

WORK SESSION: The SFCC Board of Trustees will meet at 4:45 p.m. in the Hopkins Board Room, prior to the General Session, to hear a presentation from *ADsmith Marketing and Advertising*.

STATE FAIR COMMUNITY COLLEGE BOARD OF TRUSTEES MEETING AGENDA

Date: November 16, 2023

Time: 5:30 P.M.

Location: Hopkins Board Room, a public forum. If you would like to view the meeting virtually, please visit the [State Fair Community College YouTube Channel @ 5:30 p.m.](#)

Agenda

1. CALL TO ORDER (Board Pres. Wood)

2. APPROVAL OF THE AGENDA

Motion _____ Second _____

3. CITIZENS COMMENTS (Recording Secretary Oesterle)

Remarks may be limited to three minutes and to one appearance, thus allowing a maximum number of participants in the allotted time period in which citizens are to speak to issues.

Policy 0412 (approved 2/24/04)

Citizens who wish to speak at the Board Meeting must notify the President one week prior to the date of the meeting. Citizens must provide the topic they wish to present when they give notice of their intent to speak. Regulation 0412 (approved 2/24/04)

- David Goodson – Potential land deal with Pettis County Ambulance District
- Brian Smith – Potential land deal with Pettis County Ambulance District
- Brad Driskill – Letter regarding Potential land deal with Pettis County Ambulance District (See document #3)

4. INTRODUCTION OF NEW EMPLOYEES

Academic and Student Success – Vice President Dr. Michael Murders

- *Tracy Curry*, Adult Education and Literacy Instructor

Finance Administration and Facilities – Vice President Keith Acuff

- *Kevin Brockmeyer*, Maintenance Technician

Academic Affairs – Dean James Cunningham

- *Kaylee Poisal*, Dual Credit Specialist

Instructional Technology – CIO Mark Haverly

- *Cassandra Fitzpatrick*, IT Specialist

5. APPROVAL OF MINUTES FOR THE OCTOBER 26, 2023, BOARD MEETING AS PUBLISHED.

Motion_____Second_____

6. WARRANT #4, OCTOBER 2023 (VP Acuff)

Resolved that the actions of Keith Acuff, Vice President of Finance and Administration, as confirmed by Justin Hubbs, Treasurer, in disbursing the funds of State Fair Community College per Warrant #4, are hereby approved and ratified as the acts of the Board of Trustees.

Motion_____Second_____

7. STUDENT GOVERNMENT ASSOCIATION REPORT (SGA Pres. Belmore)

8. INSTITUTIONAL REPORTS

- Dental Hygiene Trip to Africa (Dr. Andra Ferguson)

9. PRESIDENT’S REPORT (Pres. Bates)

- Goldman Sachs 10,000 Small Businesses
- Caring Campus

10. FINANCIAL REPORT (VP Acuff)

- Monthly Financial Report
- Moody’s Rating Review

11. NOVEMBER “BOARD REPORTING” PURCHASES (VP Acuff) – *Informational Purposes Only*

During the month of October 2023, the following purchases between \$10,000 and \$25,000 were made:

Ebsco Industries	Academic Search Premier - Nursing	\$14,786.00
Wenger	Choral Risers - Music	\$12,655.00
Assessment Technologies	ATI Testing Pkg - Nursing	\$15,000.00
NeoGov	Annual Subscription - HR	\$27,513.29

12. BOARD DISCUSSION

- MCCA Annual Conference

13. DATE CHANGE FOR JULY 2024 BOARD MEETING (Pres. Bates)

It is recommended that the July 2024 Board of Trustees meeting be moved to **Thursday, July 18, 2024**, due to a conference that would conflict with the original Board meeting date of July 25, 2024.

Motion_____Second_____

14. NEXT MEETING

The next Board of Trustees General Session meeting will be held on December 19, 2023, at 5:30 p.m. in the Hopkins Board Room.

15. REQUEST FOR CLOSED SESSION

It is recommended that the meeting be adjourned to Executive Session pursuant to RSMO 610.021, and that the Board of Trustees of State Fair Community College meet in closed meeting, with closed record and closed vote, on November 16, 2023, in the Hopkins Board Room on the campus of State Fair Community College, Sedalia, Missouri, for the purpose of considering:

- a. Hiring, firing, disciplining, or promotion of personnel pursuant to RSMO Sec. 610.021(3)
- b. Lease, purchase, or sale of real estate pursuant to RSMO Sec. 610.021 (2)

Motion_____Second_____

Roll Call:

Amie Breshears_____Tim Carr_____

Justin Hubbs_____Tom Oldham_____

Richard Parker_____Patricia Wood_____

16. GENERAL SESSION MEETING ADJOURNED

Motion_____Second_____

Mission *State Fair Community College provides relevant and responsive learning experiences that empower our students and communities to prosper.*

Vision *State Fair Community College will be the communities' preferred choice, where students, faculty, and staff realize their confidence, passion, skills, and potential.*

UPCOMING EVENTS		
Now through December 17, 2023	<i>In a Place Like This, Color-Shape-Line, Animal/Vegetable/Mineral</i> art showings Daum Museum	
November 10, 2023	Veterans' Day – Campus Closed	
November 13-17, 2023	<i>Junie B. Jones, The Musical</i> (School Performances) Stauffacher Theatre	
November 18-19, 2023	<i>Junie B. Jones, The Musical</i> (Public Performances) Stauffacher Theatre Order tickets through: https://www.eventbrite.com/o/state-fair-community-college-theatre-33883234907	2 pm
November 16, 2023	Board of Trustee's Meeting Hopkins Board Room	5:30 pm
November 17, 2023	Men's Basketball vs. North Platt Community College (SFCC Classic) MPC	7 pm
November 18, 2023	Men's Basketball vs. Kansas City KS Community College (SFCC Classic) MPC	6 pm
November 20, 2023	Holiday Wreath Class Potter Ewing Bldg. <i>SFCC Horticulture Club is partnering with EEC for a Holiday wreath class. A variety of décor items will be available or fill free to bring your own. Finished wreath size is approximately 24 inches wide. Wreaths are \$40.00 and you may pay at the SFCC Campus Store by November 16.</i> Sign up here: https://app.smartsheet.com/b/form/9c889af4bdcf49d182afd5c65b5766f7	2 pm
November 20, 2023	Women's Basketball vs. Missouri Valley-JV MPC	12:00 pm
November 22, 2023	Thanksgiving Dinner for Campus Bound Students <i>Hosted by Classified and Professional Staff Associations</i> Parkhurst Commons	11 am
November 22-24, 2023	Thanksgiving Break – Campus Closed	
November 22, 2023	Men's Basketball vs. Neosho County Community College MPC	7 pm
November 24, 2023	Women's Basketball vs. Allen County Community College (<i>Thanksgiving Classic</i>) MPC	5 pm
November 25, 2023	Women's Basketball vs. Northeastern Oklahoma AM College (<i>Thanksgiving Classic</i>)	3 pm
November 28, 2023	<i>Winter Concert: Concert Band and Chamber Choir</i> First United Methodist Church – 916 Thompson Blvd.	7 pm
November 29, 2023	Men's Basketball vs. St. Louis Community College MPC	7:30 pm
November 30, 2023	Jingle on the Green <i>Holiday musical vignettes across the Sedalia campus</i> Campus wide	6 pm
December 1, 2023	Holiday Gala Open House <i>Sponsored by Economic Development of Sedalia-Pettis County</i> Sedalia Country Club	2 - 4 pm
December 7-8, 2023	Fall Student Theatre Showcase Thompson O'Sullivan Studio Theatre, Yeater 126	
December 9, 2023	Women's Basketball vs. Kansas City KS Community College MPC	5:30 pm
December 15, 2023	SFCC Commencement Ceremony Heckart Performing Arts Center – Smith-Cotton H.S.	7 pm
December 19, 2023	Board of Trustee's Meeting Hopkins Board Room	5:30 pm
January 4, 2024	Special Board of Trustee's Meeting Hopkins Board Room	5:30 pm
January 11, 2024	Winter Fest '24 Open House The Venue – 219 S. Ohio <i>Let's kick off the new year and a new semester with your SFCC colleagues. Join us for food, fun and fellowship. SFCC employees are free, but you need to RSVP. Guests are \$10, payable in advance at the SFCC Campus Store – please RSVP for your guest as well.</i> <i>BYOB.</i> Sign up here: https://app.smartsheet.com/b/form/375b8173e17148ccbcf22c5173574782	4:30-7:30 pm
January 20, 2024	Scholar Bowl <i>Sponsored by PTK and part of the MO Quiz Bowl Alliance</i> (Contact Dr. Kim Miller or Stephanie Hull if you would like to volunteer for this event.)	TBD
March 23, 2024	Foundation Gala	TBD
April 17, 2024	CTE Signing Day	TBD
May 17, 2024	SFCC Commencement Ceremony	7 pm
June 6, 2024	Employee Recognition Banquet	TBD

State Fair Community College Board of Trustees,

I am unable to attend the Board Meeting on November 16 due to a schedule conflict. I would, however, like to offer a couple of thoughts on the proposal from the Pettis County Ambulance District (PCAD) presented to the Board last month.

I fully understand the need to expand emergency services to address changing needs and increased call volume. However, I would ask the Board of Trustees to consider two things specifically when considering the sale of real estate as proposed by the PCAD.

