco College - Riverside City College

External Environmental Scan

September 2012

Esteban Soriano, Ph.D.

Applied Development Resources



Riverside Community College District

Moreno Valley College - Norco College - Riverside City College

External Environmental Scan

September, 2012

Esteban Soriano, Ph.D.
Applied Development Resources

Acknowledgements

This scan is a team effort and benefits greatly from the resources and input of RCCD's Office of the Chancellor, Office of the Provost/Vice Chancellor for Educational Services, Office of the Vice Chancellor for Administration and Finance, Office of Institutional Data and Research, Office of Institutional Reporting and Academic Services, and the Office of Academic Web Services. Particular recognition goes to:

Dr. Gregory Gray, Chancellor
Dr. Ray Maghroori, Provost and Vice Chancellor, Educational Services
Mr. Aaron Brown, Associate Vice Chancellor, Administration and Finance
Mr. David Torres, Dean, Institutional Research
Mr. Raj Bajaj, Dean, Educational Services
Mr. Mark Knight, Information Architect
Ms. Debbie McDowell, Administrative Assistant
Ms. Sheila McDonald, Executive Administrative Assistant

Mark Knight designed the cover and was responsible for the layout and production of this report.

**Riverside Community College District
External Environmental Scan**

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Riverside Community College District External Environmental Scan

Executive Summary

The Riverside Community College District is strategically positioned in a diverse, growing region. Recent years have been fiscally challenging. There are signs that the local economy is beginning to rebound. Forecasts call for local/state economies to begin a slow recovery by the end of 2012, picking up momentum in 2014. Current characteristics and projected growth of important indices are as follows:

- The service area population of RCCD today is nearly 1,000,000 people.
- Combined, the Riverside and Moreno Valley population exceeds 500,000 people.
- The County's current population is 2.2 million. By 2015, it is projected to grow to 2.4 million.
- RCCD's service area is ethnically diverse. 71.8% of Perris' population is Hispanic, 24.2% of Eastvale's population is Asian, and 18% of Moreno Valley residents are Black.
- In 1990, 14.9% of County residents were foreign-born; today, that figure is 22.4%. And, in 1990, 25% of those over 5 years old did not speak English at home; today, it is nearly 40%.
- The County's labor force (as of 2012) is fast approaching 1,000,000 workers aged 16 and older.
- As of May 2012, 110,000 County residents remain unemployed, down from 135,900 in 2010.
- The area's transportation/warehousing/utility cluster has had 65% job growth since 2003.
- Since 2003, the health care/assistance sector added 9,800 workers; a 21% employment growth.
- Accommodations and food services companies added 8,100 workers, for a 16% growth rate.
- The region is forecast to add 106,500 new jobs between 2008 and 2018.
- County taxable sales appear to have begun a rebound as of 2010.
- Residential and commercial building permits will grow to 6,000 this year and 12,300 in 2015.
- Inland Empire employment will grow over 1% this year and then 2% yearly through 2015.
- The transportation sector will experience 4%-5% job growth annually for 3 years in the I.E.
- In 2010-11, area feeder school districts enrolled over 185,000 students.
- For Fall 2010, 3,272 feeder school graduates attended a RCCD college as first-time freshmen.
- About 1-in-3 of all area H.S. grad ultimately attends an RCCD college as a first-time freshman.
- The six districts, in general continue to grow and this growth can fuel RCCD growth, too.
- From 2008-12, CA community colleges suffered an \$800 million budget reduction, down 12%.
- In 2008-09, state GF support totaled \$145 million for RCCD; last year: \$129 million, down 11%.
- For 2013-17, State revenue increases are posited, so are expenditures, leaving annual shortfalls.
- State projected shortfalls, while diminishing starting next year, will reach \$5.4 billion in 2016-17.

From now through 2016-17, RCCD will be faced with challenges and opportunities. State budget shortfalls are forecast to continue through 2017, unemployment will still be double-digit for about two more years, and the housing market will take years to recover. Yet, area school districts will continue to grow and send more students to RCCD colleges, while area jobs will increase, labor pools will expand and industry sectors will be hiring the type of educated and trained workers RCCD colleges are expert at providing. Cautious visioning and strategic planning will be particularly important in the coming years. A more comprehensive six-page executive summary is located in the last section of this document.

Purpose

The Chancellor's Office of the Riverside Community College District (RCCD or District) commissioned this external scan to provide comprehensive and timely data in support of the District's initiative to update its strategic plan for the period 2012-16. That new plan will be finalized as the *RCCD Centennial Strategic Plan 2012-16*. This external scan serves as a complement to the important and on-going internal scans, data collection, fact books, and reports undertaken by various District departments and RCCD colleges.

Intended uses of this scan

The purpose of this external scan is to provide a set of fresh, robust data to facilitate a variety of decision-making. The District intends for these data to provide perspectives and trends that influence and shape the District's strategic planning themes and goals. The information collected and presented can be used in support of the development of new strategic initiatives and programs at both the District and individual college levels. And, these data can have substantial functionality in the preparation of new grant and contract opportunities, fundraising and resource development, and the development of programs and services.

An extraordinary resource of the District and its three colleges is the collective expertise and educational acumen of District/Moreno Valley College/Norco College/Riverside City College leadership. Rather than a narrative "setting" specific goals or direction, this scan provides data to assist these leaders in their own decision-making.

Context

This external scan and the emerging Centennial Strategic Plan have as their foundation the fundamental elements and direction that comprise the RCCD mission statement, its vision statement, and core values. Indeed, a key objective within the District's mission statement is the provision to colleges "with central services and leadership in the areas of advocacy, resource development, and planning."

RCCD Mission

Riverside Community College District is dedicated to the success of our students and to the development of the communities we serve. To advance this mission, our colleges and learning centers provide educational and student services to meet the needs and expectations of their unique communities of learners. To support this mission, District Offices provide our colleges with central services and leadership in the areas of advocacy, resource development, and planning.

RCCD Vision

The Riverside Community College District is committed to exceeding the expectations of students, community, faculty, and staff by providing and expanding opportunities for learning, personal enrichment, and community development.

RCCD Values

- Recognition for Our Heritage of Excellence

We embrace the District's rich tradition of excellence and innovation in upholding the highest standard of quality for the services we provide to our students and communities. We are bound together to further our traditions and to build for the future on the foundations of the past.

- Passion for Learning

We believe in teaching excellence and student centered decision making. We value a learning environment in which staff and students find enrichment in their work and achievements.

- Respect for Collegiality

We recognize the pursuit of learning takes the contributions of the entire district community, as well as the participation of the broader community. We believe in collegial dialogue that leads to participatory decision making.

- Appreciation of Diversity

We believe in the dignity of all individuals, in fair and equitable treatment, and in equal opportunity. We value the richness and interplay of differences. We promote inclusiveness, openness, and respect to differing viewpoints.

- Dedication to Integrity

We are committed to honesty, mutual respect, fairness, empathy, and high ethical standards. We demonstrate integrity and honesty in action and word as stewards for our human, financial, physical, and environmental resources.

- Commitment to Community Building

We believe the District is an integral part of the social and economic development of our region, preparing individuals to better serve the community. We believe in a community-minded approach that embraces open communication, caring, cooperation, transparency, and shared governance.

- Commitment to Accountability

We strive to be accountable to our students and community constituents and to use quantitative and qualitative data to drive our planning discussions and decisions. We embrace the assessment of learning outcomes and the continuous improvement of instruction.

Connection to the current RCCD Strategic Plan

The District's current strategic plan focuses on seven strategic themes. Those themes are broad and have at their core the enduring values of community colleges as established by California's Master Plan for Higher Education. The current RCCD strategic themes are:

1. Student access
2. Student success
3. Service to community
4. System effectiveness
5. Financial resource development
6. Organizational and professional development
7. Green initiatives

Within its mission statement, RCCD recognizes the primary role of the three colleges and District learning centers to “provide educational and student services to meet the needs and expectations of their unique communities of learners” as it provides the colleges with a variety of “central services and leadership” in support of the District’s mission.

Even as the strategic plan is updated and operationalized, ever central to the core of a community college are student access, student success, service to community, and other vital missions. In this context, this external scan focused, in large measure, on external issues, data, and trends that impact access, success, service, financial resources, and the like.

Connection to the strategic plans of Moreno Valley College, Norco College, and Riverside City College

While this external scan focuses on data to facilitate the development of RCCD’s Centennial Strategic Plan, substantial effort was expended to ensure that, where possible, data were collected and displayed at the “city” and “RCCD service area” levels so that the data were more functional to colleges as those colleges continue to implement the specific actions and initiatives that operationalize their own strategic initiatives.

Moreno Valley Strategic Plan “Strategic Themes”

1. Academic success
2. Student access and services
3. Professional development
4. Technology utilization
5. Resources and facilities development

Norco College Strategic Plan “Strategic Goals”

1. Increase student retention, persistence, and success
2. Improve the quality of student life
3. Increase student access
4. Enhance academic programs and the learning environment to meet student and community needs
5. Enhance institutional effectiveness.

Riverside City College Strategic Plan “College Goals”

1. Student access and support
2. Responsiveness to the community
3. Culture of innovation
4. Resource development
5. Organizational effectiveness

Introduction to the Data

External data collection and presentation

External scan data are categorized and presented around five themes:

- Population characteristics and trends
- Workforce/employment characteristics and trends
- Economic characteristics and trends
- Education characteristics and trends
- State budget characteristics and trends

Where possible, data have been disaggregated and presented at the most “local” level as follows:

- By city within RCCD’s identified primary service area
- By RCCD service area
- Riverside County
- Inland Empire (Riverside and San Bernardino counties)
- Riverside-San Bernardino-Ontario MSA (a Census designation)
- State of California

Thus, if public domain data were available at the “city” level (for those cities in RCCD’s service area), those data were collected and presented. If data were readily available for the cities within RCCD’s designated service area, then those data were brought together to form a “service area” table. And, where important data were not available at these two levels, information was presented at the county or regional level. Where relevant and for context, data were presented for other counties or for the state in specific tables.

To facilitate context, historical perspective, trend analysis, and future planning, key data for each of the five external scan themes were gathered in support of the data format of “yesterday-today-tomorrow.” Where possible, for key data elements, the most current data were used to generate current profiles. Then, historical data were gathered and presented to facilitate trend data observations by the reader. Finally, where projection and forecast data were available from credible sources (e.g., U.S. Census, California Labor Market Information System, California Department of Finance, California Legislative Analyst’s Office, California Office of the Governor, etc.), those projection data were presented as the final tables in each of the data sections.

Caveats regarding data sources, sampling, and projections

Data can be very powerful tools in the process of planning and decision-making. This external scan assumes that readers understand that data can be influenced by who collects them, definitions, sampling strategies, one year figures versus multi-year averages, projections based on earlier data, etc. Thus, the data presented in this scan (and those of myriad other initiatives) may be slightly different than similar data presentations. For example, California’s Department of Finance releases official population projections for each community effective for January of every year. When U.S. Census data are released (generally one to two years after each census), California and other states recalculate recent projections with new “benchmark” percentages that reflect the new Census information. These

new percentages are not dramatically different, but they are often marginally different than prior published figures. As another example, the Census' American Community Survey (ACS) is the annual effort by the Census to generate data through yearly surveys. When ACS releases key data, those data can be featured as a one-year statistic, 3-year statistic, or 5-year statistic. The key observation here is that, while some data may feature slight variations across reporting periods, the utility of most data rests with the story they tell in general and over time. Variations and definitions aside, data presented in scans are intended to inform the decision-maker.

Local and state definitions and terminology versus U.S. Census terms

For some demographic topics, the U.S. Census presents "median" data where state or regional research may utilize "average" or "mean" statistics. Every table presents sources for presented data and identifies whether specific data are median, mean, etc., presentations.

Readers should note differences in terminology between the U.S. Census and some local and state terms, especially in the area of race. For reporting purposes, the Census utilizes the term "White," while many California data collection efforts utilize the term "Caucasian" or "Anglo." The Census utilizes the term "Black," where many local and regional data reporting efforts utilize "African Americans" or a similar term. The Census uses a two-step approach regarding the race referred to as "Hispanic." For some surveys, the Census first captures Hispanics within the term "White" then breaks out "Hispanic" separately with its own percentage statistic (see Table 1.3 for an example). Though mindful of local terminology, the tables in this scan that present U.S. Census data have kept Census terminology intact in order to insure comparability across Census reporting periods.

RCCD service area data compared to Riverside County data

Within RCCD's recognized service area, there are the cities of Corona, Eastvale, Jurupa Valley, Moreno Valley, Norco, Perris, and Riverside. As this scan was being prepared, Eastvale was two years old and Jurupa Valley had been an incorporated city for one year. In addition to these cities, the service area includes a number of census designated places (Mira Loma, Rubidoux, Glen Avon, Pedley, Highgrove, Woodcrest, etc., although some of these census designated places (CDPs) were merged to form the service area's two new cities (for example, Rubidoux, Pedley, and part of Glen Avon are now part of the new city of Jurupa Valley).

Looking at the most recent population statistics for the cities and CDPs in the District's service area, the population within RCCD's service area represents nearly one-half (48+%) of the population of Riverside County. Thus, where only county data were available for some of the tables that follow, the reader should note how much of RCCD's service area population comprises "county-only" data and how those county data can be useful for RCCD trend analysis efforts.



1 Population Characteristics & Trends: *Yesterday - Today - Tomorrow*

Introduction

In this section we examine general and specific population characteristics and changes. Shifts in age of constituents, language preferences, where growth is occurring, employment levels, poverty levels, and other measures are important factors for planning and strategic goal setting.

RCCD Service Area Population: Today

- ✓ The service area population of RCCD today (2012) is nearly 1,000,000 people.
- ✓ The cities of Perris and Moreno Valley have experienced the greatest growth since 2000.
- ✓ Norco experienced the slowest growth 2000-10 and has had no growth in the past two years.
- ✓ Perris has the youngest population, with 37% under 18 years; Eastvale is next with 33.1%.
- ✓ RCCD's service area is ethnically diverse. 71.8% of Perris' population is Hispanic, 24.2% of Eastvale's population is Asian, and 18% of Moreno Valley residents are Black.
- ✓ Just less than one-half of residents speak a language at home other than English.

Service area population. Today's population of the cities (Corona, Eastvale, Moreno Valley, Norco, Perris, and Riverside) featured in Table 1, coupled with the area's newest city, Jurupa Valley (see Table 1.2), and the populations of the residents in the census designated places and unincorporated communities that round out RCCD's service area, now totals approximately one million residents.

City populations. During the last decade (2000-10), the cities of Perris and Moreno Valley experienced the greatest population growth among RCCD's service area cities. Perris almost doubled in size, from a population of 36,189 in 2000 to a population of 68,386 in 2012. Today, Perris' population has grown to over 70,000 residents. The city exhibiting the most marginal growth is Norco, with a 12% population increase during the last decade, from 24,157 in 2000 to 27,063 in 2010. Norco's recent population level has remained flat, with no growth exhibited, with the city's 2012 population estimated at 27,053.

Age of residents. Table 1.1 provides a profile of service area cities according to the U.S. Census. When the 2010 census was conducted, Jurupa Valley had not yet attained cityhood and, thus, the Census did not provide profile data for that city-in-the-making. The cities with the "youngest" target population band (person < 18 years) are Perris, Eastvale, Moreno Valley, and Corona, all with over 30% of their population in this group. This statistic is understandable, given that these cities featured substantial "buildable" land and benefitted from strong residential construction particularly affordable to families.

Ethnicity of residents. RCCD service area cities, individually and in aggregate, are ethnically diverse. Using Census terminology, Norco has the highest concentration of White residents (not Hispanic), at 56.4%, and Corona reporting 38.1%. Moreno Valley has the highest percentage of Black persons, with 18.0% reported, with Perris following at 12.1%. The City of Riverside's American Indian population is the highest, with 1.1%, though Moreno Valley, Norco, and Perris follow closely behind with 0.9% American Indian populations. Nearly one-in-four residents in the new city of Eastvale are Asian (24.2%). This percentage is nearly 2.5 times higher than the service area city featuring the next highest Asian population, Corona, at 9.9%. Hispanics comprise from one-third to nearly 3/4th of the city populations in RCCD's service area. Perris has the highest reported percentage of Hispanic residents, with 71.8%. Moreno Valley's Hispanic population is 54.4%, with Riverside, Corona, and Eastvale populations each exceeding 40% Hispanic. Some 31% of Norco's 2010 population is Hispanic. (Review the discussion on race terms in the earlier "Introduction to the Data" section.

**Table 1.1
Riverside Community College District
Service Area Cities Profiles 2012**

<i>Indicator/Characteristic</i>	<i>Corona</i>	<i>Eastvale</i>	<i>Moreno Valley</i>	<i>Norco</i>	<i>Perris</i>	<i>City of Riverside</i>
Population, 2012	154,520	55,602	196,495	27,053	70,180	308,511
Population, 2011	153,047	54,090	194,451	26,968	69,506	306,069
Population, 2010	152,374	53,668	193,365	27,063	68,386	303,871
Population change 2000 -10	21.9%	NA	35.8%	12.0%	89.0%	19.1%
Population, 2000	124,966	NA	142,381	24,157	36,189	255,166
Persons <5 years, %, 2010	7.4%	9.7%	8.4%	4.5%	10.0%	7.2%
Persons <18 years, %, 2010	30.0%	33.1%	32.3%	20.3%	37.0%	26.8%
Persons 65+ years, %, 2010	7.3%	4.7%	6.3%	9.7%	4.9%	8.6%
White persons, percent, 2010	59.7%	42.9%	41.9%	76.3%	42.3%	56.5%
Black persons, percent, 2010	5.9%	9.7%	18.0%	7.0%	12.1%	7.0%
Am. Ind. & Alaska Natives, %, 2010	0.8%	0.5%	0.9%	0.9%	0.9%	1.1%
Asian persons, %, 2010	9.9%	24.2%	6.1%	3.1%	3.6%	7.4%
Native Hawaiian/Other P.I., %, 2010	0.4%	0.4%	0.6%	0.2%	0.4%	0.4%
Persons two or more races, %, 2010	5.1%	5.2%	5.7%	3.2%	5.1%	5.1%
Persons Hispanic/Latino, %, 2010	43.6%	40.0%	54.4%	31.1%	71.8%	49.0%
White persons not Hisp., %, 2010	38.1%	23.7%	18.9%	56.4%	11.0%	34.0%
Language other than English spoken at home, % age 5+, 2006-2010	42.8%	47.3%	45.7%	22.1%	61.9%	43.2%
High school graduates, % of persons age 25+, 2006-2010	81.2%	87.3%	75.5%	80.3%	62.2%	77.6%
Bachelor's degree or higher, % of persons age 25+, 2006-2010	24.3%	31.8%	14.9%	15.5%	9.0%	22.0%
Mean travel time to work (minutes), workers age 16+, 2006-2010	33.3	38.9	35.5	33.4	37.5	28.8
Housing units, 2010	47,174	14,494	55,559	7,322	17,906	98,444
Homeownership rate, 2006-2010	69.3%	83.8%	68.0%	81.3%	66.3%	58.6%
Households, 2006-2010	43,325	12,260	49,746	7,087	15,393	90,865
Per capita money income in past 12 months (2010 dollars) 2006-2010	\$27,409	\$30,821	\$18,440	\$27,005	\$14,472	\$22,665
Median household income 2006-10	\$79,180	\$105,894	\$56,507	\$80,426	\$50,471	\$56,991
Persons below poverty level, %, 2006-10	8.9%	3.8%	16.2%	9.4%	22.3%	14.9%

Source: 2011 & 2012 population estimates from CA Department of Finance E-1 and E-5 reports. Other data from U.S. Census State and County Quick Facts reports for each RCCD service area city. <http://quickfacts.census.gov/qfd/states/06000.html>

Language preference. Language spoken at home is an important characteristic to consider as educational institutions look at and prepare for outreach and support services. According to the U.S. 2010 Census, a very large percentage of residents in each of RCCD's service area cities prefer to speak a language other than English at home. Almost two-in-three Perris residents (61.9%) speak a language other than English while at home. Given the percentage of its population that is Hispanic, Spanish

would most likely be the favored language at home in Perris. Almost one-half of the residents of Eastvale (47.3%) do not use English as their first or preferred language at home. With the large percentage of Eastvale residents who are Asian (24.2%) or Hispanic (40.0%), the languages of those two ethnicities should predominate at home.

RCCD Service Area Population: Historical

- ✓ Since 2005, County population has increased by nearly one-third million residents.
- ✓ Nearly all RCCD service area cities have experienced steady, annual population growth.
- ✓ Combined, Riverside and Moreno Valley population exceeds 500,000 people.
- ✓ Riverside is now the 12th largest city in California and continues as the County's largest.
- ✓ Corona is the third largest city in Riverside County and has shown steady, measured growth.
- ✓ Combined, Eastvale and Jurupa Valley have a population (152,000) rivaling that of Corona.

While the 2010 Census was conducted before Jurupa Valley was incorporated, the CA Department of Finance has projected the current population for Jurupa Valley and, thus, those data are provided in Table 1.2 below. To be consistent with earlier environmental scans, and to acknowledge the number of its residents who enroll at one of the three RCCD colleges, this table includes data for Fontana, though the city is located in another county and is not technically part of RCCD's designated service area.

During the past eight years (2005-2012), Riverside County's population has grown by one-third million residents, from 1,883,572 in 2005 to 2,227,577 in 2012. During this time, most cities in RCCD's service area have experienced annual measured and steady growth. We have already described Norco's recent trend of static population levels for the period 2010-12. The cities of Riverside and Moreno Valley continue to be the largest cities in the service area, with a combined population of 505,006 people.

With its recent incorporation, Jurupa Valley, with a starting population of 96,456, became the service area's fourth most populated city. The combined population of Eastvale and Jurupa Valley is nearly equal to Corona's, which was incorporated in 1896 and is Riverside County's third largest city (2010). The 2010 Census ranks the city of Riverside as the 12th largest city in California. It has the largest population of any city in Riverside County, with one-in-eight Riverside County residents living in Riverside. As an adjacent feeder city to RCCD's service area, Fontana features a substantial population. In 2012, its population was just shy of one-fifth million residents, or 199,898. Fontana's population is equal to that of Moreno Valley.

The city of Norco is an important component of RCCD's service area. While the city realized measured growth from 2000 (24,157) to 2006 (27,363), population growth has remained static, and even slightly decreased, beginning in 2007. In 2007, its population stood at 27,333 and dipped to 26,968 in 2011. Its population climbed to above the 27,000 mark in 2012 (27,053 residents). Researchers may want to track this city's population estimates for the next several years to see if the recent static nature of Norco's population is an anomaly.

**Table 1.2
Riverside Community College District Service Area
Population Today and Historical (2005-2012)**

	2012	2011	2010	2009	2008	2007	2006	2005
Corona	154,520	153,047	152,374	148,770	146,620	145,848	145,295	144,603
Eastvale*	55,602	54,090	--	--	--	--	--	--
Fontana**	199,898	197,786	196,069	188,712	187,237	180,720	164,895	159,279
Jurupa Valley***	96,456	--	--	--	--	--	--	--
Moreno Valley	196,495	194,451	193,365	186,515	182,845	180,227	175,330	165,939
Norco	27,053	26,968	27,063	27,189	27,134	27,333	27,363	26,787
Perris	70,180	69,506	68,386	54,387	53,312	50,598	47,346	44,760
Riverside	308,511	306,069	303,871	300,769	296,038	291,814	289,045	286,572
Riverside County	2,227,577	2,205,731	2,189,641	2,109,882	2,077,183	2,030,054	1,962,198	1,883,572

*Eastvale was incorporated as a city in 2010 and data are available only since 2011.

**While the City of Fontana is located in another county, it serves as an important feeder community to RCCD.

***Jurupa Valley was incorporated as a city in 2011 and official city data are available only since 2012.

The data for this table were derived from the CA Dept of Finance E5 Report for each of the years reported.

Riverside County Population Characteristics: Demographic

- ✓ Demographically, Riverside County has near equal percentages of males and females.
- ✓ One-third of County residents are 19 years or younger, the same as in RCCD area cities.
- ✓ One-third of County residents are 45 years of age or older, with nearly 12% aged 65 or older.
- ✓ Black residents comprise 6.2% of the County population.
- ✓ Asian residents comprise 5.8% of the County population.
- ✓ Hispanic residents comprise 44% of the County population.

Table 1.2 above features data derived from the population estimates of the California Department of Finance and covers the period through 2012. In Table 1.3, below, Riverside County's demographic characteristics are presented according to the 2010 U.S. Census's American Community Survey initiative.

Population. The U.S. Census placed Riverside County's 2010 population at 2,109,464. (The California Department of Finance projected Riverside County's 2010 population at 2,189,641).

**Table 1.3
Riverside County Population Demographic Characteristics (2010)**

<i>Characteristic</i>	<i>Total Population</i>	
	<i>Estimate</i>	<i>Percent</i>
SEX AND AGE		
Total population	2,109,464	--
Male	1,050,949	49.8%
Female	1,058,515	50.2%
Under 5 years	162,122	7.7%
5 to 9 years	163,067	7.7%
10 to 14 years	175,418	8.3%
15 to 19 years	179,364	8.5%
20 to 24 years	145,079	6.9%
25 to 34 years	273,040	12.9%
35 to 44 years	294,449	14.0%
45 to 54 years	276,591	13.1%
55 to 59 years	106,294	5.0%
60 to 64 years	89,117	4.2%
65 to 74 years	131,467	6.2%
75 to 84 years	84,535	4.0%
85 years and over	28,921	1.4%
Median age (years)	33.4	--
18 years and over	1,498,234	71.0%
21 years and over	1,396,492	66.2%
62 years and over	295,996	14.0%
65 years and over	244,923	11.6%
RACE		
Total population	2,109,464	--
White	1,365,281	64.7%
Black or African American	131,258	6.2%
American Indian and Alaska Native	20,289	1.0%
Asian	121,846	5.8%
Native Hawaiian and Other Pacific Islander	6,436	0.3%
Some other race	383,974	18.2%
HISPANIC OR LATINO AND RACE		
Total population	2,109,464	--
Hispanic or Latino (of any race)	933,529	44.3%
Mexican	826,515	39.2%
Puerto Rican	12,724	0.6%
Cuban	4,771	0.2%
Other Hispanic or Latino	89,519	4.2%

Report DP05: ACS Demographic and Housing Estimates. U.S. Census Bureau, 2006-2010 American Community Survey.
<http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?ftp=table>

Sex. According to the 2010 U.S. Census, Riverside County's male vs. female population percentages are virtually identical (49.8% vs. 50.2%), with 8,000 more females in the County than males.

Age. Countywide, 32.2% of the population is 19 years of age and under. As noted in Table 1.1, the under-18-years of age percentage among RCCD service area cities ranges from 37% (Perris) to 30% (Corona) to 20% (Norco). About 34% of the County's population is 45 years of age and older. The median age of a County resident is 33.4 years old.

Race. Some 6.2% of the County is Black, while five RCCD service area cities report percentages above that, ranging from 7% in Riverside to 18% of Moreno Valley's population identified as Black. Across the County, Asians comprise 5.8% of the population, while the City of Riverside features 7.4%, Corona reports 9.9%, and Eastvale ranks highest with 24.2% of its residents reported as Asian. Hispanics represent 44.3% of the County's population. Three of RCCD's service area cities (Riverside, Perris, and Moreno Valley), report comparatively higher percentages of Hispanic population, ranging from 49% for Riverside to 71.8% for Perris.

Riverside County Population Characteristics: Economic

- ✓ The County's labor force is fast approaching 1,000,000 workers aged 16 and older.
- ✓ Commute times are increasing, as is traffic congestion and the cost of fuel for commuters.
- ✓ 76% of the civilian labor force works in the private sector as employees.
- ✓ 8.7% are self-employed entrepreneurs and 15%, or 130,000+, are government workers.
- ✓ The 2010 per capita annual salary is \$24,431.
- ✓ Full-time males continue to out-earn full-time female workers, \$48,336 vs. \$36,575.

Labor force. As noted in Table 1.4, the 2010 Census reported a Riverside County 16+ years old population of 1,571,629. Some 978,372 of these 16+ years old residents comprise the labor force. Thus, 62.3% (or two-in-three) of residents 16+ years of age constitute the County's formal labor force.

Commute times. In 2010, Riverside County's workforce commuted an average 31.7 minutes each way to work. This represents over one hour (63.4 minutes) of daily commuting time for the typical member of the County's workforce. The 2000 Census reported an average commute each way of 31.2 minutes, so the typical commute has remained over one hour each work day for the past decade. The "2010 Urban Mobility Report," issued by the Texas Transportation Institute, reported that average commuters in both Riverside and San Bernardino counties were consuming more gallons of gas per year than they would have, or \$741 in additional gas based on 2009 prices, had there not been so much congestion in the two counties. The current \$4.00 per gallon average would raise the additional gas costs due to area congestion to \$1,000 per commuter.

The Riverside County Transportation Commission estimates that the 91 Freeway that runs through the RCCD service area is "congested 78% of the time." In a 2009 study conducted by the Riverside County Center for Demographic Research, traffic and transportation was listed as the top problem of concern by hundreds of western Riverside County residents. Indeed, 69.4% of residents in RCCD's service area believe that traffic congestion "is a big problem." As congestion increases, commute times increase and the cost of fuel increases, researchers and policy-makers may want to assess how such a trend will impact the organization and delivery of instruction and services.

**Table 1.4
Riverside County Population Economic Characteristics (2010)**

<i>Characteristic</i>	<i>Total Population</i>	
	<i>Estimate</i>	<i>Percent</i>
EMPLOYMENT STATUS		
Population 16 years and over	1,571,629	--
In labor force	978,372	62.3%
COMMUTING TO WORK		
Mean travel time to work (minutes)	31.7	--
OCCUPATION		
Civilian employed population 16 years and over	865,088	--
Management, business, science, and arts occupations	251,669	29.1%
Service occupations	165,378	19.1%
Sales and office occupations	230,861	26.7%
Natural resources, construction, and maintenance occupations	108,249	12.5%
Production, transportation, and material moving occupations	108,931	12.6%
CLASS OF WORKER		
Civilian employed population 16 years and over	865,088	--
Private wage and salary workers	657,262	76.0%
Government workers	130,635	15.1%
Self-employed in own not incorporated business workers	75,391	8.7%
INCOME AND BENEFITS (IN 2010 INFLATION-ADJUSTED DOLLARS)		
Less than \$10,000	31,641	4.7%
\$10,000 to \$14,999	32,917	4.9%
\$15,000 to \$24,999	67,945	10.2%
\$25,000 to \$34,999	67,364	10.1%
\$35,000 to \$49,999	89,748	13.5%
\$50,000 to \$74,999	125,615	18.8%
\$75,000 to \$99,999	90,393	13.6%
\$100,000 to \$149,999	97,946	14.7%
\$150,000 to \$199,999	35,637	5.3%
\$200,000 or more	27,700	4.2%
Median household income (dollars)	57,768	--
Per capita income (dollars)	24,431	--
Median earnings for male full-time, year-round workers (dollars)	48,336	--
Median earnings for female full-time, year-round workers (dollars)	36,575	--
PERCENTAGE OF PEOPLE WHOSE INCOME IS BELOW THE POVERTY LEVEL		
All families	--	10.1%
With related children under 18 years	--	14.5%
With related children under 5 years only	--	14.6%
All people	--	13.4%
Under 18 years	--	18.3%
18 years and over	--	11.4%
18 to 64 years	--	12.1%
65 years and over	--	7.8%

Report DP03: Selected Economic Characteristics in the United States. U.S. Census Bureau, 2006-2010 American Community Survey. http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?_afpt=table.

For the commute times discussion: 2010 Urban Mobility Report, <http://mobility.tamu.edu/files/2011/09/river.pdf>, the Riverside County Research, <http://www.harcddata.org/UserFiles/File/RCSurvey.pdf>, RCTC's annual report at http://rctc.org/uploads/media_items/rctc-annualreport-fy1011.original.pdf

Private vs. public sector employment. The civilian component of the labor force totals 865,088 County individuals. Of this number, 76% work as an employee for a private sector business. Another 8.7% are self-employed business owners. As of 2010, Riverside County contains 130,635 labor force members who work for a government agency. This represents 15.1% of the civilian employed population. Indeed, there are nearly 55,000 more workers employed in the County's public sector work force than there are self-employed entrepreneurs operating their own sole small business.

Household income. There are 667,000 distinct households in Riverside County. Fewer than 10% of those households earn less than \$15,000 annually. Some 20% earn less than \$25,000 per year. Among wage ranges, the range of \$50,000 - \$74,999 has the highest percentage of households reporting this income level, at 18.8%. County households with annual incomes in excess of \$100,000 total nearly 25%. In 2010, the median household income was \$57,768 and the mean income was \$75,076. The per capita income of the typical County worker was \$24,431 annually. Male workers continue to out-earn their female counterparts. Male workers earn a median \$48,336 yearly, while female workers earn \$36,575.

Riverside County Population Characteristics: Social

- ✓ Almost 3-in-4 residents live in a family household, with an average 3.63 family members.
- ✓ 43.7% of the population over 3 years of age is in elementary school, 25% are in high school.
- ✓ 21.5% of the population over 3 years of age is enrolled in college or graduate school.
- ✓ In 1990, 74% of adults 25 years or older had a H.S. degree or higher; today, that figure is 79%.
- ✓ In 1990, 14.6% of adults 25+ years had a BA degree or higher; today, it is 20.5%.
- ✓ In 1990, 14.9% of residents were foreign-born; today, that figure is 22.4%.
- ✓ In 1990, 25% of those over 5 years old did not speak English at home; today, it is nearly 40%.

Households. As indicated in Table 1.5 that follows, Riverside County has nearly 667,000 distinct households. Almost 3/4ths, or 73.9%, are comprised of family households, with an average family household size of 3.63 persons. There are nearly 174,000 households comprised of nonfamily individuals and these households contain an average 3.12 household members.

School enrollment. Across the County, in 2010, some 621,680 persons over the age of three were enrolled in school. Some 43.7%, or 271,704, were enrolled in elementary school (grades 1-8), while nearly 25%, or 154,736 students, were enrolled in a Riverside County high school. Impressively, 133,527 residents (21.5%) were enrolled in college or graduate school. We will explore school enrollment and education more comprehensively later in Section 4 of this report.

Educational attainment. There are nearly 1.3 million residents in the County age 25 and over. Some 79.2% of these adults are high school graduates or higher. This represents an increase over the 2000 Census statistic of 74.9% and the 1990 level of 74.1%. Most of the gains in this area have come in the past decade. Today, one-in-five adults (20.5%) have a bachelor's degree or higher. This demonstrates important attainment growth compared with the 2000 Census level of 16.6% having a BA or higher and the 1990 Census reporting 14.6% of adults over 25 years of age having a bachelor's degree or higher. The topic of educational attainment is covered more thoroughly later in a separate series of tables in Section 4.

**Table 1.5
Riverside County Population Social Characteristics (2010)**

<i>Characteristic</i>	<i>Total Population</i>	
	<i>Estimate</i>	<i>Percent</i>
HOUSEHOLDS BY TYPE		
Total households	666,906	--
Family households (families)	493,115	73.9%
Nonfamily households	173,791	26.1%
Average household size	3.12	--
Average family size	3.63	--
FERTILITY		
Number of women 15 to 50 years old who had a birth in the past 12 months	32,644	--
SCHOOL ENROLLMENT		
Population 3 years and over enrolled in school	621,680	--
Nursery school, preschool	28,469	4.6%
Kindergarten	33,244	5.3%
Elementary school (grades 1-8)	271,704	43.7%
High school (grades 9-12)	154,736	24.9%
College or graduate school	133,527	21.5%
EDUCATIONAL ATTAINMENT		
Population 25 years and over	1,284,414	--
Less than 9th grade	128,313	10.0%
9th to 12th grade, no diploma	138,991	10.8%
High school graduate (includes equivalency)	336,404	26.2%
Some college, no degree	319,809	24.9%
Associate's degree	97,661	7.6%
Bachelor's degree	171,390	13.3%
Graduate or professional degree	91,846	7.2%
Percent high school graduate or higher	--	79.2%
Percent bachelor's degree or higher	--	20.5%
U.S. CITIZENSHIP STATUS		
Foreign-born population	471,927	--
Naturalized U.S. citizen	191,077	40.5%
Not a U.S. citizen	280,850	59.5%
LANGUAGE SPOKEN AT HOME		
Population 5 years and over	1,947,342	--
English only	1,178,224	60.5%
Language other than English	769,118	39.5%
Spanish	645,829	33.2%
Other Indo-European languages	38,241	2.0%
Asian and Pacific Islander languages	73,857	3.8%
Other languages	11,191	0.6%

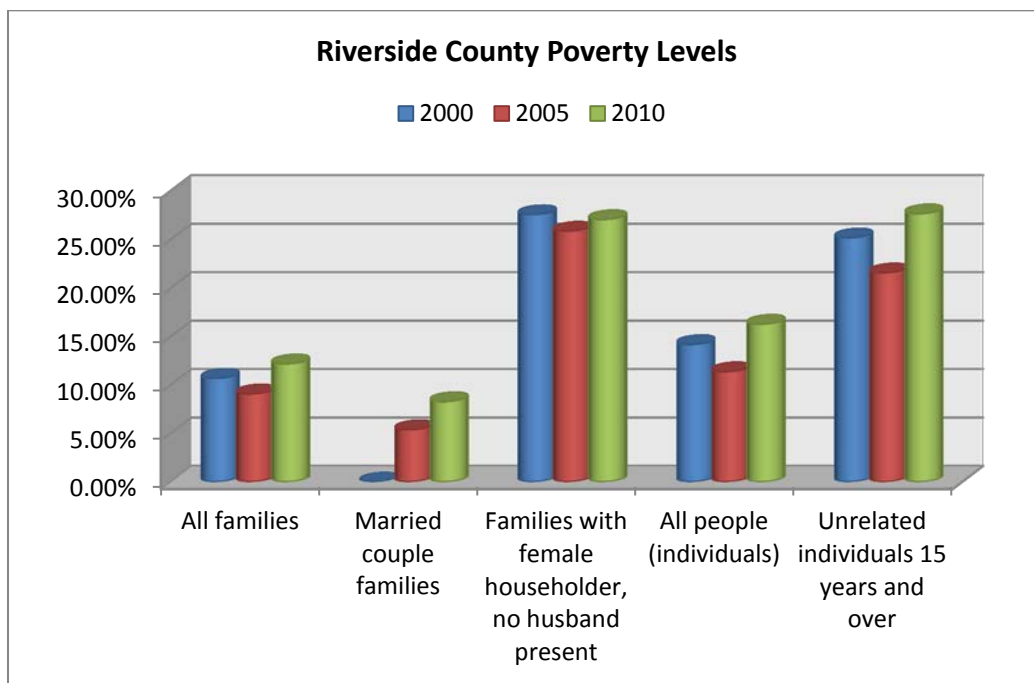
Report DP02: Selected Social Characteristics in the United States. U.S. Census Bureau, 2006-2010 American Community Survey. <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>. Census 2000 and 1990 attainment data, http://www.censusscope.org/us/s6/c65/chart_education.html. Citizenship and birthplace data, http://www.censusscope.org/us/s6/c65/chart_nativity.html. Language preference data, http://www.censusscope.org/us/s6/c65/chart_language.html. 1990 Census data discussed in "v" section above come from "CensusScope Reports," www.censusscope.org.

