

# How to Compete for State Capital Outlay Funds

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# Agenda - Capital Outlay Process



- Initial Project Proposals
- Project Categories
- Final Project Proposals
- Timelines and Shelf Life
- Funding by Category
- 2015-16 Spending Plan
- 2016-17 Spending Plan

# Capital Outlay Process



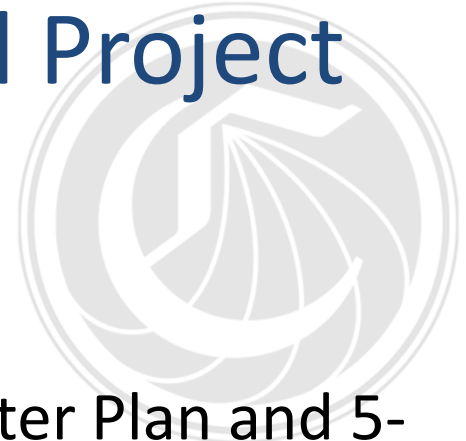
- Five-Year Construction Plans
  - Due July 1st
  - Establishes Capacity/Load Ratios
- Initial Project Proposals (IPP)
  - Due July 1st
  - Must be approved by Chancellor's Office before converting to FPP in the next fiscal year
- Final Project Proposals (FPP)
  - Due July 1st
  - Done 2 years prior to potential budget funding
    - FPPs submitted on July 1, 2015 will be available for funding in 2017-18

# Capital Outlay Process - Initial Project Proposals



- Determines eligibility for funding
  - The first step for funding
  - Revenue generating facilities such as parking lots, bookstores, dormitories, student unions and athletic stadiums are excluded from State financing
- Primary Objective is to:
  - Establish institutional needs
  - Investigate available alternatives
  - Develop project that best meets the stated needs
- Items required include:
  - Project description – including total and growth WSCH, scope, cost and schedule

# Capital Outlay Process - Initial Project Proposals (cont.)



- Items required include (cont.):
  - Explanation of how it supports the Master Plan and 5-Year Construction Plan
  - CEQA status
  - Type of project and Qualifying information
    - Category A (Health and Safety)
    - Category B (Instructional Growth)
    - Category C (Instructional Modernization)
    - Category D (Complete Campus)
    - Category E (Institutional Growth)
    - Category F (Institutional Modernization)

# Capital Outlay Process - Initial Project Proposals (cont.)



- Items required include (cont.):
  - Capacity/Load Ratio Analysis and Justification
  - Alternatives explored
  - Costs for each phase
    - Acquisition (A)
    - Preliminary Plans (P)
    - Working Drawings (W)
    - Construction (C)
    - Equipment (E)

# Capital Outlay Process - Initial Project Proposals (cont.)



- Priority points awarded based on category type and justification
  - Growth projects only funded if capacity loads are under 105%
  - Renovation projects have the best chance of funding by decreasing capacity loads over 100% and for the older buildings on campus
  - Up to 50 points may be achieved for local contributions

# Capital Outlay Process – Project Categories



- Category A (Health and Safety)
  - Does not compete with funding points
  - IPPs not required
  - Least cost solution
  - Independent 3rd party documentation required
  - Board resolution deeming project as Category A required



# Capital Outlay Process – Project Categories (cont.)



- Category A (Health and Safety) (cont.)
  - Types:
    - A-1 – Imminent danger to building occupants
    - A-2 – Equipment to complete previously started State funded projects
      - No longer used since this is funded upfront now
    - A-3 – Seismic deficiencies
    - A-4 – Infrastructure failure

# Capital Outlay Process – Project Categories (cont.)



- Category B and E (Growth) – 200 points
  - Solution addresses academic issues
  - Cannot support capacity/load exceeding 105% in preponderance of space
  - Category B (Instructional Growth)
    - Lecture
    - Laboratory
    - Library/AVTV
  - Category E (Institutional Growth)
    - Office

