

ACBO FACILITIES TASK FORCE MEETING
SUMMARY NOTES
September 25, 2014 Meeting

ATTENDEES

Task Force Members Present: Ann-Marie Gabel, Chair; Dave Clinchy, Brandye D'Lena, Fred Diamond, David El Fattal, Peter Hardash, Tony Ichsan, Eric Mittlestead, Jose Nunez, Doug Smith

Chancellor's Office Staff: Harold Flood, Sandy Jacobson, Cheryl Larry, Carlos Montoya, Hoang Nguyen, Jim Rogaski, Eric Thorson, Susan Yeager, Lan Yuan

Foundation for CCCs: Walt Kerns

CCC/IOU EE Partnership: Ron Beeler, Bob Bradshaw, Paul Deang, Amy Discher, Sarina Dito, Mike Goodrich, Matt Sullivan

A. COMMITTEE REPORTS

FUSION-Onuma – Ann-Marie

Ann-Marie provided the following FUSION updates:

- JCAF 32 Enhancement—progress being made, should be ready for the 17-18 planning cycle. The JCAF 32 for the design-build delivery method will take longer. Training on the new detail cost estimate planned for January.
- Assessment—scheduled thru March 2015, will be built up to room-level detail. Fees have been paid by 52 of the 72 districts; districts that have yet to submit their payments were asked to pay.
- FUSION 2.0—subcommittee formed to come up with the restructuring of database. Microsoft .NET programming language was identified as an option. This database rewrite will be the focus following the JCAF 32 enhancement.
- Jim added that the CCFC presentation on new JCAF 32 is available if anyone is interested.

B. 2016-17 SPENDING PLAN STRATEGIES – Susan Yeager

Susan highlighted Assembly Member Buchanan's presentation at the CCFC Conference on the need for a new state bond and remarked that she found Buchanan's comment/perspective of no bond until 2020 interesting—i.e., the mentioning of the lack of a 2018 bond, considering Governor Brown will no longer be in office. She indicated that the approach moving forward with 2016-17 is one project for the 2-year cycle, 16-17 and 17-18—same strategy as prior year—with about 60 FPPs to be rolled forward and 20 new or revised FPPs.

Susan reported of DOF inquiry on whether the Chancellor's Office would be willing to change its capital outlay program—e.g., the need for districts to go out for a bond before being eligible for state funding, preferential treatments for districts with lower assessment value. She stated that the Chancellor's Office would work with DOF and the task force if there are any changes.

Ann-Marie re-emphasized that DOF is looking at changing programs and any one time funds for capital outlay and that she wanted to entertain discussion with task force members on changes that they can live with. She commented that DOF is trying to bring facilities program the same way as K-12. A discussion followed about a hardship program for disadvantaged districts with the following main comments:

- Districts with two failed attempts at passing a local bond would be eligible for hardship.

- Proceed with projects using local funds and then pursue state funding if available. Susan indicated that Attorney General's position was that this was unlawful; Ann-Marie commented that was under the old AG, need option from current AG.
- Develop a threshold based on voter polling, demographics a key factor when it comes to passage of a bond, followed by Susan's inquiry of adding 25 eligibility points for hardship.
- Prioritize by type of facility—instructional buildings should be given higher priority
- Status quo/wait and see approach.

Ann-Marie added that DOF will likely implement change for us if we don't come up with a plan similar to what they did with the growth formula. Members of the task force indicated that they will brainstorm for ideas/proposals. Susan stated that projects are getting ridiculously expensive and asked that members also think about trigger to reduce eligibility points if project gets too costly, over \$50 million.

Susan reported that the LAO is conducting a study on K-12 facilities funding and that currently there is no study on CCC but that LAO has agreed to go through Facilities Task Force rather than random districts when/if time comes for report on CCC.

C. SCHEDULED MAINTENANCE & INSTRUCTIONAL SUPPORT – Susan Yeager / Hoang Nguyen

Hoang reported that program is doing really well and that 58 of the 72 districts have submitted their certification forms and that he's been reviewing/approving PFP so that districts can get started with their projects. Thus far districts have opted to dedicate about \$45 million to Instructional Support and \$85 million to Physical Plant.

