Del Tech pushes for ‘modest’ property tax hike to fund renovations

By Craig Anderson  
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DOVER — With four campuses covering 1.3 million square feet in 40 buildings on 352 acres in all three counties, Delaware Technical Community College’s physical appearance is evident statewide.

The breadth of the school’s finished products — its graduates — is immense as well.

With DTCC’s educational training programs prevalent, Delaware companies can hire from a highly skilled workforce that mostly benefits the First State; 87 percent of the 2014 DTCC graduates are working in more than 600 different state employers, according to one estimation.

Currently there are 20,366 credit students enrolled at DTCC, 96 percent of whom are Delawareans and 85 percent of whom will stay here after graduation.

While the college continues to push forward its educational mission deeper into the 21st century, school officials say buildings constructed in the previous century need significant renovations.

The school says just a bit over two-thirds of its buildings are more than 25 years old. 

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old; by 2020 that will rise to 80 percent, with half of them being more than 40 years old.

Gov. Jack Markell is recommending $7 million for DTCC in the Fiscal Year 2016 Capital budget, and the college is asking for an additional $3.69 million.

Late in the week, Sen. Harris McDowell, D-North Wilmington, filed Senate Bill 157, an act to give DTCC’s Board of Trustees authority to issue bonds to address capital improvements and deferred maintenance, establish the Community College Infrastructure Fund and allow for a capped local property tax structure as county vocational-technical schools are.

According to the bill’s presentation, DTCC should be re-investing $12 million annually to maintain existing infrastructure. In the past 10 years, however, the average of $4.2 million for maintenance and major capital improvements has brought an $84.2 million dollar tab for deferred maintenance.

The bill projects that deferred maintenance costs will exceed $100 million by 2020.

Then there’s $69.2 million in expansion needs with limited capital financing, according to DTCC. Bonds and property taxes could raise the money for major renovation and expansion projects, officials said.

The ongoing quest

According to DTCC President Dr. Mark Brainard, the quest to create an infrastructure fund began in 2006 and “the collective opinion from policymakers was that the time wasn’t right.”

In 2006, $38 million was needed for deferred maintenance, Dr. Brainard said, and the rise continues to accelerate with each passing year’s wear and tear on aging structures.

School officials said tuition would have to be raised 75 percent to meet the infrastructure demands, and that’s not going to happen.

However, with what’s described as a “modest” property tax increase to produce an added revenue stream, DTCC leaders said the long-term financial needs for the fund would be met. Officials said levied taxes would increase an average of $13 a year for Kent County homeowner.

With a CCIF in place, DTCC would no longer participate in the state of Delaware’s Bond Bill appropriating funds for capital improvements, but the Bond Bill Committee would maintain approval and oversight authority regarding college projects, leaders said.

Dr. Brainard acknowledged that lawmakers have hard financial decisions to make near the end of the 148th General Assembly. The picture will begin clear when the Joint Finance Committee reconvenes June 22 as the Delaware Economic and Financial Advisory Council’s forecast of state revenue and expenditures is released.

“With that said, we’re confronting a legislative session with a lot of heavy lifting and a need to solve a lot of issues,” he said.

“We’re encouraged, however, that we have a lot of folks trying (to reach a point of solution),” Mr. McNesby said.

A recent interaction with a state senator stoked Dr. Brainard’s hopes that this could be the year that DTCC’s needs are officially addressed through legislative action.

“A senator said that the time is now perfect to do something like this, but this is probably the right year to address the community college’s infrastructure,” Dr. Brainard recalled.

Renovation, expansion plans

Delaware Technical Community plans to engage in several major renovation/expansion projects in its Terry, George, Stanton and Owens campuses, including:

• Renovation of the Library/Learning Commons at Owens - $8 million.
• Construction of Student Services Center at Terry - $10.6 million.
• Renovation and expansion of East Building at George Campus - $9.6 million.
• Add level on parking garage at George Campus - $3.7 million.
• Construction of Child Development Center at Stanton - $4.6 million.
• Renovation of Terry Building - $4.7 million.

Ample support statewide

Several statewide entities are supporting the quest for capital improvement funding, and have sent letters to all General Assembly members.

The Delaware State Chamber of Commerce pointed to the rising deferred maintenance when registering its support.

“Clearly the current funding structure is unsustainable and does not provide the necessary financial resources to maintain the four campuses throughout the state,” Chamber President A. Richard Heffron wrote in a letter dated May 14.

“Delaware Technical Community College is vital to the future of Delaware and it is critically important that we invest in the future of our community college system.”

On May 18, American Institute of Architects Delaware Chapter President Philip R. Conte wrote that the creation of a Community College Infrastructure Fund would assist in meeting “safety and welfare needs of occupants, Americans with Disabilities Act regulations and associated requirements in its capital improvements and deferred maintenance activities.”

Mr. Conte pointed to a recently calculated economic impact study, noting a 9 percent return to taxpayers through DTCC that brings an 18 percent return in lifetime earnings. He said the returns benefit the state, its residents and entire business community.

