2017 REPORT

2018-19 Five-Year Capital Outlay Plan

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

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2018-19
FIVE-YEAR CAPITAL OUTLAY PLAN

I. INTRODUCTION

The California Community Colleges is the largest postsecondary educational system in the world. The California Community Colleges serves 2.1 million students annually. This represents 20 percent of the nation's community college students and approximately 72 percent of California's public postsecondary undergraduate students in both vocational and academic program offerings. The system consists of 72 semi-autonomous community college districts encompassing 114 colleges, 77 approved off-campus centers and 24 separately reported district offices. The system assets include over 24,425 acres of land, 5,951 buildings and 87 million gross square feet of space that includes 52.3 million assignable square feet of space. In addition, the system has many off-campus outreach centers at various locations.

Background. Government Codes §§ 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 Department of Finance (DOF) information related to capital infrastructure needs and costs for a five-year period. Additionally, Education Code §§ 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. The 2018-19 Five-Year Capital Outlay Plan (Five-Year Plan) for the California Community Colleges is presented here in compliance with the requirements of Government Code §§ 13100-13102 and Education Code §§ 67501 and 67503. This Five-Year Plan — covering the period from 2018-19 through 2022-23 — includes **$21.5 billion** of capital facility needs for the California Community Colleges as shown in Table 1. This amount includes **$9.1 billion** for construction of new facilities for enrollment growth and **$12.4 billion** for modernization of existing facilities. An additional **$8.4 billion** of currently identified facilities needs are deferred to future years as shown in Table 2, with **$5.7 billion** of out-year costs for continuing phases of projects started within the Five-Year Plan period and **$2.7 billion** of need carried over into subsequent plan years, primarily for modernization projects. At this time, the total unmet facilities needs for the community college system are estimated at approximately **$29.9 billion** for the five-year period of this plan. The total facilities needs for the next 10 years, including the $29.9 billion of unmet capital facility needs identified in this Five-Year Plan, are estimated at approximately **$42 billion**.

Table 1 — TOTAL FACILITIES NEEDS & COSTS

		Assignable Square Feet (ASF)	Costs
A	**UNMET FACILITIES NEEDS:**		
	New Facilities for Enrollment Growth	8,513,000	$11,244,918,000
	Modernization of Existing Facilities	29,424,000	$18,648,971,000
	Total Unmet Needs	**37,937,000**	**$29,893,889,000**
B	**PROPOSED FACILITIES IN 5-YEAR PLAN:**		
	New Facilities for Enrollment Growth	8,513,000	$9,162,205,000
	Modernization of Existing Facilities	25,001,000	$12,363,806,000
	Total Proposed Facilities	**33,514,000**	**$21,526,011,000**
C	**DEFERRED FACILITIES NEEDS:**		
	New Facilities for Enrollment Growth	——	$2,082,713,000
	Modernization of Existing Facilities	4,423,000	$6,285,165,000
A-B = C	**Total Deferred Needs**	**4,423,000**	**$8,367,878,000**

Table 2 — DEFERRED FACILITIES NEEDS & COSTS

		Assignable Square Feet (ASF)	Costs
C1	**CONTINUING PHASES OF PROJECTS STARTED IN PLAN:**		
	New Facilities for Enrollment Growth	N/A	$2,082,713,000
	Modernization of Existing Facilities	N/A	$3,599,206,000
	Total Continuing Phases		**$5,681,919,000**
C2	**NEED CARRYOVER:**		
	New Facilities for Enrollment Growth	——	——
	Modernization of Existing Facilities	4,423,000	$2,685,959,000
	Total Need Carryover	**4,423,000**	**$2,685,959,000**
C1+C2 = C	**Total Deferred Needs**	**4,423,000**	**$8,367,878,000**

Areas of Understatement. The **$29.9 billion** need identified in this report is a conservative estimate of the total unmet facilities needs for the community college system. This estimate is likely to be considerably understated because the cost estimates used for estimating the California Community Colleges' systemwide needs are understated for the following reasons (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. This assumption results in understated costs because 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 such as laboratory and library space.
- Site development costs are not included in the cost estimates because it is impossible to estimate 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 that the 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 remodeled.

Characteristics of the Plan. This Five-Year Plan has been developed to meet the requirements of Government Code §§ 13100-13102 and Education Code §§ 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, 2018-19, includes 136 projects totaling $700 million. This includes 29 state funded projects at $115 million ($62 million of state funding; $53 million of local funding). The remaining 107 projects are funded solely by the districts at an additional $585 million. The projects in the last four years of the plan have been scheduled based on facility needs and logistics, irrespective of funding availability. This scheduling is a crucial step in moving toward a Five-Year Plan that truly demonstrates the unmet facility needs of the California Community Colleges than one that simply reflects available funding.

Plan Constraints. This Five-Year Plan quantifies and articulates all the capital infrastructure needs for the community college system to the greatest extent possible pursuant to the requirements of Government Code §§ 13100-13102 and Education Code §§ 67501 and 67503. As with past submittals, the California Community Colleges Chancellor's Office has continued to refine the comprehensive systemwide Five-Year Plan. Districts have made progress in submitting individual five-year plans that more accurately reflect actual unmet capital needs and these efforts are reflected in this plan.

Despite this progress, the local five-year plans still 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 Facilities Task Force, will continue to identify best practices and streamline existing processes in order to ensure high quality district capital outlay planning.

FUSION. The Facility Utilization Space Inventory Options Net project 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 completed for all buildings in the California Community Colleges. This assessment is providing a wealth of data regarding the modernization needs of the system. Districts are also able to use other components of this tool for project planning, project management and administration, and 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 less expensively. 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 general fund, while allowing local community college districts the ability to complete their projects faster in order to address growth and modernization facility needs. The program saves the state money because a local contribution to offset state supportable costs is required in order 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. The California Community Colleges received approval to take advantage of opportunities that may be provided by the Design-Build project delivery system to reduce costs and expedite projects. 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 was enacted in 2007 and 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.

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 (IPP), is a three-page concept paper and is used by the Chancellor's Office for systemwide need analysis and prioritization. This step in the screening process allows the Chancellor's Office to more accurately assess 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 initially 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, a 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 a justification for the project and budget detail, and describes the relationship of the proposed project to the district's comprehensive education and facility master plans. It is also required that the Final Project Proposal 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*, section *6800 et seq*., and the *Facilities Planning Manual*.

Final Project Proposals for funding consideration in 2018-19 were submitted to the Chancellor's Office in July 2016. Staff using the Capital Outlay Priority Criteria adopted by the Board of Governors 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 the 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:

	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 district five-year capital outlay plans and projects previously approved by the Board of Governors, 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 for consideration of funding in the next budget cycle from the prioritized list of scope-approved projects previously discussed. Eligibility points (highest to lowest) rank projects in Categories B through F. The Capital Outlay Spending Plan traditionally included 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. In an effort to provide as many districts as possible the opportunity to compete for state bond funds, current policy allows one project from any Category A through F per site for a two-year period. If more than one project is eligible for potential funding from Categories A through F per authorized site, the project with the highest local ranking from the district's five-year capital outlay plan is proposed for funding. 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 developed 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. Given the limited number of projects originally included in the Governor's proposed 2017-18 budget, the decision was made to resubmit those remaining projects approved by the Board of Governors from the prior year's proposed plan for additional consideration.

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 (2018-19 thru 2027-28) (**Appendix G)**. The total facilities needs for the next 10 years, including the **$29.9 billion** of unmet capital facility needs identified in this Five-Year Plan, are estimated at approximately **$42 billion**. For the purposes of this plan, we are conservatively estimating that $23 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 over 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 billion of local bond funds that remain uncommitted and the $2 billion from the 2016 state general obligation bond, is **$17 billion**.

This equates to a need for **$3.4 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.

Year-Round Operations (YRO). 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 113 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 System's report). For the purpose of 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 2015-16, this results in a summer term FTES that is 37.8 percent of the average fall/spring term FTES and winter term FTES that is 10.8 percent of average fall/spring term FTES (see Chapter IV and Appendix H for a detailed discussion of YRO).

Statewide General Obligation Bonds. Previous state general obligation bond funds for community colleges – Proposition 47 (2002) and Proposition 55 (2004) of $1.7 billion and Proposition 1D (2006) of $1.5 billion – either have been spent or are committed to projects. The latest 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 2018-19 Capital Outlay Plan, 25 of 29 (86 percent) projects proposed for 2018-19 provide for a local contribution. Total cost for supporting the nine continuing and 20 new start projects for 2018-19 equal $115.4 million, with $61.9 million in proposed state funding and $53.5 million in local contributions. This reflects a local “system” contribution of 46 percent. Local contributions will provide another $389 million in 2019-20 to complete these projects. Additionally, districts construct many projects using only local funding. An additional $584.9 million in projects is funded entirely with local funds in 2018-19.

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. The 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

Enrollment Projections

The California Community Colleges annually serve 2.1 million students — approximately 72 percent of California's public undergraduate college enrollment — in both vocational and academic program offerings. This number is the *Actual Unduplicated Enrollment* for the system, and represents the total number of students served over all school terms within an academic year. The number is "unduplicated" because a student enrolled in fall and spring semester would count as one student.

Estimated fall enrollment determines the need for new facilities, rather than the annual 2.1 million students, because the total number of students served would not all be enrolled in a given semester. Therefore, projected student enrollment and weekly student contact hours determines the need for new facilities in this report for each educational category for fall semesters between 2018 and 2022. The projection of using enrollment at fall census is consistent with the methodology traditionally used by Department of Finance.

The estimated fall enrollment of 1.7 million students in 2018-19 guides this Five-Year Capital Outlay Plan. Enrollment is expected to grow to an estimated 1.8 million students in 2022-23, an increase of approximately 133,000 students (**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 RP Group and Chancellor's Office developed the current enrollment project methodology first implemented during the 2015-16 Five-Year Capital Outlay Plan. The Population Participation Rate 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 7.8 percent growth in enrollment and 8.9 percent increase in weekly student contact hours over the five-year plan period. Weekly student contact hours (*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)).

Table 3 — SUMMARY OF ENROLLMENT AND WSCH

	2018-19	2022-23	Difference	% Difference
Enrollment	1,700,000	1,833,000	133,000	7.8%
WSCH	17,994,000	19,600,000	1,606,000	8.9%

Factors Impacting Enrollment Demand

Enrollment at the 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 were seeking enrollment in a community college campus. However, due to the state's budget deficit from declining tax revenues, the 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, from the peak of 2.7 million students in 2008-09 to 2.1 million students in 2013-14.

In November 2012, 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. The increased funding from Proposition 30 is helping the California Community Colleges to maintain access to students and be better positioned to meet the increasing demand for college-educated workers.

This systemwide California Community Colleges 2018-19 Five-Year Capital Outlay plan identifies a current need for approximately 8 million additional assignable square feet before taking into consideration additional enrollment growth forecasted in the plan. This translates to new classrooms and laboratories that are not available to offer course sections in green technology, workforce development and other vital education programs, nor are they 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 Education Code provides that students have “free flow” access to all community college sites. Students are therefore 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 that have severe capital facility shortages. Therefore, the capacity needs for the system are estimated on a campus-by-campus basis.

Translate Enrollment Need into Capital Outlay Facilities Requirements

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

Table 4 — GROSS ENROLLMENT NEEDS

Space Category	ASF
Lecture	5,745,000
Lab	13,089,000
Office	7,101,000
Library	5,306,000
AV/TV	1,447,000
Other	22,961,000
TOTAL	**55,649,000**

“Other” Space

The total enrollment need of 56 million assignable square footage includes approximately 23 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 is comprised of both instructional (physical education, performing arts and child development) and non-instructional support space that is essential to fulfilling the educational mission at each campus. However, there are no formulas specified in the space standards with which to compare inventory capacity to projected enrollment to define “other” space needed to support student enrollment. Since “other” space is essential to support the various space categories, it must be added to campuses as space is added.

This Five-Year Plan therefore looks at two different factors to identify the need for “other” space at each campus. The model first looks at the physical inventory for each campus to calculate “other” space as a percentage of total space (campus ratio). The physical inventory identifies each campus in the community college system as one of four types: campus, center, district office or campus with district office. This answers the question “how much of the existing inventory is “other” space as compared to total space for each campus?”

The second factor the model looks at is the average ratio of “other” space to total space for each of these campus types (systemwide ratio). This answers the question “on average, how much of the existing inventory is “other” space as compared to total space for each campus type?”

Finally, the model compares these two ratios and bases the estimate of need for “other” space at each campus on the higher of the two ratios. This is a conservative approach because the first ratio assumes the need for “other” space will never exceed the ratio of “other” space to total space as currently exists in the physical inventory at a campus. 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 second 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. An average by definition means that 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, but this is preferable to overstating the need.

III. INVENTORY AMOUNT AND TYPE OF EXISTING SPACE & INFRASTRUCTURE

Current Capacity

The California Community Colleges consists of:

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

System assets include:

- 24,425 acres of land
- 5,951 buildings
- 87 million gross square feet of space

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

TABLE 5 — NET CAPACITY

Space Category	Current Total ASF	Less Excess Capacity	Net Capacity
Lecture	7,771,000	- 2,614,000	5,157,000
Laboratory	12,673,000	- 2,047,000	10,626,000
Office	7,936,000	- 1,850,000	6,086,000
Library	4,278,000	- 227,000	4,051,000
AV/TV	615,000	- 56,000	559,000
Other	19,527,000	- 2,076,000	17,451,000
TOTAL	**52,800,000**	**- 8,870,000**	**43,930,000**

The current capacity in the above table of 52.8 million assignable square feet is based on the systemwide 2015-16 space inventory reported by the districts of 51.3 million

assignable square feet adjusted to include projects currently in the pipeline of approximately 1.5 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, and capacity exceeding 100 percent at individual campuses, approximately **8.9 million assignable square feet** (second column), has been eliminated for the purpose of estimating the need for additional facilities. This was done so campuses with 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 College 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 wheelchair access, or improper wiring for computers or multi-media equipment.

Excess capacity currently comprises approximately 16.8 percent of the total system capacity. Given the operating realities imposed by the free flow of students and the drop in enrollment due to budget cuts, this level of excess capacity is within reasonable bounds of facility standards. The excess capacity level drops to about 14.5 percent over the five-year period of the plan (Appendix C.5).

The total net capacity for the system is therefore approximately **43.9 million assignable square feet** as shown in the third column of the table.

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 included in the district’s individual five-year capital outlay plans over the five-year period of the plan. 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 district 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 6373) (@ EPI 3440)
I	**Critical Life Safety Renovations** (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.	18-19 thru 22-23 Projects identified by the districts with costs. 20-21 thru 22-23 One systemwide need project per year.
II	**Modernization /Renovation**	To modernize all permanent buildings over 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 over 40 years old.	18-19 thru 22-23 Projects identified by the districts with costs. 20-21 thru 22-23 One systemwide need project per year; projects to start in each year. Cost Formula = ASF x $567 $567 = (PW=$65, C=$502)

Text No.	Driver	Goal	Basis for Determining Need	Projects (@ CCCI 6373) (@ EPI 3440)
III	**Replacement of Temporary Buildings**	To minimize the use of temporary buildings.	ASF for temporary buildings more than 10 years old.	20-21 thru 22-23 One systemwide need project per year. Cost formula = ASF x $823 $823 = (PW=$87, C=$669, Demolition=$67)
IV	**Enrollment** (discussed in next section)	To address 100% 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.	18-19 thru 22-23 Projects identified by the districts with costs. 20-21 thru 22-23 One systemwide need project per year. Cost Formula = ASF x $809 $809 = (PW=$87, C=$669, E=$53)

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) 6373. The cost estimates include an allowance for preliminary plans, working drawings and construction. Cost estimates for the replacement of relocatables 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 since 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 **$18.6 billion**. This includes approximately **$0.7 billion** for critical life safety renovations, **$16.3 billion** for the modernization/renovation of permanent facilities and **$1.6 billion** for the replacement of temporary buildings as shown in Table 7 below:

Table 7 — MODERNIZATION OF EXISTING FACILTIES

Modernization of Existing Facilities	Estimated Need ASF	Estimated Need Costs	Five-Year Plan Proposal ASF	Five-Year Plan Proposal Costs	Deferred Facilities Needs Outyear	Deferred Facilities Needs Carryover
Critical Life Safety Renovation	N/A	$736,018,000	N/A	$736,018,000	$0	$0
Modernization/ Renovation	27,416,000	$16,260,389,000	23,323,000	$10,617,503,000	$3,228,780,000	$2,414,106,000
Replace Temporary Buildings	2,008,000	$1,652,564,000	1,678,000	$1,010,285,000	$370,426,000	$271,853,000
TOTAL	**29,424,000**	**$18,648,971,000**	**25,001,000**	**$12,363,806,000**	**$3,599,206,000**	**$2,685,959,000**

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 million assignable square feet** over the next five years at a cost of **$12.4 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 that have been 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 **$3.6 billion** reflects modernization/renovation projects started in the plan year. The carryover cost of **$2.7 billion** represents modernization/renovation of 4.4 million ASF 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.

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 are

material enough to 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.

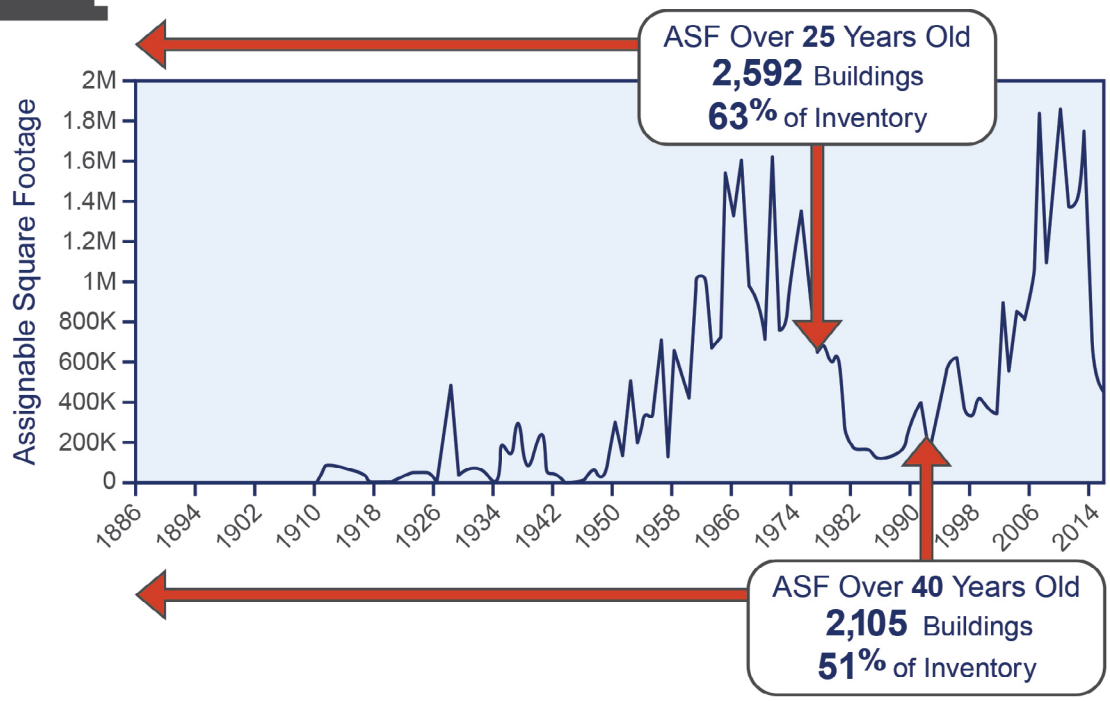
For the purposes of this submittal, the Chancellor's Office has estimated the annual costs for critical life safety projects not yet identified on a statewide basis. Since the nature of these projects is such that they cannot be planned, the model includes a projection for critical life safety projects based on the average cost of these projects over the first two years of the Five-Year Plan of approximately $85 million per year. 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

Approximately 63 percent of the California Community Colleges facilities are 25 years or older and 51 percent are more than 40 years old in dire need of renovation and/or modernization, as shown in the chart in Exhibit 8A. Local districts have tried to maintain their structures to the extent possible utilizing the limited local and/or state resources.

Additionally, due to technological advances, the California Community Colleges needs to incorporate more sophisticated technology into its facilities so the system can deliver state-of-the-art instructional programs. In order 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



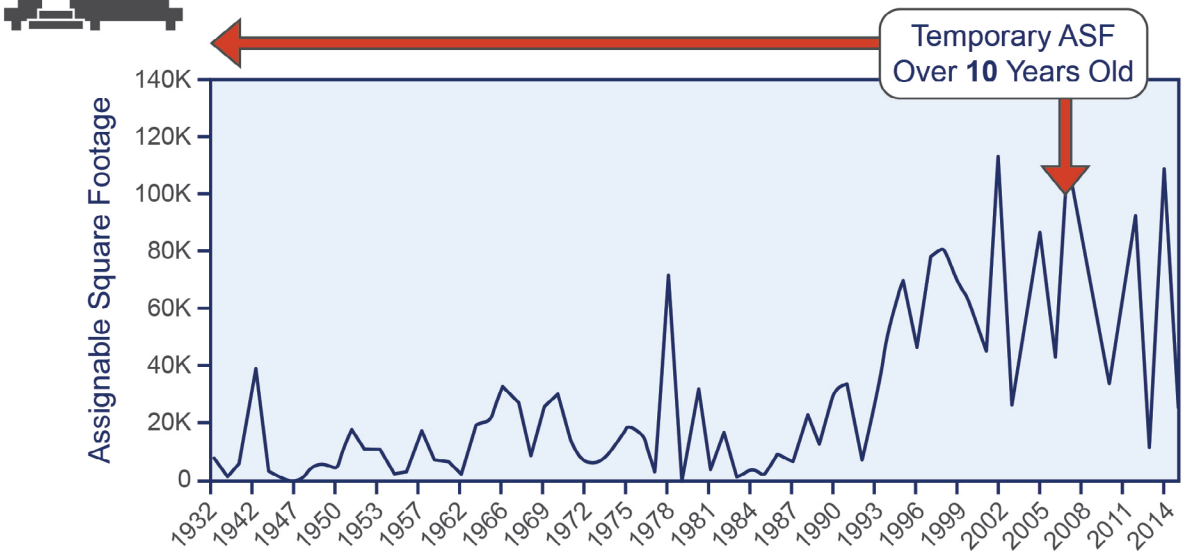
Because of the magnitude of the system's modernization/renovation needs, the proposal in this Five-Year Plan includes only a portion of the modernization/renovation needs of the system. As shown in Table 7, the Five-Year Plan includes **23.3 million assignable square feet** to be modernized over the next five years at a cost of **$10.6 billion** and includes only those buildings over 40 years old and buildings that have been 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 ($567 per assignable square feet).

Replace Temporary Facilities — III

The California Community Colleges inventory includes temporary facilities that in many cases are operating far beyond their useful life. It is the policy of the Board 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 placed 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 **$370.4 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 in 2018-19 will be replaced over the next five years at the average new building cost ($823 per assignable square feet), with an added allowance for demolition.

Exhibit 8B
TEMPORARY
Assignable Square Footage by Year of Construction



IV. UNMET FACILITIES NEEDS

Net Enrollment Need

Table 9 below shows that approximately **11.7 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 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	143,000	445,000	588,000
Laboratory	1,341,000	1,122,000	2,463,000
Office	704,000	311,000	1,015,000
Library	1,018,000	237,000	1,255,000
AV/TV	856,000	32,000	888,000
Other	3,921,000	1,589,000	5,510,000
TOTAL	**7,983,000**	**3,736,000**	**11,719,000**

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 Operation (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 2015-16, this results in a summer term FTES that is 37.8 percent of the average fall/spring term FTES and winter term FTES that is 10.8 percent of average fall/spring term FTES (**Appendix H**).

In 2015-16, 685,000 community college students attended summer sessions. These students generated approximately 118,000 FTES or 22.7 percent of the average FTES achieved during the fall and spring terms (**Appendix H**). An additional 203,000 students attended winter session, accounting for 34,000 FTES or 6.4 percent of average fall/spring term FTES.

However, in order to evaluate facility usage, a term factor must be used in order to have an accurate basis of comparison between the fall and spring term FTES and summer and winter term FTES. This is because summer FTES and winter term calendars are compressed requiring students to spend longer hours in class over a shorter period. For the same reason, it also means the facilities utilized during summer term cannot support the same FTES generated during the fall and spring terms.

The duration of the fall and spring terms and the summer and winter terms is individual to each district. However, the average fall and spring term session for a community college district is 18 weeks. Summer sessions on average include two six-week sessions. The California Community Colleges Chancellor's Office utilizes a term factor for summer FTES based on the average six-week session in summer versus the average 18-week session in the fall or spring terms. This results in a term factor of 1.67.

Therefore, for evaluating facility usage, 2015-16 summer FTES is approximately 37.8 percent of average fall/spring term FTES after the term factor is applied to actual FTES.

The 2015-16 winter FTES is 10.8 percent of average fall/spring term FTES after the term factor is applied.

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 2015-16, distance education full-time equivalent students (148,998) accounted for 12.6 percent of total full-time equivalent students (1,186,677) compared to 11.2 percent in 2014-15. 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 (**-2,920,000 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 (**-286,000 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	588,000	-213,000	- 68,000	307,000
Laboratory	2,463,000	-1,000	- 570,000	1,892,000
Office	1,015,000	7,000	- 289,000	733,000
Library	1,255,000	12,000	- 331,000	936,000
AV/TV	888,000	3,000	- 130,000	761,000
Other	5,510,000	-94,000	-1,532,000	3,884,000
TOTAL	**11,719,000**	**-286,000**	**-2,920,000**	**8,513,000**

New Facilities for Enrollment Growth

Therefore, **8,513,000 assignable square feet** is needed at a cost of **$11.2 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 $809 per assignable square feet was utilized based on the California Community Colleges building cost guidelines at California Construction Cost Index 6373 and Equipment Price Index 3440. This amount represents the average building cost for all space types and also includes an allowance for preliminary plans, working drawings and equipment (PW=$87, C=$669, and E=$53 per assignable square feet).

Table 11 — TOTAL UNMET NEEDS and COSTS

UNMET NEEDS	ASF	COSTS
New Facilities for Enrollment Growth	8,513,000	$11,244,918,000
Modernization of Existing Facilities	29,424,000	$18,648,971,000
Total	**37,937,000**	**$29,893,889,000**

Total Unmet Needs and Costs

Table 11 shows that the total unmet facilities needs for the system are **$29.9 billion**. This 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 **$9.2 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

		Assignable Square Feet (ASF)	Costs
A	**UNMET FACILITIES NEEDS:**		
	New Facilities for Enrollment Growth	8,513,000	$11,244,918,000
	Modernization of Existing Facilities	29,424,000	$18,648,971,000
	Total Unmet Needs	**37,937,000**	**$29,893,889,000**
B	**PROPOSED FACILITIES IN 5-YEAR PLAN:**		
	New Facilities For Enrollment Growth	8,513,000	$9,162,205,000
	Modernization of Existing Facilities	25,001,000	$12,363,806,000
	Total Proposed Facilities	**33,514,000**	**$21,526,011,000**
C	**DEFERRED FACILITIES NEEDS:**		
	New Facilities For Enrollment Growth	——	$2,082,713,000
	Modernization of Existing Facilities	4,423,000	$6,285,165,000
A-B = C	**Total Deferred Needs**	**4,423,000**	**$8,367,878,000**

Modernization. The modernization needs of **$12.4 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 **$5.7 billion**, including approximately **$2.1 billion** for new facilities and **$3.6 billion** for modernization of existing facilities.

Need Carryover. Additional facilities needs, including **4.4 million assignable square feet** at a cost of approximately **$2.7** 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

		Assignable Square Feet (ASF)	Costs
C1	**CONTINUING PHASES OF PROJECTS STARTED IN PLAN:**		
	New Facilities For Enrollment Growth	N/A	$2,082,713,000
	Modernization of Existing Facilities	N/A	$3,599,206,000
	Total Continuing Phases		**$5,681,919,000**
C2	**NEED CARRYOVER:**		
	New Facilities For Enrollment Growth		$ ——
	Modernization of Existing Facilities	4,423,000	$2,685,959,000
	Total Need Carryover	**4,423,000**	**$2,685,959,000**
C1+C2 = C	**Total Deferred Needs**	**4,423,000**	**$8,367,878,000**

Summary

This Five-Year Plan proposal contains only a portion (**$21.5 billion**) of the estimated systemwide facilities needs. An additional **$8.4 billion** of currently identified facilities needs are deferred to future years as shown in Table 13, with **$5.7 billion** of out-year costs for continuing phases of projects started within the Five-Year Plan period and approximately **$2.7 billion** of need carryover into subsequent plan years, primarily for modernization/renovation projects. At this time, the total unmet facilities needs for the California Community Colleges are estimated at approximately **$29.9 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 very important points:

- The California Community Colleges is the largest system of higher education in the world, annually service 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, which provides additional tax revenue to California's education budget through fiscal year 2018-19. 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 **8 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 two critical components of the mission of the California Community Colleges are the transfer function and preparation of students for the workforce.

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 51 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, the California Community Colleges will continue to help UC and CSU achieve diversity education goals and reduce facility needs, which the 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 a sustainable future through a number of conservation efforts.

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 Gov. Brown's Executive Order 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 Executive Order 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. Executive Order B-40-17 builds on actions taken in Executive Order B-37-16, which remains in effect to continue making water conservation a way of life in California.

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 outperform 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 2 percent and 3 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.

Greenhouse Gas (GHG) Emission Reductions

Gov. Brown's Executive Order 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 at 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.

Facility Needs

With this broad overview of the California Community Colleges role, as mandated by the 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 (2018-19 thru 2027-28) (**Appendix G**). The total facilities needs for the next 10 years, including the **$29.9 billion** of unmet capital facility needs identified in this Five-Year Plan, are estimated at

approximately **$42 billion**. For the purposes of this plan, we are conservatively estimating that $23 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 over 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 billion of local bond funds that remain uncommitted and the $2 billion from the 2016 state general obligation bond, is **$17 billion**.

This equates to a need for **$3.4 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.

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 2018-19 Five-Year Capital Outlay Plan ("2018-19 Plan") is **$29.9 billion**. Of this amount, **$21.5 billion** is included in the Five-Year Plan period and **$8.4 billion** deferred to future years. The prior year's 2017-18 Capital Outlay Five-Year Plan ("2017-18 Plan") included total unmet needs of **$28 billion**, with **$20.1 billion** included in the Five-Year Plan and **$7.9 billion** deferred to future years. The total increase in costs between the two plans is therefore approximately $1.9 billion as shown below in Table 14. This represents an increase in costs between the two plans of approximately 7 percent.

Table 14 – TOTAL COST DECREASE

	2018-19 Plan	2017-18 Plan	Difference
Proposed Facilities in Five-Year Plan	$21.5 billion	$20.1 billion	$1.4 billion
Deferred Facilities Needs	$8.4 billion	$7.9 billion	$0.5 billion
TOTAL UNMET NEEDS	**$29.9 billion**	**$28.0 billion**	**$1.9 billion**

The $1.9 billion increase in overall cost between the two years is primarily attributable to inflation adjustment for the California Construction Cost Index from 5977 to 6373 and increased unmet need of 1,078,000 assignable square feet (mainly to address increased modernization needs) more than the previous 2017-18 Five-Year Plan.

In previous years, the Department of General Services (DGS) 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, DOF provided direction in Budget Letter 05-21, based on DGS 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 16-08. The California Community Colleges Chancellor's Office has implemented Budget Letter 16-08 consistent with the instruction from DOF and with other state funded capital outlay projects.

Changes to Plan Years 2017-18 and 2018-19

Plan Year 2017-18. Although the 2017-18 plan year is not included in the 2018-19 Five-Year Plan, changes to this plan year affect subsequent years. Specifically, last year's 2017-18 Five-Year Plan included 32 proposals for state funding with a total cost of $50 million for 2017-18; however, at the time this report was prepared, only nine of these projects with an estimated total of $11.7 million (Preliminary Plans phase only) have been approved for inclusion in the 2017-18 budget by the Department of Finance. Therefore, the cost for 2017-18 has been reduced by $38.3 million as reflected in Table 15 in order to reconcile 2017-18 in the 2018-19 Five-Year Plan.

Table 15 – CHANGES TO 2017-18

2017-18 in 2017-18 Plan	Adjustments	Revised 2017-18 in 2018-19 Plan
$ 50.0 million	$ - 38.3 million	$ 11.7 million

Plan Year 2018-19. The proposed projects included in the 2018-19 Five-Year Plan, estimated at approximately $61.9 million (state funding only for Preliminary Plans and Working Drawings phases) for the nine continuing and 20 new start projects, reflect the

budget proposal for the 2018-19 Governor's Budget as of May 2017 and could be subject to change.

This differs from the much larger number of projects shown in prior year's 2017-18 Five-Year Plan for 2018-19 of approximately $0.7 billion. The 2018-19 budget year was the second year of the 2017-18 Five-Year Plan and is the first year of the 2018-19 Five-Year Plan. 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 IPP 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

The following links open complex charts and tables.
For accessibility assistance contact Lan Yuan at lyuan@cccco.edu.

A.1 — Government Code Sections 13100-13102

A.2 — Education Code Sections 67500- 67503

B.1 — Summary of Capital Outlay Five-Year Plans

B.2 — Capital Outlay Five-Year Plan: Project List

B.3 — 2018-19 Spending Plan

C.1 — Methodology for Calculating Unmet Need for California Community Colleges

C.2 — Summary of Methodology

C.3 — Summary of Costs for Projects Included in the Five-Year Plan

C.4 — Detailed Summary of Methodology

C.5 — Inventory Analysis and Infrastructure Deficiencies

C.6 — ASF Addressed by Projects in the Five-Year Plan

C.7 — Detailed Methodology for Enrollment Growth ASF

C.8 — Reconciliation Data: Comparison of 2018-19 and 2017-18 Five-Year Capital Outlay Plan

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

E.1 — Enrollment and WSCH Projections by Districts

F.1 — Temporary Buildings Report

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

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

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

G.4 — 10-Year Plan Budget Assumptions

H.1 — Year-Round Operations Analysis

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

Front cover photo: Santa Monica College students on campus.

Photo at right: Pierce College students tour the Libary and Learning Crossroads facility.

Back cover photo: Students in front of the Irvine Valley College library.

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