

**CALIFORNIA COMMUNITY COLLEGES
SYSTEM OFFICE**

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Memorandum

September 2, 2008

**FP 08-03
(Via E-Mail Only)**

TO: Chief Business Officers
Facilities Planners
Other Interested Parties

FROM: Frederick E. Harris, Assistant Vice Chancellor
College Finance and Facilities Planning

SUBJECT: Impact of no State Education Bond in 2008

Hopefully it comes as no surprise that a statewide education bond for 2008 will not be on the ballot in November. As a result, the Legislature also removed from the 2008-09 Budget any projects that relied upon the passage of a November 2008 bond. This left the system with a 2008-09 budget that included only eight new start projects funded with existing bond funds, including seven A category projects and one category B project. A copy of the final 2008-09 Spending Plan is attached.

These events also impacted the 2009-10 Capital Outlay Spending Plan because it too relied heavily upon the passage of the November 2008 bond. The 2009-10 spending plan was therefore revised and reduced to include only those projects that could be funded with existing bond funds. To accomplish this, the "unfunded" 2008-09 FPPs were combined with the 2009-10 FPPs to compete for existing bond funds in the 2009-10 budget. Project calendars for the 2008-09 projects were revised and costs updated to the appropriate CCCI.

This resulted in a revised 2009-10 spending plan that included twenty-nine projects at approximately \$224 million in project costs. The plan includes 10 continuing projects at \$179 million and 19 new start projects at \$45 million. Local funding contributes another \$47 million to the state funded projects. Please find attached the revised 2009-10 Spending Plan.

2008-09 and 2009-10 FPPs

The 2008-09 and 2009-10 projects that did not make the cut for the revised 2009-10 spending plan were then rolled forward into the 2010-11 project pool to compete for state funds.

- Districts may revise project proposals for changes in scope and costs but must be prepared to act quickly. The new FPPs should include revised space and cost information, as well as schematics if required. Please note that scope changes will only be accepted within reason, i.e. the revised project should be similar to original project concept (no Child Development projects turning into Field Sports, etc.). The revised FPPs must be submitted to the System Office no later than September 30, 2008.
- If there are no changes to project scopes, the project calendar and costs will be updated to CCCI 5065 and EPI 2894 by your district's FPU Specialist.
- Priority points will be recalculated based on the 2010-11 5-year capital outlay plans.
- Districts may make changes to the priorities shown in the 5-Year Capital Outlay plan due to the changes in 2008-09 and 2009-10 project proposals.

Energy Efficiency Incentives (applies to 2008-09, 2009-10, and 2010-11 FPPs that will compete for funding in 2010-11)

- This is new and may not have been included in your original submittal. We will assume that you want to take advantage of it, and therefore we will add the 2% for new construction and 3% for modernization projects energy incentive for building costs only (i.e. line 4e and/or 4f on the JCAF32) as a placeholder. Please find enclosed the Board of Governors Energy and Sustainability Policy adopted in January 2008 for more information on these incentives.
- We will also calculate the energy incentive at CCCI 5065 and inflate it to midpoint of construction.
- The energy incentive amount will be funded entirely by the state and will not be included in the points calculation for local contribution.
- If your project is recommended for Scope Approval, we will work with you to update the necessary sections of the FPP. If you indicate to us that you choose not to pursue the energy incentive AND your project is recommended for Scope Approval, the 2-3% energy incentive funds will subsequently be removed from the project budget at that time.

2010-11 Proposals

- Changes to project scope will not be allowed.
- Changes in project costs will be limited to adjustments for CCCI increases, energy efficiency incentives and inflation to midpoint of construction.

Design Build

- Only those districts that have successfully completed a locally funded Design Build project are eligible to use the Design Build delivery method on a state funded project.
- We will contact eligible districts if/when their project makes the Scope Approval list to determine if there is a desire to pursue the Design Build delivery method in 2010-11.

If you have any questions or comments, please contact your district's System Office Facilities Specialist.

Enclosures