



DATE: 2/2/16  
 TO:  
 FROM: Tim Flood  
 SUBJECT: Cost of initial public opinion poll, facility needs, and estimated cost of delaying bond measure

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**Issue**

Southwestern Community College District has identified facilities, infrastructure and technology challenges and their associated costs. One mechanism that could be used to fund the costs associate with resolving these challenges would be to place a Proposition 39 Bond on the November Ballot. Following a presentation at the January 26, 2016 Governing Board meeting, Board Trustees requested additional information on the following areas:

- Processes and costs of an initial public opinion survey
- Additional information regarding the facility needs of the college
- Impacts of delaying a ballot measure into future years

This document will provide a very brief overview of the processes and costs to complete an initial public opinion survey, information regarding the facility, infrastructure and technology needs of the campus, and the impacts of delaying a ballot measure into the future.

**Overview**

**Processes and costs of an initial public opinion poll**

The initial public opinion poll would require the services of a pollster and an election consultant. The Pollster works with the district and the election consultant to craft the survey instruments, actually conduct the polling, and then works with the election consultant to interpret the results for the district. In researching this component I spoke to John Fairbanks of FM3 who completed Proposition AA and Proposition R public opinion polls for the District. After initial discussions Mr. Fairbanks recommended conducting a 20-minute baseline telephone survey of 620 Southwestern CCD registered voters likely to participate in the November 2016 general election. A survey of approximately 20 minutes in length typically allows for 60-70 discrete questions, depending on the length of each question.

Area	Percent of Southwestern CCD Nov 2016 Electorate	Base Sample	Oversample	Total
Chula Vista	55%	220	+0	220
San Diego	20%	80	+20	110
National City	9%	36	+39	75
Coronado	6%	24	+51	75
Imperial Beach	5%	20	+55	75
Unincorporated	5%	20	+55	75
<b>Districtwide</b>	<b>100%</b>	<b>400</b>	<b>+220</b>	<b>620</b>

As shown above, the sample size provides over-sampling in four of our communities so that each area has a minimum of 75 survey respondents. The margin of error for a full sample of 600-620 is plus or minus 4.0 percent at the 95 percent confidence level. Survey specifications should be consistent with those used on previous polls. This would also provide the Board with a longitudinal look at the public perceptions of Southwestern Community College District and our needs over time.



The cost of the poll is mainly dependent on 2 factors: the number of community members polled, and the length of time the poll takes. The table below is a sample cost range from 400-800 polls and between 15-20 minutes in length. The cost examples are comprehensive and include questions development, programming & pre-testing, Spanish translation, bilingual telephone interviews, data entry, analysis and presentation of the results to the Governing Board. The only items not included are incidentals such as travel and reproduction costs.

Sample Size	Cost of 15 Minutes Survey	Cost of 20 Minutes Survey
N=400	\$26,850	\$30,800
N=500	\$29,850	\$35,250
N=600	\$33,350	\$39,500
N=620	\$33,850	\$39,900
N=800	\$39,500	\$47,350

Based on the cost table above, the cost involved in an initial polling using the recommended sample size of 620 and an average length of 20 minutes per survey, the costs would be approximately: \$39,900 plus incidentals

In researching the Election Consultant component I spoke with Bonnie Moss, who has assisted in several successful Proposition 39 bond campaigns. The Election Consultant would work closely with the pollster to determine the breath and deep of the polling and the questions to be asked based on review of our facilities needs and existing public communication documents. Services would also include an internal and external political diagnosis to determine the need for preliminary stakeholder and opinion leader interviews. The election consultant would also assist the pollster in analyzing the results and providing a strategic recommendation regarding the feasibility of a bond measure to the Governing Board. The consultant would also assist the District with ongoing communications.

Based on the services to be provided by the Election Consultant to assist in the completion an initial feasibility survey as described above, the estimated cost would be \$20,000 plus travel and incidentals of approximately \$2,000.

**Additional Information regarding facilities, technology and infrastructure needs**

As highlighted in the Board presentation on January 26, 2016, SWCCD has a tremendous need identified through careful and planning and evaluation processes. For a 2016 Bond, the costs of completing the FMP, projected over the period of time to 2027, is estimated at \$383M. The construction costs are estimated using a 2015 baseline cost per square foot for similar educational buildings in the San Diego region. An annual construction cost escalation rate of 4% is applied to the 2015 estimates of construction cost and projected to the most-expected mid-point of construction. . The estimated total cost to resolve the identified needs is approximately \$466 million if we were to continue with our current momentum without a delay.



