

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST AMENDMENT – COLORADO STATE UNIVERSITY – FORT COLLINS**

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**I. SUMMARY**

This agenda item requests approval of the amended Two-Year Cash Funded Capital Program list for Colorado State University – Fort Collins (CSU-FC). The list was amended to reflect the addition and additional costs for the CSU-FC Biology Building. In previous years, this project was submitted and approved on the two-year list. However, CSU-FC submitted this project as part of their FY 2015-2016 state funded capital projects request. The “spillover” funding provided through HB14-1342 altered CSU-FC’s state funded capital request, and the institution shifted the biology project back to their cash funded list. The list was resubmitted to reflect the additional cost required to finish the biology building. This is an Intercept project, making it subject to review and approval by the Department of Higher Education (DHE), the Colorado Commission on Higher Education (CCHE), and the Capital Development Committee (CDC). Additionally, CCHE must reapprove the project since the new cost is more than 15% above the previously approved cost. As an Intercept project, CCHE must also reapprove the Program Plan. Although it will be included on the comprehensive two-year cash funded agenda item in December, as an Intercept project, CSU-FC’s biology building is subject to expedited review by CCHE. CSU-FC’s amended two-year list is included as Attachment A.

**II. BACKGROUND**

Under state law, C.R.S. 23-1-106(10) the Colorado Commission on Higher Education (CCHE) and the legislative Capital Development Committee must approve two-year capital construction lists, amendments to the lists, and program plans for any project meeting the Intercept definition. Governing boards have the authority to submit these lists at any point during the fiscal year, and may be submitted to CCHE for approval at any time throughout the year. If a project is amended or the cost changes by more than 15% of the original total, CCHE must reapprove the submission. Every December, a comprehensive two-year cash list of all projects is submitted to CCHE for approval, and then forwarded to the CDC for approval in January.

**III. STAFF ANALYSIS**

This is an Intercept project requiring re-approval of both the two-year list and the program plan. The attached list reflects the amended cost for this project, which increased from \$60 million to approximately \$81.6 million. The increase in the cost is attributed to increased construction costs and the addition of two additional floors to the building. The increase is over the threshold required for re-approval by CCHE and CDC. This request, if approved by CCHE and CDC, will authorize spending for the total project. The project meets the needs of CSU’s growing biology

department, and it has been their top priority on their cash-funded list for several years. Table 1 displays the amended cost for the project as reported on the two-year list by funding type.

**Table 1:**  
**Two-Year Cash Funded Capital Program**  
**FY 2014-15 List**

<b>CF</b>	\$81,596,432
<b>FF</b>	\$0
<b>TF</b>	<b><i>\$81,596,432</i></b>

Senate Bill 09-290, allows academic facilities constructed to be eligible for state Controlled Maintenance Funds, so in the future, the biology building will be eligible for Controlled Maintenance. 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 by the Commission.

The project is described briefly below:

***“Biology Building”*** - The plan calls for a new, five story building to house CSU-FC's largest undergraduate program. The building increases the department's infrastructure and lab space. Currently, biology is housed on two floors of the Anatomy/Zoology building, which does not have enough room to meet the institution's growing needs. Biology students are more than seven percent of the total undergraduate population, and approximately 57 percent of CSU graduates take a biology course during their time at the institution. CSU is working to grow their biology faculty from 31 to 40 over the next five years, and the new space will allow for increased research. If not authorized for the additional funding, the fourth and fifth floors will be unfinished shells. The project will be financed through the Intercept program using a previously approved increase in student fees as the revenue source to finance the debt service payments on the COPs.

#### **IV. STAFF RECOMMENDATIONS**

**Staff recommends that the Commission approve the amendment to the Biology Building on the Two-Year Cash Funded Capital Program list for CSU-FC, approve the program plan for the project, and submit the re-approved list to the Governor's Office of State Planning and Budgeting, and the Capital Development Committee.**

#### **STATUTORY AUTHORITY**

C.R.S. §23-1-106 (10)

(10) (a) (I) The commission shall review and approve any plan for a capital construction or capital renewal project for an auxiliary facility that is estimated to require total expenditures exceeding two million dollars and that is to be acquired or constructed and operated and maintained solely from cash funds held by the state institution of higher education that, in whole or in part, are subject to the higher education revenue bond intercept program established pursuant to [section 23-5-139](#).

(II) The commission shall review and approve any plan for a capital construction or capital renewal project for an academic facility that is estimated to require total expenditures exceeding two million dollars, that is to be acquired or constructed solely from cash funds held by the state institution of higher education that, in whole or in part, are subject to the higher education revenue bond intercept program established pursuant to [section 23-5-139](#), and that is operated and maintained from such cash funds or from state moneys appropriated for such purpose, or both. Any capital construction or capital renewal project subject to this subparagraph (II) must comply with the high performance standard certification program established pursuant to section 24-30-1305.5, C.R.S.

**ATTACHMENT A:** Two-Year Cash Funded Capital Program List Amendment – CUS-FC