



2018 REPORT

2019-20 Five-Year Capital Outlay Plan

California Community Colleges Chancellor's Office | Eloy Ortiz Oakley, Chancellor



June 24, 2018

The Honorable Edmund G. Brown, Jr.
Governor of California
State Capitol
Sacramento, CA 95814

RE: Report on California Community Colleges Five-Year Capital Outlay Plan for 2019-20

Dear Gov. Brown:

The California Community Colleges Chancellor's Office and the Board of Governors are pleased to release the *2019-20 Five-Year Capital Outlay Plan for the California Community Colleges*. The California Community Colleges has more than 2.1 million students enrolled in its 72 districts, 114 college campuses and 78 approved educational centers. The infrastructure used to facilitate its educational programs and administrative operations includes more than 24,525 acres of land, 5,920 buildings and 87 million gross square feet of space that includes 54 million assignable square feet of space.

To support community college districts grow and improve their educational facilities, the Facilities Planning Unit of the California Community Colleges Chancellor's Office annually reviews and approves local Five-Year Capital Outlay plans as part of the Capital Outlay grant application process. The Facilities Planning Unit also works alongside the Board of Governors of the California Community Colleges to develop an annual systemwide Five-Year Capital Outlay Plan Pursuant to California Regulation and Education Code. The Five-Year Capital Outlay Plan is presented to the California Legislature in conjunction with the governor's budget, and it clarifies statewide needs and priorities of the California Community Colleges.

We believe that proper educational facilities play a vital role in supporting the goals and commitments outlined in the *Vision for Success*. The *Vision for Success* permeates all functional areas of our community colleges, as it requires a combination of strategies and the coordinated efforts of tens-of-thousands of individuals both inside and outside the California Community Colleges. The Vision for Success is best articulated by its seven core commitments:

- 1.) Focus relentlessly on students' end goals.
- 2.) Always design and decide with the student in mind.
- 3.) Pair high expectations with high support.
- 4.) Foster the use of data, inquiry and evidence.
- 5.) Take ownership of goals and performance.
- 6.) Enable action and thoughtful innovation.
- 7.) Lead the work of partnering across systems.

In the context of facilities planning and capital outlay, the core commitments of the Vision for Success inspires and informs our work to create learning facilities that enhance the opportunities for our students to successfully achieve educational goals. While this *2019-20 Five-Year Capital Outlay Plan* offers important technical information about statewide community college facilities planning and priorities, it also demonstrates our intent to provide our students with the best possible educational learning environment.

Thank you for your interest and support in serving our students.

Sincerely,

A handwritten signature in black ink, appearing to read 'EOO', with a stylized, looping flourish extending from the end.

Eloy Ortiz Oakley, Chancellor

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2019-20

FIVE-YEAR CAPITAL OUTLAY PLAN

I. INTRODUCTION

The California Community Colleges is the largest postsecondary educational system in the United States. The California Community Colleges serves 2.1 million students annually; this represents 20 percent of the nation's community college students and more than 70 percent of California's public postsecondary undergraduate students in both vocational and academic programs. The system consists of 72 community college districts encompassing 114 colleges, 78 approved off-campus centers and 24 separately reported district offices. The system assets include more than 24,525 acres of land, 5,920 buildings and more than 87 million gross square feet of space that includes more than 54 million assignable square feet of space. In addition, the system has many off-campus outreach centers at various locations.

Background

Compliance with California Government Code. California Government Codes (GOV) §§ 13100-13102 require the governor to annually submit a five-year capital infrastructure plan to the Legislature in conjunction with the governor's budget. To accomplish this, every entity of state government is required to provide to the California Department of Finance (Department of Finance) information related to capital infrastructure needs and costs for a five-year period.

Compliance with California Education Code. Additionally, California Education Code (EDC) §§ 67501 and 67503 require the California Community Colleges Chancellor's Office to prepare a five-year capital outlay plan identifying the statewide needs and priorities of the California Community Colleges.

Summary of Results

Total Facilities Needs and Costs. The 2019-20 Five-Year Capital Outlay Plan (Five-Year Plan) for the California Community Colleges covers the period from 2019-20 through 2023-24, and its total is **\$23 billion** (see Table 1, Section B). This amount includes **\$9.4 billion** for construction of new facilities for enrollment growth and **\$13.6 billion** for modernization of existing facilities.

In addition to capital facility needs, the California Community Colleges has **\$7.4 billion** of facilities needs to be deferred to future years (see Table 1, Section C). This amount includes **\$5.9 billion** of out-year costs for continuing phases of projects started within the Five-Year Plan period and **\$1.5 billion** of need carried over into subsequent plan years, primarily for modernization projects. Please see Table 2 to understand how these deferred facilities needs and costs are distributed.

Currently, the total unmet facilities needs for the California Community Colleges are approximately **\$30 billion** for the five-year period of this plan (see Table 1, Section A). The total facilities needs for the next 10 years, including the \$30 billion of unmet capital facility needs identified in this Five-Year Plan, are approximately **\$42.5 billion**.

Table 1 — TOTAL FACILITIES NEEDS AND COSTS

Section	Category	Assignable Square Feet (ASF)	Costs
A: Unmet Facilities Needs	New Facilities for Enrollment Growth	7,081,091	\$10,900,700,000
	Modernization of Existing Facilities	29,460,172	\$19,504,503,000
	Total Unmet Needs	36,541,236	\$30,405,274,000
B: Proposed Facilities in 5-Year Plan	New Facilities for Enrollment Growth	7,219,606	\$9,447,838,000

Section	Category	Assignable Square Feet (ASF)	Costs
	Modernization of Existing Facilities	25,327,625	\$13,563,323,000
	Total Proposed Facilities	32,547,258	\$22,984,161,000
C: Deferred Facilities Needs	New Facilities for Enrollment Growth	—	\$1,452,933,000
	Modernization of Existing Facilities	4,132,520	\$5,968,180,000
A-B = C	Total Deferred Needs	4,132,520	\$7,421,113,000

Table 2 — DEFERRED FACILITIES NEEDS & COSTS

Section	Category	Assignable Square Feet (ASF)	Costs
C1: Continuing Phases of Projects Started in Plan	New Facilities for Enrollment Growth	N/A	\$1,452,933,000
	Modernization of Existing Facilities	N/A	\$3,547,362,000
	Total Continuing Phases		\$5,000,295,000
C2: Need Carryover	New Facilities for Enrollment Growth	—	\$—
	Modernization of Existing Facilities	4,132,520	\$2,420,818,000
	Total Need Carryover	4,132,520	\$2,420,818,000
C1 + C2 = C	Total Deferred Needs	4,132,520	\$7,421,113,000

Areas of Understatement. The estimated **\$30 billion** of the California Community Colleges' systemwide total unmet facilities needs and costs is conservative. The cost estimates used to determine systemwide needs are potentially understated in the

following ways (systemwide facilities needs and costs will be discussed in detail in the body of the report):

- The average cost for all space types is used to estimate costs. The average includes the less expensive space types, while the facilities needed by the California Community Colleges are projected to include the more expensive space types (e.g., laboratory and library space).
- Site development costs are not included in the cost estimates because it is impossible to approximate the average site cost per assignable square foot since site development costs vary substantially from project to project.
- For the statewide modernization projects, it is assumed buildings more than 25 years old will be modernized at 75 percent of the cost of a new building. Since many of California community colleges' buildings are more than 30 years old, it is likely that many of the buildings will need to be dropped and replaced at a significantly greater cost rather than if they were to be remodeled.

Characteristics of the Five-Year Plan

This Five-Year Plan was developed to meet the requirements of GOV §§ 13100-13102 and EDC §§ 67500-67503. Individual projects have been evaluated with respect to:

- Funding priorities for the system per the Board of Governors of the California Community Colleges (Board of Governors) priority criteria.
- Capacity/load ratios (i.e., existing facility capacity to enrollment load) for the various space types at each campus.
- The district's ability to successfully complete projects within the timeframe of the plan.

The first year of the plan, 2019-20, consists of 187 projects totaling \$1.8 billion. These projects include 59 state-funded projects at \$880 million (\$555 million of state funding; \$325 million of local funding). The remaining 128 projects are funded locally by districts at an additional \$1.8 billion (please see Appendices B.1 and C.8.2). The subsequent four years of the Five Year Plan will be scheduled based on facility needs and logistics, regardless of funding availability. Rather than relying on an approach that reflects available funding, scheduling accurately demonstrates the unmet facility needs of the California Community Colleges.

Plan Constraints. The California Community College Chancellor's Office (Chancellor's Office) continues to refine the Five-Year Plan to quantify and articulate all the capital infrastructure needs of the community college system to the greatest extent possible pursuant to GOV and EDC requirements. Additionally, districts have made progress in submitting individual five-year plans that reflect actual unmet capital needs with more accuracy, and these efforts are reflected in this plan.

