

# State Capital Outlay Program Overview

CCC Chancellor's Office  
ACBO Institute, February 2017

Fred Harris  
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# Agenda

- Chancellor's Office Role
- CCC Facilities Overview
- Capital Outlay Planning
- Capital Outlay Process
- FUSION
- District Perspective

# CHANCELLOR'S OFFICE ROLE



# College Finance and Facilities Planning Division

## **Facilities Planning Unit Staff**

- Cheryl Larry
- Eric Thorson
- Harold Flood
- Hoang Nguyen
- Lan Yuan
- Sandy Melching
- Mario Rodriguez,  
Vice Chancellor
- Frances Parmelee,  
Assistant Vice Chancellor
- Elias Regalado,  
Director, Fiscal Standards
- Carlos Montoya,  
Director, Facilities Planning

# Roles of the Chancellor's Office Facilities Planning Unit (FPU)

- Administer the state capital outlay, local assistance, and energy efficiency programs
- Help districts pursue funding
- Propose capital outlay projects (with BOG approval)
- Advocate for projects in hearings
- Help districts spend funds on time and per code and regulation
- Process claims
- Assist with reporting requirements
- Assist with implementing new legislation

# Recent Legislation Affecting Facilities

- AB 1995 – Community Colleges: Homeless Students Shower Facility
- AB 2738 – School Bonds: Local School Bonds
- AB 626 – Public Contracts: Claim Resolutions
- AB 2116 – School Bonds: Projections of Assessed Property Valuations
- AB 2476 – Local Governments: Parcel Taxes: Notice
- SB 872 – Local Law Enforcement: Supplemental Services
- AB 1732 – Single-User Restrooms

# CCC FACILITIES OVERVIEW

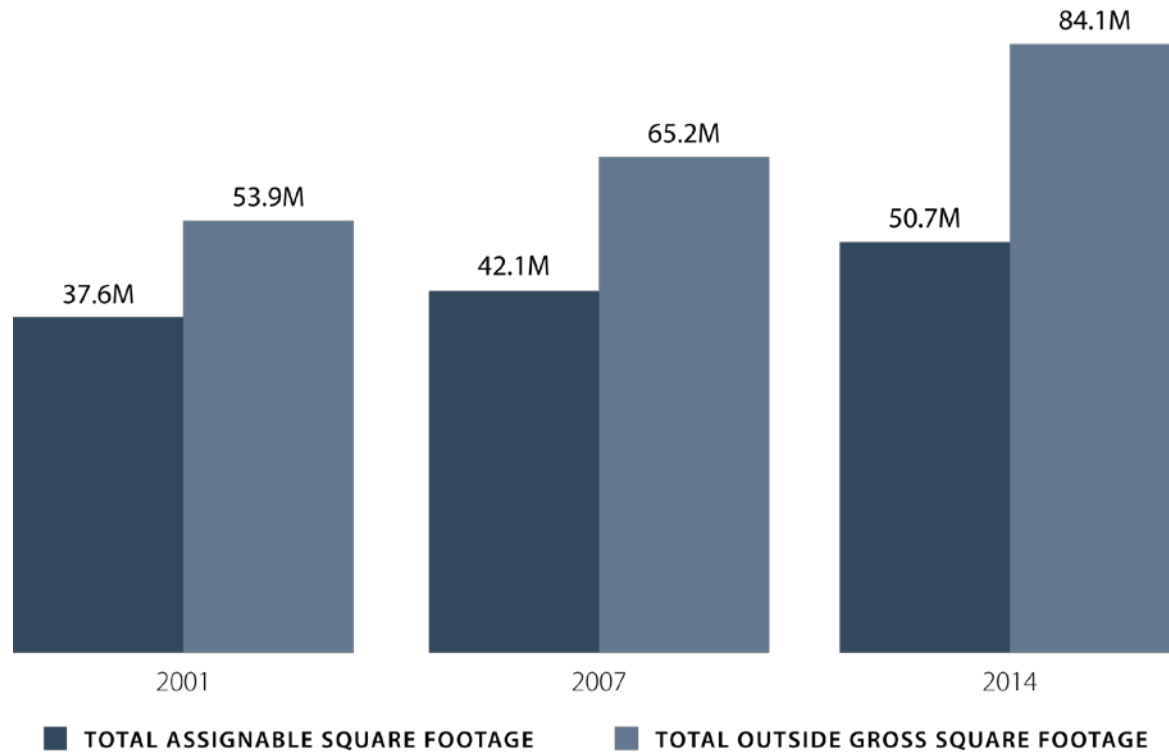


# California Community Colleges Overview

- 72 districts
  - Encompassing 113 colleges
  - 78 approved off-campus centers
  - 24 separately reported district offices
- 24,479 acres of land
  - 5,720 buildings
  - 85.1 million square feet of space
- 2.1 million students annually
  - Approximately 75% of the state's public undergraduate students