Policy 3380 does give the Board of Trustees the option to “sell or lease real property, land, and/or buildings which are no longer needed by the College”. The land highlighted in the proposal from the ambulance district is currently used for agricultural production and instruction by the agriculture program. We have planted and harvested a sorghum sudangrass hay crop, pulled soil samples for our AGRI 119, Soils I class, and applied fertilizer and lime in preparation of future production. The land purchased for the demonstration farm is needed to support instruction in the Agriculture Program.

I would also ask the Board to consider the impact of selling road frontage along 16th Street. Access to the 200 acre demonstration farm is currently limited to the north boundary line along 16th street, and the college campus to the east. A decision to sell road frontage along 16th street will further limit access to the property. We are currently using the approach to that three acre tract to access parts of the farm with larger farm equipment like spray rigs. Eliminating the availability of that approach to the farm will result in the need to invest in alternative access routes for large farm equipment. In fact, that is currently the only viable approach owned by State Fair Community College to access the demonstration farm from 16th Street.

Thank you for considering my remarks. I would be happy to answer any questions you may have for me regarding the access to and use of farmland by the Agriculture Department.

Respectfully,

Brad Driskill

STATE FAIR COMMUNITY COLLEGE BOARD OF TRUSTEES MEETING MINUTES FOR OCTOBER 26, 2023

WORK SESSION

The SFCC Board of Trustees met at 5:00 p.m. in a Work Session prior to the General Session to discuss *Trends in Community College Leadership: Reflections from ACCT*.

GENERAL SESSION

The Board of Trustees of State Fair Community College met in regular session Thursday, October 26, 2023, in the Hopkins Board Room at 5:30 p.m. The meeting was simultaneously shown and recorded on the State Fair Community College YouTube Channel.

ATTENDANCE

Keith Acuff, Dr. Brent Bates, Cameron Belmore, Tim Carr, James Cunningham, Eric Fudge, Nick Gerke, Lora Hathcock, Daniel Hamilton, Mark Haverly, Brad Henderson, Justin Hubbs, Kelly Ingram, Mike Ingram, John Kincaid, Meghan McClellan, Darci McFail, Tammie Montgomery, Dr. Michael Murders, Lisa Oesterle, Tom Oldham, Richard Parker, Chief Roy Pennington, Dr. Annette Roberts, Becky Rose, Kim Tagtmeyer, Tabitha Thompson, Mary Treuner, Chad Whitehead, Patricia Wood

Absent: Dr. Amie Breshears

APPROVAL OF THE AGENDA

Mr. Oldham moved that the Board of Trustees approve the agenda. Mr. Hubbs seconded the motion; motion carried (Yes-5; No-0; Absent-1).

CITIZENS COMMENTS

There were no citizens' comments.

INTRODUCTION OF NEW EMPLOYEES

- Vice President Dr. Michael Murders introduced *John Kincaid, Precision Machining Instructor; Kim Tagtmeyer, CTC Executive Administrative Assistant; and Lora Hathcock, Assistant Director, Clinton Campus*

APPROVAL OF MINUTES FOR THE SEPTEMBER 28, 2023, BOARD MEETING AS PUBLISHED.

Mr. Oldham moved the Board of Trustees approve the minutes for the September 28, 2023, Board Meeting as published. Mr. Hubbs seconded the motion; motion carried (Yes-5; No-0; Absent-1).

WARRANT #3, SEPTEMBER 2023

Mr. Hubbs moved the Board of Trustees approve Warrant #3, for September 2023. Mr. Oldham seconded the motion; motion carried (Yes-5; No-0; Absent-1).

STUDENT GOVERNMENT ASSOCIATION REPORT

SGA President Cameron Belmore reported that SGA is working on holiday activities which will include delivering food to first responders and adopting a family. She also has a goal for future Board meetings a different campus Club representative will report on the activities and projects they are initiating. Ms. Belmore introduced Meghan McClellan, sponsor of the Art Club, and asked her to speak.

Ms. McClellan reported that the Art Club has 20 club members and each year they decide on what events to hold through the semesters. Some coming events include:

- There will be a pumpkin painting contest with winners being announced on October 30. The winner will receive a \$50 gift card to Walmart.
- They will be making and selling handmade gift wrap. Funds will go toward a Club trip to the Kansas City Art Museum.
- They are compiling coloring pages designed by the students into a coloring book. Coloring books will be available for purchasing starting December 8th at the wrapping paper sale.

INSTITUTIONAL REPORTS

- LOZ Campus Report (Dir. Tabitha Thompson)

Ms. Thompson is the director of the Lake of the Ozarks Campus and gave kudos to her full-time staff, Dawn Hines and Amy King, and her two part-time employees.

Her goal is to reach the community and make them aware that we are there in the Lake of the Ozarks area, and is exploring ways to do this. They attend many recruiting events that include high school college fairs and city advisory councils. They also get out in the community by participating in Chamber events, the Jefferson City Schools Gala, JROTC camp, along with sitting on the LOREDC and LCTC Advisory Boards. They have also hosted high school students on campus for tours and hands-on activities.

New programming will be offered where School of the Osage students will be coming to the LOZ Campus to take dual credit courses.

For their students they try to make the campus welcoming by offering welcome tables, giving the Student Commons a facelift, offering grad-and-go breakfasts, holding a Polar Express Night, and they have also held Instructor Appreciation events. They were also excited to offer Painting during the Spring 2023 semester. 12 students participated and several had their art work displayed in the Art Show on the Sedalia Campus.

PETTIS COUNTY AMBULANCE DISTRICT WEST STATION PROPOSAL (Chief Pennington) – *Informational Purposes Only*

Chief Roy Pennington spoke on behalf of the Pettis County Ambulance District to propose the purchase of land on State Fair Community College property for the building of a new ambulance station. He reported that the call volume has increased due to the growth in to the west and southwest. They are requesting to purchase a 3-acre parcel of land just a west of the roundabout on the southside of 16th Street at a rate of \$10,000 per acre.

Mr. Parker proposed the Board take the PCAD proposal and take some time to work with our constituencies on the feasibility of this proposal. After that a decision can be made possibly at the December Board meeting. No matter what the decision is, Dr. Bates stated that SFCC would still welcome the opportunity to partner with the PCAD on a paramedic program and otherwise support this important service.

ACADEMIC CALENDAR FOR AY24-25

Mr. Oldham moved the Board of Trustees approve the Academic calendar for Fall 2024 through Summer 2025. Mr. Hubbs seconded the motion; motion carried (Yes-1; No-0; Absent-1).

DESE AREA CAREER CENTER CONSTRUCTION FUND

Mr. Oldham moved that the Board of Trustees authorize the President to accept the DESE Area Career Center Construction Grant as described above. Mr. Parker seconded the motion; motion carried (Yes-5; No-0; Absent-1).

Missouri House Bill 2 in the Missouri FY24 DESE budget allocated \$5,500,000 to the Department of Elementary and Secondary Education (DESE) for the design, renovation, construction and improvements of career technical schools, provided that costs are shared at a ratio of 50% state and 50% local. State Fair Community College applied for, and has been awarded \$500,000 for the CTC portion of the Center for Advanced Agriculture and Transportation Technology design and construction. Funds must be spent by May 15, 2024.

SEMI-HERMETIC TRAINING SIMULATOR

Mr. Oldham moved the Board of Trustees approve the sole source purchase of four Copeland Semi-Hermetic Training Simulators for \$38,800 from Emerson Educational Services of Sidney, OH. This simulator meets National Industry Recognition Standards for NC3 certification. Funding is MOExcels III Grant funds provided for the Center for Excellence in Advanced Manufacturing & Automation. Mr. Parker seconded the motion; motion carried (Yes-5; No-0; Absent-1).

HAAS ATT8 TURRET SUB ASSEMBLY

Mr. Oldham moved the Board of Trustees approve the sole source purchase six Haas ATT8 Turret Sub-Assemblies for \$40,100 from Haas Factory Outlet of Fairport, NY. These 8 tool station turrets will expand the training capabilities of the existing Haas TL-1 tool lathes in SFCC's CTC Precision Machining Technology program. Funding is 75% Enhancement grant and 25% SFCC CTC operating budget. Mr. Parker seconded the motion; motion carried (Yes-5; No-0; Absent-1).

It was noted that the purchase of this equipment came from the recommendation of the Precision Machining Advisory Committee.

HAAS ST-15Y TURNING CENTER MACHINE PACKAGE

Mr. Oldham moved the Board of Trustees approve the sole source purchase of one ST-15Y Turning Center Machine Package for \$104,635.25 from Haas Factory Outlet of Kansas City, MO, as amended. This package will be used to enhance the training capabilities of SFCC's Precision Machining Technology Program. Funding is 75% Enhancement grant and **25% SFCC operating budget; not the CTC operating budget as originally stated in the agenda.** Mr. Hubbs seconded the motion; motion carried (Yes-5; No-0; Absent-1).