Despite this progress, the local five-year plans do not completely represent the unmet capital needs of the California Community Colleges. The Chancellor's Office will continue to estimate a portion of the unmet needs throughout the system and, in consultation with the Association of Chief Business Officers (ACBO) Facilities Task Force, identify best practices and streamline existing processes in order to ensure high-quality district capital outlay planning.

Methods to Support Districts with the Capital Outlay Process.

In partnership with the ACBO Facilities Task Force and system stakeholders, the Chancellor's Office has implemented the methods listed below to support districts with the capital outlay process:

FUSION. The Facility Utilization Space Inventory Options Net (FUSION) and the latest step in its evolution, FUSION2, is a web-based project planning and management tool. The districts initiated the development of this system to assist with facilities planning efforts. The core of the data system is the Facilities Condition Assessment, which is completed for all buildings in the community college system. This assessment is provides a wealth of data regarding the modernization needs. Districts are also able to use other components of this tool for project planning, project management and administration. Additionally, FUSION supports other activities that will assist in identifying needed facilities and bringing those facilities on line in an efficient manner.

Ready Access. The "Ready Access" program is a tool initiated by the Chancellor's Office to streamline the capital outlay process, thereby bringing facilities online faster and at a lower cost. The Ready Access program provides lump sum state funding for all project phases in one Budget Act appropriation. The goal of Ready Access is to save state bond dollars, with no cost to the California General Fund, while also allowing local community college districts to complete their projects faster to address growth and modernization facility needs. The program saves the state money because a local contribution to offset state supportable costs is required for districts to participate in the program and by shortening the period to complete projects by at least one year. There

is no change to the administrative and legislative oversight of capital outlay projects under the Ready Access program.

Design-Build. In an effort to reduce costs and expedite projects, California Community Colleges received approval to take advantage of opportunities that may be provided by the Design-Build project delivery system. Design-Build allows a district to enter into a single contract with a design-build entity for design and construction of a building. Senate Bill 614, enacted in 2007, gave all community college districts the option to enter into design-build contracts for state and/or locally funded projects exceeding \$2.5 million. Senate Bill 1509 extended the authority of community college districts to use the design-build delivery system to January 1, 2020.

The Role of the Board of Governors and the Chancellor's Office in Administering the Statewide Capital Outlay Program

Review and Approval of District Projects

Project Submittal Process. To apply for state capital outlay funds, community college districts annually submit project proposals to the Chancellor's Office in two parts. The first part, an Initial Project Proposal, is a three-page concept paper used by the Chancellor's Office for systemwide need analysis and prioritization. This step in the screening process allows the Chancellor's Office to assess accurately the district's capital outlay needs on a systemwide priority basis before there is a significant investment of time and money in projects by the districts. Projects are submitted to the Chancellor's Office for review by July 1 using the three-page Initial Project Proposal form. After evaluating the proposals, the Chancellor's Office notifies the districts of those proposals to be developed into Final Project Proposals, which are due the following year for possible submission to the Board of Governors for project scope approval.

The second part of the capital outlay process, the Final Project Proposal, is a fully developed project proposal that is to be considered for inclusion in the governor's budget. The Final Project Proposal provides justification for the project and budget detail. Additionally, it describes the proposed project's relationship to the district's comprehensive education and facility master plans. Final Project Proposals include an analysis of viable alternatives to the proposed project.

Board of Governors Priority Criteria. “Project scope approval” is defined as a project that meets the Board of Governors criteria for prioritizing capital outlay projects and may be eligible for funding pursuant to the requirements, standards, and guidelines outlined in the Education Code, title 5, *California Code of Regulations*, the *Board of Governors of the California Community Colleges Policy on Utilization and Space Standards*, the *State Administrative Manual/Capitalized Assets*, § 6800 *et seq.*, and the *Facilities Planning Manual*.

Final Project Proposals for funding consideration in 2019-20 were submitted to the Chancellor’s Office in July 2017. Chancellor’s Office staff use the Board of Governors Capital Outlay Priority Criteria to rank capital outlay projects. Requests for life-safety projects (A1) are of highest priority, followed by requests for equipment to complete projects (A2), followed by requests that address seismic deficiencies or potential seismic risk in existing buildings (A3), and infrastructure projects, when failure or loss would otherwise result (A4). The Capital Outlay Priority Criteria provides that no more than 50 percent of state funds available for community college capital outlay projects be committed to address Category A projects.

Once continuing phases of previously funded projects and new Category A projects are prioritized, projects in the remaining categories are prioritized based on various factors using the priority criteria. The funding configuration for categories B-F is as follows:

BOARD OF GOVERNORS PRIORITY CRITERIA

Category Code	Category	Funding Formula
B	Increase Instructional Capacity	50 percent of remaining funds after funding Category A projects.
C	Modernize Instructional Space	25 percent of remaining funds after funding Category A projects.
D	Complete Campus Concept	15 percent of remaining funds after funding Category A projects.
E	Increase Institutional Support Services Capacity	5 percent of remaining funds after funding Category A projects.
F	Modernize Institutional Support Services Space	5 percent of remaining funds after funding Category A projects.

Based on the Chancellor's Office review of the Final Project Proposals, the eligible "new start" (versus continuing) projects are prioritized and presented to the Board of Governors annually for review and approval of project scope.

Funding Approval Process. The Chancellor's Office develops and submits an annual Capital Outlay Spending Plan to the Department of Finance to be considered for funding in the next budget cycle, with a prioritized list of scope-approved projects previously discussed. Chancellor's Office staff use eligibility points to rank projects (highest to lowest) to place into Categories B through F. The Capital Outlay Spending Plan traditionally includes a maximum of one project from any Category B through F per authorized site per year, with the exception of Category A projects that address health and safety, seismic or infrastructure failure problems. However, to provide as many districts as possible the opportunity to compete for state bond funds, current policy allows one project from any Category B through F per site for a two-year period. If more than one project is eligible for potential funding from Categories B through F per authorized site, the project with the highest local ranking from the district's five-year capital outlay plan is proposed for state funding. Category A projects have been prioritized, so they are not subject to the two-year rule established for the other categories. Annual funding of these projects is contingent upon their ability to meet the governor's priorities and the availability of funds to meet continuing needs. The Administration and Legislative Budget Committees scrutinize all capital construction projects to determine if projects meet current priorities (i.e., seismic, life-safety, vital infrastructure, major code deficiencies and increased instructional access).

The annual Capital Outlay Spending Plan developed by the Chancellor's Office is prepared using a **"zero-based" budgeting method** in which all proposals eligible to compete in a specific fiscal year are evaluated to determine that the highest priority projects are included in the spending plan based on the funds available. Final Project Proposals not included in a specific year's spending plan must compete in a subsequent budget cycle. Between budget cycles, districts may update or modify the proposals as needed to reflect changing local needs or priorities. Final Project Proposals that are submitted for state funding but do not receive appropriations in a Budget Act have no special standing in subsequent budget cycles.

Other Board of Governors and Chancellor's Office Capital Outlay Responsibilities

Future Capital Outlay Needs. The Chancellor's Office has done an analysis of the total facilities needs for the California Community Colleges over the next 10 years (2019-20 through 2028-29) (**Appendix G**). The total facilities needs for the next 10 years, including the **\$30 billion** of unmet capital facility needs identified in this Five-Year Plan, are estimated at approximately **\$42.5 billion**. For the purposes of this plan, the Chancellor's Office conservatively estimates that \$23.2 billion of local bond funds remain uncommitted to fund state supportable projects. Current and future local bond funds from the Smaller Classes, Safer Schools, and Financial Accountability Act will fund more than 40 percent of state-supportable facilities and 100 percent of non-state supportable facilities such as parking lots/garages, stadiums, cafeterias, bookstores and health centers. The need for facilities to be funded by future state general obligation bonds, after adjusting for the estimated \$23.2 billion of local bond funds that remain uncommitted and the \$590 million from the 2016 state general obligation bond, is **\$18.7 billion**. This amount equates to a need for **\$3.7 billion** of state general obligation bond funding every two years. Given this great need, the state must continue to work closely with the districts to appropriately allocate scarce resources to adequately address the needs of California's community college students.

Statewide General Obligation Bonds. Previous state general obligation bond funds for community colleges – \$745.8 million in Proposition 47 (2002), \$920 million in Proposition 55 (2004), and \$1.5 billion in Proposition 1D (2006) – either were spent or committed to projects. The most recent Proposition 51 (2016) provides \$2 billion of state bonds for funding community college projects.

