



Capital Outlay Advocacy and the Future of College Facilities

Community College League of California
Legislative Conference
January 27, 2019

Presented By:
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Presentation Overview

- ▶ Political Landscape for Community Colleges
- ▶ 2018–19 Budget and 2019–20 Budget proposal
- ▶ Capital Outlay funding process and advocacy
- ▶ 2020 Bond
- ▶ Policy Issues and Legislation



Political Landscape – CCC

- ▶ New session, new Governor, new relationships
 - Brown on Prop 51
 - Relationship between Chancellor Oakley and Governor Newsom?
- ▶ Big changes in 2018–19 Budget
 - New student funding formula
 - New online college: \$100 million one-time
- ▶ Implementing the Vision for Success and Guided Pathways [student success]
- ▶ What is the role of the Chancellor’s Office?

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Enrollment

- ▶ Chancellor’s Office estimates 6.75% enrollment growth over the next five years
 - 2019–20: 1,694,105
 - 2023–24: 1,808,388
 - Growth of 114,283
 - Used for State Five-Year Capital Outlay Plan to determine need for facilities
- ▶ Full-Time Equivalent Students
 - 2015–16 = 1,186,935
 - 2016–17 = 1,183,222
 - 2017–18 = 1,182,940

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State and Local Facilities Funding

- ▶ Community college facilities are funded by state and local sources
- ▶ State bond funds received:
 - \$746 million – Prop 47 (2002)
 - \$920 million – Prop 55 (2004)
 - \$1.507 billion – Prop 1D (2006)
 - \$2 billion – Prop 51 (2016)
- ▶ State funds have supported over 500 projects
- ▶ November 2018 local bond results
 - Voters *approved* 91 of 112 K-14 bond measures on ballot
 - Worth \$14.8 billion
 - 81% passage rate
 - 6 out of 7 CCD bonds passed
 - Worth \$3.74 billion
 - 9 of 14 parcel taxes approved – 64%



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Proposition 51 – Capital Outlay

- ▶ CCD projects funded through annual budget process
 - \$2 billion available from Proposition 51 (2016)
- ▶ 2017–18 Budget [Year 1]:
 - BOG approved 29 projects worth \$692 million
 - Final budget: **15 projects funded worth \$432 million**
 - \$16.9 million in FY 17–18 to fund preliminary plans
 - *First Design-Build project at Long Beach CCD*
- ▶ 2018–19 Budget [Year 2]:
 - BOG approved 14 projects worth \$269 million
 - Final budget: **6 new projects funded worth \$139.8 million through construction**
 - \$9.68 million in 18–19 for Preliminary Plans and Working Drawings
 - Continuing projects – \$40.2 million



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2018–19 New Starts

- ▶ **Redwoods Community College District** – College of the Redwoods: Arts Building Replacement [Category A]
- ▶ **Coast Community College District**, Golden West College: Language Arts Complex [Category B]
- ▶ **Mt. San Antonio Community College District**, Mt. San Antonio College: New Physical Education Complex [Category D]
- ▶ **Peralta Community College District**, Laney College: Learning Resource Center [Category B]
- ▶ **Peralta Community College District**, Merritt College: Child Development Center [Category D]
- ▶ **Imperial Valley CCD**, Imperial Valley College: Academic Buildings Modernization [Category C] – *April DOF Letter*



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2019–20 Budget Proposal: Capital Outlay

- ▶ 2019–20 BOG Spending Plan approved Sept. 2018
 - 39 new start projects and 19 continuing projects – \$551 million in FY 2019–20
 - New starts worth \$690 million (State) through construction
- ▶ Governor Newsom proposes \$358.7 million:
 - 12 new starts – worth \$256 million (State) through construction
 - Preliminary plans and working drawings in 2019–20 – \$18.1 million
 - 15 continuing projects



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2019–20 Proposed New Starts

- ▶ **Butte–Glenn CCD** – Butte College: Technology Remodel
- ▶ **Los Angeles CCD** – Los Angeles City College: Theater Arts Replacement
- ▶ **Los Rios CCD** – American River College: Technical Building Modernization
- ▶ **Merced CCD** – Merced College: Agricultural Science and Industrial Technologies Complex
- ▶ **Peralta CCD** – College of Alameda: Replacement of Buildings B and E (Auto and Diesel Technologies)
- ▶ **Redwoods CCD** – College of the Redwoods: Physical Education Replacement
- ▶ **Rio Hondo CCD** – Rio Hondo College: Music/Wray Theater Renovation
- ▶ **San Bernardino CCD** – San Bernardino Valley College: Technical Building Replacement
- ▶ **Santa Monica CCD** – Santa Monica College: Arts Complex Consolidation
- ▶ **Sequoias CCD** – College of the Sequoias: Basic Skills Center
- ▶ **South Orange County CCD** – Saddleback College: Gateway Building
- ▶ **State Center CCD** – Fresno City College: New Child Development Center



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Five–Year Capital Outlay Plan

- ▶ Approved Sept. 17, 2018
- ▶ \$23 billion in capital facilities needs over next five years
 - \$9.4 billion new construction – 7.1 million assignable square feet
 - \$13.6 billion modernization – 29.5 million assignable square feet
- ▶ Additional deferred needs of \$7.4 billion
- ▶ Projected ten–year need = \$42.3 billion
 - Estimates \$17 billion state contribution, \$25 billion local
- ▶ 62% of CCC facilities are 25 years or older
 - 50% are more than 40 years old



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Proposition 51 Advocacy Strategies

- ▶ CCFC Advocacy
 - CCFC supports funding all projects on BOG Spending Plan
 - Educate and raise awareness with new Governor and Administration
 - Preserve and protect the capital outlay program
- ▶ K-12 Advocacy Efforts
 - \$1.5 billion for Prop 51 bond sales in FY 2019-20
 - Coalition to Repair Our Schools Now - Grassroots campaign



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Proposition 51 Advocacy Strategies, Cont'd.

