

ACBO FACILITIES ADVISORY COMMITTEE MEETING

SUMMARY NOTES

June 2, 2022

ATTENDEES

Task Force Members Present: Hussain Agah, Susan Cheu, Terrence DeGray, Fred Diamond, Tim Flood, MacAdam Lojowsky, Lyndsay Maas, Pablo Manzo, Julia Morrison, Jim Schrage, Erik Skinner, Richard Storti, Jose Torres, Richard Williams

Chairperson: Ann-Marie Gabel

Chancellor's Office Staff: Hoang Nguyen, Druv Bhat, Wrenna Finche, Harold Flood, Lizette Navarette, Ronnie Slimp, Eric Thorson, Brian Turner, Chay Yang, Lan Yuan

Foundation for CCCs: Shirley Asher, Eric Mittlestead

CCC/IOU EE Partnership: Lisa Hannaman

Other Resources: Ron Beeler, Rebekah Cearley, Ida Clair

A. Committee Reports/Other Issues

• FUSION Update – Tim Flood

- i. The regular Facilities Utilization, Space Inventory Options Net (FUSION) meeting was held on June 1. At the meeting, there was an update on the March 2 Action Items. Among these items, an additional \$150,000 was added to the Fiscal Year (FY) 22/23 development budget. Another item discussed was the Foundation's presentation of the proposed Facility Condition Index (FCI) updates and data analysis to the ACBO. After receiving the ACBO's approval of these items, the Foundation and Hoang scheduled a meeting with the Department of Finance (DOF) for the DOF's approval of these items. For the DOF meeting, Barney McClung's 30-page cost model analysis document was condensed into a two-page document. The DOF reviewed the condensed document and requested a spreadsheet of Proposition 51-funded projects for comparisons of budget, bid, and updated 2022 RS Means data costs. The Foundation plans to review this spreadsheet, update the database with 2022 cost data, and meet with the DOF once more. Barney's Cost Analysis Document provides information on these cost model changes. These changes look at repair, replacement, and renewal costs for various California Community College (CCC) buildings between 2016 and 2022. Between those dates, there was an overall increase for all three costs. This document also contains an analysis of whether these costs fit with the high and low parameters established by Cumming, a project management and cost consulting firm. This document did not propose any policy changes and instead argued for replacing existing data with 2022 data. DOF positively received the document but wanted additional modeling. As part of this modeling, the Foundation will include more projects in this cost analysis for a greater sample size. The Foundation argues this larger sample size will make it easier for Barney to explain the analysis's findings to the DOF in a manner where the DOF is confident of the information presented. The Foundation is also considering approaching these cost model changes like a standard data update.
- ii. There are no outstanding fees from districts for FY 2022, which began on 7/1/21, and all maintenance fees were collected. Approximately \$1.6 million in revenue is forecasted, and the actual revenue is close to this forecast. A direct operating expense of approximately \$1.4 million is forecasted, but the actual expense is approximately \$1 million. For total expenses, an estimated \$1.5 million is forecasted, but the actual estimated total expense is \$1.2