The Smaller Classes, Safer Schools, and Financial Accountability Act (Proposition 39) – Local Funds. The funding for community college facilities is a responsibility shared by the state and local community college districts. The primary source of financing for the local share of construction costs is voter-approved local bonds. From June 1998 through November 2000, when bond measures required two-thirds voter approval, only 10 community college districts passed local bonds, providing \$875.5 million for community college facilities. Since passage of the Smaller Classes, Safer Schools, and Financial Accountability Act (Proposition 39), voters have approved 122 of 142 (86 percent) local bond measures – including the passage of 2016 local

bond measures which provides \$10.3 billion for 18 districts – authorizing \$39.1 billion in bonds for 68 of 72 community college districts.

Voluntary Local Contribution. The Board of Governors adopted criteria for prioritizing capital outlay projects that emphasizes a “least cost to the state” policy. The “least cost to the state” policy stretches scarce state resources to help meet enrollment growth and modernization needs by providing an incentive for districts to contribute local dollars to projects.

In the 2019-20 Capital Outlay Plan, 53 of 59 (90 percent) projects proposed (please see Spending Plan) for 2019-20 provide for a local contribution. The total cost for supporting the 19 continuing and 40 new start projects for 2019-20 equal \$880 million, with \$555 million in proposed state funding and \$325 million in local contributions. This amount reflects a local “system” contribution of 36.9 percent. Local contributions will provide another \$528 million in 2020-21 to complete these projects. Additionally, districts construct many projects using only local funding. An additional \$1.8 billion in projects is funded with local funds in 2019-20. Please see Appendix B.1 for more detail.

The local bonds must be used to fund non-state supportable but educationally essential capital outlay such as land acquisition, parking, cafeterias, bookstores and health centers. Land acquisition is particularly significant because the land costs can be equal to or greater than the cost of the buildings depending on the area where the district is located.

Additionally, the California Community Colleges does not augment project costs once costs are approved in the Budget Act. Therefore, cost overruns at bid award are paid for by the district. Since this happens later in the process, these additional local contributions cannot be captured in this plan.

II. IDENTIFY DRIVERS OF NEED

Factors Impacting Enrollment Demand

Enrollment at California community colleges peaked in 2008-09 with 2.7 million students. In a normal economic environment, the enrollment level would have been on an upward trend, as more students sought enrollment in a community college campus. However, due to the state's budget deficit from declining tax revenues, California Community Colleges faced a \$1.5 billion budget reduction, resulting in a 25 percent reduction of course offerings and a 22 percent drop in enrollment. Student enrollment decreased from 2.7 million students in 2008-09 to 2.1 million students in 2013-14.

In November 2012, California voters passed Proposition 30, the Schools and Local Public Safety Protection Act of 2012, which provides additional tax revenue to California's education budget through fiscal year 2018-19. In addition, in November 2016, voters passed Proposition 55, which extended the collection of personal income tax revenue, without a sales tax component, to California's education budget through 2030. The increased funding from Propositions 30 and 55 helps California Community Colleges maintain access to students and be better positioned to meet the increasing demand for college-educated workers.

This systemwide California Community Colleges 2019-20 Five-Year Capital Outlay plan identifies a current need for approximately 7 million additional assignable square feet before taking into consideration additional enrollment growth forecasted in the plan. This translates to new classrooms and laboratories currently not available to offer course sections in green technology, workforce development, and other vital educational programs. Additionally, they are not available to provide transfer courses that students need to continue their education at public universities.

The capital outlay needs of the community college system are so great that any temporary downturn in enrollment will only delay, rather than decrease, the system's need for capital facilities. Historical trends indicate that California Community Colleges enrollment will continue to increase, and there is a current need for new and modernized facilities.

Additionally, the EDC provides that students have "free flow" access to all community college sites. Therefore, students are not restricted to any specific geographic area and can attend college at any campus in the state. While the overall system may appear to have excess facilities capacity, many individual campuses within the system have

severe facility shortages. Therefore, the capacity needs for the system are estimated on a campus-by-campus basis.

Enrollment Projections

California community colleges annually serve 2.1 million students — more than 70 percent of California’s public undergraduate college enrollment — in both vocational and academic programs. This number is the *Actual Unduplicated Enrollment* for the system, and represents the total number of students served in every term of the academic year. The number is “unduplicated” because a student enrolled in fall and spring semester would count as one student.

The estimated fall enrollment of 1.7 million students in 2019-20 guides this Five-Year Capital Outlay Plan. Enrollment is expected to grow to an estimated 1.8 million students in 2023-24, an increase of approximately 114,000 students (see Appendix E).

The Chancellor’s Office calculates enrollment projections and provides them to districts for utilization in the districts’ five-year capital outlay plans.

Enrollment Projection Model

The Research and Planning Group and Chancellor’s Office developed the current enrollment project methodology first implemented during the 2015-16 Five-Year Capital Outlay Plan. The model forecasts enrollment for each district based on a combination of variables including student participation rates, “in district” and “out of district” enrollment, weekly student contact hours to enrollment ratios, and adult population projections based on Geographic Information Systems zip code data. As a result, the model demonstrates less volatility and is a more accurate planning tool for community college facilities.

Table 3 below shows a projection of approximately 6.75 percent growth in enrollment and an 8.2 percent increase in weekly student enrollment contact hours (WSCH) over the Five-Year Plan period. WSCH are “the product of the number of students and the scheduled class periods in which they are enrolled, in graded and ungraded community college classes convened prior to 10 o’clock pm during a census week. A class period is not less than 50 minutes and not more than 60 minutes” (title 5, CCR, §57001(e)). See appendix E.1 for multi-year enrollment and WSCH data.

Table 3 — SUMMARY OF ENROLLMENT AND WEEKLY STUDENT CONTACT HOURS (WSCH)

Category	2019-20	2023-24	Difference	% Difference
Enrollment	1,694,105	1,808,388	114,283	6.75%
WSCH	17,889,900	19,353,660	1,463,760	8.18%

Translate Enrollment Need into Capital Outlay Facilities Requirements

Table 4 shows the need to accommodate the enrollment projected over the next five years. The assignable square footage needs for these space types have been determined based on the enrollment projections, which utilize the formulas provided by the space standards.

Table 4 — GROSS ENROLLMENT NEEDS

Space Category	ASF
Lecture	5,662,740
Lab	12,445,490
Office	7,316,720
Library	5,308,323
AV/TV	1,444,793
Other	22,135,090
TOTAL	54,313,155

“Other” Space

The total enrollment need of the 54 million assignable square footage includes approximately 22 million assignable square footage of “other” space. The space standards lay out the parameters for calculating needed space for lecture, laboratory, office, library and AV/TV based on a comparison of inventory and enrollment at a campus. In addition to the instructional space specified in the space standards, this

Five-Year Plan also must account for the “other” space that comprises the whole of the physical inventory for each campus.

The “other” space consists of both instructional (e.g., physical education, performing arts and child development) and non-instructional support spaces that are essential to fulfilling the educational mission at each campus. However, there are no formulas specified in the space standards to define “other” space by comparing inventory capacity with projected enrollment. Since “other” space is essential to support the various space categories, it must be added to campuses as space increases.

To that end, this Five-Year Plan looks at two different factors to identify the need for “other” space at each campus: campus and system ratios. The first model assesses the physical inventory for each campus to calculate “other” space as a percentage of total space; this is the campus ratio. The physical inventory identifies each campus in the community college system as one of four types: college campus, center, district office or campus with district office. The campus ratio determines how much of the existing inventory is identified as “other” space in relation to total space for each campus.

The second factor of the model assesses the average ratio of “other” space to total space for each of these campus types; this is the systemwide ratio. The system ratio determines, on average, how much of the existing inventory is identified as “other” space in relation to total space for each campus type.

Finally, the model compares the campus and system ratios and bases the estimate of need for “other” space at each campus on the higher of the two ratios. This approach is conservative because the need could be understated if the campus has not yet constructed some of the facilities that are comprised of a majority of “other” space.

With the system ratio, the need for “other” space is based on the average of “other” space for that campus type. This ratio is used to estimate the need for other space for 60 percent of the campuses in the system. The ratios for some campuses are higher and some are lower, and the need for “other” space is essentially being capped by this ratio for more than half the campuses in the system. In the long term, this understates the need for “other” facilities.