## Square Footage of Facilities, 2001-14



Source: California Community Colleges Chancellor's Office, FUSION

# Facilities Need

- 10-year Facilities Needs = \$40B
- Enrollment Growth Needs = 12M ASF
- Modernization Needs = 28.4M ASF
  - 63% of buildings: over 25 years old
  - 49% of buildings: over 40 years old

## State and Local Bonds

- Previous State Bonds
  - 2002, 2004, and 2006
  - \$3.34 billion in total
  - Existing bonds are spent
- Local Bond Since 2000
  - \$39 billion in total
  - \$10.17 billion in 2016



# Prop 51 - 2016 Bond Measure

- \$9B for education
  - Approved by 54% of voters
  - \$7B for K-12
  - \$2B for community colleges

# Prop 51 – Proposed Spending Plan

- Proposed Spending
  - \$750M for the first year
  - \$750M for the second year
  - \$500M for the third year
- 2017-18 Spending Plan
  - Approved by the Board of Governors
  - 29 projects
  - \$692M in state funding

# Prop 51 – Governor’s Budget

- 2017-18 Governor’s Budget
  - \$182M in State funding
  - 5 Projects
    - 3 A Category Projects
    - 2 C Category Projects

# CAPITAL OUTLAY PLANNING



# Start with Planning to Identify Local Needs

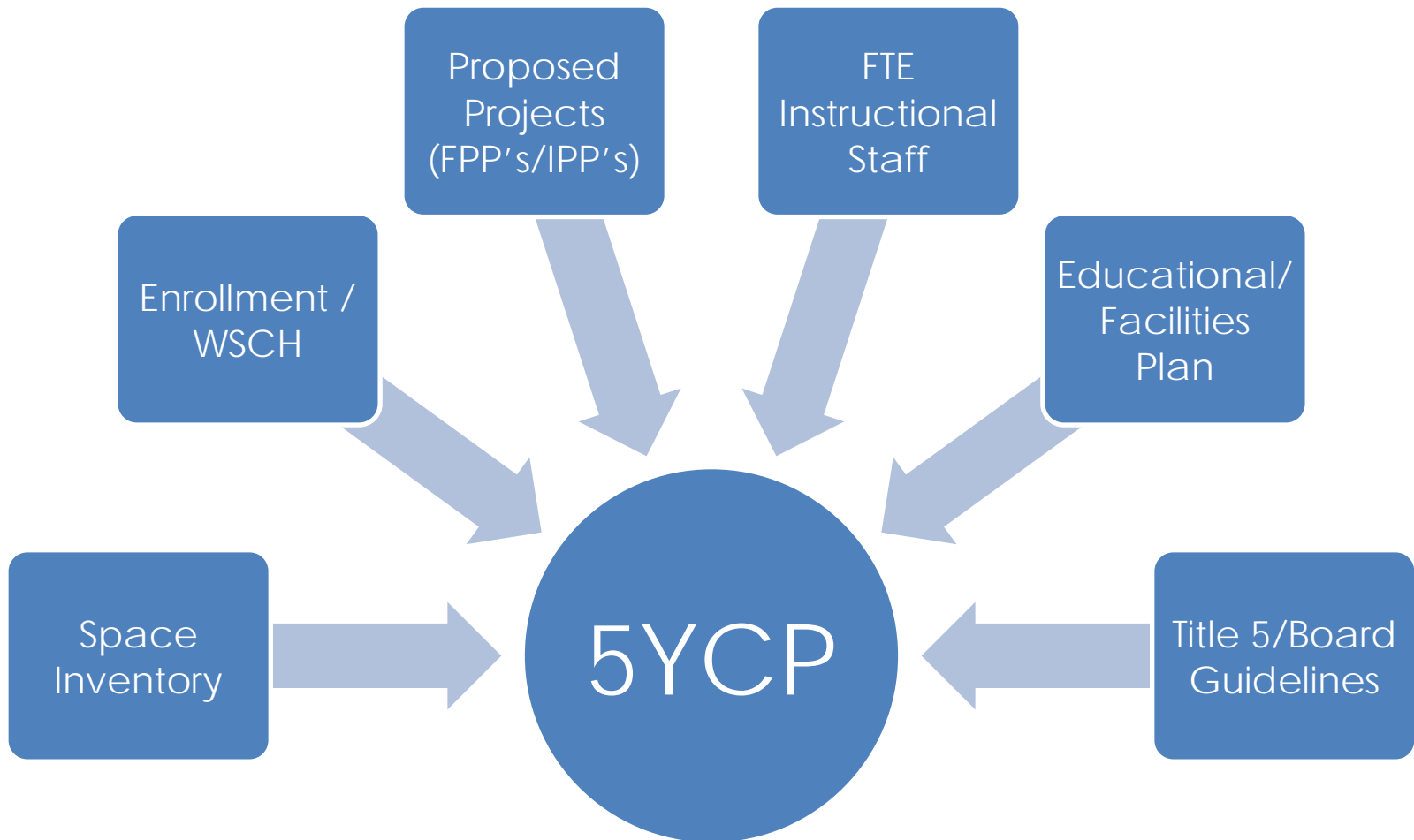
- District/Campus Education Master Plan
  - Determine appropriate academic programs and size for students and community
- District/Campus Facilities Master Plan
  - Based on Education Master Plan as approved by the Board of Trustees
  - Facilities support the educational program
  - Facilities master plan provides information on ability to accommodate enrollment and program needs
- District/Campus 5-Year Construction Plan
  - Identify specific projects for state financing
    - Initial Project Proposals and Final Project Proposals
  - Local projects



# District 5-Year Construction Plan

- Define district projects and priorities
- Show WSCH enrollment trends
- Include the space inventory for each campus by Title 5 category
- Compares the number of students to seats available (Capacity Load Ratio)
- Used by the state as a tool to determine project eligibility

# 5-Year Construction Plan Components



# Space Inventory

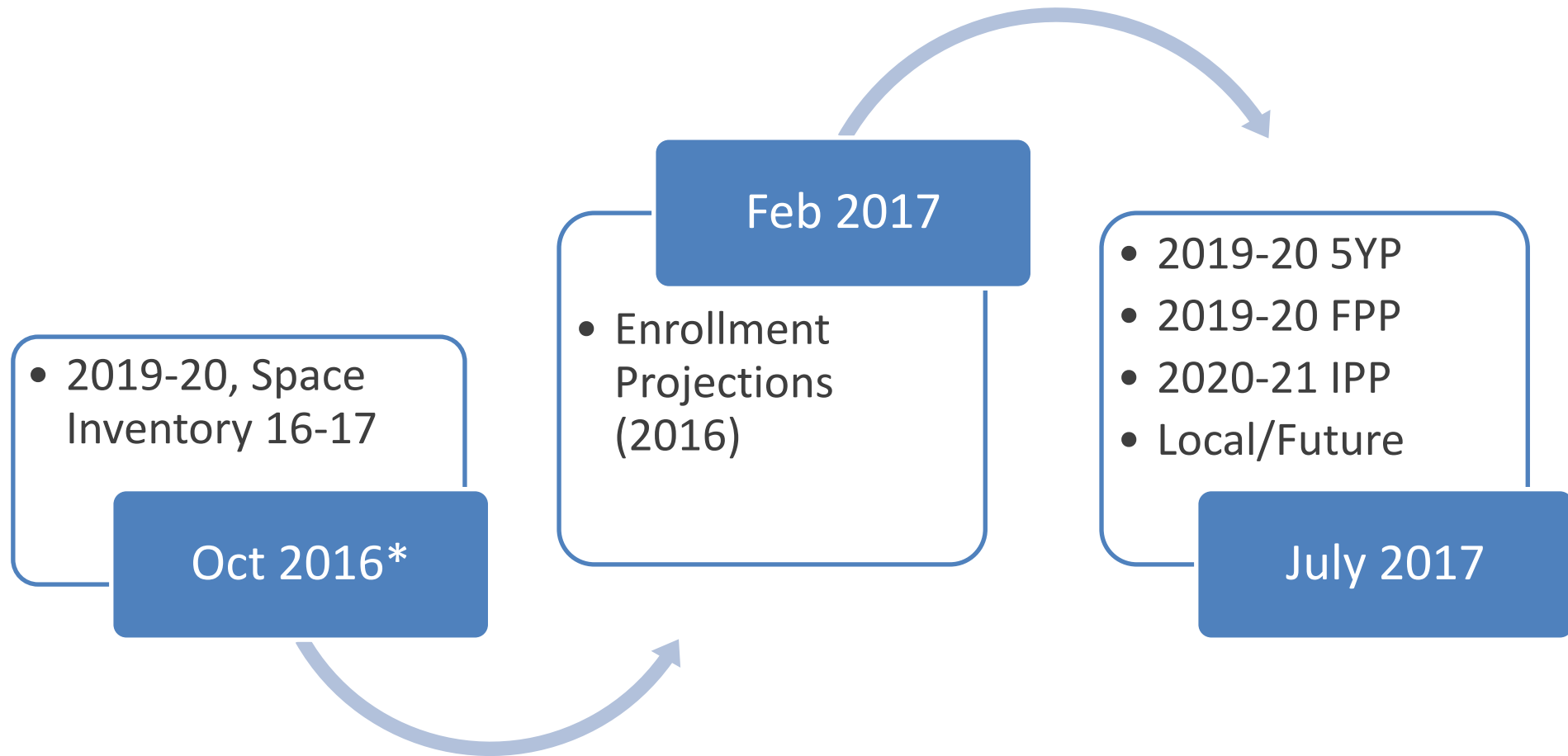
- Space Inventory is updated annually (October)
- Must report facilities (active & inactive) on campus during each calendar year
  - Excluding:
    - Swing space on campus for no more than 3 years
    - Restroom Buildings
    - Parking Structures/Lots (without ASF)
    - Outdoor Pools/Athletic Fields (without ASF)
- Foundation for determining space needs, capacity load ratios, and supportability for state funding

# Enrollment Projections

- Maximum participation rate
- Highest WSCH to enrollment ratio
- Adult (18-64) population projections

# FUSION

## Plan Year 2019-20



\*Energy Usage Calculators

# Campus / Center WSCH Broken Down

Total WSCH

Off-Campus  
WSCH

On-Campus WSCH

P.E. Lab  
WSCH

Remaining WSCH

Lecture

Laboratory

# Capacity to Load Ratio

- A ratio that divides calculated capacity by the actual (or projected) usage.
- Ratios above 100% indicate an excess of space; ratios below 100% indicate a deficiency of space.
- Capacity to load ratios are calculated for five categories of space as defined in Title 5 of the California Administrative Code and Board of Governors.

# Five Categories of Space

- Lecture
- Laboratory
- Office
- Library
- Audio-Visual / TV



# Types of State Capital Projects

- Projects that exceed \$656,000
- Health and Safety – Life safety, seismic retrofit, infrastructure failure
- Growth – new buildings, additions to existing structures, infrastructure
- Modernization – remodels, reconstruction, replacement

# Category Criteria

## Category A (Safety)

- Least cost solution:
  - A1 Imminent danger to building occupants
  - A3 Seismic deficiency
  - A4 Immediate infrastructure failure
- Independent 3<sup>rd</sup> party report

## Category B Instructional & Category E Inst. Support (Growth)

- Expands program/support space
- Preponderance of space cannot be >105%

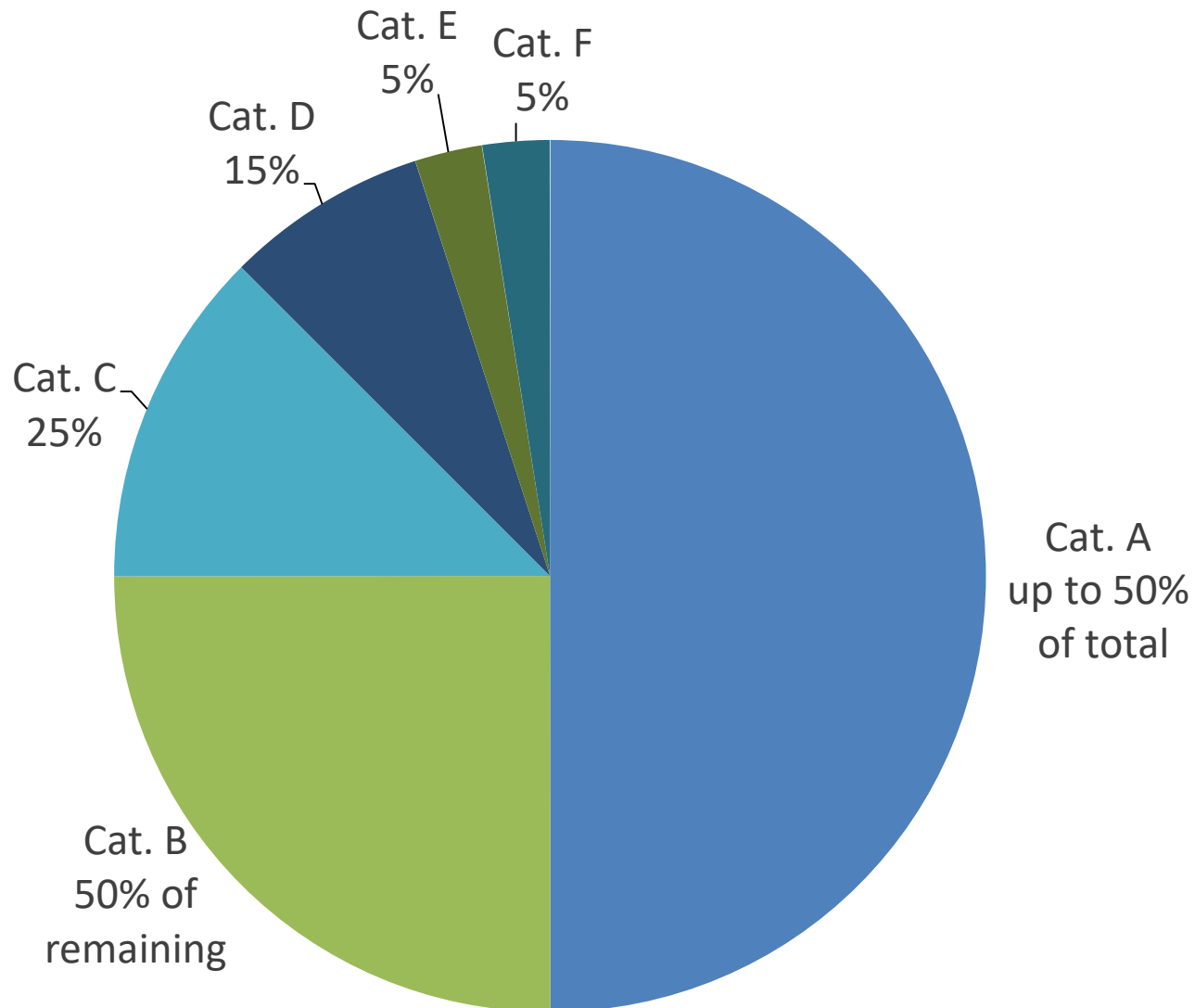
## Category C Instructional & Category F Inst. Support (Modernization)

- Program/support efficiency
- No GSF growth except for code
- Cannot create or sustain overbuilt status

## Category D (Complete Campus)

- Growth or modernization, i.e.,
  - Performing Arts
  - Physical Education
  - Child Dev. Center

# BOG Funding Allocation Priorities



# Non-State Supportable Projects

- Parking
- Student unions – student activities
- Bookstores
- Sports facilities – stadia, inter-collegiate spaces
- Food – cafeterias, concessionaires
- Dormitories
- District administration
- Overbuilding of space per state guidelines

# CAPITAL OUTLAY PROCESS



# Capital Outlay Process

- A system of interrelated components that impact each other:
  - Educational / Facilities Master Plan
  - Enrollment Forecasts from Chancellor's Office
  - Space Inventory
  - Five Year Construction Plan
  - Initial Project Proposals (IPP's)
  - Final Project Proposals (FPP's)
  - Capital Outlay Budget Change Proposals (COBCPs)
  - Appropriation and Release of Funds

# Project Proposals

- Initial Project Proposal (IPP) – concept paper
  - IPP's are submitted three years prior to the first potential funding appropriation.
- Final Project Proposal (FPP) – contractual offer from district
  - Project scope
  - Estimated costs
  - Justification (SAM Narrative)
  - Pre-Schematics
  - Certifications
  - FPP's are submitted two years prior to the first potential funding appropriation

# Initial Project Proposal

- Input from users
- Prerequisite for FPP (except Cat. A)
- Submitted 3 years prior to funding
- Conceptual



# Final Project Proposal

- Submitted 2 years prior to funding
- Formal proposal
  - SAM
  - JCAF 31, 32, & 33
  - Quantities and Unit Cost
  - Diagrams

# Key Policies

- Zero-Based Budgeting
- >\$656k
- State-Supportable
- No Augmentation
- One Project per Campus
  - In a 2-Year Cycle

# Approval Timeline Plan Year 2018-19

District  
Submits  
FPP

- July 1,  
2016

FPU

- Summer  
/ Winter  
2016

Board's  
Spending  
Plan

- Spring  
2017

DOF

- Summer  
/Fall  
2017

Gov's  
Budget

- Jan 2018

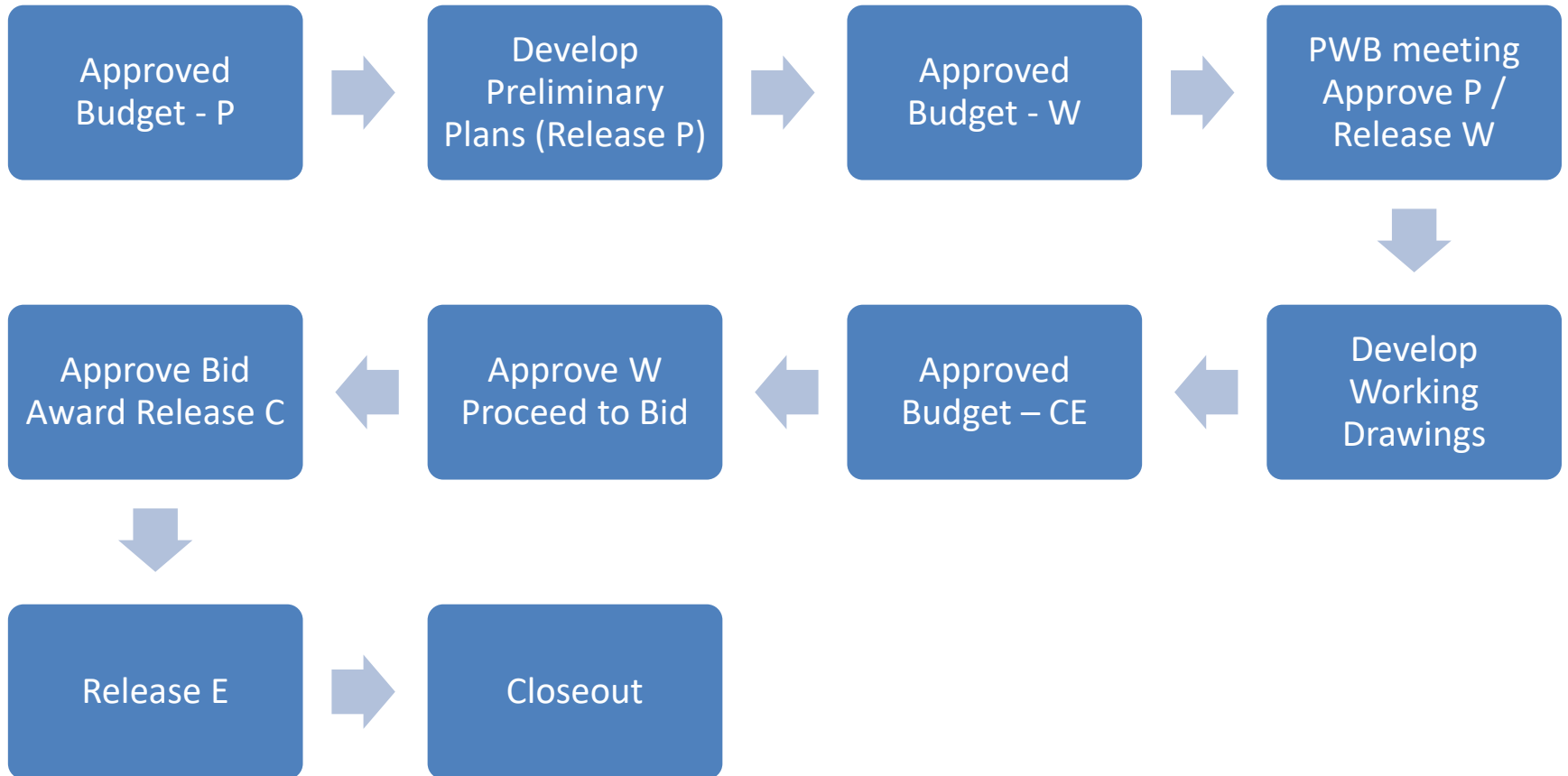
LAO  
Analysis

- Feb  
2018

Budget  
Act

- June  
2018

# Process



# Shelf Life Traditional Projects

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

## Release Preliminary Plan Funds

- Chancellor's Office submits DF14D to Department of Finance requesting encumbrance/release of preliminary plan funds
- Department of Finance reviews request for consistency with project budget and appropriation availability
- Once approved the preliminary plans may be started
- DO NOT begin before the Department of Finance approval date

# Preliminary Plans Approval

- Preliminary Plans (PP) are complete, CEQA documents are filed and CEQA waiting period has expired (waiting period must have expired by PWB screening meeting)
- Project scope is defined at PP approval. Project design changes may constitute a SCOPE CHANGE
- 7 weeks prior to PWB meeting submit to Chancellor's Office
- DOF/PWB reviews preliminary plans for scope and cost
  - DOF signs DF14D approving preliminary plans and release of working drawing funds
- DO NOT begin working drawing before Department of Finance approval

# Working Drawings

## ***Design Development:***

- Review and revision of schematic documents
- Addition and coordination of all the design systems; e.g., structural, electrical, mechanical
- Design of all significant details or elements
- Value engineering with life-cycle costing
- Updated scope, cost estimate, code analysis



# Working Drawing Approval

- Department of Finance reviews to ensure conformity with project budget and scope (set at P phase)
- If approved, DOF signs the DF14D authorizing approval of working drawings, releasing C funds and authorizing proceed to bid
- DO NOT begin bid process prior to DOF approval.

# DSA Tips

- Collaborative Process
  - Work with DSA through design process
  - Use the DSA Cloud
  - DSA Inspection Card is used at all project milestones
- Select design teams with DSA experience
- Seismic retrofits/complicated projects – contact DSA early
- Problems or delays – call your Specialist

# Out of Process

- A district is “Out of Process” when:
  - It violates one or more reporting requirements
  - It changes project scope
- When the Department of Finance (DOF) determines that a district has proceeded “Out of Process” DOF may cancel a project and require repayment of funds previously dispersed

# Project Scope

- FPP/COBCP
  - Becomes part of a binding agreement between the State and the district to proceed with a project per the agreed upon scope
- Scope changes
  - Reconfiguration of room spaces
  - Reassignment of room functions between space types
  - Changes in program purposes
  - Changes in building design or location

# Scope Changes

Scope changes require the following approvals:

- Chancellor's Office
- Department of Finance
- Legislature
- Public Works Board

# Award Construction Bid Package

- District Request Letter
  - Name of District and College
  - Project Title
  - Request Approve Bid Award
  - Certification that project is within scope and budget
- List of bidders
- Low bid with subcontractor list
- Updated JCAF 32 (if necessary)
- District Board Item stipulating that award is “***subject to State approval***”

# Release Equipment Funds Package

- District Request Letter
  - Name of District and College
  - Project Title
  - Request Release of E funds
  - Certification that project is within scope and budget
- Copy of Inspector of Record report stating construction is at least 50% complete
- Revised equipment list

# Release Equipment Funds Approval

- Chancellor's Office reviews request to determine that requested equipment is eligible for funding
- DOF must approve release of E funds before the end of the 3rd budget year after E is budgeted – for a 2017/18 project, E would be budgeted in 2018/19 and need to be released before 6/30/21 (2018/19, 2019/20, 2020/21)
- DO NOT proceed with purchasing equipment prior to DOF approval



