

TOPIC: REVISED TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST – UNIVERSITY OF COLORADO AT BOULDER

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I. SUMMARY

This item requests approval of a revised Two-Year Cash Funded Capital Program list for the University of Colorado at Boulder (UCB). The revised list of cash funded projects, approved by the Board of Regents, contains two new items that UCB will pursue. The revised list is included as Attachment A.

II. BACKGROUND

Current law allows governing boards to amend their two-year capital construction lists at any point during the fiscal year, and such amendments are to be submitted to the Commission and the Capital Development Committee (CDC) for approval or re-approval.

Department and CDC policy and practice is that no Cash Funded project may commence until it has received approval from the Commission and the CDC on the Two-Year list for non-intercept projects. In addition to CDC and Commission Two-Year Cash Funded list approval, a program plan must be reviewed and approved for Intercept projects. Last December, the Commission approved all submitted Two-Year Cash Funded Capital Program lists and in January the legislature's Capital Development Committee approved the same.

III. STAFF ANALYSIS

The updated UCB list adds two projects at a cost of approximately \$15 million. With the new projects the Capital Development Committee shows UCB's total projection of cash needs to be approximately \$450M. This cost is to be covered primarily from cash funds. Table 1 displays the new cash funded projects as reported on the two-year list by funding type.

**Table 1:
Two-Year Cash Funded Capital Program
FY2012-2013**

CF	\$14,961,828
FF	\$0
TF	<i>\$14,961,828</i>

For these projects, Table 2 displays the breakdown between the academic and auxiliary projects and

whether or not the project will be financed under the Higher Education Revenue Bond Intercept Program (C.R.S. 23-5-139). The intercept program permits schools to issue bonds for capital construction and use either the state’s credit rating (opt in), or use their own credit rating (opt out). Academic facilities are those that are considered core to the role and mission of the institution (e.g. classrooms, student services, libraries), while auxiliary facilities are those that are not considered core to the role and mission and exist for some other purpose (e.g. residence halls, recreation centers, parking facilities).

**Table 2:
New Cash Funded Project Types**

	Academic	Auxiliary	Total
Intercept	0	0	0
Non-Intercept	1	1	2
Total	1	1	2

Senate Bill 09-290, allows academic facilities constructed to be eligible for state Controlled Maintenance Funds. Non-Intercept projects will only have their cost projections reviewed in the Two-Year list, while Intercept projects require approval in the Two-Year list as well as program review. In accordance with the two step approval process for cash funded projects, the Department will review all budget documents submitted for Intercept Act cash projects and submit all forms to the General Assembly’s Capital Development Committee as they are approved.

The new additions to UCB’s Two-Year List are described briefly below:

“Campus Data Center” project will create an 8,231 square foot data center to support campus academic, administrative and research functions. New data facilities have not been added to the campus since the 1970s which has led to a need to update and consolidate computing services. The source of the cash funds to be used to create the new data center will be indirect cost recoveries from federal grant funds (which count to the institution as cash) and university cash funds.

“Williams Village Bathroom Renovation, Phase II” will continue the bathroom renovation that started in the Williams Towers and expands the renovation to Stearns Tower and Darley Tower. The project continues to replace obsolete fixtures including plumbing, flooring, and bathroom finishes. It will also replace wall tiles, lavatories countertops and showers. Cash fund fees from the Department of Housing and Dining Services will provide for the \$3,157,000 project.

IV. STAFF RECOMMENDATION

That the Commission approve the Two-Year Cash Funded Capital Program for the University of Colorado at Boulder and forward it to the Governor, the Office of State Planning and Budgeting, and the Capital Development Committee.

V. STATUTORY AUTHORITY

C.R.S. 23-1-106 (7)

(c) (I) The commission annually shall prepare a unified, two-year capital improvements report for projects to be constructed or acquired pursuant to subsection (9) or (10) of this section and estimated to require total project expenditures exceeding two million dollars, coordinated with education plans. The commission shall transmit the report to the office of state planning and budgeting, the governor, and the general assembly, consistent with the executive budget timetable.

(II) (A) Commencing in the 2010 regular legislative session, and in each regular legislative session thereafter, the commission shall submit the two-year projections prepared by each state institution of higher education for the 2010-11 and 2011-12 fiscal years, and for each two-year period thereafter as applicable, to the office of state planning and budgeting and the capital development committee. Beginning in the 2010 regular legislative session and in each regular legislative session thereafter, the capital development committee shall conduct a hearing on the projections and either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each projection.

(B) A state institution of higher education may submit to the staff of the capital development committee, the commission, and the office of state planning and budgeting an amendment to its approved two-year projection. The capital development committee shall conduct a hearing on the amendment within thirty days after submission during a regular legislative session of the general assembly or within forty-five days after submission during any period that the general assembly is not in regular legislative session. The capital development committee shall either approve the projections or return the projections to the institution for modification. The commission and the office of state planning and budgeting shall provide the capital development committee with comments concerning each amendment.

ATTACHMENT A: Two-Year Cash Funded Capital Program