III. INVENTORY AMOUNT AND TYPE OF EXISTING SPACE & INFRASTRUCTURE

Current Capacity

The California Community Colleges infrastructure consists of the following:

- 72 districts
- 114 community colleges
- 78 approved off-campus centers
- 24 separately reported district offices
- Many off-campus outreach centers

System assets include:

- 24,525 acres of land
- 5,920 buildings
- 87 million gross square feet of space

These buildings provide the following assignable square feet (ASF) in the various Board of Governors space categories as shown in Table 5 below:

TABLE 5 — NET CAPACITY

Space Category	Current Total Assignable Square Feet (ASF)	Less Excess Capacity	Net Capacity
Lecture	7,925,400	-2,765,499	5,159,901
Laboratory	12,883,035	-2,407,413	10,475,622
Office	8,167,562	-1,955,980	6,211,5825
Library	4,406,196	-235,844	4,170,352
AV/TV	605,581	-55,184	550,397
Other	19,847,000	-2,253,585	17,593,415
TOTAL	53,834,774	-9,673,504	44,161,270

The current capacity of 54 million assignable square feet, detailed in Table 5, is based on the systemwide 2016-17 space inventory reported by the districts. The system's 53

million assignable square feet are adjusted to include projects currently in the pipeline of approximately 1 million assignable square feet.

Excess Capacity

Some campuses within the system have excess capacity in various space categories. While the overall system may appear to have excess facilities capacity, many individual campuses within the system have severe capital facility shortages. Therefore, the capacity needs for the system are estimated on a campus-by-campus basis. Facilities capacity exceeding 100 percent at individual campuses, which is currently approximately **9.7 million assignable square feet** (see Table 5, column 2), were eliminated for the purpose of estimating the need for additional facilities. Using this approach, excess capacity will not artificially decrease the true facilities needs on other campuses.

Previous reports have defined the excess space capacity of the California Community Colleges as having “mismatch” problems. Examples of this “mismatch” are improper size classrooms on a particular campus that do not fit courses planned to be offered in them, antiquated designs that cannot accommodate modern media presentations, insufficient Americans with Disabilities Act required access, or improper wiring for computers or multi-media equipment.

Excess capacity currently comprises approximately 18 percent of the total system capacity. The excess capacity level drops to about 14 percent over the five-year period of the plan (see Appendix C.5). The total net capacity for the system is therefore approximately **44 million** (see Table 5, column 3).

Modernization of Existing Facilities

Systemwide Facilities Needs

The five-year plans submitted by districts do not wholly reflect the total facility needs of the districts. This systemwide plan includes specific projects detailed in the district’s individual five-year capital outlay plans over the same period. However, since there are still systemwide needs that are not reflected in the districts’ individual five-year capital outlay plans, the Chancellor’s Office has estimated some of these systemwide needs on a statewide basis.

The systemwide facilities needs estimated in this section do not add or delete capacity from the system. However, these systemwide needs are in addition to the projects that have been submitted in the districts’ five-year plans, and they must be included in this

analysis to provide a more accurate picture of the California Community Colleges' systemwide facility needs. Specifically, the Chancellor's Office has estimated the systemwide need for modernization of existing facilities, including critical life safety renovations, modernization/renovation and replacement of temporary facilities projects. Table 6 outlines the rules for estimating these needs. Years one through five of the plan include actual projects submitted by districts in the individual district five-year capital outlay plans for these project types, including both state and locally funded projects. The systemwide facilities needs are estimated only after the space impacts of all projects submitted by the districts have been taken into consideration.

Table 6 – SYSTEMWIDE FACILITIES NEEDS METHODOLOGY

Text No.	Driver	Goal	Basis for Determining Need	Projects (@ CCCI 6596) (@ EPI 3560)
I	Critical Life Safety Renovations. ¹ (includes fire/life safety, seismic and infrastructure)	To maintain ongoing funding based on history.	Average statewide spending for the first two years of the 5YP for critical projects. Assignable square feet is not applicable.	2019-20 through 2023-24 Projects identified by the districts with costs (\$502 million in submitted projects by colleges). 2020-21 through 2023-24 One systemwide need project per year (\$475 million in unplanned costs).
II	Modernization/ Renovation	To modernize all permanent buildings more than 25 years old.	Assignable square feet for buildings in bad condition plus assignable square feet for buildings more than 25 years old; projects address buildings more than 40 years old.	2019-20 through 2023-24 Projects identified by the districts with costs. 2021-22 through 2023-24 One systemwide need project per year; projects to start in each year. Cost Formula = ASF x \$588 \$588 = (preliminary plans/ working drawings=\$68, construction=\$520)
III	Replacement of Temporary Buildings	To minimize the use of temporary buildings.	ASF for temporary buildings more than 10 years old.	2021-22 through 2023-24 One systemwide need project per year. Cost formula = ASF x \$852 \$852 = (preliminary plans/ working drawings =\$90, construction=\$693, Demolition=\$69)

¹ Please see the Board of Governors priority criteria and funding approval process for information concerning how the critical life safety projects are reviewed; pages 11-13. To understand the need for critical life safety projects in the 2019-20 Five-Year Plan, please see pages 24-25.

Text No.	Driver	Goal	Basis for Determining Need	Projects (@ CCCI 6596) (@ EPI 3560)
IV	Enrollment (discussed in next section)	To address 100 percent of the enrollment need at all sites, excluding needs met through alternative methods.	Enrollment projections converted to assignable square feet using the space standards adopted by Board of Governors.	<p>2019-20 through 2023-24 Projects identified by the districts with costs.</p> <p>2021-22 through 2023-24 One systemwide need project per year.</p> <p>Cost Formula = ASF x \$838 \$838 = (preliminary plans/ working drawings =\$90, construction=\$693, equipment=\$55)</p>

Costs Estimates

The costs for the additional systemwide needs were estimated based on the California Community Colleges building cost guidelines at California Construction Cost Index (CCCI) 6569. The cost estimates include an allowance for preliminary plans, working drawings and construction. Cost estimates for the replacement of relocatable facilities with permanent facilities include an additional allowance for demolition.

The cost estimates do not include an allowance for site development costs because it is impossible to estimate the average site cost per assignable square feet. After all, site development costs vary substantially from project to project. Cost estimates for the statewide needs are therefore substantially underestimated.

Based on the assumptions provided in Table 6, this Five-Year Plan defines total systemwide modernization needs of **29.4 million assignable square feet** at a cost of **\$19.5 billion**. This includes approximately **\$1.6 billion** for critical life safety renovations, **\$16.9 billion** for the modernization/renovation of permanent facilities and **\$1.7 billion** for the replacement of temporary buildings.

Table 7 — MODERNIZATION OF EXISTING FACILITIES

Modernization of Existing Facilities	Estimated Need ASF	Estimated Need Costs	Five-Year Plan Proposal ASF	Five-Year Plan Proposal Costs	Deferred Facilities Needs Out year	Deferred Facilities Needs Carryover
Critical Life Safety Renovation	N/A	\$977,462,000 ²	N/A	\$977,462,000 ³	\$0	\$0
Modernization/Renovation	27,474,563	\$16,892,921,000	23,645,476	\$11,545,891,000	\$3,175,938,000	\$2,171,092,000
Replace Temporary Buildings	1,985,609	\$1,634,156,000	1,682,176	\$1,013,006,000	\$371,424,000	\$249,725,000
TOTAL	29,406,172	\$19,504,503,000	25,327,652	\$13,536,323,000	\$3,547,36,000	\$2,420.818,000

Because of the magnitude of the system’s modernization needs, the proposal in this Five-Year Plan includes only a portion of the modernization needs of the system. This Five-Year Plan calls for the modernization of only **25.3 million assignable square feet** over the next five years at a cost of **\$13.5 billion**. This amount includes the cost of:

- Critical life safety renovations.
- The modernization/renovation of only those permanent buildings **more than 40 years old** and buildings reported by districts as being in need of major renovation.
- The replacement of temporary buildings more than 10 years old.

This would result in the renovation of the oldest buildings and those in the poorest condition first. The out-year cost of **\$3.5 billion** reflects modernization/renovation projects started in the plan year. The carryover cost of **\$2.4 billion** represents modernization/renovation of 4.1 million assignable square feet of buildings more than 25-years but less than 40-years old and temporary buildings less than 10-years old deferred beyond the plan time frame.

² The \$977 million estimated need costs reflect both \$502 million in projects submitted by California community college districts over the course of the Five-Year Plan and \$475 million in projected costs for unplanned critical life safety projects within this Five-Year planning period.

³ Cf. footnote 2.

Critical Life Safety Renovations — I

Critical life safety means that a building poses imminent danger to the life or safety of the building occupants, has a potential seismic risk or has potential for immediate infrastructure failure. Because of the immediacy of critical life safety issues, many of the projects are funded at the local level. If projects are submitted for state funding and the Chancellor's Office finds that they require state money to mitigate the critical life safety issues, those projects are funded as soon as possible. Therefore, district five-year capital outlay plans typically would not contain unfunded critical life safety projects.