million. All the actual and forecasted amounts are obtained from data available as of 4/30/22. Once FY 2022 concludes at the end of June 2022, the Foundation forecasts placing almost \$239,000 back into the reserves. For the proposed FY 22/23 Budget, which is applicable from 7/1/22 – 6/30/23, \$400,000 is allocated for FUSION Enhancements. These enhancements include Assessment Module updates and Multi-Factor Authentication. The Assessment Module updates include updating FCI calculations, recreating cost tables, user experience improvements, and update the Microsoft Surface App, which allows assessors to conduct real-time assessments. The Multi-Factor Authentication updates include a new default login page and improvements to code and phone verification. FUSION's Assessment Module went live in March 2022. The 909 Team and the assessment team are working on enhancements. These enhancements include automated emails, better user experience, enhanced reporting capabilities, and scheduling. One area of improvement for this module is the turnaround time so that users are informed of when their concerns were been received and resolved. The FUSION Enhancements involve decommissioning virtual servers and creating API with STAR data through the development of new screens and API. The FUSION Enhancements will also allow districts to work on new capital outlay plans, allow for multiple spending plans, and rollback capital outlay plans. FUSION Management & Operation (M&O) Support will receive \$65,000 in funding and \$20,000 will be allocated for System Training. For the FY 22/23 Budget's staffing allocation, the Director allocation is reduced to 75%, and the Business Analyst allocation is reduced to 50%. The Customer Service Specialist and FUSION Developer allocations will each receive an additional 25%. The three FUSION Assessors will receive 100% allocation, and the cost of the third assessor is provided for the full year. The cost-of-living adjustments will also be added to the staffing allocation. There are three FUSION Contract renewals for FY 22/23. The first contract renewal involves \$30,000 for Facilities, Planning, and Consulting. The second contract renewal involves \$30,000 to Jim Rogaski. The third contract renewal is for \$10,000 and involves either RSMeans or Saylor Licensing. The FUSION Development Fund displays a positive trend. In FY2014, the FUSION Development Fund held \$455,000 and is projected to hold \$2,061,000 for FY2024. For FY2023, the FUSION Development Fund is expected to hold \$1,829,000. Overall, \$1,601,944 from FUSION Fees went into FY2023's revenues. This was the same as what occurred for FY2022. The cost of the third assessor and the expected 3% increase in expenses to allow for benefits and promotions was also factored into FY2023's revenues. For FUSION's Subject Matter Expert (SME) recruitment, there is a potential retirement of current SMEs within the next five years. With this comes the need to increase SME recruitment. This includes developing policies to inform these new SMEs of relevant processes so they can then replace retiring SMEs to ensure long-term product viability. Similarly, the Foundation has backups for all FUSION program staff. For the FY2023 Budget, total contributions are estimated at \$1.6 million, which is close to the FY2022 forecast. The FY2023 Budget's direct operating expenses are estimated at \$1.4 million, which exceeds the \$1.2 million FY2022 forecast. The FY2023 Budget's total expenses are estimated at \$1.5 million, which exceeds the FY2022 forecast's estimate of \$1.4 million. The FUSION Reserve's FY2022 forecast is estimated at \$1.8 million, while its amount in the FY2023 Budget is estimated at \$1.9 million. This is the final, proposed budget for FY2023, while the FY2023 Budget amounts approved in the March Facilities Advisory Committee (FAC) Meeting was for the tentative budget. Based on this, Ann-Marie requests a comparison of the tentative and proposed budgets to explain these changes to the ACBO Board. The FUSION Committee plans to follow through with Ann-Marie's request and will also include a notes column providing details on these changes. In the end, the FAC approved the FUSION Committee's proposed FY2023 Budget.

B. Chancellor's Office Update – Hoang Nguyen

- The Chancellor's Office will put out the Board of Governors (BOG) Energy Sustainability Award Memo soon. This memo will include an additional category on the Climate Action Leadership Award emphasizing how campus leaders (e.g., board members, presidents, policymakers) are able to advocate for their districts. This is different from previous versions of that award, which focused on these leaders' contributions to the CCC system. There are plans for future revisions and additions to this award to ensure it mimics the BOG's Climate Action and Sustainability Policy Goals. The Chancellor's Office will discuss these plans with the CCC/IOU. Also, the Climate Action Fellow will conduct a presentation on the Sustainability, Tracking, Assessment, and Ratings System (STARS) benchmarking process at the June 28 and August 11 NorCal/SoCal Facilities Meetings.
- For scheduled maintenance, the State Budget initially proposed approximately \$1.5 billion in deferred maintenance, but this amount has been decreased to an estimated \$800 million. However, the Chancellor's Office hopes the final Budget retains the initial deferred maintenance amount. While the Legislature did come to an agreement on the final Budget, that Budget's details are currently unavailable. Nonetheless, Wrenna does not expect significant changes from the Governor's May Revise proposal. However, there will be negotiations between the state's administrators and the Legislature to finalize the details. The Chancellor's Office will monitor and keep the ACBO informed of these details. The Chancellor's Office anticipates the Budget's finalization to occur by July 1 to ensure the Budget funds' use upon the new fiscal year's start.

C. Grandparented Center – Hoang Nguyen

- The proposed regulations around districts' grandparented centers would allow those centers to be funded at levels according to their actual reported Full Time Enrolled Students (FTES) instead of their reported FTES in 2006-07 as per current regulations. These proposal changes include providing clarity on how grandparented centers can navigate their FTES to receive greater apportionments. Other changes proposed are regulations allowing for a district's grandparented center to transition into an educational center if it generates at least 1000 FTES for three prior years. Once that occurs, the district must provide a fully executed board of trustees resolution requesting this transition and a description of the center. This description includes a general overview containing a socioeconomic profile of the service area and present and future labor requirements for that service area. Also included in the description is academic planning and program information in terms of the academic and noncredit programs and courses offered and a description of the range of English as a Second Language (ESL) and Career Development and College preparation noncredit courses to be offered. A description of student services provided is necessary in terms of how these services match the student populations' needs, how support services are planned, staffed, and evaluated at the center, and each service's expected hours of operation. Also required is a percentage breakdown of the center's face-to-face, hybrid, and online courses as well as the center's three year trend and five year projection of annual headcount and resident FTES. The Chancellor's Office is examining districts' feedback on these proposed regulations. The Chancellor's Office's Facilities and Apportionments Teams are discussing these regulations and will meet on June 8 to discuss districts' feedback on those regulations. To coincide with this meeting, the Chancellor's Office is seeking FAC input on these proposed regulations by June 7.

D. Scheduled Maintenance (Energy Efficiency) – Hoang Nguyen

- The Chancellor's Office is working on establishing guidelines for those districts' scheduled maintenance's energy efficiency projects. The Chancellor's Office also plans to add information on the California Public Utilities Commission's (CPUC's) loading order used for Proposition 39 to these guidelines. This loading order prioritizes the use of energy efficiency. With this loading order, districts have clear information on what to follow for their scheduled maintenance energy efficiency projects regarding energy efficiency. Upon ensuring energy

efficiency through these guidelines, districts can then focus on the efficient generation of this energy. The CCCCO met with the California Energy Commission (CEC) on these guidelines, and the CEC expressed positivity towards the use of the loading order within these guidelines. The CEC mentioned the loading order did not change from what was used in Proposition 39 and will help the CCCCO draft the loading order language within these guidelines. The loading order language will contain information on the loading order and applicable projects under the loading order that districts can implement. These guidelines will be structured like the guidelines for other scheduled maintenance projects. The guidelines' language aims to give districts the flexibility to make improvements to their campus if these improvements follow the loading order's prioritization of energy efficiency. The Chancellor's Office aims to push out these guidelines by July 1.

E. Division of State Architects • Ida Clair, AIA – State Architect

- All DSA offices are resuming in-person appointments upon request. There are over-the-counter plan reviews, pre-application meetings, and back checks. Because most staff are still teleworking, it is recommended to schedule in advance when meeting staff. Nonetheless, the state is transitioning to a formal telework process. For May 2022, there was almost \$756 million in project cost and 221 projects in total. In terms of projects per Regional Office in May 2022, the San Diego Regional Office is the busiest (67 projects), followed by the Los Angeles (60 projects), Oakland (49 projects), and Sacramento (45 projects) Regional Offices. The same also applies to total project cost per Regional Office for that month. The DSA expects almost \$566 million in project cost and 229 projects for June 2022. For projects per Regional Office in June 2022, the Los Angeles Regional Office is expected to contain the most projects (77 projects), followed by the Sacramento (59 projects), San Diego (52 projects), and Oakland (41 projects) Regional Offices. Regarding total project cost per Regional Office for that month, the San Diego Regional Office is expected to be the highest, followed by the Sacramento, Los Angeles, and Oakland Regional Offices. The DSA Academy website was updated. The California Electric Vehicle Charging Station (EVCS) Accessibility video is provided free and on-demand within the website. The video also provides Continuing Education Unit (CEU) credit if the viewer needs it. If the viewer does not need it, the same video without that option is available for free on the Department of General Services (DGS) YouTube page. EVCS installation is required for new campus parking lots and additions to existing campus parking lots occurring on or after 1/1/23. The video provides viewers with information on this installation in terms of what is required, proper planning, and ensuring accessibility. Other videos on the DSA Academy website include the All-Electric California Schools Kitchen of the Future, which discusses the electrification of schools' cooking facilities, and the Green Schoolyards video.
- The DSA's cost thresholds adjustments were updated. For reconstruction projects exempt by project cost, the previous cost threshold of \$110,422 was raised to \$119,230 for 2022. For alteration projects exempt by project cost, the cost threshold was raised from \$248,448 to \$268,268 for 2022. The valuation threshold was updated to \$186,172. The 2022 Administrative Code will become effective on 3/5/22. Within this code, constructions shall commence within four years of approval. There are also no extensions involved nor is there any need to make repeated requests for extensions. The DSA is informing its employees about the need for emergency preparedness through the Emergency Preparedness & Classroom Security DSA guidance document. This document contains information on how to establish an Emergency Preparedness Plan as well as select appropriate security hardware that permits egress and maintains accessibility. The document does not recommend using after-market devices. Before modifying buildings to address emergency preparedness issues, Ida recommends first consulting with the DSA. The Emergency Preparedness & Classroom Security document is available on the DSA's website. The EB Task Force met three times, with the fourth meeting held in mid-June. The Task Force is convening from March-June

2022. The EB Task Force is exploring amendments to California Administrative Code (CAC) Section 4-309(c) that encourage building reuse and address safety standards when modernizing an existing school building. These amendments, if adopted by the BSC, will take effect September 2024. Also, the EB Task Force Cost Estimating Contract was issued. This contract aids the DSA with using the EB dollar value assessment to determine if the 50% replacement value threshold is reached. According to Ida, the DSA Sustainability, Education, and Outreach webpage contains helpful information on achieving net zero energy and net zero carbon in school facilities. One program mentioned in this webpage is the California Sustainable Schools Showcase. This program aims to highlight, on a quarterly basis, California school districts' efforts to plan for and prioritize sustainability in their facilities. For this quarter, Yosemite Community College's Zero Net Energy (ZNE) verified Central Services Building is featured. Information on the California Sustainable Schools Showcase is also found on DSA's landing page. Like what occurred for the K-12 cohort, the DSA is working on a request for proposal (RFP) for a similar cohort for achieving net zero energy and net zero carbon within CCCs. The RFP is expected to be released within a timeframe of September-October 2022. This timeframe is designed to ensure the recruitment of a consultant to the CCC cohort in a manner like what was used to recruit the New Buildings Institute (NBI) for the K-12 cohort. Like what NBI conducted for the K-12 cohort, this consultant can aid Community College Districts (CCDs) in creating a toolkit for their sustainability plans.

- The DSA is working with the California Building Standards Commission (BSC), other partner agencies, and industry groups to establish the Carbon Neutral Collaborative. The Carbon Neutral Collaborative aims to provide a roadmap to CALGreen carbon neutrality, which is a strategic goal for DSA and the BSC, both of which are part of DGS. The collaborative met twice and will meet once more later this June. Ida encourages everyone to participate in this meeting as this meeting contains information on how the collaborative is addressing carbon neutrality and updating CalGreen requirements. To receive information on these meetings, individuals must sign up for DSA's ListServ. Under this collaborative, methods to address embodied carbon in construction are identified. This collaborative also supports increasingly progressive CALGreen regulations through an education and outreach program. To ensure this progressivity, the collaborative is updating CALGreen by determining which voluntary regulations can become mandatory and whether these regulations address carbon neutral materials. While none of this is official, these determinations are currently ongoing, and Ida encourages user participation in these matters. More information on the roadmap is found on the CALGreen Code Development webpage on the DSA's website, which will include information on the Carbon Neutral Collaborative. However, information on the Carbon Neutral Collaborative is available on the BSC website's 2022-PreCycle webpage under the "CALGREEN CARBON REDUCTION COLLABORATIVE" section. The webpage also contains information on the CalGreen Electric Vehicle Workgroup, which the DSA is also participating in. This workgroup aims to determine additional EVCS requirements for K-12 schools and CCCs. In addition to this workgroup, the Legislature introduced bills to encourage EVCS installation for educational institutions across California. Ida encourages individuals to participate in the workgroup to gain additional perspective and provide additional contributions towards this subject. The DSA is also working on requirements for permitting all-gender, multi-user facilities within the 2022 Plumbing Code since the existing Plumbing Code lacks language permitting such facilities. The DSA is not participating in the BSC's California Existing Building Code Workgroup since the DSA's Existing Buildings (EB) Task Force is more relevant to the Field Act provisions governing the DSA. The 2022 CALGreen Code requires CO2 Monitors for new K-12 classrooms as well as requires EVCS infrastructure installation to include charger installation at the time of construction. The 2022 Energy Code requires Prescriptive Method and Performance Method energy budgets based on heat pump technology for water heating and Heating, Ventilation, and Air Conditioning (HVAC) systems. The code also requires the use of photovoltaics and battery storage for

buildings over 5000 SF. Both codes will be published on 7/1/22 and take effect 1/1/23. For questions on these codes, individuals can request Pre-Application Meetings with their local DSA Regional Office. Ida recommends reaching out to the local DSA Regional Office as soon as possible if there is a pressing need regarding these codes.

- Following the passage of AB 306 (2021), which was chaptered on 7/9/21 as part of Chapter 49, employee and faculty housing is no longer subject to DSA review. This law requires employee and teacher housing projects to be reviewed by local jurisdictions. Under the California Building Code (CBC), these projects are defined as “public housing” and “housing at a place of education” if used by faculty or as “public housing” if used by employees. These definitions are also applicable if the projects involve single-family housing. However, DSA may still provide oversight to ensure school campuses’ housing projects do not conflict with site accessibility and fire & life safety requirements. SB 169 (2021) was chaptered on 9/23/21 as part of Chapter 49. This law provides funding for affordable low-cost housing for students enrolled in public postsecondary education within California. Of this funding, 50% will go to CCCs to provide this housing in a manner facilitating low-income student access to higher education. CCC projects under SB 169 must be submitted to the DSA if they are dorms occurring on-campus or on district-owned property or occurring off-campus and leased by the district with a purchase option. DSA Access Compliance review and submittal to local jurisdictions is also required for projects involving leased off-campus dorms using district/state funds for construction. In such cases, these projects are considered “public housing” and “housing at a place of education” for students.

F. Legislative Update

- **Rebekah Cearley – Legislative Advocate**

- i. For student housing budget negotiations, the Legislature entered private negotiations as opposed to the previous use of conference committee processes to reconcile differences between the Assembly and Senate Budget bills. In doing so, the Legislature is entering as a united front when it comes to these final budget negotiations with the Governor. The Legislature possibly did this to compile a final student housing budget more quickly and negotiate this budget with the Governor in a manner allowing them more leverage. Rebekah is meeting with members of the Legislature to understand what they are proposing and the details of their proposals. For student housing funding, the Legislature wants an added \$2 billion for student housing. This funding will be used across a three-year period ending in 2024-25. This is above the \$2 billion authorized under the Senate Bill (SB) 169 program. These funds would go towards a revolving loan fund program proposed by Assemblymember McCarty, who also has a companion bill known as Assembly Bill (AB) 1602 relevant to this revolving loan program. Of the \$2 billion proposed, it is currently unknown how much will go to the revolving loan fund as opposed to grants. While the Senate and Assembly agree on the need to use this funding to fund the first round of eligible projects under the SB 169 program, they are still unsure of how to provide this funding. The Community College Facility Coalition (CCFC) also wants to fund these projects but wants to do so through a General Fund appropriation. For CCCs, the appropriation amount is estimated at \$332 million. This amount is expected to provide funding for the additional seven projects, leading to 12 projects being funded when factoring in this funding and funding under SB 169. For more information on this subject, Rebekah advocates looking at the Legislative Analyst’s Office (LAO). The LAO conducted a detailed analysis of gaps in the program. Rebekah met with the LAO and found the LAO is concerned with increasing costs for this program. The LAO is looking into whether the Legislature will grant flexibility for the re-scoping of projects or if more project funding is provided to account for these cost increases. Based on what is currently available, Rebekah believes the LAO may recommend placing the responsibility of bridging funding gaps to districts, but also allow greater re-scoping flexibility, as necessary. The CCFC’s board discussed how to maximize dollars for

deferred maintenance fees. The CCFC is looking for greater flexibility in spending these dollars. This includes increasing the dollar amount cap, which is the statutory cap for architecture barrier removal and seismic retrofit projects. Other recommendations from the CCFC are the greater use of funds for non-state-supportable facilities such as student housing and athletic facilities.

- ii. AB 1602 could merge into a trailer bill if the revolving loan fund is kept in the budget negotiations. The amount currently proposed for AB 1602 is \$5 billion, but it could decrease to \$1 billion. There is also the question of whether this statewide program is necessary since it only funds a handful of projects. The passage of AB 1602 is dependent on whether the University of California (UC) and California State University (CSU) systems push for it. If the UC and CSU systems believe the revolving loan fund's money is more suitable for grants, then the bill may not pass. AB 1602 proposes zero-interest loan funding for use in student and workforce housing at UC, CSU, and CCC systems. The State Treasurer's Office would oversee the revolving loan fund under two bodies: one for CCCs and one for UCs and CSUs. One amendment to AB 1602 allows for authorizing nonprofits' P3s to serve as owners of revolving loan fund projects alongside colleges. Another amendment details additional parameters around skilled and trained workforces in terms of these workforces' requirements under design-build projects and Public Contract Code Section 2600. This bill requires the use of this workforce for the delivery methods of all projects over \$25 million.
- iii. For other bills, AB 1764 (Medina) requires data-collection and reporting on housing insecurities. The bill formerly contained a provision exempting student housing projects from the Field Act and DSA Review, but that provision was removed as the bill moved through the Appropriation Committee. The CCFC is trying to find the cause of that provision's removal. Prior to the provision's removal, language giving districts flexibility in choosing either local jurisdictions or the DSA for the review of their projects was added to that provision. AB 2232 (McCarty) contains two components on indoor air quality in a prior version. Since then, the bill was amended following its passage in the Appropriations Committee. Originally, the bill required a specific inspection of HVAC systems every five years as well as mandated the installation of CO2 monitors in all classrooms. The CCFC did not take a formal position on this bill. Nonetheless, the CCFC expressed concerns about these provisions and collaborated with the Assembly's higher education committee to resolve these concerns. Since then, the bill was amended to require HVAC systems to meet either current Title 24 standards or Title 24 standards at the time of the HVAC system's installation. The bill was also amended to require the DSA, during the 2022 Intervening Code Adoption Cycle of the California Building Standards Code, to develop mandatory standards for CO2 monitors in classrooms. The two bond bills, AB 75 (O'Donnell) and SB 22 (Glazer), are still alive, but need to pass the Legislature by the end of this June to appear on the Fall 2022 ballot. However, the Legislature and Governor more focused on a General Fund appropriation for K-12 facilities. Because there is a current lack of Proposition 51 capital outlay funding, the CCFC is interested in a General Fund appropriation to provide funding until a future bond appears. Currently, the Legislature and state administration do not appear to be focused on funding CCC capital outlay projects. Because of this, there may not be any bond or General Fund money for capital outlay this year. The CCFC sent out a detailed legislative update yesterday from its new communications system. Registration for the CCFC Conference is now open. The CCFC is working with Hoang and his team regarding their participation in the conference. This conference is an in-person event and will take place this September.

G. CCC/IOU

- CCC/IOU Update – Lisa Hannaman**

- i. The California Community Colleges Investor Owned Utilities (CCC/IOU) held its energy project meeting yesterday. An area of focus in the meeting was finalizing negotiations with

CLEAResult, a business management consultant. CLEAResult will administer energy efficiency for existing CCC, CSU, and UC system buildings. This program involving CLEAResult is known as the Higher Education Energy Relief Fund (HEERF) program. The CCC/IOU is reaching out to the CPUC to move forward with launching HEERF. The CCC/IOU expects the CPUC's approval of HEERF by this year's third quarter. If the CPUC approves HEERF in the third quarter, HEERF will launch either late in this year's fourth quarter or in early 2023 and will be available to all CCCs upon launch. The CCC/IOU is collaborating with the Chancellor's Office to develop an energy spreadsheet to track energy efficiency projects. All involved parties aim to use this spreadsheet to help support the use of CCC scheduled maintenance funds. These parties also hope the spreadsheet demonstrates incentives for CCCs in adopting energy efficiency projects as well as displays the demand for these projects. The CCC/IOU will be attending the CCFC Conference in-person, and will hold a table there. The CCC/IOU, at the CCFC Conference, will discuss updates to its energy efficiency initiatives and provide information on the energy spreadsheet. Currently, utilities are offering CCDs resources for auditing purposes to help those CCDs determine which of their energy efficiency projects fit into the CCC/IOU's programs.

Upcoming Meetings:

September 1, 2022

December 1, 2022

March 2, 2023

June 1, 2023