# Capital Outlay Process – Project Categories (cont.)



- Category B and E (Growth) – 200 points
  - Four Factors (50 points each)
    - Campus enrollment growth
    - Campus existing inventory
    - Solution assignable square foot change
    - Local Contribution
      - 0-50 points
      - 1 point for each percentage contribution up to a max of 50 points

# Capital Outlay Process – Project Categories (cont.)



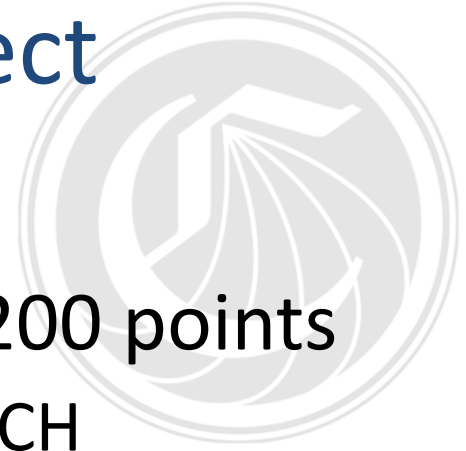
- Category C and F (Modernization) – 200 points
  - Solution addresses academic issues
  - Cannot create or increase overbuilt status
  - Additional Gross Square Footage (GSF) allowed only for building code compliance
  - Category C (Modernize Instructional Capacity)
    - Lecture
    - Laboratory
    - Library/AVTV
  - Category F (Modernize Institutional Support)
    - Office

# Capital Outlay Process – Project Categories (cont.)



- Category C and F (Modernization) – 200 points
  - Three Factors:
    - Age/Facilities Condition Index (FCI) of building
      - 0-120 points
    - Activation of “inactive space”
      - 0 or 30 points
      - #050 Space Inventory designation in current space inventory
    - Local Contribution
      - 0-50 points

# Capital Outlay Process – Project Categories (cont.)



- Category D (Complete Campus) – 200 points
  - Category D-1 – Facility generates WSCH
    - Child Development Center
    - Physical Education
    - Performing Arts
  - Category D-2 – Facilities do not generate WSCH
    - Maintenance facility
    - Warehouse
    - Roads
    - Infrastructure

# Capital Outlay Process – Project Categories (cont.)



- Category D (Complete Campus) – 200 points
  - Four Factors (50 points each):
    - Age of Site
    - Program/services
      - Addresses academic need
    - Project Design
      - Replaces temporaries, inadequate facilities, or expansion/addition
    - Local Contribution

# Capital Outlay Process – Final Project Proposals



- Establishes project justification, final scope, costs and schedule
  - Requires completion of feasibility, special designs and engineering studies; space systems designs, and equipment plans
- Approved FPPs are a contract with the State
  - Virtually no changes are allowed to the FPP once approved.



# Capital Outlay Process – Final Project Proposals



- Scope changes include:
  - Reconfiguration of room spaces
  - Reassignment of room functions between space types
  - Changes in program purposes
  - Changes in building design or location
- Un-approved scope changes may result in significant delays or reversion of State funding
- State allows construction costs up to those supportable within the California Construction Cost Index (CCI) for each funding year
  - Costs exceeding guidelines need to be justified and negotiated upfront

# Capital Outlay Process – Final Project Proposals (cont.)



- Documents Required:
  - Approval Sheet
    - Provides general information and certifies that the CEO and Board has approved the project
  - Project Terms and Conditions
    - Contains general provisions regarding funding
  - Analysis of Building Space Use and WSCH (JCAF 31)
    - Used to tabulate assignable areas and show congruence with 5-Year Plan
    - Calculates both Gross Square Feet (GSF) and Assignable Square Feet (ASF)