TRUSTEE ELECTION

Mr. Parker moved to amend the item to state that we will be accepting Declaration of Candidacies from December 5, 2023, from 8 a.m. to 5 p.m. **through December 20, 2023, from 8 a.m. to 12 p.m.**

Mr. Oldham moved that the Board of Trustees give authority to the President's Office to proceed with a trustee election on April 2, 2024, as amended. Filing dates for Declaration of Candidacy will be Tuesday, December 5, 2023, from 8 a.m. to 5 p.m. **through December 20, 2023, from 8 a.m. to 12 p.m.** The President's Office will also be open to accept filing declarations on Tuesday, December 26, 2023, from 1 p.m. to 5 p.m., at which time filing closes statewide. Elections will be held for a 6-year Term (2 to be elected). The full terms of Trustees Wood and Oldham will expire. Mr. Hubbs seconded the motion; motion carried (Yes-5; No-0; Absent-1).

PRESIDENT'S REPORT (Pres. Bates)

- President Bates started his report by recognizing IT Member Tammie Montgomery for 40 years of service to SFCC. "Tammie started working for SFCC right out of high school. She started as a student worker in the IT department...and never left. Over the 40 years she has seen the technology evolve at SFCC. Tammie helped support the Jenzabar ERP (Student Information System) as a programmer and system administrator; IBM System 36, IBM AS400, Sun Microsystems, Jenzabar, Banner, Oracle. These are just a few of the major systems she has worked on in her tenure. Tammie was a key resource in the conversion of Jenzabar ERP to Banner ERP in 2004, 2005. Since that time, she has had been instrumental in supporting Banner and developing the Program Review system in Cognos."
- Winter Graduation is December 15, 2023, at 7 p.m. Board Members, please let Lisa Oesterle know as soon as possible if you will be attending.
- We have contracted with an excavator to remove trees from the walking track to the barn, so that Evergy can install power lines through that area.
- Goldman Sachs, as part of a community service to help 10,000 small businesses, has turned their focus to rural small businesses starting with North Dakota, Arkansas, and is now expanding to Missouri. We have been chosen to host the Missouri cohort. Our strong workforce training programs is part of the reason we were chosen.

FINANCIAL REPORT (VP Acuff)

- Monthly Financial Report – Mr. Acuff reported that revenue from Fall tuition is in and is that we are ahead from last year. He also reported that we are at a point where we are close to being fully employed, since many open positions have been filled this year.
- Quarterly Investment Report – Mr. Acuff reported that we had a total return of 4.8% and that it may be time to look into longer term investments.

SEPTEMBER “BOARD REPORTING” PURCHASES (VP Acuff) – *Informational Purposes Only*

During the month of September 2023, the following purchases between \$10,000 and \$25,000 were made:

Ad Astra	Room Scheduling Software	\$17,745.00
CDW	Adobe Software License	\$17,307.01
Embree Electric	Fielding Electrical Gear	\$12,540.83
Oxford Medical Simulation	VR Software License	\$12,600.00
Docusign	Annual Contract	\$19,282.74

BOARD DISCUSSION

- President Wood pointed out that prior to the General Session, the Board members discussed the recent ACCT Leadership Congress and reflected on the beneficial information that came from the meeting. All but one of the Board members attended the conference.

NEXT MEETING

The next Board of Trustees General Session meeting will be held on November 16, 2023, at 5:30 p.m. in the Hopkins Board Room. There will be a Work Session included; details will be forthcoming.

SPECIAL BOARD MEETING

The President of State Fair Community College, Dr. Brent Bates, has called a Special General Session to be held on Thursday, January 4, 2024. Bids for a new Residence Hall will be discussed and voted on.

REQUEST FOR CLOSED SESSION

Mr. Oldham moved the meeting be adjourned to Executive Session pursuant to RSMO 610.021, and that the Board of Trustees of State Fair Community College meet in closed meeting, with closed record and closed vote, on October 26, 2023, in the Hopkins Board Room on the campus of State Fair Community College, Sedalia, Missouri, for the purpose of considering:

- a. Hiring, firing, disciplining, or promotion of personnel pursuant to RSMO Sec. 610.021(3)
- b. Lease, purchase, or sale of real estate pursuant to RSMO Sec. 610.021 (2)

Mr. Hubbs seconded the motion; motion carried.

Roll Call: Amie Breshears Absent Tim Carr Yes Justin Hubbs Yes.
Tom Oldham Yes Richard Parker Yes Patricia Wood Yes.

GENERAL SESSION MEETING ADJOURNED

Mr. Hubbs moved to adjourn the General Session. Mr. Oldham seconded the motion; motion carried (Yes-5; No-0; Absent-1).

Mission *State Fair Community College provides relevant and responsive learning experiences that empower our students and communities to prosper.*

Vision *State Fair Community College will be the communities' preferred choice, where students, faculty, and staff realize their confidence, passion, skills, and potential.*

Lisa M. Oesterle, Recording Secretary

Tim Carr, Secretary

RESOLUTION

RESOLVED, that the actions of Keith Acuff, Vice President, Finance and Administration, as confirmed by Justin Hubbs, Treasurer, in disbursing the following funds of State Fair Community College are hereby approved and ratified as the acts of the Board of Trustees.

OCTOBER 2023		
ACCOUNT	AMOUNT	DESCRIPTION
Central Bank		
Accounts Payable	\$1,876,557	476 Checks/Direct Deposits
Stauffer Renovation Payments (Westport)	\$27,432	
Fielding Renovation (Reasbeck)	\$500,132	
Payroll	\$1,146,668	1,006 Checks/Direct Deposits - 510 employees
Income & Payroll Taxes	\$200,822	ACH
Financial Aid & Refunds	\$117,667	141 Checks/Direct Deposits
Utilities	\$63,345	Checks/Credit Card payments
Commerce Bank		
Credit Card Processing Fees	\$6,674	ACH (September charges of \$334,904)
Equity Bank		
Bank Service Charge	\$16	ACH
TOTAL DISBURSEMENTS	\$3,939,313	

STATE FAIR COMMUNITY COLLEGE
FY24 Budget vs Prior Years
General Fund (Unrestricted)
As of October 31, 2023

