

Construction Management Education Sponsorship Act of 1991

2011 Report to the Legislature

Background

The Construction Management Education Sponsorship Act (Act) of 1991 was added to the Business and Professions (B&P) Code (Article 8.5 of Chapter 9) for the purpose of establishing a grant fund (fund) for the benefit of qualified post-secondary institutions that offer specified construction management education programs. The Act provides for the fund program to be administered by the Contractors State License Board (CSLB). Applicants for licensure, licensed contractors, as well as construction industry associations and other specified sources, can contribute to the fund. Initially, the Act (B&P Code §7139.2) limited the amount that an applicant or contractor could contribute to \$25. This limitation was removed in 2003 upon enactment of SB 1080 (Statutes of 2003, Chapter 807).

Grants to qualifying institutions may be awarded by CSLB following recommendation and consideration by the Construction Management Education Account Advisory Committee (committee). Committee membership was statutorily established and consists of 11 members that are representative of the construction industry, as well as specified construction management education programs within the California State University and University of California systems. Members serve as volunteers, receiving no reimbursement for travel or expenses. The committee mission and duties are also set in statute under B&P Code §7139.3 which states, in relevant part:

...The mission of the Construction Management Education Account Advisory Committee is to maintain, and increase the quality and availability of, education programs for the construction industry. The primary focus is to provide financial resources not now available to accredited construction management programs in California colleges and universities to maintain and upgrade facilities and provide greater access by the industry to modern construction standards and management practices. The advisory committee shall do all of the following:

- (1) Confirm the qualifications of programs applying for grants.*
- (2) Award less than full grants when the account has insufficient funds to award full grants to all qualifying programs.*
- (3) Receive and review year-end reports of use and impact of funds.*
- (4) Affirm applications for American Council for Construction Education accreditation and, when funds are available, award grants to complete the accreditation process.*
- (5) Promote close ties between feeder junior colleges and four-year construction management programs.*
- (6) Support development of new educational programs with specific emphasis on outreach to the construction industry at large.*

The Act specifies that no single qualifying institution may receive more than 25 percent of the funds available for distribution. It also specifies the purposes for which the grant funds may be used, and contains reporting requirements for institutions that submit subsequent grant applications.

Use of grants moneys (B&P 7139.6): Grants awarded from the Construction Management Education Account may be used for all of the following:

1. Instructional materials and support, equipment, curriculum development, and delivery;
2. Support and development of outreach, continuing education, and cooperative education or internship programs;
3. Administrative and clerical support positions; and
4. Faculty recruitment and development, to include support for postgraduate work leading to advanced degrees, visiting lecturer compensation and expenses, teaching assistant positions, and faculty positions.

Grant moneys may also be used to support general classroom and laboratory operating expenses and related administrative supplies, including, but not limited to, reference materials, testing equipment, and equipment maintenance. The list of support items is intended to be descriptive rather than limiting. "Support" does not include faculty salary supplements.

Reporting Requirements (B&P 7139.8): In order to receive subsequent grants, the Act requires the president of each public postsecondary educational submitting a grant application to also submit a report to CSLB specifying the amount of the grant awarded in the previous year, and delineate the purposes for which those funds were used. The report shall include, but not be limited to, the following:

1. The number of graduates placed with the California licensed contractors during the previous academic year;
2. The expected enrollment in construction management courses in the upcoming academic year; and
3. Continuing education and extension courses offered during the previous academic year and their enrollments.

Current Status

There are currently seven institutions eligible for funding. During the fiscal years for which there are sufficient funds in the account, up to \$150,000 will be divided amongst the qualified institutions that submit grant applications. For the current fiscal year, all seven (7) eligible institutions submitted grant applications. Two of these eligible institutions have already submitted authorization forms for disbursement, which have been sent to the Office of the State Controller. The remaining five authorization forms will be sent to the Office of the State Controller as soon as they can be processed.

This chart details the grant awards for FY 2011-2012, and includes pertinent information required under the provisions of the Construction Management Education Sponsorship Act.

| Institution | Number of Applicable Graduates | Award Amount Per Graduate | Grant Award | Graduates Placed with Licensed Contractors |
|----------------------------|--------------------------------|---------------------------|--------------|--------------------------------------------|
| CSU Chico* | 150 | \$322.58 | \$48,387.00 | 148 |
| CSU Fresno* | 58 | \$322.58 | \$18,709.00 | 33 |
| CSU Long Beach** | 62 | \$322.58 | \$19,999.96 | 35 |
| CSU Northridge* | 16 | \$322.58 | \$ 5,161.28 | 11 |
| Cal Poly, Pomona** | 75 | \$322.58 | \$24,193.50 | 43 |
| Cal Poly, San Luis Obispo* | 65 | \$322.58 | \$20,967.70 | 40 |
| CSU Sacramento* | 39 | \$322.58 | \$12,580.62 | 31 |
| Total \$ | | | \$149,999.70 | |

* Qualified for a grant award by accreditation from ACCE per subdivision (b) of Business and Professions (B&P) Code section 7139.4.

** Qualified for a grant award by placement of more than 50% of graduates with California licensed contractors per subdivision (c) of B&P Code §7139.4.

CSU Long Beach: 62 placements / 35 graduates = 56%

Cal Poly, Pomona: 75 placements / 43 graduates = 57%

Use of Funds – Program Benefits: As noted above, §7139.6 restricts the use of the grant funds. Also, §7139.8 specifies that, upon submission of a grant request to CSLB, the president of the applicable institution is required to report the purposes for which the most recent grant funds were expended. This information is contained in the current grant applications for the respective institutions, copies of which are available from CSLB upon request.

Fund Balance: As of July 1, 2011, the CMEA fund balance was \$338,000. Assuming the total budgeted amount is awarded in FY 2011-12, the fund is projected to have a balance of \$226,000 as of June 30, 2012.