

## **2010-11 COMPREHENSIVE FIVE-YEAR CAPITAL OUTLAY PLAN**

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### ***ACTION***

**Presentation:** *Erik Skinner, Vice Chancellor  
College Finance & Facilities Planning*

### **Issue**

This item requests approval of the 2010-11 Comprehensive Five-Year Capital Outlay Plan pursuant to the requirements of Government Code sections 13101-13103.

### **Background**

Government Code Section 13102 requires the Governor to annually submit a five-year capital infrastructure plan to the Legislature in conjunction with the annual Governor's Budget. To accomplish this, each relevant entity of state government must provide to the Department of Finance (DOF) information related to capital infrastructure needs and costs for the ensuing five-year period.

The California Community Colleges (CCC) comprises the largest postsecondary system of education in the world. The CCC system served over 2.8 million students during academic year 2007-08 at 72 districts encompassing 110 campuses, 70 approved off-campus centers and 22 separately reported district offices. These assets include 22,900 acres of land, 4,709 buildings and 64 million gross square feet of space that includes 42.2 million assignable square feet. The system also holds classes at innumerable off-campus outreach centers at various locations.

### **Projected Enrollment for the CCC System**

The DOF projects significant increases in enrollment for higher education over the next decade. The DOF November 2006 enrollment projections (DOF did not produce a 2008 series for higher education) for postsecondary enrollment project total enrollment growth of approximately 476,000 students over a 10-year period (2005-2015), including approximately 394,000 students for the CCC system. Based on this projection, approximately 83 percent of the enrollment growth in higher education over the next decade will occur in the community college system.

### **Funding Resources for Systemwide Facility Needs**

Funding for CCC facilities has come from a combination of state and local resources. Up until November 2000, state funding for facilities was derived primarily from state general obligation bonds as follows.

<u>Date</u>	<u>Source</u>	<u>Amount</u>
November 1998	General Obligation Bond Proposition 1A	\$799 million
November 2002	General Obligation Bond Proposition 47	\$746 million
November 2002	Lease Revenue Bonds Chapter 33, Stats 2002	\$170.5 million
March 2004	General Obligation Bond Proposition 55	\$920 million
November 2006	General Obligation Bond Proposition 1D	\$1.507 billion

### **Local Funds**

Since the enactment of Proposition 39 in November 2000, 64 local district bonds totaling \$22.8 billion have been approved. Proposition 39 lowered the required voter approval threshold from two-thirds to 55 percent.

### **Analysis**

#### **2010-11 Five-Year Capital Outlay Plan**

The System Office prepared the 2010-11 Five-Year Capital Outlay Plan consistent with the provisions of Government Code sections 13101-13103. The five-year plan is submitted to the Department of Finance in conjunction with the 2010-11 capital outlay budget.

### **Characteristics of the 2010-11 Five-Year Plan**

The five-year plan has been developed to meet the requirements of Government Code sections 13101-03 as described in DOF's *Five-Year Infrastructure Planning, A Manual of Procedures*. The report can be found at <http://www.dof.ca.gov/html/budlettr/BL00-18.doc>. Staff in the Chancellor's Office Facilities Planning Unit has evaluated each district's plan with respect to:

- funding priorities for the system per the Board of Governors priority criteria;
- capacity load ratios (i.e., existing facility capacity to enrollment load) for the various space types at each campus; and,
- the district's ability to successfully complete projects within the time frame.

### **2010-11 Five-Year Capital Outlay Plan Highlights**

For the period from 2010-11 through 2014-15, the CCC system has a projected need of \$18.6 billion in capital facilities from a combination of state and local funds. This represents a \$1.0 billion increase (6 percent) over the five-year period, 2009-10 through 2013-14. Of the \$18.6 billion, \$11.1 billion is for construction of new facilities for enrollment growth and \$7.5 billion for modernization of existing facilities. An additional \$9.3 billion of currently identified facilities needs are deferred to future years with \$4.1 billion of out-year costs for continuing phases of projects started within the five-year plan time frame and \$5.2 billion of need carryover into subsequent plan years, primarily for modernization projects. At this time, the total unmet facilities needs for the community college system have been estimated at approximately \$27.9 billion, a 5 percent increase over the five-year period, 2009-10 through 2013-14.

### **Ten-Year Systemwide Capital Outlay Needs**

The plan contains an analysis of the ten-year (2010-11 to 2019-2020) facilities needs for the community college system. This 10-year need is estimated to be approximately \$36.3 billion which includes the \$18.6 billion identified in the 2010-11 Five Year Capital Outlay Plan.

**Year Round Operations and Space Utilization** A discussion on space utilization and year-round operation is included in the plan. In addition to the primary term enrollment (Fall and Spring terms), many community college districts offer both Summer and Winter term instruction. In 2007-08, 1,074,000 community college students attended Summer and Winter session representing 62 percent of the average primary term student enrollment. This indicates year-round operation at the community colleges is robust and will continue to be an important factor in the analysis of overall facilities needs.

**Recommended Action**

That the Board of Governors approves the 2010-11 Five-Year Capital Outlay Plan as presented.

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