COLORADO COMMISSION ON HIGHER EDUCATION

December 14, 1999
Special Teleconference
Colorado Commission on Higher Education
Denver, Colorado

MINUTES

Commissioners Present: *Raymond T. Baker; Alexander E. Bracken, Chair; Terrance L. Farina; Marion S. Gottesfeld; David E. Greenberg; Robert A. Hessler; *Peggy G. Lamm; *Ralph J. Nagel, Vice Chair; Dean L. Quamme; and *William B. Vollbracht (*Present at the Colorado Commission on Higher Education.)

Advisory Committee Present: Senator Kenneth Arnold

Commission Staff Present: Timothy E. Foster, Executive Director; Jeanne Adkins; JoAnn Evans; Laureen Ferris; and Gail Hoffman.

I. Call to Order

The special teleconference meeting of the Colorado Commission on Higher Education was called to order at 10:00 a.m. in the Executive Director's office at the Colorado Commission on Higher Education, in the Colorado History Museum in Denver, Colorado.

II. Reports

A. Chair's Report

The Chair, Commissioner Alexander E. Bracken, reported that on December 10, 1999, the CCHE made a presentation to the Joint Budget Committee (JBC). Chair Bracken commended Executive Director Foster for doing an excellent job of answering the JBC questions efficiently and clearly. From the CCHE stand point it was a positive meeting with the JBC.

III. Action Items

A. Capital Construction – Fitzsimons Project

At the December 2, 1999, meeting the Commission placed the capital construction projects at Fitzsimons University of Colorado Health Sciences Center (UCHSC) on hold awaiting further discussion with the UCHSC. On December 6, 1999, the Asset Subcommittee and CCHE staff met with UCHSC staff regarding to discuss the infrastructure projects proposed at the Education Complex facility and the phasing of the overall utility plan at Fitzsimons. At the request of CCHE, the institution resubmitted the infrastructure plan to include only the portions not related to development of an institutional power plant.

Dr. James Shore, Chancellor of the University of Colorado Health Science Center, outlined the program plan and the specifics of the \$5.1 million allocation. Dr. Wayne Henderson, Vice Chancellor for Administration and Finance, explained the request to finish the initial phases of the infrastructure includes continuation of the underground utilities site development and landscaping. Site development is \$1,684,000; landscaping is \$943,000 and underground utilities at \$1.9 million. The construction management fee and project contingency make up the balance of the difference for a total of \$5.1 million. The UCHSC is requesting state funding of \$1.22 million, cash fund spending authority of \$876,000 and federal funds of \$3 million.

Dr. Shore explained that the above is a significant modification in the plan in collaboration with Asset Subcommittee and CCHE staff and removes the power plant from the request. The UCHSC will develop an RFP to privatize the power plant.

Ms. Adkins clarified that the \$1,684,000 includes the demolition discussed at the December 6, 1999, meeting. The \$876,000 cash allocation funds does not include the rollover from the current budget. A total of \$2.4 million originally allocated toward the design of the utility plant would be rolled-over from the current funding year into the next funding year. That amount would include \$1.18 million in state funds and \$1.22 million *in* cash funds. UCHSC will submit the appropriate forms delineating the carry-forward. Jim Topping, Associate Vice President for Budget and Finance at the University of Colorado, stated that the University will submit a revised CC-C4 showing the rolled-forward funds.

There was discussion about the maps of the buildings to be demolished. The University will provide CCHE with an updated map to be included with the minutes of the meeting.

Ms. Adkins asked the University to clarify where the resources for the \$10 million chiller plant are coming from. When the University submits the final financial information it should include information tracking current fiscal year expenditures and the proposed next fiscal year expenditures to help CCHE staff identify which pieces the dollars are attached to infrastructure projects 2, 3a and 3b.

Dr. Shore emphasized that the University is committed to working with the Commission to addressing the questions for specific projects. He pledged support for a pending agreement between CCHE and the UCHSC to have the Urban Land Institute as a jointly identified consultant on the project. The costs for the ULI study will be borne by the University and CCHE, with the University covering the larger portion of the expenses. The Education building project will remain on hold until issues raised by the Commission concerning phasing of the project are addressed in the ULI study.

Staff Recommendation:

- 1. That the Commission approve the program plan with the funding as outlined in this memorandum and refer the infrastructure project 3a and 3b to the Capital Development Committee for approval;
- 2. That UCHSC submit to staff the allocation of all funds for the current fiscal year for infrastructure and the flow of funding from the current year to the FY00-01 project;

- 3. That UCHSC provide in writing a plan for recovery of funding for infrastructure development from affiliates and indicates how state resources might be recovered and over what period of time;
- 4. That UCHSC and CCHE have in writing by January 20, 2000, an agreement that the Urban Land Institute will provide a comprehensive independent review of the Fitzsimons UCHSC project;
- 5. That UCHSC provide in writing a description of the type of underground utility development and the linear foot costs as now proposed to CCHE and the change in cost from previous allocations.

<u>Action</u>: Commissioner Nagel moved approval of the staff recommendation. Commissioner Baker seconded the motion and the motion carried unanimously.

Executive Director Foster advised the Commission that Dr. John Buechner, President of the University of Colorado, told the Joint Budget Committee that the University will present a proposal to the Commission. The proposal will recommend that the Commission hire an independent third party to do a cost study on the renovation of the CU law school, and an analysis or the cost of constructing a new law school for comparative purposes.

The meeting adjourned at 10:35 a.m.