

**TOPIC: TWO-YEAR CASH FUNDED CAPITAL PROGRAM LIST
AMENDMENT– COLORADO SCHOOL OF MINES**

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I. SUMMARY

This item requests approval of a Two-Year Cash Funded Capital Program list amendment and program amendments for Colorado School of Mines (CSM). The list of cash funded projects amends two (2) projects that CSM will pursue. The Colorado Commission on Higher Education (CCHE) originally approved these CSM projects in August 2012. The comprehensive list is included as Attachment A.

II. BACKGROUND

Current law allows governing boards to amend their two-year capital construction lists at any point during the fiscal year, and such amendments are to be submitted to the Colorado Commission on Higher Education (CCHE) and the Capital Development Committee (CDC) for approval or re-approval.

Department and CDC policy and practice is that no Cash Funded project may commence until it has received approval from the Commission and the CDC on the Two-Year list for non-intercept projects. In addition to CDC and Commission Two-Year Cash Funded list approval, a program plan must be reviewed and approved for Intercept projects. Last December, the Commission approved all submitted Two-Year Cash Funded Capital Program lists. They will be approved later this month by the legislature's Capital Development Committee.

III. STAFF ANALYSIS

The CSM list amends two (2) projects from a previous two-year list at a cost of approximately \$35 million making CSM's total projection of cash needs approximately \$75 million. Table 1 displays the amended cash funded projects as reported on the two-year list by funding type.

**Table 1:
Two-Year Cash Funded Capital Program
FY 2012-2014**

CF	\$34,622,366
FF	\$0
TF	\$34,622,366

For these projects, Table 2 displays the breakdown between the academic and auxiliary nature of the

projects and whether or not the projects will be financed under the Higher Education Revenue Bond Intercept Program (C.R.S. 23-5-139). The Intercept program permits schools to issue bonds for capital construction and use either the state's credit rating (opt in), or use their own credit rating (opt out). Academic facilities are those that are considered core to the role and mission of the institution (e.g. classrooms, student services, libraries), while auxiliary facilities are those that are not considered core to the role and mission and exist for some other purpose (e.g. residence halls, recreation centers, parking facilities).

Table 2:
Cash Funded Project Types

	Academic	Auxiliary	Total
Intercept	0	1	1
Non-Intercept	0	1	1
Total	0	2	2

Senate Bill 09-290, allows academic facilities constructed to be eligible for state Controlled Maintenance Funds. Non-Intercept projects will only have their cost projections reviewed in the Two-Year list, while Intercept projects require approval in the Two-Year list as well as program review. 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.

The amendments to CSM's Two-Year List are described briefly below:

“Mines Services Building” will use \$10 million in Intercept bond proceeds to construct a 17,000 assignable square foot Mines Services Building that will house the offices of the Alumni Association, Foundation, University Advancement, reception, breakout spaces and meeting rooms. It will also provide permanent office space for University Advancement and Administration and Finance (currently in temporary space) in addition to needed meeting and conference facilities. This amendment adds a third floor to the building which will include needed space for admissions and public relations. This project was originally approved by CCHE in August 2012 as a \$6 million Intercept bond project. The project will be paid back from donations. If approved, the project would commence in June 2014 and would be completed in June 2015.

“Mines Stadium” project is a \$24 million new stadium to replace the failing and functionally obsolete existing stadium facility. The project is to be financed by a private loan to be paid back with donations and auxiliary cash funds supplied through the department of student life. The project was originally approved by CCHE in August of 2012 at a cost of \$19 million. During program verification and schematic design, cost information that reflects the current economy and extended project schedule was developed that resulted in a project cost above the previous spending authority. All elements of the program remain in place, as does the importance of replacing the obsolete stadium. The project began in November

2012 and will be completed in August 2015.

IV. STAFF RECOMMENDATION

Approve the Two-Year Cash Funded Capital Program list for Colorado School of Mines and the revised program plans for the Mines Services Building and the Mines Stadium for submission to the Governor, the Office of State Planning and Budgeting, the Capital Development Committee, and the Joint Budget Committee.

V. 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 Amendment – CSM