For the purposes of this submittal, the Chancellor's Office has an estimated need of **\$977 million**, which both reflects **\$502 million** from projects by districts during this five-year planning period and the estimated annual costs for critical life safety projects not yet identified on a statewide basis. Since these projects are not always planned, **\$475 million** has been projected for unknown critical life safety projects. The scope of these projects is constrained to only those renovations that mitigate the critical life safety aspects of the facilities, and any building code upgrades required by the Division of the State Architect. Projects that completely modernize existing facilities are estimated below in the Modernization/Renovation category.

Modernization/Renovation — II

More than 62 percent of California Community Colleges facilities are 25 years or older and more than 49 percent are 40 years old or older, and in dire need of renovation and/or modernization (see Exhibit 8A). Districts have tried to maintain their structures to every extent possible by using limited local and/or state resources.

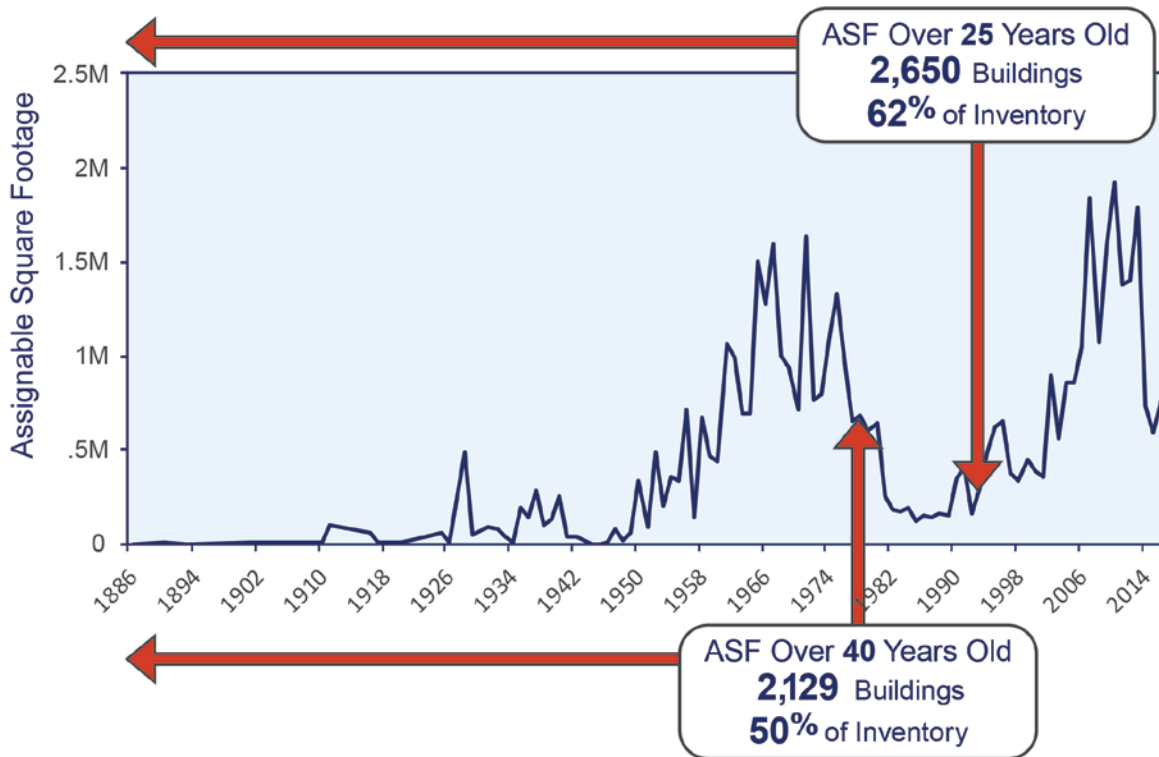
Additionally, due to technological advances, California Community Colleges needs to incorporate more sophisticated technology into its facilities so the system can deliver state-of-the-art instructional programs. To make buildings "smarter" by providing cabling and deliverance systems to the instructional space, major renovations will be required.



Exhibit 8A

PERMANENT

Assignable Square Footage by Year of Construction



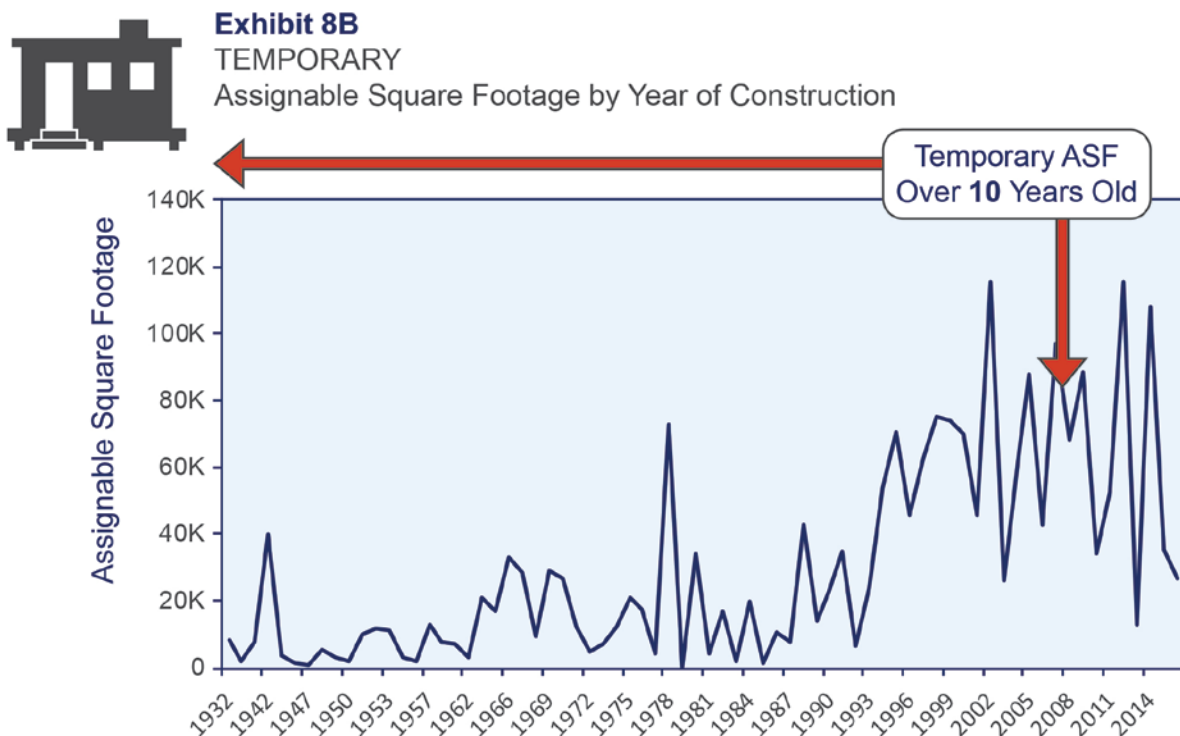
Due to the magnitude of the system's modernization/renovation needs, the proposal in this Five-Year Plan includes only a portion of the modernization/renovation needs of the system. As shown in Table 7, the Five-Year Plan includes **23.6 million assignable square feet** to be modernized over the next five years at a cost of **\$11.5 billion** and includes only those buildings more than 40 years old and buildings reported by districts as being in need of major renovation. The cost estimate for modernization/renovation needs is based on 75 percent of the cost of a new building, excluding equipment (\$588 per assignable square feet).

Replace Temporary Facilities — III

The California Community Colleges inventory includes temporary facilities that are operating far beyond their useful life. It is the policy of the Board of Governors that the districts provide permanent structures rather than relocatable buildings to meet student access requirements. Temporary facilities are not as effective for providing certain

instructional programs, and are more costly to operate and maintain than permanent structures.

Exhibit 8B shows that many of the “temporary” structures on community college campuses were replaced 10 or more years ago. Based on the assumptions provided in Table 6, the Chancellor’s Office estimates the statewide cost for replacing temporary facilities with permanent facilities at **\$1 billion** over the next five years, leaving **\$371.4 million** in out-year costs. This cost assumes that the total **1.7 million assignable square footage** of temporary inventory over 10 years of age will be replaced over the next five years at the average new building cost (\$852 per assignable square feet), with an added allowance for demolition.



IV. UNMET FACILITIES NEEDS

Net Enrollment Need

Table 9 below shows that approximately **10.1 million assignable square feet** is needed to accommodate projected enrollment over the next five years. This estimate is based on the assignable square feet needed to accommodate projected enrollment growth, less than the net capacity currently available to meet that enrollment demand.