Citizenship and birth place. Of the County’s 2010 population base of 2,109,464 persons, some 471,927 are foreign-born, or just over one-in-five County residents (22.4%). Over the past three U.S. Census periods, the number of foreign-born County residents has substantially increased. In 1990, 14.9 percent of the County population was foreign-born. In 2000, some 19% of the population was foreign-born.

Language preferences. Similar to the discussion for Table 1.1, Riverside County is home to a diversity of languages. Of the County population base of people five years of age and older, 39.5% speak a language other than English at home. For the cities in RCCD’s service area, this statistic ranges from a low of 22% of residents in Norco not speaking English at home to nearly 62% of Perris residents speaking a language other than English at home. Language preference at home speaks to the increased diversity of Riverside County’s population. In 1990, the Census reported 25% of the County’s population speaking a language other than English at home. In 2000, this statistic increased to 33%. Now, nearly 40% of County residents speak a language other than English at home.

Riverside County Population Characteristics: Poverty Levels

- ✓ As of 2010, 12.2% of all families are living in poverty, up from 9.1% in 2005.
- ✓ For female head of household families, poverty has risen from 25.9% to 27.1% since 2005.
- ✓ Nearly 1-in-4 people (23.5%) under 18 years are living below the poverty level in the County.
- ✓ The reductions in nearly all poverty levels from 2000 to 2005 were wiped out by 2010.



All families. The 2010 Census reported 493,115 family households in Riverside County (out of a total 666,906 households of all types). As shown in Table 1.6, the economic downturn that hit the nation and Riverside County beginning in 2007, has resulted in substantial increases in the number of families and individuals living in poverty. In 2000, of all County families, 10.7% were living with incomes below the

poverty level. By 2005, that percentage had dropped to 9.1%. Given the layoffs, unemployment, foreclosures, eroded equity, and other negative economic events of the past few years, the poverty level reversed its downward trend and, in 2010, some 12.2% of all County families were living in poverty.

Married and single head of household families. For families with married couples present (both spouses), the percentage of such families living in poverty has risen from 5.4% in 2005 to 8.3% in 2010. In family households where there is only a female head of household present, poverty levels have increased from 25.9% to 27.1% of such households.

Youth and individual poverty. For all residents in the County, 23.5% of people less than 18 years of age were living in poverty in 2010, compared to 15.4% in 2005. For all unrelated residents of the County 15 years of age or older, over one-in-four (27.7%) have incomes below the poverty level.

Middle-age and seniors living in poverty. In 2005, 10.3% of people 18-64 years of age lived at the poverty level. In 2010, the number grew to 14.7%. Seniors (those 65 years of age and over) represent the only age cohort experiencing a reduction in poverty levels. In 2000, 7.6% of seniors had an income below the poverty level. In 2005, the percentage of seniors living in poverty dropped marginally to 7.3%. In 2010, the Census reported a further reduction of this figure, with 7.1% of seniors living below the poverty level.

**Table 1.6
Riverside County Poverty Levels**

↓ = Trending Lower Over Past Decade
↑ = Trending Higher Over Past Decade

<i>Families and people whose income in past 12 months is below the poverty level</i>	<i>2010 %</i>	<i>2005 %</i>	<i>2000* %</i>
All families	↑12.2%	9.1%	10.7%
Married couple families	↑ 8.3%	5.4%	--
Families with female householder, no husband present	27.1%	25.9%	27.6%
All people	↑16.3%	11.4%	14.2%
Under 18 years	↑23.5%	15.4%	--
Over 18 years	↑13.3%	9.8%	12.1%
18-64 years	↑14.7%	10.3%	--
65 years and over	↓ 7.1%	7.3%	7.6%
Unrelated individuals 15 years and over	↑27.7%	21.6%	25.2%

*Note: The 2000 U.S. Census gathered and presented poverty data somewhat differently compared to 2005 and 2010. Thus, some 2000 statistics are not available for comparison purposes. 2010 data are from U.S. Census Bureau, DP03 Report. 2005 data are from U.S. Census Bureau 2005 American Community Report "Selected Economic Characteristics in the United States." 2000 data are from U.S. Census Bureau 2000 American Community Report "Selected Economic Characteristics in the United States." <http://factfinder2.census.gov>.

Riverside County Population Projections: To 2035

- ✓ The County's current population is 2.2 million. By 2015, it is projected to grow to 2.4 million.
- ✓ By 2020, in eight years, the County's population is forecast to be 2.6 million residents.
- ✓ By 2025, Riverside County's population is projected to grow to 2.9 million.
- ✓ By 2020, San Bernardino (SB) County is projected to grow to 2.28 million.
- ✓ By 2025, San Bernardino County's population is projected to be 2.43 million.
- ✓ Today, Riverside County has 160,000 more residents than SB County; by 2020, Riverside County should have 340,000 more and by 2025, 450,000 more residents than San Bernardino County.

Table 1.7 presents the most reliable projections for Riverside County's population for 2015, in five-year increments to the year 2035. For reference, 2010 and 2012 data are included. For comparison purposes, the table features population projections for California, as well as several counties proximate to Riverside County. The projections come from the California Department of Finance and were benchmarked in 2012 to reflect 2010 Census data.

Table 1.7
Riverside County Population Projections (2012 – 2035)
With Adjacent Counties for Reference

	<i>Reported</i>		<i>Projections</i>				
	2010	2012	2015	2020	2025	2030	2035
California	37,312,510	37,678,563	38,926,281	40,817,839	42,721,958	44,574,756	46,330,221
Riverside County	2,191,449	2,227,577	2,381,548	2,626,222	2,881,356	3,145,948	3,415,040
San Bernardino County	2,038,445	2,063,919	2,146,336	2,283,798	2,433,574	2,588,990	2,746,645
San Diego County	3,104,084	3,143,429	3,238,838	3,391,010	3,531,831	3,665,358	3,785,903
Los Angeles County	9,825,496	9,884,632	10,138,955	10,500,679	10,848,264	11,138,280	11,307,903
Orange County	3,016,606	3,055,792	3,114,304	3,220,788	3,305,907	3,385,762	3,458,496

Projections prepared by Demographic Research Unit, California Department of Finance, May 2012. Data for 2010 and 2012 were reported in E1 and E5 Population Reports by California Department of Finance.

Population Data: Conclusions

The individual cities within RCCD's service area, the RCCD service area as a whole, and Riverside County have generally experienced steady population growth during the past decade. While Riverside County is ethnically diverse, many of the cities of RCCD's service area feature higher percentages of Asian, Black, and Hispanic residents compared to County data. County and RCCD service area data regarding the percentage of residents under 19 or 18 years of age are comparable, with three service area cities reporting slightly higher levels of those residents less than 18 years of age.

The individual cities in RCCD's service area, and the County, both report substantial percentages of their populations who speak a language at home other than English.

Commute times in the County and traffic congestion in both the service area and County are on the rise. Across the County, workers are commuting more than one hour to and from work each work day. The use and cost of fuel is on the increase.

Families and individuals are poorer than any time in the past decade and the reductions in poverty noted in 2005 were wiped out by 2010.

The population of RCCD's service area and the County are projected to increase steadily over the next 20 years. With the percentage that RCCD service area cities populations comprise of Riverside County's overall population, RCCD and its colleges will face the certainty of growing K-12 student populations and growing community populations each year into the foreseeable future.



2 Workforce / Employment Characteristics & Trends: *Yesterday - Today - Tomorrow*

Introduction

In this section we look at service area and regional trends regarding unemployment, workforce employment patterns and needs, labor force demands, and projected job growth by industry sector. Such data are useful in planning related to career and technical education, training, and outreach.

RCCD Service Area Unemployment Trends

- ✓ For the cities in RCCD's service area, unemployment rates have been in decline since 2011.
- ✓ Even with recent declines, the majority of RCCD's service area cities 2012 unemployment rates are higher than Riverside County rates, California rates, and those of the nation.
- ✓ The current unemployment rates, which range from 8.7% to 18.3% among service area cities, may well result in continued demand for training and retraining programs and opportunities.

Table 2.1 displays the annual unemployment rates for the cities and census designated places that comprise the service area communities of RCCD. Because of the historical role as a feeder city, data are provided as well for Fontana, though it is located in an adjacent county. The time period under review is the five year period of 2007 through 2011, along with the recent May 2012 unemployment report. The California CALMIS (labor market information system), through May 2012, had not yet begun providing employment data for Eastvale or Jurupa Valley. Thus, unemployment rate data for Eastvale are not available. We have projected Jurupa Valley city unemployment rates by bringing together the data for most of the census designated places that were combined to form the new city.

Downturn in unemployment rates. The data appear to indicate the good news that the growth rate of unemployment in each of the District's service area cities appears to have peaked in 2010 and is now in decline. For Riverside, the largest city in the County, the unemployment level for 2007 stood at 6.1%. That statistic grew steadily each year until reaching a 14.6% rate of unemployment in 2010. Since that high mark in 2010, the unemployment rate for Riverside dropped to 11.9% as of May 2012.

**Table 2.1
Riverside Community College District
Service Area Cities Unemployment Rates (2007-2012)**

Cities	May 2012	Year 2011	Year 2010	Year 2009	Year 2008	Year 2007
Corona	8.7%	10.1%	10.8%	9.9%	6.2%	4.4%
Moreno Valley	13.6%	15.7%	16.7%	15.5%	9.9%	7.1%
Norco	9.6%	11.1%	11.9%	10.9%	6.9%	4.9%
Perris	18.3%	20.9%	22.1%	20.5%	13.5%	9.7%
Riverside	11.9%	13.7%	14.6%	13.5%	8.6%	6.1%
Fontana	12.4%	13.7%	14.7%	13.5%	8.3%	5.9%
Eastvale*	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Jurupa Valley City:**						
Glen Avon CDP	13.2%	15.2%	16.1%	14.9%	9.6%	6.8%
Mira Loma CDP	11.4%	13.2%	14.1%	13.0%	8.3%	5.9%
Pedley CDP	8.3%	9.6%	10.3%	9.5%	5.9%	4.2%
Rubidoux CDP	16.7%	19.1%	20.2%	18.8%	12.2%	8.8%
Sunnyslope CDP	10.4%	12.1%	12.9%	11.8%	7.5%	5.3%
CDPS:						
El Cerrito	13.3%	15.3%	16.3%	15.1%	9.7%	6.9%
High Grove	15.0%	17.2%	18.2%	16.9%	10.9%	7.8%
Home Gardens	12.9%	14.9%	15.9%	14.7%	9.4%	6.7%
Woodcrest	7.4%	8.6%	9.2%	8.4%	5.2%	3.7%
Riverside County	11.8%	13.6%	14.5%	13.4%	8.5%	6.0%
California	10.4%	11.7%	12.4%	11.3%	7.2%	5.4%
United States	8.2%	8.9%	9.6%	9.3%	5.8%	4.6%

*Because of the recent incorporation of Eastvale, the State CALMIS system has not yet generated data for this new city.

**Because of the recent incorporation of Jurupa Valley, the State CALMIS system has not yet generated data for this new city. Wikipedia and other sources report that the five CDPs (census designated places) listed approximate the communities that were combined to form the city. Those data have been clustered to approximate the data for the new city of Jurupa Valley.

U.S. data are from Labor Force Statistics, <http://www.bls.gov/cps/cpsaat01.htm>. State and local data are from CALMIS Labor Market Information Data System from the California Employment Development Department. <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=131>.

A look at some cities. The city of Perris has endured the service area’s highest unemployment rates since 2007. After doubling its unemployment rates from 2007 (9.7%) to 2010 (22.1%), that city’s May 2012 rate stood at 18.3%. With a 2012 population of 196,495, Moreno Valley is the second largest city in RCCD’s service area. Moreno Valley’s 2007 unemployment rate was 7.1% and rose to 16.7% in 2010. As of May 2012, its unemployment rate has dropped to 13.6%. Corona and Norco have each noted a doubling in their respective unemployment rates since 2007, but both cities have a May 2012 rate under 10%, with Corona citing an unemployment rate of 8.7% and Norco charting a 2012 rate of 9.6%.

A look at some CDPs. Some of the census designated places (CDPs) that form the city of Jurupa Valley have experienced significant unemployment rates over the past 5+ years. The community of Glen Avon reached an unemployment rate of 16.1% in 2010 and now features a 2012 rate of 13.2%. Rubidoux’s unemployment rate climbed to a high of 20.2% in 2010 and was reported at 16.7% in May of this year.

County comparison. In 2007, Riverside County’s unemployment rate was 6.0%. As of May 2012, the County’s rate was 11.8%. By comparison, as of May 2012, all of the District’s immediate service area cities, except for Corona and Norco, reported unemployment rates higher than the County rate.

Impact on training and retraining. While current data indicate a downward trend, today’s rates are still double those of 2007. The data have several potential scenarios for educators. First, RCCD colleges can play a significant role in helping the employment sector to rebound. And second, as a region experiences higher unemployment, those who are unemployed and under-employed tend to return to an educational setting for retraining and retooling of skills. While this retraining wave appears to have crested, there remain tens of thousands of workers in the RCCD service area who continue to be unemployed and may keep demand strong for retraining opportunities for the next several years.

Riverside County Labor Force, Employment and Unemployment Trends

- ✓ County unemployment has grown from 5% in 2006 to 14.5% in 2010, down to 11.8% in 2012.
- ✓ In 4 years, from 2006 to 2010, the County’s unemployment rate nearly tripled, 5% to 14.5%.
- ✓ In the past two decades, 357,000 workers have been added to the County’s labor force.
- ✓ In the past two decades, 316,000 new jobs were created to increase employment ranks.
- ✓ As of May 2012, 110,000 County residents remain unemployed, down from 135,900 in 2010.

Table 2.2 presents 20-year historical data for Riverside County’s labor force, employment levels, and the number and percentage of those who were unemployed for each reporting period.

Unemployment waves. Since 1990, Riverside County has experienced two documented waves of elevated unemployment rates. As the table indicates during the period of 1992 – 1995, the County experienced unemployment rates near or above 10%. Rates then began a generally steady decline to rates in the 5% - 6% range. In 2006, the County’s rates were at the lowest point in this time frame, with an unemployment rate of 5.0%.

Table 2.2
Riverside County
Historical Labor Force, Employment, and Unemployment Rates (1992 – 2012)

<i>Year</i>	<i>Labor Force</i>	<i>Employed</i>	<i>Unemployed</i>	<i>Unemployment % Rate</i>
*2012	933,300	823,300	110,000	11.8
2011	938,400	810,600	127,800	13.6
2010	937,500	801,600	135,900	14.5
2009	916,500	793,900	122,600	13.4
2008	912,700	835,000	77,700	8.5
2007	903,400	848,900	54,500	6.0
2006	883,400	839,000	44,400	5.0
2005	854,300	808,100	46,100	5.4
2004	820,900	771,600	49,300	6.0
2003	781,700	730,700	51,100	6.5
2002	750,400	701,800	48,600	6.5
2001	711,100	672,000	39,100	5.5
2000	680,700	644,200	36,500	5.4
1999	691,500	653,600	37,900	5.5
1998	659,900	615,900	44,000	6.7
1997	638,200	589,600	48,600	7.6
1996	614,500	563,100	51,400	8.4
1995	607,400	549,900	57,500	9.5
1994	597,400	534,000	63,400	10.6
1993	582,600	511,600	71,000	12.2
1992	576,400	507,600	68,800	11.9

*These 2012 data are for May, 2012. All other data are annualized reported data. CALMIS Labor Market Information Data System. www.labormarketinfo.edd.ca.gov

A tripling of the unemployment rate. County unemployment rates then began to climb in response to the economic downturn that befell the County and virtually the entire nation. From a 2006 unemployment rate of 5.0%, the rate nearly tripled in four years to a 2010 rate of 14.5%. As indicated in the earlier table, the May 2012 unemployment rate has fallen to 11.8%. At the height of the County's unemployment rate in 2010, some 135,900 workers were unemployed. As of May 2012, that number has dropped, albeit marginally, to 110,000 unemployed.

Steady growth of the labor force. During this same 20-year period, the County's labor force has grown from 576,400 to 933,300 in May 2012. This growth of nearly 357,000 workers in 20 years represents a nearly 62% increase in the workforce. Similarly, the rank of the County's employed workforce has grown from 507,600 in 1992 to 823,300 in 2012. Thus, this period saw an increase of more than 316,000 new jobs for the growing labor force. This represents a 62% increase in the ranks of the County's employed workforce during the past two decades.

RCCD Service Area Labor Force and Employment Levels

- ✓ The labor force in RCCD's immediate service area now stands at 500,000 workers.
- ✓ Nearly 60,000 workers are unemployed in RCCD's service area as of May 2012.
- ✓ On a percentage basis, Corona and Norco have the lowest levels of unemployed workers.
- ✓ The unemployment rates in some service area CDPs range to highs of 12.9% to 16.7%.
- ✓ The number of unemployed workers in service area cities and CDPs continues the opportunity for RCCD and college leadership to assist in local economic recovery and workforce retraining.

In the table below, Table 2.3, current (May 2012) labor force, employment, and unemployment levels are presented for the cities in RCCD's service area. Again, because of the role it plays as a feeder city, Fontana data are included, although it is located in another county and is not part of RCCD's set of immediate service areas cities. The prior table presented these data for Riverside County as a whole.

Labor force. The cities and CDPs in RCCD's immediate service area have a labor force of nearly one-half million workers (approximately 498,000 workers). This figure does not include the workforce of Fontana. The city of Riverside, with a 2012 population of just over 308,000 residents has a labor force of 164,100 as of May 2012. Of this number, 144,600 were employed on this date and 19,500 former workers were unemployed. As a result, Riverside's May 2012 unemployment rate was 11.9%. As of May, Moreno Valley, with the second largest population base in RCCD's service area, has a labor force of 89,500. Of that labor force, 77,300 were employed, and 12,200 workers are unemployed, resulting in a 13.6% unemployment rate. Perris' high unemployment rate has resulted in some 3,700 members of its 20,000 labor force now out of work, confirming an 18.3% rate of unemployment.

Corona, the next largest city in terms of service area population, had a May labor force of 86,000, similar to the labor force of Moreno Valley. However, Corona has experienced much lower unemployment rates than many neighboring cities, and just 7,500 of its labor force is unemployment, an 8.7% rate. Of Norco's 2012 labor force of 14,000 workers, as of May 2012, some 1,300 residents were unemployed, or 9.6% unemployment.

Table 2.3
Riverside Community College District Service Area
Labor Force and Employment Levels (May 2012)

<i>Cities and CDPs*</i>	<i>May 2012 Labor Force</i>	<i>May 2012 Employment</i>	<i>Number Unemployed</i>	<i>Unemployment % Rate</i>
Corona	86,000	78,500	7,500	8.7%
Moreno Valley	89,500	77,300	12,200	13.6%
Norco	14,000	12,600	1,300	9.6%
Perris	20,000	16,400	3,700	18.3%
Riverside	164,100	144,600	19,500	11.9%
Fontana	62,300	54,600	7,700	12.4%
Eastvale**	n/a	n/a	n/a	n/a
Jurupa Valley:***				
<i>Glen Avon CDP</i>	8,700	7,600	1,100	13.2%
<i>Mira Loma CDP</i>	10,900	9,600	1,200	11.4%
<i>Pedley CDP</i>	7,500	6,900	600	8.3%
<i>Rubidoux CDP</i>	17,500	14,600	2,900	16.7%
<i>Sunnyslope CDP</i>	2,500	2,300	300	10.4%
CDPs:				
El Cerrito	3,100	2,600	400	13.3%
Highgrove	2,100	1,800	300	15.0%
Home Gardens	5,900	5,100	800	12.9%
Woodcrest	5,800	5,400	400	7.4%
Total	499,900	439,900	60,000	12.9%

*CDP is "census designated place" as determined by the U.S. Census and represents an unincorporated community.

**Eastvale was incorporated in 2010 and the CALMIS reporting system did not display data for this city for this report.

***Jurupa Valley was incorporated in 2011 and the five CDPs noted generally approximate the areas consolidated into this city.

Source: "5/2012 Monthly Labor Force Data for Cities and Census Designated Places – Riverside County," www.edd.ca.gov.

CDP labor forces and unemployment. Some of the current census designated places, and former CDPs that are now part of Jurupa Valley, have impressive labor force levels. For example, Rubidoux (now a part of Jurupa Valley) has a May 2012 labor force of 17,500 workers. Mira Loma has a labor force of 10,900 workers, and Glen Avon and Pedley are not far behind with 8,700 workers and 7,500 workers, respectively. Drilling down to the CDP level allows RCCD leadership to look at the labor force and employment statistics of communities in its service area that are not part of incorporated cities. Some of these CDPs have thousands of workers in their labor force and are experiencing high rates of unemployment. As an example, Home Gardens has 5,900 workers in its labor force and is experiencing a 12.9% unemployment rate. Rubidoux has 2,900 members out of a labor force of 17,500 who are unemployed and this represents 16.7%. El Cerrito is experiencing 13.3% unemployment, while Highgrove's unemployment rate stands at 15%. All of these unemployment rates are well above the rates for Riverside County and the State of California.

There may be important roles for the District and colleges in assisting the leadership of these service area CDPs improve the stability of their workforce and provide needed training.

Riverside County Industry Employment Trends

- ✓ While the actual number of employed positions has decreased compared to 2007, an uptick in 2011 employment levels suggests that the County may finally be in a job recovery period.
- ✓ The transportation/warehousing/utility cluster has experienced 65% job growth since 2003.
- ✓ The health care/social assistance sector added 9,800 workers, for a 21% employment growth.
- ✓ Accommodations and food services companies added 8,100 workers, for a 16% growth rate.
- ✓ RCCD colleges are in a key position to continue to prepare the labor force for growing sectors.

Table 2.4 features current and historical Riverside County employment data by industry sector. Pre-2007 data are highlighted so that the reader can more easily distinguish the impact on sector employment caused by the economic downturn, beginning in 2007 and 2008. These data reflect actual employment by industry, with labor force levels reduced by any unemployment, to result in actual employed positions as reported to the Employment Development Department. Thus, the annual total employment figures are not “labor market totals.” Instead, they are actual employment totals.

General employment downturn. In 2003, the number of actual employed civilian workers, across all industries in Riverside County was 529,600. By the end of 2011, that figure had grown to 548,800 workers employed and on the job. While this represents a net gain in employed workers for the County, 2011 employed worker levels actually represents a decline of nearly 72,000 jobs since 2007.

Evidence of employment turnaround and some growth. From the period 2003 to 2006, Riverside County actual employment grew from 529,600 to 620,500 workers employed. With the economic downturn that began the following year (2007), the level of actual employment in the County fell each subsequent year to a low of 536,000 employed in 2010. The following year, 2011, saw an uptick in actual employment levels to 548,800, for a growth of over 12,800 in actual employed and filled positions. While this upswing may be an anomaly, in the employment projection table that follows, Table 2.5, California’s Employment Development Department projects overall, measured growth in new jobs for the region. Thus, Riverside County appears to have turned the corner on job loss and may be at the start of a period of job recovery and employment growth.

Growth in transportation sector employment. The industry sector known as transportation, warehousing, and utilities grew by 8,000 real, filled jobs during the period 2003 to 2011. In 2003, there were 12,300 employed workers in this sector. By the end of 2011, there were 20,300 workers employed in this industry cluster. This represents a growth rate of 65%.

Growth in health care and social assistance employment. This sector grew from 46,400 employed workers in 2003 to 56,200 in 2011, for an overall growth of 9,800 workers, or 21%.

Growth in accommodations and food services employment. This industry cluster grew from 51,600 employed workers in 2003 to 59,700 employed in 2011. This represents overall growth of 8,100 employees, and a growth rate of 16% during the recent 9 year period.

Certainly, RCCD colleges have played an important role in preparing some of the workforce for these growth industries and could/should position itself to provide the labor force for these continually growing sectors.

Table 2.4
Riverside County
Actual Employment by Industry Sector

 = *Employment Activity prior to 2007*

TITLE	2003	2004	2005	2006	2007	2008	2009	2010	2011
Civilian Labor Force	781,700	820,900	854,300	883,400	903,400	912,700	916,500	937,500	938,400
Civilian Employment	730,700	771,600	808,100	839,000	848,900	835,000	793,900	801,600	810,600
Civilian Unemployment	51,100	49,300	46,100	44,400	54,500	77,700	122,600	135,900	127,800
Civil. Unemployment Rate	6.5%	6.0%	5.4%	5.0%	6.0%	8.5%	13.4%	14.5%	13.6%
Total, All Industries	529,600	557,400	593,100	620,500	620,200	592,000	546,300	536,000	548,800
Goods Producing	111,200	121,800	132,300	138,400	124,000	103,700	79,900	73,700	73,700
Mining and Logging	500	500	600	700	700	500	500	400	400
Construction	60,800	70,400	78,400	80,700	68,900	54,700	40,400	35,400	34,300
Manufacturing	50,000	50,900	53,400	57,000	54,400	48,400	39,000	37,900	39,000
Durable Goods	35,600	36,200	38,400	41,400	39,300	34,000	26,800	26,400	27,700
Nondurable Goods	14,300	14,700	15,000	15,600	15,100	14,400	12,200	11,500	11,300
Service Providing	402,100	420,500	445,800	468,000	483,300	475,200	454,000	449,900	462,300
Trade/Transp/Utilities	98,600	106,700	116,200	123,400	130,000	126,400	117,200	117,000	119,700
Wholesale Trade	16,300	16,800	18,400	20,500	21,100	20,400	18,700	19,100	19,900
Retail Trade	70,000	76,300	82,100	85,900	88,000	84,900	78,800	78,500	79,400
Transp/Whousing/ Util	12,300	13,600	15,700	17,000	20,900	21,200	19,700	19,400	20,300
Information	6,600	7,000	7,400	7,700	7,800	7,700	8,500	10,200	9,600
Financial Activities	19,500	20,800	22,200	23,600	23,000	22,300	20,700	19,300	18,300
Finance & Insurance	11,400	12,200	12,700	13,800	13,500	12,400	11,800	11,100	10,900
R.E. & Rent/Lease	8,100	8,600	9,600	9,800	9,500	9,900	8,900	8,200	7,400
Prof & Bus. Services	52,000	54,000	57,100	62,600	63,000	58,000	53,600	50,300	52,700
Prof, Sci/Tech Servs.	13,200	14,500	16,700	21,100	21,800	20,500	18,900	16,100	16,500
Mgmt of Companies	4,100	5,100	5,300	4,000	3,500	3,500	3,000	2,900	2,800
Admin Waste Servs.	34,700	34,400	35,100	37,600	37,600	34,000	31,800	31,300	33,400
El & Health Services	50,700	51,900	53,300	53,500	56,900	58,100	57,900	58,000	61,600
Educational Services	4,300	4,700	5,200	5,700	6,200	6,200	6,200	5,500	5,300
Health Care/Soc. Asst	46,400	47,200	48,100	47,800	50,700	51,900	51,700	52,600	56,200
Leisure & Hospitality	60,600	64,500	67,900	71,900	73,700	72,800	68,700	67,700	69,300
Arts, Ent. & Rec.	9,100	9,700	9,700	10,600	10,600	10,500	10,000	9,900	9,600
Accom/Food Servs.	51,600	54,800	58,200	61,300	63,100	62,300	58,700	57,800	59,700
Other Services	18,000	17,900	18,900	20,500	20,100	19,400	18,100	18,300	19,000
Government	96,200	97,700	102,800	104,800	108,800	110,600	109,300	109,200	112,200
Federal Government	6,400	6,600	6,600	6,600	6,400	6,600	6,900	7,600	7,000
State Government	13,900	13,900	14,100	14,300	15,400	15,700	15,800	15,900	16,300
Local Government	76,000	77,200	82,100	84,000	87,100	88,300	86,600	85,600	88,900

Source: Riverside County Industry, Employment, and Labor Force by Annual Average. CALMIS Labor Market Information Data System. www.labormarketinfo.edd.ca.gov

Riverside Region Industry Employment Projections: To 2018

- ✓ The region's employment base will grow to 1.46 million jobs by 2018.
- ✓ The region is forecast to add 106,500 new jobs between 2008 and 2018.
- ✓ The transportation sector should grow by 3,800 jobs by 2018.
- ✓ Health care and social assistance sector should grow by 25,900 jobs.
- ✓ Hospitality and food services is slated to grow by 10,800 jobs.
- ✓ Public sector/government is forecast to grow by 16,800 positions.
- ✓ Manufacturing, real estate, and financial services are projected for continued decline.

Table 2.5 features both historical employment information for 2008 and employment projections for 2018. The projections are for the two-county area of Riverside and San Bernardino counties combined. The projections were generated by the California Labor Market Information System and the California Employment Development Department.

Overall job growth. Between now to 2018, employment in the Riverside region is expected to grow to 1,464,600 jobs. In the 10-year period 2008-2018, this translates to 106,500 new employment opportunities.

Sector growth. Construction is projected to rebound, with a 2018 forecast of 95,200 jobs available in this industry. Private education services, health care, and social assistance, as a specific combined cluster, is projected for major job growth, adding 30,000 jobs to a 2018 forecast of 161,500 workers in these fields. Of this growth, health care and social assistance professions are slated to grow by 25,900 new positions by 2018. The professional and business services industry cluster is projected to increase by 15,100 jobs and have a 2018 employment base of 152,500 workers.

Transportation sector growth. The trade/transportation/utilities industry cluster is slated for major growth from now to 2018, with a projected growth of 24,100 jobs to a 2018 workforce of 317,000. Two major industries, wholesale trade and retail trade, make up the bulk of employment in this cluster, with some 242,500 workers forecast by 2018 in these fields alone. As wholesale and retail industries grow, so too will the need for transportation, freight, distribution, warehousing, storage and other transportation-related services. The transportation services sector is slated to grow by 3,800 jobs to a projected 68,300 workforce in 2018. This sector is the focus of some RCCD college initiatives and state agencies forecast continued need and growth in this industry.

Health care sector growth. RCCD colleges provide educational programs for the workforce associated with health care and social assistance. This industry cluster is projected to witness the greatest overall job growth from now to 2018. Some 25,900 new positions will be created over the coming years and 2018 overall employment in this sector is forecast to be 141,600, up from 115,700 in 2008.

Hospitality and food services growth. RCCD colleges are recognized for their leadership in providing a trained and capable workforce for the hospitality industry, particularly the food services sector. The accommodation and food services industry cluster is scheduled to grow by 10,800 workers to a 2018 workforce of 125,200. As the economy rebounds, so too will business travel, hotel stays, business and leisure dining, and related hospitality expenditures. This increased business activity will certainly lead to increased employment opportunities and the need for a trained labor force.

**Table 2.5
Riverside Region Industry Employment Projections to Year 2018
Riverside and San Bernardino Counties (SMA)**

<i>Industry Title/Cluster</i>	<i>Employment</i>		<i>Change</i>	
	<i>2008</i>	<i>2018</i>	<i>Numerical</i>	<i>Percent</i>
Total Employment	1,358,100	1,464,600	106,500	7.8
Construction	90,700	95,200	4,500	5.0
Manufacturing	106,900	97,300	-9,600	-9.0
Trade, Transportation, and Utilities	292,900	317,000	24,100	8.2
Wholesale Trade	54,100	59,900	5,800	10.7
Retail Trade	168,600	182,600	14,000	8.3
Transportation, Warehousing, and Utilities	70,200	74,500	4,300	6.1
Utilities	5,700	6,200	500	8.8
Transportation and Warehousing	64,500	68,300	3,800	5.9
Truck Transportation	23,000	23,400	400	1.7
General Freight Trucking	16,900	17,200	300	1.8
Warehousing and Storage	17,100	19,400	2,300	13.5
Information	14,900	15,000	100	0.7
Telecommunications	7,200	7,300	100	1.4
Financial Activities	46,700	45,400	-1,300	-2.8
Finance and Insurance	28,000	28,100	100	0.4
Real Estate and Rental and Leasing	18,700	17,300	-1,400	-7.5
Professional and Business Services	137,400	152,500	15,100	11.0
Professional, Scientific and Technical Services	40,500	45,800	5,300	13.1
Management of Companies and Enterprises	9,700	8,200	-1,500	-15.5
Administrative and Support Services	84,400	95,100	10,700	12.7
Education Services, Health Care, and Social Assist.	131,500	161,500	30,000	22.8
Educational Services (Private)	15,700	19,900	4,200	26.8
<i>Colleges, Universities, and Professional Schools</i>	5,900	7,100	1,200	20.3
Health Care and Social Assistance	115,700	141,600	25,900	22.4
Leisure and Hospitality	131,000	144,200	13,200	10.1
Accommodation and Food Services	114,400	125,200	10,800	9.4
Other Services	40,800	44,400	3,600	8.8
Government	229,900	247,300	17,400	7.6
Federal Government	19,600	20,200	600	3.1
State and Local Government	210,300	227,100	16,800	8.0
<i>State Government Education</i>	10,400	11,400	1,000	9.6
<i>Local Government Education</i>	97,300	105,200	7,900	8.1

Bolded occupations represent industry clusters and their current and projected employment levels. Non-bolded entries below a bolded cluster represent occupations and categories within that bolded cluster and the employment levels are already part of the bolded total. Similarly, italicized entries below a non-bolded entry are a subcategory of that non-bolded category. 2009 Benchmark data. CALMIS labor market information. <http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=145>.

Government/public sector growth. Combined, federal, state, and local government employment is forecast to grow by 17,400 positions by 2018, to 247,300 workers, up from 229,900 in 2008. State-level educational institutions are projected to increase their combined workforce by 1,000 in 2018, for a total 11,400 employees compared to 10,400 in 2008. Local level schools are slated for a workforce increase of 7,900, for a total 105,200 workforce compared to 97,300 in 2008.

Industry clusters projected to decline. Even before the economic downturn of recent years, several industry sectors were already beginning a trend towards reduced workforces over the coming years. The negative economic climate further impacted this emerging downward trend for some sectors. Manufacturing employment in the Riverside region had a workforce of 106,900 in 2008. By 2018, that sector's workforce is expected to decline to 97,300. Real estate sales, renting, and leasing services are expected to lose 1,400 positions by 2018. As an occupation, managers of companies and enterprises are projected to have 1,500 fewer opportunities by 2018.

Workforce and Employment Data: Conclusions

There may be signs of positive news for RCCD service area cities employment levels and unemployment rates. Both Riverside County rates and the unemployment rates of each city in RCCD's immediate service area reached a plateau in 2010 and have begun to decline. The unemployment rates of 2011 and 2012 rates through May have marked declines in unemployment. As the job picture improves and employment increases, some of the new openings will require worker career and technical education as well as retraining. RCCD colleges and the District's customized training resources can be well-positioned to provide service area and County leadership in such labor force preparation and worker retraining.

While the unemployment rates of all RCCD service area cities have begun to recede from their historic 2010 highs, the 2012 unemployment rate in each RCCD service area city is double its 2007 rate and remains today (May 2012) higher than the unemployment rate for the County, California, and the nation. As RCCD prepares its 2012-16 strategic plan, there is an extraordinary opportunity to envision the unique leadership role that the District and its colleges can play in job growth and economic development.

While the overall number of actually employed workers in Riverside County's civilian workplaces has grown only marginally from 2003 through 2011, a number of target industry clusters important to RCCD and its colleges have demonstrated important growth through this period of economic decline. Transportation, health care, and food services are a few of those industries that have grown substantially in terms of employed workers.

Similarly, the Employment Development Department has projected an increase of some 106,500 jobs for the Riverside County/San Bernardino County region between 2008 and 2018. Some of the sectors slated for continued growth include transportation, warehousing, trucking, health care, hospitality, and food services.

RCCD colleges have respected and recognized programs and initiatives in many of these growth fields and are positioned to contribute to tomorrow's labor force for these industry sectors.



3 Economic Characteristics & Trends: *Yesterday - Today - Tomorrow*

Introduction

The economy of RCCD's service area and Riverside County is comprised of, and influenced by, any number of factors and indicators. In this section, we identify trends related to taxable sales, property values, home sales and values, building permits, construction expenditures, and conclude with a series of unique tables that consolidate the economic forecasts for California, Riverside County, and the Inland Empire by state agencies and respected economic forecasting centers and business research bureaus.

Riverside County Taxable Sales Trends

- ✓ County taxable sales appear to have begun a rebound beginning in 2010.
- ✓ 2010 taxable sales grew to \$23.2 billion, a 4.2% growth over 2009 levels.
- ✓ 2011 1st Qr data report a 10.1% growth in taxable sales compared to prior year's 1st Qr.
- ✓ California data mirror 2010 and 1st Qr 2011 growth, though not as strong as the County.
- ✓ Even optimistic growth may not see a return to 2006-07 levels until 2016-17.

Table 3.1 displays Riverside County's total taxable sales for most recent quarter and annually back to 2002. The table also features percentage changes from prior periods and matching California data for context. Taxable sales are an important barometer of economic activity, consumer spending, and consumer confidence.