“As you know, reinvesting in Delaware’s community college facilities mitigates the long-term costs associated with deferring maintenance, which will continue to grow over time is not addressed now,” Mr. Conte maintained.

DTCC has awarded 90 percent of its contracts in the last five years to 22 Delaware firms, said John J. Casey Jr., executive vice president of the

Solution, result

According to Delaware Technical Community College, the end result of a Community College Infrastructure Fund, bonding authorization, levying and collecting property taxes and removal from the Capital Budget for funding but not oversight would include:

• Annual savings to the state of $6 million in capital funding beginning in Fiscal Year 2017.
• College would now be able to do long term capital planning.
• Avoids increased costs associated with deferring additional maintenance any longer.
• Results in over $125 million in capital projects using mostly Delaware firms.
• Enhances public safety through use of technology.
• Provides more welcoming and safer environment for student learning.

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Delaware Contractors Association on May 13.

Mr. Casey described the Community College Infrastructure Fund as a unique and creative mechanism that will allow the college to meet its many pressing capital needs within an aging infrastructure including four campuses.

Long-term renovations, deferred maintenance and expansion support are crucial to the funding as well, Mr. Casey believes.

“We can attest to the importance of investing in facilities and maintenance before it is too late,” he said.

According to Delaware Manufacturing Association Chairman Brian Nixon on May 18, DTCC has collaborated with critical state initiatives, including its support of Gov. Markell’s “Pathways to Prosperity” program.

Pathways to careers

Also, the school’s “Pathways to Manufacturing” program is critical in steering high school students to careers in manufacturing and other high demand fields, Mr. Nixon said.

“These pathways provide students an opportunity to gain highly sought-after skills and certifications,” he said.

“We recognize the significance of a state community college system in continuing to provide quality education and hands-on training in fields that are vital to the future of Delaware.

“The time has come for the state of Delaware to support our community college and address Delaware Tech’s financial needs.”

Describing investment in DTCC as “imperative” on May 14, Associated Builders and Contractors Inc. President Edward J. Capodanno pointed to the school’s history of adding highly skilled workers to the state through a 93 percent employment ratio of 2014 associate degree graduates.

Those graduates tend to remain in the First State, Mr. Capodanno said, and a strong majority of the 2014 graduates are working for more than 600 different Delaware employers.

State-based engineering businesses benefit from DTCC’s reliance on state companies for projects, and provide a workforce for engineering and other businesses throughout Delaware, American Council of Engineering Companies of Delaware President Michael Angelo said on May 22.

Mr. Angelo also pointed to the economic impact study indicating DTCC’s role in proving valuable tax and earnings benefits to Delawareans. He also said the deferred maintenance is a massive concern if no action is taken.

“Clearly, Delaware’s community college supports Delaware’s businesses and now we need to support our community college,” Mr. Angelo concluded.

The New Castle County Chamber of Commerce addressed its May 20 letter to Speaker of the House Pete Schwartzkopf, D-Rehoboth Beach, and President Pro Tempore Patricia Blevins, D-Elsmere, and pointed to a large portion of the $84 million in deferred maintenance at the Wilmington campus.

All members of the General Assembly were copied to receive the letter.

DTCC was described as “among the best community college systems in the country,” chamber President Mark A. Kleinschmidt said, and “a key workforce development asset and therefore essential to fostering economic development in our state.”

The state’s future prospects are tied to DTCC’s expansion, maintenance and renovation plans, Mr. Kleinschmidt said.

“Ensuring the growth of Delaware Technical Community College goes hand-in-hand with ensuring the growth and success,” he said near the conclusion of the letter.

Quick look around

Bill Ayers, DTCC’s director of administrative services, didn’t have to walk far from his office when pointing out clear flaws in operating systems, sidewalks, brickwork, roofs and more on Friday morning.

“Our response right now is patch and fix rather than replace and repair,” he said.

The college’s top priority this year is to replacing a 40-year-old emergency generator at a cost of $370,000, Mr. Ayers said.

The maintenance company that services the generator is of the opinion that should be done sooner rather than later, according to Mr. Ayers.

“Someone from the maintenance company looked at it and said, ‘This is on life support.’ “ Mr. Ayers said.

Last year summer through late fall, 40-year-old boilers in the Education and Technology building were replaced for $600,000 as corrosion and deterioration of piping and other mechanisms reached the point of no fix, Mr. Ayers said.

Also, Mr. Ayers said, mechanical systems are breaking down, and air handling units in the Terry building are 40 years old and rusting out.

There’s ample major roof repairs that can be done, but the patch-and-fix method is the mode of operation.

As those concerns continue, Mr. Ayers says more problems will arise from other infrastructure points as the decay grows.

When asked if the escalating problems were like a runaway train heading down a mountain and picking up speed, Mr. Ayers answered with “Yes it is. And the caboose is getting heavier, too.”

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