

# State Capital Outlay and Local Assistance Programs

Presented by  
CCC System Office  
Facilities Planning & Utilization Unit

Lan Yuan  
Gin Yang-Staehlin

# College Finance and Facilities Planning Division - FPU

2

- Vice Chancellor, Fiscal Policy - Erik Skinner
- Assistant Vice Chancellor, College Finance and Facilities Planning Division - Fred Harris

- Facilities Specialists

John Baca

Dale Clevenger

Dan Estrada (Energy)

Mary Just

Shelley Petavini

Walt Reno

Jim Rogaski

Gin Yang-Staehlin

Susan Yeager

- Program Assistant II

Cheryl Larry (Claims)

Lan Yuan (Local Assistance  
and Capital Outlay)

# Roles of the System Office Facilities Planning Unit (FPU)

3

- Administer the State Capital Outlay and Local Assistance Programs
- Help you get the money
- Help you spend the money on time and legally
- Process claims
- Assist with reporting requirements

- ✓ Contact us early and often
- ✓ Develop a relationship with your specialist
- ✓ Keep communications linear

# State Capital Outlay Program

- What types of capital projects qualify?
- Why apply?
- What is the process?
- What is the district commitment?
- When will the district get the funding?
- How long does the district have to spend the funds?

# Types of State Capital Projects

Projects that exceed \$400,000

- Growth - new buildings, additions to existing structures, infrastructure
- Modernization - remodels, reconstruction, replacement
- Life safety - imminent danger
- Seismic retrofit
- Infrastructure failure

# 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

# Why Apply for State Capital Outlay Funding?

7

- District doesn't have local or local bond funds
  - Need funds to build more space or modernize existing
- District does have local or local bond funds
  - State Cap Out \$ leverages local bond funds
  - Running out of local bond dollars

# State Capital Outlay Budget Process Overview

8

1. Campus Master Planning
2. Five Year Capital Outlay Plan
  - a. Initial Project Proposals
  - b. Final Project Proposals
3. Capital Outlay Budget Change Proposals/  
Governor's Office
4. Governor's Budget/LAO Analysis
5. Legislative Budget Hearings
6. Signed State Budget
  - Statewide General Obligation Bonds

# State Budget Process

- January 10 - Governor's budget
- Legislative Analyst Office's analysis
- Legislative Budget Hearings
  - › Legislature chews of Gov's budget
  - › Each house produces their version of budget
  - › Unresolved issues go into conference with Big 5
  - › Agreement reached in both houses
- Budget bill is signed by Governor - State has a budget

# State Budget Process (con't)

- ◉ State budget is usually late - capital outlay clock starts ticking on July 1
- ◉ Capital Outlay projects for budget year may be pending Statewide bond approval
  - November bonds
  - Be mindful of budget language

# Process for Applying for State Capital Outlay Funds

11

- Develop campus master plan
  - Academic, facilities, financing
- July 1 Submittals
  1. district/campus five-year capital plan
    - ✓ Space inventory - due annually on October 1
      - reflects inventory thru Dec of same year
    - ✓ District/campus capital projects for both state and non-state projects over 7 years
    - ✓ Enrollment projections

# Process for Applying for State Capital Outlay Funds (con't)

12

2. Initial Project Proposal (IPP) - concept paper
3. Final Project Proposal (FPP) - contractual offer from district
  - ✓ Project scope
  - ✓ Estimated costs
  - ✓ Justification (SAM Narrative)
  - ✓ Schematics and Specifications
  - ✓ Equipment List
  - ✓ Certifications

# Timing is Everything

- FPPs are submitted 2 years before expected State funding - due July 1, 2008 were
  - › 2010-11\* District 5-year capital plans
  - › 2010-11 FPPs
  - › 2011-12 IPPs
- FPP funding can impact expenditure and sales of local bonds
- FPPs estimates are re-indexed annually based on State cost and equipment indices

\* Uses the 2007 space inventory

# Careful how you say it ...

- System Office Statewide spending plan
  - > Scope approval
  - > Spending plan approval
- Governor's Budget
  - > Legislature can remove
- Budget Bill
  - > Governor can veto
- Bond funding
  - > Bonds may not materialize