The dramatic drop in taxable sales. From 2002 to 2006, Riverside County’s taxable sales increased steadily from \$19.5 billion to \$29.8 billion. Then the economic downturn began and taxable sales over the next four years plunged to \$22.2 billion in 2009, a drop of nearly 28%, or \$7.6 billion dollars.

Signs of a recovery. Since 2010, County taxable sales totals have reported positive growth. In 2010, taxable sales grew to nearly \$23.2 billion, a 4.2% growth over 2009 levels. During the 2010 growth year, 1st Qr results accounted for 2% of that eventual 4.2% annual increase. The most recent data released by the Board of Equalization (BOE) covers the 1st Qr 2011 time period. County taxable sales for this first quarter of 2011 were \$6.1 billion, up 10.1% over 1st Qr 2010. As the BOE releases more quarterly sales tax activity, District leaders will be able to document if, indeed, a sales recovery is underway.

A long road to recovery. For context, assuming the same level of growth in 1st Qr 2011 continued through 2011 and into 2012, the County’s current annual taxable sales levels would be around \$25 billion. While this would signal important growth, such an aggressive growth rate for 2012 would only equal the known County taxable sales total of \$25 billion in 2004, eight years ago. Slow, deliberate taxable sales growth may be at hand, but it may take through 2016 to return to the high levels realized in 2006 and 2007. Thus, growth – and the planning that stems from such projected increase – should feature careful planning in recognition of what economists indicate will be a relatively slow rate of recovery.

Table 3.1
Riverside County Taxable Sales
In Comparison to State Taxable Sales Trends (2011 – 2002)

 = Taxable Sales Activity prior to 2007

<i>Time Period</i>	<i>Riverside County</i>		<i>California</i>	
	<i>\$ Total Taxable Sales</i>	<i>% Change From Prior Period</i>	<i>\$ Total</i>	<i>% Change From Prior Year</i>
1 Qr 2011	\$ 6,115,911,000	+ 10.1%	\$ 118,326,354,000	+ 9.0%
1 Qr 2010	\$ 5,554,758,000	+ 2.0%	\$ 108,558,411,000	+ 1.3%
Year 2010	\$ 23,152,780,000	+ 4.2%	\$ 477,347,986,000	+ 4.6%
Year 2009	\$ 22,227,877,000	- 14.5%	\$ 456,492,945,000	- 14.1%
Year 2008	\$ 26,003,595,000	- 10.4%	\$ 531,653,540,000	- 5.2%
Year 2007	\$ 29,023,609,000	- 2.7%	\$ 561,050,149,000	+ 0.2%
Year 2006	\$ 29,816,237,000	+ 5.5%	\$ 559,652,437,000	+ 4.2%
Year 2005	\$ 28,256,491,000	+ 12.0%	\$ 536,904,428,000	+ 7.4%
Year 2004	\$ 25,237,148,000	+ 16.3%	\$ 500,076,783,000	+ 8.7%
Year 2003	\$ 21,709,135,000	+ 11.3%	\$ 460,096,468,000	+ 4.3%
Year 2002	\$ 19,498,994,000	<i>base period</i>	\$ 440,950,094,000	<i>base period</i>

At the time of this report, neither annual data for 2011 nor any data for 2012 had been released by the State Board of Equalization. The latest reported data, 1st Qr 2011, were paired with 1st Qr 2010 for comparison purposes. All other data represent annual total sales from year’s 2010 to 2002. Source: www.boe.ca.gov/news/+salescont.htm

RCCD Service Area Taxable Sales Trends

Table 3.2 displays annual taxable sales for individual RCCD service area cities from most recent quarter back to 2002. Because of Eastvale's recent incorporation, there are no historical data. Thus, the most recent data for this new city, 1st Qr 2011, is presented at the bottom of the table. No Board of Equalization data exist for the even newer city of Jurupa Valley for the period covered in this table.

- ✓ Recent 2010 and 2011 data indicate that service area taxable sales are on the upswing.
- ✓ Some cities saw 2002-06 taxable sales growth of 39%, 48%, and even 64% during this period.
- ✓ It took 4 years of growth to reach historic 2007 sales highs; recovery should take as long/longer.

A period of significant taxable sales activity by city. From the period 2002-2006, all RCCD service area cities experienced often extraordinary taxable sales growth. Home sales were exploding upwards, jobs were expanding, home equity was increasing, and consumer spending was on the rise. Riverside's taxable sales went from \$3.6 billion to over \$5 billion, growing 39% during this 4-year period. Corona's taxable sales increased from \$2.2 billion to \$3.6 billion, a 64% increase. Moreno Valley witnessed a 48% increase in taxable sales, while Norco's taxable sales grew by 22%. During this same time period, taxable sales in California grew 27% and by 53% in Riverside County.

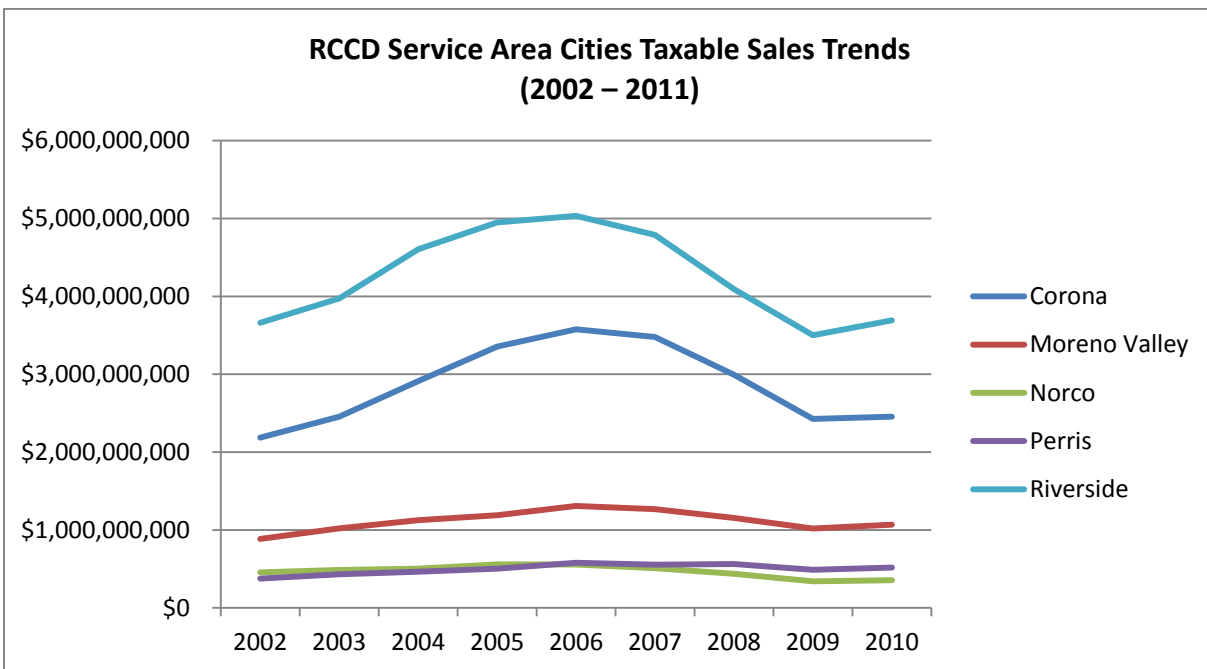


Table 3.2
Riverside Community College District
Service Area Cities Taxable Sales Trends (2002 – 2011)

<i>Time Period</i>	<i>\$ Total Sales Corona</i>	<i>\$ Total Sales Moreno Valley</i>	<i>\$ Total Sales Norco</i>	<i>\$ Total Sales Perris</i>	<i>\$ Total Sales Riverside</i>
1 Qr 2011	\$ 621,734,000	\$ 278,134,000	\$ 89,695,000	\$ 136,898,000	\$ 947,696,000
1 Qr 2010	\$ 549,368,000	\$ 251,083,000	\$ 82,725,000	\$ 120,701,000	\$ 861,905,000
Year 2010	\$ 2,454,989,000	\$ 1,067,546,000	\$ 354,729,000	\$ 516,944,000	\$ 3,692,302,000
Year 2009	\$ 2,426,746,000	\$ 1,018,353,000	\$ 340,697,000	\$ 489,591,000	\$ 3,500,514,000
Year 2008	\$ 2,994,438,000	\$ 1,154,650,000	\$ 436,753,000	\$ 562,025,000	\$ 4,093,218,000
Year 2007	\$ 3,478,337,000	\$ 1,267,045,000	\$ 509,334,000	\$ 554,129,000	\$ 4,789,554,000
Year 2006	\$ 3,576,700,000	\$ 1,307,961,000	\$ 557,095,000	\$ 579,848,000	\$ 5,034,072,000
Year 2005	\$ 3,356,076,000	\$ 1,189,437,000	\$ 557,655,000	\$ 503,921,000	\$ 4,950,254,000
Year 2004	\$ 2,911,471,000	\$ 1,125,487,000	\$ 503,573,000	\$ 464,250,000	\$ 4,603,769,000
Year 2003	\$ 2,454,467,000	\$ 1,021,275,000	\$ 487,537,000	\$ 430,139,000	\$ 3,974,583,000
Year 2002	\$ 2,186,753,000	\$ 884,758,000	\$ 456,408,000	\$ 376,340,000	\$ 3,660,907,000
1 Qr 2011	<i>\$ Total Eastvale</i>	\$ 64,945,000			

Only 1st Qr 2011 data are available for Eastvale. As of this report, annual data for 2011 or 2012 had not been released by the BOE. The latest reported data, 1st Qr 2011, were paired with 1st Qr 2010 for comparison purposes. All other data represent annual total sales from year's 2010 to 2002 for each Riverside County city. Source: boe.ca.gov/news/+salescont.htm

A period of steady decline by city. In 2007, as the economic downturn began to take hold, the taxable sales activity for the cities in RCCD's service area began an annual downward cycle in reported taxable sales. Corona went from \$3.6 billion in taxable sales in 2006 down to \$2.4 billion in 2009. During this same time period, Riverside taxable sales fell from \$5 billion to \$3.5 billion. Moreno Valley saw its taxable sales drop from \$1.3 billion to \$1 billion. The cities in the service area joined Riverside County and the State in experiencing dramatic decreases in taxable sales during this time period.

Evidence of a modest recovery. Taxable sales data for 2010 and 1st Qr 2011 indicate growth in service area taxable consumer spending. While the growth may be marginal in some cases, it sets a trend so important to the region and its economy. For 2010, Corona's taxable sales reversed its downward slide and grew by nearly \$30 million compared to 2009. 1st Qr 2011 growth was even stronger with growth some \$72 million higher than 1st Qr 2010 results. Moreno Valley 2010 taxable sales grew by nearly \$50 million and its 1st Qr 2011 grew by \$27 million compared to first quarter 2010. Economists and business researchers predict a slow recovery for California and most of its counties, including Riverside County. City-level taxable sales indicate that local taxable sales spending may be in an upward cycle.

Riverside County Property Values Trends

- ✓ Assessed real property values have dropped \$47 billion in the past three years.
- ✓ For the current and most recent 3 year period, assessed values have fallen each year.
- ✓ It would take 3 years of the same early 2000s growth to get back to 2007 assessed values.
- ✓ Such growth is unlikely and the eventual period of recovery for real property values will require a considerable span of time.

Table 3.3 presents annual assessed values of taxable real property from 2012 back to 2003.

A skyrocketing period of growth. The assessed value of Riverside County's real property (including residential and commercial units), experienced dramatic and sustained growth throughout the early 2000s to 2009-10. In 2003-04, the assessed value of secured property in the County totaled \$107 billion. By 2009-10, the value had more than doubled to \$238 billion. Even the valued of unsecured property (inventory, furnishings, etc.) increased 75%, from \$5 billion to \$8.7 billion during this period.

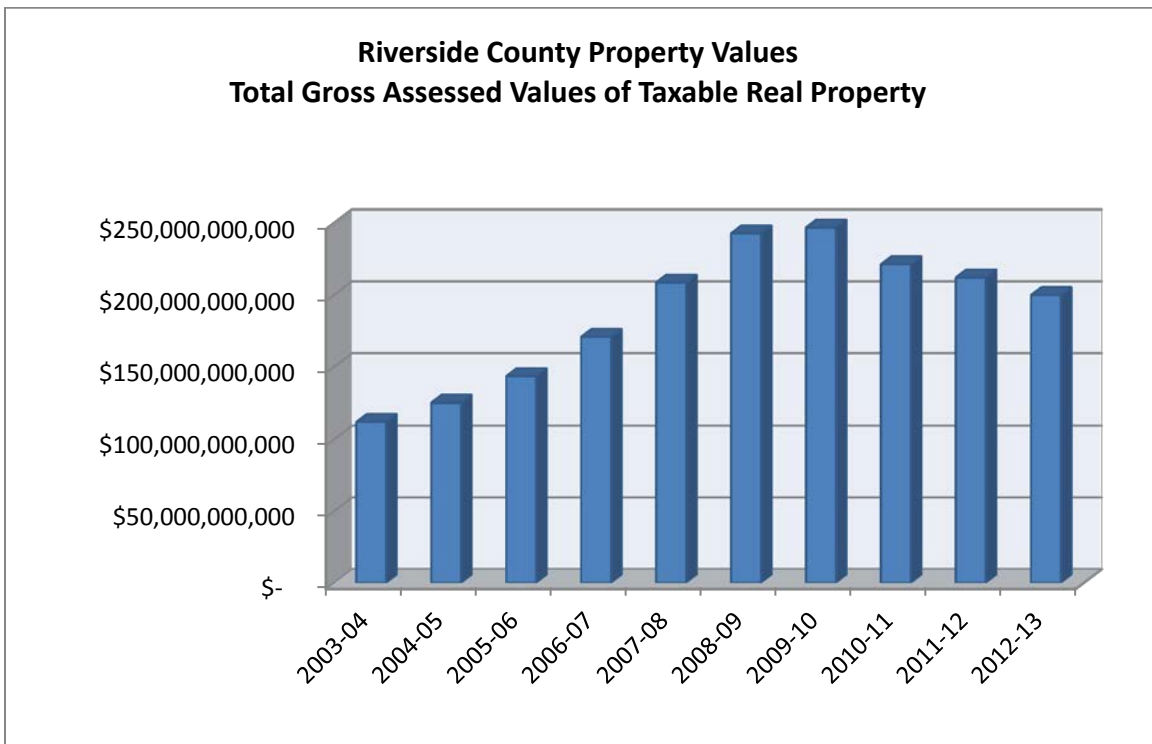


Table 3.3
Riverside County Property Values
Assessed Value of Taxable Real Property (2003 – 2012)

↓ = Trending Lower Since 2009-10
↑ = Trending Higher Since 2009-10

Year	<i>Total Gross Assessed \$ Value</i> =	<i>Secured Property</i> +	<i>Unsecured Property</i>
2012-13	↓ \$ 199,947,685,662	\$ 192,452,372,850	\$ 7,495,312,812
2011-12	↓ 212,274,228,000	204,153,163,000	8,121,065,000
2010-11	↓ 221,371,508,000	213,144,336,000	8,227,172,000
2009-10	246,997,899,000	238,312,506,000	8,685,393,000
2008-09	242,891,919,000	235,351,116,000	7,540,803,000
2007-08	208,744,941,000	202,009,520,000	6,735,421,000
2006-07	170,935,406,000	164,618,837,000	6,316,569,000
2005-06	143,572,582,000	137,784,611,000	5,787,971,000
2004-05	125,206,520,000	119,840,527,000	5,365,993,000
2003-04	112,149,830,000	107,159,352,000	4,990,478,000

Auditor Controller Office, County of Riverside. Property Valuation Reports. Annual Preliminary District Valuation Assessor Net Reports, FY 2012-13 back to 2003–04. http://www.auditorcontroller.org/opencms/about_us/division/Proptax/Valuations.html.

A period of retrenchment. In response to the economic downturn that started in 2007 and intensified in 2009-2010, the County Assessor’s Office began lowering the assessed value of real property in 2010-11. Total assessed real property value reached a high of \$247 billion in 2009-10. In 2010-11, total assessed value dropped to \$221 billion. In 2011-12, total assessed value was further lowered to \$212 billion, and today’s 2012-13 assessed value of Riverside County taxable real property is \$200 billion. Thus, total assessed value of real property has dropped \$47 billion in three years.

RCCD Service Area Property Values Trends

Table 3.4 and the graph below document service area annual assessed real property value (residential homes and commercial structures) for the recent four-year period.

- ✓ Contrary to County trends, nearly all service area cities saw the assessed value of their real property increase in 2012-13.
- ✓ Today’s value of real property for all service area cities remains lower than 2009-10 levels.

Local assessed values are increasing. The assessed value of taxable real property for all service area cities is lower today than 2009-10 levels. However, all service area cities, except Perris, have seen increases in the value of their real estate in 2012-13 compared to 2011-12. Increased assessed values of real property can be bittersweet. Increased property values can lead to increased equity and help many homeowners who now have mortgages with balances higher than the value of their homes. On the other hand, increased assessed values means the payment of more property taxes for the property owners. Because of the important role that property taxes play in California revenue to support public education, a trend toward increasing property values is a positive sign, from a state budget viewpoint.

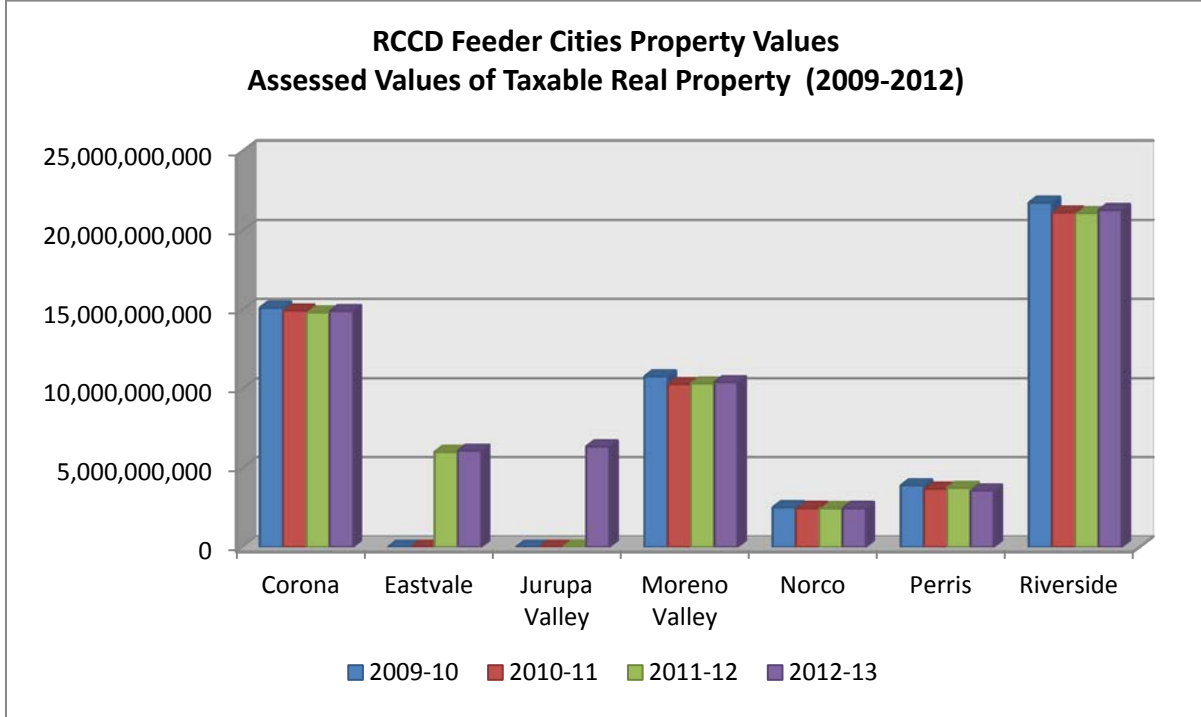


Table 3.4
Riverside Community College District
Assessed Values of Taxable Real Property (2012 – 2009) of Feeder Cities

↑ = Trending Higher In Recent 2 Years

↓ = Trending Lower In Recent 2 Years

<i>Feeder Cities</i>		<i>2012-13</i>	<i>2011-12</i>	<i>2010-11</i>	<i>2009-10</i>
Corona	↑	\$ 14,893,837,585	\$ 14,817,497,775	14,928,151,020	15,114,420,610
Eastvale	↑	6,085,172,507	6,008,901,632	*	*
Jurupa Valley		6,344,454,460	*	*	*
Moreno Valley	↑	10,398,541,103	10,326,588,963	10,290,228,751	10,779,489,393
Norco	↑	2,456,948,327	2,450,251,266	2,454,215,840	2,503,656,576
Perris	↓	3,562,852,620	3,735,648,646	3,675,020,728	3,888,973,818
Riverside	↑	21,279,626,701	21,092,156,045	21,129,279,080	21,751,426,858

*Eastvale was incorporated in 2010 and Jurupa Valley in 2011; thus, no data exist for these prior reporting periods.
Auditor Controller Office, County of Riverside. Property Valuation Reports. Annual Preliminary District Valuation Assessor Net Reports, FY 2012-13 back to 2009-10. http://www.auditorcontroller.org/opencms/about_us/division/Proptax/Valuations.html.

Riverside County Residential Housing Sales and Price Trends

Table 3.5 displays the annual number of homes sold and average selling price since April 2006 in Riverside County.

- ✓ Home prices are trying to recover as April 2012 sales prices reached \$200,000 compared to \$190,000 the prior year.
- ✓ Home prices reached their lowest level in April 2009 when the average home sold for \$180,000.
- ✓ Home selling prices today (\$200,000) are still less than one-half of their high in 2007 (\$409,000).

Housing prices take a dramatic hit. In April 2006, the average home that closed escrow in Riverside County sold for \$413,000. By April 2009, the average price of a sold home dropped to \$180,000. In April 2010, the price of sold homes had a brief run-up to \$195,000 countywide, but the average sold price dropped again in 2011 to \$190,000.

Table 3.5
Riverside County Housing Sales Activity (2006 – 2012)
Number of Homes Sold and Average Price, April Benchmark

<i>Year</i>	<i>Number Homes Sold/ Average Price</i>	<i>% Change from Prior Period</i>
April, 2012	3,455	- 0.04%
	\$200,000	+ 4.17%
April, 2011	3,470	- 13.7%
	\$190,000	- 5.0%
April, 2010	4,117	- 7.9%
	\$195,000	+ 8.3%
April, 2009	4,469	+ 40.3%
	\$180,000	- 39.0%
April, 2008	3,186	+ 6.7%
	\$295,000	- 27.9%
April, 2007	2,987	- 45.1%
	\$409,000	- 1.0%
April, 2006	5,444	- 12.5%
	\$413,000	+ 9.4%

Source: Data Quick Archived Articles. www.dqnews.com

A housing market trying to recover. In April 2009, the average price of a sold home was \$180,000. The following year, the market showed signs of recovery as the price for a sold home increased to an average \$195,000. This represented an 8.3% increase over the prior year. In 2011, overall values lost 5% of that prior year gain as the typical home sold for \$190,000. April 2012 data indicate that the housing market is making another run at recovering value as the average price of a sold home climbed to \$200,000, for an increase of 4.2%.

RCCD Service Area Recent Homes Sales and Price Activity

- ✓ In general, home sales prices in service area cities continued to fall in 2010 and 2011.
- ✓ Norco was the one bright spot with home sales prices increasing 2.7% to \$340,000.
- ✓ Recent County-level data indicate increased home sales prices for first half of 2012.

Table 3.6 provides a two-year comparison of recent home sales for the cities in RCCD’s service area. The data were reported by DataQuick, a leading real estate industry tracking and reporting firm.

Mixed local housing market. Comparing 2011 home sales prices to 2010 prices, the cities in the RCCD service area report mixed trends. Corona saw 2010 home selling prices drop 5% in 2011 to \$315,000. This price is still significantly higher than the County average of \$195,000 for 2011. Norco saw selling prices actually increase during this time period from \$331,000 to \$340,000 in 2011, an increase of 2.7%. Riverside saw the sale of nearly 4,800 homes April 2010 to April 2011 with an average selling price of \$190,000, essentially the same as the prior year’s \$191,000 typical selling price.

Recent positive signs. DataQuick has reported stronger home sales in Riverside County for the first six months of 2012, with median sales prices climbing to \$201,500. This represents a 10% increase over the same time period the prior year, at the county level. Future DataQuick annual reports will present sales figures at the city level and researchers will be able to identify if this growth trend has extended to service area cities.

Table 3.6
Riverside Community College District
Recent Annual Home Sales and Price of Feeder Communities

<i>City/Community</i>	<i># Sold</i>	<i>April 2011 Price</i>	<i>April 2010 Price</i>	<i>Price Change %</i>
Corona	3,832	\$315,000	\$330,000	-4.55%
Mira Loma	428	\$260,000	\$304,000	-14.47%
Moreno Valley	2,969	\$152,000	\$155,000	-1.94%
Norco	298	\$340,000	\$331,000	2.72%
Perris	1,512	\$150,000	\$160,000	-6.25%
Riverside	4,795	\$190,000	\$191,000	-0.52%
Riverside County	40,321	\$195,000	\$200,000	-2.50%

These figures represent data for all single family homes and condos in 2011 and 2010.
Source: <http://dqnews.com/Charts/Annual-Charts/CA-City-Charts/ZIPCAR11.aspx>

Riverside Region Housing Building Permit Trends

- ✓ Last year, the entire Inland Empire region issued 4,736 housing building permits.
- ✓ This represents a drop of over 90% compared to the 51,463 issued in 2004.

Table 3.7 features the total annual residential building permits (single and multi-unit developments) reported, by year since 2003, for the Riverside-San Bernardino-Ontario MSA. This essentially represents the large area known as the Inland Empire.

The importance of strong building permit activity. Residential building permits are an important measure of a region’s economic vitality. More permits translate to a growing population base, a vibrant construction industry, busy real estate and financial services sectors, more consumer spending, increasing property values, increased property tax revenues, and a host of other indices.

Tremendous growth and a rapid crash. During the middle years of the 2000 decade, the Inland Empire was a hotbed of new housing starts for California. By 2004 and 2005, cities in the Riverside-San Bernardino counties region were issuing annually a combined 50,000+ housing building permits, with a strong mix of single family and multi-family (townhomes, condos, duplexes, etc.) developments. By 2006, there were beginning signs of a leveling-off in demand (and affordability) and that year saw the number of issued house building permits drop to 38,000. That was just the beginning salvo. One year later, in 2007, only 20,000 residential building permits were issued. In 2008, there was a precipitous drop of over 55%, with only 8,900 permits issued. And, for last year, 2011, the entire Inland Empire, comprised of nearly 4.5 million residents, and dozens of cities, issued 4,736 housing building permits, an over 90% drop in the number of issued residential building permits compared to 2004’s total of 51,463.

Table 3.7
Riverside Region Housing Building Permits
Riverside-San Bernardino-Ontario MSA (2011-2003)

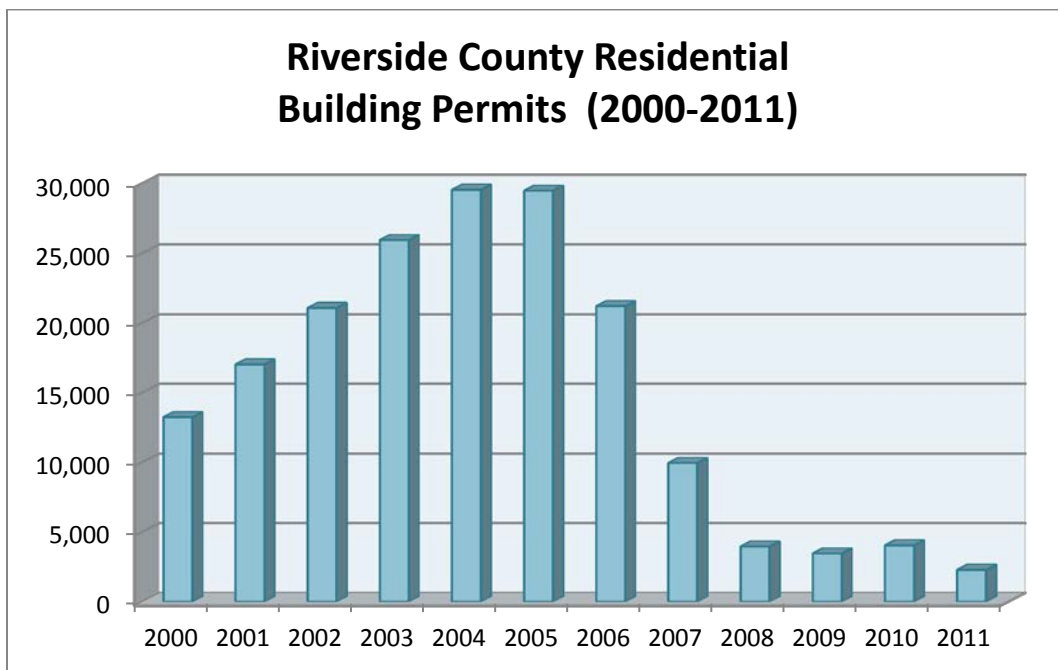
<i>Year (Annual Data)</i>	<i>Total Building Permits</i>
2011	4,736
2010	6,336
2009	6,335
2008	8,946
2007	20,086
2006	38,089
2005	51,008
2004	51,463
2003	42,252

These data are for residential housing permits and include single family and multi-family units. Building Permits Survey. U.S. Census Bureau. www.census.gov/construction/bps/msaannual.html. Prior to 2003, Riverside was not included in a regional MSA, thus data are not available.

Riverside County Housing Building Permit Trends

- ✓ Last year, for 2011, Riverside County entities issued only 2,291 housing building permits.
- ✓ This amount represents a 92% drop compared to the nearly 30,000 issued in 2004.
- ✓ For 2011, the cost of construction of issued permits was \$645 million, down from the \$6.1 billion construction costs in 2005.
- ✓ Forecasters say that it will take years for the market to return to earlier levels.

To compare with Inland Empire building permit data, Table 3.8 and the graph below features the housing building permit activity of just Riverside County, on an annual basis, since 2000.



A story similar to the inland empire region. From 2000 to 2004, there was a steady increase in the number of residential building permits issued throughout Riverside County. In 2000, some 13,238 permits were issued, with construction costs pegged at \$2.5 billion. In 2004, there were 29,557 housing building permits issued with construction costs exceeding \$5.7 billion. There were 29,487 building permits issued in 2005, with construction costs topping out at over \$6.1 billion. Then the County housing construction sector began to soften and in a very dramatic way. Two years later, by 2007, the number of residential building permits had declined to 9,957. The number of County home building permits continued a downward spiral, except for a brief spurt in 2010 of 600 more permits than the prior year. As of last year, 2011, a total 2,291 residential building permits were issued in all of Riverside County, down from the 2004 heyday of nearly 30,000 permits issued. And, in 2011, the value of this housing construction was down to \$645 million, a dramatic slide from the \$6.1 billion pegged for housing construction in 2005.

Table 3.8
Riverside County Residential Building Permits (2000-2011)
Annual Totals of Single and Multi-Family Housing Construction Permits

 = Declining Permit Activity since 2006

 = Increasing Permit Activity prior to 2006

<i>Year (Annual)</i>	<i>Total Building Permits</i>	<i>\$ Cost of Construction</i>
2011	2,291	\$ 645,426,764
2010	4,047	\$ 942,799,252
2009	3,457	\$ 946,271,483
2008	3,961	\$ 1,435,763,810
2007	9,957	\$ 2,406,837,579
2006	21,205	\$ 4,703,343,965
2005	29,487	\$ 6,107,719,011
2004	29,557	\$ 5,778,512,609
2003	25,942	\$ 4,886,165,597
2002	21,074	\$ 3,719,770,548
2001	17,025	\$ 3,160,383,313
2000	13,238	\$ 2,553,687,364

U.S. Census Bureau. www.census.gov. Separate annual reports for period 2000 through 2011 and titled "Building Permits: Annual New Privately-Owned Residential Building Permits, Riverside County, California (065)."

While upcoming tables 3.9 and 3.10 describe forecasted growth for the County's housing sector, it will take a long timeline for future measured growth in the construction sector to once again enjoy the halcyon days of the early 2000s in Riverside County.

California Economic Forecasts

- ✓ Non-farm and overall employment projected to grow 1.3% - 2.5% for next 3 years.
- ✓ Unemployment will remain relatively high through 2013 and drop to 9% beginning 2015.
- ✓ Personal income is predicted to grow 4% - 5% annually this year and through 2016.
- ✓ The Governor forecasts strong sales tax growth for the next 5 years, between: 4% - 8% yearly.
- ✓ Housing building permits are forecast for strong annual growth: 13% initially to 53% in 2013.
- ✓ Most forecasters point to a slowly recovering California economy beginning late 2012.

Table 3.9 begins a series of tables that provide consolidated economic forecasts and projections from various sources. Numerous agencies, think tanks, economists, business research bureaus, and university departments have offered recent projections and forecasts regarding our future economy. In the following table, we examine what these statistical pundits forecast for California as a state. In Table 3.10 that follows, we present forecasts for Riverside County and the Inland Empire region. Some projections were only for the next one or two years and others were for several years into the future. Some of the sources cited include the Los Angeles Economic Development Corporation’s Kyser Center, California’s Office of the Governor, California’s Legislative Analyst’s Office, and UCLA Anderson School.

Table 3.9
Economic Forecasts and Projections: California

<i>Item</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
California					
<u>Non-farm employment/wage-salary growth</u>					
<i>LAEDC Kyser Center Economic Forecast</i>	1.5%	1.8%			
<i>CA Office of the Governor</i>	1.3%	1.8%	2.5%	1.7%	0.9%
<i>CA Legislative Analyst's Office</i>	1.3%	2.1%	2.2%	1.9%	1.6%
<u>Overall employment growth</u>	1.9%	1.8%	2.5%		
<i>UCLA Anderson Forecast 2012</i>					
<u>Unemployment rates</u>					
<i>LAEDC Kyser Center Economic Forecast</i>	11.1%	10.3%			
<i>UCLA Anderson Forecast 2012</i>	10.6%	9.7%	8.3%		
<i>CA Office of the Governor</i>	12.0%	11.7%	10.9%	9.9%	9.3%
<i>CA Legislative Analyst's Office</i>	11.8%	11.2%	10.3%	9.6%	9.0%
<u>Personal per capita income growth</u>	2.4%	2.9%			
<i>LAEDC Kyser Center Economic Forecast</i>					
<u>Personal income growth</u>					
<i>CA Office of the Governor</i>	3.8%	4.1%	5.4%	5.1%	4.6%
<i>CA Legislative Analyst's Office</i>	4.1%	4.5%	5.6%	5.5%	5.0%
<u>Taxable sales growth</u>	3.6%	6.5%	8.2%	6.6%	5.0%
<i>CA Office of the Governor</i>					
<u>Housing permits growth</u> <i>LAEDC</i>					
<i>Kyser Center Economic Forecast</i>	27.6%	25.0%			
<i>UCLA Anderson Forecast 2012</i>		40.0%			
<i>CA Office of the Governor</i>	12.5%	53.0%			
<i>Projected number of housing units</i>	52,200	79,900			
<i>CA Legislative Analyst's Office</i>					
<i>Projected number of housing units</i>	61,000	77,000	91,000	104,000	114,000
<u>Nonresidential building permits growth</u>	7.5%	9.3%			
<i>LAEDC Kyser Center Economic Forecast</i>					

Sources:

Los Angeles County Economic Development Corporation, Kyser Center 2012-13 Economic Forecast and Industry Outlook. http://laedc.org/reports/forecastreport_online.pdf. University of California, Los Angeles, UCLA Anderson Forecast 2012, media advisory. http://www.uclaforecast.com/contents/archive/2012/media_62012_1.asp. California Office of the Governor, Governor’s Budget Summary 2012-13. www.ebudget.ca.gov/pdf/budgetsummary/economicoutlook.pdf. California Legislative Analyst’s Office, The 2012-13 Budget: California’s Fiscal Outlook, 2011. http://www.lao.ca.gov/reports/2011/bud/fiscal_outlook/fiscal_outlook_2011.aspx

Future non-farm employment ↑. For this year, 2012, forecasters project 1.3% to 1.5% growth in non-farm employment. For 2013, employment is predicted to grow between 1.8% and 2.1%. In 2014, all forecasters predict stronger employment growth, in the 2.2% - 2.5% range. Growth in the 1% - 2% range is forecast through 2016. All forecasters project employment growth this and future years.

Overall employment ↑. The UCLA Anderson School forecast provided projections for “overall” employment growth and did not indicate farm versus non-farm employment. UCLA predicts a current year employment growth of 1.9%, a 2013 growth rate of 1.8%, and 2.5% in 2014.

Unemployment rates ↓. Virtually all forecasters predict double digit unemployment rates for California for 2012 and 2013. Two-in-three predict continued unemployment above 10% in 2014. Beginning in 2015, the consensus is that the rate will finally drop to the 9% range.

Personal income ↑. The California Legislative Analyst’s Office and the Office of the Governor, in independent and separate forecasts tend to agree that personal income will grow in the 4% range in 2012 and 2013 and then increase to the above 5% range 2014-16. LAEDC predicts per capita income growth will be in the 2.4% - 2.9% range for the next two years.

Taxable sales ↑. The Office of the Governor forecasts that 2012 sales tax will grow 3.6%. For 2013, the Office predicts 6.5% growth, and for 2014, the forecast predicts an 8.2% growth in sales tax revenue.

Housing permits ↑. Forecasters believe that the residential housing construction market is poised for an immediate rebound. For this year, 2012, the Office of the Governor projects a 12.5% increase in housing permits issued. LAEDC predicts an even higher current year growth rate of 27.6% increase in 2012 issued residential building permits. Next year, 2013 is seen as the strong “comeback” year for the State’s residential construction sector. For that year, LAEDC projects a 25% growth rate in building permits while UCLA forecasts a 40% increase and the Office of the Governor projects a 53% increase in home construction permits.

Non-residential building permits ↑. The commercial construction sector is also projected to experience increased activity. LAEDC predicts that non-residential building permits issued will grow 7.5% in 2012 and 9.3% in 2013.

