

ACBO FACILITIES TASK FORCE MEETING

SUMMARY NOTES

August 31, 2017 Meeting

ATTENDEES

Task Force Members Present: Ann-Marie Gabel, Brandy D'Lena, Fred Diamond, Tim Flood, Peter Hardash, Ed Maduli, Pablo Manzo, Dan McKechnie, Eric Mittlestead, José Nuñez, Tracey Richardson, Doug Smith, Ken Stoppenbrink

Chancellor's Office Staff: Harold Flood, Sandy Melching, Carlos Montoya, Hoang Nguyen, Lan Yuan

Foundation for CCCs: Walt Kerns

CCC/IOU EE Partnership: Ron Beeler, Matt Sullivan

A. COMMITTEE REPORTS/OTHER ISSUES

1. FUSION Update – Peter Hardash

Peter Hardash provided updates on the latest FUSION activities including:

- The FUSION steering committee last met on August 30, 2017.
 - A review of the DocuSign program, as well as an overview of the Secretary of State requirements for digital signatures was presented for possible use in FUSION2.
 - FUSION2 programming had been experiencing some technical difficulties, but is still moving forward.
 - The steering committee discussed the FUSION budget and the fees charged to the districts. The FUSION fees have stayed the same since its inception in 2006-07 and were based on the outside gross square footage (OGSF) of each district. In 2006-07 the systemwide OGSF was 64,427,673, but in 2016-17 the OGSF has grown to 90,655,305; but the same fee from 2006-07 is being charged. The committee is not proposing a fee increase, but looking into the future they want a fair and predictable cost structure for FUSION. The operating costs for FUSION will be increasing because the COMET program will need to be updated, the FUSION server will be moved from San Joaquin-Delta College to a cloud-based server, and the full implementation of FUSION2 will be more costly (districts will be using a new and improved FUSION product). The Foundation and the Chancellor's Office will be identifying some new scenarios to change the fee structure, one may be an adjustment to change the OGSF and these possible models will be presented at a future FTF meeting

B. CCC VISION FOR SUCCESS – Mario Rodriguez

- Chancellor Oakley's first priority when he joined the Chancellor's Office was to update the decade-old Strategic Plan. A commission was formed to address the following systemwide challenges:
 - Most CCC students never reach a defined end goal and if they do, it takes a long time to do so.
 - Older and working students are often left behind because the CCCs are designed to serve younger people.
 - CCCs are more expensive than they appear. Although half of the students receive a BOG fee waiver, it can be more expensive than attending a UC because UC's robust financial aid packages cover their cost-of-living expenses. The CalGrant program is also not very generous to CCC students. The CA Student Aid Commission is commissioning a report to determine a new financial aid system.
 - Serious and stubborn achievement gaps persist, especially among African-American students.
 - High-need regions of the State are not served equitably, especially in areas that have the lowest median household income.
- To address the challenges, the following systemwide goals are set to be attained by 2022:
 - Increase by at least 20% the number of CCC students annually who acquire AA degrees, credentials, certificates, or specific skill sets preparing them for an in-demand job.
 - Increase by 35% the number of transfer students.

- Decrease average number of units from 87 to 79 for those earning an AA degree.
- Increase the percentage of CTE students from 60% to 69%.
- Reduce equity gaps.
- Reduce regional achievement gaps.
- Because of the increase of transfer students to CSU, that system will need to figure out how to accommodate students in the student's service area.
- The CCC system can achieve the goals by shifting how success is measured and committing to the success of students including reducing reports and using outcomes. Chancellor Oakley's strategy is to take ownership over results and to work more collaboratively with the K-12 system.
- On August 30th the 4 CA education system heads met to work toward more collaboration in order to fill in the gaps between the systems.
- Facilities will be impacted by looking into the future to determine the best uses for resources and possibly using more resources in underserved areas.
- A new funding model is being analyzed by the Workgroup on Fiscal Affairs, the RP Group, HCM Strategies, IEPI division, and the Student Success Center in the Foundation. They have an 18-month timeline with the goal of producing a program that reflects the goals of the system's boards. Eric M. noted that the facilities funding models may need to be changed in order to reflect the outcome of the new funding model.
- Peter asked if Chancellor Oakley has a strategy to change the academic hours to better meet the needs of students. Mario indicated that assessment policies would need to change and there is not a defined strategy yet. Peter added that it may be helpful to meet with the statewide leaders (e.g. the Academic Senate).