# Closeout Phase I – “Online” Change Request

- Update Space Inventory
- Create a Change Request
  - Check the “Online” box in FUSION
  - Attach JCAF 31 side-by-side comparison
  - Attach Notice of Completion

# Closeout Phase 2 – “Completed” Change Request

- Create a Change Request
- Check the “Completed” box in FUSION
  - District Letter
  - JCAF 32
  - Quarterly Report
  - DSA Certification & Close of File Letter
  - DSA 6 Forms
  - Space Inventory Reports #17
  - Equipment – Final List

# Closeout Letter

- District certifies the following:
- The project is complete
- All state reimbursement claims are settled
- The space was constructed as approved by the Department of Finance and the Legislature and as depicted in the district's certified Space Inventory Report
- The district followed Public Contract law in the construction of the project
- Per the State Treasurer's Office, the district will retain all project financial records for a period of no less than 35 years, including DF14D forms, expenditure records, and claims information

## Record Retention

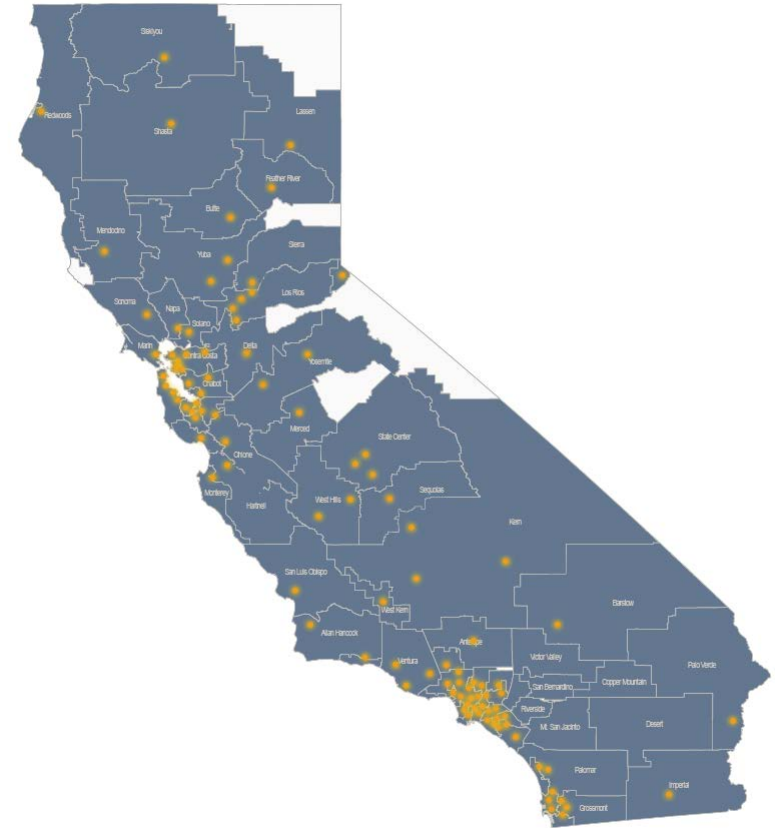
- For IRS audit purposes, the State Treasurer's Office requires records to be retained for 35 years after project closeout
- Electronic storage option is available
  - Follow IRS requirements

FUSION



# FUSION

- 113 Community Colleges
- 85+ million square feet
- Over \$40 billion in funding



# FUSION

The Facility Utilization Space Inventory Options Net (FUSION) was custom developed to support facilities planning within the California Community College system.

- Web based project planning and management tool
- Secure access managed by district administrators
- Integrated modules and database
- Electronic submission of data (space inventory, district 5-Year Capital Outlay Plans, claims)
- Automatic archival of planning data for each year

# FUSION

- Building Assessment Summaries
- Space Inventory Reports
- Five-Year Construction Plans
- Initial Project Proposals
- FPP's space array, cost summary & equip allowance
- Means to transmit FPPs thru Web



# FUSION2 Vision



Develop, expand and maintain FUSION so that it can become the daily source for Districts in analyzing and planning their current and future facilities needs.

