

TOPIC: NEW AND CONTINUING STATE-FUNDED CAPITAL PROJECTS AND PRIORITY LIST, FISCAL YEAR 2014-15

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I. SUMMARY

The CCHE Capital Assets Subcommittee and department staff reviewed a total of thirty-three (33) new or continuing state funded capital construction requests for FY 2014-15. The recommended list of prioritized capital requests, which totals \$369,684,085 in state funds with a cash contribution of \$137,367,302, is attached.

Once approved by the Commission, department staff will forward the final prioritization list to the General Assembly’s Capital Development Committee (CDC) on November 1, 2013. The approved priority list will also be provided to the Governor’s Office of State Planning and Budgeting (OSPB) to allow higher education projects to be integrated into the Governor’s prioritization list of all statewide capital projects for the upcoming fiscal year. For FY 2014-15, OSPB limited the CCHE submission of projects to its top twenty (20) priorities.

II. BACKGROUND

Last year, the Commission recommended to the CDC a list of twenty-one (21) ranked capital requests totaling \$267,262,993 in state funds with a cash contribution of \$32,949,516. State revenues last year allowed for a total capital appropriation to higher education of \$127.7 million: two Certificate of Participation payments, nine capital construction projects and controlled maintenance for Level 1 and 2 projects. The table below is a detailed breakdown of FY 2013-14 state capital funding by system.

FY 2013-14 Capital Funding: System Breakdown

Institution	Capital Construction		Controlled Maintenance		Total Appropriation
	# Projects	Appropriation	# Projects	Appropriation	
Adams State University	1	\$18,885,628	2	\$1,489,477	\$20,375,105
Auraria Higher Education Center (CCD, UCD, MSU Denver)	1	\$4,000,000	2	\$1,656,734	\$5,656,734
Colorado Community College System	3	\$17,056,300	17	\$8,105,956	\$25,162,256

Colorado Mesa University	1	\$9,791,760	3	\$1,473,214	\$11,264,974
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FY 2013-14 Capital Funding: System Breakdown (con't)

Institution	Capital Construction		Controlled Maintenance		Total Appropriation
	# Projects	Appropriation	# Projects	Appropriation	
Colorado School of Mines	0	\$0	2	\$494,025	\$494,025
Colorado State University System	1	\$16,179,939	5	\$3,996,835	\$20,176,774
Fort Lewis College	0	\$0	2	\$1,100,675	\$1,100,675
Metro State University of Denver	(See AHEC)				
University of Colorado System*	3*	\$17,844,246	8	\$5,576,286	\$23,420,532
University of Northern Colorado	0	\$0	1	\$935,700	\$935,700
Western State Colorado University	0	\$0	2	\$518,313	\$518,313
Federal Mineral Lease COP Payments**	1**	\$18,587,975	0	\$0	\$18,587,975
Higher Education Total	11	\$102,345,848	44	\$25,347,215	\$127,693,063

*For Anschutz Medical Campus Certificates of Participation (COP) payments

**FML COP issued in FY 2008 for the following projects: AHEC Science Building, CMU Wubben Hall, CNCC Academic Building (Craig Campus), CSM Brown Hall, CSU Clark Building, CSU-P Academic Resources Center, FLC Berndt Hall, FRCC Science Classroom, MCC Nursing, Health and Science Building, UCCS Science Building, and UNC Butler Hancock, and WSCU Taylor Hall.

§23-1-106(7)(a), C.R.S., requires the Commission to annually submit a recommended priority list to the CDC by November 1st. The Capital Assets Subcommittee's recommended priorities are detailed below. Note that under §23-1-106(5) (b), C.R.S., projects costing less than \$2,000,000 do not require project plan approval from the Commission. This year, one (1) project met that requirement and was prioritized alongside requests with costs exceeding \$2,000,000. Additionally, Commission policy requires that for program plans older than three (3) years old, governing boards certify that the plan's space use assumptions have not changed, the education

and enrollment assumptions remain valid, the capital cost remain valid, and new code requirements will be met.