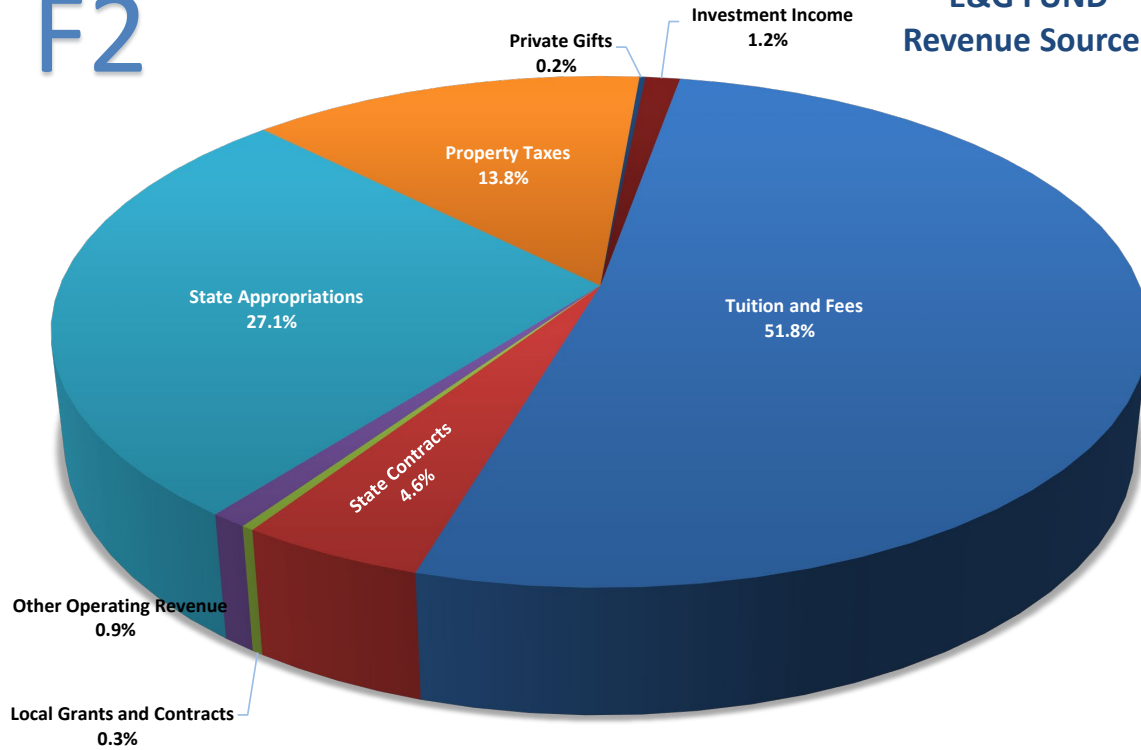
FY 2024 - 25% complete

EDUCATIONAL & GENERAL REVENUES (UNRESTRICTED)	FY2024		FY2023	FY2022	FY24%
REVENUES:	Annual Budget	YTD	Prior YTD	2yr Past YTD	Realized
Tuition and Fees	\$ 17,147,847	\$ 8,547,386	\$ 7,442,162	\$ 7,121,728	49.8%
State Grants & Contracts	\$ 1,534,062	\$ 135,529	\$ 103,659	\$ 32,409	8.8%
Local Grants and Contracts	\$ 105,000	\$ 19,154	\$ 41,245	\$ 18,787	18.2%
Other Operating Revenue	\$ 310,652	\$ 84,052	\$ 65,372	\$ 161,151	27.1%
State Appropriations	\$ 8,980,878	\$ 2,832,114	\$ 2,721,202	\$ 2,256,628	31.5%
Local Property Taxes	\$ 4,565,041	\$ 88,781	\$ 74,709	\$ 71,386	1.9%
Private Gifts	\$ 67,450	\$ 55,015	\$ 12,100	\$ 18,424	81.6%
Investment Income	\$ 400,000	\$ 242,084	\$ 64,039	\$ 925	60.5%
TOTAL GENERAL FUND REVENUES	\$ 33,110,930	\$ 12,004,115	\$ 10,524,488	\$ 9,681,438	36.3%
EXPENDITURES:	FY2024		FY2023	FY2022	
Instruction	\$ 12,834,864	\$ 3,932,914	\$ 3,570,369	\$ 2,984,850	30.6%
Academic Support	\$ 2,170,621	\$ 778,444	\$ 755,780	\$ 687,713	35.9%
Student Services	\$ 4,484,705	\$ 1,610,820	\$ 1,462,688	\$ 1,285,392	35.9%
Institutional Support	\$ 7,840,056	\$ 3,149,343	\$ 2,790,864	\$ 2,660,097	40.2%
Operations and Maintenance of Plant	\$ 4,447,380	\$ 1,298,264	\$ 1,145,649	\$ 939,583	29.2%
TOTAL GENERAL FUND EXPENSES	\$ 31,777,626	\$ 10,769,785	\$ 9,725,350	\$ 8,557,635	33.9%
EXCESS GENERAL REVENUES OVER EXPENDITURES	\$ 1,333,304	\$ 1,234,330	\$ 799,138	\$ 1,123,803	

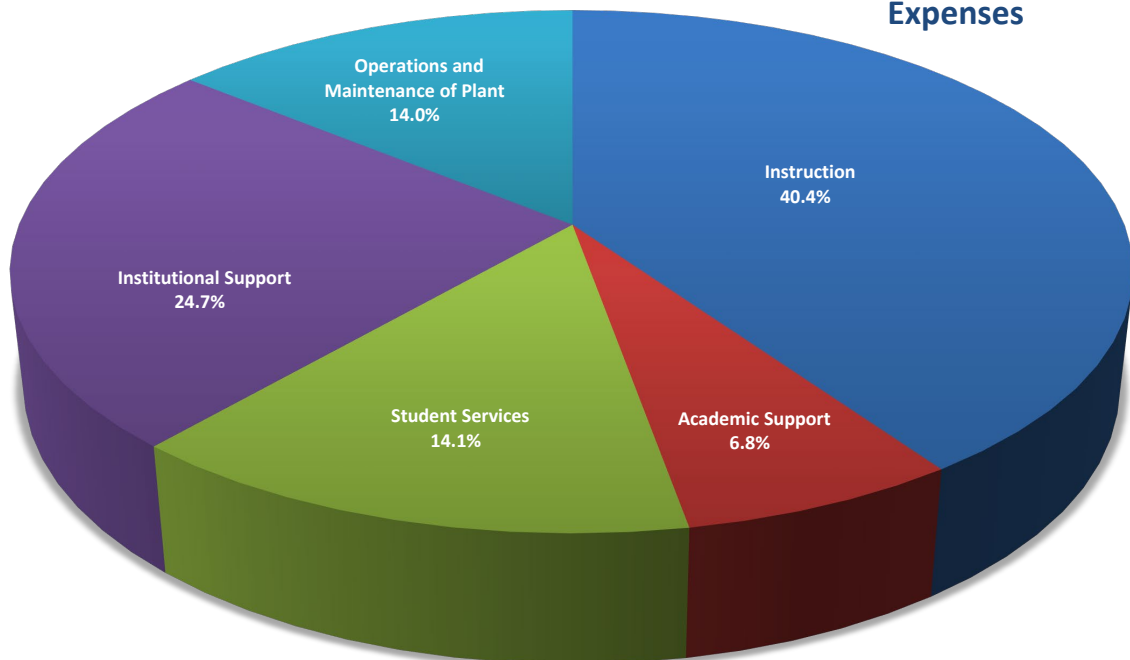
State Fair Community College
FY24 E&G FUND Budget Components

F2

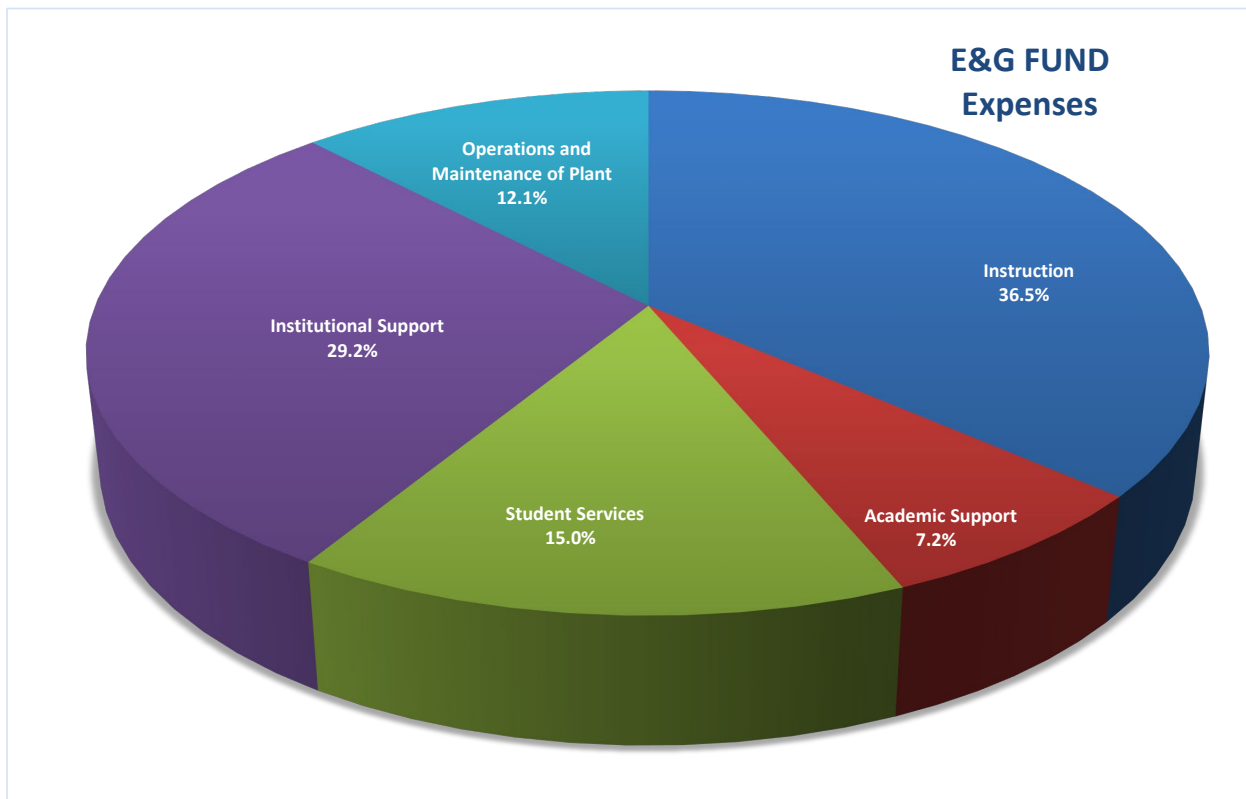
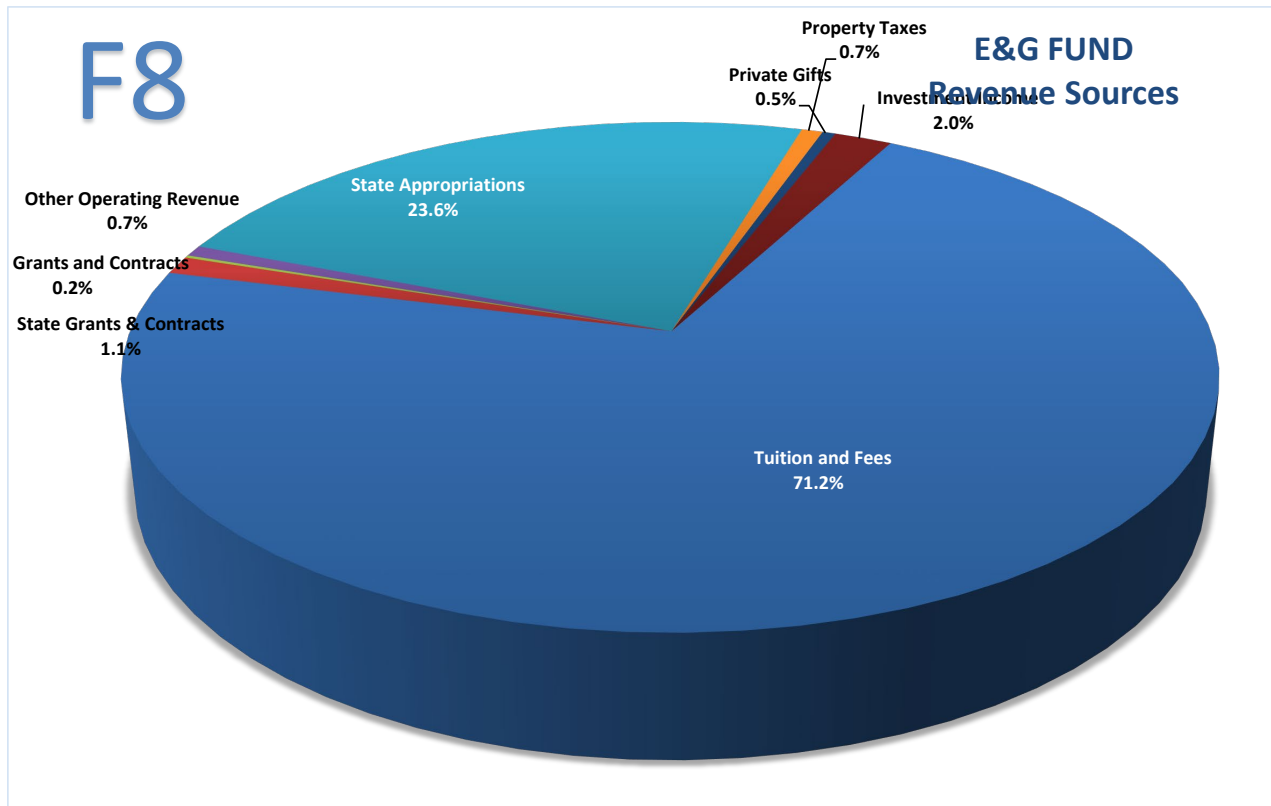
E&G FUND
Revenue Sources