Riverside County and the Inland Empire (I.E.) Economic Forecasts

- ✓ The County is predicted to have employment growth of 1.1% in 2012 and up to 3.3% in 2015.
- ✓ Unemployment rates should fall to single digits next year and level off to 7% - 7.5% by 2015.
- ✓ Residential and commercial building permits will grow to 6,000 this year and 12,300 in 2015.
- ✓ Inland Empire employment will grow over 1% this year and then 2% yearly through 2015.
- ✓ The transportation sector will experience 4% - 5% job growth annually for 3 years in the I.E.

Table 3.10 continues this forecast series with a focus on economic projections for Riverside County and the Inland Empire. In addition to forecasts from sources described for the earlier table, this compilation of localized forecasts additionally presents the predictions of CSU Fullerton, California Department of Transportation, and the CSU Long Beach Economics Department (CSULB).

Table 3.10
Economic Forecasts and Projections
Riverside County and the Inland Empire (Riverside and San Bernardino Counties)

<i>Item</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Riverside County					
<u>Payroll employment growth</u> <i>CSU Fullerton Riverside County Forecast</i>	1.1%	1.6%	2.7%	3.3%	
<u>Unemployment rates</u> <i>CSU Fullerton Riverside County Forecast</i> <i>CA Department of Transportation</i>	10.9% 11.5%	9.8% 9.8%	8.7% 8.4%	7.6% 6.9%	
<u>Commercial & non-commercial property ad valorem property tax growth</u> <i>CSU Fullerton Riverside County Forecast</i>	1.4%	4.1%	5.2%	5.5%	
<u>Building permits</u> (residential & commercial) <i>CSU Fullerton Riverside County Forecast</i>	6,000	9,300	10,000	12,300	
<u>Taxable sales growth</u> <i>CSU Fullerton Riverside County Forecast</i>	3.12%	4.63%	5.14%	6.52%	
<u>Personal per capita income growth</u> <i>CA Department of Transportation</i>	2.2%	2.8%	1.7%	1.4%	0.7%
Inland Empire					
<u>Non-farm employment growth</u> <i>CSULB 2012 Economic Outlook</i> <i>LAEDC Kyser Center Economic Forecast</i>	1+% 1.5%	2% 1.8%	2+%		
<u>Wholesale & transportation movement/activity and employment growth</u> <i>CSULB 2012 Economic Outlook</i> <i>LAEDC Kyser Center Economic Forecast</i>	5% Increase	4% Increase	4%		
<u>Personal per capita income growth</u> <i>LAEDC Kyser Center Economic Forecast</i>	2.6%	2.9%			

Sources:

CA Department of Transportation. www.dot.ca.gov/hq/tpp/offices/eab/socio_economic_files/2011/riverside.pdf

CSU Fullerton, County of Riverside Forecasts and Economic Outlook, 2010.
<http://rc-budget-labor.com/LinkClick.aspx?fileticket=9jPajIPC9I8%3D&tabid=2510>

Los Angeles County Economic Development Corporation, Kyser Center for Economic Research 2012-13 Economic Forecast.
http://laedc.org/reports/forecastreport_online.pdf

UCLA Anderson Forecast 2012, media advisory. http://www.uclaforecast.com/contents/archive/2012/media_62012_1.asp

California State University, Long Beach, Regional Economic Forecast Project 2012.
<http://www.csulb.edu/colleges/cla/departments/economics/regional-economics-forecast-project/>

Overall employment ↑. CSU Fullerton, in a comprehensive economic forecast commissioned by Riverside County, predicts an ever-increasing rate of employment growth beginning with a 1.1% growth rate in 2012. For 2013, the projected growth rate is 1.6%. By 2015, the employment growth rate is projected to be 3.3% annually.

Unemployment rates ↓. CSU Fullerton and the California Department of Transportation forecast 2012 unemployment rates still in double digits, between 11% - 11.5%. In 2013, County unemployment rates are predicted to drop below 10% and then continue to drop until they reach 2015 levels of 7% - 7.5%.

Building permits ↑. CSU Fullerton forecasts that combined residential and non-residential/commercial construction permits issued will grow to 6,000 this year (2012) and then grow to 9,300 issued in 2013 and 10,000 issued in 2014. In 2015, CSU Fullerton predicts 12,300 building permits will be issued.

Personal income ↑. The Department of Transportation forecasts that personal (per capita) income will grow 2.2% this year, 2.8% in 2013, and then gradually decline to 0.7% in 2016.

Inland Empire employment ↑. Both LAEDC and CSULB predict 1% - 1.5% employment growth in 2012 for the Inland Empire. The growth rate will increase to approximately 2% in 2013 and 2014.

Inland Empire wholesale/transportation movement employment ↑. LAEDC and CSULB predict substantive increases in employment for the industry cluster that includes wholesale trade, transportation, movement of goods, and related activities. CSULB forecasts a 5% growth in employment for this industry cluster in 2012, and 4% growth in 2013 and 2014. The LAEDC predicts "growth."

Economic Data: Conclusions

California, the Inland Empire, Riverside County, and the communities that comprise RCCD's service area have felt the negative effects of the recent economic downturn. Yet, while there is considerable downside, there are signs of a modest, but important, turnaround across several key economic indicators, for the State, the region, Riverside County, and the RCCD service area.

Taxable sales in Riverside County declined over \$7.6 billion during the last half of decade 2000. Since 2010, sales tax revenue has been on the upswing. Sales tax revenue for each city in the RCCD service area has shown similar measured growth since 2010. While Riverside County assessed property values have declined in each of the last three years, the assessed values of real property in nearly all RCCD service area cities increased in 2012-13.

The housing market continues to exhibit mixed measures and messages but there is some positive news when one compares the average selling prices (higher) of homes in Corona, Mira Loma, and Norco with County sales price averages. Residential building permits at the regional and county level have been in freefall for the past five years or more, yet every reputable forecaster projects greatly increased home and commercial building permit activity beginning in 2012 and continuing through 2016.

Finally, various forecasters independently arrived at similar conclusions that Riverside County, in this year, will start to benefit from positive growth in employment, personal income, sales tax revenue, an accelerated and growing construction industry building many more homes and commercial structures, and, finally, a reduction to single digits by 2013-14 for a stubborn unemployment rate for the County.

Certainly, residents, business owners, and public sector leaders hope that these forecasts prove to be correct and on target.



4 Education Characteristics & Trends: *Yesterday - Today - Tomorrow*

Introduction

In this section, we examine Riverside County and RCCD service area education trends, from educational attainment levels among adults to trends of graduates from local school districts choosing RCCD colleges and enrolling as first-time freshmen for the past decade.

Riverside County Educational Attainment Trends

- ✓ More of the adult population is completing at least a high school diploma, compared to 2000.
- ✓ One-in-five adults have at least a bachelor's degree or higher, an increase over 2000 levels.
- ✓ Nearly 100,000 adults have an associate's degree as their top degree.
- ✓ Nearly 320,000 adults attended but did not complete college; they represent a strategic target.

Table 4.1 and the following chart provide data on the population 25+ years old regarding actual number of those with no high school diploma, some college, associate's degree, bachelor's degree, and graduate degree in 2000, 2005, and 2010, with percentage changes over previous reporting periods.

Overall trends. The size of the County's population base 25 years or older has increased from 936,024 in 2000 to 1,284,414 in 2010. This represents a growth increase in this age group of 37%. In the past decade (2000-10), the percentage of adult residents without at least a high school diploma has decreased while the percentages of those pursuing and being awarded college degrees has increased.

Less-than-high school completion. The percentage of County adults who went to grade school but did not earn a high school diploma or equivalent declined, from 25.1% in 2000 to 20.8% in 2010.

High school diploma and beyond. The past decade has seen a persistent increase in the number of adult residents who earned at least a high school diploma or higher. In 2000, this percentage stood at 75%. In 2010, some 79.2% of the County’s adult population had at least a high school diploma.

Some college. In 2000, 26.8% of adults had attended some college but not obtained a degree. In 2010, this percentage fell to 24.9%, primarily because more adults stayed in college and earned a degree.

College: associate’s degree. In 2000, 6.9% of adult residents went to community college to just earn an associate’s degree. In 2010, 7.6% had earned a two-year college degree.

College: bachelor’s degree or higher. In 2010, 20.5% of the adult population had earned at least a bachelor’s degree. In 2000, this figure was only 16.6%.

The County’s adult population is becoming more educated, attaining higher levels of education, and earning more college degrees. Almost 320,000 had earned some college units but had not obtained a degree. This population cohort could represent a strategic target for area colleges.

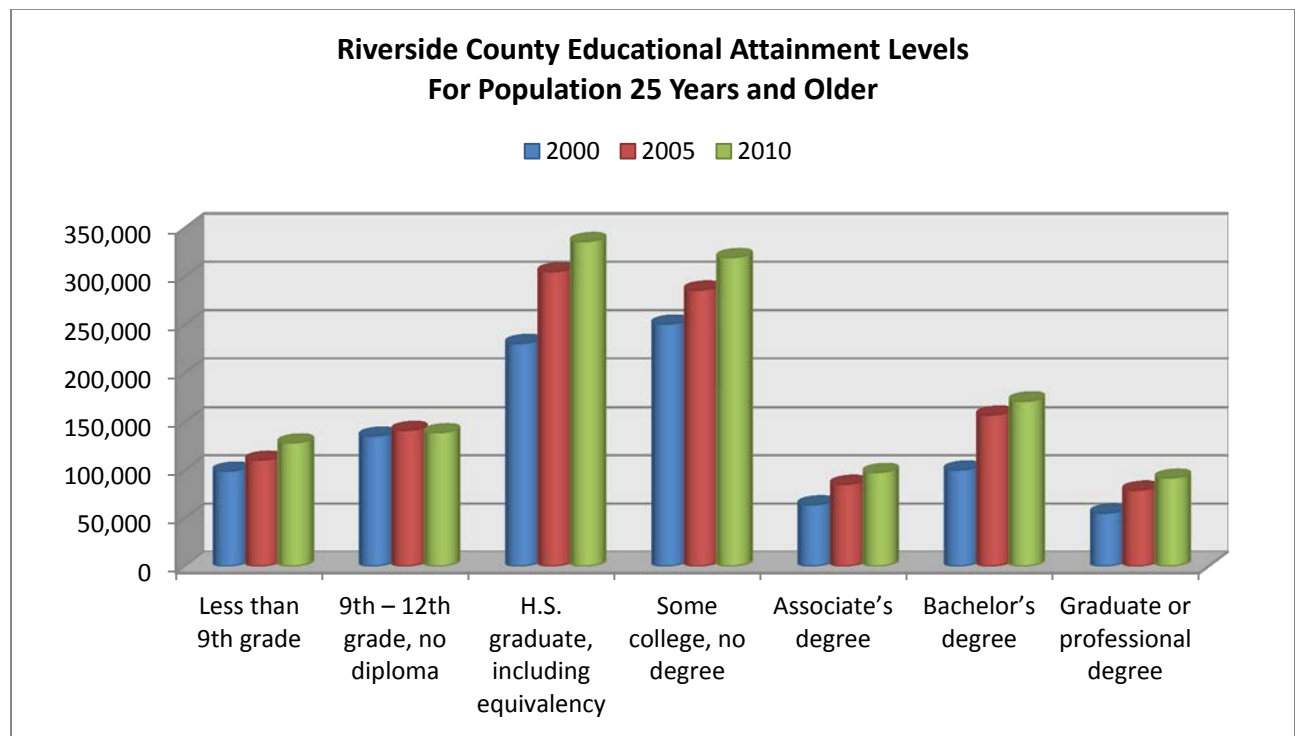


Table 4.1
Riverside County Educational Attainment Levels
For Population 25 Years and Older

<i>Educational Attainment Level</i>	<i>2000</i>		<i>2005</i>		<i>2010</i>	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
Population 25 years and over	936,024	--	1,165,193	--	1,284,414	--
Less than 9 th grade	99,024	10.6%	110,424	9.5%	128,313	↓10.0%
9 th – 12 th grade, no diploma	135,449	14.5%	141,384	12.1%	138,991	↓10.8%
H.S. graduate, incl. equivalency	230,867	24.7%	305,138	26.2%	336,404	↑26.2%
Some college, no degree	250,890	26.8%	286,197	24.6%	319,809	↓24.9%
Associate's degree	64,118	6.9%	85,386	7.3%	97,661	↑7.6%
Bachelor's degree	100,221	10.7%	157,280	13.5%	171,390	↑13.3%
Graduate or professional degree	55,455	5.9%	79,384	6.8%	91,846	↑7.2%
% H.S. graduate or higher	701,551	75.0%	913,385	78.4%	1,017,110	↑79.2%
% Bachelor's degree or higher	155,676	16.6%	236,664	20.3%	263,236	↑20.5%

2010 data are from U.S. Census Bureau, DP02 Report. 2005 data are from U.S. Census Bureau 2005 American Community Report "Selected Characteristics in the United States." 2000 data are from U.S. Census Bureau 2000 American Community Report "Selected Characteristics in the United States." <http://factfinder2.census.gov>.

RCCD Feeder Schools Enrollments, Language Proficiency, and Ethnicity Trends

- ✓ In 2010-11, area feeder school districts enrolled over 185,000 students.
- ✓ In a typical year, the six districts enroll over 55,000 high school students; this number is growing.
- ✓ K-12 English learner students comprise from 12% to nearly 45% of some district schools.
- ✓ Combined, the districts feature an ethnically-diverse student body, primarily Hispanic and Black.
- ✓ The six districts, in general continue to grow and this growth can fuel RCCD growth, too.

Table 4.2 documents school enrollment totals, percentage of English learners, and student ethnicity for RCCD service area feeder school districts.

Feeder school districts. There are six key school districts within RCCD's service area: Alvord Unified, Corona-Norco Unified, Jurupa Unified, Moreno Valley Unified, Riverside Unified, and Val Verde Unified. For the 2010-11 academic year, the combined high school enrollment of these school districts was 56,265 students. Middle school students totaled 35,410. Some 94,161 elementary school students were attending school in the service area. Overall, these districts reported 185,836 students.

Largest high school enrollments. Corona-Norco Unified has the largest number of high school students. In 2010-11, the district counted 15,362 high school students, up from 13,627 enrolled during the 2006-07 period, five years earlier. Corona-Norco is the largest school district in the County and is the 10th largest school district in California. Riverside Unified has the next largest enrollment. In 2010-11, the district had 12,935 high school students. Riverside is the second largest school district in Riverside County and the 15th largest in California. Moreno Valley Unified is the third largest district in the County and the 21st largest district in California. For 2010-11, the district enrolled 10,793 high school students.

English learner population. This population was formerly referred to as Limited English Proficient and represents students who have a native language other than English. They require additional services to make them sufficiently English proficient to succeed in school. Over 40% of Alvord's students are English learners. In the Jurupa school district, the figure is around 35%. For Moreno Valley Unified, English learners represent 25%+ of the student body, the same percentages as for Val Verde Unified.

Ethnicity. Feeder school districts are very ethnically diverse and this diversity is a testament for the region and County's ability to welcome new residents from all walks of life and corners of the world. Corona-Norco features the largest percentage of Asian students (nearly 7%), with a 50% Hispanic student body and just over 6% identified as Black. Jurupa Unified has a predominantly Hispanic student body, with over 80% Hispanic, followed by Black students comprising almost 3% of enrollment. Val Verde Unified has a diverse student body, with Hispanics representing 72% and Blacks representing nearly 15% of enrolled students. Similarly, the Moreno Valley Unified student body is around 18% Black and 65% Hispanic.

Overall, RCCD benefits from a generally stable and growing service area high school student body. That student body is ethnically diverse (with some school districts comprised of 90% to 95% ethnic minorities) and a substantial percentage of those students are in programs to help them improve English skills. These demographic characteristics can influence outreach, communication, and service delivery strategies.

Table 4.2
Riverside Community College District
Feeder School Enrollments, Language Proficiency, and Ethnicity

<i>Unified School District</i>	<i>Elementary School Enroll. #</i>	<i>Middle School Enroll. #</i>	<i>High School Enroll. #</i>	<i>English Learner</i>	<i>American Indian</i>	<i>Asian</i>	<i>Hispanic</i>	<i>Black</i>	<i>White</i>
Alvord									
2010-11	9,264	4,640	5,668	42.8%	0.3%	3.3%	76.6%	4.0%	12.4%
2009-10	9,513	4,617	5,548	44.7	0.3	3.3	76.2	4.2	12.8
2008-09	9,489	4,632	5,603	44.8	0.3	3.2	72.2	4.9	14.4
2007-08	9,326	4,702	5,590	45.0	0.4	3.3	71.8	4.4	15.4
2006-07	9,271	4,807	5,560	44.0	0.4	3.3	70.8	4.9	16.5
Cor.-Norco									
2010-11	27,228	8,441	15,362	12.8	0.3%	6.8%	50.3%	6.3%	31.0%
2009-10	27,173	8,373	14,865	2.4	0.3	6.3	48.9	6.0	31.1
2008-09	26,703	8,372	15,115	15.2	0.3	5.8	48.5	5.9	31.7
2007-08	26,549	8,350	14,519	16.8	0.3	5.5	48.7	5.9	33.1
2006-07	26,116	8,056	13,627	16.7	0.3	5.4	48.5	5.8	35.1
Jurupa									
2010-11	10,630	3,076	6,002	35.3	0.2%	1.0%	80.8%	2.7%	13.9%
2009-10	10,769	3,125	6,106	35.5	0.2	1.1	78.9	2.8	15.5
2008-09	10,745	3,173	6,146	34.8	0.3	1.1	76.6	3.1	16.8
2007-08	10,924	3,293	6,037	35.9	0.3	1.2	75.6	3.2	17.6
2006-07	10,932	3,370	5,916	36.6	0.3	1.2	74.6	3.3	19.0
Mo. Valley									
2010-11	16,541	8,308	10,793	n/a*	0.4%	2.2%	64.6%	18.0%	10.8%
2009-10	16,698	8,379	10,495	26.4	0.4	2.2	63.2	18.6	11.7
2008-09	16,043	8,429	10,452	28.2	0.5	2.3	61.4	19.2	12.4
2007-08	16,635	8,735	10,505	29.4	0.5	2.2	61.0	19.7	13.0
2006-07	16,823	8,849	10,361	30.7	0.5	2.3	59.3	19.7	14.5
Riverside									
2010-11	21,438	6,469	12,935	16.7	0.5%	3.2%	56.4%	8.3%	27.5%
2009-10	21,405	6,622	12,809	20.1	0.4	3.2	55.4	8.5	28.6
2008-09	21,819	6,589	13,028	18.7	0.6	3.3	53.6	9.2	30.4
2007-08	22,114	6,693	12,945	19.7	0.5	3.4	53.4	9.1	31.1
2006-07	22,168	6,809	12,915	18.5	0.5	3.4	52.2	9.2	32.8
Val Verde									
2010-11	9,060	4,476	5,505	25.2	0.2%	1.8%	72.1%	14.8%	5.9%
2009-10	9,019	4,487	5,409	26.4	0.2	1.7	71.7	15.1	6.4
2008-09	8,855	4,512	5,015	24.9	0.1	1.7	69.1	16.5	7.1
2007-08	8,929	4,735	5,072	26.3	0.2	1.6	68.3	17.1	7.8
2006-07	8,871	4,610	4,639	27.4	0.2	1.6	67.9	17.1	8.7

*The California K-12 data base does not report 2010-11 English learner data for Moreno Valley Unified School District. Source: Ed-Data: California's K-12 Schools Data Base. <http://www.ed-data.k12.ca.us/Pages/Home.aspx>.

RCCD Feeder Schools Graduation and Dropout Trends

- ✓ Corona-Norco and Riverside school districts continue to generate graduation rates higher than County or State rates and dropout rates lower than countywide or statewide rates.
- ✓ For the 2009-11 reporting period, over one-half of RCCD's feeder school districts reported dropout rates higher than the State average.
- ✓ For 2010-11, one-half of feeder school districts had graduation rates below the County rate.
- ✓ Moreno Valley and Jurupa school districts have been particularly challenged in recent years in meeting County and State graduation and dropout threshold rates.

Table 4.3 presents four years of graduation data and dropout data for the most recent two reporting periods. As discussed in the notes for this table, 2007-09 data come from the California Department of Education's Dataquest database. Data for the period 2009-11 were derived from Ed-Data, the state database cooperative for K-12 district data. Each of these two databases are generally similar, but because of changes in definitions for dropouts and graduates, as well as new tracking systems in place since 2009, the data are not fully compatible across years. They, nonetheless, provide general trend information.

Table 4.3
Riverside Community College District
Feeder School District Graduation and Dropout Rates (2009 – 2011)

Feeder District	2007-08*	2008-09*	2009-10**		2010-11**	
	Grad. %	Grad. %	Grad. %	Drop. %	Grad. %	Drop. %
Alvord Unified	84.4%	82.6%	77.1%	<u>15.2%</u>	76.6%	<u>14.9%</u>
Corona-Norco Unified	93.7%	91.8%	87.3%	7.4%	87.1%	7.4%
Jurupa Unified	74.3%	79.3%	77.7%	<u>16.5%</u>	79.5%	<u>13.1%</u>
Moreno Valley Unified	64.9%	67.6%	65.8%	<u>21.9%</u>	68.6%	<u>19.7%</u>
Riverside Unified	86.2%	83.1%	81.7%	9.9%	80.5%	11.2%
Val Verde Unified	74.9%	77.5%	78.1%	<u>16.7%</u>	82.1%	<u>12.7%</u>
Riverside County	80.5%	80.0%	77.7%	15.1%	80.7%	12.4%
California	80.2%	78.6%	74.8%	16.6%	76.3%	14.4%

*Note: Data for 2007-08 and 2008-09 come from the Data Quest Database, California Department of Education. www.dq.cde.ca.gov/dataquest. For these two reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these two years (2007-09) are included for reference only and the reader is cautioned to not consider 2007-09 data directly comparable to 2009-11 data.

**Note: 2009-10 and 2010-11 data come from Ed-Data, the state database cooperative. Graduation and dropout rates for these two reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>

2007-09 comparative graduation rates. For 2007-08 and 2008-09, the CA Department of Education (using its definitions and databases) calculated Riverside County's high school graduation rates to be 80.5% and 80%, or slightly higher than California graduation rates of 80.2% and 78.6%. One-half of the

service area's feeder schools had graduation rates below County averages in 2007-08 and 2008-09. For both years, the districts were Jurupa, Moreno Valley, and Val Verde. In this database, Corona-Norco reported the highest graduation rates, 93.7% and 91.8%.

2009-11 comparative graduation rates. For 2009-11, new definitions and better student tracking systems (across schools and educational segments) were in place. For these two years, data were derived from Ed-Data, the statewide educational data cooperative, and rely primarily on district-submitted reports. In 2009-10, the County's high school graduation rate was 77.7%, compared to California's rate of 74.8%. For this year, Moreno Valley Unified had graduation rates (65.8%) below the County or the State. Alvord barely missed County graduation levels, with a 77.1% vs. 77.7% rate. For 2010-11, Ed-Data reported that three service area feeder school districts had high school graduation rates less than the rate for Riverside County. Those districts were Moreno Valley, Jurupa, and Alvord.

2009-11 dropout rates. For both 2009-10 and 2010-11, the majority of feeder school districts reported dropout rates higher than the County rate. Only Corona-Norco and Riverside school districts had dropout rates below County and State levels. For both years, Corona-Norco reported a dropout rate of 7.4%, one-half the State dropout rates reported for each of these two years.

On the whole, these data suggest potential opportunities to partner, or expand existing partnerships, with key feeder school district high schools to identify resources and strategies that promote graduation rates and reduce dropout rates.

Feeder School Student Academic Preparation for College

Subject matter proficiency, SAT scores, taking college prep courses, and graduation rates among school district student bodies can serve as important indicators as RCCD leaders strategically consider student access, enrollment, and support needs.

Over the next few pages, each feeder school district is individually profiled according to several academic preparation and success indices. A five-year look is provided for such measures as student proficiency levels regarding core academic subjects such as English-language arts, mathematics, science, and history. The percentage of district seniors tested for the SAT and the results of those tests are indicated. As this scan was prepared, 2010-11 SAT results by school districts had not yet been released. The percentage of district high school graduates who completed UC/CSU required courses is highlighted, as well as that district's high school graduation rates for the five most recent reporting periods.

These school district-specific profiles are designed to facilitate reviews by District and college leadership who may have interest in the academic preparation trends of specific school districts proximate to their campus.

ALVORD Unified School District Trends

- ✓ For the 2010-11 year, Alvord Unified achieved a 76.6% high school graduation rate.
- ✓ Some 30% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, one-in-four students, or 25%, took the SAT test.
- ✓ Total average SAT score was 1,395, up from prior years but below County and State levels.

Table 4.4
Alvord Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	48%	44%	42%	34%	32%
Mathematics (Grades 2-7 + end-of-course)	45	42	40	35	31
Science (Grades 5, 8, 10)	50	46	40	36	28
History (Grades 8, 11 + end-of-course)	46	39	36	27	25
H.S. graduation rate*	76.6%	77.1%	82.6%	84.4%	94.6%
H.S. graduates with UC/CSU required courses/sequences:					
Alvord Unified	30.4%	28.7%	25.9%	20.5%	21.8%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	25%	37%	37%	42%
Average critical reading score	n/a	460	457	453	457
Average mathematics score	n/a	475	466	462	471
Average writing score	n/a	460	453	454	453
Total average score (2400 possible)	n/a	1,395	1,376	1,369	1,381
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average	n/a	1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dg.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dg.cde.ca.gov/dataquest.

CORONA-NORCO Unified School District Trends

- ✓ For the 2010-11 year, Corona-Norco Unified achieved an 87.1% high school graduation rate.
- ✓ Some 45% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, 41% took the SAT test.
- ✓ Total average SAT score was 1,462, up from prior years, above County and below State levels.

Table 4.5
Corona-Norco Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	62%	60%	57%	51%	48%
Mathematics (Grades 2-7 + end-of-course)	51	48	46	43	42
Science (Grades 5, 8, 10)	65	59	54	49	41
History (Grades 8, 11 + end-of-course)	54	49	44	37	33
H.S. graduation rate*	87.1%	87.3%	91.8%	93.7%	90.2%
H.S. graduates with UC/CSU required courses/sequences:					
Corona-Norco Unified	45.0%	47.4%	38.9%	40.5%	22.9%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	41%	35%	35%	35%
Average critical reading score	n/a	486	478	476	472
Average mathematics score	n/a	497	486	495	486
Average writing score	n/a	479	472	469	471
Total average score (2400 possible)	n/a	1,462	1,436	1,440	1,429
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average	n/a	1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dg.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dg.cde.ca.gov/dataquest.

JURUPA Unified School District Trends

- ✓ For the 2010-11 year, Jurupa Unified achieved a 79.5% high school graduation rate.
- ✓ Some 29% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, one-in-five, or 20%, took the SAT test.
- ✓ Total average SAT score was 1,339, down from prior 2 years, and below County and State levels.

Table 4.6
Jurupa Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	44%	43%	40%	36%	33%
Mathematics (Grades 2-7 + end-of-course)	44	41	39	36	34
Science (Grades 5, 8, 10)	48	46	40	34	28
History (Grades 8, 11 + end-of-course)	37	36	31	26	25
H.S. graduation rate*	79.5%	77.7%	79.3%	74.3%	73.1%
H.S. graduates with UC/CSU required courses/sequences:					
Jurupa Unified	29.1%	29.3%	30.4%	26.5%	29.5%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	20%	22%	22%	24%
Average critical reading score	n/a	443	451	451	442
Average mathematics score	n/a	460	459	462	454
Average writing score	n/a	436	446	441	433
Total average score (2400 possible)	n/a	1,339	1,356	1,354	1,329
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average		1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dg.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dg.cde.ca.gov/dataquest.

MORENO VALLEY Unified School District Trends

- ✓ For the 2010-11 year, Moreno Valley Unified achieved a 68.6% high school graduation rate.
- ✓ Some 25% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, one-in-five, or 19%, took the SAT test.
- ✓ Total average SAT score was 1,352, up from prior years, and below County and State levels.

Table 4.7
Moreno Valley Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	43%	40%	38%	32%	30%
Mathematics (Grades 2-7 + end-of-course)	38	33	32	31	27
Science (Grades 5, 8, 10)	43	37	33	29	22
History (Grades 8, 11 + end-of-course)	35	28	26	19	16
H.S. graduation rate*	68.6%	65.8%	67.6%	64.9%	63.1%
H.S. graduates with UC/CSU required courses/sequences:					
Moreno Valley Unified	25.0%	22.2%	24.7%	26.6%	21.7%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	19%	23%	23%	23%
Average critical reading score	n/a	453	450	447	444
Average mathematics score	n/a	453	451	448	455
Average writing score	n/a	446	445	441	444
Total average score (2400 possible)	n/a	1,352	1,346	1,336	1,343
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average	n/a	1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dq.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dq.cde.ca.gov/dataquest.

RIVERSIDE Unified School District Trends

- ✓ For the 2010-11 year, Riverside Unified achieved an 80.5% high school graduation rate.
- ✓ Some 31% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, one-in-three, or 35%, took the SAT test.
- ✓ Total average SAT score was 1,470, up from prior years, above County and below State levels.

Table 4.8
Riverside Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	55%	54%	49%	45%	42%
Mathematics (Grades 2-7 + end-of-course)	49	46	43	39	38
Science (Grades 5, 8, 10)	57	54	49	46	37
History (Grades 8, 11 + end-of-course)	51	47	43	37	33
H.S. graduation rate*	80.5%	81.7%	83.1%	86.2%	89.5%
H.S. graduates with UC/CSU required courses/sequences:					
Riverside Unified	31.3%	36.2%	35.1%	38.7%	34.5%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	35%	39%	40%	42%
Average critical reading score	n/a	484	478	476	471
Average mathematics score	n/a	498	495	493	483
Average writing score	n/a	488	483	483	475
Total average score (2400 possible)	n/a	1,470	1,456	1,452	1,429
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average		1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dq.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dq.cde.ca.gov/dataquest.

VAL VERDE Unified School District Trends

- ✓ For the 2010-11 year, Val Verde Unified achieved an 82.1% high school graduation rate.
- ✓ Some 27% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- ✓ For the 2009-10 year, one-in-four, or 24%, took the SAT test.
- ✓ Total average SAT score was 1,344, up from prior years, and below County and State levels.

Table 4.9
Val Verde Unified School District
Student Academic Preparation for College (2006-07 to 2010-11)

<i>Academic Measure</i>	<i>2010-11</i>	<i>2009-10</i>	<i>2008-09</i>	<i>2007-08</i>	<i>2006-07</i>
Proficiency: (STAR measures)					
English-Language Arts (Grades 2-11)	51%	47%	45%	39%	34%
Mathematics (Grades 2-7 + end-of-course)	52	53	49	43	36
Science (Grades 5, 8, 10)	56	53	47	40	29
History (Grades 8, 11 + end-of-course)	48	47	43	36	26
H.S. graduation rate*	82.1%	78.1%	77.5%	74.9%	76.3%
H.S. graduates with UC/CSU required courses/sequences:					
Val Verde Unified	27.0%	15.5%	19.2%	14.2%	14.5%
Riverside County	31.0	28.0	29.4	29.3	27.4
California	40.3	36.3	35.3	33.9	35.5
SAT results					
% of seniors tested	n/a	24%	25%	27%	23%
Average critical reading score	n/a	445	444	431	425
Average mathematics score	n/a	453	439	428	438
Average writing score	n/a	446	437	428	422
Total average score (2400 possible)	n/a	1,344	1,320	1,287	1,285
Riverside County average	n/a	1,439	1,423	1,417	1,418
California average	n/a	1,521	1,502	1,500	1,497

*Note: 2010-11 and 2009-10 graduation data come from Ed-Data, the state database cooperative. Graduation rates for these reporting periods benefit from newly revised student tracking measures that better capture actual graduation and dropout rates of students through a unique statewide student identifier. <http://www.ed-data.k12.ca.us>. Graduation rate data for 2008-09 back to 2006-07 come from the California Department of Education. www.dq.cde.ca.gov/dataquest. For these three reporting periods, the definitions and methodologies for graduates and dropouts differ from the newer terms and methods used by Ed-Data. Thus, the data for these three years are included for reference only and the reader is cautioned to not consider 2006-09 data directly comparable to 2009-11 data.

SAT scores were not yet available for the 2010-11 period by district. All other data come from the California Department of Education, www.dq.cde.ca.gov/dataquest.

Feeder School Graduates' College Preferences and Enrollment Trends

Of importance to colleges is the college-going behavior of the high school graduates of its feeder school districts. The percentage of high school graduates is important, but how many of these graduates go on to college and where they enroll is of particular interest and import to the process of strategic planning. Over the next few pages, we highlight the actual college-going and enrollment behavior of high school graduates for each of the six feeder school districts in RCCD's service area. The data are drawn from several sources and tables have been uniquely assembled. The primary data source for college-going behaviors of graduates of specific school districts is the California Postsecondary Education Commission (CPEC). While the Commission was eliminated two years ago due to state budget constraints, CPEC data on high school graduate college-going behavior through Fall 2010 are still available. To better understand data elements within the table, readers should note the following:

- **RCCD college enrollments.** Data regarding the enrollment at a RCCD college by first-time freshmen is presented in a 10-year view from Fall 2001 to Fall 2010. The reader will note that specific data for enrollment in the three specific colleges of the District (Norco College, Moreno Valley College, and Riverside City College) are not featured until the Fall 2010 reporting period. Prior to this period, these institutions were campuses of the single college district known as RCCD with the single accredited college in Riverside. Each campus had enrollment during the decade under review, but statewide reporting is by college, not campus or learning center; thus, those campus enrollments were reported under one RCCD enrollment figure. With the relatively recent formal designation of these campuses as separate, accredited colleges, the District was able to begin formally reporting separate college enrollment data starting with the 2010-11 academic year.
- **Relationship between high school graduate and first-time freshmen per year.** While the actual count of graduates from a school district are presented for each year, and the number of first-time college enrollees from that school district are reported as well, all of those first-time enrollees are not from the high school graduating class of the same year in which they enrolled as first-time college students. Some students do not immediately enroll in college upon completing their high school degree. Cognizant of this, CPEC's college enrollment data track school district high school graduates enrolling as a first-time college freshman whether they did so immediately after high school graduation in the prior spring term or enrolled in college some period after high school graduation. Most of the students listed each year as first-time freshmen are high school graduates from that same calendar year's spring term, but not all. Thus, when reviewing this set of data, reviewers should consider annual college enrollment data for any particular year to be the sum of enrollees who were immediate high school graduates plus a number of enrollees who are now enrolling after a time break from high school graduation.
- **Ratios.** The final rows of statistics on the following tables present two types of statistics. The first (all grads compared to all high education enrollments that year) presents the percentage of all high school graduates that year with the number of first-time freshmen enrollees in that same year who graduated from that school district (see the above note). The second statistic (all grads compared to just RCCD enrollments that year) presents the percentage of all high school graduates of that year with the number of first-time freshmen enrollees at a RCCD college in that same year who graduated from that school district (see the same note above). These percentages are presented for general trend purposes.

ALVORD Unified School District Trends

- ✓ For Fall 2010, RCCD enrolled 373 Alvord graduates as first-time freshmen, most to RCC.
- ✓ Alvord has seen a 10-year steady increase in the number of grads enrolling in a public college.
- ✓ The majority, 71% in F2010, of Alvord grads who enroll in college, enroll at a CCC college.
- ✓ About one-half of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.10
Alvord Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	134	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	10	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	229	314	354	249	327	239	235	254	223	165
Total RCCD enrollment	373									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	405	344	378	287	358	264	270	294	267	201
All CSUs	69	114	101	123	135	126	92	74	65	65
All UCs	98	69	72	74	66	55	59	54	63	69
Total enrollment in all California public colleges/universities	572	527	551	484	559	445	421	422	395	335
# District HS graduates	1,143	1,130	1,112	1,008	934	1,020	899	872	944	837
Ratio: grads / enrollees										
All grads / all H.E. enroll	50%	47%	50%	48%	60%	44%	47%	48%	42%	40%
All grads / RCCD enroll	33%	28%	32%	25%	35%	23%	26%	29%	24%	20%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dq.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

CORONA-NORCO (Cor-Norco) Unified School District Trends

- ✓ For F2010, RCCD enrolled 926 Cor-Norco grads as first-time freshmen, most to Norco College.
- ✓ Cor-Norco has seen a 10-year major increase in the number of grads enrolling in a public college.
- ✓ The majority, 62% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- ✓ About one-half of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-4 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.11
Corona-Norco Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	763	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	23	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	140	960	993	848	710	662	710	504	430	215
Total RCCD enrollment	926									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	1,152	1,126	1,134	985	840	763	781	557	487	277
All CSUs	429	400	419	329	288	308	204	256	215	232
All UCs	278	232	235	182	188	171	163	148	170	150
Total enrollment in all California public colleges/universities	1,859	1,758	1,788	1,496	1,316	1,242	1,148	961	872	659
# District HS graduates	3,691	3,731	3,805	3,250	2,991	2,647	2,707	2,479	2,134	2,170
Ratio: grads / enrollees										
All grads / all H.E. enroll	50%	47%	47%	46%	44%	47%	42%	39%	41%	30%
All grads / RCCD enroll	25%	26%	26%	26%	24%	25%	26%	20%	20%	10%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dq.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

JURUPA Unified School District Trends

- ✓ For F2010, RCCD enrolled 237 Jurupa grads as first-time freshmen, most to RCC.
- ✓ Jurupa had much higher numbers of grads enrolling in a public college from (2004-08).
- ✓ The majority, 65% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- ✓ About one-third of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-5 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.12
Jurupa Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	58	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	6	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	173	203	266	260	322	271	299	222	258	163
Total RCCD enrollment	237									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	266	239	282	312	361	291	346	255	291	192
All CSUs	83	81	86	94	82	100	69	71	83	69
All UCs	62	74	69	65	45	50	63	65	63	61
Total enrollment in all California public colleges/universities	411	394	437	471	488	441	478	391	437	322
# District HS graduates	1,300	1,245	1,196	1,100	1,044	1,034	1,055	1,029	923	797
Ratio: grads / enrollees										
All grads / all H.E. enroll	32%	32%	37%	43%	47%	43%	45%	38%	47%	40%
All grads / RCCD enroll	18%	16%	22%	24%	31%	26%	28%	22%	28%	20%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dq.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

MORENO VALLEY Unified School District Trends

- ✓ For F2010, RCCD enrolled 587 Moreno Valley grads as first-time freshmen, most to MVC.
- ✓ Moreno Valley had higher numbers of grads enrolling in a public college from (2006-09).
- ✓ The majority, 79% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- ✓ About 4-in-10 of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.13
Moreno Valley Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	11	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	393	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	183	529	657	570	550	393	498	404	509	329
Total RCCD enrollment	587									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	644	573	701	627	595	420	543	463	557	371
All CSUs	64	154	125	104	126	126	85	61	98	121
All UCs	104	116	121	122	100	77	80	84	119	79
Total enrollment in all California public colleges/universities	812	843	947	853	821	623	708	608	774	571
# District HS graduates	1,985	1,972	1,822	1,850	1,833	1,762	1,837	1,724	1738	1694
Ratio: grads / enrollees										
All grads / all H.E. enroll	41%	43%	52%	46%	45%	35%	39%	35%	45%	34%
All grads / RCCD enroll	30%	27%	36%	31%	30%	22%	27%	23%	29%	19%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dg.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

RIVERSIDE Unified School District Trends

- ✓ For F2010, RCCD enrolled 890 Riverside Unified grads as first-time freshmen, most to RCC.
- ✓ Riverside Unified had higher numbers of grads enrolling in a public college from (2006-09).
- ✓ The majority, 63% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- ✓ About one-half of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.14
Riverside Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	78	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	108	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	704	1,023	1,042	902	863	542	575	476	537	328
Total RCCD enrollment	890									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	989	1,087	1,088	959	931	596	634	529	594	396
All CSUs	300	342	323	347	358	315	204	243	199	251
All UCs	283	293	304	280	303	283	269	280	291	295
Total enrollment in all California public colleges/universities	1,572	1,722	1,715	1,586	1,592	1,194	1,107	1,052	1,084	942
# District HS graduates	2,962	3,061	2,955	2,717	2,683	2,566	2,636	2,455	2,529	2,251
Ratio: grads / enrollees										
All grads / all H.E. enroll	53%	56%	58%	58%	59%	47%	42%	43%	43%	42%
All grads / RCCD enroll	30%	33%	35%	33%	32%	21%	22%	19%	21%	15%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dg.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

VAL VERDE Unified School District Trends

- ✓ For F2010, RCCD enrolled 259 Val Verde grads as first-time freshmen, most to MVC.
- ✓ Val Verde has seen a 10-year major increase in the number of grads enrolling in a public college.
- ✓ The majority, 67% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- ✓ About one-third of all grads ultimately attend a California public college as a first-time freshman.
- ✓ About 1-in-5 of all graduates ultimately attends a RCCD college as a first-time freshman.