Table 9 — NET ENROLLMENT NEED

Space Category	Total ASF Needed Current Deficiency	Total ASF Needed Future Enrollment Growth	Total ASF Needed Total
Lecture	119,402	383,436	502,838
Laboratory	1,104,421	865,447	1,969,868
Office	697,558	407,580	1,105,138
Library	931,900	206,071	1,137,971
AV/TV	868,268	26,128	894,396
Other	3,252,094	1,289,580	4,541,674
TOTAL	6,973,643	3,178,242	10,151,885

Alternative Means of Delivery / Year-Round Operation

A portion of the capital facilities needs identified above can be offset by the use of alternative means of educational delivery. These alternative means of delivery involve modifying various components of the educational delivery process including scheduling, space utilization and alternative instruction.

Scheduling/Space Utilization — I

The California Community Colleges is the most aggressive California public postsecondary segment in the use of alternative scheduling and has been very successful in maximizing the use of existing facilities year-round. The average number of days of instruction for the colleges has increased from 271 days per year in 1996-97 to 294 days for the current 2016-17 fiscal year (Chancellor's Office Management Information Systems report).

Community colleges schedule classes from the early morning through late evening as well as on weekends to provide the required student access. The system also continues to expand course offerings by utilizing off-campus facilities such as leased storefronts, businesses, high schools and other joint-use facilities. Districts continue to provide space for the University of California and California State University systems, and other private post-secondary institutions on numerous campuses and sites.

Year-Round Operations (YRO). For evaluating facility usage, a “term factor” of 1.67 must be used in order to make summer and winter term full-time equivalent students (FTES) comparable to fall and spring FTES due to the shortened length of those terms. For 2016-17, this results in a summer term FTES that is 38.2 percent of the average fall/spring term FTES and winter term FTES that is 11.9 percent of average fall/spring term FTES (see Appendix H).

Alternative Methods of Instruction — II

Alternative methods of instruction such as distance learning are also an important component in providing increased student access for the California Community Colleges. Many districts are actively pursuing online courses as a method of instruction in order to provide greater access for students as well as reducing the need for new facilities.

In 2016-17, distance education full-time equivalent students (164,855) accounted for 14 percent of total full-time equivalent students (1,183,240) compared to 12.6 percent in 2015-16. The Chancellor’s Office is committed to utilizing scarce state resources to the fullest extent possible and has assumed in this analysis that campuses with enrollment deficiencies will meet 10 percent of their total enrollment needs (**-2,668,941 assignable square feet**) through alternative means of delivery as shown in Table 10. The 10 percent is a number from the Long-Range Master Plan for the California Community Colleges and is intended to provide incentive to districts to think first of alternative means of instruction to solve facilities shortages rather than new facilities.

Additionally, systemwide enrollment growth will lead to even greater efficiency in the use of existing capacity and, on average, excess capacity is anticipated to decline over the five years of the plan. Therefore, the amount of the decrease in excess capacity within the five-year period (**-243,338 assignable square feet**) has been offset against the estimate of total facilities needed to accommodate enrollment growth.

Table 10 — UNMET ENROLLMENT NEED

Space Category	ASF to Meet Enrollment Need	Excess Capacity Used to Offset Enrollment Need	Less Alternative Means of Delivery	Unmet Enrollment Need
Lecture	502,838	-207,043	-62,856	232,939
Laboratory	1,969,868	76,502	-484,388	1,561,983
Office	1,105,138	-135,111	-300,230	669,797
Library	1,137,971	4,566	-326,242	816,294
AV/TV	894,396	4,726	-126,405	772,717
Other	4,541,674	13,022	-1,388,820	3,165,877
TOTAL	10,151,885	-243,338	-2,688,941	7,219,606

New Facilities for Enrollment Growth

Therefore, **7,081,091 assignable square feet** is needed at a cost of **\$10.9 billion** to accommodate current and future enrollment as shown in Table 11. This includes individual growth projects, both state and locally funded, submitted by districts for all five years of the plan and identified systemwide facilities needs for each campus for the final three years of the plan. The systemwide facilities needs are estimated only after the space impacts of all projects submitted by the districts have been taken into consideration.

In the previous section, Table 6 summarized the rules for estimating the costs of these new facilities. An average building cost of \$838 per assignable square feet was utilized based on the California Community Colleges building cost guidelines at California Construction Cost Index 6956 and Equipment Price Index 3650. This amount represents the average building cost for all space types and includes an allowance for preliminary plans, working drawings and equipment (PW=\$90, C=\$693, and E=\$55 per assignable square feet).

Table 11 — TOTAL UNMET NEEDS AND COSTS

UNMET NEEDS	ASF	COSTS
New Facilities for Enrollment Growth	7,081,091	\$10,900,770,000
Modernization of Existing Facilities	29,460,172	\$19,504,503,000
Total	36,541,236	\$30,405,274,000

Total Unmet Needs and Costs

Table 11 shows that the total unmet facilities needs for the system are **\$30.4 billion**. Unmet need is comprised of two components: 1) new facilities needed to accommodate current and future enrollment growth and 2) modernization of existing buildings.

V. FACILITIES TO MEET UNMET NEED

Facilities Proposed in Five-Year Plan

New Facilities for Enrollment Growth. This Five-Year Plan includes **\$9.4 billion** for new facilities to accommodate existing and future enrollment as shown in Table 12. This amount includes individual projects, both state and locally funded, submitted by districts for all five years of the plan and identified systemwide facilities needs for each campus for the final three years of the plan.

Table 12 — TOTAL FACILITIES NEEDS & COSTS

Section	Category	Assignable Square Feet (ASF)	Costs
A: Unmet Facilities Needs	New Facilities for Enrollment Growth	7,081,091	\$10,900,700,000
	Modernization of Existing Facilities	29,460,172	\$19,504,503,000
	Total Unmet Needs	36,541,236	\$30,405,274,000
B: Proposed Facilities in 5-Year Plan	New Facilities for Enrollment Growth	7,219,606	\$9,447,838,000
	Modernization of Existing Facilities	25,327,625	\$13,563,323,000
	Total Proposed Facilities	32,547,258	\$22,984,161,000
C: Deferred Facilities Needs	New Facilities for Enrollment Growth	—	\$1,452,933,000
	Modernization of Existing Facilities	4,132,520	\$5,968,180,000
A-B = C	Total Deferred Needs	4,132,520	\$7,421,113,000

Modernization. The modernization needs of **\$13.5 billion** contained within the plan were estimated based on the assumptions discussed in the previous section. As with enrollment projects, this amount includes individual projects, both state and locally funded, submitted by the districts for all five years of the plan and identified systemwide facilities needs for each campus for the final three years of the plan.

Deferred Costs of System Needs

The deferred costs of systemwide needs include out-year costs for continuing projects and need carryover to future plan years as shown in Table 13.

Out-year Costs. The out-year costs to complete continuing phases of projects started but not assumed to be fully funded within the Five-Year Plan period are estimated to be **\$5 billion**. This includes approximately **\$1.5 billion** for new facilities and **\$3.5 billion** for modernization of existing facilities.

Need Carryover. Additional facilities need, including **4.1 million assignable square feet** at a cost of approximately **\$2.4 billion**, have been deferred beyond the period of this Five-Year Plan because the need in this area is too substantial to be accomplished in that time frame. There may also be carryover of new project costs from year-to-year within the Five-Year Plan period in order to accommodate project budgets and scheduling.

Table 13 — DEFERRED FACILITIES NEEDS AND COSTS

Section	Category	Assignable Square Feet (ASF)	Costs
C1: Continuing Phases of Projects Started in Plan	New Facilities for Enrollment Growth	N/A	\$1,452,933,000
	Modernization of Existing Facilities	N/A	\$3,547,362,000
	Total Continuing Phases		\$5,000,295,000
C2: Need Carryover	New Facilities for Enrollment Growth	—	\$—
	Modernization of Existing Facilities	4,132,520	\$2,420,818,000
	Total Need Carryover	4,132,520	\$2,420,818,000
C1 + C2 = C	Total Deferred Needs	4,132,520	\$7,421,113,000

Summary

This Five-Year Plan proposal contains only a portion (**\$23 billion**) of the estimated systemwide facilities needs. An additional **\$7.4 billion** of currently identified facilities needs are deferred to future years as shown in Table 13, with **\$5 billion** of out-year costs for continuing phases of projects started within the Five-Year Plan period and approximately **\$2.4 billion** of need carryover into subsequent plan years; these are primarily for modernization/renovation projects. At this time, the total unmet facilities needs for the California Community Colleges are estimated at **\$30.4 billion**.