E&G FUND
Expenses

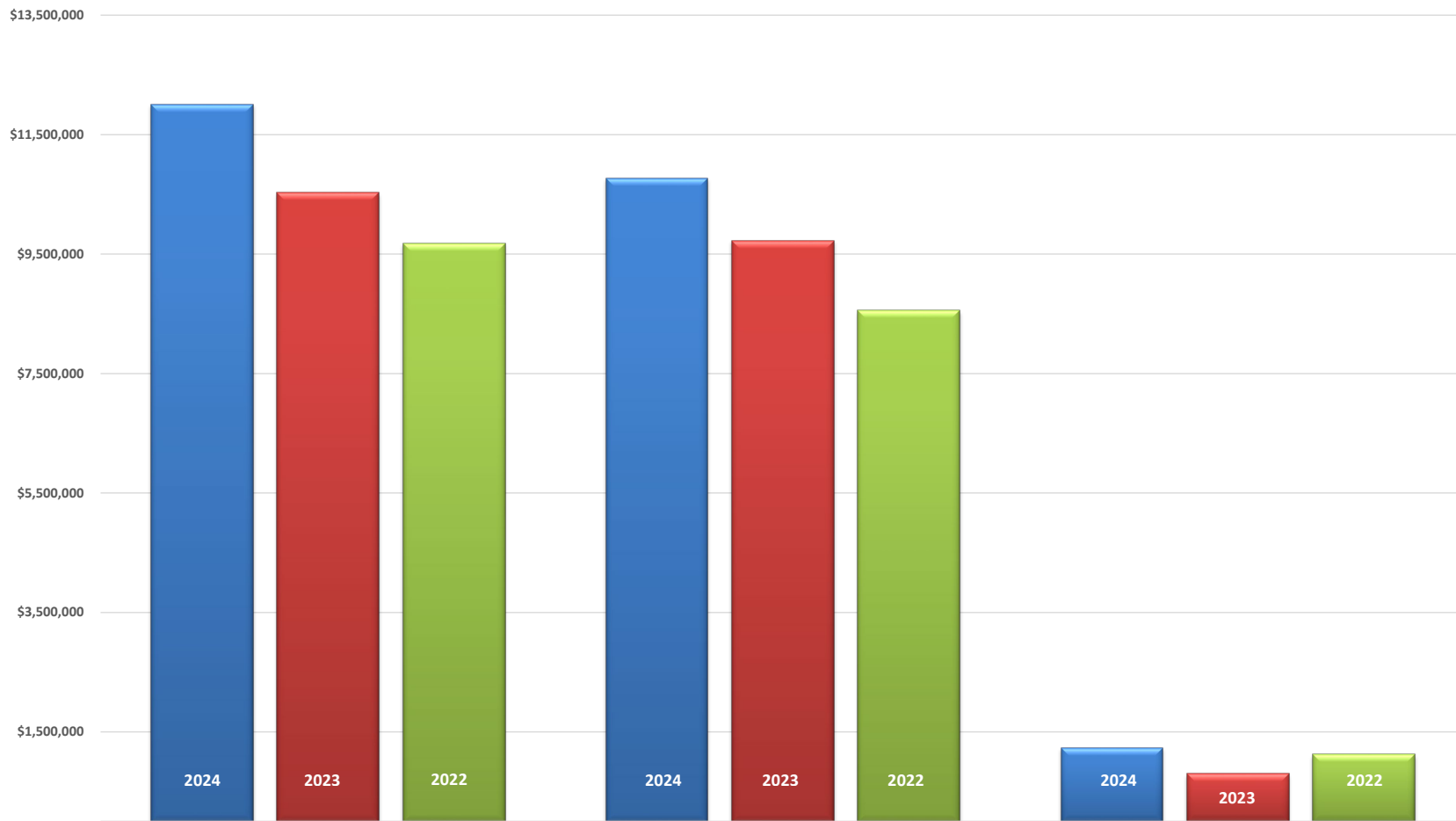


State Fair Community College
FY24 E&G FUND ACTUAL YTD
October 31, 2023



F3

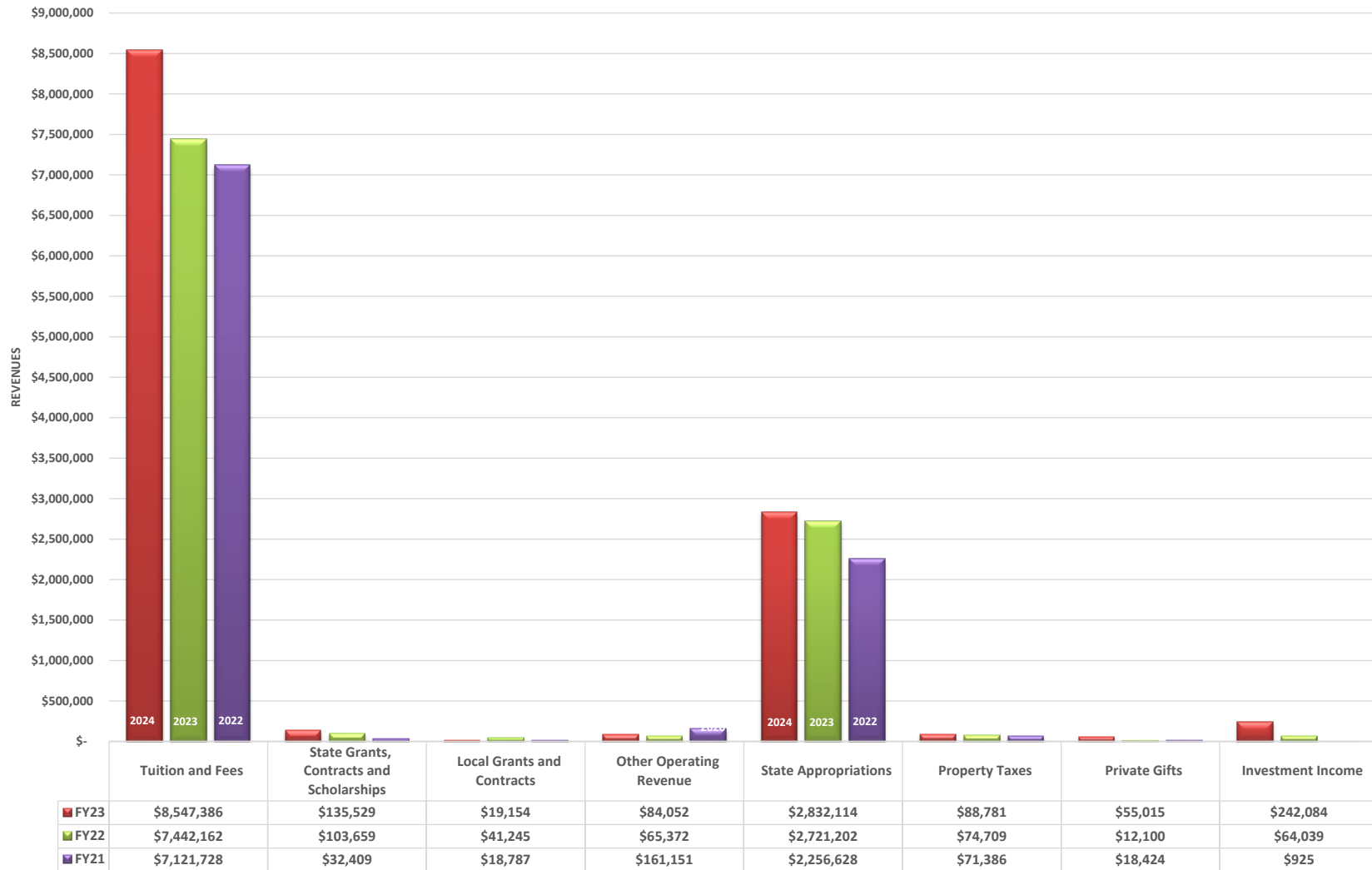
State Fair Community College FY24 YTD E&G Fund Financial Summary vs FY23 & FY22 As of October 31, 2023



	TOTAL YTD E&G REVENUES	TOTAL YTD E&G EXPENSES	TOTAL YTD E&G NET CONTRIBUTION
FY23	\$12,004,115	\$10,769,785	\$1,234,330
FY22	\$10,524,488	\$9,725,350	\$799,138
FY21	\$9,681,438	\$8,557,635	\$1,123,803

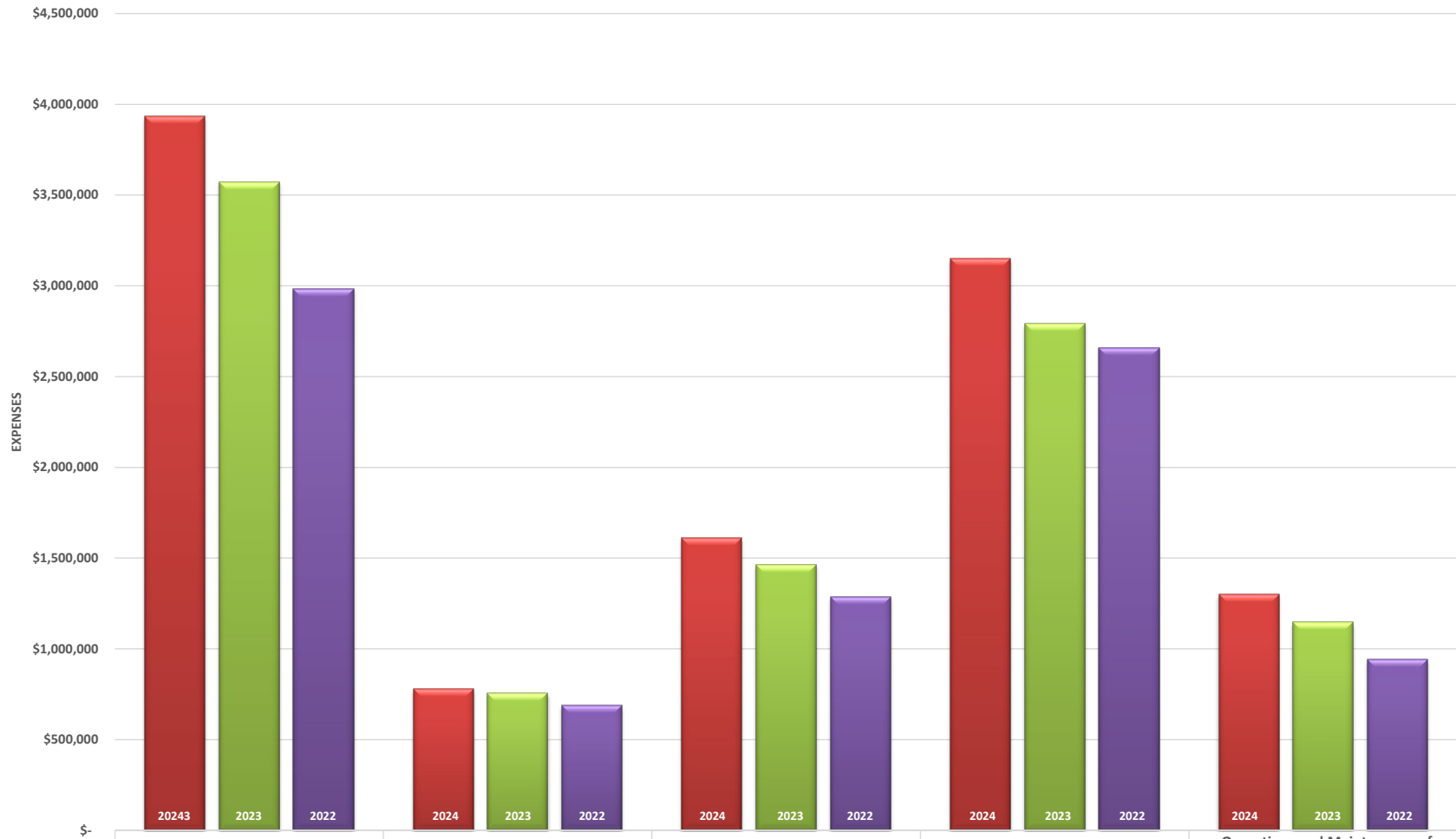
F4

State Fair Community College
General Fund Revenue Comparison FY24 vs FY23 & FY22
YTD as of October 31 of each year



F5

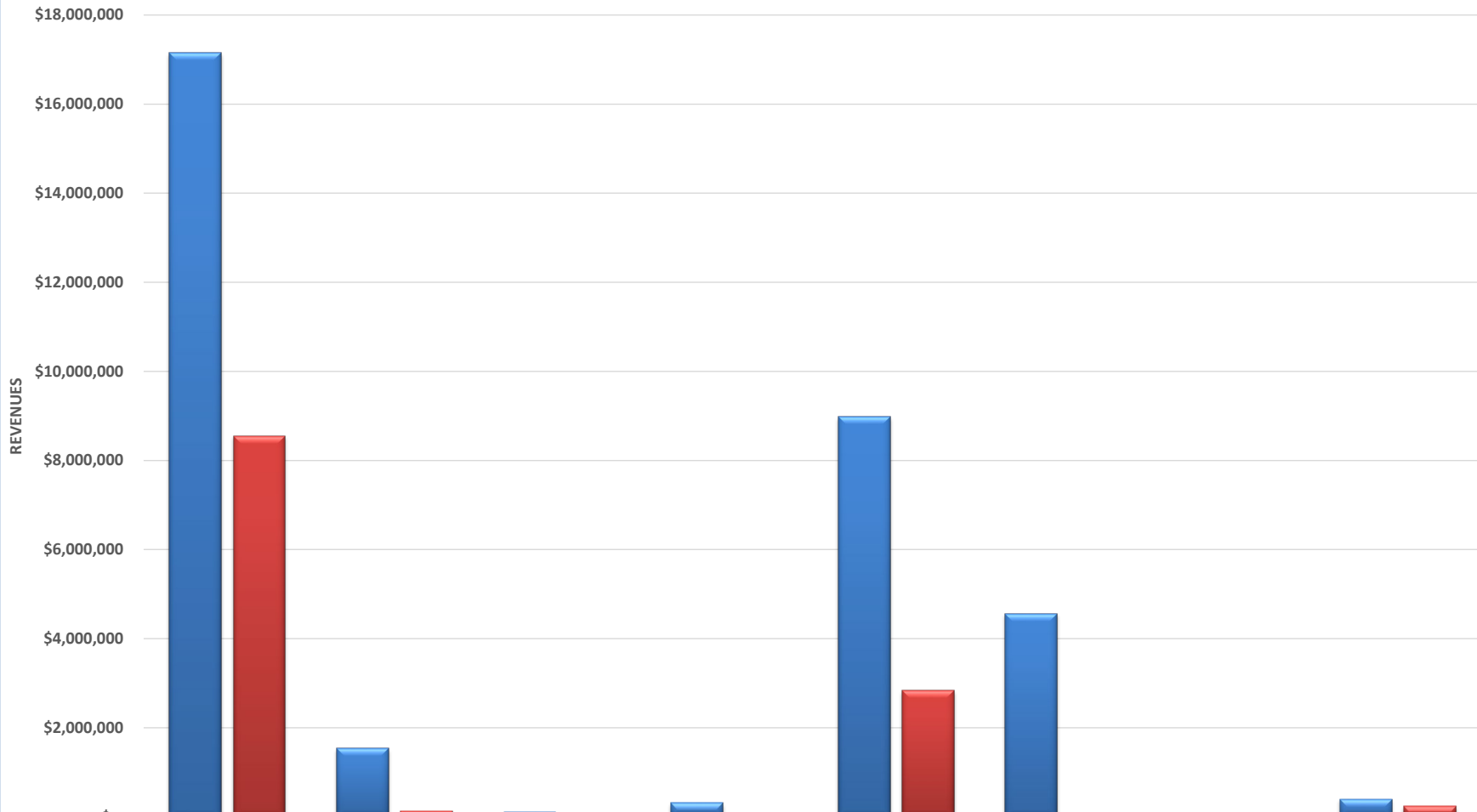
State Fair Community College General Fund Expense Comparison FY24 vs FY23 & FY22 YTD as of October 31 of each year



	Instruction	Academic Support	Student Services	Institutional Support	Operations and Maintenance of Plant
FY23	\$3,932,914	\$778,444	\$1,610,820	\$3,149,343	\$1,298,264
FY22	\$3,570,369	\$755,780	\$1,462,688	\$2,790,864	\$1,145,649
FY21	\$2,984,850	\$687,713	\$1,285,392	\$2,660,097	\$939,583

F6

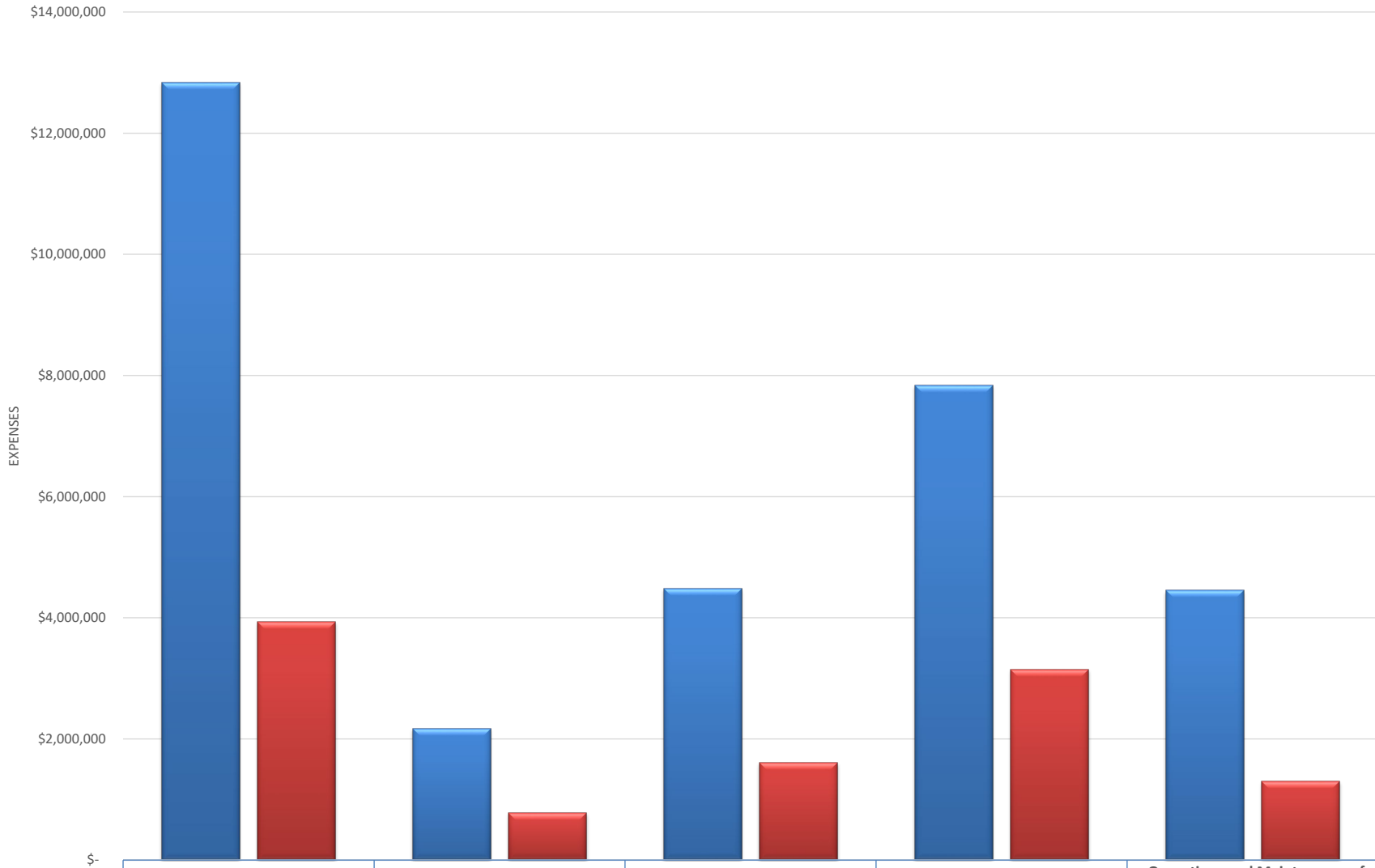
State Fair Community College FY24 YTD General Fund Revenue vs Full Year Budget As of October 31, 2023



	Tuition and Fees	State Grants, Contracts and Scholarships	Local Grants and Contracts	Other Operating Revenue	State Appropriations	Property Taxes	Private Gifts	Investment Income
Budget	\$17,147,847	\$1,534,062	\$105,000	\$310,652	\$8,980,878	\$4,565,041	\$67,450	\$400,000
Actual YTD	\$8,547,386	\$135,529	\$19,154	\$84,052	\$2,832,114	\$88,781	\$55,015	\$242,084

F7

State Fair Community College
FY24 YTD Expenses vs Full Year Budget
As of October 31, 2023



	Instruction	Academic Support	Student Services	Institutional Support	Operations and Maintenance of Plant
Budget	\$12,834,864	\$2,170,621	\$4,484,705	\$7,840,056	\$4,447,380
Actual YTD	\$3,932,914	\$778,444	\$1,610,820	\$3,149,343	\$1,298,264

Moody's Long-Term Rating Scale

Investment Grade	Aaa
Investment Grade	Aa1
Investment Grade	Aa2
Investment Grade	Aa3
Investment Grade	A1
Investment Grade	A2
Investment Grade	A3
Investment Grade	Baa1
Investment Grade	Baa2
Investment Grade	Baa3
Non-Investment Grade	Ba1
Non-Investment Grade	Ba2
Non-Investment Grade	Ba3
Non-Investment Grade	B1
Non-Investment Grade	B2
Non-Investment Grade	B3
Non-Investment Grade	Caa1
Non-Investment Grade	Caa2
Non-Investment Grade	Caa3
Non-Investment Grade	Ca
Non-Investment Grade	C



Rating Action: Moody's affirms State Fair Community College's (MO) A3 issuer and Baa1 COPs ratings; outlook stable

10 Nov 2023

New York, November 10, 2023 – Moody's Investors Service has affirmed State Fair Community College's (MO) A3 issuer and Baa1 Certificates of Participation (COPs) ratings. As of fiscal year 2022, the college recorded \$15 million of outstanding debt. The outlook is stable.

RATINGS RATIONALE

The affirmation of the A3 issuer rating incorporates the college's brand as a low-cost provider of higher education in rural Missouri and its good revenue diversity. The college receives tax-backed support and state appropriations, which comprise about 10% and 16% of total operating revenues in a typical year, respectively. Favorably, State Fair has grown overall wealth and liquidity through successful stewardship of federal relief funds and operating surpluses while also reinvesting in the college's programs and infrastructure. Offsetting considerations include a relatively small scale and ongoing enrollment pressures, reflected in an 18% five-year enrollment decline. The college maintains solid debt service coverage, though total adjusted debt is comparatively high due to a relatively large Moody's adjusted unfunded pension liability.

The affirmation of the Baa1 COPs rating reflects the underlying credit fundamentals of the college and incorporates the contingent nature of the security with appropriation risk.

RATING OUTLOOK

The stable outlook reflects Moody's expectations that operating performance will weaken absent federal relief funds but remain solid, still generating good debt service coverage. It also incorporates expectations that total cash and investments will decline modestly as the college continues to reinvest in new programs and capital projects.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Sustained improved operating performance over multiple years with EBIDA margins in the low double digits
- Substantial strengthening of total wealth and liquidity outpacing peers over multiple years, evidenced for example by over 200 monthly days cash on hand
- Increased scale with stabilized or growing enrollment supporting net tuition revenue growth

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material decline in available liquidity or operating reserves over multiple years
- Significant increase in leverage beyond near-term planned debt issuance
- Sustained enrollment declines leading to weakened operating performance and debt service coverage

LEGAL SECURITY

The Series 2017 Certificates are payable solely from Basic Rent under the Lease and certain money held by the Trustee under the Declaration of Trust. The college's obligations to pay Basic Rent and other obligations of the college under the Lease are subject to and dependent on annual appropriations being made by the college for such purpose. The college intends to satisfy its obligation to pay Basic Rent under the Lease from unrestricted revenues.

PROFILE

State Fair Community College is located in west central Missouri and serves 14 counties. As of fiscal year 2022, the college generated \$42 million in operating revenue and as of fall 2022, enrolled 2,737 students.

METHODOLOGY

The principal methodology used in these ratings was Higher Education Methodology published in August 2021 and available at <https://ratings.moodys.com/rmc-documents/72158>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the issuer/deal page for the respective issuer on <https://ratings.moodys.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see <https://ratings.moodys.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on <https://ratings.moodys.com> for additional regulatory disclosures for each credit rating.

Melissa Nicandri
Lead Analyst
Higher Education
Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street
New York 10007

JOURNALISTS: 1 212 553 0376

Client Service: 1 212 553 1653

Emily Raimes

Additional Contact

Higher Education

JOURNALISTS: 1 212 553 0376

Client Service: 1 212 553 1653

Releasing Office:

Moody's Investors Service, Inc.

250 Greenwich Street

New York, NY 10007

U.S.A

JOURNALISTS: 1 212 553 0376

Client Service: 1 212 553 1653

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT

INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees

ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodyys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

CREDIT OPINION

10 November 2023


Send Your Feedback
Contacts

Melissa Nicandri +1.212.553.3890
Associate Lead Analyst
 melissa.nicandri@moodys.com

Emily Raimes +1.212.553.7203
Associate Managing Director
 emily.raimes@moodys.com

Christopher Collins +1.212.553.7124
VP-Senior Analyst
 christopher.collins2@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653
Asia Pacific 852-3551-3077
Japan 81-3-5408-4100
EMEA 44-20-7772-5454

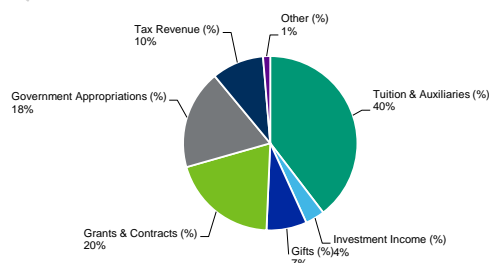
State Fair Community College, MO

Update to credit analysis

Summary

[State Fair Community College's](#) (A3 stable) credit profile reflects its strategic position as a low-cost provider of education in rural Missouri with good revenue diversity underpinning operations. Favorably, the college has tuition-setting authority and receives tax-backed support and state appropriations from the [State of Missouri](#) (Aaa stable), providing revenue stability. Though enrollment has declined 18% over five years, net tuition revenue has grown slightly and good budget management aids generation of solid EBIDA margins. Offsetting considerations include the college's relatively small scale and ongoing enrollment challenges, though the district has managed to grow net tuition revenue and maintain solid debt service coverage. Further, while debt levels are moderate, total adjusted debt is comparatively high due to the college's relatively large Moody's adjusted unfunded pension liability.

Exhibit 1

Favorable revenue diversity will continue aiding the college's credit profile


Source: Moody's Investors Service

Credit strengths

- » Good wealth profile, with total cash and investments providing 1.1x coverage of total operating expenses in fiscal 2022
- » Very good revenue diversity as evidenced by the largest revenue source, tuition and fees, accounting for approximately 40% of operating revenue

Credit challenges

- » Small operating size, with \$42 million in fiscal 2022 operating revenue
- » Some exposure to ad hoc state appropriations cuts
- » Ongoing demographic pressures, reflected in an 18% five year decline in enrollment

Rating outlook

The stable outlook reflects Moody's expectations that operating performance will weaken absent federal relief funds but remain solid, still generating good debt service coverage. It also incorporates expectations that total cash and investments will decline modestly as the college reinvests in new programs and capital projects.

Factors that could lead to an upgrade

- » Sustained improved operating performance over multiple years with EBIDA margins in the low double digits
- » Substantial strengthening of total wealth and liquidity outpacing peers over multiple years, evidenced for example by over 200 monthly days cash on hand
- » Increased scale with stabilized or growing enrollment supporting net tuition revenue growth

Factors that could lead to a downgrade

- » Material decline in available liquidity or operating reserves over multiple years
- » Significant increase in leverage beyond near-term planned debt issuance
- » Sustained enrollment declines leading to weakened operating performance and debt service coverage

Key indicators

Exhibit 2

State Fair Community College, MO

	2018	2019	2020	2021	2022
Total FTE Enrollment	3,362	3,129	2,897	2,735	2,737
Operating Revenue (\$000)	35,775	35,076	36,662	42,780	42,108
Annual Change in Operating Revenue (%)	-6.7	-2.0	4.5	16.7	-1.6
Total Cash & Investments (\$000)	23,574	23,317	26,530	41,207	40,546
Total Adjusted Debt (\$000)	87,696	96,590	99,870	120,074	125,203
Total Cash & Investments to Total Adjusted Debt (x)	0.3	0.2	0.3	0.3	0.3
Total Cash & Investments to Operating Expenses (x)	0.7	0.7	0.8	1.1	1.1
Monthly Days Cash on Hand (x)	84	78	93	154	201
EBIDA Margin (%)	7.6	9.3	11.6	22.4	17.3
Total Debt to EBIDA (x)	3.7	2.7	1.8	1.3	2.1
Annual Debt Service Coverage (x)	0.4	2.4	3.1	6.4	4.2

Source: Moody's Investors Service

Profile

State Fair Community College is located in west central Missouri and serves 14 counties. As of fiscal year 2022, the college generated \$42 million in operating revenue and as of fall 2022, enrolled 2,737 students.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Detailed credit considerations

Market profile

State Fair Community College will continue serving a critical role as provider of workforce development and technical training while facing some student market pressure. Enrollment declined about 18% over five years, but the college's commitment to meeting market demand could help add stabilization to total enrollment. With a focus on programs in agriculture mechanics, welding, and other technical training programs, State Fair aids economic development for the region. The district maintains a strategic position serving 14 surrounding counties in predominantly rural west central Missouri. The bulk of its taxing district is in Pettis and Benton Counties. The district's tax base continues expanding, with tax revenue accounting for a modest 10% of revenue. The college distinguishes itself by offering many non-credit training programs, and plans to continue expanding programs like automotive training and commercial HVAC training. State Fair also boasts a 66% retention rate which is higher than many community college peers.

Operating performance

Revenue diversity will remain a key credit strength supporting operating stability. While the college derives over a third of its revenue from tuition and auxiliary revenue (40% of operating revenue), which is subject to market challenges, it benefits from additional revenue diversity from state and federal grants and contracts (20%), state appropriations (18%) and property tax revenue (10%). The college's operating performance benefitted from pandemic relief funding, but sustaining healthy performance beyond fiscal 2022 will be dependent on the prudent fiscal management that the college has demonstrated. Favorably, state appropriations have increased close to 30% over the last five years, reaching about \$7.8 million in fiscal 2022. Growth of the local tax base at around 4% per year will continue aiding stability of operating performance. Fiscal year 2023 EBIDA margins will soften compared to 2022 due to some wage increases and other inflationary pressures.

Wealth and liquidity

The college's total wealth will remain stable in the near-term with some planned spend down of reserves. Favorably, State Fair grew total cash and investments about 70% since fiscal 2018 due in part to excess pandemic relief and operating surplus. State Fair's liquidity position has improved, with \$19 million of monthly liquidity translating into a favorable 200 days cash on hand. Foundation assets have also continued growing, which aids the college's cash position. Compared to peers, nominal wealth is low but is strong compared to operating expenses at 1.1x. The college is planning to reinvest some of its reserves into renovations to buildings and purchases of new equipment to support technical programs.

Leverage

The college's debt levels will remain manageable even with some planned borrowing in the near term. Despite a relatively below average debt burden, the district's \$105 million adjusted net pension liability (ANPL) will remain a challenge in reducing the college's leverage. We expect the college's exposure to pension and other post-employment retirement benefits (OPEB) to remain high. The district participates in the Public School Retirement System of Missouri (PSRS) and Public Education Employee Retirement System of Missouri (PEERS), both cost sharing multiple-employer defined benefit pension plans. Budgetary pressure related to previous underfunding of the pension plans is expected to remain manageable in the near-term.

ESG considerations

Environmental

State Fair's environmental risks (E-2) reflect the limited likelihood of material operational disruption due to physical climate risks. The college is prioritizing reinvestment through upgrading its academic spaces to be safer and more energy efficient. Programs related to agriculture mechanics and precision agriculture reflects a focus on sustainable resource production.

Social

Social risks (S-3) at State Fair are due primarily to demographic and societal trends in the region, with these challenges reflected by ongoing enrollment pressures. Favorably, revenue diversity partially mitigates stagnant tuition revenue. Some human capital risk exposure exists due to material pension exposure. State Fair has a mission aligned with positive social impact through education, consistent with most of the higher education sector, and has favorable customer relations as it adjusts academic offerings to meet evolving regional workforce needs. Stable state operating and some property tax support contribute to the college's very low cost of attendance and support credit quality.

Governance

Governance risk (G-2) exposure is limited. State Fair has demonstrated management credibility by exercising effective expense management, as well as stewarding funds to growth wealth and reinvest in programmatic and capital improvements at the college. Despite ongoing student market challenges, the college's good financial strategy and effective management team has helped improve and maintain solid operations. The board selection process introduces some political risk, as six trustees are elected from the college's subdistricts and the board is an agency of the state.

Rating methodology and scorecard factors

The [Higher Education](#) rating methodology includes a scorecard that summarizes the factors that are generally most important to higher education credit profiles. Because the scorecard is a summary and may not include every consideration in the credit analysis for a specific issuer, a scorecard-indicated outcome may or may not match an assigned rating. We assess brand and strategic positioning, operating environment, and financial strategy on a qualitative basis, as described in the methodology.

Exhibit 3

State Fair Community College

Scorecard Factors and Sub-factors	Value	Score
Factor 1: Scale (15%)		
Adjusted Operating Revenue (USD Million)	42	Baa
Factor 2: Market Profile (20%)		
Brand and Strategic Positioning	Baa	Baa
Operating Environment	A	A
Factor 3: Operating Performance (10%)		
EBIDA Margin	17%	Aa
Factor 4: Financial Resources and Liquidity (25%)		
Total Cash and Investments (USD Million)	41	A
Total Cash and Investments to Operating Expenses	1.1	Aa
Factor 5: Leverage and coverage (20%)		
Total Cash and Investments to Total Adjusted Debt	0.3	A
Annual Debt Service Coverage	4.2	Aaa
Factor 6: Financial Policy and Strategy (10%)		
Financial Policy and Strategy	A	A
Scorecard-Indicated Outcome		A2
Assigned Rating		A3

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt issued or proposed to be issued after the close of the fiscal year.

For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.

Source: Moody's Investors Service

© 2023 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved. CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from \$1,000 to approximately \$5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moody's.com under the heading "Investor Relations — Corporate Governance — Charter Documents - Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY100,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER

1386178

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

DRAFT-CONFIDENTIAL