

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST
AMENDMENT – UNIVERSITY OF NORTHERN COLORADO**

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I. SUMMARY

This submission is to amend the Two-Year Cash Funded Capital Program list for the University of Northern Colorado (UNC) presented to the Colorado Commission on Higher Education (CCHE) in December, 2014. The list is amended to reflect the addition of the University Center Ballroom Renovation. This is a new cash funded request for \$2,445,000. The project is cash funded through UNC's deferred maintenance reserves. UNC's amended Two-Year list is included as Attachment A.

II. BACKGROUND

Under state law, C.R.S. 23-1-106 (7) the Colorado Commission on Higher Education and the legislative Capital Development Committee must consider and approve Two-Year cash funded capital program lists, any amendments to the list, and program plans for any project using the Intercept program. Governing boards have the authority to submit new Two-Year lists and amendments to the CCHE or Capital Development Committee (CDC) at any point during the fiscal year. However, projects on the Two-Year list may not commence until both the CCHE and the CDC consider and review the list. If a project is amended or the cost for an approved project changes by more than 15% of the original total, the CCHE must reapprove the submission. Every December, a comprehensive Two-Year Cash Funded Capital Program list comprised of all Governing Board projects is submitted to CCHE for approval. The list is then forwarded to the CDC for approval in January.

The CCHE's authority to review this project is defined and described in state law. Pursuant to CRS 23-1-106 (9) (a) the project submitted meets the definition of a "cash funded, non-intercept" project. In other words, it is 100% funded through institutional sources and not state funds. Furthermore, the project does not utilize the state's credit rating for capital financing. For cash funded, non-intercept projects, the CCHE's authority is limited to receiving cost information from the public institution about the project, and forwarding the Two-Year Capital Program list to the Capital Development Committee. The Commission has limited authority to review cash funded projects and no official approval authority for individual non-Intercept projects. But rather state laws grants authority to review and approve such projects to the public institution's governing board.

III. STAFF ANALYSIS

This is a cash funded, non-Intercept project costing \$2,445,000. This project will be financed through deferred maintenance reserves, which are primarily generated through tuition revenue. Table 1 displays the total cost for the University Center Ballroom Renovation.

**Table 1:
Two-Year Cash Funded Capital Program
FY 2015-16 List**

CF	\$2,445,000
FF	\$0
TF	\$2,445,000

The project is an auxiliary project making it ineligible for state funded controlled maintenance. In accordance with the process for cash-funded projects, staff reviewed the budget documents provided by UNC. The project renovates 11,760 square feet. The proposed start date is May, 2015, and the projected completion date is March, 2016.

The project is described briefly below:

“Campus Center Ballroom Renovation” – The ballroom housed within UNC’s Campus Center is the largest available conference space on campus, and it is used for a variety of meetings and events. The renovation includes new wood floors, new ceiling systems, new folding dividing walls, a new exterior wall, new lighting, an audio/visual system upgrade, and the replacement of the HVAC system. The total cost of the renovation is \$2,445,000. As one of the most widely used spots on campus, this project will have an impact on students, faculty, staff, and others.

IV. STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the amended Two-Year Cash Funded Capital Program List for the University of Northern Colorado and forward the list to the Office of State Planning and Budgeting and the Capital Development Committee.

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 List – the University of Northern Colorado.