Components	Additional Need
Complete Facilities Master Plan	\$383M
Major Infrastructure	\$50M
Information Technology Improvements	\$15M
Building Systems Facility Condition Deficiencies	\$18M
Total	\$466M

The District has prepared for this work by completing the following

- Major Infrastructure Location and Mapping Completed 2014
- Electrical Systems Thermography and Power Analysis In-Progress
- Design for Central Plant Piping in the Ring Road Completed 2015
- Master Plan for Technology Improvements Completed 2015
- Facility Condition Survey (672 thousand square feet) Completed 2015

**Impacts of delaying placing a measure on the ballot**

The impacts of delaying the placement of a measure on the ballot are significant with regards to cost, continuity, and operational integrity. Using a delay of two years and a standard 4% escalation factor, the costs to complete the needed improvements and infrastructure repairs jumps \$57 million as shown in the table below.

	Bond Vote 2016	Bond Vote 2018	Delta
Complete Facilities Master Plan	\$383M	\$430M	\$47
Major Infrastructure	\$50M	\$56M	\$6
Information Technology Improvements	\$15M	\$17M	\$2
Building Systems Facility Condition Deficiencies	\$18M	\$20M	\$2
Total	\$466M	\$523M	\$57M

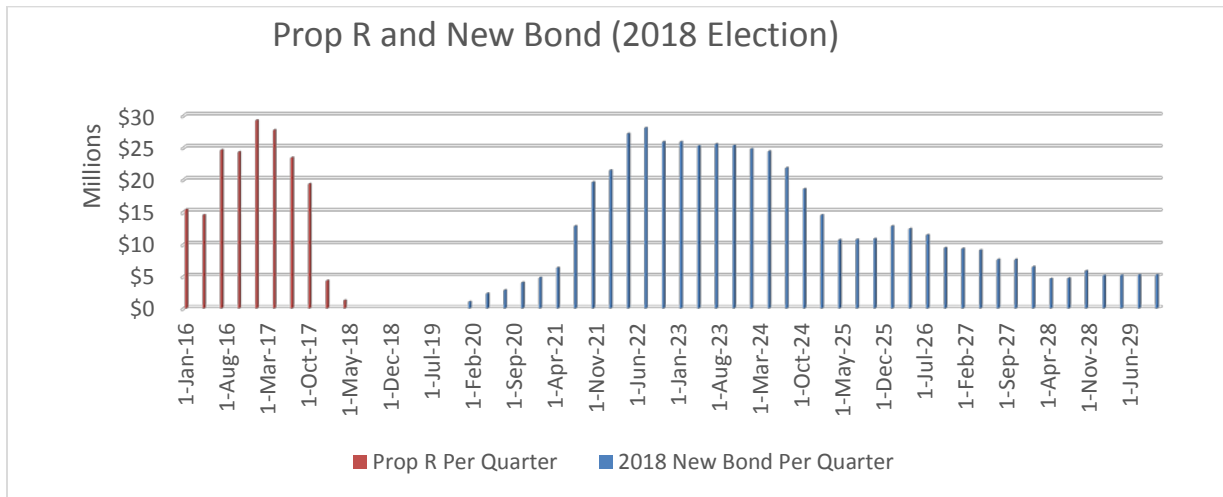
For a 2018 Bond, the projected cost of completing the FMP alone is \$430M. This additional cost of \$47M from a 2016 bond is a result of a gap of 3 years to commence the new program, as shown below:

- 2 years between the 2016 and 2018 voting opportunities
- 6 months minimum to engage a new program management team
- 4 months to engage the architects, engineers, and other professionals.