Table 4.15
Val Verde Unified School District
California Public College Enrollment of its High School Graduates (Fall 2001-02 to Fall 2010-11)

Institution/System H.S. Graduate Enrolled in as First-Time Freshman	F 10-11	F 09-10	F 08-09	F 07-08	F 06-07	F 05-06	F 04-05	F 03-04	F 02-03	F 01-02
RCCD:	<i>Student Enrollment Headcount</i>									
Norco College <i>(Separate reporting beginning 2010)</i>	11	--	--	--	--	--	--	--	--	--
Moreno Valley College <i>(Separate reporting beginning 2010)</i>	188	--	--	--	--	--	--	--	--	--
Riverside City College <i>(Incl. Norco and Moreno Valley until 2010)</i>	60	204	227	218	173	137	124	103	110	67
Total RCCD enrollment	259									
CA public higher ed. (H.E.) enrollment totals										
All CCCs	293	242	257	240	199	155	139	113	123	78
All CSUs	68	87	61	63	36	56	29	29	26	22
All UCs	77	59	50	39	37	35	18	23	21	18
Total enrollment in all California public colleges/universities	438	388	368	342	272	246	186	165	170	118
# District HS graduates	1,313	1,267	1,074	1,022	752	578	685	618	664	558
Ratio: grads / enrollees										
All grads / all H.E. enroll	33%	31%	34%	33%	36%	43%	27%	27%	26%	21%
All grads / RCCD enroll	20%	16%	21%	21%	23%	24%	18%	17%	17%	12%

All college enrollment data come from the California Postsecondary Education Commission's Freshmen Pathways database, <http://www.cpec.ca.gov>. District high school graduates data come from two sources: (1) the number of graduates from Fall 2003-04 through Fall 2010-11 are reported at <http://www.ed-data.k12.ca.us>, and the same data for Fall 2001-02 and Fall 2002-03 are from www.dq.cde.ca.gov/dataquest. Enrollment ratios developed by Applied Development Resources.

Riverside County Educational Attainment Projections: To 2015

- ✓ The number of adults with bachelor’s degrees or higher will grow to 20%.
- ✓ The percentage of adults with less than a high school diploma will continue to decrease.
- ✓ A lower percentage of adults will start college and not finish; more will go on to a degree.
- ✓ These trends are forecast for RCCD service area population and for the Inland Empire.
- ✓ This continued trend toward more college enrollment is a strategic resource for RCCD.

Table 4.16 presents projected educational attainment levels for Riverside County adults 25 years and older, to the Year 2015. The projections were generated by the Public Policy Institute of California (PPIC). As a foundation for projected 2015 levels, known levels from earlier Census reports are presented where available. In making its projections, the PPIC assembled data for the region it titled “Northwestern Riverside County.” Fortuitously, the cities it used to comprise this region are the same that comprise the majority of RCCD’s service area: Corona, Norco, Moreno Valley, Perris, and Riverside. When this forecast was generated, Eastvale and Jurupa Valley had not yet entered cityhood.

Table 4.16
Riverside Community College District Service Area and
Riverside Region Educational Attainment Level Projections, 1990 - 2015

<i>Attainment Level</i>	<i>1990</i>	<i>2000</i>	<i>2005</i>	<i>2010*</i>	<i>2015</i>
RCCD Service Area/ Northwestern Riv. County					
Less than high school diploma	23.9%	26.3%	--	--	25.4%
H.S. diploma/graduate, including equivalency	26.5%	24.1%	--	--	27.3%
Some college, no degree	34.6%	33.6%	--	--	27.2%
Bachelor’s degree	9.9%	10.3%	--	--	14.0%
Graduate or professional degree	5.1%	5.6%	--	--	6.1%
Inland Empire (Riverside and San Bernardino Counties)					
Less than high school diploma	22%	24%	23%	22%	22%
H.S. diploma/graduate, including equivalency	26%	24%	26%	26%	29%
Some college, no degree	36%	35%	33%	26%	28%
Bachelor’s degree	10%	11%	13%	13%	15%
Graduate or professional degree	5%	6%	6%	7%	6%

Source: “The Inland Empire in 2015.” Public Policy Institute of California, 2008, San Francisco, CA (pps. 70-76). The data that comprise the top half of the table, “RCCD Service Area/Northwestern Riverside County,” are for the cities of Corona, Moreno Valley, Norco, Perris, and Riverside.

*Note: 2010 data are from actual Census reports and are not part of the table created by the PPIC for the 2008 Report. (http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_S1501&prodType=table)

RCCD service area attainment levels. In 2015, some 25.4% of RCCD's service area adult population will have earned less than a high school diploma as their highest level of educational attainment. Today, for Riverside County, that rate is already only 20.8%, by comparison (see Table 4.1 for "today" percentages). In 2015, about 27.2% of adults will have attended college but not earned a degree. Today, for Riverside County, that statistic is 24.9%. In 2015, 14% of all residents will have earned a bachelor's degree, compared to today's County level of 13.3%. And, in 2015, PPIC forecasts that 6% of the adult population will have earned a graduate degree. This compares to today's County rate of 7.2%. Looking at PPIC's breakdown of 2000 educational attainment levels for RCCD's service area and comparing those data to 2015 forecasts, PPIC projects that more adults in the service area will have continued college and completed a bachelor's or graduate degree (21%) by 2015 than in 2000 (15.9%).

Inland Empire attainment levels. By 2015, PPIC forecasts that 29% of all Inland Empire adult residents will have earned a high school diploma as their highest level. This represents a projected increase from the 26% reported by the US Census in 2005 and 2010. By 2015, 21% of the adult population is predicted to have earned either a bachelor's degree and/or graduate degree. This represents continued growth from the 19% reported in 2005 and 20% reported in 2010 Census tables. (See Table 4.1)

Overall, these educational attainment forecasts confirm that the adult populations that comprise RCCD's service area and the Inland Empire in which we are located, continues to value education, continues to increase the numbers and percentages of those who graduate from high school and go on to college. The data suggest the continuing efforts of those who begin college to actually finish college with a bachelor's degree or higher.

Thus, the number of those residents with a goal of college-going continues to grow and this should continue a numerical demand for access to RCCD colleges and educational programs.

Education Data: Conclusions

RCCD and its colleges are in a geographic area of tremendous opportunity in terms of potential student body growth and partnerships. In aggregate, the six feeder school districts in RCCD's service area are located in growing communities and, as a result, are growing in terms of student enrollment. Based on a 10-year historical trend, that school district enrollment growth should continue.

Numerically, these school districts are producing more high school graduates and, numerically, more of these graduates are eventually enrolling in a California public college. Because of state budget reductions in support for area higher education institutions in recent years, some higher education segments, including the CCC and RCCD, reported lower recent enrollment numbers for service area high school graduates compared to those years featuring growing or higher state support and, thus, more course availability and enrollments (2006-2009).

To be discussed in the next section, most economists and even the Office of the Governor forecast an improving economic climate starting this year and taking firm hold in 2013. As this recovery unfolds, support for higher education systems should improve and the doors of student access will open wider. When this happens, the data suggest that both high school students and adults in the service area will present themselves at an RCCD campus. It is a matter of time and budget resources.



5 State Budget Characteristics & Trends: *Yesterday - Today - Tomorrow*

Introduction

The annual California State Budget plays a pivotal role in general fund support that ultimately is directed to the Riverside Community College District. In this section, we examine the last four state budget years and the resulting general apportionment and categorical program funding to the California Community Colleges, along with formal Legislative Analysts' Office projections of future California revenue, expenditures, and budget gaps. RCCD grant and RCCD Foundation activities are discussed, as well.

In plain terms, irrespective of plans, envisioned initiatives or growth preferences, state general fund support often is the primary determinant in what and how much a public college can do. College and district leaders can target program and FTES growth, say, for the next academic year, but the State's final level of general fund and categorical program funding that reaches a public college system, such as RCCD, will be the real basis for colleges determining FTES, enrollment caps, hiring, courses offered, initiatives launched, and the like.

The California State Budget and Funding for Community Colleges

- ✓ From 2008-12, California's community colleges suffered an \$800 million budget reduction.
- ✓ This represents a 12% reduction in state budget funding since 2008-09.
- ✓ Categorical program funding has decreased from \$743 million to \$447 million.
- ✓ General apportionment funding has decreased from \$5.8 billion to \$5.4 billion.

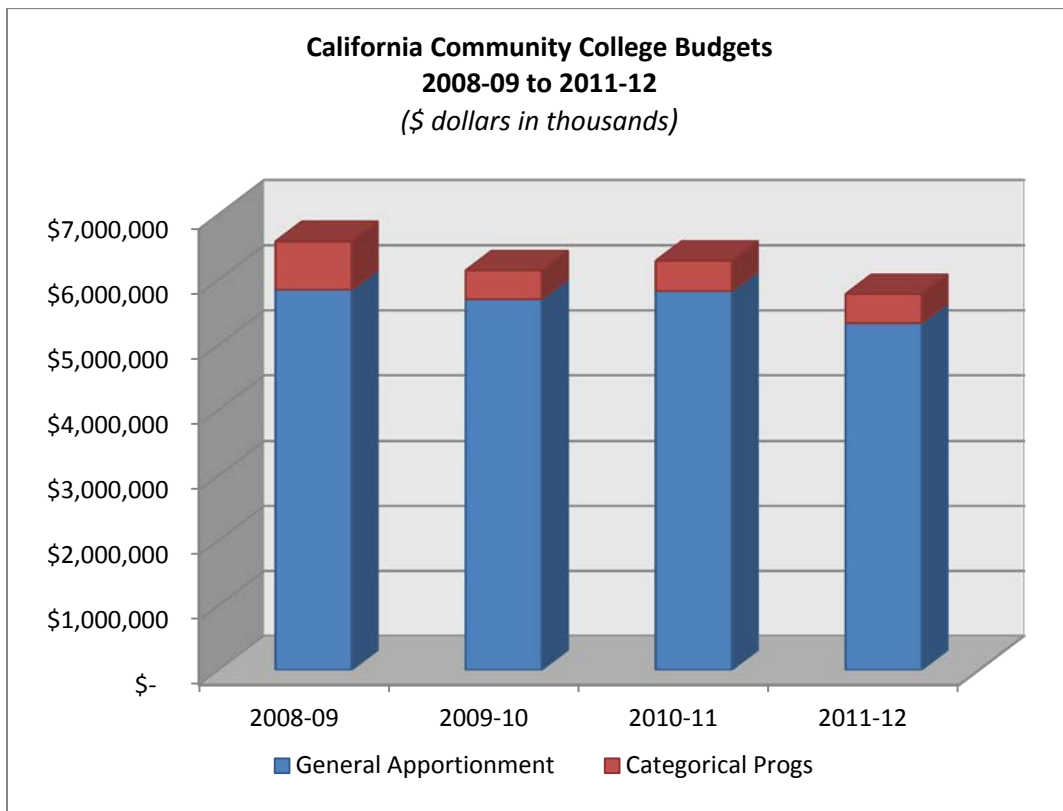
Table 5.1 reviews the prior state budget years from 2008-09 through 2011-12. As this scan is being prepared, the 2012-13 budget remains in flux and may not be fully finalized for several months. The passage or defeat of a November ballot measure to increase taxes to provide an additional income stream for higher education will heavily influence a final 2012-13 budget.

The past several years of economic woes and stagnation have impacted California’s revenue streams and budget process in incredibly negative and confounding ways. Virtually every Californian has a viewpoint as to what the problem is, how it was caused, and who is to blame. Budgets have been delayed, payments postponed, take-backs have occurred, funding cuts triggered, midyear reductions enacted, student fees hiked, scheduled fee hikes delayed, funding deferred, and more.

To make sense of actual budgets in recent years, the California Community College Chancellor’s Office (CCCCO) prepared the following table to summarize final and total state funding for California Community Colleges (CCC) for the period under review (2008-09 through 2011-12).

2008-09 budget. The results of the final 2008-09 Budget Act saw an allocation to the California Community Colleges of \$6,589,403,000, or nearly \$6.6 billion. Every budget since then to today (2012-13) has been lower than this amount.

2009-10 budget. For 2009-10, the allocation was \$6,142,405,000, or \$6.1 billion. In addition to a reduction in General Fund apportionments, the budget reduced funding for categorical programs from \$743 million to \$441 million. Categorical program funding is particularly important to community colleges for such funding supports EOPS, Care, Disabled Students Programs and Services, and other important services and programming.



2010-11 budget. For this program year, the allocation increased somewhat to \$6,290,517,000, or nearly \$6.3 billion. General Fund apportionments were further decreased while \$126 million was included for growth for apportionments and another \$832 million for deferrals. Funding for categorical programs rebounded to \$463,599,000. Student fees increased and, thus, so too did student fee revenue.

2011-12 budget. In 2011-12, community colleges took another major financial hit. For this 2011-12 year, California community colleges received a budget of \$5,779,581,000, or just under \$5.8 billion. General Fund apportionments were further reduced, growth for apportionments was removed, and categorical program funding was downsized once again. In addition, declining state revenues resulted in trigger cuts of \$100 million midway through the academic year. A scheduled increase in student fees was postponed and that anticipated revenue was lost.

The four-year loss. The CCCCO indicates that during the four year period through last year, California community colleges have suffered a nearly \$810 million budget reduction. This represents a 12% funding loss. Even if state funding were to increase, somehow, by \$200 million per year for community colleges, it would take until 2015-16 before community college funding by the state was once again at the 2008-09 level.

Table 5.1
California Community College Budgets (2008-09 to 2011-12)
(*\$ dollars in thousands*)

<i>BUDGET ITEMS</i>	<i>2008-09 Budget Act</i>	<i>2009-10 Budget Act</i>	<i>2010-11 Budget Act</i>	<i>2011-12 Budget Act</i>	<i>Difference 2008-2012</i>
General Apportionment					
General Fund Apportionments	\$ 2,830,717	\$ 2,673,006	\$ 2,590,677	\$ 2,162,888	
Local Property Taxes	2,053,507	1,946,940	1,906,848	1,948,531	
Student Fee Revenue	299,440	367,176	365,243	353,854	
Federal Oil & Mineral Revenue	9,226	10,795	6,150	7,933	
COLA	0	0	0	0	
Growth for Apportionments	113,500	0	126,000	0	
Deferrals	540,000	703,000	832,000	961,000	
Subtotal General Apport.	5,846,390	5,700,917	5,826,918	5,434,206	(412,184)
Less Trigger Cuts				(102,000)	(102,000)
Subtotal Categorical Progs	743,013	441,488	463,599	447,375	(295,638)
Total Funding	\$ 6,589,403	\$ 6,142,405↓	\$ 6,290,517↓	\$ 5,779,581↓	(809,822) -12%
Student fee percentage of apportionment	5.12%	6.44%	6.27%	6.51%	

Source: Brady, Diane. "Community College Budget Comparison 2008-09 to 2011-12," special run, CCCCO, July 6, 2012

As the RCCD Division of Administration and Finance reminds scan readers, the mix of funding sources that the State uses to construct a budget allocation to California community colleges is not as important as the bottom line total amount of funding. As a particular budget year's total funding amount is fixed once adopted, increases to, say, property tax revenue does not result in any real increase to the bottom

line budget for that particular year. In addition, growth in the “deferral” line item, in fact, often signals the need to borrow operating funds (with the attendant cost of borrowing for cash flow purposes) until those “deferred” funds are actually received by a district. Deferrals are a portion of apportionment. For CCC districts, key budget increase needs are COLA and growth allocations.

RCCD Adopted Budget: 2008-12

- ✓ Since 2008, RCCD’s general apportionment and categorical funding support has declined 11%.
- ✓ In 2008, state support totaled \$145 million for RCCD; last year it totaled \$129 million.
- ✓ During this period, state categorical program funding went from \$11.8 million to \$6.2 million.
- ✓ General apportionment funding declined from \$133 million to \$125.5 million for RCCD.

Statewide budget reductions to California Community Colleges negatively and directly impact the annual budgets of Riverside Community College District and all other districts and community colleges in the state. Table 5.2 presents a four year look at RCCD’s adopted budget for the same 2008-12 time period. Following the format provided by the CCCCCO for the statewide budget review, RCCD Associate Vice Chancellor for Finance, Aaron Brown, of the Division of Administration and Finance, prepared this special run upon which the table was created.

Table 5.2
Riverside Community College District Adopted Budget (2008-09 to 2011-12)

<i>BUDGET ITEMS</i>	<i>2008-09 Adopted Budget</i>	<i>2009-10 Adopted Budget</i>	<i>2010-11 Adopted Budget</i>	<i>2011-12 Adopted Budget</i>	<i>Difference 2008-2012</i>
<u>General Apportionment</u>					
General Fund Apportionments	76,462,231	73,473,697	68,392,845	59,440,819	
Local Property Taxes	31,145,954	29,324,458	28,674,904	26,070,600	
Student Fee Revenue	7,563,491	8,364,943	8,700,000	7,800,000	
Federal Oil and Mineral Revenue	0	0	0	0	
COLA	886,824	0	0	0	
Growth for Apportionments	2,239,308	0	2,627,967	0	
Deferrals	15,024,738	19,260,457	24,203,536	32,195,723	
Subtotal General Apportionment	133,322,546	130,423,555	132,599,252	125,507,142	(7,815,404)
Less Trigger Cuts				(2,440,752)	(2,440,752)
Subtotal Categorical Programs	11,767,647	5,852,748	6,167,743	6,182,743	(5,584,904)
Total Funding	145,090,193	136,276,303	138,766,995	129,249,133	(15,841,060) -11%
Student fee percentage of apportionment	5.67%	6.41%	6.56%	6.21%	

Source: Brown, Aaron. Associate Vice Chancellor/Finance, Division of Administration and Finance, Riverside Community College District, special run, August 13, 2012.

2008-12 budget history. For 2008-09, state general apportionments and support for categorical programs totaled \$145,090,193 for RCCD. For 2009-10, this budget support totaled \$136,276,303. In 2010-11, there was a slight uptick in state general apportionment and categorical program funding support to \$138,766,995. 2011-12 support was greatly reduced to \$129,249,133. The difference between 2008-09 funding levels and 2011-12 funding was a substantial reduction of nearly \$16 million (\$15,841,060). This represents a reduction in annual general apportionment and categorical funding support of 11% for RCCD. The past several years have represented challenging times for the leadership of the District and its colleges. It is a testament to their educational and fiscal acumen that the colleges and the district office continue to maintain program excellence in such a fiscally difficult era.

RCCD Grant Activities

- ✓ RCCD has generated \$43,476,544 in external grant awards in the past three years (2009-12).
- ✓ Despite overall success in receiving grants, proposal submissions have been fewer each year.
- ✓ In recent years, Norco College has received the most external grant support.

Beyond general apportionment and categorical program funding from the State, the colleges and central operations of RCCD generate additional resources through a variety of focused activities. Developing new and expanding income streams are important strategies in light of reduced State general fund support. Table 5.3 presents the recent three-year history of grant award activity by District colleges and central operations.

Table 5.3
Riverside Community College District
Grant Application and Award Activity (2009-12)

<i>College/Entity</i>	<i>Activity</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>3-Yr Total</i>
Norco	# Apps Submitted	5	9	3	17
	\$ Awarded	\$ 6,127,391	\$ 7,824,149	\$ 4,099,995	\$ 18,051,535
Moreno Valley	# Apps Submitted	*15	12	**4	31
	\$ Awarded	2,114,497	6,768,798	599,999	9,483,294
Riverside City	# Apps Submitted	*21	6	**12	39
	\$ Awarded	9,686,631	680,000	2,508,546	12,875,177
District	# Apps Submitted	19	13	**7	39
	\$ Awarded	1,255,852	1,086,549	724,137	3,066,538
Total Submitted		60	40	26	126
\$ Total Awarded		\$ 19,184,371	\$ 16,359,496	\$ 7,932,677	\$ 43,476,544

*Includes 2008-09 submissions awarded in 2009-10.

**Some applications are still pending review

Important successes that should be fortified. In the past three years, the colleges and district office of RCCD have been awarded nearly \$43.5 million in external grant support. This represents aggressive proposal submission and grant award activity. While grant awards represent restricted funding, such funding serves as an important source of support for defined activities and partnerships that help the District and its colleges to meet their strategic goals of access, success, service to community, etc. Though college and District operations (Office of Grants) have achieved impressive success in attracting grant funding, the level of actual applications prepared and submitted have dropped in 2011-12 to less than one-half of the proposal submission activity of 2009-10.

Attracting external grant support for important RCCD college and district office initiatives is an important strategy given today’s State fiscal climate and general fund support. Increasing grant application submittals, while a challenge, should prove to be an important strategic activity for RCCD.

RCCD Foundation Activities

- ✓ The RCCD Foundation (RCCDF) has generated nearly \$14.3 million from 2006-11.
- ✓ The RCCDF has generated an additional \$11 million-plus in planned giving gifts.
- ✓ Net assets of the RCCDF grew to over \$5 million by June 30, 2011.
- ✓ The RCCDF has launched the Invest in Excellence campaign to raise \$30 million in 5 years.

Table 5.4
Riverside Community College District
Campaign, Gifts, and Revenue Activity (2006-2011)

<i>Reporting Year</i>	<i>Revenue</i>	<i>Net Assets End of Year</i>
2010-11	\$ 2,516,756	\$ 5,063,410
2009-10	6,265,464	4,529,982
2008-09	2,563,273	4,839,759
2007-08	1,342,750	4,254,292
2006-07	1,599,623	4,441,782
Total Revenue	\$ 14,287,866	

Source: Riverside Community College District Foundation Annual Reports for each of the reporting years, and based on audited financial statements contained in those reports.

Important donor development and external fundraising. The Riverside Community College District Foundation was established in 1975 and since its inception to today (as noted in Table 5.4), has raised millions of dollars for scholarships, academic program support, student support and success initiatives, building campaigns, and myriad other important projects, programs, and services. Over \$11 million has been pledged through planned giving. Though recent years have been challenging due to the region’s economic downturn, RCCDF and its Board and staff annually continue to cultivate new support and generate new gift revenue. Such recent support has been directed to the Riverside Aquatics Complex, scholarships, expanding corporate partnerships and support for such programs from allied health to nursing to technology, and more. The Foundation recently joined with RCCD leadership to announce a new campaign, Invest in Excellence, with a goal of raising \$30 million over the next five years.

The RCCDF is an important resource for the District and colleges. It provides a direct pathway to corporate and community contacts and serves as capable partner in resource development efforts. Economic challenges will continue for the next several years, and the RCCDF may require more infrastructure resources to meet the ambitious goals of the current Campaign. The RCCDF should be viewed as a strong strategic resource and partner.

California General Fund Revenue Projections: To 2016-17

- ✓ The LAO predicts California revenues in four years will grow from \$86 billion to \$107.8 billion/yr.
- ✓ Beginning in 2013-14, the state’s revenues will grow at least 5% per year for at least 4 years.
- ✓ Increase in jobs and personal incomes will generate \$65.5 billion by 2016; it is \$53 billion today.
- ✓ As the economy recovers and we spend more, sales tax revenue will reach \$25.8 billion in 2016.

In November, 2011, the California Legislative Analyst’s Office (LAO), as part of a report on California’s fiscal outlook for the 2012-13 state budget process, presented forecasts of California’s revenues, expenditures, budget shortfalls to the year 2016-17. The final series of tables in this section looks separately at those income, expense, and shortfall projections (shortfalls that the LAO calls “budget problems”). Table 5.5 and the accompanying graph present California’s forecasted revenue.

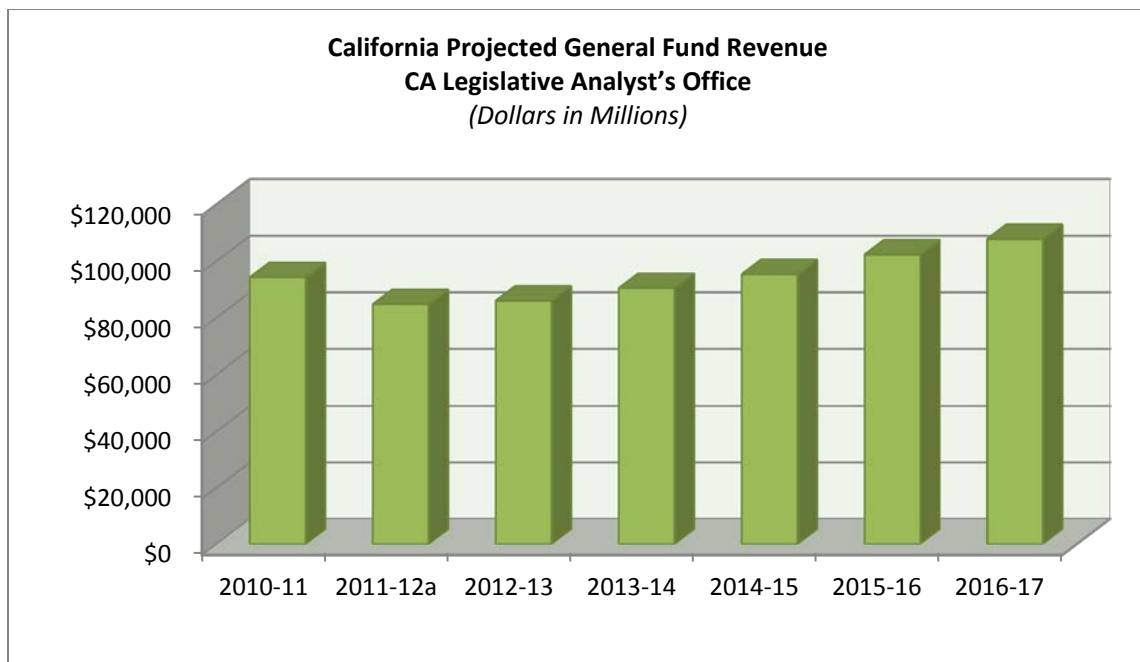


Table 5.5
California Projected General Fund Revenue
CA Legislative Analyst's Office
(Dollars in Millions)

<i>Revenue Source</i>	2010-11	2011-12a	2012-13	2013-14	2014-15	2015-16	2016-17
Personal income tax	\$49,779	\$50,812	\$53,134	\$55,692	\$57,682	\$61,811	\$65,625
Sales and use tax	26,983	18,531	19,980	21,573	23,220	24,483	25,856
Corporation tax	9,838	9,483	9,432	9,958	10,806	11,316	11,492
Subtotals, "Big Three"	\$86,600	\$78,826	\$82,546	\$87,223	\$91,708	\$97,610	\$102,973
Percent change	7.3%	-9.0%	4.7%	5.7%	5.1%	6.4%	5.5%
Insurance tax	\$2,070	\$1,895	\$1,989	\$2,210	\$2,326	\$2,434	\$2,536
Vehicle license fee	1,330	80	5	—	—	—	—
Other revenues (b)	2,395	2,511	2,546	2,148	2,314	2,530	2,479
Net transfers and loans	1,897	1,451	-1,048	-1,126	-966	-235	-162
Total Revenues & Transfers	\$94,292	\$84,764	\$86,038	\$90,455	\$95,382	\$102,339	\$107,826
Percent change	8.3%	-10.1%	1.5%	5.1%	5.4%	7.3%	5.4%
(a) Beginning in 2011-12, does not include funds redirected from the General Fund to the Local Revenue Fund (LRF) 2011. Sales and use tax funds deposited into the LRF in 2011-12 are estimated to total \$5.1 billion. Also, 2011-12 revenues are lower due to the expiration of temporary tax increases passed in 2009. (b) Does not include the resumption of estate tax revenues in 2012-13 and beyond.							

CA Legislative Analyst's Office, Nov., 2011. http://www.lao.ca.gov/reports/2011/bud/fiscal_outlook/fiscal_outlook_2011.aspx

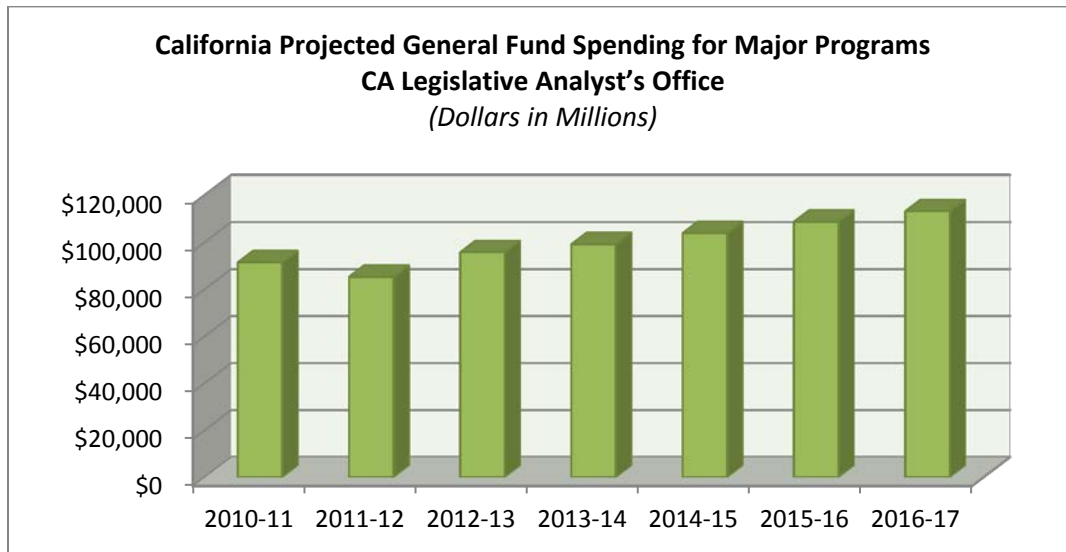
Eventual aggressive revenue generation. Last year, 2011-12, the LAO pegged California's total revenues and transfers at \$84.7 billion. That office sees an increase in this year's revenues (2012-13) of 1.5%, or total revenues of \$86 billion. Beginning in 2013-14, the LAO is bullish on growth and forecasts annual revenue growth through 2016-17 of over 5%. For 2014-15, California's general fund revenue is predicted to be \$95.3 billion, a 5.4% increase over 2013-14. The forecast for 2015-16 revenues is an increase of 7.3% to \$102.3 billion. A continued revenue growth rate of 5.4% is forecast to generate 2016-17 general fund revenues totaling \$107.8 billion for California. If these revenue projections hold, California would see a nearly \$21 billion growth in annual revenue between now and 2016. This would represent a 25% increase in general fund revenue over current 2012-13 state revenue levels.

Growth of the "big three." The big three sources of state revenue are personal income tax, sales and use tax, and corporation tax. This year (2012-13), the LAO estimates those three taxes alone will generate \$82.5 billion in state revenues. By 2016-17, the "big three" are projected to generate nearly \$103 billion annually. The biggest share of this increase will come from tax on personal income. This suggests that the LAO agrees with economists and business forecasters who project sizeable employment gains and a rise in per capita income throughout the next few years.

California General Fund Major Program Spending Projections: To 2016-17

- ✓ If left untouched, major program spending would need to grow to \$113.3 billion by 2016-17.
- ✓ K-14 program spending could grow to \$46.5 billion by 2016-17; it was \$31.7 billion in 2011-12.
- ✓ In all years through 2016-17, forecasted spending growth is higher than forecasted income.
- ✓ The LAO concurs that eventual final budgets will be influenced by many factors.

California provides myriad programs and services that must continue. Some initiatives, such as Prop 98, have specific funding formulae. In Table 5.6 and the chart below, this scan presents the LAO's forecasts for spending by major program areas from now through 2016-17. As with all fiscal forecasts, there are assumptions and unknowns (for instance, the outcome of the November 2012 ballot measure to increase taxes for budgeting purposes). Those are contained in the footnotes for Table 5.6.



Overall projected spending. For this year, 2012-13, the LAO has projected major program spending of nearly \$95.8 billion (compared to projected revenues this year of \$86 billion). While this represents a potential major budget shortfall, the LAO predicts ever-reducing shortfalls for the next several years. For 2013-14, the state is forecast to spend at \$99 billion on major programs and for 2014-15, major program spending is forecast to rise to nearly \$104 billion. By 2016-17, spending for major programs is projected to require \$113.2 billion, while revenues are projected to generate just under \$108 billion.

All of these major spending growth projections were generated by the LAO with the assumption that budget negotiations, income streams, fees, taxes, and other items will ultimately shape future budgets.

K-14/CCC spending. The budget for community colleges is contained in the K-14 budget section. The LAO forecasts major program spending for this area will grow from \$37.2 billion in the current year to \$46.5 billion in 2016-17.

Table 5.6
California Projected General Fund Spending for Major Programs
CA Legislative Analyst's Office
(Dollars in Millions)

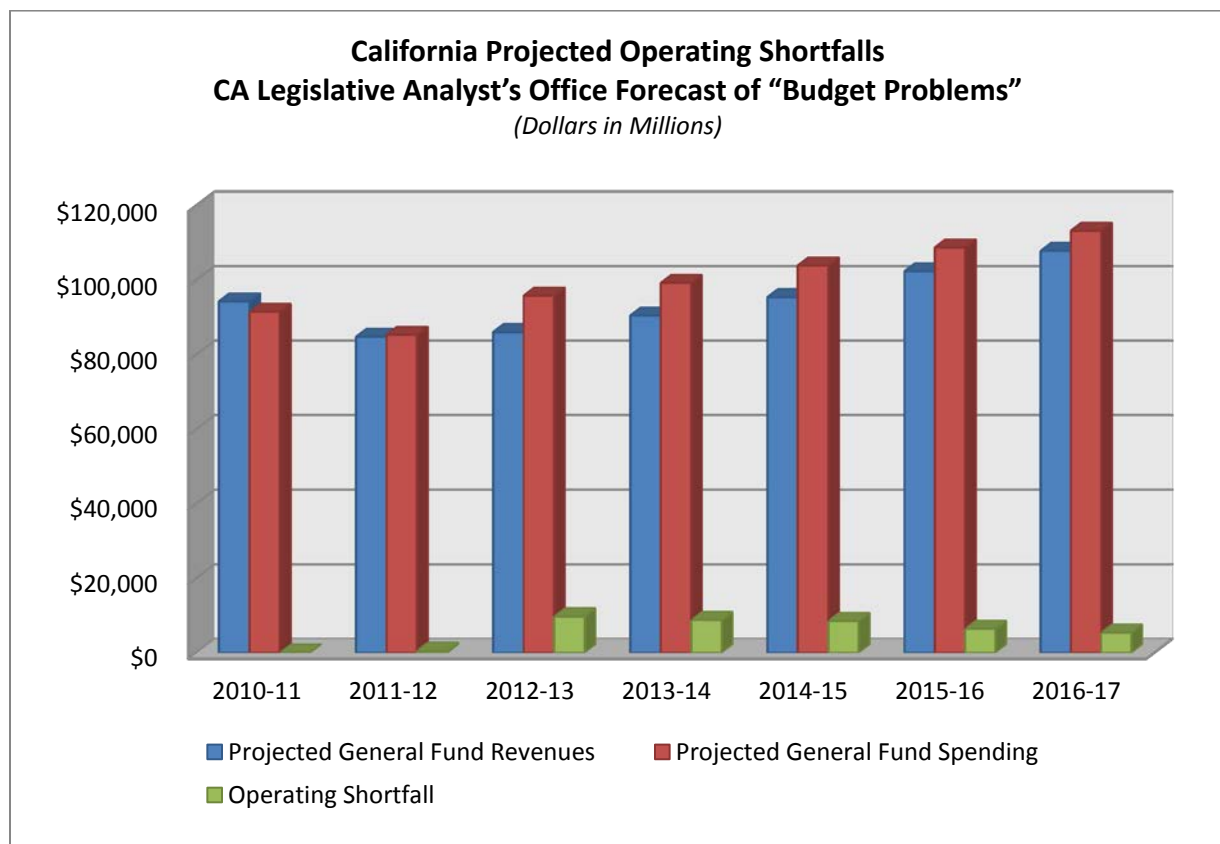
Program Area (a)	----- Estimated -----			----- Forecast -----			
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Education							
K-14—Proposition 98	\$35,691	\$31,664	\$37,240	\$39,649	\$41,810	\$44,556	\$46,451
Other Prop. 98 obligations (b)	—	—	841	841	573	391	391
Child care	—	1,064	1,008	1,019	1,114	1,209	1,361
CSU	2,542	1,976	1,976	1,976	1,976	1,976	1,976
UC	2,711	2,072	2,071	2,070	2,069	2,068	2,067
Student Aid Commission	1,257	1,403	1,570	1,720	1,954	2,128	2,308
Health and Social Services							
Medi-Cal	12,437	15,140	15,611	16,734	18,245	19,567	21,036
CalWORKs	2,079	1,065	1,448	1,468	1,360	1,250	1,234
SSI/SSP	2,861	2,752	2,815	2,888	2,968	3,055	3,151
IHSS	1,436	1,530	1,281	1,328	1,377	1,438	1,504
Developmental Services	2,437	2,526	2,733	2,843	2,966	3,095	3,231
Mental Health	1,794	1,252	1,273	1,319	1,345	1,351	1,357
Other major programs	3,136	1,890	2,088	1,985	1,990	1,886	1,874
Corrections and Rehabilitation	9,217	7,749	8,311	8,139	8,222	8,344	8,569
Judiciary	1,657	1,214	1,213	1,228	1,227	1,227	1,227
Proposition 1A Loan Costs	91	91	1,986	—	—	—	—
Infrastructure Debt Service (c)	5,344	5,345	5,216	6,317	6,809	7,114	7,295
Other Programs/Costs	6,790	6,576	7,107	7,683	7,906	8,106	8,220
Totals	\$91,480	\$85,308	\$95,787	\$99,205	\$103,909	108,761	\$113,253
Percent Change		-6.7%	12.3%	3.6%	4.7%	4.7%	4.1%

(a) Under the LAO November 2011 revenue forecast, a total of \$2.04 billion of expenditure trigger reductions would be implemented, as revenues are \$3.7 billion below the amount assumed in the 2011-12 Budget Act. This represents all of the first tier of trigger cuts and around three-quarters of the second-tier trigger cuts. (b) Includes Quality Education Investment Act payments as well as 2011-12 settle-up payments. (c) Does not include General Fund debt-service costs of lease-revenue bonds funded through the California Community College portion of Proposition 98 funding.

