

SECTION III

PART M CAPITAL IMPROVEMENTS PROGRAM POLICIES

1.00 Statutory Authority

In addition to setting a recommended priority of funding, 23-1-106 (7) (a), C.R.S., directs the Commission to "annually establish a unified five-year capital improvements program coordinated with education plans and shall transmit it) to the Office of State Planning and Budgeting, the Governor, and the General Assembly.

The five-year capital improvement program outlines the scheduling of the projected capital construction needs identified in the long-range facilities master plan for each institution. The long-range forecast outlines long-range building needs scheduled beyond the five-year capital improvement program.

The legislative Capital Development Committee has requested the Commission to submit a long-range forecast of higher education capital construction needs. That joint legislative committee is statutorily directed to "forecast the state's requirements for capital construction ... for the five and ten fiscal years next following the fiscal year for which recommendations are made." (2-3-1304 (1)(d), C.R.S.).

2.00 Review Process

Each higher education institution governing board is required to submit by statute a five-year capital development plan, outlining all approved and proposed capital construction projects. All projects regardless of whether they are state-funded, cash-funded, federally-funded or proposed from cash-funded exempt sources proposed by each institution under the governing board=s jurisdiction must be included in the plan to be filed no later than June 30 of each year. The capital improvement plan shall be annually updated on the appropriate electronic and/or written form as stated in the annual budget instructions. The Commission is to "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" (23-1-106 (6), C.R.S.).

3.00 General Policies and Criteria

Commission acceptance of the governing board projections of five-year building requirements does not constitute support for such future project requests. It must be determined that these long-range needs are generally consistent with:

- E State Postsecondary Education Master Plan policies and designated campus role and mission
- E Campus Long-Range Facilities Master Plan

Where these long-range projections of future building requirements have been determined to be not consistent with this policy, these projects are noted by CCHE staff and omitted

from the recommended Capital Improvement Program.

Conformity with approved space and utilization standards, codes, regulations, and program standards is determined through the facilities program planning process, usually in the year prior to the project budget request.

Capital construction projects often require spending patterns that extend to three fiscal years. Code compliance programs are often phased into manageable projects that extend over several years for completion. Accordingly, these projected spending patterns represent the year in which the money would be spent. The actual appropriation would necessarily include the money to be spent in the following year or a commitment to completion of a project. Projected costs are to be shown in current year dollars.

4.00 Scheduling of Capital Investments

In order to assist the Governor and General Assembly in forward financial planning, the annual capital costs set forth in the CCHE "Capital Improvement Program" should be realistic relative to the state's fiscal policies and economic outlook.

The Commission's judgments about the essential needs of the system of higher education are sought by the governor and legislature because state resources are so limited, and because construction budgets compete with tax dollars for operating budgets.

The Commission's assessment in forwarding the CCHE five-year Capital Improvement Plan should reflect its assessment of priorities for the higher education system and the various institutional and system-wide Master Plans.

5.00 Policies and Criteria for Essential Capital Investment Needs

Completion of Current Projects Authorized by the Legislature

Current projects that have received a partial capital construction appropriation or an architectural/engineering appropriation for subsequent construction funding.

New projects for:

- E Renovation of existing space for revised academic programs, or to consolidate programs from functionally obsolete existing facilities when renovation is not practical or feasible; and
- E Replacement of specialized instructional, or hospital equipment with item costs exceeding \$50,000.

Physical Plant Support Facilities

New projects for replacement of obsolete or hazardous Physical Plant department facilities.

Capital Construction Consultant Services

Recommendations include campus physical facilities Master Plan updates and detailed life-cycle cost analyses and program planning for complex projects, as provided for by statute and Long Bill headnotes.

Preservation of Public Property and Safety of Occupants

New projects for:

- E Correction of serious health hazards;
- E Renovation to bring many campus buildings into compliance with more stringent fire safety codes;
- E Utility and site improvements responsive to demands for more efficient physical plant operation or prevention of disruptions to vital campus operations; and
- E Compliance with changing codes, regulations and standards not otherwise rectified through space renovation projects.