

**TOPIC: REVISED TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST – COLORADO STATE UNIVERSITY**

**PREPARED BY: MARK CAVANAUGH, CHIEF FINANCE OFFICER**

**I. SUMMARY**

This item requests approval of a revised Two-Year Cash Funded Capital Program list for Colorado State University (CSU). The revised list of cash funded projects, approved by the Colorado State University Board of Governors, contains a total of thirteen items that CSU 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 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 Two-Year Cash Funded Capital Program lists submitted to it, and in January the legislature's Capital Development Committee approved the same.

**III. STAFF ANALYSIS**

The previous CSU list consisted of fourteen projects at a cost of approximately \$390.6 million. This cost was to be covered from cash funds. The revised UCB list consists of thirteen projects at a total cost of approximately \$273.1 million. Table 1 displays the projections for cash funded projects as reported on the two-year list by funding type (Cash Funds [CF] and Federal Funds [FF]).

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

<b>CF</b>	\$273,100,000
<b>FF</b>	\$0
<b>TF</b>	<b><i>\$273,100,000</i></b>

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:**  
**Cash Funded Project Types**

	<b>Academic</b>	<b>Auxiliary</b>	<b>Total</b>
<b>Intercept</b>	3	2	<b>5</b>
<b>Non-Intercept</b>	7	1	<b>8</b>
<b>Total</b>	<b>10</b>	<b>3</b>	<b>13</b>

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 revision to CSU's Two-Year List involves the inclusion/revision of:

***“Moby Training Room Expansion”*** will construct a 220 square foot addition to the training room on the lower level of the Moby Concourse. The current training room is undersized and minimally equipped. The expansion will also involve renovations to the existing training room to include hydrotherapy, rehabilitation and exam rooms. Other locker rooms and the student athlete lounge will also be renovated. The project will be funded from CSU cash funds.

**IV. STAFF RECOMMENDATION**

**That the Commission approve the Two-Year Cash Funded Capital Program for Colorado State University 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**