California General Fund “Budget Problems” Projections: To 2016-17

- ✓ The LAO estimates a current year, 2012-13, budget shortfall of \$9.7 billion.
- ✓ For 2013-17, revenue increases are predicted, so are expenditures, leaving annual shortfalls.
- ✓ Projected shortfalls, while diminishing beginning next year, will still reach \$5.4 billion in 2016-17.

For the discussion below, Table 5.7 presents the projections by the LAO of budget problems/shortfall when comparing forecasted revenue and spending, by year, to 2016-17. As noted earlier, both projections of income and those of expenditures assume that budget negotiations, future revenue increases or reductions, and a variety of unknown factors will influence final future budgets. However, reasonable forecasts allow planners to envision and prepare for potential future budget cycles and their impacts on programs and strategic plans.



2012-13 budget challenges. When comparing 2012-13 general fund revenues with envisioned spending for major programs, the LAO has projected a “budget problem” of nearly \$9.7 billion this year. In addition to several strategies (ending redevelopment agencies and directing those funds to the State, requiring local agencies to undertake functions once underwritten at the state level, etc.), voters will weigh in on a November 2012 ballot measure that will raise a potential several \$ billion primarily dedicated to education funding. If the measure does not pass, general fund support for education may be negatively impacted. As this scan was being finalized, some local redevelopment agencies filed challenges to the state’s determination of how much funding each agency must direct to Sacramento. The Governor had planned to receive an eventual \$3.1 billion from redevelopment agencies statewide.

Projected budget shortfalls. For the period 2013-17, an earlier table noted that the state’s funding revenues were projected to increase by at least 5% per year for the next four years. While this is positive news, the LAO has also forecast increased spending needs each year for California’s major programs. Projected expenditures outstrip projected income for the next four years, though these forecast funding shortfalls grow smaller with each new budget cycle. Next year, 2013-14, is projected to have a budget shortfall of just over \$8.7 billion. For 2014-15, this shortfall is estimated to be \$8.5 billion. In 2015-16, the LAO has forecast revenue increases of over 7%, thus the shortfall for this year is predicted to be \$6.4 billion. Because of forecasted continued revenue growth for the state, the budget shortfall for 2016-17 is predicted to be \$5.4 billion. Whether these forecasted shortfalls will play out as predicted, even with income projections higher than suggested and future spending lower than forecasted, state funding will continue to be a challenge for the next several years and substantial, gap-closing new state general fund support for community colleges should not be anticipated. While budget support for education will grow slightly (especially if the November ballot measure passes), it may take some years to get back to even 2006-07 funding levels for higher education.

Table 5.7
California Projected Operating Shortfalls
CA Legislative Analyst’s Office Forecast of “Budget Problems”
(Dollars in Millions)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Projected General Fund Revenues	\$94,292	\$84,764	\$86,038	\$90,455	\$95,382	\$102,339	\$107,826
Projected General Fund Spending	91,480	85,308	95,787	99,205	103,909	108,761	113,253
Operating Shortfall <i>(Difference between projected revenues and spending)</i>	\$0	\$544	\$9,749	\$8,750	\$8,524	\$6,422	\$5,427

Note: The LAO indicates that the revenues and spending projections do not account for repayment of most budgetary obligations, revenue realignment impacts, restoration of prior year cuts, COLAs, new revenue streams, enacted new legislation or propositions, or other unknowns. Source: California Legislative Analyst’s Office, The 2012-13 Budget: California’s Fiscal Outlook, 2011. http://www.lao.ca.gov/reports/2011/bud/fiscal_outlook/fiscal_outlook_2011.aspx

State Budget Data: Conclusions

The Office of the Governor, various economists and respected business forecasting centers, as well as the Legislative Analyst’s Office share the common belief that our economy has begun the slow path to recovery. Jobs are projected to increase, as well as construction, consumer spending, per capita income, sales and corporate tax revenue, and other economic benchmarks. The LAO forecasts 5% growth in the state’s revenues for the next four years. State spending, too, has been projected to rise, leaving continued budget shortfall gaps from \$8 billion down to \$5 billion annually through 2016-17. While recent budget-shoring efforts (November 2012 ballot measure to increase taxes, redirecting redevelopment agency resources to the state, etc.), if fully successful, may improve the outlook of future budgets, they alone will not fully address projected shortfalls. Prudent fiscal planning will be the order of the day through 2016-17.



Summary Description of External Environmental Scan Findings and Trends: Implications for Strategic Planning

Population Trends, Characteristics and Implications for RCCD

Population growth in the service area and region

- The service area population of RCCD today is nearly 1,000,000 people.
- The cities of Perris and Moreno Valley have experienced the greatest growth since 2000.
- Norco experienced the slowest growth 2000-10 and has had no growth in the past two years.
- Perris has the youngest population, with 37% under 18 years; Eastvale is next with 33.1%.
- RCCD's service area is ethnically diverse. 71.8% of Perris' population is Hispanic, 24.2% of Eastvale's population is Asian, and 18% of Moreno Valley residents are Black.
- Just less than one-half of residents speak a language at home other than English.

- Since 2005, County population has increased by nearly one-third million residents.
- Nearly all RCCD service area cities have experienced steady, annual population growth.
- Combined, Riverside and Moreno Valley population exceeds 500,000 people.
- Riverside is now the 12th largest city in California and continues as the County's largest.
- Corona is the third largest city in Riverside County and has shown steady, measured growth.
- Combined, Eastvale and Jurupa Valley have a population (152,000) rivaling that of Corona.

- The County's current population is 2.2 million. By 2015, it is projected to grow to 2.4 million.
- By 2020, in eight years, the County's population is forecast to be 2.6 million residents.
- By 2025, Riverside County's population is projected to grow to 2.88 million.
- By 2020, San Bernardino County is projected to grow to 2.28 million.
- By 2025, San Bernardino County's population is projected to be 2.43 million.
- By 2025, Riverside County should have 450,000 more residents than San Bernardino County.

Characteristics of population with potential impact on RCCD and its colleges

- Demographically, Riverside County has near equal percentages of males and females.
- One-third of County residents are 19 years or younger, the same as in RCCD area cities.
- One-third of County residents are 45 years of age or older, with nearly 12% aged 65 or older.
- Black residents comprise 6.2% of the County population.
- Asian residents comprise 5.8% of the County population.
- Hispanic residents comprise 44% of the County population.

- Almost 3-in-4 residents live in a family household, with an average 3.63 family members.
- 43.7% of the population over 3 years of age is in elementary school, 25% are in high school.
- 21.5% of the population over 3 years of age is enrolled in college or graduate school.
- In 1990, 74% of adults 25 years or older had a H.S. degree or higher; today, that figure is 79%.
- In 1990, 14.6% of adults 25+ years had a BA degree or higher; today, it is 20.5%.
- In 1990, 14.9% of residents were foreign-born; today, that figure is 22.4%.
- In 1990, 25% of those over 5 years old did not speak English at home; today, it is nearly 40%.

- As of 2010, 12.2% of all families are living in poverty, up from 9.1% in 2005.
- For female head of household families, poverty has risen from 25.9% to 27.1% since 2005.
- Nearly 1-in-4 people (23.5%) under 18 years are living below the poverty level in the County.
- The reductions in nearly all poverty levels from 2000 to 2005 were wiped out by 2010.

School Enrollments and Graduates Characteristics and Implications for RCCD

Service area school district profiles, area educational levels and trends

- More of the adult population is completing at least a high school diploma, compared to 2000.
- One-in-five adults has at least a bachelor's degree or higher, an increase over 2000 levels.
- Nearly 100,000 adults have an associate's degree as their top degree.
- Nearly 320,000 adults attended but did not complete college; they represent a strategic target.

- In 2010-11, area feeder school districts enrolled over 185,000 students.
- In a typical year, the six districts enroll over 55,000 high school students; this number is growing.
- K-12 English learner students comprise from 12% to nearly 45% of some district schools.
- Combined, the districts feature an ethnically-diverse student body, primarily Hispanic and Black.
- The six districts, in general continue to grow and this growth can fuel RCCD growth, too.

- Corona-Norco and Riverside school districts continue to generate graduation rates higher than County or State rates and dropout rates lower than countywide or statewide rates.
- For the 2009-11 reporting period, over half of RCCD's feeder school districts reported dropout rates higher than the State average.
- For 2010-11, one half of feeder school districts had graduation rates below the County rate.
- Moreno Valley and Jurupa school districts have been particularly challenged in recent years in meeting County and State graduation and dropout threshold rates.

- Corona-Norco and Riverside school districts continue to generate graduation rates higher than County or State rates and dropout rates lower than countywide or statewide rates.
- For the 2009-11 reporting period, over half of RCCD's feeder school districts reported dropout rates higher than the State average.
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- Moreno Valley and Jurupa school districts have been particularly challenged in recent years in meeting County and State graduation and dropout threshold rates.

Academic preparation, college-going trends with potential implications for RCCD and its colleges

- For the 2010-11 year, Alvord Unified achieved a 76.6% high school graduation rate.
- Some 30% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, one-in-four students, or 25%, took the SAT test.
- Total average SAT score was 1,395, up from prior years but below County and State levels.
- For Fall 2010, RCCD enrolled 373 Alvord graduates as first-time freshmen, most to RCC.
- Alvord has seen a 10-year steady increase in the number of grads enrolling in a public college.
- The majority, 71% in F2010, of Alvord grads who enroll in college, enroll at a CCC college.
- About one-half of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

- For the 2010-11 year, Corona-Norco Unified achieved an 87.1% high school graduation rate.
- Some 45% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, 41% took the SAT test.
- Total average SAT score was 1,462, up from prior years, above County and below State levels.
- For F2010, RCCD enrolled 926 Cor-Norco grads as first-time freshmen, most to Norco College.
- Cor-Norco has seen a 10-year major increase in the number of grads enrolling in a public college.
- The majority, 62% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- About one-half of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-4 of all graduates ultimately attends a RCCD college as a first-time freshman.

- For the 2010-11 year, Jurupa Unified achieved a 79.5% high school graduation rate.
- Some 29% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, one-in-five, or 20%, took the SAT test.
- Total average SAT score was 1,339, down from prior 2 years, and below County and State levels.
- For F2010, RCCD enrolled 237 Jurupa grads as first-time freshmen, most to RCC.
- Jurupa had much higher numbers of grads enrolling in a public college from (2004-08).
- The majority, 65% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- About one-third of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-5 of all graduates ultimately attends a RCCD college as a first-time freshman.

- For the 2010-11 year, Moreno Valley Unified achieved a 68.6% high school graduation rate.
- Some 25% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, one-in-five, or 19%, took the SAT test.
- Total average SAT score was 1,352, up from prior years, and below County and State levels.
- For F2010, RCCD enrolled 587 Moreno Valley grads as first-time freshmen, most to MVC.
- Moreno Valley had higher numbers of grads enrolling in a public college from (2006-09).
- The majority, 79% in F2010, of its graduates who enroll in college, enroll at a CCC college.

- About 4-in-10 of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

- For the 2010-11 year, Riverside Unified achieved an 80.5% high school graduation rate.
- Some 31% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, one-in-three, or 35%, took the SAT test.
- Total average SAT score was 1,470, up from prior years, above county and below state levels.
- For F2010, RCCD enrolled 890 Riverside Unified grads as first-time freshmen, most to RCC.
- Riverside Unified had higher numbers of grads enrolling in a public college from (2006-09).
- The majority, 63% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- About one-half of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-3 of all graduates ultimately attends a RCCD college as a first-time freshman.

- For the 2010-11 year, Val Verde Unified achieved an 82.1% high school graduation rate.
- Some 27% of graduates had completed UC/CSU required courses, compared to 40% statewide.
- For the 2009-10 year, one-in-four, or 24%, took the SAT test.
- Total average SAT score was 1,344, up from prior years, and below County and State levels.
- For F2010, RCCD enrolled 259 Val Verde grads as first-time freshmen, most to MVC.
- Val Verde has seen a 10-year major increase in the number of grads enrolling in a public college.
- The majority, 67% in F2010, of its graduates who enroll in college, enroll at a CCC college.
- About one-third of all grads ultimately attend a California public college as a first-time freshman.
- About 1-in-5 of all graduates ultimately attends a RCCD college as a first-time freshman.

Educational attainment and college-going trends among adults with implications for RCCD colleges

- The number of adults with bachelor's degrees or higher will grow to 20%.
- The percentage of adults with less than a high school diploma will continue to decrease.
- A lower percentage of adults will start college and not finish; more will go on to a degree.
- These trends are forecast for RCCD service area population and for the Inland Empire.
- This continued trend toward more college enrollment is a strategic resource for RCCD.

Workforce Trends, Characteristics and Implications for RCCD

Current and projected employment, unemployment, and industry hiring trends

- For the cities in RCCD's service area, unemployment rates have been in decline since 2011.
- Even with recent declines, the majority of RCCD's service area cities 2012 unemployment rates are higher than Riverside County rates, California rates, and those of the nation.
- The current unemployment rates, which range from 8.7% to 18.3% among service area cities, may well result in continued demand for training and retraining programs and opportunities.

- County unemployment has grown from 5% in 2006 to 14.5% in 2010, down to 11.8% in 2012.
- In 4 years, from 2006 to 2010, the County's unemployment rate nearly tripled, 5% to 14.5%.
- In the past two decades, 357,000 workers have been added to the County's labor force.
- In the past two decades, 316,000 new jobs were created to increase employment ranks.
- As of May 2012, 110,000 County residents remain unemployed, down from 135,900 in 2010.

- The labor force in RCCD's immediate service area now stands at 500,000 workers.
- Nearly 60,000 workers are unemployed in RCCD's service area as of May 2012.
- On a percentage basis, Corona and Norco have the lowest levels of unemployed workers.
- The unemployment rates in some service area CDPs range to highs of 12.9% to 16.7%.
- The number of unemployed workers in service area cities and CDPs continues the opportunity for RCCD and college leadership to assist in local economic recovery and workforce retraining.

Projected industry sector, labor force, and job growth with potential impact on RCCD and its colleges

- While the actual number of employed positions has decreased compared to 2007, an uptick in 2011 employment levels suggests that the County may finally be in a job recovery period.
- The transportation/warehousing/utility cluster has experienced 65% job growth since 2003.
- The health care/social assistance sector added 9,800 workers, for a 21% employment growth.
- Accommodations and food services companies added 8,100 workers, for a 16% growth rate.

- The region's employment base will grow to 1.45 million jobs by 2018.
- The region is forecast to add 106,500 new jobs between 2008 and 2018.
- The transportation sector should grow by 3,800 jobs by 2018.
- Health care and social assistance sector should grow by 25,900 jobs.
- Hospitality and food services is slated to grow by 10,800 jobs.
- Public sector/government is forecast to grow by 16,800 positions.
- Manufacturing, real estate, and financial services are projected for continued decline.
- RCCD colleges are in a key position to continue to prepare the labor force for growing sectors.

Economic Characteristics, Eventual Growth and Implications for RCCD

Economic condition, indicators, and trends of the service area, county, and region

- County taxable sales appear to have begun a rebound beginning in 2010.
- 2010 taxable sales grew to \$23.2 billion, a 4.2% growth over 2009 levels.
- 2011 1st Qr data report a 10.1% growth in taxable sales compared to prior year's 1st Qr.
- California data mirror 2010 and 1st Qr 2011 growth, though not as strong as the County.
- Even optimistic growth may not see a return to 2007-07 levels until 2016-17.
- Recent 2010 and 2011 data indicate that service area taxable sales are on the upswing.
- Some cities saw 2002-06 taxable sales growth of 39%, 48%, and even 64% during this period.
- It took 4 years of growth to reach historic 2007 sales highs; recovery should take as long/longer.

- County assessed real property values have dropped \$47 billion in the past three years.
- For the current and most recent 3 year period, assessed values have fallen each year.
- It would take 3 years of the same explosive growth of the early 2000s to get back to 2007 assessed values.
- Such growth is unlikely and the eventual period of recovery for real property values will require a considerable span of time.
- Contrary to County trends, nearly all service area cities saw the assessed value of their real property increase in 2012-13.
- Today's value of real property for all service area cities remains lower than 2009-10 levels.

- County home prices** are trying to recover as April 2012 sales prices reached \$200,000 compared to \$190,000 the prior year.
- Home prices reached their lowest level in April 2009 when the average home sold for \$180,000.
- Home selling prices today (\$200,000) are still less than one-half of their high in 2007 (\$409,000).
- In general, home sales prices in service area cities continued to fall in 2010 and 2011.
- Norco was the one bright spot with home sales prices increasing 2.7% to \$340,000.
- Recent County-level data indicate increased home sales prices for first half of 2012.

- Last year, the entire Inland Empire region issued 4,736 **housing building permits**.
- This represents a drop of over 90% compared to the 51,463 issued in 2004.
- Last year, for 2011, Riverside County entities issued only 2,291 housing building permits.
- This amount represents a 92% drop compared to the nearly 30,000 issued in 2004.
- For 2011, the cost of construction of issued permits was \$645 million, down from the \$6.1 billion construction costs in 2005.
- Forecasters say that it will take years for the market to return to earlier levels.

Economic forecasts for the county, region and state with potential impact on RCCD and its colleges

- Non-farm and overall employment is projected to grow 1.3% - 2.5% for next 3 years.
- Unemployment will remain relatively high through 2013 and drop to 9% beginning 2015.
- Personal income is predicted to grow 4% - 5% annually this year and through 2016.
- The Governor forecasts strong sales tax growth for the next 5 years, between: 4% - 8% yearly.
- Housing building permits are forecast for strong annual growth: 13% initially to 53% in 2013.
- Most forecasters point to a slowly recovering California economy beginning late 2012.

- RCCD should further position itself as a regional economic recovery resource.

State General Fund and Other Fiscal Support Implications for RCCD

Recent state budgets and resulting allocations to RCCD

- From 2008-12, California's community colleges suffered an \$800 million budget reduction.
- This represents a 12% reduction in state budget funding since 2008-09.
- Categorical program funding has decreased from \$743 million to \$447 million.
- General apportionment funding has decreased from \$5.8 billion to \$5.4 billion.

- Since 2008-09, RCCD's annual general apportionment and categorical program funding support has declined 11%.
- In 2008-09, state support totaled \$145 million for RCCD; last year it totaled \$129 million.
- During this period, state categorical program funding went from \$11.8 million to \$6.2 million.
- General apportionment funding declined from \$133 million to \$125.5 million for RCCD.

Projected state revenues, expenditures, and shortfalls with potential impact on RCCD and its colleges

- The LAO predicts California revenues in four years will grow from \$86 billion to \$107.8 billion/yr.
- Beginning in 2013-14, the state's revenues will grow at least 5% per year for at least 4 years.
- Increase in jobs and personal incomes will generate \$65.5 billion by 2016; it is \$53 billion today.
- As the economy recovers and we spend more, sales tax revenue will reach \$25.8 billion in 2016.

- If left untouched, major program spending would need to grow to \$113.3 billion by 2016-17.
- K-14 program spending could grow to \$46.5 billion by 2016-17; it was \$31.7 billion in 2011-12.
- In all years through 2016-17, forecasted spending growth is higher than forecasted income.
- The LAO concurs that eventual final budgets will be influenced by many factors.

- The LAO estimates a current year, 2012-13, budget shortfall of \$9.7 billion.
- For 2013-17, revenue increases are predicted, so are expenditures, leaving annual shortfalls.
- Projected shortfalls, while diminishing beginning next year, will still reach \$5.4 billion in 2016-17.

The past several years have represented challenging times for the leadership of the District and its colleges. It is a testament to their educational and fiscal acumen that the colleges and the district office continue to maintain program excellence in such a fiscally difficult era.



2012-16 External Environmental Scan Briefing

Esteban Soriano, PhD

RCCD Board of Trustees: 03-05-13

Riverside Community College District

Moreno Valley College - Norco College - Riverside City College

Genesis

Beginnings:

- Chancellor and District Strategic Planning Committee (DSPC) request an updated external environmental scan to support updating existing RCCD strategic plan



Focus of Scan:

- Provide the Chancellor's Office and DSPC current and trend data to inform all stakeholders as they revise and update strategic themes and goals of import to the District over the coming years. Provide data to facilitate decision-making

Data Goals

Four Goals:

1. Focus on external data (internal data are robust).
2. Look at influential characteristics and demographics:
 - Population
 - Workforce/employment
 - Economics
 - Education
 - State budget
3. Capture local, city, District, regional and state data
4. Collect historical, contemporary and projected data



External Environmental Scan Report

1. Six primary chapters:

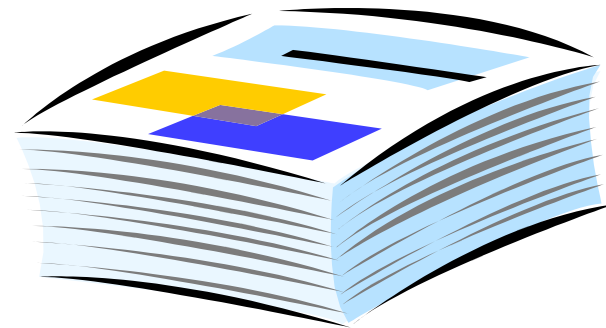
- Population Characteristics and Trends: Yesterday – Today – Tomorrow
- Workforce/Employment Characteristics and Trends: "" ""
- Economic Characteristics and Trends : "" ""
- Education Characteristics and Trends : "" ""
- State Budget Characteristics and Trends : "" ""
- Summary Description of Findings: Implications for Strategic Planning

2. All chapters feature historical data, current data, and any available projective data to the year 2016.....55 tables and charts

External Environmental Scan Report

Formatted for Busy Decision-makers:

- Two-page executive summary begins report
- Each data section of each chapter begins with bulleted key findings for that section
- End of the report features a bulleted comprehensive 7-page summary of all 188 key trends, projections, and findings



Sample of Some Key Trends/Findings

Population and Demographics:

- Your service area population is nearly 1 million
- Perris has youngest population: 37% under 18 years old
- District-wide, ethnicity is both diverse and focused:
 - 72% of Perris is Hispanic (RCO=44%)
 - 24% of Eastvale's population is Asian (RCO= 5.8%)
 - 18% of Moreno Valley population is Black (RCO=6.2%)
- Foreign born: 1990=14.9%; today=22.4%
- Non-English speakers: 1990=25% households; today=40%



Sample of Some Key Trends/Findings

Education Trends:

- Last year, your feeder schools enrolled 185K students, trending up
- Your six feeder districts now annually enroll 55K H.S. students
- Ultimately, 1-in-3 of all area H.S. grads will attend RCC colleges
- The percentage of adults not completing a college degree is dropping (36% in 1990, 28% today). Still, today 320K adults have not completed their college course of study



Sample of Some Key Trends/Findings

Workforce:

- RCCD's SA labor force is 500,000 workers, unemployment rates in decline
- 60K unemployed workers will extend a strong demand for training and retraining programs
- There has been an uptick in 2011-12 employment; a job recovery period
- IE region is forecast to add 106,500 jobs between 2008-18 (1.1% – 3.3% AG)
 - Transportation should grow by 3,800 jobs by 2018
 - Health care/social assist. should grow by 25,900 new jobs
 - Hospitality and food services is slated to grow 10,800 jobs



Sample of Some Key Trends/Findings

Economy:

- RC real prop values have dropped \$47 billion in the past 3 years. Most SA cities saw values increase for 2012-13
- For 2011, the cost of construction for permits was \$645 million, down from the \$6.1 billion costs in 2005 (almost 90% drop). Years needed for recovery
- RC taxable sales began rebound in 2010: \$23.2 Bil, up 4.2% from 09



Sample of Some Key Trends/Findings

State Budget:

- 2008-12: CCCs suffered \$800 mil budget reduction, ↓ 12%
- 2008-12: RCCD's general apportionment & categorical funding support declined 11%, \$145 million down to \$129 million
- RCCD generated \$43,476,544 in grant awards in the past 3 years (2009-12)
- RCCD Foundation has generated nearly \$14.3 million from 2006-11
- The LAO predicts California revenues in four years will grow from \$86 billion to \$107.8 billion/yr in 2016-17
- If left untouched, major program spending would need to grow to \$113.3 billion by 2016-17
- Despite current "balanced" budget, shortfalls are projected through 2017



Summary Findings (through 2017)

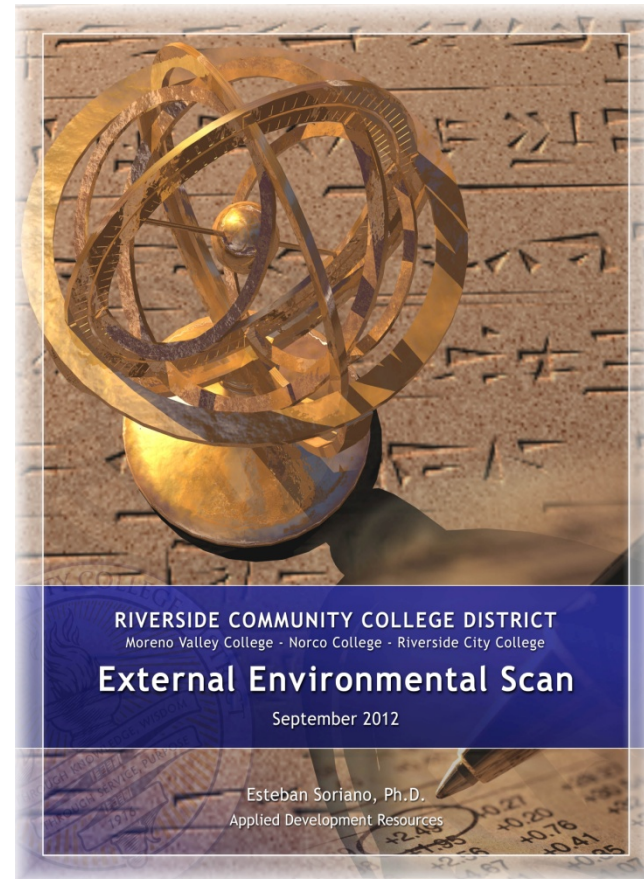
1. Deficits may well continue through 2012-16 Centennial SP period
2. Service area 1-2% pop & K12 annual growth
3. People: poorer, less English-proficient, less fiscally-stable
4. Forecasts: District and Colleges will face more H.S. grads and adult workers wanting access, with more support service and FA needs, with State still having budget problems (even with passage of proposition)
5. Bright spots: Great demand for key RCCD programs, great successes in grant development and fund-raising, initial signs of local slow economic rebound



External Environmental Scan 2012

Your:

- Questions
- Perspectives
- Comments





Agenda Item (IV-D-1)

Meeting	3/5/2013 - Committee/Regular Board
Agenda Item	Committee - Resources (IV-D-1)
Subject	Resolution No. 25 -12/13 - 2013-2014 Tax and Revenue Anticipation Note (TRAN)
College/District	District
Funding	N/A
Recommended Action	It is recommended that the Board of Trustees approve: (1) participation in the California School Cash Reserve Program; (2) Resolution No. 25-12/13 authorizing the borrowing of funds to a maximum amount of \$25 million for fiscal year 2013-2014; (3) the issuance and sale of 2013-2014 Tax and Revenue Anticipation Notes; and (4) requesting the Board of Supervisors of the County to issue and sell said notes.

Background Narrative:

The District has periodically participated in the Cash Reserve Program sponsored by the California School Boards Association Finance Corporation since 1988, most recently in FY 2012-2013. Through the Cash Reserve Program, districts issue Tax and Revenue Anticipation Notes (TRAN). A TRAN is a short-term debt instrument used to cover cash flow shortages or to create additional reserves in a district's general fund. In 2012-2013, the program issued more than \$1.5 billion in notes to more than 200 districts.

The Program's underwriter, Piper Jaffray, sells the notes in the financial marketplace as tax-exempt securities. The notes have a maturity length of one year. The proceeds of the notes are reinvested in high quality taxable investments (AA or AAA rated entities) with a corresponding maturity length. Since both the interest cost and reinvestment rates are guaranteed, the District is not exposed to the market risk of interest rate volatility during the course of the year.

The Governor's proposed FY 2013-2014 budget reduces systemwide apportionment deferrals by \$179 million, which will result in a reduction of District apportionment deferrals of approximately \$3 million. Still, the District anticipates that apportionment payments totaling \$25 million will be deferred from the months of January through June 2014 to July 2014 and another \$4 million will be deferred from the months of March 2014 and April 2014 to the month of May 2014.

To protect the District's cash position for FY 2013-2014, the attached TRAN borrowing resolution is presented for the Board's consideration and action. The resolution establishes the District's maximum borrowing amount at \$25 million. Adoption of the attached resolution does not obligate the District to issue the maximum borrowing amount or to participate in the program. The resolution delegates the authority to participate in the TRAN program to District staff as necessary based on refinement of projected cash flow needs as the end of the fiscal year approaches.

Additionally, and similar to FY 2012-2013, the TRAN authorization includes authority to issue multiple series of TRANs up to the resolution limit, under one resolution. In FY 2012-2013, the District issued two series of TRANs; one for \$5.0 million in July 2012 and one for \$20.0 million in February 2013.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services

Attachments:

[03052013_2013-2014 Tax and Revenue Anticipation Note \(TRAN\) – Resolution No. 25-12/13](#)

THIS RESOLUTION MUST BE DISCUSSED, CONSIDERED AND DELIBERATED BY THE GOVERNING BOARD AS A SEPARATE ITEM OF BUSINESS ON THE GOVERNING BOARD'S AGENDA IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53635.7.

DISTRICT RESOLUTION

NAME OF DISTRICT: RIVERSIDE COMMUNITY COLLEGE DISTRICT*

LOCATED IN: COUNTY OF RIVERSIDE

MAXIMUM AMOUNT OF BORROWING: \$25,000,000

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2013-2014 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2013-2014 TAX AND REVENUE ANTICIPATION NOTES THEREFOR AND PARTICIPATION IN THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID SERIES OF NOTES

WHEREAS, school districts, community college districts and county boards of education are authorized by Sections 53850 to 53858, both inclusive, of the California Government Code (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes; and

WHEREAS, the governing board (the "Board") has determined that, in order to satisfy certain obligations and requirements of the school district, community college district or county board of education specified above (the "District"), a public body corporate and politic located in the County designated above (the "County"), it is desirable that a sum (the "Principal Amount"), not to exceed the Maximum Amount of Borrowing designated above, be borrowed for such purpose during its fiscal year ending June 30, 2014 ("Fiscal Year 2013-2014") by the issuance of its 2013-2014 Tax and Revenue Anticipation Notes (the first series of which shall be referred to herein as the "Series A Notes" and any subsequent series of which shall be referred to herein as "Additional Notes," and collectively with the Series A Notes, the "Notes"), in one or more series (each a "Series"), therefor in anticipation of the receipt by or accrual to the District during Fiscal Year 2013-2014 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the

* If the Name of the District indicated on the face hereof is not the correct legal name of the District which adopted this Resolution, it shall nevertheless be deemed to refer to the District which adopted this Resolution, and the Name of the District indicated on the face hereof shall be treated as the correct legal name of said District for all purposes in connection with the Program (as hereinafter defined).

general fund and, if so indicated in a Pricing Confirmation (as defined in Section 4 hereof), capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

WHEREAS, the Principal Amount may, as determined by the Authorized Officer (as hereinafter defined), be divided into two or more portions evidenced by two or more Series of Notes, which Principal Amount is to be confirmed and set forth in the Pricing Confirmation if one Series of Notes is issued, or if more than one Series of Notes are issued, such Principal Amount will be equal to the sum of the Series Principal Amounts (as defined in Section 2 hereof) as confirmed and set forth in the Pricing Confirmation applicable to each Series of Notes; and

WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance, in one or more Series, of the Notes; ^{**} and

WHEREAS, because the District does not have fiscal accountability status pursuant to Section 42650 or Section 85266 of the California Education Code, it requests the Board of Supervisors of the County to borrow, on the District's behalf, the Principal Amount by the issuance of the Notes in one or more Series; and

WHEREAS, pursuant to Section 53853 of the Act, if the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in said Section 53853, following receipt of this Resolution, and the Notes, in one or more series, are issued in conjunction with tax and revenue anticipation notes, in one or more series, of other Issuers (as hereinafter defined), the District may issue the Notes, in one or more series, in its name pursuant to the terms stated herein; and

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2013-2014 which will be received by or which will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which will be available for the payment of the principal of each Series of Notes and the interest thereon; and

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2013-2014 which will be received by or will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special

^{**} Unless the context specifically requires otherwise, all references to "Series of Notes" herein shall be deemed to refer, to (i) the Note, if issued in one series by the County (or the District, as applicable) hereunder, or (ii) each individual Series of Notes severally, if issued in two or more series by the County (or the District, as applicable) hereunder.

revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

WHEREAS, pursuant to Section 53856 of the Act, certain taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which will be received by or accrue to the District during Fiscal Year 2013-2014 are authorized to be pledged for the payment of the principal of each Series of Notes (as applicable) and the interest thereon (as hereinafter provided); and

WHEREAS, the District has determined that it is in the best interests of the District to participate in the California School Cash Reserve Program (the "Program"), whereby participating school districts, community college districts and county boards of education (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes; and

WHEREAS, due to uncertainties existing in the financial markets, the Program has been designed with alternative structures, each of which the District desires to approve; and

WHEREAS, under the first structure (the "Certificate Structure"), the District would issue one or more Series of Notes, each Series of Notes to be marketed with some or all of the notes issued simultaneously by other Issuers participating in the Program, and Piper Jaffray & Co., as underwriter for the Program (the "Underwriter"), would form one or more pools of notes or series of certificates (the "Certificates") of participation (the "Series of Certificates") distinguished by (i) whether and what type(s) of Credit Instrument (as hereinafter defined) secures notes comprising each Series of Certificates, and (ii) possibly other features, all of which the District hereby authorizes the Underwriter to determine; and

WHEREAS, the Certificate Structure requires the Issuers participating in any particular Series of Certificates to deposit their applicable series of tax and revenue anticipation notes with U.S. Bank National Association, as trustee (the "Trustee"), pursuant to a trust agreement between such Issuers and the Trustee (the trust agreement applicable to each Series of Certificates, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the "Trust Agreement"), and requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series of Certificates; and

WHEREAS, if the Certificate Structure is implemented, the District desires to have the Trustee execute and deliver a Series of Certificates which evidences and represents interests of the owners thereof in each Series of Notes issued by the District and the notes issued simultaneously by other Issuers participating in such Series of Certificates; and

WHEREAS, as additional security for the owners of each Series of Certificates, all or a portion of the payments by all of the Issuers of their respective series of notes comprising such Series of Certificates may or may not be secured by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments) (collectively, the "Credit Instrument") issued by the credit provider (or credit providers) (collectively, the "Credit

Provider”) designated in the applicable Trust Agreement, as finally executed, pursuant to a credit agreement (or agreements) or commitment letter (or letters) (such credit agreement (or agreements) or commitment letter (or letters), if any, in the forms presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the “Credit Agreement”) identified in the applicable Trust Agreement, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Certificate Structure, the Underwriter will submit an offer to purchase each Series of Notes issued by the District and the notes issued by other Issuers participating in the same Series of Certificates all as evidenced and represented by such Series of Certificates (which offer will specify, as designated in the Pricing Confirmation applicable to the sale of such Series of Notes to be sold by the District, the principal amount, interest rate and Credit Instrument (if any)), and has submitted a form of certificate purchase agreement (such certificate purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the “Certificate Purchase Agreement”) to the Board; and

WHEREAS, pursuant to the Certificate Structure each participating Issuer will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Certificates, (ii) if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer’s allocable share of all Predefault Obligations and the Issuer’s Reimbursement Obligations, if any (each as defined in the Trust Agreement); and

WHEREAS, the Certificate Structure requires that each participating Issuer approve the Trust Agreement, the alternative Credit Instruments and Credit Agreements, if any, and the Certificate Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, under the second structure (the “Bond Pool Structure”), participating Issuers would be required to sell each series of their tax and revenue anticipation notes to the California School Cash Reserve Program Authority (the “Authority”) pursuant to note purchase agreements (such note purchase agreements, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the “Note Purchase Agreements”), each between such individual Issuer and the Authority, and dated as of the date of the Pricing Confirmation applicable to the sale of the individual Issuer’s series of notes to be sold, a form of which has been submitted to the Board; and

WHEREAS, the Authority, pursuant to advice of the Underwriter, will form one or more pools of notes of each participating Issuer (the “Pooled Notes”) and assign each respective series of notes to a particular pool (the “Pool”) and sell a series of senior bonds (each a “Series of Senior Bonds”) and, if desirable, a corresponding series of subordinate bonds (each a “Series of Subordinate Bonds” and collectively with a Series of Senior Bonds, a “Series of Pool Bonds”) secured by each Pool pursuant to an indenture and/or a supplement thereto (the original indenture

and each supplement thereto applicable to a Series of Pool Bonds to which the Note shall be assigned is hereinafter collectively referred to as the "Indenture") between the Authority and the Trustee, each Series of Pool Bonds distinguished by (i) whether or what type(s) of Credit Instrument(s) secure(s) such Series of Pool Bonds, (ii) the principal amounts or portions of principal amounts of the notes of such respective series assigned to the Pool, or (iii) other factors, and the District hereby acknowledges and approves the discretion of the Authority, acting upon the advice of the Underwriter, to assign the District's Notes of such respective Series to such Pool and such Indenture as the Authority may determine; and

WHEREAS, at the time of execution of the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District, the District will (in such Pricing Confirmation) request the Authority to issue a Series of Pool Bonds pursuant to an Indenture to which such Series of Notes identified in such Pricing Confirmation will be assigned by the Authority in its discretion, acting upon the advice of the Underwriter, which Series of Pool Bonds will be payable from payments of all or a portion of principal of and interest on such Series of Notes and the other respective series of notes of other participating Issuers assigned to the same Pool and assigned to the same Indenture to which the District's Series of Notes is assigned; and

WHEREAS, as additional security for the owners of each Series of Pool Bonds, all or a portion of the payments by all of the Issuers of the respective series of notes assigned to such Series of Pool Bonds may or may not be secured (by virtue or in form of the Series of Pool Bonds, as indicated in the Pricing Confirmation applicable to such Series of Pool Bonds, being secured in whole or in part) by one or more Credit Instruments issued by one or more Credit Providers designated in the applicable Indenture, as finally executed, pursuant to a Credit Agreement, if any, identified in the applicable Indenture, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Bond Pool Structure each Issuer, whose series of notes is assigned to a Pool as security for a Series of Pool Bonds, will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Pool Bonds, (ii), if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Indenture) applicable to such Series of Pool Bonds; and

WHEREAS, the Bond Pool Structure requires that each participating Issuer approve the Indenture, the alternative Credit Instruments and Credit Agreements, if any, and the Note Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement, if any, to be determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, pursuant to the Bond Pool Structure, the Underwriter will submit an offer to the Authority to purchase, in the case of each Pool of notes, the Series of Pool Bonds which will be secured by the Indenture to which such Pool will be assigned; and

WHEREAS, all or portions of the net proceeds of each Series of Notes issued by the District, may be invested in one or more Permitted Investments (as defined in the Trust

Agreement or the Indenture, as applicable), including under one or more investment agreements with one or more investment providers (if any), the initial investment of which is to be determined in the Pricing Confirmation related to such Series of Notes; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Issuance of Notes.