# Planning Tips

- academics drive facilities
- Solid planning is critical to success
- Articulated master plan can protect you from special interests
- Collaborate with all users
- Obtain CEQA and DSA clearances early
- No such thing as a free lunch or land
- Don't be drunk with money - use it wisely
- Don't overbuild space, especially offices

# Good Planning = No Scope Changes

- Plan carefully to avoid scope changes
- Not sticking with the approved scope can mean the “kiss of death” to a State-funded project
- Scope change can mean changes in location, # of stories, configuration, ASF, program intent - talk with your System Office Facilities Specialist early

# Know What You're Going For - Project Funding Categories

- **Category A** - Provides for safe facilities and to activate existing space
  - Up to 50% of \$ available
- **Category B** - Increases instructional capacity
  - Up to 50% of \$ available after funding Category A's
- **Category C** - Modernizes instructional capacity
  - Up to 25% of \$ available after funding Category A's

# Know What You're Going For Project Funding Categories

- **Category D** - Promotes Completion of Existing Campuses
  - Up to 15% of \$ available after funding Category A's
- **Category E** - Increases institutional support services capacity
  - Up to 5% of \$ available after funding Category A's
- **Category F** - Modernizes institutional support services capacity
  - Up to 5% of \$ available after funding Category A's

# Category A

Category A projects do not compete with funding points nor are IPPs required

## A-1 - Imminent danger to building's *occupants*

- ✓ Proposed scope addresses problem only
- ✓ Least cost solution
- ✓ Imminent danger to building's occupants must be documented by independent third party report
- ✓ Be careful what you ask for - funding may not follow for several years

# Category A (con't)

## A-2 - Equipment to complete previously started State-funded projects

- ✓ No action required on District's part

## A -3 - Seismic deficiencies

- ✓ Risk levels 4-6
- ✓ Least cost solution addressing problem only
- ✓ Independent third party documentation required

## A-4 - Infrastructure failure

- ✓ Least cost solution addressing problem only
- ✓ Independent third party documentation required

# Categories B and E

Cannot support capacity/loads exceeding 100%

- Category B - provides space for instructional program growth
  - ✓ Lecture
  - ✓ Laboratory
  - ✓ Library
  - ✓ AVTV
- Category E - provides space for institutional support growth
  - ✓ Office

# Categories C and F

- Cannot create or increase overbuilt status
- Additional GSF allowed only for building code compliance
- Category C - Modernize instructional capacity
  - ✓ Lecture
  - ✓ Laboratory
  - ✓ Library
  - ✓ AVTV
- Category F - Modernize institutional support services capacity
  - ✓ Office

# Category D

- Category D1

- ✓ Facilities generate WSCH
  - ✓ Examples: child development centers, physical education, performing arts

- Category D2

- ✓ Facilities do not generate WSCH
  - ✓ Examples: maintenance facilities, warehouses, roads, infrastructure

# Earning Points - Categories B and E (Growth)

- 200 points max (up to 50 points for each factor)
- Points earned based on
  - ✓ Campus enrollment growth
  - ✓ Campus existing inventory
  - ✓ Solution assignable square footage change
  - ✓ Local contribution

# Earning Points - Categories C and E (Modernization)

- 200 Points Max
- Points earned based on
  - ✓ Age/Facilities Condition Index (FCI) of target building
  - ✓ Activation of “inactive space” (050 space inventory designation in current space inventory)
  - ✓ Local contribution

## Earning Points - Category D (Complete Campus)

- 200 Points Max (up to 50 points for each factor)
- Points earned based on
  - ✓ Age of Site
  - ✓ Program/Services
    - Addresses academic need
  - ✓ Project Design
    - Replaces temporaries, inadequate facilities, or expansion/addition
  - ✓ Local Contribution

# So, how well is your project going to compete?

Depends on:

- Your project points
- Amount of points your competitors have within each category
- Amount of funds available for new starts within each category (amount varies from year to year)

