

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

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- 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)

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- 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

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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?

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- 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

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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

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- 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
 - ✓ Capital budget

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

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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

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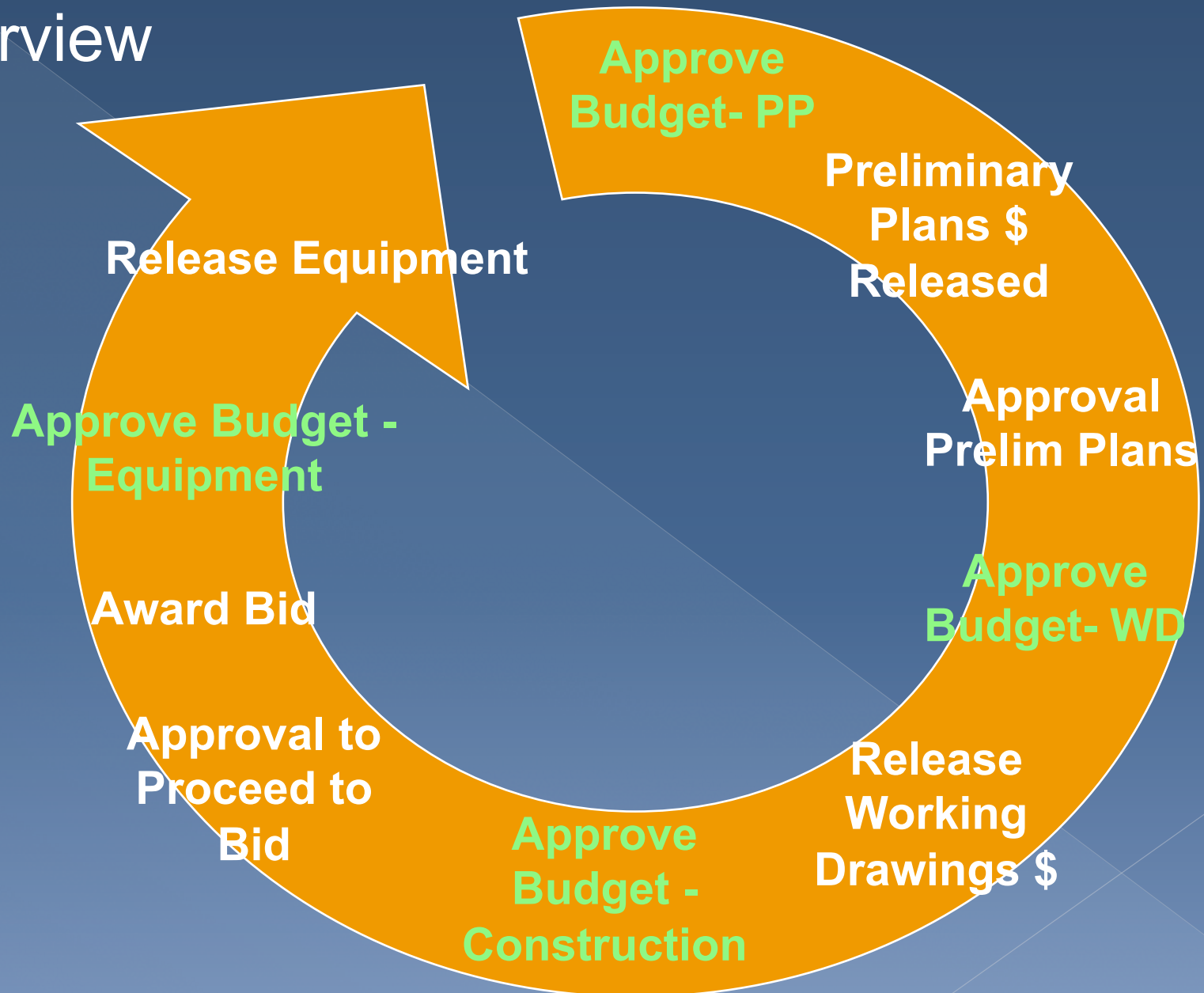
- Supportable Project Scope
 - ✓ Scope, cost, category
 - ✓ Scope approval by BOG
- New Start funds are determined after funding:
 - ✓ continuing projects
 - ✓ new start Category A projects
- Ranked by points within each category
- Funding cut-off is within each category
- Spending plan approval by BOG

FPP to Capital Outlay Budget Change Proposal (COBCP)

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- 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

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- 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

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- 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

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- 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

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- 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

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- 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?

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Thank you!