III. STAFF ANALYSIS

For FY 2014-15, department staff received and reviewed a total of thirty-three (33) new or continuing state funded capital construction requests (see “Attachment A”). The top two projects are the Certificates of Participation (COP) payments for the University of Colorado Denver Anschutz Medical Center and the projects funded through Federal Mineral Lease payments. These COP payments are statutorily required. In addition to the COP projects, there are ten (10) projects that were included in a previous CCHE budget submission and twenty-one (21) new projects. For FY 2014-15, the total funding amount requested by institutions of higher education is \$507,051,387, which includes \$369,684,085 of state funds. The total funding requested for the top twenty projects, which will be submitted to OSPB, is \$376,008,461 and \$284,375,485 in state funding.

In order to develop the priority list, OSPB and CCHE’s priority criteria were used. The criteria included:

- Capital construction fund impact
- Health, Life Safety, and Code Issues
- Cash fund sources other than student fees
- Clear identification of beneficiaries
- Achieves goals
- Program plan appropriateness and necessity
- Governing board priority
- Certificates of participation
- Continuation Projects
- Space needs analysis
- Phase-able projects

CCHE staff used the new criteria to analyze the new and continuing projects and provided this information to the sub-committee. A draft priority list was developed and approved by the Capital Assets Subcommittee in September 2013. After a draft priority list was developed, the Subcommittee contacted the institutions to gather feedback and finalized the priority list.

In previous years, during a time period when funding was not available for capital construction, the method for prioritization centered around the length of time a project had been on CCHE’s list. Due to this, there was a lack of movement among projects on the priority list from year to year. With the new criteria and multitude of new projects being submitted in FY 2014-15, there

was a greater degree of movement among priorities than there has been in the recent past. CCHE staff and the Subcommittee believe that the new approach allows for a more objective, analytical review of higher education capital needs. The final draft priority recommendation of the subcommittee for FY 2014-15 is included as Attachment A.

IV. STAFF RECOMMENDATION

Staff recommends that the Commission take the following four (4) actions:

- 1. That the Commission approve the following request for a waiver from program planning requirements:**
 - **OJC – Agriculture Science Remodel**

- 2. That the Commission approve the following twenty new program plans:**
 - **ASU – Classroom Acquisition and Renovations (East Campus)**
 - **CMU – Health Sciences-Nurse Practitioner Center**
 - **CMU – Trigenation (Combined Cooling, Heat & Power)**
 - **CSM – Meyer Hall Replacement**
 - **CSM – Heating Plant Renovation**
 - **MSU Denver – Aviation, Aerospace and Advanced Manufacturing Building**
 - **CSU-FC – Animal Sciences Building Renovation, Phase II**
 - **CSU-FC – Warner College of Natural Resources Addition**
 - **CSU-FC – Shepardson Addition & Renovation**
 - **CSU-FC – Agricultural Education Building**
 - **CSU-FC – San Luis Valley Research Center Additions & Renovations**
 - **UCD – Denver-North Classroom Building Renovation**
 - **UCD – Interdisciplinary Building, Phase I**
 - **UCD – Denver-Instructional Lab Wing**
 - **ACC – Science and Health Lab Renovation**
 - **FRCC - Larimer Campus Allied Health & Nursing Building**
 - **FRCC – Westminster Campus Central Plant Upgrade**
 - **PPCC – Student Learning Commons and Black Box**
 - **RRCC – Arvada Health Sciences Building**
 - **TSJC – Valley Campus**

- 3. That the Commission approve the FY 2014-15 capital priority list as shown on Attachment A and grant the Department the ability to adjust project amounts based on revenue forecasts.**

- 4. That the Commission acknowledge and forward to the Governor’s Office and the General Assembly the complete number and costs of all higher education capital projects submitted in FY 2013-14 for informational purposes.**

STATUTORY AUTHORITY

§23-1-106, C.R.S. Duties and powers of the commission with respect to capital construction and long-range planning.

ATTACHMENT A: Final Recommendation FY 2014-15 State Funded Capital Priorities