

ACBO FACILITIES TASK FORCE MEETING
SUMMARY NOTES
December 13, 2012 Meeting

ATTENDEES

Task Force Members Present: Carol Horton, Chair; Dave Clinchy, Brandye D'Lena, Ann-Marie Gabel, Peter Hardash, Kuldeep Kaur, Tony Ichsan, Jeff Kingston, Ed Maduli (via phone), Eric Mittlestead, Steve Renew

Chancellor's Office Staff: Fred Harris, Harold Flood, Patty Fong, Cheryl Larry, Carlos Montoya, Jim Rogaski, Eric Thorson, Susan Yeager, Lan Yuan

Foundation for CCCs: John Roach

CCC/IOU EE Partnership: Ron Beeler, Lisa Hannaman, Linh-Chi Hua

A. NEW STAFF INTRODUCTION – Fred Harris

Attendees introduced themselves to welcome three new members to the Task Force: Peter Hardash, Rancho Santiago CCD; Kuldeep Kaur, Yuba CCD; and Steve Renew, Desert CCD.

B. STATE BOND FINANCING – Harold Flood

Harold reported that the Treasurer has issued a bond sale providing \$33 million for the CCCs. A total of about \$129 million was identified as being available for claims, sufficient to cover until the next bond sale. Claims received were about 50% of the projected cash flow need.

C. COMMITTEE REPORTS

• **FUSION-Onuma – Ann-Marie Gabel and John Roach**

Ann Marie addressed the FUSION Steering Committee's meeting on the Student Sponsorship Program and expressed concern with conflict of interest with vendor support. Since this program is sponsored by the Foundation for CCCs, it will be organized so as not to be a conflict for districts.

John announced of a FUSION training tomorrow at Canada College and an introductory training on February 22 at San Diego Mesa College.

• **FPP Enhancements – Jeff Kingston and Lan Yuan**

Lan recapped outcome of the three proposals previously pending review by DOF and indicated that all the enhancements were highlighted at the CCFC. The next step is to get information out to the districts via the Call Letter, updates to the facilities planning manual (i.e., FPP appendix B), and training at Long Beach College on 1/16.

Lan added that since the new format is to be applied as the standard, a decision was needed on the plan to grandfather the existing FPPs (some districts with 2-3 FPPs per site) for the 2015-16 budget cycle as opposed to the notion that all FPPs—new and existing—use the new format for consistency. Fred conveyed his strong preference for submittal with similar quality. Items discussed included training and cost/benefit for transitioning to new format followed by consensus from the Task Force members to apply new standard for ALL FPPs starting with 2015-16.

Jim addressed future FUSION upgrades to simplify development under the new FPP format, including structuring the Detail Cost Estimate into FUSION and integrating it with the JCAF 31 and JCAF 32 and using the Assessment model's index of RS Means by CSI division for the site data that will also be integrated into the Detail Cost Estimate. Jim also covered in detail reprogramming in FUSION set to roll out in March 2013, including DSA and LCP fees.

D. SWRCB STORM WATER PERMIT – Fred Harris

Fred explained that the Regional Board wants to add CCCs in the Bay Area (region #2) to the statewide permit--even though half of the regulations do not apply to CCCs—due to concerns that existing regulation does not adequately address storm water discharges from new construction (1 or more acres rather than building). Fred added that this is different from what was discussed before and emphasized the need for a solution and for addressing this at the staff level.

E. ENROLLMENT PROJECTIONS – Susan Yeager

Susan reported that the enrollment projections under the revised MPR model look much better now compared to the last report. She acknowledged Eric Mittlestead, Ryan Fuller, and Carlos Montoya as members of the subcommittee and provided data on the new 2012 enrollment projections (2011 actual and 2018 projected) based on the latest MPR model; comparison between 2012 enrollment projections from the MPR model and the 2011 enrollment projections from last year's Triage model; and eligibility scenario for 2014-15 projects (of the total 86 projects, 11 projects were ineligible under the MPR model).

The MPR model was affirmed as being measurable and reliable; the Triage model, although more optimistic than MPR model, was meant to be only temporary. Fred added that the MPR model is very defensible.

F. STATE BOND UPDATE – Cathy Allen, CASH President

Cathy Allen and Tom Duffy, former K-12 Superintendent and current advocate for CASH, discussed about CASH efforts on the 2014 state bond, the CABs (Capital Appreciation Bonds) issue, and proposed legislation in response to perceived abuse of bond financing.

Specifically, Cathy indicated that there are concerns with certain legislative proposals and that some schools want to get out of CABs. Tom indicated that under the new proposal(s), the maximum maturity period would be reduced from 40 years to 25 years, with the interest rate capped at 8% instead of the existing 12% cap. Cathy also added that a county that criticized districts for using CABs just recently issued one. Ann Marie commented that the proposed legislation would also limit the debt ratio to no more than 4 times the amount borrowed. Fred remarked on how damaging it's going to be for going down to 25 years and not having CABs as an option.

G. CCC PROP 39 ENERGY EFFICIENCY PROPOSAL – Fred Harris

Fred announced that Prop 39 that was passed in November will generate about \$1 billion in revenues annually. For the 1st five years, half of that money is to fund energy efficiency projects at public buildings. A proposal for funds to flow through the Chancellor's Office has been shared with the Senate, PUC, and IOUs. The proposal consists of four components for achieving energy savings to help offset budget: energy management system, energy efficiency retrofits, self-generating energy technologies, and the DEEP (Developing Energy Efficiency Professionals) program for promoting learning through community college partnerships.

Fred added that about 7 bills were introduced on Prop. 39 funds and that our proposal shows that we have a need, capacity, and a plan and that funds would be available by January 2014.

H. CCC/IOU EE PARTNERSHIP – Dan Estrada, Ron Beeler & IOU Ladies

Lisa provided a recap about the 2010-2012 program, including the over 43 million KW hours and \$707 million in savings, with \$5 million unspent and approval to extend to 2013-14 cycle. She also added that the rates will remain the same and that they're trying to come up with strategies to meet the districts' needs in technical resources and engineering; online 0% financing are still available with 10-year payback, with 1% financing as the other alternative funding source; district participation rate has increased from 20% to 30%. She also identified \$10.6 million as the funding in the last three years.

Quarterly meeting, increase in outreach activities, and energy audits to identify new projects were highlighted as huge efforts for sharing and soliciting for new project ideas.