Date of Hearing: April 1, 2014

ASSEMBLY COMMITTEE ON HIGHER EDUCATION Das Williams, Chair AB 1906 (Wilk) – As Introduced: February 19, 2014

SUBJECT: Community college property: direct costs for use.

<u>SUMMARY</u>: Authorizes a governing board of a community college district (CCD) to, until January 1, 2022, charge an entity for using college facilities or grounds, an amount for maintenance, repair, restoration, and refurbishment, proportional to the use of the entity's use of the college facilities or grounds. Specifically, this bill:

- 1) Revises the definition of "direct costs" to mean all of the following:
 - a) The share of the costs of supplies, utilities, janitorial services, services of any other district employees directly associated with the administration of the Civic Center Act, and salaries paid to CCD employees to operate and maintain college facilities or grounds that is proportional to the organization's use of the college facilities and grounds of the district; and,
 - b) The share of the costs for maintenance, repair, restoration, and refurbishment, proportional to the use of the college facilities or grounds by the organization using the college facilities or grounds, as follows:
 - i) "College facilities" shall be limited to only nonclassroom space, and "grounds" shall include, but not be limited to, playing fields, athletic fields, track and field venues, tennis courts, and outdoor basketball courts;
 - ii) The share of the costs for maintenance, repair, restoration, and refurbishment shall not apply to either of the following:
 - (1) Classroom-based programs that operate after school hours, including, but not limited to, after school programs, tutoring programs, or child care programs; and,
 - (2) Organizations retained by the college or CCD to provide instruction or instructional activities to students during school hours.
 - iii) Funds collected shall be deposited into a special fund that shall only be used for purposes specified in this bill.
- 2) Requires the Chancellor of the California Community Colleges (CCC) to, by December 31, 2015, develop, and the CCC Board of Governors to adopt, regulations to be used by a governing board of a community college in determining the proportionate share and the specific allowable costs that a CCD may include as direct costs for the use of its college facilities or grounds.
- 3) Sunsets on January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

4) Makes clarifying and technical changes to existing law.

EXISTING LAW:

- 1) Establishes the Civic Center Act at each community college facility and grounds within the state where the citizens, school-community advisory councils, senior citizens' organizations clubs, and associations, may engage in supervised recreational activities and hold meetings. Authorizes the governing boards of the CCDs to grant the use of the community college facility or grounds upon the terms and conditions the governing board deems appropriate for various purposes (Education Code § 82537).
- 2) Requires the governing board of a CCD to authorize the use of any college facilities or grounds under its control, when an alternative location is not available, to nonprofit organizations and clubs and associations organized for general character building or welfare purposes including, but not limited to: 1) Camp Fire Girls, Girl Scout troops, and Boy Scout Troops; 2) student clubs and organizations; and, 3) parent-teachers' associations. Authorizes the governing board to charge an amount not to exceed its direct costs for use of its community college facility or grounds based on an adopted policy specifying which activities will be assessed a fee. Requires the governing board to charge an amount at least equal to the district's direct costs for use of the community college facility or grounds by a church or religious organization and fair rental value entertainments or meetings where admission fees are charged or contributions are solicited and the net receipts are not expended for the welfare of the students of the districts or for charitable purposes. Defines "direct costs" as those costs of supplies, utilities, janitorial services, services of any other district employees, and salaries paid CCD employees necessitated by the organization's use of the school facilities and grounds of the district (EC § 82542).

FISCAL EFFECT: Unknown

<u>COMMENTS</u>: <u>Background</u>. As described in the "existing law" section of this analysis, the Civic Center Act requires CCDs to authorize the use of any college facilities or grounds to school-related and community organizations for various purposes and authorizes a CCD to charge a fee for the use of a community college facility or grounds. Governing boards of a CCD are required to adopt policies specifying the type of activities that require a fee. Additionally, Existing law defines "direct costs" as the costs of supplies, utilities, janitorial services, and salaries of CCD employees required to facilitate an organization's use of the facilities or grounds.

This bill, until January 1, 2022, authorizes a CCD to charge a proportional amount for the maintenance, repair, restoration and refurbishment for the use of non-classroom space and school grounds, defined as playing fields, athletic fields, track and field venues, tennis courts, and outdoor basketball courts. This bill exempts classroom-based after school programs, including, but not limited to, tutoring programs or child care programs, and organizations serving student populations during the core school day from the maintenance fee.

<u>Need for the bill</u>. According to the author's office, since the Civic Center Act allows community members to rent community college facilities and grounds at "direct costs" only, the cost does not include any share of wear of the community college facility or grounds. The author contends that this leaves the CCD with the entire cost of the upkeep of the facilities. The author states, "CCCs [California Community Colleges] have limited options when paying for repairs.

AB 1906 Page 3

Essentially, it must either come from a bond or their general fund. When bond money is not available, general fund money that could be going towards student success must be redirected to maintain facilities. Thus much upkeep is passed over leaving students and community groups with low-grade facilities."

According to College of the Canyons, supporters of this measure, the facilities that are used the majority of the time by direct cost users are those that would be too costly to rent by non-direct cost users and require the highest level of maintenance. Examples of the community college facilities and grounds that are most frequently rented by direct cost users include, but are not limited to: 1) performing arts centers; 2) outdoor stadiums, including tracks; 3) gymnasiums and locker rooms; and, 4) cafeterias. CCDs are unable to charge for any of the wear and tear to their most expensive facilities, leaving the costs of repairs and renovations resting solely to their limited budgets.

A CCD life-cycle projection is based on their projected operational use; budgeting is therefore calculated on that basis. The more a facility is used, the faster its life-cycle is reached; leaving the CCD to make repairs and renovations sooner than anticipated. This measure will allow, until January 1, 2022, a CCD to charge an entity for the expedited life-cycle costs for facilities that endure a usage factor beyond that of the normal CCD operations.

<u>Parity with school districts</u>. As of January 1, 2013, school districts, by way of SB 1404 (Hancock, Chapter 764, Statutes of 2012), are able to charge an entity for using school facilities or grounds, an amount for maintenance, repair, restoration, and refurbishment, proportional to the use of the entity's use of the school facilities or grounds.

This measure will create parity between the school districts and the CCDs.

REGISTERED SUPPORT / OPPOSITION:

Support

College of the Canyons
Community College League of California
Kern Community College District
Los Angeles Community College District
South Orange County Community College District

Opposition

None on file.

Analysis Prepared by: Jeanice Warden / HIGHER ED. / (916) 319-3960