**FUSION2**



**R&K Solutions**

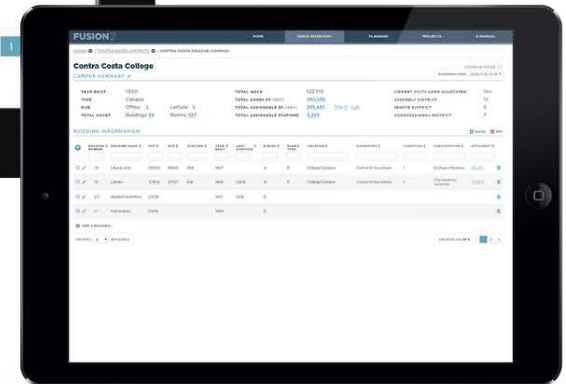
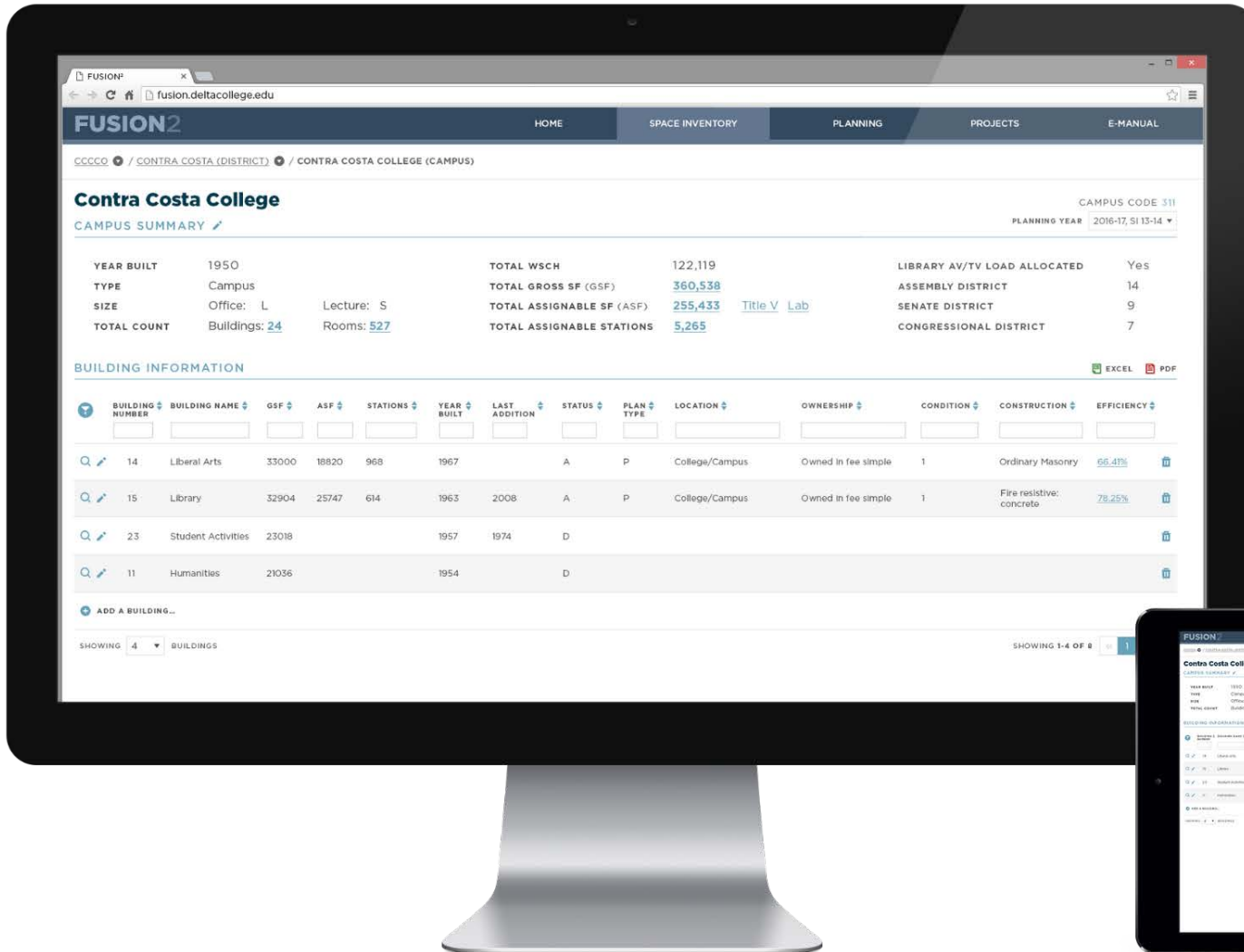


CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE



FOUNDATION *for* CALIFORNIA  
COMMUNITY COLLEGES

# FUSION2



DISTRICT PERSPECTIVE  
DISCUSSION



QUESTIONS



RESOURCES



# Resources

- Bond Accountability
  - <http://bondaccountability.cccco.edu/>
- Facilities Planning
  - Under the Statutes, Regulations, and Policies Tab
  - <http://extranet.cccco.edu/Divisions/FinanceFacilities/FacilitiesPlanning/ReferenceMaterials.aspx>
- FUSION
  - Under the Presentations Tab
  - <http://extranet.cccco.edu/Divisions/FinanceFacilities/FacilitiesPlanning/ReferenceMaterials.aspx>
- Physical Plant and Instructional Support
  - Under the General Guidelines Tab
  - <http://extranet.cccco.edu/Divisions/FinanceFacilities/FacilitiesPlanning/ReferenceMaterials.aspx>
- Proposition 39
  - <http://extranet.cccco.edu/Divisions/FinanceFacilities/Proposition39.aspx>
  - <http://cccutilitypartnership.com/>

THANK YOU!