# Capital Outlay Process – Final Project Proposals (cont.)



- Documents Required (cont.):
  - Cost Estimate Summary and Anticipated Time Schedule (JCAF 32)
    - Establishes Points for FPP
  - Quantities and Unit Costs supporting the JCAF 32
  - Board of Governors Energy Sustainability Policy
  - Responses to Specific Requirements – State Administrative Manual
  - CEQA
  - Analysis of Future Costs
  - Campus Plot Plan
  - Site Plan

# Capital Outlay Process – Final Project Proposals (cont.)



- Documents Required (cont.):
  - Floor Plans
  - Exterior Elevations
  - Electrical Plans (as needed)
  - Mechanical Plans (as needed)
  - Guideline-Based Group II Equipment Cost Estimates – JCAF 33
  - Justification of Additional Costs exceeding Guidelines (as needed)
  - Detailed Equipment List

# Capital Outlay Process – Final Project Proposals (cont.)



- **Prioritization**
  - All FPPs submitted for any given year are prioritized by the Chancellor’s Office dependent upon:
    - Zero Based Budgeting
      - Each year stands on it’s own, projects and/or prioritizations do not rollover to a new year
    - Points achieved
      - Highest points per category
    - Category of Funding
    - Capital Outlay funds available
    - One project per campus for 2-year cycle
- **Once funded, you have 5 years to complete project**

# Capital Outlay Process – Timelines and Shelf Life



Phase	Encumbrance Period	Liquidation Period	Total Shelf Life
Preliminary Plans	1 year	2 years	3 years
Working Drawings	1 year	2 years	3 years
Construction	3 years*	2 years	5 years
Equipment	3 years	2 years	5 years

# Capital Outlay Process – Timelines and Shelf Life (cont.)



- Funding phases are appropriated by fiscal years
- Clock for encumbrances starts ticking on July 1
  - Even if the State budget is not signed by that date.
- If appropriated funds cannot be encumbered within specified timeframe, re-appropriation may be requested
- Cost Index adjustments will not be applied to re-appropriations

# Capital Outlay Process – Funding by Category



- Category A
  - Up to 50% of funds
- Category B
  - Up to 50% of remaining funds = 25%
- Category C
  - Up to 25% of remaining funds = 12.5%
- Category D
  - Up to 15% of remaining funds = 7.5%
- Category E
  - Up to 5% of remaining funds = 2.5%
- Category F
  - Up to 5% of remaining funds = 2.5%



# 2015-16 Spending Plan



BOG Category	District	Location	Project Name	Phase	Spending Plan
A3	Redwoods	College of the Redwoods	Utility Infrastructure Replacement	C	\$33,146,000
A3	Rio Hondo	Rio Hondo College	L Tower Seismic and Code Upgrades	C	\$20,090,000
A3	Santa Barbara	Santa Barbara City College	Campus Center Seismic & Code Upgrades	C	\$18,805,000
A3	El Camino	Compton Center	Instructional Bldg 1 Replacement	C	\$13,438,000
A4	Mt. San Jacinto	Mt. San Jacinto College	Fire Alarm System Replacement	C	\$3,986,000
B	Los Rios	Davis Center	Davis Center Phase 2	C	\$8,387,0000
C	Citrus	Citrus College	Hayden Hall #12 Renovation	CE	\$1,738,000

# 2016-17 Spending Plan



BOG Category	Description	% Allocation	Funding Allocation	Project Total	Total Category %
A	Health and Safety	50%	\$250,000,000	\$147,337,000	29%
B	Instructional Growth	50%	\$125,000,000	\$191,058,000	54%
C	Instructional Modernization	25%	\$62,500,000	\$86,672,000	25%
D	Complete Campus	15%	\$37,500,000	\$55,781,000	16%
E	Institutional Growth	5%	\$12,500,000	\$9,084,000	3%
F	Institutional Modernization	5%	\$12,500,000	\$0	0%
			<b>\$500,000,000</b>	<b>\$489,932,000</b>	

# Resources



- Facilities Planning:
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<http://extranet.cccco.edu/Divisions/FinanceFacilitiesPlanning/ReferenceMaterials.aspx>



Questions?