- ▶ Colleges should engage in the legislative process
 - Budget subcommittees
 - Legislative delegations
 - Letter-writing campaigns
- ▶ *Cultivate your champions!*
- ▶ Request funding for all projects on the BOG Spending Plan, *including your own*
 - Constituents make the issue real



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2020–21 and Beyond: Capital Outlay

- ▶ Chancellor’s Office is reviewing FPPs for 2020–21 funding allocation
- ▶ New methodology for funding, to address the achievement gap/Vision for Success?
 - Target to low income, regions of low performance
 - Consideration for Assessed Valuation?
- ▶ CCFC Believes
 - All colleges should have the ability to access the State capital outlay program
 - The program should fund true facility needs
 - The state role is broader than addressing health and safety



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BOG Priority Categories

- ▶ Priority funding categories:
 - A. Health and Safety – *Highest Priority* – up to 50% of available funds
 - B. Growth – Instructional Space – 50% remaining
 - C. Modernize – Instructional Space – 25% remaining
 - D. Complete Campus – 15% remaining
 - E. Growth – Instructional Support – 5% remaining
 - F. Modernize – Instructional Support – 5% remaining
- ▶ Working group evaluating:
 - CCI adjustment
 - Updating funding categories
 - Aligning project prioritization with Vision for Success



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2019–20 Budget Proposal: Other Facilities Issues

- ▶ Deferred Maintenance and Instructional Equipment
 - No new funding?
 - Colleges received \$28.4 million in 2018–19
- ▶ The return of member requests
- ▶ Proposition 39 energy efficiency program
- ▶ Zero Net Energy

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2020 School Bond

- ▶ AB 48 (O'Donnell)
 - Legislative vs. initiative process
- ▶ K–14
 - UC and CSU?
 - Preschool? Early childhood education?
- ▶ Programs TBD
- ▶ Dollar amounts TBD
- ▶ Two bonds
 - 2020 & 2022
 - Bridge to long-term sustainable funding source for facilities?
- ▶ Stakeholders will negotiate the details
 - Education, business, labor, developers, children's advocates
- ▶ Fundraising efforts are beginning

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Design-Build Authorization

- ▶ Design-build authorization sunsets Jan. 1, 2020
 - Education Code Sections 81700–81709
 - SB 614 (2007) created authority for all CCDs
- ▶ K-12
 - Expires Jan. 1, 2025
 - Skilled workforce provisions added in 2015
- ▶ Path to success
 - Omnibus bill?
 - Trailer bill?
 - Standard policy bill?

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2018 Policy Issues & Legislation

- ▶ AB 2249 (Cooley): CUPCCAA – *Signed into Law*
 - Increases CUPCCAA informal bid limits in statute
 - No-bid cap from \$45k to \$60k
 - Increase informal bid level for projects between \$45k and \$175k to projects between \$60k and \$200k
 - Increase the formal bid level to any project over \$200k
- ▶ AB 2785 (Rubio): Lactation Accommodation – *Signed into Law*
 - States that community colleges shall provide reasonable accommodations for lactating students
 - Requires a sink in the accommodation space upon construction of a new campus/building or renovation/replacement of existing buildings
 - CCFC negotiated amendments to sink mandate
 - Sink triggered when work is \$5 million or more, involves plumbing
 - Only one space per campus required to have a sink

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AB 195 (Obernolte) [2017] – Local Bond Ballot Labels

- ▶ Chaptered in 2017; applies to local bonds
- ▶ Requires local ballot measures that impose a tax or raise the rate of a tax to include:
 - The rate and duration of tax to be levied
 - The amount of money to be raised annually
- ▶ Polling shows 5 to 15% reduction in support with this language
 - Confused voters default to “NO” vote
 - Compliance takes up a significant number of 75 words
- ▶ CCFC asked for a fix in budget trailer bill
 - SB 863 would provide two-year suspension for bonds
- ▶ Legislature did not pass bill in time to meet Aug. 10 county filing deadline
 - CCFC pivoting to permanent solution in 2019



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2019 Policy Issues

- ▶ Priority funding categories/targeting bond dollars
- ▶ 2020 bond development
- ▶ Design-Build reauthorization
- ▶ Contracting: risk/liability/indemnity
- ▶ Stormwater
- ▶ Skilled workforce/apprenticeships
- ▶ Safety and security
- ▶ Zero Net Energy
- ▶ Wildfire preparedness and disaster response
- ▶ Climate change/resiliency



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Questions?

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