Ann-Marie inquired about response to inquiry at CCFC about combining projects for bidding. It was clarified that districts can opt to combine projects into one bid package but the key is the ability to track project costs separately. Discussion also ensued on project phasing and Susan expressed concern with multi-phases within the same funding year; outcome was that districts traditionally have been able to submit more than one phase in a given year to adhere to the administratively established maximum threshold.

Susan indicated the guidelines are still being finalized and encouraged districts to provide any edits to Hoang. She emphasized that the memo on Instructional Support 5-Year Plan was provided to pilot districts in August and to all districts in September with a due date of December 1. She commented that some CIOs thought they should have been informed of this data collection and that she would do so in the future. The CIO group was advised of this requirement last week.

D. DSPS – INDIRECT ADMINISTRATIVE COSTS REGULATION CHANGE – Susan Yeager / Scott Valverde

Susan stated that DSPS staff is seeking input for their proposed change to title 5 section 56066 to exclude funding of Architectural Barrier Removal projects. Feedback from task force members indicated the need to maintain existing language so that funds are available to address ADA issues and accommodate unique student accessibility barriers which can be costly. Scott expressed concern because Architectural Removal Barrier is viewed as an outlier and of the need to better define minor so that there is some sort of limit. He conveyed his appreciation for the very helpful input and stated that he hopes guidelines can be implemented so that Architectural Removal Barrier constitutes a small portion, allowing the core to fund direct services to students. He'll take comments to his group.

E. STATE ARCHITECT UPDATE – Jim Hackett

Jim, supervisor plan reviewer at the headquarter filling in for Chip Smith, recapped the following updates:

- DSA implemented new certification to enhance process and reduce time. The certification process begins when construction starts. The process calls for a 60-day notification (via DSABox), upon occupancy, of any deficiencies, followed by another 60 days for districts to address deficiencies. Any outstanding deficiency items will be posted to the Certification Box for the public to view and will remain there until certification is resolved. The Certification Box is still pending refinement.
- The inspection card process has resulted in a high % of project certification with about an 85% success rate and is being monitored for improvements. Over 600 out of the 723 projects thus far have been certified in a very timely manner.
- Good progress made with the number of uncertified Legacy projects reduced from about 16,000 as of 12/31/2010 to about 10,000 now. Legacy projects being incorporated into the Certification Box as well to make it easier to get old projects certified.
- Reminded districts to bring up any issues and to submit documents in a timely manner to reduce processing time.

Brandye re-inquired about the ability to sort projects by architect for public viewing within the Certification Box. Ann-Marie commented that the Box is working and that projects are being certified faster than before.

F. CCC PROP 39 PROGRAM – NAM and Mike Goodrich

An overview was provided on the project and site level reporting requirements of SB 73 to the Citizens Oversight Board and Energy Commission:

- Project level reporting includes final project cost, energy savings, and jobs created.
- Site level reporting includes energy usage and energy use intensity at the site/campus.
- Districts will use Portfolio Manager to track, generate reports, and share energy usage data for the site level reporting. Software/template for data upload to Portfolio Manager is almost complete; will roll out to districts when ready. This will allow districts to set up property information using data available in FUSION and the associated utility meter or account numbers for auto-upload of energy usage data instead of manual entries.
- Los Rios was Portfolio Manager pilot district and input was positive.
- The estimated time for getting a district set up is about one day. Instructions will be sent out to the districts in about a month and then districts will have about a month to establish account in Portfolio Manager.

Susan indicated the energy worksheets for the Chancellor's Office will need to continue for at least another year. The goal is to eventually replace the energy worksheet with this site level reporting.

Ann-Marie pointed out the reporting requirement for Prop 39 funds is now in the audit manual and advised districts to get these reports in to avoid audit exception. NAM and IOUs are working with districts to get reports completed. Deadline for closing out projects is 12/31/14; need to include required energy reporting. A campus forum will be held on 11/12/14 to assist districts with project closeout reporting.

G. CCC/IOU EE PARTNERSHIP – CCC/IOU reps

Sarina reported that the 2015 program and incentive will remain the same as 2013 and that a longer 10-year cycle, instead of the 2-3 year cycle, is expected for 2016 with no significant changes.