VI. CONSEQUENCES OF NOT ADDRESSING IDENTIFIED NEEDS

Enrollment Pressures

In order to assess accurately the needs presented in this report and the potential consequences of not providing the needed facilities, it is necessary to review the role of the California Community Colleges in terms of public postsecondary education. That requires a recap of five important points:

- The California Community Colleges is the largest system of higher education in the United States, and annually services 2.1 million students – 20 percent of the nation’s community college students.
- After enrollment peaked in 2008-09 with 2.7 million students, the system faced a budget reduction of \$1.5 billion, leading to a 22 percent drop in enrollment in 2013-14.
- In November 2012, voters passed Proposition 30 (2012) and Proposition 55 (2016), which provides additional tax revenue to California’s education budget through fiscal year 2018-30. That money is helping the California Community Colleges restore access to millions of students turned away during the Great Recession.
- This systemwide California Community Colleges Five-Year Capital Outlay Plan identifies a current need for approximately **7 million additional assignable square feet** before taking into consideration additional enrollment growth forecasted in the plan.
- The capital outlay needs of the community college system are vast, and any temporary downturn in enrollment will only delay, rather than decrease, the system’s need for capital facilities.

Mission Critical Impacts

The three critical components of the mission of the California Community Colleges include the California Community College Chancellor’s Vision for Success, the four-year institution transfer function and preparation of students for the workforce.

Vision for Success

The California Community Colleges Vision for Success articulates a student-oriented mission to improve our educational system. High-quality educational environments play a vital role in supporting the goals and commitments outlined of this mission. The Vision for Success permeates all functional areas of our community colleges, as it requires a

combination of strategies and the coordinated efforts of tens-of-thousands of individuals both inside and outside the California Community Colleges. This integrated and collaborative approach will enhance education quality and learning environments for students in the community college system.

Transfers

The transfer function is a critical mission of the California Community Colleges, and the system has initiated a host of policies and programs to improve this function. The Student Transfer Achievement Reform Act (SB 1440 Padilla) has enabled the California Community Colleges and California State University to collaborate on the creation of Associate in Arts (AA) and Associate in Science (AS) degree transfer programs that provide a statewide transfer pathway. The Student Success Act of 2012 (SB 1456 Lowenthal) will further help students reach their goal of obtaining a degree or transferring to a four-year institution by providing effective key student services for increasing access and success such as orientation, assessment and placement, and counseling. California Community Colleges transfer students account for 48 percent of the University of California's bachelor's degrees in science, technology, engineering and mathematics.

Workforce Training

The California Community Colleges is the largest workforce-training provider in the state and nation. The U.S. Bureau of Labor Statistics forecasts that occupations that require an associate degree will grow by 17.6 percent from 2012 through 2022. In addition, the Public Policy Institute of California projects that if current trends in the labor market continue, the state will have a workforce shortage of 1.1 million college graduates by 2030. Many students displaced from the University of California (UC) and the California State University (CSU) systems are turning to California Community Colleges to begin their higher education. Approximately 29 percent of UC and 52 percent of CSU graduates started at a California community college.

The system prepares students for careers relative to state and local workforce needs and for entry-level employment, occupational advancement and career changes. The California Community Colleges educate 70 percent of the state's nurses and train 80 percent of firefighters, law enforcement personnel and emergency medical technicians.

The California Community Colleges is committed to helping student veterans attain their educational goals through best practices in areas such as campus-based career development programs, earning college credit for prior learning experiences, promoting

financial aid/scholarships to veterans and understanding transition experiences of women student-veterans at community colleges. The California Community Colleges educate nearly 42 percent of all California veterans who receive GI educational benefits to prepare student veterans for the workforce, earn an associate's degree or transfer to a four-year institution.

Voters in California approved the California Clean Energy Jobs Act (Proposition 39) in November 2012 by the voters of California, providing for the transfer of funds – up to \$550 million annually from the General Fund to the Clean Energy Job Creation Fund for five fiscal years, 2013-14 through 2017-18. Funds appropriated to the California Community Colleges support alternative energy efficiency projects and workforce training to prepare students for careers in the energy efficiency and utility sector through the state of California.

Additionally, Senate Bill 850 (Ch. 747, Stats. 2014) authorized the Board of Governors, in consultation with UC and CSU, to establish a landmark pilot program to meet the needs of the labor market by allowing 15 California community colleges to offer four-year degrees in career technical education not offered by the UC or CSU systems. Some of those programs include health, information management, biomanufacturing, automotive technology and dental hygiene. The Board of Governors selected the 15 pilot districts at its March and May 2015 meetings.

Through the improved transfer function, effective workforce training in emerging industries and the innovative pilot program to offer bachelor's degrees, California Community Colleges will continue to help UC and CSU achieve diversity education goals and reduce facility needs, which California Community Colleges can provide at less cost to the state than the other public postsecondary institutions.

Facilities are an important part of the job-training program. For example, buildings with inadequate electrical capacity cannot prepare students for a computer-based job market, automotive labs with inadequate ventilation cannot be used due to student and staff safety concerns, and science labs with antiquated equipment cannot prepare students for careers in the medical field.

Sustainability

The California Community Colleges and the Chancellor's Office are committed to sustainability and have taken significant measures toward an environmentally oriented future through a number of conservation efforts.

Energy Conservation

The California Community Colleges Investor-Owned Utilities Institutional Partnership was established in 2006 to promote best practices and energy efficient technologies. Current energy code design standards for the California Community Colleges are defined in Title 24 of the California Code of Regulations. The Board of Governors' Energy and Sustainability Policy tasks the California Community Colleges with designing projects that will out-perform Title 24 Energy Standards by a minimum of 15 percent for new construction projects and 10 percent for modernization projects by providing energy incentives of two percent and three percent, respectively, to achieve energy efficiency.

Additionally, investment from the state's local assistance program for addressing maintenance and repair of facilities also supports energy efficiency by replacing and modifying building/campus infrastructure with newer technology and energy saving components that extend the useful life of buildings and promote sustainability.

The California Clean Energy Jobs Act (Proposition 39) has also provided funding for California Community Colleges to implement energy and cost saving projects across the state while creating "green" jobs and workforce training in green technology.

On April 25, 2012, Executive Order (EO) B-18-12 was issued by the Governor and it established targets for achieving Zero Net Energy (ZNE) on new and existing state buildings. ZNE is being able to produce as much energy as it consumes over the course of a year, when accounted for at the energy generation source. EO B-18-12 requires that all new state buildings and major renovations beginning design after 2025 will be constructed as ZNE facilities with an interim target for 50 percent of new facilities beginning design after 2020 to be Zero Net Energy. State agencies shall also take measures toward achieving Zero Net Energy for 50 percent of the square footage of existing state-owned building area by 2025.

Currently, there are questions from the community college system on how to meet the ZNE goals established by this EO B-18-12. In the hopes of assisting the community college districts, the Chancellor's Office established a ZNE sub-committee to produce a guideline for the community college system. The ZNE guideline will assist all the districts as they establish their own energy plans with the goals of meeting ZNE.

Greenhouse Gas Emission Reductions

Governor Brown's EO B-30-15 established an interim statewide greenhouse gas emission reduction target of 40 percent below 1990 levels by 2030 in order to achieve its target of reducing emissions to 80 percent below 1990 levels by 2050 and called for various actions to be carried out by state agencies in support of the state's climate adaptation goal. The various state energy conservation programs described above align with the state's effort for increasing energy efficiency and reducing greenhouse gas emissions.

Community college districts are independent, legal entities governed by a Board of Trustees, elected by citizens residing within the districts' boundaries. In an effort to work toward sustainability, the California Community Colleges – in partnership with the Chancellor's Office, the California Energy Commission and Southern California Edison – has developed a Sustainability Plan Guidebook, which serves as a template for colleges in the system to focus on long-term sustainability planning, including key steps for creating and implementing a Climate Action Plan.

For the California Community Colleges, building energy consumptions and transportation are key contributors of greenhouse gas emissions. Strategies for reducing greenhouse gas emissions include:

- Promoting the construction of energy efficient buildings and infrastructures.
- Evaluating the latest opportunities and applications to promote cleaner, renewable sources of energy generation.
- Focusing on sustainable building operations/practices and technological advancements.
- Improving and expanding alternative transportation options.
- Offering sustainability courses and programs to prepare students for occupations in the "Green Economy."

The sustainability planning efforts at the community college campuses will continue to evolve to meet the unique circumstances and needs of the campuses and, in conjunction with the state's conservation programs described earlier, will continue to promote energy efficiency and resource conservation efforts, as resources become available, toward achieving long-term sustainability.

Water Conservation

The California Community Colleges, through collaboration with investor-owned utilities, local and regional governments, and state agencies, have vigorously engaged in water conservation efforts in response to Governor Brown's EO B-29-15 for reducing water usage by 25 percent through February 2016. In addition, the Chancellor's Office has worked closely with the Division of the State Architect on measures that will result in long-term reductions in water usage on community college campuses. Regulations, which became effective January 1, 2016, require all new construction and building additions on community college campuses to replace existing landscaping, equivalent to 75 percent of the square footage of the building's footprint, with water saving landscaping and/or installation of water meters and other water conservation measures.

Following exceptional water conservation and winter rain and snow, Governor Brown issued EO B-40-17 on April 7, 2017, lifting the statewide drought emergency in most of California, while upholding water reporting requirements and prohibitions on wasteful water practices to protect Californians against future droughts. EO B-40-17 builds on actions taken in EO B-37-16, which remains in effect to continue making water conservation a way of life in California.

Facility Needs

With this broad overview of the California Community Colleges role, as mandated by California Legislature and as contained in the California Master Plan for Higher Education, it is evident that the projected postsecondary student growth will place a larger burden, relative to the other public postsecondary systems, on the community college system. The California Community Colleges cannot effectively bear the burden without new, increased investment in facilities.

The Chancellor's Office has done an analysis of the total facilities needs for the California Community Colleges over the next 10 years (2019-20 thru 2028-29) (**Appendix G**). The total facilities needs for the next 10 years, including the **\$30 billion** of unmet capital facility needs identified in this Five-Year Plan, are approximately **\$42.5 billion**. For the purposes of this plan, we are conservatively estimating that **\$23.2 billion** of local bond funds remain uncommitted to fund state supportable projects. Generally, current and future local bond funds from the Smaller Classes, Safer Schools, and Financial Accountability Act will fund more than 40 percent of state supportable facilities and 100 percent of non-state supportable facilities such as parking lots/garages, stadiums, cafeterias, bookstores and health centers. The need for facilities

to be funded by future state general obligation bonds is **\$18.7 billion**; this is after adjusting for the estimated \$23.2 billion of local bond funds that remain uncommitted, and the uncommitted \$590 million from the 2016 state general obligation bond.

This equates to a need for **\$3.7 billion** of state general obligation bond funding every two years.

Given this great need, the state must continue to work closely with the districts to appropriately allocate scarce resources to adequately address the needs of California's community college students.

VII. RECONCILIATION TO PREVIOUS PLAN

Summary of Total Cost Decrease

The total unmet need identified for the California Community Colleges in the 2019-20 Five-Year Capital Outlay Plan (“2019-20 Plan”) is **\$30.4 billion**. Of this amount, **\$23 billion** is included in the Five-Year Plan period and **\$7.4 billion** deferred to future years. The prior year’s 2018-19 Capital Outlay Five-Year Plan (“2018-19 Plan”) included total unmet needs of **\$29.9 billion**, with **\$21.5 billion** included in the Five-Year Plan and **\$8.4 billion** deferred to future years. The total increase in costs between the two plans is therefore approximately \$500 million as shown below in Table 14. This represents an increase in costs between the two plans of two percent.

Table 14 – TOTAL COST DECREASE

Categories	2019-20 Plan	2018-19 Plan	Difference
Proposed Facilities in Five-Year Plan	\$23 billion	\$21.5 billion	\$1.5 billion
Deferred Facilities Needs	\$7.4 billion	\$8.4 billion	\$-1 billion
TOTAL UNMET NEEDS	\$30.4 billion	\$29.9 billion	\$.5 billion

The \$500 million increase in overall cost between the two years is attributable to inflation adjustment for the California Construction Cost Index from 6596 and decreased unmet need of -1,395,764 assignable square feet more than the previous 2018-19 Five-Year Plan.

In previous years, the Department of General Services provided yearly updates of the projected California Construction Cost Index, which the state used to escalate construction costs for capital outlay projects. This was a fixed cost index that did not escalate after the initial construction budget was established. In response to the rapid escalation of construction costs in the state, the Department of Finance provided direction in Budget Letter 05-21, based on Department of General Services recommendations that construction costs are to be escalated on a monthly basis, starting from the last updated cost index to the estimated start and midpoint of construction at a rate of .42 percent.

The Department of Finance issued its latest escalation instruction in Budget Letter 18-02. The California Community Colleges Chancellor’s Office has implemented Budget

Letter 18-02 consistent with the instruction from the Department of Finance and with other state funded capital outlay projects.

Changes to Plan Years 2018-19 and 2019-20

Plan Year 2018-19. Although the 2018-19 plan year is not included in the 2019-20 Five-Year Plan, changes to this plan year affect subsequent years. Specifically, last year's 2018-19 Five-Year Plan included 16 proposals for state funding with a total cost of \$24.1 million (for preliminary plans and working drawings phases) for 2018-19.

However, at the time this report was prepared, only six new projects with an estimated total of \$9.8 million (preliminary plans and working drawings phases for five projects and preliminary plans phase for one of the projects only) have been approved for inclusion in the 2018-19 budget by the Department of Finance. There are eight new projects that have not been approved for the 2018-19 budget and are included in the 2019-20 Five-Year Plan. The remaining 15 projects are continuing from 2017-18 budget approved by the Governor. Therefore, the cost for 2018-19 has been reduced by \$14.3 million (for preliminary plans and working drawings phases).

Plan Year 2019-20. The proposed projects included in the 2019-20 Five-Year Plan, estimated at approximately \$555 million (state funding only) for the 19 continuing and 40 new start projects, reflect the budget proposal for the 2019-20 Governor's Budget as of May 2018 and could be subject to change.

The 2019-20 budget year is the third year of projects being state funded in the capital outlay process. There are a variety of reasons that a project listed in the second year of the systemwide Five-Year Plan may not appear in the first year of a subsequent Five-Year Plan. The second year of the systemwide Five-Year Plan typically represents the Initial Project Proposals submitted by the districts that appear to be state-supportable, and may be developed into Final Project Proposals in the next budget cycle. However, inclusion of a project on the Initial Project Proposal list, and therefore in the second year of projects on the systemwide Five-Year Plan, does not guarantee funding of the project in the next plan year. The continuing phases of previously funded projects always have priority and first claim on funds available. New projects (those for which no previous phases have been funded) must compete every year for the remaining available funds. A project might appear to be very competitive when reviewed as an Initial Project Proposal, but may have changed or been redesigned such that it is no longer state supportable or as competitive as a Final Project Proposal. Even with a very competitive

final proposal, there may not be enough funding available to reach that particular project. A decision could also have been made at the district level to delay the project.

In short, the second year of the Five-Year Plan will change as it becomes the first year of the subsequent Five-Year Plan, and the first year of the systemwide Five-Year Capital Outlay Plan will always reflect the budget proposal submitted to the Department of Finance for inclusion in the Governor's Budget.

APPENDICES

- A1. — Government Code Sections 13100-13102
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-A1.docx>)
- A2. — Education Code Sections 67500- 67503
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-A2.docx>)
- B.1 — Summary of Capital Outlay Five-Year Plans
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-B1.pdf>)
- B.2 — Capital Outlay Five-Year Plan: Project List
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-B2.pdf>)
- B.3 — Draft 2019-20 Capital Outlay Spending Plan
(<https://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-B3.xlsx>)
- C.1 — Methodology for Calculating Unmet Need for California Community Colleges
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C1.pdf>)
- C.2 — Summary of Methodology
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C2.pdf>)
- C.3 — Summary of Costs for Projects Included in the Five-Year Plan
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C3.pdf>)
- C.4 — Detailed Summary of Methodology
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C4.pdf>)
- C.5 — Inventory Analysis and Infrastructure Deficiencies
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C5.pdf>)
- C.6 — ASF Addressed by Projects Proposed in the Five-Year Plan
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C6.pdf>)
- C.7 — Detailed Methodology for Enrollment Growth ASF
(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C7.pdf>)

C.8 — Reconciliation Data: Comparison of 2018-19 and 2019-20 Five-Year Capital Outlay Plan

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C8.pdf>)

C.8.2 — Reconciliation Category Counts

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-C82.pdf>)

D.1 — California Community Colleges Capital Outlay Grant Application Process

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-D1.doc>)

E.1 — Enrollment and WSCH Projections by Districts

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-E1.pdf>)

F.1 — Temporary Buildings Report

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-F1.xlsx>)

G.1 — Summary of 10-Year Capital Outlay Need

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-G1.xlsx>)

G.2 — Estimate of 10-Year Capital Outlay Need

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-G2.xlsx>)

G.3 — Estimate of Non-State Supportable “Other” Instructional Support Space

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-G3.xlsx>)

G.4 — 10-Year Plan Budget Assumptions

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-G4.xlsx>)

H.1 — 2016-17 Year-Round Operations Analysis

(<http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/2018-Five-Year-Plan-Appendix-H1.pdf>)

Note: Totals in Appendix C may vary slightly from those shown in Appendix B due to rounding.

Front cover photo: College of the
Canyons

Photo at right: Crafton Hills
College

Back cover photo: Los Angeles
Pierce College



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