(A) Initial Issuance of Notes. This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, in anticipation of the receipt by or accrual to the District during Fiscal Year 2013-2014 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation)* of the District, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of Notes under Sections 53850 *et seq.* of the Act, designated generally as the District's "2013-2014 [Subordinate]** Tax and Revenue Anticipation Notes, Series ___" in one or more of the following Series, in order of priority of payment as described herein:

(1) the Series A Notes, being the initial Series of Notes issued under this Resolution, together with one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a parity with the Series A Notes (collectively, the "Senior Notes"); and

(2) one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a subordinate basis to (i) any Senior Notes, and (ii) any previously issued Subordinate Notes if so specified in the related Pricing Confirmation (collectively, the "Subordinate Notes"), which Subordinate Notes shall be identified as such.

Each such Series of Notes shall be issued in the form of one registered note at the principal amount thereof (the "Series Principal Amount") as set forth in the applicable Pricing Confirmation and all such Series Principal Amounts aggregating to the Principal Amount set forth in such Pricing Confirmations, in each case, to bear a series designation, to be dated the date of its respective delivery to the respective initial purchaser thereof, to mature (without option of prior redemption) not more than thirteen (13) months thereafter on a date indicated on

* For purposes of this Resolution, such funds shall be referred to as the "capital fund" and "special revenue fund."

** A Series of Notes shall bear the "Subordinate" designation if it is a Series of Subordinate Notes.

the face thereof and determined in the Pricing Confirmation applicable to such Series of Notes (collectively, the "Maturity Date"), and to bear interest, payable at the applicable maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the applicable Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation applicable to such Series of Notes and indicated on the face of such Series of Notes (collectively, the "Note Rate").

With respect to the Certificate Structure, if a Series of Notes as evidenced and represented by the corresponding Series of Certificates is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement). If a Series of Notes as evidenced and represented by the corresponding Series of Certificates is unsecured in whole or in part and is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

With respect to the Bond Pool Structure, if a Series of Pool Bonds issued in connection with a Series of Notes is secured in whole or in part by a Credit Instrument or such Credit Instrument secures the Series of Notes in whole or in part and all principal of and interest on such Series of Notes is not paid in full at maturity or payment of principal of and interest on such Series of Notes is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Indenture), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Indenture). If a Series of Notes or the Series of Pool Bonds issued in connection therewith is not so secured in whole or in part and such Series of Notes is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

In each case set forth in the preceding two paragraphs, the obligation of the District with respect to such Defaulted Note or unpaid Series of Notes shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of the income and revenue provided for Fiscal Year 2013-2014 within the meaning of Article XVI, Section 18 of the California Constitution, as provided in Section 8 hereof.

Both the principal of and interest on each Series of Notes shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust

office of U.S. Bank National Association in Los Angeles, California, or as otherwise indicated in the Trust Agreement or the Indenture, as applicable. The Principal Amount may, prior to the issuance of any Series of Notes, be reduced from the Maximum Amount of Borrowing specified above, in the discretion of the Underwriter upon consultation with the Authorized Officer. The Principal Amount shall, prior to the issuance of the last Series of Notes, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") as to the legality thereof or, if applicable, the exclusion from gross income for federal tax purposes of interest thereon (or on any Series of Pool Bonds related thereto). The Principal Amount shall, prior to the issuance of the last Series of Notes, also be reduced from the Maximum Amount of Borrowing specified above, and other conditions shall be met by the District prior to the issuance of each Series of Notes, if and to the extent necessary to obtain from the Credit Provider that issues the Credit Instrument securing the corresponding Series of Certificates evidencing and representing such Series of Notes or the related Series of Pool Bonds to which such Series of Notes is assigned its agreement to issue the Credit Instrument securing such Series of Certificates or Series of Pool Bonds, as the case may be. Notwithstanding anything to the contrary contained herein, if applicable, the approval of the corresponding Credit Provider of the issuance of such Series of Notes and the decision of the Credit Provider to deliver the Credit Instrument shall be in the sole discretion of the Credit Provider, and nothing herein shall be construed to require the Credit Provider to issue a Credit Instrument or to approve the issuance of such Series of Notes.

In the event the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in Section 53853 of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Notes, in the District's name, in one or more series, pursuant to the terms stated in this Section 2 and the terms stated hereafter. The Notes, in one or more series, shall be issued in conjunction with the note or notes (in each case, in one or more series) of one or more other Issuers as part of the Program and within the meaning of Section 53853 of the Act.

(B) Issuance of Additional Notes. The District (or the County on its behalf, as applicable) may at any time issue pursuant to this Resolution, one or more Series of Additional Notes consisting of Senior Notes or Subordinate Notes (including Subordinate Notes that are further subordinated to previously issued Subordinate Notes, as provided in the applicable Pricing Confirmation), subject in each case to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Series of Additional Notes:

(1) The District shall not have issued any tax and revenue anticipation notes relating to the 2013-2014 fiscal year except (a) in connection with the Program under this Resolution, or (b) notes secured by a pledge of its Unrestricted Revenues (as defined in Section 8) that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder; the District shall be in compliance with all agreements and covenants contained herein; and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(2) The aggregate Principal Amount of Notes issued and at any time outstanding hereunder shall not exceed any limit imposed by law, by this Resolution or

by any resolution of the Board amending or supplementing this Resolution (each a "Supplemental Resolution").

(3) Whenever the District shall determine to issue, execute and deliver any Additional Notes pursuant to this Section 2(B), the Series Principal Amount of which, when added to the Series Principal Amounts of all Series of Notes previously issued by the District, would exceed the Maximum Amount of Borrowing authorized by this Resolution, the District shall adopt a Supplemental Resolution amending this Resolution to increase the Maximum Amount of Borrowing as appropriate and shall submit such Supplemental Resolution to the Board of Supervisors of the County as provided in Section 53850 *et seq.* of the Act with a request that the County issue such Series of Additional Notes in the name of the District as provided in Sections 2(A) and 9 hereof. The Supplemental Resolution may contain any other provision authorized or not prohibited by this Resolution relating to such Series of Additional Notes.

(4) The District may issue a Series of Additional Notes that are Senior Notes payable on a parity with all other Series of Senior Notes of the District or that are Subordinate Notes payable on a parity with one or more Series of outstanding Subordinate Notes, only if it obtains (a) the consent of each Credit Provider relating to each previously issued Series of Notes that will be on a parity with such Series of Additional Notes, and (b) evidence that no rating then in effect with respect to any outstanding Series of Certificates or Series of Bonds, as applicable, from a Rating Agency will be withdrawn, reduced, or suspended solely as a result of the issuance of such Series of Additional Notes (a "Rating Confirmation"). Except as provided in Section 8, the District may issue one or more Series of Additional Notes that are subordinate to all previously issued Series of Notes of the District without Credit Provider consent or a Rating Confirmation. The District may issue tax and revenue anticipation notes other than in connection with the Program under this Resolution only if such notes are secured by a pledge of its Unrestricted Revenues that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder.

(5) Before such Additional Notes shall be issued, the District shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel to the District to the effect that (A) such Additional Notes constitute the valid and binding obligations of the District, (B) such Additional Notes are special obligations of the District and are payable from the moneys pledged to the payment thereof in this Resolution, and (C) the applicable Supplemental Resolution, if any, has been duly adopted by the District.

(b) A certificate of the District certifying as to the incumbency of its officers and stating that the requirements of this Section 2(B) have been met.

(c) A certified copy of this Resolution and any applicable Supplemental Resolution.

(d) If this Resolution was amended by a Supplemental Resolution to increase the Maximum Amount of Borrowing, the resolution of the County Board of Supervisors approving such increase in the Maximum Amount of Borrowing and the issuance of such Additional Notes, or evidence that the County Board of Supervisors has elected to not issue such Additional Notes.

(e) An executed counterpart or duly authenticated copy of the applicable Certificate Purchase Agreement or Note Purchase Agreement.

(f) A Pricing Confirmation relating to the Series of Additional Notes duly executed by an Authorized Officer (as defined in Section 4).

(g) The Series of Additional Notes duly executed by the applicable County representatives as provided in Section 9 hereof, or executed by the applicable Authorized Officers of the District if the County shall have declined to issue the Series of Additional Notes in the name of the District, either in connection with the initial issuance of the Series A Notes or in connection with any Supplemental Resolution increasing the Maximum Amount of Borrowing.

(h) If the Additional Notes are to be parity Senior Notes or parity Subordinate Notes, the Credit Provider consent(s) and Rating Confirmation(s) required pursuant to paragraph (4) above.

Upon the delivery to the Trustee of the foregoing instruments and, if the Bond Pool Structure is implemented, satisfaction of the provisions of Section 2.12 of the Indenture with regard to the issuance of a corresponding Series of Additional Bonds (as defined therein), the Trustee shall authenticate and deliver said Additional Notes to, or upon the written request of, the District. Upon execution and delivery by the District and authentication by the Trustee, said Additional Notes shall be valid and binding obligations of the District notwithstanding any defects in satisfying any of the foregoing requirements.

Section 3. Form of Notes. Each Series of the Notes shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 4. Sale of Notes; Delegation. Any one of the President or Chairperson of the Board, the Superintendent, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or, in the absence of said officer, his or her duly appointed assistant (each an "Authorized Officer"), is hereby authorized and directed to negotiate, with the Underwriter (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented), an interest rate or rates on each Series of the Notes to the stated maturity or maturities thereof, which shall not, in any individual case, exceed twelve percent (12%) per annum (per Series of Notes), and the purchase price to be paid by the Underwriter or the Authority, as applicable, for the respective Series of the Notes, which purchase price shall be at a discount which when added to the

District's share of the costs of issuance shall not be more than the greater of (a) one percent (1%) of (i) the Principal Amount of the Note, if only one Series of Notes is issued or (ii) the Series Principal Amount of each individual Series of Notes, if more than one series is issued, or (b) two thousand five hundred dollars (\$2,500). If such interest rate and price and other terms of the sale of the Series of Notes set out in the Pricing Confirmation applicable to such Series of Notes are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the pricing confirmation supplement applicable to such Series of Notes to be delivered by the Underwriter (on behalf of itself, if the Certificate Structure is implemented and on behalf of the Authority, if the Bond Pool Structure is implemented) to the District on a date within five (5) days, or such longer period of time as agreed by the Underwriter or the Authority, as applicable, of said negotiation of interest rates and purchase price during the period from May 1, 2013 (or the date of adoption of this Resolution if after May 1, 2013) through June 15, 2014 (the "Pricing Confirmation"), substantially in the form presented to this meeting as Schedule I to the Certificate Purchase Agreement or the Note Purchase Agreement, as applicable, with such changes therein as said Authorized Officer shall require or approve, and such other documents or certificates required to be executed and delivered thereunder or to consummate the transactions contemplated hereby or thereby, for and in the name and on behalf of the District, such approval by this Board and such officer to be conclusively evidenced by such execution and delivery. In the event more than one Series of Notes are issued, a separate Pricing Confirmation shall be executed and delivered corresponding to each Series of Notes. Any Authorized Officer is hereby further authorized to execute and deliver, prior to the execution and delivery of the Pricing Confirmation applicable to a Series of Notes, the Certificate Purchase Agreement or the Note Purchase Agreement applicable to such Series of Notes, substantially in the forms presented to this meeting, which forms are hereby approved, with such changes therein as said officer shall require or approve, such approval to be conclusively evidenced by such execution and delivery; provided, however, that any such Certificate Purchase Agreement or Note Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the corresponding Pricing Confirmation. Delivery of a Pricing Confirmation by fax or telecopy of an executed copy shall be deemed effective execution and delivery for all purposes. If requested by said Authorized Officer at his or her option, any duly authorized deputy or assistant of such Authorized Officer may approve said interest rate or rates and price by execution of the Certificate Purchase Agreement or the Note Purchase Agreement(s), as applicable, and/or the corresponding Pricing Confirmation(s).

Section 5. Program Approval. The District hereby delegates to the Authority the authority to select which structure (*i.e.*, the Certificate Structure or the Bond Pool Structure) shall be implemented, with the Authorized Officer of the District accepting and approving such selection by execution of the applicable Pricing Confirmation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be combined with notes of other Issuers into a Series of Certificates as set forth in general terms in the Pricing Confirmation (which need not include specific information about such other notes or Issuers) applicable to such Series of Notes, and shall be marketed and sold simultaneously with such other notes of that Series with such credit support (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Certificates which shall evidence and represent proportionate, undivided interests in such Series of Notes in the proportion that the face amount of such Series of Notes bears to the total

aggregate face amount of such Series of Notes and the notes issued by other Issuers which the Series of Certificates represent. Such Certificates may be delivered in book-entry form.

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Certificates which evidences and represents interests of the owners thereof in the related Series of Notes of the District and the notes issued by other Issuers evidenced and represented by such Series of Certificates, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes, the Trust Agreement and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation, the Trust Agreement and the Credit Agreement(s) (if any).

The form of Trust Agreement, alternative general types of Credit Instruments and forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver the Trust Agreement and the Credit Agreement(s), if applicable, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement, Credit Agreement(s) and Pricing Confirmation, respectively.

The form of the Preliminary Official Statement presented to this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement in connection with the offering and sale of each Series of Certificates. Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement for each Series of Certificates. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement for the applicable Series of Certificates shall be, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), deemed final within the meaning of the Rule; provided that no representation is made as to the information contained in a Preliminary Official Statement relating to the other Issuers or any Credit Provider, and the Authority is hereby authorized to certify on behalf of the District that each Preliminary Official Statement is, as of its date, deemed final within the meaning of the Rule. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the related Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter. The Authority is hereby authorized and directed, at or after the time of the sale of any Series of Certificates, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Trustee is authorized and directed to execute each Series of Certificates on behalf of the District pursuant to the terms and conditions set forth in the related Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and otherwise containing the provisions set forth in the form of the Certificate contained in the Trust Agreement. When so executed, each Series of Certificates shall be delivered by the Trustee to the Underwriter upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement and the applicable Certificate Purchase Agreement.

Subject to Section 8 hereof, the District hereby agrees that if a Series of Notes as evidenced and represented by a Series of Certificates shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) the Credit Provider providing a Credit Instrument with respect to such Series of Certificates, and therefore, if applicable, all or a portion of such Series of Notes, if any, has been reimbursed for any drawings, payments or claims made under the Credit Instrument with respect to such Series of Notes, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of the Series of Certificates which evidence and represent such Series of Notes are paid the full principal amount represented by the unsecured portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of the applicable Series of Certificates will be deemed to have received such principal amount and such accrued interest upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under each Series of Notes, any fees or expenses of the Trustee and, to the extent permitted by law, if such Series of Notes as evidenced and represented by the related Series of Certificates is secured in whole or in part by a Credit Instrument, any Predefault Obligations and Reimbursement Obligations (to the extent not payable under such Series of Notes), (i) arising out of an "Event of Default" hereunder or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the Principal Amount (or Series Principal Amount as applicable) of its Series of Notes over the aggregate Principal Amounts (or Series Principal Amounts, as applicable) of all series of notes, including such Series of Notes, of the Series of Certificates of which such Series of Notes is a part, at the time of original issuance of such Series of Certificates. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

If the Certificate Structure is implemented, any Authorized Officer is hereby authorized to execute and deliver any Information Return for Tax-Exempt Governmental Obligations, Form 8038-G of the Internal Revenue Service ("Form 8038-G"), in connection with the issuance of a Tax-Exempt (as defined in Section 7) Series of Notes and the related Series of Certificates. To the extent permitted by law, the Authority, the Trustee, the Underwriter and Bond Counsel are each hereby authorized to execute and deliver any Form 8038-G for and on behalf of the District in connection with the issuance of a Tax-Exempt Series of Notes and the related Series of Certificates, as directed by an Authorized Officer of the District.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, the Pricing Confirmation for a Series of Notes may, but shall not be required to, specify the Series of Pool Bonds to which such Series of Notes will be assigned (but need not include information about other series of notes assigned to the same pool or their Issuers).

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Senior Bonds and corresponding Series of Subordinate Bonds, if any, to which each Series of Notes issued by the District will be assigned, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation and the Credit Agreement(s) (if any).

The alternative general types of Credit Instruments and the forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver a Credit Agreement(s), if any, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Credit Agreement and Pricing Confirmation, respectively.

The form of Indenture presented to this meeting is hereby acknowledged and approved, and it is acknowledged that the Authority will execute and deliver the Indenture and one or more Supplemental Indentures, which shall be identified in the Pricing Confirmation applicable to the Series of Notes to be issued, in substantially one or more of said forms with such changes therein as the Authorized Officer who executes such Pricing Confirmation shall require or approve (substantially final forms of the Indenture and the Supplemental Indenture (if applicable) to be delivered to the Authorized Officer concurrently with the Pricing Confirmation applicable to the Series of Notes to be issued), such approval of such Authorized Officer and this Board to be conclusively evidenced by the execution of the Pricing Confirmation applicable to such Series of Notes. It is acknowledged that the Authority is authorized and requested to issue one or more Series of Pool Bonds (consisting of a Series of Senior Bonds and, if desirable, a corresponding Series of Subordinate Bonds) pursuant to and as provided in the Indenture as finally executed and, if applicable, each Supplemental Indenture as finally executed.

Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement(s) and Official Statement(s) of the Authority relating to a Series of Pool Bonds. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the corresponding Preliminary Official Statement or other offering document relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter.

Subject to Section 8 hereof, the District hereby agrees that if a Series of Notes shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) any Credit Provider providing a Credit Instrument with respect to such Series of Notes or the Series of Pool Bonds issued in connection with such Series of Notes, has been reimbursed for any drawings, payments or claims made under the Credit Instrument with respect to such Series of Notes, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of such Series of Notes or the Series of the Pool Bonds issued in connection with such Series of Notes are paid the full principal amount represented by the unsecured portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of such Series of Pool Bonds will be deemed to have received such principal amount and such accrued interest upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under each Series of Notes, any fees or expenses of the Trustee and, to the extent permitted by law, if such Series of Notes is secured in whole or in part by a Credit Instrument (by virtue of the fact that the corresponding Series of Pool Bonds is secured by a Credit Instrument), any Predefault Obligations and Reimbursement Obligations (to the extent not payable under such Series of Notes), (i) arising out of an "Event of Default" hereunder or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the Principal Amount (or Series Principal Amount as applicable) of its Series of Notes over the aggregate Principal Amounts (or Series Principal Amounts, as applicable) of all series of notes, including such Series of Notes, assigned to the Series of Pool Bonds issued in connection with such Series of Notes, at the time of original issuance of such Series of Pool Bonds. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

(C) Appointment of Professionals. Piper Jaffray & Co. (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as underwriter for the Program, the law firm of Orrick, Herrington & Sutcliffe LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as bond counsel for the Program, and the law firm of Kutak Rock LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as special counsel to the District in connection with the Program.

Section 6. No Joint Obligation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be marketed and sold simultaneously with the notes of other Issuers and shall be aggregated and combined with such notes of other Issuers participating in the Program into a Series of Certificates evidencing and representing an interest in several, and not joint, obligations of each Issuer. The obligation of the District to owners of a Series of Certificates is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and the applicable Series of Notes as evidenced and represented by such Series of Certificates. Owners of Certificates, to the extent of their interest in a Series of Notes, shall be treated as owners of such Series of Notes and shall be entitled to all the rights and security thereof, including the right to enforce the obligations and covenants contained in this Resolution and such Series of Notes. The District hereby recognizes the right of the owners of a Series of Certificates acting directly or through the Trustee to enforce the obligations and covenants contained in the Series of Notes evidenced and represented thereby, this Resolution and the Trust Agreement. The District shall be directly obligated to each owner of a Series of Certificates for the principal and interest payments on the Series of Notes evidenced and represented by such Certificates without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, each Series of Notes will be issued in conjunction with a series of notes of one or more other Issuers and will be assigned to a Pool in order to secure a corresponding Series of Pool Bonds. In all cases, the obligation of the District to make payments on or in respect to each Series of its Notes is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and such Series of Notes.

Section 7. Disposition of Proceeds of Notes. The moneys received from the sale of each Series of Notes evidenced and represented by a Series of Certificates or each Series of Pool Bonds issued in connection with a Series of Notes, as the case may be, allocable to the District's share of the costs of issuance (which shall include any fees and expenses in connection with the related Credit Instrument(s) applicable to such Series of Notes or Series of Pool Bonds) shall be deposited in an account in the Costs of Issuance Fund established for such Series of Notes or such Series of Pool Bonds, as applicable, and held and invested by the Trustee under the Trust Agreement or the Indenture, as applicable, and expended as directed by the Underwriter (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented) on Costs of Issuance as provided in the Trust Agreement or the Indenture, as applicable. The moneys allocable to each Series of Notes from the sale of the corresponding Series of Certificates or Pool Bonds, as applicable, net of the District's share of the costs of issuance, is hereby designated the "Deposit to Proceeds Subaccount" and shall be deposited in the District's Proceeds Subaccount attributed to such Series of Notes hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement or the Indenture, as applicable, for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to use and expend moneys, upon requisition from such Proceeds Subaccount as specified in the Trust Agreement or the Indenture, as

applicable. The Pricing Confirmation applicable to each Series of Notes shall set forth such amount of the Deposit to Proceeds Subaccount. Each Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount. Subject to Section 8 hereof, the District hereby covenants and agrees to replenish amounts on deposit in each Proceeds Subaccount attributed to a Series of its Note to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

The Trustee shall transfer to each Payment Account (hereinafter defined) relating to a Series of Notes from amounts on deposit in the related Proceeds Subaccount attributed to such Series of Notes on the first day of each Repayment Period (as defined hereinafter) (or such other day of each Repayment Period designated in the Pricing Confirmation applicable to a Series of Notes), amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date, are equal to the percentages of the principal and interest due with respect to such Series of Notes at maturity for the corresponding Repayment Period set forth in such Pricing Confirmation; provided, however, that on the twentieth day of the next to last Repayment Period designated in such Pricing Confirmation (or such other day designated in the Pricing Confirmation applicable to a Series of Notes), or, if only one Repayment Period is applicable to a Series of Notes, on the twentieth day of the month preceding the Repayment Period designated in such Pricing Confirmation (or such other day designated in the Pricing Confirmation applicable to a Series of Notes), the Trustee shall transfer all remaining amounts in the Proceeds Subaccount attributed to the Series of Notes to the related Payment Account all as and to the extent provided in the Trust Agreement or the Indenture, as applicable; provided, however, that with respect to the transfer in or prior to any such Repayment Period, as applicable, if said amount in the Proceeds Subaccount attributed to a Series of Notes is less than the corresponding percentage set forth in the Pricing Confirmation applicable to the related Series of Notes of the principal and interest due with respect to such Series of Notes at maturity, the Trustee shall transfer to the related Payment Account attributed to such Series of Notes of the District all amounts on deposit in the Proceeds Subaccount attributed to such Series of Notes on the day designated for such Repayment Period.

For Notes issued in calendar 2013 and issued as Tax-Exempt (or the related Series of Pool Bonds are issued as Tax-Exempt), in the event either (A) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2013, will, at the time of the issuance of such Notes (as indicated in the certificate of the District executed as of the date of issuance of such Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2013, will, at the time of the issuance of such Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the second following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Notes.

For Notes issued in calendar year 2014 and issued as Tax-Exempt (or the related Series of Pool Bonds are issued as Tax-Exempt), in the event either (A) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2014, will, at the time of the issuance of such Notes (as indicated in the certificate of the District executed as of the date of issuance of such Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of such Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2014, will, at the time of the issuance of such Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Notes.

Amounts in any Proceeds Subaccount relating to a Tax-Exempt Series of Notes of the District (or any Tax-Exempt Series of Pool Bonds related thereto) and attributable to cash flow borrowing shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the general fund of the District, but, with respect to general fund expenditures, only to the extent that on the date of any withdrawal no other funds are available for such purposes without legislation or judicial action or without a legislative, judicial or contractual requirement that such funds be reimbursed. If on no date that is within six months from the date of issuance of each Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), the balance in the related Proceeds Subaccount attributable to cash flow borrowing and treated for federal tax purposes as proceeds of such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds) is low enough so that the amounts in the Proceeds Subaccount attributable to such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds) qualify for an exception from the rebate requirements (the "Rebate Requirements") of Section 148 of the Internal Revenue Code of 1986 (the "Code"), the District shall promptly notify the Trustee in writing and, to the extent of its power and authority, comply with instructions from Orrick, Herrington & Sutcliffe LLP, Bond Counsel, supplied to it by the Trustee as the means of satisfying the Rebate Requirements.

The term "Tax-Exempt" shall mean, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Code, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code. Each Series of Notes issued hereunder (or any Series of Pool Bonds related thereto) may be issued as a Tax-Exempt Series of Notes (or Tax-Exempt Series of Pool Bonds) or such that the interest on such Series of Notes (or such Tax-Exempt Series of Pool Bonds) is not Tax-Exempt.

Section 8. Source of Payment.

(A) Pledge. The term "Unrestricted Revenues" shall mean the taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and

other moneys provided for Fiscal Year 2013-2014 which will be received by or will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on all Series of Notes issued hereunder, subject to the payment priority provisions of Section 17 hereof and this Section 8, the District hereby pledges the first Unrestricted Revenues to be received by the District in the periods specified in each Pricing Confirmation as Repayment Periods (each individual period a "Repayment Period" and collectively "Repayment Periods"), in an amount equal to the percentages of the principal and interest due with respect to each Series of Notes at maturity for the corresponding Repayment Period specified in such Pricing Confirmations (the "Pledged Revenues").

(B) Lien and Charge. As provided in Section 53856 of the Act, all Series of Notes issued hereunder and the interest thereon, subject to the payment priority provisions of Section 17 hereof and this Section 8, shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues.

(C) General Obligation. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (B) of this Section, all Series of Notes issued hereunder shall be general obligations of the District and, in the event that on the tenth Business Day (as defined in the Trust Agreement or the Indenture, as applicable) of each such Repayment Period (or such other day of each Repayment Period designated in the Pricing Confirmation applicable to a Series of Notes) the District has not received sufficient Unrestricted Revenues to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available, in the following order of priority: first, to satisfy pro-rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro-rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

(D) Payment Accounts. In order to effect, in part, the pledge provided for in subsection (A) of this Section, the District agrees to the establishment and maintenance as a special fund of the District of a separate Payment Account for each Series of Notes issued hereunder (each a "Payment Account") by the Trustee under the Trust Agreement or the Indenture, as applicable, and the Trustee is hereby appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of Notes and the interest thereon, and the District hereby covenants and agrees to cause to be deposited directly in each Payment Account (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) a pro-rata share (as provided below) of the first Unrestricted Revenues received in each Repayment Period specified in the Pricing Confirmation(s) and any Unrestricted Revenues received thereafter until the amount on deposit

in each Payment Account, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the respective Series of Notes (as set forth in a certificate from the Underwriter to the Trustee), is equal in the respective Repayment Periods identified in the Pricing Confirmation applicable to such Series of Notes to the percentages of the principal of and interest due with respect to such Series of Notes at maturity specified in the Pricing Confirmation applicable to such Series of Notes; provided that such deposits shall be made in the following order of priority: first, pro-rata to the Payment Account(s) attributable to any applicable Series of Senior Notes; second, pro-rata to the Payment Account(s) attributable to any applicable Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to the Payment Account(s) attributable to any other applicable Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

Subject to the payment priority provisions of Section 17 hereof and this Section 8, any moneys placed in the Payment Account attributed to a Series of Notes shall be for the benefit of (i) the owners of the applicable Series of Certificates if the Certificate Structure is implemented and the holders of the Series of Pool Bonds issued in connection with the Pool of which such Series of Notes is a part if the Bond Pool Structure is implemented, and (ii) (to the extent provided in the Trust Agreement or the Indenture, as applicable) the Credit Provider(s), if any. Subject to the payment priority provisions of Section 17 hereof and this Section 8, the moneys in the Payment Account attributed to the Series of Notes shall be applied only for the purposes for which the Payment Account is created until the principal of such Series of Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of Notes at maturity of such Series of Notes with interest to maturity (in accordance with the requirements for defeasance of the related Series of Certificates or Series of Bonds, as applicable, as set forth in the Trust Agreement or the Indenture, as applicable) and, if applicable (to the extent provided in the Trust Agreement or the Indenture, as applicable, and, if applicable, the corresponding Credit Agreement), the payment of all Predefault Obligations and Reimbursement Obligations owing to the corresponding Credit Provider.

(E) Determination of Repayment Periods. With respect to each Series of Notes, the length of any individual Repayment Period determined in the related Pricing Confirmation shall not exceed the greater of three (3) consecutive calendar months or ninety (90) days and the number of Repayment Periods determined in the related Pricing Confirmation shall not exceed six (6); provided, however, that (1) the first Repayment Period of any Series of Subordinate Notes shall not occur prior to the end of the last Repayment Period of any outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes; and (2) if the first Repayment Period of any Series of Subordinate Notes overlaps the last Repayment Period of any outstanding Series of Notes of a higher priority, no deposits shall be made in the Payment Account of such Subordinate Notes until all required amounts shall have been deposited into the Payment Account(s) of all outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes. Any Authorized Officer is hereby authorized to approve the determination of the Repayment Periods and percentages of the principal and interest due with respect to each Series of Notes at maturity required to be on deposit in the related Payment Account in each Repayment Period, all as specified in the Pricing Confirmation applicable to such Series of Notes, by executing and

delivering the Pricing Confirmation applicable to such Series of Notes, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

(F) Application of Moneys in Payment Accounts. On any interest payment date (if different from the Maturity Date) and on the Maturity Date of a Series of Notes, the moneys in the Payment Account attributed to such Series of Notes shall be transferred by the Trustee, to the extent necessary, to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest with respect to such Series of Notes or to reimburse the Credit Provider(s) for payments made under or pursuant to the Credit Instrument(s), subject to the payment priority provisions of Section 17 hereof and this Section 8. In the event that moneys in the Payment Account attributed to any Series of Notes are insufficient to pay the principal of and/or interest with respect to such Series of Notes in full on an interest payment date and/or the Maturity Date, moneys in such Payment Account together with moneys in the Payment Accounts of all other outstanding Series of Notes issued by the District shall be applied in the following priority:

- (1) with respect to all Series of Senior Notes:
 - a. first, to pay interest with respect to all Series of Senior Notes pro-rata;
 - b. second, (if on the Maturity Date) to pay principal of all Series of Senior Notes pro-rata;
 - c. third, to reimburse each Credit Provider for payment, if any, of interest with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);
 - d. fourth, to reimburse each Credit Provider for payment, if any, of principal with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);
 - e. fifth, to pay pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable) any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to each Credit Provider relating to all Series of Senior Notes, as applicable;
- (2) then, with respect to all Series of Subordinate Notes (except for any Series of Subordinate Notes described in paragraph (3) below), to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order;
- (3) then, with respect to all other Series of Subordinate Notes that have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order; and

- (4) lastly, to pay any other Costs of Issuance not previously disbursed.

Any moneys remaining in or accruing to the Payment Account attributed to each such Series of Notes after the principal of all the Series of Notes and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, and obligation, if any, to pay any rebate amounts in accordance with the provisions of the Trust Agreement or the Indenture, as applicable, have been paid, or provision for such payment has been made, if any, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement, the Indenture or the related Credit Agreement(s), as applicable.

Nothing herein shall be deemed to relieve the District from its obligation to pay its Note of any Series in full on the applicable Maturity Date(s).

(G) Investment of Moneys in Proceeds Subaccounts and Payment Accounts. Moneys in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be invested by the Trustee pursuant to the Trust Agreement or the Indenture, as applicable, in an investment agreement or agreements and/or other Permitted Investments as described in and under the terms of the Trust Agreement or the Indenture, as applicable, and as designated in the Pricing Confirmation applicable to such Series of Notes. The type of initial investments to be applicable to the proceeds of the Series of Notes shall be determined by the District as designated in the Pricing Confirmation applicable to such Series of Notes. In the event the District designates an investment agreement or investment agreements as the investments, the District hereby appoints the bidding agent designated in the Pricing Confirmation (the "Bidding Agent") as its designee as a party authorized to solicit bids on or negotiate the terms of the investment agreement or investment agreements and hereby authorizes and directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which (i) shall be with a provider or providers, or with a provider or providers whose obligations are guaranteed or insured by a financial entity, the senior debt or investment contracts or obligations under its investment contracts of which are rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Certificates or Series of Pool Bonds (each, a "Rating Agency"), or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such Rating Agencies, or (ii) shall be fully collateralized by investments listed in subsection (1) of the definition of Permitted Investments set forth in the Trust Agreement or the Indenture, as applicable, as required by such Rating Agencies to be rated in one of the two highest rating categories, and shall be acceptable to the corresponding Credit Provider, if any, and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation applicable to such Series of Notes) and authorizes the Trustee to enter into such investment agreement or agreements on behalf of the District. The Bidding Agent, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of 0.2% of the amount reasonably expected, as of the date of acquisition of the investment contract, to be invested under the investment contract over its term. Each Authorized Officer is hereby authorized and directed to execute and deliver such side letter or letters as are reasonably required by an investment agreement provider, acknowledging such investment and making reasonable representations and covenants with respect thereto. The District's funds in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be

accounted for separately. Any such investment by the Trustee shall be for the account and risk of the District, and the District shall not be deemed to be relieved of any of its obligations with respect to any Series of Notes, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount applicable to such Series of Notes or the Payment Account applicable to such Series of Notes.

Notwithstanding any other investment policy of the District heretofore or hereafter adopted, the investment policy of the District pertaining to each Series of Notes and all funds and accounts established in connection therewith shall be consistent with, and the Board hereby authorizes investment in, the Permitted Investments. Any investment policy adopted by the Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section.