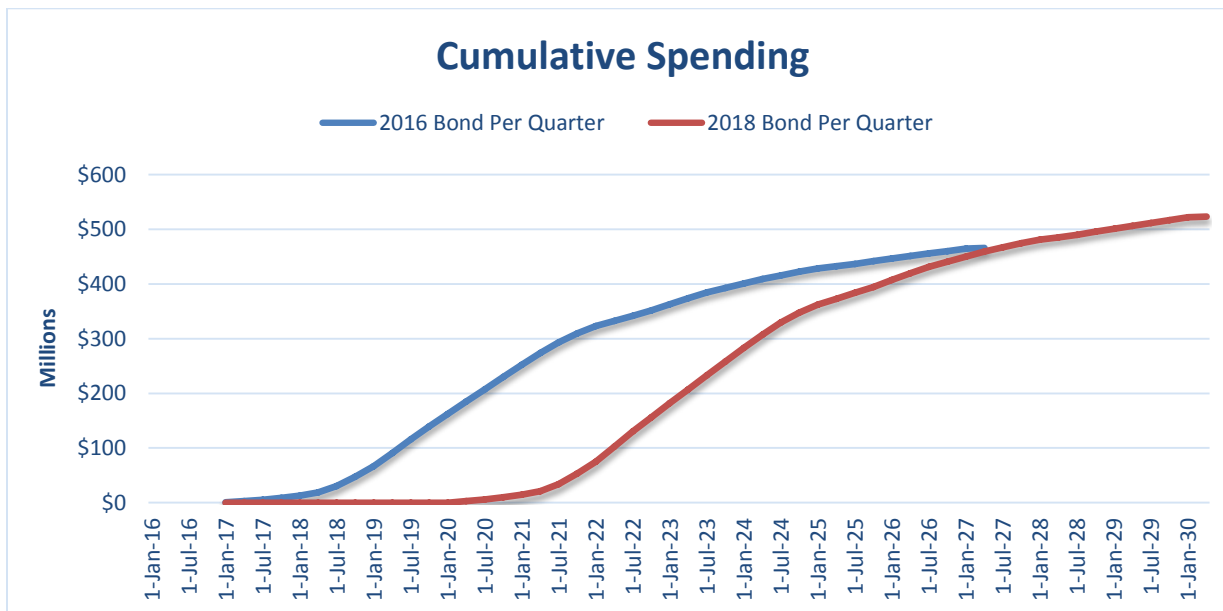
Work on Major Infrastructure needs would not commence until early 2020. This 3-year gap increases the possibility of major system failure and repair, disrupting both education program delivery and general fund expenditure, and is estimated to cost an additional \$6M due to inflation alone, not factoring in the expected incremental systems failures. Work on system redundancy, network improvements and emergency backup systems would be delayed up to 3 years, with an added inflationary cost of \$2M. Critical, non-deferrable work would compete for funding from State funds, re-development funds, and other one-time funds. As with all of the projects, the delay would add \$2M to the overall budgets



The following chart is the expenditure rate, per quarter, of proceeds from the new bond. Again, the construction work that would begin in the fall of 2019 or winter of 2020 is portions of the Major Infrastructure, Information Technology, and Facility Condition Deficiencies, many of which are pre-planned and ready for procurement in 2017. The planning, programming and design work for the new buildings in the FMP would commence once the new program management team was selected and the procurement of professional services commenced. This re-mobilization of the building program would consume 8-12 months



This summary chart shows the \$57-million-dollar financial impact, or opportunity cost lost, by deferring a vote until 2018:





An unseen, but extremely important cost of delaying the bond measure would be the loss of an extremely talented and dedicated program management team. A major advantage of a 2016 bond is the ability to build upon the existing capital program management organization. This stability would also continue the incremental quality improvements in program processes and procedures for overall program management, district staff coordination, design engagement, procurement, construction coordination, and overall program leadership.

As Proposition R starts to wind down, and no additional work is being planned in the immediate future, we will start to lose our current program management team members. This will not only impact future projects, it will impact current projects as program management team members make arrangements for their future employment and financial wellbeing. We would lose valuable continuity and institutional history at a very critical juncture of our current proposition R implementation. Although transitions of program and project management professionals are to be expected, we should anticipate an acceleration of this transition period if we delay. Great Program and Project Managers are in high demand, and are hard to replace.

### **Summary**

The total costs of completing an initial public opinion survey is approximately \$60,000 plus incidentals. If approved, this survey would provide information to the Governing Board regarding voter sentiment of the college, their understanding of the college needs, and their feelings towards taxing themselves to fund the identified needs of \$466 million above current Proposition R funding.

The impacts of delay on construction costs would be approximately \$57 million, based on an estimated 3 year lag time using a 4% annual escalation rate as obtained from industry reports published in the Engineering News Record. Costs would also include possible infrastructure and technology failures during this delay impacting instruction and student success, and the loss of valuable, experienced program and project management professionals.