C. CCC NEW INVOICE PROCESS – Frances Parmelee & Jubilee Smallwood

- On July 1, 2017 the Chancellor's Office implemented a new statewide financial system that integrates budgeting, accounting, cash management, and procurement called Fiscal. The major change that will affect the CCDs is having to submit an invoice to the Chancellor's Office to receive a payment.
- The Chancellor's Office is suggesting to use the invoice template they've provided, but districts can use their own template if preferred. Either invoice template will be submitted electronically to the Chancellor's Office. No hand written invoices will be accepted. If a district would like to use their own template, it will need to be on the district's letterhead.
- Invoices are not required for the Apportionment Exhibit A categorical and grants (e.g. Physical Plant and Instructional Support) nor for Apportionments Exhibit B-4f (e.g. Clean Energy).
- Invoices are required for contracts and grants issued through Accounting (e.g. Citrus CCD's contract for clean energy).
- The Chancellor's Office abides by the Prompt Payment Act established in the State Administrative Manual by issuing payment 45 calendar days after receipt of a properly submitted, undisputed invoice. The invoicing process consists of:
 - 1) Districts submit the invoice electronically to the Accounting office. Accounting has 5 business days to send to the fiscal program liaison.
 - 2) Designated fiscal liaison for the program reviews (10 days to process). That person will track invoices, review for errors, and create and submit a payment transmittal to Accounting (Accounts Payable).
 - 3) Accounts payable has 10-15 days to process and send to the State Controller's Office.
 - 4) The State Controller's Office has 15 days to issue payment to the district.
- Carlos added that the capital outlay claims are currently not in the Fiscal system, but there may be a new process in the future. The FUSION2 programmers are working to automate this process by making it possible for the district to upload their own letterheads to FUSION.
- The PowerPoint presented at the meeting will be distributed to the task force members via email.

CI. QUARTERLY REPORTS REFRESHER – Harold Flood

- Quarterly report submissions are mandatory if the district has a capital outlay appropriation.

- In September 2010, Fred Harris issued a memo reinstating the quarterly report requirement stating that the reports are due by the 15th of each month following the close of a quarter.
- In March 2016, Mario Rodriguez issued a memo stating that if quarterly reports are not submitted by the due date, the district will risk delayed authorization to release additional state funds for a project and/or suspension of pending or future claims submitted for reimbursement.
- FUSION automates a majority of the quarterly report, but there are 8 fields that the districts are required to fill out, as well as include any comments the districts want to make the FPU aware of. The fields include:
 - Locally funded expenditures for each of the 4 phases of the project
 - The number of change orders for the quarter and the total number of change orders for the phase of the project
 - Beneficial Occupancy Date
 - Close Fiscal Accounts Date
- The new 2017-18 projects approved in the Budget will be required to submit their first quarterly report by October 15th.
- Eric M. suggested that the Chancellor's Office issue a new memo reminding the districts to submit their quarterly reports. Carlos indicated that a reminder email will go to the 17 districts with new projects in the Budget and will attach the previously issued memos.