Section 9. Execution of Note. Any one of the Treasurer of the County, or, in the absence of said officer, his or her duly appointed assistant, the Chairperson of the Board of Supervisors of the County or the Auditor (or comparable financial officer) of the County shall be authorized to execute each Note of any Series issued hereunder by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign each such Note by manual or facsimile signature and to affix the seal of the County to each such Note either manually or by facsimile impression thereof. In the event the Board of Supervisors of the County fails or refuses to authorize issuance of the Series of Notes as referenced in Section 2 hereof, any one of the President or Chairperson of the governing board of the District or any other member of such board shall be authorized to execute the Note by manual or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent of the District, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or any duly appointed assistant thereto, shall be authorized to countersign each such Note by manual or facsimile signature. Said officers of the County or the District, as applicable, are hereby authorized to cause the blank spaces of each such Note to be filled in as may be appropriate pursuant to the applicable Pricing Confirmation. Said officers are hereby authorized and directed to cause the Trustee, as registrar and authenticating agent, to authenticate and accept delivery of each such Note pursuant to the terms and conditions of the corresponding Certificate Purchase Agreement or Note Purchase Agreement, as applicable, this Resolution and the Trust Agreement or Indenture, as applicable. In case any officer whose signature shall appear on any Series of Notes shall cease to be such officer before the delivery of such Series of Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Each Series of the Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee and showing the date of authentication. Each Series of the Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Series of Notes shall be conclusive evidence that such has been authenticated and delivered under this Resolution. The certificate of authentication on a Series of Notes shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee. The Notes need not bear the seal of the District, if any.

Section 10. Note Registration and Transfer. (A) As long as any Series of the Notes remains outstanding, the District shall maintain and keep, at the principal corporate trust office of the Trustee, books for the registration and transfer of each Series of the Notes. Each Series of the Notes shall initially be registered in the name of the Trustee under the Trust Agreement or Indenture, as applicable, to which such Series of the Notes is assigned. Upon surrender of a Note of a Series for transfer at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the County or the District, as applicable, shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee, a fully registered Note of the same Series. For every transfer of a Note of a Series, the District, the County or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

(B) Subject to Section 6 hereof, the County, the District and the Trustee and their respective successors may deem and treat the person in whose name a Note of a Series is registered as the absolute owner thereof for all purposes, and the County, the District and the Trustee and their respective successors shall not be affected by any notice to the contrary, and payment of or on account of the principal of such Note shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(C) Any Note of a Series may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

(D) The Trustee or the Authorized Officer of the District, acting separately or together, are authorized to sign any letter or letters of representations which may be required in connection with the delivery of any Series of Certificates or Series of Pool Bonds (in each case, to which such Series of Notes is assigned), if such Series of Certificates and Series of Pool Bonds are delivered in book-entry form.

(E) The Trustee will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of each Note of a Series issued, which shall be open to inspection by the County and the District during regular business hours. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes of a Series presented as hereinbefore provided.

(F) If any Note of a Series shall become mutilated, the County or the District, as applicable, at the expense of the registered owner of such Note of a Series, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Trustee of the Note so mutilated. Every mutilated Note so surrendered to the Trustee shall be cancelled by

it and delivered to, or upon the order of, the County or the District, as applicable. If any Note of a Series shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the County or the District, as applicable, at the expense of the registered owner, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note of a Series shall have matured (as of the latest maturity date indicated on the face thereof) or shall be about to mature (as of the latest maturity date indicated on the face thereof), instead of issuing a substitute Note, the Trustee may pay the same without surrender thereof). The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County or the District, as applicable, and the Trustee in such preparation. Any Note of a Series issued under these provisions in lieu of any Note of a Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County (on behalf of the District) or on the part of the District, as applicable, whether or not the Note of a Series so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes of the same Series secured by this Resolution.

Section 11. Covenants Regarding Transfer of Funds. It is hereby covenanted and warranted by the District that it will not request the County Treasurer to make temporary transfers of funds in the custody of the County Treasurer to meet any obligations of the District during Fiscal Year 2013-2014 pursuant to Article XVI, Section 6 of the Constitution of the State of California; provided, however, that the District may request the County Treasurer to make such temporary transfers of funds if all amounts required to be deposited into the Payment Account(s) of all outstanding Series of Notes (regardless of when due and payable) shall have been deposited into such Payment Account(s).

Section 12. Representations and Covenants.

(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt this Resolution and any supplement hereto, and enter into and perform its obligations under the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement(s), if applicable, and the Credit Agreement(s), if applicable, and (ii) authorize the County to issue one or more Series of Notes on its behalf or, if applicable, issue one or more Series of Notes.

(B) (i) Upon the issuance of each Series of Notes, the District will have taken all action required to be taken by it to authorize the issuance and delivery of such Series of Notes and the performance of its obligations thereunder, (ii) the District has full legal right, power and authority to request the County to issue and deliver such Series of Notes on behalf of the District and to perform its obligations as provided herein and therein, and (iii) if applicable, the District has full legal right, power and authority to issue and deliver each Series of Notes.

(C) The issuance of each Series of Notes, the adoption of this Resolution and the execution and delivery of the Certificate Purchase Agreement(s) or the Note Purchase

Agreement(s), as applicable, the Trust Agreement(s), if applicable, and the Credit Agreement(s), if applicable, and compliance with the provisions hereof and thereof will not conflict with, breach or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of each Series of Notes or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of each Series of Notes.

(E) The District has (or will have prior to the issuance of the first Series of Notes) duly, regularly and properly adopted a budget for Fiscal Year 2013-2014 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the first Series of Notes) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its revised or final budget for Fiscal Year 2013-2014, (ii) provide to the Trustee, the Credit Provider(s), if any, and the Underwriter, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The County has experienced an *ad valorem* property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of *ad valorem* property taxes levied within the District in each of the five fiscal years from Fiscal Year 2006-2008 through Fiscal Year 2011-2012, and the District, as of the date of adoption of this Resolution and on the date of issuance of each Series of Notes, reasonably expects the County to have collected and to collect at least eighty-five percent (85%) of such amount for Fiscal Years 2012-2013 and 2013-2014, respectively.

(G) The District (i) is not currently in default on any debt obligation, (ii) to the best knowledge of the District, has never defaulted on any debt obligation, and (iii) has never filed a petition in bankruptcy.

(H) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Underwriter and the Credit Provider(s), if any, there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and each Series of Notes. The District agrees to furnish to the Underwriter, the Trustee and the Credit Provider(s), if any, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request.

(I) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the

validity of any proceeding taken or to be taken by the District in connection with each Series of Notes, the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement or the Indenture, as applicable, the Credit Agreement(s), if any, or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, each Series of Notes, the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, the Trust Agreement or the Indenture, as applicable, the Credit Agreement(s), if any, or this Resolution.

(J) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution (i) without the consents of the Credit Provider(s), if any, or (ii) in any way that would materially adversely affect the interests of any holder or owner of any Series of the Notes, Certificates or Pool Bonds, as applicable, issued in connection with any Series of the Notes; provided, however that, if the Program is implemented, the District may adopt one or more Supplemental Resolutions without any such consents in order to increase the Maximum Amount of Borrowing in connection with the issuance of one or more Series of Additional Notes as provided in Section 2(B)(4) hereof.

(K) Upon issuance of a Series of Notes, such Series of Notes, this Resolution and the corresponding Credit Agreement will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State of California.

(L) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and each Series of Notes.

(M) The District shall not incur any indebtedness that is not issued in connection with the Program under this Resolution and that is secured by a pledge of its Unrestricted Revenues unless such pledge is subordinate in all respects to the pledge of Unrestricted Revenues hereunder.

(N) So long as any Credit Provider is not in default under the corresponding Credit Instrument, the District hereby agrees to pay its pro rata share of all Predefault Obligations and all Reimbursement Obligations attributable to the District in accordance with provisions of the applicable Credit Agreement, if any, and/or the Trust Agreement or Indenture, as applicable. Prior to the Maturity Date of a Series of Notes, moneys in the District's Payment Account attributed to such Series of Notes shall not be used to make such payments. The District shall

pay such amounts promptly upon receipt of notice from the Credit Provider that such amounts are due to it by instructing the Trustee to pay such amounts to the Credit Provider on the District's behalf by remitting to the Credit Provider moneys held by the Trustee for the District and then available for such purpose under the Trust Agreement or the Indenture, as applicable. If such moneys held by the Trustee are insufficient to pay the District's pro rata share of such Predefault Obligations and all Reimbursement Obligations attributable to the District (if any), the District shall pay the amount of the deficiency to the Trustee for remittance to the Credit Provider.

(O) So long as any Series of Certificates or Pool Bonds executed or issued in connection with a Series of Notes are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the District will not create or suffer to be created any pledge of or lien on such Series of Notes other than the pledge and lien of the Trust Agreement or the Indenture, as applicable.

(P) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District does not have a negative certification (or except as disclosed in writing to the Underwriter and the Credit Provider(s), if any, a qualified certification) applicable to the fiscal year ending June 30, 2013 (the "Fiscal Year 2012-2013") within the meaning of Section 42133 of the California Education Code. The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Credit Provider(s), if any, and Bond Counsel if it (or, in the case of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2012-2013 or Fiscal Year 2013-2014 prior to the respective Closing Date referenced in each Pricing Confirmation or the Maturity Date of each Series of Notes.

(Q) The District will maintain a positive general fund balance in Fiscal Year 2013-2014.

(R) The District will maintain an investment policy consistent with the policy set forth in Section 8(G) hereof.

(S) The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Credit Provider(s), if any, and Bond Counsel upon the occurrence of any event which constitutes an Event of Default hereunder or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Section 13. Tax Covenants. (A) The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on each Tax-Exempt Series of Notes (or on any Tax-Exempt Series of Pool Bonds related thereto) under Section 103 of the Code. Without limiting the generality of the foregoing, the District will not make any use of the proceeds of any Tax-Exempt Series of the Notes or any other funds of the District which would cause any Tax-Exempt Series of the Notes (or on any Tax-Exempt Series of Pool Bonds related thereto) to be an

“arbitrage bond” within the meaning of Section 148 of the Code, a “private activity bond” within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is “federally guaranteed” as provided in Section 149(b) of the Code. The District, with respect to the proceeds of each Tax-Exempt Series of the Notes (or on any Tax-Exempt Series of Pool Bonds related thereto), will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

(B) In the event the District is deemed a Safe Harbor Issuer (as defined in Section 7) with respect to a Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), this subsection (B) shall apply. The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 hereof to assure compliance with the Rebate Requirements. If the balance in the Proceeds Subaccount attributed to cash flow borrowing and treated for federal tax purposes as proceeds of the Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto) is not low enough to qualify amounts in the Proceeds Subaccount attributed to cash flow borrowing for an exception to the Rebate Requirements on at least one date within the six-month period following the date of issuance of the Tax-Exempt Series of Notes (or Tax-Exempt Series of Pool Bonds related thereto) (calculated in accordance with Section 7), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2013-2014 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in this Section 13(B). In addition, in such event, the District shall establish and maintain with the Trustee a fund (with separate subaccounts therein for each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) if more than one series is issued) separate from any other fund established and maintained hereunder and under the Indenture or Trust Agreement, as applicable, designated as the “2013-2014 Tax and Revenue Anticipation Note Rebate Fund” or such other name as the Trust Agreement or the Indenture, as applicable, may designate. There shall be deposited in such Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 hereof.

(C) Notwithstanding any other provision of this Resolution to the contrary, upon the District’s failure to observe, or refusal to comply with, the covenants contained in this Section 13, no one other than the holders or former holders of each Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), the Certificate or the Bond owners, as applicable, the Credit Provider(s), if any, or the Trustee on their behalf shall be entitled to exercise any right or remedy under this Resolution on the basis of the District’s failure to observe, or refusal to comply with, such covenants.

(D) The covenants contained in this Section 13 shall survive the payment of all Series of the Notes.

Section 14. Events of Default and Remedies.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(A) Failure by the District to make or cause to be made the deposits to any Payment Account required to be made hereunder on or before the fifteenth (15th) day after the date on which such deposit is due and payable, or failure by the District to make or cause to be made any other payment required to be paid hereunder on or before the date on which such payment is due and payable;

(B) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee or any Credit Provider, unless the Trustee and such Credit Provider shall all agree in writing to an extension of such time prior to its expiration;

(C) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable (including the Pricing Confirmation(s)), or the Credit Agreement(s) or in any requisition delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, or the Credit Agreement(s) or in connection with any Series of the Notes, is false or misleading in any material respect;

(D) Any event of default constituting a payment default occurs in connection with any other bonds, notes or other outstanding debt of the District;

(E) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate or the Bond owners' (or Noteholders') interests;

(F) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(G) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a

receiver, liquidator or trustee) of the District or any of its property is appointed by court order or appointed by the State Superintendent of Public Instruction or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate or the Bond owners' or Noteholders' interests; and

(H) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Notes (and any Series thereof).

Whenever any Event of Default referred to in this Section 14 shall have happened and be continuing, subject to the provisions of Section 17 hereof, the Trustee shall, in addition to any other remedies provided herein or by law or under the Trust Agreement or the Indenture, as applicable, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Without declaring any Series of Notes to be immediately due and payable, require the District to pay to the Trustee, for deposit into the applicable Payment Account(s) of the District under the Trust Agreement or the Indenture, as applicable, an amount equal to all of the principal of all Series of Notes and interest thereon to the respective final maturity(ies) of such Series of Notes, plus all other amounts due hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

(2) Take whatever other action at law or in equity (except for acceleration of payment on any Series of Notes) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Notwithstanding the foregoing, and subject to the provisions of Section 17 hereof and to the terms of the Trust Agreement or the Indenture, as applicable, concerning exercise of remedies which shall control if inconsistent with the following, if any Series of Notes is secured in whole or in part by a Credit Instrument or if a Credit Provider is subrogated to rights under any Series of Notes, as long as each such Credit Provider has not failed to comply with its payment obligations under the corresponding Credit Instrument, each such Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder, and as applicable, prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder, except that nothing contained herein shall affect or impair the right of action of any owner of a Certificate to institute suit directly against the District to enforce payment of the obligations evidenced and represented by such owner's Certificate.

If any Credit Provider is not reimbursed on any interest payment date applicable to the corresponding Series of Notes for the drawing, payment or claim, as applicable, used to pay principal of and interest on such Series of Notes due to a default in payment on such Series of Notes by the District, as provided in the Trust Agreement or in the Indenture, as applicable, or if any principal of or interest on such Series of Notes remains unpaid after the Maturity Date of such Series of Notes, such Series of Notes shall be a Defaulted Note, the unpaid portion thereof

or the portion (including the interest component, if applicable) to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been made shall be deemed outstanding and shall bear interest at the Default Rate until the District's obligation on the Defaulted Note is paid in full or payment is duly provided for, all subject to Section 8 hereof.

Section 15. Trustee. The Trustee is hereby appointed as paying agent, registrar and authenticating agent for any and all Series of Notes. The District hereby directs and authorizes the payment by the Trustee of the interest on and principal of any and all Series of Notes when such become due and payable from the corresponding Payment Account held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in each such Payment Account at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on any and all Series of Notes on the day or days on which each such Series matures. Payment of any and all Series of Notes shall be in accordance with the terms of the applicable Series of Notes and this Resolution and any applicable Supplemental Resolution.

The District hereby agrees to maintain the Trustee under the Trust Agreement or the Indenture, as applicable, as paying agent, registrar and authenticating agent of any and all Series of Notes.

The District further agrees to indemnify, to the extent permitted by law and without making any representation as to the enforceability of this covenant, and save the Trustee, its directors, officers, employees and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Trust Agreement or the Indenture, as applicable, including but not limited to costs and expenses incurred in defending against any claim or liability, which are not due to its negligence or default.

Section 16. Sale of Notes. If the Certificate Structure is implemented, each Series of Notes as evidenced and represented by the applicable Series of Certificates shall be sold to the Underwriter, in accordance with the terms of the Certificate Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved. If the Bond Pool Structure is implemented, each Series of Notes shall be sold to the Authority in accordance with the terms of the Note Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved.

Section 17. Subordination. (a) Anything in this Resolution to the contrary notwithstanding, the indebtedness evidenced by each Series of Subordinate Notes shall be subordinated and junior in right of payment, to the extent and in the manner hereinafter set forth, to all principal of, premium, if any, and interest on each Series of Senior Notes and any refinancings, refundings, deferrals, renewals, modifications or extensions thereof.

In the event of (1) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the District or its property, (2) any proceeding for the liquidation, dissolution or other winding-up of the District, voluntary or involuntary, and whether or not involving insolvency or bankruptcy proceedings, (3) any assignment for the benefit of creditors, or (4) any distribution, division, marshalling or application of any of the properties or assets of the District or the proceeds thereof to creditors,

voluntary or involuntary, and whether or not involving legal proceedings, then and in any such event, payment shall be made to the parties and in the priority set forth in Section 8(F) hereof, and each party of a higher priority shall first be paid in full before any payment or distribution of any character, whether in cash, securities or other property shall be made in respect of any party of a lower priority.

The subordination provisions of this Section have been entered into for the benefit of the holders of the Series of Senior Notes and any Credit Provider(s) that issues a Credit Instrument with respect to such Series of Senior Notes and, notwithstanding any provision of this Resolution, may not be supplemented, amended or otherwise modified without the written consent of all such holders and Credit Provider(s).

Notwithstanding any other provision of this Resolution, the terms of this Section shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Series of Senior Notes is rescinded, annulled or must otherwise be returned by any holder of Series of Senior Notes or such holder's representative, upon the insolvency, bankruptcy or reorganization of the District or otherwise, all as though such payment has not been made.

In no event may any holder of all or any part of the Series of Subordinate Notes, or the corresponding Credit Provider(s), exercise any right or remedy available to it on account of any Event of Default on the Series of Subordinate Notes, (1) at any time at which payments with respect thereto may not be made by the District on account of the terms of this Section, or (2) prior to the expiration of forty-five (45) days after the holders of the Series of Subordinate Notes, or the corresponding Credit Provider(s), shall have given notice to the District and to the holders of the Series of Senior Notes and the corresponding Credit Provider(s), of their intention to take such action.

The terms of this Section, the subordination effected hereby and the rights of the holders of the Series of Senior Notes shall not be affected by (a) any amendment of or addition or supplement to any Series of Senior Notes or any instrument or agreement relating thereto, including without limitation, this Resolution, (b) any exercise or non-exercise of any right, power or remedy under or in respect of any Series of Senior Notes or any instrument or agreement relating thereto, or (c) any waiver, consent, release, indulgence, extension, renewal, modification, delay or other action, inaction or omission, in respect of any Series of Senior Notes or any instrument or agreement relating thereto or any security therefor or guaranty thereof, whether or not any holder of any Series of Subordinate Notes shall have had notice or knowledge of any of the foregoing.

In the event that a Series of Additional Subordinate Notes is further subordinated in the applicable Pricing Confirmation, at the time of issuance thereof, to all previously issued Series of Subordinate Notes of the District, the provisions of this Section 17 relating to Series of Senior Notes shall be applicable to such previously issued Series of Subordinate Notes and the provisions of this Section 17 relating to Series of Subordinate Notes shall be applicable to such Series of Additional Subordinate Notes.

Section 18. Continuing Disclosure Undertaking. The provisions of this Section 18 shall be applicable only if the Certificate Structure is implemented.

(A) The District covenants, for the sole benefit of the owners of each Series of Certificates which evidence and represent the applicable Series of Notes (and, to the extent specified in this Section 18, the beneficial owners thereof), that the District shall:

(1) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Trustee acting as dissemination agent (the "Dissemination Agent"), to the Municipal Securities Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District:

- a. Principal and interest payment delinquencies on such Series of Notes and the related Series of Certificates;
- b. Unscheduled draws on debt service reserves reflecting financial difficulties;
- c. Unscheduled draws on credit enhancements reflecting financial difficulties;
- d. Substitution of credit or liquidity providers, or their failure to perform;
- e. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- f. Tender offers;
- g. Defeasances;
- h. Rating changes; or
- i. Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in subsection i., the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(2) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Dissemination Agent, to the Municipal Securities

Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District, if material:

- a. Unless described in subsection (A)(1)e., other material notices or determinations by the Internal Revenue Service with respect to the tax status of such Series of Notes and the related Series of Certificates or other material events affecting the tax status of such Series of Notes and the related Series of Certificates;
- b. Modifications to rights of owners and beneficial owners of the Series of Certificates which evidence and represent such Series of Notes;
- c. Optional, contingent or unscheduled bond calls;
- d. Release, substitution or sale of property securing repayment of such Series of Notes;
- e. Non-payment related defaults;
- f. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- g. Appointment of a successor or additional Trustee or the change of name of a Trustee.

Whenever the District obtains knowledge of the occurrence of an event described in subsection (A)(2) of this Section, the District shall determine if such event would be material under applicable federal securities laws. The Authority and the Dissemination Agent shall have no responsibility for such determination and shall be entitled to conclusively rely upon the District's determination.

If the District learns of the occurrence of an event described in subsection (A)(1) of this Section, or determines that the occurrence of an event described in subsection (A)(2) of this Section would be material under applicable federal securities laws, the District shall within ten business days of occurrence, through the Dissemination Agent, file a notice of such occurrence with the Municipal Securities Rulemaking Board. The District shall promptly provide the Authority and the Dissemination Agent with a notice of such occurrence which the Dissemination Agent agrees to file with the Municipal Securities Rulemaking Board.

All documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic format, as prescribed by the Municipal Securities Rulemaking Board, and shall be accompanied by identifying information, as prescribed by the Municipal Securities Rulemaking Board.

(B) In the event of a failure of the District to comply with any provision of this Section, any owner or beneficial owner of the related Series of Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. A default under this Section shall not be deemed an Event of Default under Section 14 hereof, and the sole remedy under this Section in the event of any failure of the District to comply with this Section shall be an action to compel performance.

(C) For the purposes of this Section, a "beneficial owner" shall mean any person which has the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates of the Series which evidences and represents such Series of Notes (including persons holding Certificates through nominees, depositories or other intermediaries and any Credit Provider as a subrogee).

(D) The District's obligations under this Section shall terminate upon the legal defeasance, prior redemption or payment in full of its Note. If such termination occurs prior to the final maturity of the related Series of Certificates, the District shall give notice of such termination in the same manner as for a listed event under subsection (A)(1) of this Section.

(E) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Section. In no event shall the Dissemination Agent be responsible for preparing any notice or report or for filing any notice or report which it has not received in a timely manner and in a format suitable for reporting. Nothing in this Section shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Section or any other means of communication, or including any other notice of occurrence of a listed event under subsection (A)(1) or (A)(2) of this Section (each, a "Listed Event"), in addition to that which is required by this Section. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Section, the District shall have no obligation under this Section to update such information or include it in any future notice of occurrence of a Listed Event.

(F) Notwithstanding any other provision of this Resolution, the District with the consent of the Dissemination Agent and notice to the Authority may amend this Section, and any provision of this Section may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver relates to the provisions of subsection (A) of this Section, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the applicable Series of Notes and the related Series of Certificates, or the type of business conducted;

(2) The undertaking, as amended or taking into account such waiver, would in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the applicable Series of Notes and the related Series of Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the related Certificates. In the event of any amendment or waiver of a provision of this Section, notice of such change shall be given in the same manner as for an event listed under subsection (A)(1) of this Section, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver; provided, however, the District shall be responsible for preparing such narrative explanation.

(G) The Dissemination Agent shall have only such duties as are specifically set forth in this Section. The Dissemination Agent shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever hereunder, except only for its own willful misconduct or gross negligence. Absent gross negligence or willful misconduct, the Dissemination Agent shall not be liable for an error of judgment. No provision hereof shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, if such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The District hereby agrees to compensate the Dissemination Agent for its reasonable fees in connection with its services hereunder, but only from the District's share of the costs of issuance deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement.

(H) This section shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter, any Credit Provider and owners and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 19. Approval of Actions. The aforementioned officers of the County or the District, as applicable, are hereby authorized and directed to execute each Series of Notes and to cause the Trustee to authenticate and accept delivery of each Series of Notes pursuant to the terms and conditions of the applicable Certificate Purchase Agreement and Trust Agreement or the applicable Note Purchase Agreement and the Indenture, as applicable. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Notes and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, requisitions, agreements, notices, consents, and other documents, including tax certificates, letters of representations to the securities depository, investment contracts (or side letters or agreements thereto), other or additional municipal insurance policies or credit enhancements or credit agreements or insurance commitment letters, if any, and closing certificates, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of each Series of Notes, execution or issuance and delivery of the corresponding Series of Certificates or Series of Pool Bonds, as applicable, and investment of the proceeds thereof, in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof, and the officers of the County referred to above in Section 9 hereof, are hereby designated as "Authorized District Representatives" under the Trust Agreement or the Indenture, as applicable.

In the event that any Series of Notes or a portion thereof is secured by a Credit Instrument, the Authorized Officer is hereby authorized and directed to provide the applicable Credit Provider with any and all information relating to the District as such Credit Provider may reasonably request.

Section 20. Proceedings Constitute Contract. The provisions of each Series of Notes and of this Resolution shall constitute a contract between the District and the registered owner of such Series of Notes, the registered owners of the Series of Certificates or Bonds to which such Series of Notes is assigned, and the corresponding Credit Provider(s), if any, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

Section 21. Limited Liability. Notwithstanding anything to the contrary contained herein or in any Series of Notes or in any other document mentioned herein or related to any Series of Notes or to any Series of Certificates or Series of Pool Bonds to which such Series of Notes may be assigned, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof, and the County is not liable for payment of any Note or any other obligation of the District hereunder.

Section 22. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 23. Submittal of Resolution to County. The Secretary or Clerk of the Board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer of the County and to the County Superintendent of Schools.

EXHIBIT A
FORM OF NOTE

R-1

\$ _____

_____ DISTRICT/ _____ BOARD OF EDUCATION
 COUNTY OF _____, CALIFORNIA
 2013-2014 [SUBORDINATE]* TAX AND REVENUE ANTICIPATION NOTE, SERIES ____

Date of
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

SERIES PRINCIPAL AMOUNT: _____ DOLLARS

Interest Rate		Maturity Date		
____%		_____, 20__		
First Repayment Period	Second Repayment Period	Third Repayment Period	Fourth Repayment Period	Fifth Repayment Period
____% of the total of [principal] [interest] [principal and interest] due at maturity	____% of the total of [principal] [interest] [principal and interest] due at maturity	____% of the total of [principal] [interest] [principal and interest] due at maturity	____% of the total of [principal] [interest] [principal and interest] due at maturity	100% of the total of principal and interest due at maturity**

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the maturity date specified above to the registered owner identified above, or registered assigns, the principal amount specified above, together with interest thereon from the date hereof until the principal amount shall have been paid, payable [on _____ 1, 20__ and] on the maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at the maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay interest on this Note on any interest payment date or to pay the principal of or interest on this Note on the

* To bear this designation if this Note is a Series of Subordinate Notes.

** Length and number of Repayment Periods and percentages and amount of principal of Note shall be determined in Pricing Confirmation (as defined in the Resolution).

maturity date or the [Credit Provider(s)] (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the [Credit Instrument(s)] (as defined in the Resolution) to pay all or a portion of the principal of and interest on this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"); to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.]*

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.]**

The term "Unrestricted Revenues" means the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2013-2014 which will be received by or will accrue to the District during such fiscal year for the general fund [and capital fund and/or special revenue fund] of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on the Note, subject to the payment priority provisions contained in the Resolution, the District has pledged the first Unrestricted Revenues of the District received in the Repayment Periods set forth on the face hereof in an amount equal to the corresponding percentages of principal of, and [in the final Repayment Period,] interest due on, the Note at maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"). As provided in Section 53856 of the California Government Code, subject to the payment priority provisions contained in the Resolution, the Note and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues. As provided in Section 53857 of the California Government Code, notwithstanding the provisions of Section 53856 of the California Government Code and the foregoing, the Note shall be a general obligation of the District and, in the event that on [the tenth business day of each such Repayment Period], the District has not received sufficient Unrestricted Revenues to permit the deposit into the payment account established for the Note of the full amount of Pledged

* This paragraph is applicable only if the Note is issued by the District.

** This paragraph is applicable only if the Note is issued by the County.

Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period as provided in the Resolution, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available, as set forth in the Resolution and subject to the payment priority provisions contained therein. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The [County, the]* District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and [the County,]* the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

[IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer and caused its official seal to be affixed hereto either manually or by facsimile impression hereon as of the date of authentication set forth below.]*

* Applicable only if the Note is issued by the County.

[IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.]**

[COUNTY OF _____]*
[DISTRICT/ _____]
BOARD OF EDUCATION]**

By _____
Title:

[(SEAL)]

Countersigned

By _____

Title:

** This paragraph is applicable only if the Note is issued by the District.

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is the Note mentioned in the within-mentioned Resolution authenticated on the following date:

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

BY _____
AUTHORIZED OFFICER

ASSIGNMENT

For Value Received, the undersigned, _____, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution.



Agenda Item (IV-E-1)

Meeting	3/5/2013 - Committee/Regular Board
Agenda Item	Committee - Facilities (IV-E-1)
Subject	Amendment 7 for Norco Operations Center with Hill Partnership, Inc.
College/District	Norco
Funding	College Allocated Measure C Funds
Recommended Action	It is recommended that the Board of Trustees approve Amendment 7 with Hill Partnership, Inc. in the amount of \$3,520 for additional architectural and engineering services.

Background Narrative:

Staff requests approval of Amendment 7 with Hill Partnership, Inc. (HPI) in an amount not to exceed \$3,520 for additional architectural and engineering design services. The additional scope of work includes responding to contractor Requests for Information (RFI) that requires a structural correction due to construction that was not in conformance with the approved construction documents. RCCD will be back charging the contractor responsible for this add service. Detailed explanation of this additional scope of work is outlined in the attached amendment (Exhibit 1). The HPI agreement, including the amendments and reimbursable expenses, totals \$1,010,691.50.

Cost for the requested amendment is within the original project budget approved by the Board of Trustees, and will be paid from project contingency funds.

Prepared By: Paul Parnell, President, Norco College
David Bobbitt, Interim Vice President, Business Services (Norco)
Laurens Thurman, District Consultant
Orin Williams, Associate Vice Chancellor, Facilities Planning & Development

Attachments:

[20130305_Amendment 7_HPI](#)

SEVENTH (7) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
HILL PARTNERSHIP, INC.
(Operations Center Project – Norco College)

This document amends the original agreement between the Riverside Community College District and Hill Partnership, Inc., which was originally approved by the Board of Trustees on May 19, 2009.

The agreement is hereby amended as follows:

Additional compensation of this amended agreement shall not exceed \$3,520.00, including reimbursable expenses. Hill Partnership, Inc.'s agreement, including amendments and reimbursable expenses, now totals \$1,010,691.50. The term of this agreement shall be from the original agreement date of May 20, 2009, to the extended amended date of December 31, 2013. Payments and final payment shall coincide with original agreement.

Additional scope of work shall be provided in Exhibit I, Attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date written below.

HILL PARTNERSHIP, INC.

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____

By: _____

Lawrence A. Frapwell
President
115 Twenty-Second Street
Newport Beach, CA 92663

Aaron S. Brown
Vice Chancellor
Business and Financial Services

Date: _____

Date: _____

Exhibit I

Project: Norco Operations Center – Norco College

Scope of Work:

Provide architectural and structural engineering design services to respond to contractor non-conformance RFI's through January 23, 2013

- Responding to contractor RFI's that required a structural fix due to construction that was not in conformance with the approved construction documents. (RFI #153; #139/157; #158; #167; #169; #199, and #212.
- See MHP's proposal dated January 23, 2013 (attached for detail of response required for each RFI).
- Process a FCD to DSA.
- Coordination of structural engineering services.

Other Conditions of Service:

All conditions of the original agreement shall apply to the provision of the above referenced services.

Compensation:

HPI to provide the services outline above on a fixed fee basis as follows:

Structural Engineering (MHP): \$3,200.00 x 1.1 = \$3,520.00



January 23, 2013

Ammar Sarsam
The Hill Partnership
115 22nd Street
Newport Beach, CA 92663-4307

**Re: Proposal/Agreement for Additional Services
Non-conforming RFI's and FCD's
Riverside Community College District
Norco Campus - Operations Center Building
2001 3rd Street, Norco, California
MHP JN: 09-0181-121**

Dear Mr. Sarsam:

This letter serves to confirm that our office will provide additional professional engineering services on the subject project as requested by your office and summarized below:

Scope of work includes responding to contractor RFI's that required a structural fix due to construction that was not in conformance with the approved construction documents. There were eight non-conformance RFI's to date, see list and descriptions below. The majority of these RFI's were required to be submitted to DSA as FCD's, as directed by the IOR and the DSA Field Engineer.

- 153: The two drag beams that cross the administration corridor were installed skewed and therefore cannot be welded to the grid AD embed bearing plate per detail 7/S5.2. A revised welding solution was required.
- 139/157: Numerous embed plates shown in detail 10/S5.2 were installed 6" too low. The beam shear plates were required to be cut off and re-welded at the correct elevation and the weld of the deck ledger angle to the embed plate required modification.
- 158: At the top-of-CMU anchor bolts shown in detail 6/S5.2, many of the anchor bolt holes were oversized. Welded washer plates were required to repair the condition.
- 167: At the roof hatch, the steel frame shown in detail 8/S5.1 was installed in the wrong location. Revised connections were designed to allow the frame to be removed and installed at the correct location, with all work performed from the underside of the metal deck.
- 169: The CMU anchor bolts for the canopy steel channel-to-wall connection near grids AE/A2 were installed at the wrong location, and the shear tab bolts did not align with the holes in the channel (reference approved connection detail 9/S5.3). A revised connection was designed using epoxy bolts and welds.
- 199: The top of wall along gridline A3.2 was constructed too low. Welded shim plates were designed and detailed to bridge the gap between the underside of the metal deck and the top of the wall.
- 212: The drag beam along gridline A3.2 was installed skewed and off-center from the centerline of the CMU wall. As a result, the beam could not be welded to the embed bearing plate according to the construction documents. A revised welding solution was required.



The total services will be billed as Additional Services Scope in accordance with the provisions of our existing contractual agreement, on the basis of a **Fixed Fee of \$3,200 (Three Thousand Two Hundred Dollars and No/100)**. This scope includes issuing RFI responses and FCD's (if required) for RFI's #153, 139/157, 158, 167, 169, 199, and 212.

Following your signature, please retain one copy for your records, and return the other signed original back to us. Upon receipt of your signed acknowledgement of this agreement for Additional Services, we will commence the work.

Thank you for this opportunity to be of professional service. If you have any questions, please call our office.

Sincerely

A handwritten signature in black ink that reads 'Rick Beall'.

Rick Beall, S.E. CA S3503

Accepted:

By: _____

Title: _____

For: The Hill Partnership, Inc.



Agenda Item (IV-E-2)

Meeting	3/5/2013 - Committee/Regular Board
Agenda Item	Committee - Facilities (IV-E-2)
Subject	Amendment 1 for Norco Operations Center with River City Testing
College/District	Norco
Funding	Norco College Allocated Measure C Funds
Recommended Action	It is recommended that the Board of Trustees approve Amendment 1 with River City Testing in the amount of \$40,048.00

Background Narrative:

On March 20, 2012, the Board of Trustees approved the professional services agreement with River City Testing for the Norco Operations Center (NOC) project in the amount of \$116,577.

Staff now requests approval of Amendment 1 with Riverside City Testing in the amount of \$40,048 for the NOC project. Approval of the amendment is requested for additional services generally caused by work changed to approved drawings by prime contractors. These excess fees will be back charged to the prime contractors whenever appropriate. Detailed explanation of this additional scope of work is outlined in the attached amendment (Exhibit I). The agreement with River City Testing now totals \$156,625 including this amendment and reimbursable expenses.

Cost for the requested amendment is within the original project budget approved by the Board of Trustees, and will be paid from project contingency.

Prepared By: Paul Parnell, President, Norco College
David Bobbitt, Interim Vice President, Business Services (Norco)
Laurens Thurman, District Consultant
Orin Williams, Associate Vice Chancellor, Facilities Planning & Development

Attachments:

[20130305_Amendment 1_River City Testing](#)

FIRST (1) AMENDMENT TO AGREEMENT
BETWEEN
RIVERSIDE COMMUNITY COLLEGE DISTRICT
AND
RIVER CITY TESTING

This document amends the original agreement between the Riverside Community College District and River City Testing, which was originally approved by the Board of Trustees on March 20, 2012.

The agreement is hereby amended as follows:

Additional compensation of this amended agreement shall not exceed \$40,048.00, including reimbursable expenses, totaling agreement to \$156,625. The term of this agreement shall be from the original agreement date of March 21, 2012, to the extended estimated completion date of June 20, 2013. Payments and final payment shall coincide with original agreement.

Additional scope of work shall be provided in Exhibit I, Attached.

All other terms and conditions of the original agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 as of the date written below.

RIVER CITY TESTING

RIVERSIDE COMMUNITY COLLEGE
DISTRICT

By: _____
Rob E. Schumacher
Director of Operations
7338 Sycamore Canyon Blvd., Ste. 4
Riverside, CA 92508

By: _____
Aaron S. Brown
Vice Chancellor
Business and Financial Services

Date: _____

Date: _____

Exhibit I

Project: Norco Operations Center

Scope Revisions:

October 31, 2012 Invoice 20529		\$ 21,847.75
November 30, 2012 Invoice 20569		\$ 8,245.25
December 31, 2012 Invoice 20609		\$ 4,283.50
<i>To Be Invoiced:</i>		
Special Inspector Batch Plant/Concrete:	16 hours @ \$77.50 per hour	\$ 1,240.00
Special Inspector Load Test:	22 hours @ \$87.50 per hour	\$ 1,925.00
Soils Technician:	16 hours @ \$76.50 per hour	\$ 1,224.00
Concrete Compression Tests:	26 tests @ \$18.50 per test	\$ 481.00
Disposal of Hold Samples:	3 samples @ \$8.00 per sample	\$ 24.00
Deliver Samples to Testing Lab:	3 trips @ \$42.50 per trip	\$ 127.50
One Final Grading Report:		\$ 350.00
One DSA Final Laboratory Affidavit:		<u>\$ 300.00</u>
TOTAL REQUESTED INCREASE		\$ 40,048.00



[e-board](#) » [Agenda Item](#)

[Agenda Item](#)

Agenda Item (VI-A)

Meeting	3/5/2013 - Committee/Regular Board
Agenda Item	Closed Session (VI-A)
Subject	Conference with Legal Counsel - Update on Anticipated Litigation (Government Code Section 54956.9(c) - Number of Potential Cases: One (1)
College/District	District
Funding	
Recommended Action	To Be Determined

Background Narrative:

None

Prepared By: Greg Gray, Chancellor

Attachments: