



NEWS RELEASE

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For More Information

Janet Wise, Executive Director, Marketing and Public Relations (505) 428-1217
janet.wise@sfcc.edu

Todd Eric Lovato, Media and Public Relations (505) 428-1776
todd.lovato@sfcc.edu

Santa Fe Community College Bond Rating Upgraded

Santa Fe, NM, Nov. 1, 2010 – Moody’s Investors Service, a leading credit-rating agency has upgraded Santa Fe Community College’s bond investment rating from Aa2 to Aa1. The rating indicates SFCC has a very strong capacity to meet its financial commitments.

In establishing its credit ratings, Moody’s, which performs international financial research and analysis, places considerable weight on an overall assessment of financial strength and ability to pay off debt.

Santa Fe Community College leaders welcomed the news of the new rating. College President Sheila Ortego said, “At the beginning of the recession, we put in place a long-term financial plan that has helped save jobs and maintain fiscal stability. This analysis by a respected independent agency demonstrates that SFCC has taken the right approach through these challenging times.”

Meridee Walters, SFCC vice president for finance and administration, also attributed the higher rating to the college’s modest debt profile and the rapid rate with which it has retired past debt obligations. She said other factors, such as SFCC’s local mill levy coupled with a healthy property tax base, growing enrollment trends, a diverse revenue mix of state funding and student tuition help the college maintain a positive fiscal profile.

Following the college's \$35 million bond issue election in August, the institution lowered its debt service mill levy from 1.046 mills to 1.015.

At its regular monthly meeting last week, the college's Governing Board approved the sale of \$20 million in general obligation bonds at a true interest cost of 2.22 percent. (The true interest cost of a bond includes all associated costs such as finance charges, term insurance and credit insurance.) President Ortego said this low interest rate was additional welcome news for the college, and will benefit taxpayers as well.

According to Ms. Walters, the bonds will be sold in two increments and the college will invest the proceeds in infrastructure, utility upgrades and facilities improvements.

"Using bond proceeds to make critical improvements is a key financial strategy because it helps us maintain overall fiscal health for the college," said Walters. "Our bond issues help us sustain physical operations without dipping into funds that are better used for classroom instruction. With this upgraded rating, we can borrow money at lower cost, which is good for local taxpayers."

About Santa Fe Community College

For more than 27 years, Santa Fe Community College has served as the gateway to success for individuals and our community. The College provides affordable, high-quality educational programs that serve the social, cultural, technological and economic needs of Santa Fe's diverse community. More than 14,500 students are served each year in its credit, noncredit and adult basic education programs.

Offering more than 72 degrees and certificate programs, SFCC caters to the academic, career and personal-enrichment needs of local residents, businesses, government and public service organizations. More than 274 full-time and 587 part-time employees are employed by the college. For further information, visit www.sfcc.edu or call (505) 428-1000.

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