E. DSA UPDATE – Chet Widom

- The new appointment system will be in effect on September 11; the San Diego office is already using the system. This new system will cut down on 6 weeks of bin time.
 - Districts will schedule a pre-application meeting 6-8 weeks in advance with their regional office.
 - Districts will fill out the “Application for approval of plans and specifications” and send to the appropriate regional DSA office.
 - Within one week after the initial registration and when DSA requests, the district will upload the schematic/progress drawings into DSA Box.
 - DSA will assign a plan reviewer.
 - The face-to-face meeting with the plan reviewer will occur.
 - For more information, DSA has posted PR 17-03 on their website.
- Pablo expressed his appreciation of the changes DSA has implemented to improve the process and noted that items required by DSA can be submitted during back check.
- DSA is moving fast towards converting to Blue Beam for back checks. Chet is hoping that architects will use it, but they can also use the DSA box.
- At the local and state level there are \$74 billion in bonds and the 5% inflation rate is “going up in smoke.”
- DSA has implemented new requirements for reviewing solar panel attachments for free-standing open-framed steel structures (carports and shade structures) which apply to pre-check plans. They only apply to construction documents approved by DSA after August 14, 2017. In the K-12 system, Sunpower provided faulty panels that flew off of the structures which could have been an installation issue, but has prompted the new DSA requirements. DSA is no longer accepting friction connections. If districts have questions, they are asked to contact their regional DSA managers.
- DSA is experiencing a number of retirements statewide, so they will be losing people with institutional memory. DSA is attempting to hire new people to overlap with the people retiring.

F. PROP 39

Hoang reported -

- Chancellor's Office submitted their closeout numbers for Years 2 and 3 to the Citizen's Oversight Board Proposition 39 Clean Energy Jobs Act Summary Report in February. As of August 30, 2017:
 - Year 2 - 217 total projects, 160 projects installed, 124 projects closed out

- Year 3 - 178 total projects, 76 projects installed, 51 projects closed out
- WEDD reported that 5,000 certificates or degrees were completed for Year 2, but they are behind in reporting for Year 3.
- Compared to the K-12 systems, the program is functioning well.
- Currently Year 4 numbers are being analyzed, and should be complete in December.
- Ann-Marie noted that the Prop 39 report indicated for Year 2, 6 closed out projects for Long Beach CCD, but the District Closeout Summary handout only shows 4 closed out projects. José added that San Mateo's close out numbers for Year 3 are also different on the 2 documents. Matt Sullivan said that the numbers should be identical because they are derived from the same database, so he will check on why there is a disconnect.
- Ann-Marie preferred the format of the Years 2 & 3 report compared to the Year 1 report.
- José asked what types of projects make up "Other energy efficiency measures" on page 11 of the report. Matt indicated that those were projects such as virtual servers and pool covers.

Ron Reported -

- Prop 39 outreach efforts are looking at the bigger vision. When the progress of Prop 39 gets reported to the BOG, he wants the importance of this program to be highlighted.
- He meets with approximately 25 districts per month to discuss closing the projects out. José discusses Prop 39 at the quarterly Nor Cal Facilities Director meetings.
- José is planning on organizing a joint session at November's CCFC on Friday, 10am to 3pm and part of the discussion will be about Prop 39. Chet will also be joining the discussion to talk about the new DSA appointment process. Carlos added that this will be a great opportunity to get all of the Facilities Directors together to discuss important issues. José indicated that an agenda is being developed and each topic will be about 30-45 minutes. He plans to send a notification outlining the details of the joint session soon.
- Ann-Marie has a final Prop 39 project for Long Beach, but the lighting company who was hired has filed for Chapter 7 bankruptcy. Ron is aware of this and has received a new set of submittals that engineers are analyzing and should have the incentive levels within a day.
- The Partnership has training and education money set aside to fund scholarships to be issued to district staff for energy workshops/conferences. They plan on having the details and application process decided over the new few weeks. The IOU partnership will issue a newsletter next week with information regarding the scholarships. The money set aside for this will need to be spent by the end of the year.

OTHER (non-agenda items)

- The next two Facilities Task Force meetings will either be held in the DSA or Foundation conference room because the usual room where the meeting is held is not available. The next meeting agenda will show the location of the new meeting rooms.