# Prioritizing New Start Proposals

28

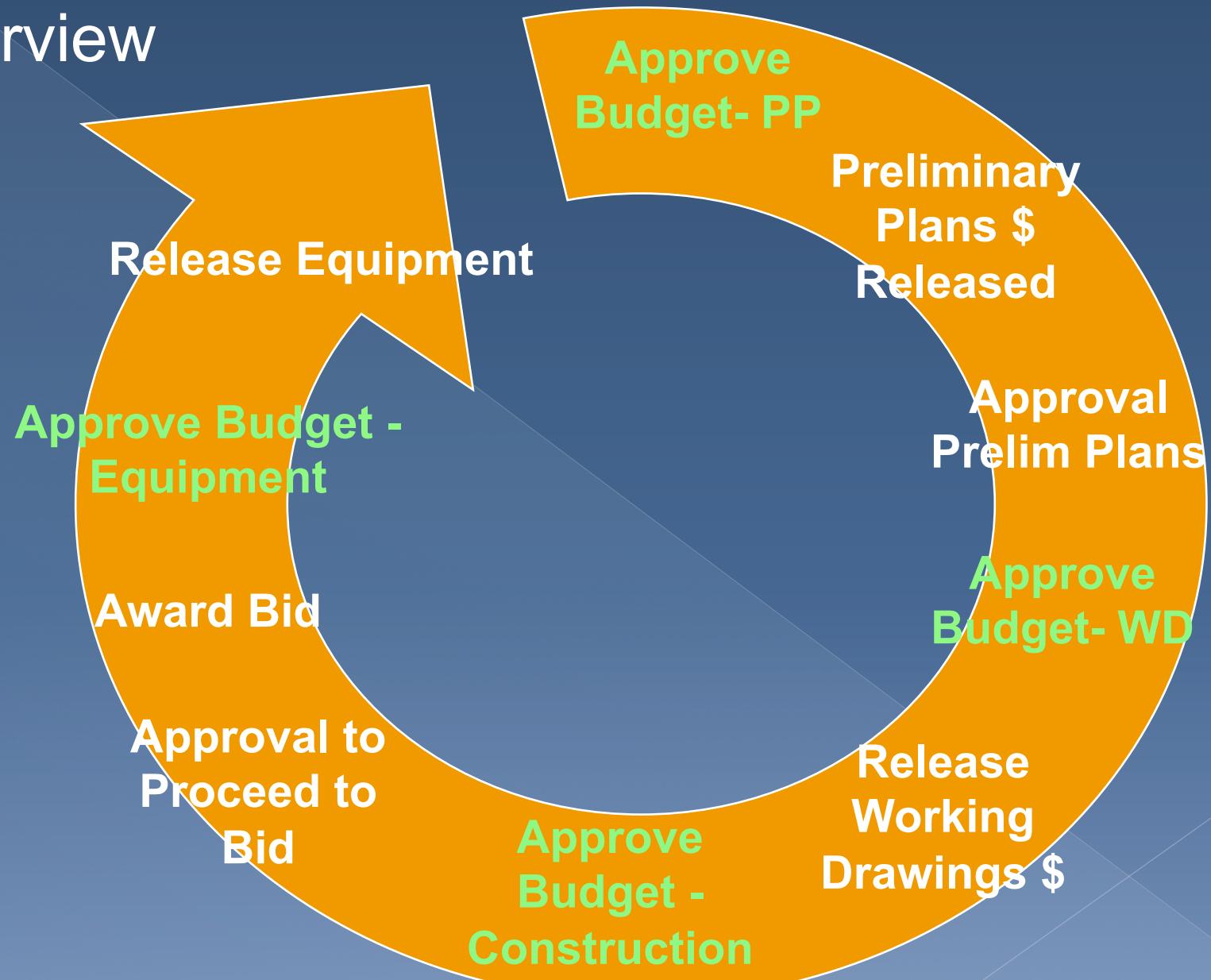
- Supportable Project Scope
  - ✓ Scope, cost, category
  - ✓ Scope approval by BOG
- New Start funds are determined after funding:
  - ✓ continuing projects
  - ✓ new start Category A projects
- Ranked by points within each category
- Funding cut-off is within each category
- Spending plan approval by BOG

# FPP to Capital Outlay Budget Change Proposal (COBCP)

29

- CCC Spending Plan
- Dept of Finance/Governor's Office
- Governor's Budget - January 10
- Legislative Analyst Office's analysis of Governor's Budget
- Legislative Hearings
- Signed Budget

