

TOPIC: FIVE YEAR CAPITAL IMPROVEMENTS PROGRAM FY08-09 TO FY12-13

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I. SUMMARY

C.R.S. 23-1-106(6) requires the Commission to annually request from each of the 11 higher education governing boards a five-year projection of capital construction projects. C.R.S. 23-1-106(7) then requires the Commission to establish a unified five-year capital improvements program coordinated with education plans and transmit the Five-Year Capital Improvements Program and recommended priority lists for funding capital projects to the Office of State Planning and Budgeting and the General Assembly.

The Five-Year Capital Improvements Program covering Fiscal Years 08-09 through 12-13 contains 217 capital construction projects from 26 institutions and agencies and 11 governing boards (including the Colorado Historical Society). Attachment B includes a breakout of funding by governing board and institution for each individual project. This list is aggregated from institutional five-year capital construction plans, required to be submitted each July to the Department of Higher Education (DHE). The five-year plans are approved and prioritized by each governing board before they are submitted to DHE.

**Higher Education Total Projected Requests
FY2009-2013**

CCFE	\$1,705,568,435
CFE	\$1,986,685,264
CF	\$0
FF	\$39,364,000
TF	\$3,731,617,699

**Department of Higher Education
Total Projected Requests FY2009-2013**

CCFE	\$1,719,671,533
CFE	\$1,998,474,464
CF	\$520,000
FF	\$40,424,451
TF	\$3,759,090,448

The above tables shows total higher education funding needs over the next five years by funding type including totals for Capital Construction Funds Exempt (CCFE or state funds), Cash Funds Exempt (CFE), Cash Funds (CF), and Federal Funds (FF). The first table includes only project requests for institutions of higher education and the second table

includes requests from the Colorado Historical Society. Including the Historical Society, total five-year funding requests increase by approximately \$27 million. The combined five-year plans show total needs of over \$3.7 billion in Total Funds(TF) and state funding needs of over \$1.7 billion. Total FY08-09 state funded requests are over \$334 million with total fund requests at \$942 million. This indicates that public institutions of higher education in Colorado will need nearly \$1 billion this year to meet current capital needs, with a majority of the burden being placed on the institutions which fund these projects through cash sources such as student fees, cash reserves, private donations, and increasingly through bonds funded by tuition revenue. Increasingly, students are being called upon to pay for capital projects. This year, the Colorado School of Mines implemented a student capital fee, joining the University of Colorado and Colorado State University both of which implemented capital fees previously. Given the scarcity of state funds for higher education capital construction, institutions increasingly strain operating revenues and place a greater financial burden on students in order to build and maintain the facilities crucial to the future and functionality of the institutions.

These numbers and projects included in Attachment A include the most current five-year plans as submitted from the institutions and governing boards. Dollar amounts shown on this list are likely to change as schools request additional cash funded projects, governing boards reprioritize and the Legislature requests further phasing of certain projects.

II. STAFF ANALYSIS

The following table shows the number of projects being requested by each governing board by cash and state funds. Projects that include a combination of state and cash funds are included as 'state funded' since these projects will require state capital appropriations. The Colorado Community College System has the largest number of requests on this year's five-year plan with 58, followed by the CSU system with 52 and the CU system with 45. Detailed project funding for each project and aggregated by institution and governing board is shown on Attachment A.

Number of Project Requests by Institution and Governing Board

	State	Cash	Total
AHEC	6	0	6
ASC	5	1	6
CSM	8	5	13
CSU System	16	36	52
Fort Collins	12	34	46
Pueblo	4	2	6
CU System	14	31	45
Boulder	7	11	18

Colorado Springs	4	7	11
Denver/HSC	3	13	16
FLC	5	3	8
UNC	8	2	10
WSC	3	4	7
CCCS	54	4	58
ACC	8	1	9
CNCC	4	2	6
CCA	0	0	0
FRCC	6	0	6
LCC	4	0	4
Lowry	3	0	3
MCC	4	0	4
NJC	5	0	5
OJC	4	0	4
PCC	5	0	5
PPCC	3	0	3
RRCC	4	1	5
TSJC	4	0	4
MSC	4	0	4
CHS	12	1	13
Historical Society	6	1	7
C&T Railroad	6	0	6
Total	135	87	217

The following table shows total project requests by dollar amount and governing board. The chart is fairly consistent with the above chart showing the number of project requests in that it shows the CU and CSU systems with the largest dollar amounts requested over the next five years. Both the CU and CSU system's show significant cash funding sources to help finance capital requests over the next five years. The CU system currently indicates that 73% of capital project financing will come from cash funds and the CSU system currently indicates that 47% of capital project financing will come from cash funds. AHEC has the next highest funding request though the five year plan only includes six state funded projects.

Five-Year Funding Requests by Governing Board and Fund Type

Governing Board	State Funds	Cash Funds	Total Funds
CU System	\$335,382,974	\$1,183,300,694	\$1,558,047,668
CSU System	\$284,799,379	\$541,189,897	\$825,989,276
Auraria Higher Education Center	\$345,960,098	\$3,000,000	\$348,960,098
CCCS System	\$287,632,341	\$12,376,669	\$300,009,010
Colorado School of Mines	\$125,949,160	\$90,954,846	\$216,904,006
University of Northern Colorado	\$124,125,435	\$28,991,497	\$153,116,932
Fort Lewis College	\$92,554,395	\$45,165,000	\$137,719,395

Mesa State College	\$66,839,811	\$39,674,895	\$106,514,706
Western State College	\$49,915,085	\$41,750,000	\$91,665,085
Colorado Historical Society	\$14,103,098	\$12,309,200	\$27,472,749
Adams State College	\$26,409,757	\$281,766	\$26,691,523
Higher Education Grand Total	\$1,719,671,533	\$1,998,474,464	\$3,759,090,448

III. STAFF RECOMMENDATION

That the Commission approve the Five-Year Capital Improvements Program and forward it to the Governor, the Office of State Planning and Budgeting, the Capital Development Committee and the Joint Budget Committee

IV. STATUTORY AUTHORITY

C.R.S. 23-1-106

(6) The commission shall request, annually, from each governing board a five-year projection of capital development projects. Such projection shall include the estimated cost, the method of funding, a schedule for project completion, and the governing board-approved priority for each project. The commission shall determine whether a proposed project is consistent with role and mission and master planning of the institution and conforms to standards recommended by the commission.

(7) (a) The commission annually shall establish a unified five-year capital improvements program coordinated with education plans and shall transmit to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable, a recommended priority of funding of capital construction projects for the system of public higher education. The commission shall annually transmit the recommended priority of funding of capital construction projects to the capital development committee no later than November 1 of each year.

ATTACHMENT A: Executive Summary, Five-Year Capital Improvements Program FY08-09

ATTACHMENT B: Five-Year Capital Improvements Program FY08-09