# Post Funding Overview



# “Phase” Abbreviations

- P's or PP = Preliminary Plans (Design Development)
- W's or WD's = Working Drawings (Construction Documents)
- C = Construction
- E = Equipment (Group II)

# State Funding Availability

## Non-Ready Access Projects

- State project funds are appropriated in multiple years

Preliminary Plans - 1 year + 2 years\* = 3 years

Working Drawings - 1 year + 2 years\* = 3 years

Construction - 1 year\* + 2 years + 2 years\* = 5 years

Equipment - 3 years + 2 years = 5 years

Years = fiscal years starting July 1 and ending June 30

\* Must “Proceed to Bid” within first year of appropriation

\* these 2 years are for claims liquidation only

# State Funding Availability Ready Access Projects

- All phases of state project funds are appropriated in a single year
- Preliminary Plans, Working Drawings, Construction
  - 2 years to award bid
    - Preliminary Plans Approval
    - Working Drawings Approval/Proceed to Bid
    - Bid Award
  - 2 additional years for claims liquidation
  - 2 years + 2 years = 4 years
- Equipment
  - 3 years to encumber
  - 2 years to expend/finalize claims
  - 3 years + 2 years = 5 years

# DF 14D Form

34

- DF 14D form is the State document that allows projects to move on to the next phase
- CCC System Office initiates the form and is approved by both the System Office and Dept of Finance (DOF)
- Critical date on the 14D form is the DOF signature date - don't start before that date!
- Make copies of DF 14D for all parties involved with the project including project managers and accounting department/claims

# Critical Steps Requiring DF14 D

- Release and Encumber Preliminary Plans
- Approval of Preliminary Plans by State Public Works Board (PWB)
- Release and Encumber Working Drawings
- Approval to Proceed to Bid
- Award Construction Contract
- Release and Encumber Equipment
- Scope Changes
- Cost Changes
- Augmentations
- Reversions

# Local Assistance Program

- ◉ What types of expenditures or projects are eligible?
- ◉ How is funding determined and allocated?
- ◉ What is the reporting process?

# Instructional Support & Physical Plant Block Grant

- Instructional Support

- › Instructional Equipment
- › Library Materials

- Physical Plant

- › Scheduled Maintenance and Special Repairs
- › Architectural Barrier Removal
- › Hazardous Substance Abatement
- › Seismic Retrofit

# Scheduled Maintenance and Special Repairs (SMSR)

## ○ Criteria

- Repair or replacement only
- Part of the building structure or campus infrastructure
- Non-recurring

## ○ Project Types

- Roof, Utilities, Mechanical, Exterior, Other

# Funding Level

- 2003-04\* \$29M Ongoing
- 2004-05 \$27M Ongoing plus \$28M One-Time
- 2005-06 \$27M Ongoing
- 2006-07 \$27M Ongoing plus \$94M One-Time
- 2007-08 \$27M Ongoing plus \$8M One-Time
- 2008-09 (Proposed):  
\$27M Ongoing plus \$10M One-Time

\*Prior to 2003-04, funding on a project-by-project basis.

# Funding Allocation

- Based on FTES
  - Minimum allocation per district
    - For 2008-09= \$250k per district
- Distributed through the apportionment process per Title 5 Section 58770
- Available for two fiscal years

# Annual Reporting Process

## ○ Block Grant Certification

- › Acknowledgement of current year allocation
- › Funds will be spent according to program guidelines
  - Including local match requirements
- › District's spending plan
- › Typically due in November

# Annual Reporting Process (cont.)

## ○ Project Funding Proposal (PFP)

- Required for all proposed projects funded under Physical Plant
- Brief description of project scope and cost
- Project amounts up to \$400k
- Prepared and submitted in FUSION
- Same due date as Block Grant Certification

# Annual Reporting Process (cont.)

- Scheduled Maintenance and Special Repairs (SMSR) 5-Year Plan
  - District's projected scheduled maintenance need
    - Regardless of funding limitation
  - Required per Education Code Section 84660
  - Prepared and submitted on FUSION
  - Typically due in January

# Questions?

44

# Thank you!